

**VONTOBEL FUND**  
Investment company with variable capital  
11–13, Boulevard de la Foire, L-1528 Luxembourg  
RCS Luxembourg B38170  
(the “Fund”)

Luxembourg, 9 July 2018

**NOTIFICATION TO SHAREHOLDERS**

The board of directors of the Fund (the “Board of Directors”) wishes to inform you of a number of changes to the Fund’s prospectus (the “Prospectus”) which are outlined below:

**1. Change of cut-off time for several sub-funds**

Subscription, redemption and conversion applications for shares of the Fund must be received by the Administrator, one of the Fund’s distributors or any other duly appointed agent of the Fund on a Business Day generally before 3.45 p.m. CET (“Cut-off time”).

In deviation from the above, the Cut-off time for the reception of subscription, redemption and conversion applications will be changed to 2.45 p.m. CET on a business day as from 10 July 2018 for the following sub-funds of the Fund:

- Vontobel Fund - Clean Technology
- Vontobel Fund - Future Resources
- Vontobel Fund - mtx Sustainable Asian Leaders (Ex Japan)
- Vontobel Fund - mtx Sustainable Emerging Markets Leaders
- Vontobel Fund - mtx Sustainable Global Leaders
- Vontobel Fund - mtx China Leaders
- Vontobel Fund - New Power
- Vontobel Fund – Commodity
- Vontobel Fund – Dynamic Commodity
- Vontobel Fund – Non-Food Commodity

**2. Change of applicable total amount of management fees for target fund investments**

The investors are further informed that section 9.3 k (Investment restrictions to be complied with) of the Prospectus will be amended, whereby, with regard to the investments of a sub-fund in UCITS and other UCIs connected with the management company of the Fund, the total amount of management fees (less performance fees if there are any) charged to the relevant sub-fund and any affected UCITS or other UCIs may not exceed 5% (previously: 4%) of the net assets managed accordingly. This change shall be effective as of 10 July 2018.

**3. Name change of the sub-fund Vontobel Fund – Far East Equity**

This sub-fund has been re-named into Vontobel Fund – Asia Pacific Equity. The change has no consequences for the investors, in particular in view of its investment objective, investment policy and fees. This change shall be effective as of 10 August 2018.

4. Change of the name and the investment policy of the sub-fund Vontobel Fund – Emerging Markets Local Currency Bond

Previous name	New name
Vontobel Fund – Emerging Markets Local Currency Bond	Vontobel Fund – <u>Sustainable</u> Emerging Markets Local Currency Bond
Previous investment policy	New investment policy
<p><b>1. Reference currency</b> USD</p> <p><b>2. Investment objective and policy</b> Vontobel Fund – Emerging Markets Local Currency Bond (the Sub-Fund) aims to achieve the best possible investment returns in USD.</p> <p>While respecting the principle of risk diversification, the Sub-Fund's assets are primarily invested in bonds, notes and similar fixed or variable interest rate debt instruments including convertibles and warrant bonds, which are denominated in various emerging market currencies and/or issued or guaranteed by government or government-related, supra-national or corporate issuers domiciled in, having their business activity in or exposed to emerging markets, whereby a maximum of 25% of the Sub-Fund's assets may be invested in convertibles and warrant bonds.</p> <p>Emerging markets in connection with this Sub-Fund are all countries other than Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States of America. Sanctioned countries according to the list of sanctioned countries available on <a href="http://www.vontobel.com/am/sanctioned-">www.vontobel.com/am/sanctioned-</a></p>	<p><b>1. Reference currency</b> USD</p> <p><b>2. Investment objective and policy</b> Vontobel Fund – <u>Sustainable</u> Emerging Markets Local Currency Bond (the Sub-Fund) aims to achieve the best possible investment returns in USD.</p> <p>While respecting the principle of risk diversification, the Sub-Fund's assets are primarily invested in bonds, notes and similar fixed or variable interest rate debt instruments including convertibles and warrant bonds, <u>and money market instruments</u>, which are denominated in various emerging market currencies and/or issued or guaranteed by government or government-related, supra-national <del>or corporate</del> issuers domiciled in, having their <del>business</del> activity in or exposed to emerging markets, whereby a maximum of 25% of the Sub-Fund's assets may be invested in convertibles and warrant bonds.</p> <p><u>Investment instruments do not have necessarily to have any or any specific rating (S&amp;P, Moodys and Fitch). The investments shall be made in a broad range of rating categories, in particular in the high yield sector, including distressed securities. The exposure to the high yield sector of the fixed-income asset class may be established up to 100% of the Sub-Fund's net assets whereby the exposure to securities with a Standard &amp; Poor's rating below CCC- (or an equivalent rating from another agency) may not exceed 10% of the Sub-Fund's net assets.</u></p> <p>Emerging markets in connection with this Sub-Fund are all countries other than Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States of America. Sanctioned countries according to the list of sanctioned countries available on <a href="http://www.vontobel.com/am/sanctioned-">www.vontobel.com/am/sanctioned-</a></p>

[countries.pdf](#) are not considered emerging markets for the purpose of this Sub-Fund.

Up to 33% of the Sub-Fund's assets may be invested outside the aforementioned investment universe. The Sub-Fund may also hold cash.

Currency, credit and market risk may be actively managed by increasing or decreasing currency, credit or market exposure through the use of derivative financial instruments. Furthermore, interest rate risk may be actively managed by increasing or decreasing interest rate sensitivity (duration) through the use of derivative financial instruments.

**3. Use of derivatives**

The Sub-Fund may, for the purposes of hedging (incl. currency hedging), efficient portfolio management and achieving the investment objective, make use of derivative financial instruments.

**4. Fees, expenses and commissions**

The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part. The maximum amount of fees and expenses is stipulated in Schedule 1.

**5. Typical investor profile**

The Sub-Fund is aimed at private and institutional investors with a medium- to long-term investment horizon, who wish to invest in a broadly diversified portfolio of medium- and long-term fixed and variable interest securities and to achieve a reasonable investment and capital return, while being aware of the associated price fluctuations.

**6. Risk factors**

Investors are advised to read section 7

[countries.pdf](#) are not considered emerging markets for the purpose of this Sub-Fund.

Up to 33% of the Sub-Fund's assets may be ~~exposed to debt and money market instruments~~ invested outside the aforementioned investment universe, and the equity and alternative asset classes. The Sub-Fund may also hold cash.

Currency, credit and market risk may be actively managed by increasing or decreasing currency, credit or market exposure through the use of derivative financial instruments. Furthermore, interest rate risk may be actively managed by increasing or decreasing interest rate sensitivity (duration) through the use of derivative financial instruments.

**3. Use of derivatives**

~~The Sub-Fund may, for the purposes of hedging (incl. currency hedging), efficient portfolio management and achieving the investment objective, make use of derivative financial instruments.~~

The Sub-Fund may, for the purposes of hedging (incl. currency hedging) and achieving the investment objective, make use of derivative financial instruments, in particular forwards and futures, including foreign exchange forwards and futures, options as well as credit derivatives, in particular credit default swaps.

**4. Fees, expenses and commissions**

The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part. The maximum amount of fees and expenses is stipulated in Schedule 1.

**5. Typical investor profile**

The Sub-Fund is aimed at private and institutional investors with a medium- to long-term investment horizon, who wish to invest in a broadly diversified portfolio of medium- and long-term fixed and variable interest securities and to achieve a reasonable investment and capital return, while being aware of the associated price fluctuations.

**6. Risk factors**

Investors are advised to read section 7

<p>"Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail:</p>	<p>"Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail:</p> <ul style="list-style-type: none"> <li>- <u>Distressed securities are the securities of companies that are in financial distress or near bankruptcy, typically with a Standard &amp; Poor's rating below CCC- (or an equivalent rating from another agency). Investments in distressed securities are very speculative and their outcome strongly depends on the securities selection skills of the portfolio manager. In the case of the favourable outcome, the investment may yield an attractive return as the distressed securities may experience too high discount in their price which is not justified by the fair value of this security. In the reversed case, the total loss may be suffered by the investment if the issuer of the security goes bankrupt and investors do not receive any repayment on their borrowings.</u> <u>Distressed securities not only exhibit a higher degree of risk as compared to the risks inherent to the conventional investments in fixed-income securities, but also modify the importance of those and even become subject to risk types which are almost irrelevant for the debt securities of good standing.</u></li> <li>- <u>In the sector of the distressed securities, a judge risk gains importance (so-called "J-risk"). As stated above, the distressed securities may be involved in the bankruptcy process. During this process, it is usual that several court trials take place. Particular risks arise resulting from the uncertainty of the outcome of this trials, in particular out of the decisions made by the relevant judge.</u></li> <li>- <u>Investments in high-yield bonds are more risky and generally considered to constitute more speculative investments. These bonds comprise a higher credit risk, higher price</u></li> </ul>
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<ul style="list-style-type: none"> <li>- Investments may be made in countries where the local stock exchanges may not yet qualify as recognised stock exchanges within the meaning of the investment restrictions set out in this Sales Prospectus;</li> </ul>	<p><u>fluctuations, a higher risk of loss of capital deployed and of ongoing earnings than bonds with a higher credit rating. The high-yield bonds are generally more sensitive to the changes in the macroeconomic conditions. The spread to the higher rated securities tends to widen during the economic slowdown and recession and to tighten during the economic upswing. Higher coupon payable to the high-yield bond holders is considered a compensation for a higher degree of risk taken by the investors.</u></p> <ul style="list-style-type: none"> <li>- <u>Liquidity risk is very important in the high yield bond area, in particular for the distressed securities. Given that many investors are not willing or even not allowed to hold distressed securities, the trading of this securities deteriorates drastically once a security becomes distressed. This may lead to drying up of the market, so that the liquidity risk may even become the most prominent risk for this type of the securities.</u></li> <li>- <u>Liquidity risk refers to the inability of a Fund to sell a security or liquidate a position at its fair value. A common consequence of reduced liquidity of a security resp. of a position is an additional discount on the selling resp. liquidation price leading to a wider bid-ask spread as compared to the bid-ask spread charged by the brokers to similar securities which have higher liquidity. In addition, reduced liquidity may have an adverse impact on the ability of the Fund to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner.</u></li> <li>- Investments may be made in countries where the local stock exchanges may not yet qualify as recognised stock exchanges within the meaning of the investment restrictions set out in this Sales Prospectus;</li> </ul>
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<ul style="list-style-type: none"> <li>- This Sub-Fund's investments may be subject to a higher degree of risk. The stock markets and the economies of emerging markets are generally volatile. This Sub-Fund's investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of ownership apply to certain companies as a result of ongoing privatisation processes;</li> <li>- The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalisation, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created.</li> </ul> <p>Investments in bonds are subject to price fluctuations at all times. Investments in foreign currencies are also subject to currency fluctuations.</p>	<ul style="list-style-type: none"> <li>- This Sub-Fund's investments may be subject to a higher degree of risk. The stock markets and the economies of emerging markets are generally volatile. This Sub-Fund's investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of ownership apply to certain companies as a result of ongoing privatisation processes;</li> <li>- The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalisation, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created.</li> </ul> <p>Investments in bonds are subject to price fluctuations at all times. Investments in foreign currencies are also subject to currency fluctuations.</p>
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These changes shall be effective as from 10 August 2018.

Investors who do not agree with the changes may redeem their shares free of charge until 3.45 p.m. CET on 9 August 2018 via the Fund's administrator, distributors and other offices authorized to accept redemption applications.

**5. Change of the investment policy of the sub-fund Vontobel Fund – Emerging Markets Blend**

Previous investment policy	New investment policy
<p><b>1. Reference currency</b> USD</p> <p><b>2. Investment objective and policy</b> Vontobel Fund – Emerging Markets Blend (the Sub-Fund) aims to achieve the best possible investment returns in USD.</p> <p>While respecting the principle of risk diversification, the Sub-Fund shall build up an exposure of at least two-thirds of its assets to the fixed-income asset class by purchasing bonds, notes and similar fixed-interest, variable-rate and floating-rate securities, issued or guaranteed by government or government-related, supra-national or corporate issuers domiciled in, having their business activity in or exposed to emerging markets. The securities may be issued in any currency.</p>	<p><b>1. Reference currency</b> USD</p> <p><b>2. Investment objective and policy</b> Vontobel Fund – Emerging Markets Blend (the Sub-Fund) aims to achieve the best possible investment returns in USD.</p> <p>While respecting the principle of risk diversification, the Sub-Fund shall build up an exposure of at least two-thirds of its assets to the fixed-income asset class by purchasing bonds, notes and similar fixed-interest, variable-rate and floating-rate securities, <u>including distressed securities, convertibles and contingent convertibles as well as warrant bonds</u>, issued or guaranteed by government or government-related, supra-national or corporate issuers domiciled in, having their business activity in or exposed to emerging markets. The securities may be issued in any currency.</p> <p><u>Investment instruments do not have necessarily to have any or any specific rating (S&amp;P, Moodys or Fitch). The investments shall be made in a broad range of rating categories, in particular in the high yield sector, including distressed securities.</u></p> <p><u>The exposure to the high yield sector of the fixed-income asset class may be established up to 100% of the Sub-Fund’s net assets.</u></p> <p><u>In addition, the Sub-Fund may purchase contingent convertible bonds (so-called CoCo Bonds) up to 20% of its net assets.</u></p> <p><u>Further, the Sub-Fund may build up an exposure to non-rated securities up to 30% of its net assets.</u></p> <p><u>A maximum of 25% of the Sub-Fund's net assets may be exposed to convertible bonds and warrant bonds.</u></p> <p><u>The exposure to securities with a Standard &amp; Poor’s rating below CCC- (or an equivalent rating from another agency), so-called distressed securities, may not exceed 10% of</u></p>

<p>Emerging markets in connection with this Sub-Fund are all countries other than Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States of America. Sanctioned countries according to the list of sanctioned countries available on <a href="http://www.vontobel.com/am/sanctioned-countries.pdf">www.vontobel.com/am/sanctioned-countries.pdf</a> are not considered emerging markets for the purpose of this Sub-Fund.</p> <p>Up to 33% of the Sub-Fund's assets may be invested outside the aforementioned investment universe.</p> <p>The Sub-Fund may also buy money-market instruments and hold cash.</p> <p>Currency risk may be actively managed by increasing or decreasing currency exposure through the use of financial derivative instruments.</p> <p><b>3. Use of derivatives</b> The exposure to the above asset class may also be achieved indirectly via derivatives, traded on an exchange or over-the-counter, in particular forex forwards, futures, including interest-rate futures, and swaps, in particular credit default swaps and interest rate swaps.</p> <p>Derivatives can also be used for hedging purposes.</p> <p><b>4. Fees, expenses and commissions</b> The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part. The maximum amount of fees and expenses is stipulated in Schedule 1.</p>	<p><u>the Sub-Fund's net assets. This limit includes non-rated securities with a credit quality of the distressed grade.</u></p> <p><u>The exposure to asset-backed and mortgage-backed securities may not exceed 20% of the Sub-Fund's net assets.</u></p> <p>Emerging markets in connection with this Sub-Fund are all countries other than Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States of America. Sanctioned countries according to the list of sanctioned countries available on <a href="http://www.vontobel.com/am/sanctioned-countries.pdf">www.vontobel.com/am/sanctioned-countries.pdf</a> are not considered emerging markets for the purpose of this Sub-Fund.</p> <p>Up to 33% of the Sub-Fund's assets may be invested outside the aforementioned investment universe.</p> <p>The Sub-Fund may also buy money-market instruments and hold cash <u>up to 33% of its net assets.</u></p> <p>Currency risk may be actively managed by increasing or decreasing currency exposure through the use of financial derivative instruments.</p> <p><b><u>3. Use of derivatives</u></b> The exposure to the above asset class may also be achieved indirectly via derivatives, traded on an exchange or over-the-counter, in particular forex forwards, futures, (including interest-rate futures), <del>and</del> swaps; (in particular credit default swaps and interest rate swaps); <u>as well as options.</u></p> <p>Derivatives can also be used for hedging purposes.</p> <p><b>3. Fees, expenses and commissions</b> The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part. The maximum amount of fees and expenses is stipulated in Schedule 1.</p>
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<p><b>5. Typical investor profile</b>  The Sub-Fund is aimed at private and institutional investors with a medium- to long-term investment horizon who wish to invest in a broadly diversified portfolio of medium- and long-term fixed-interest and variable-rate and floating-rate securities issued by issuers domiciled in, having their business activity in or exposed to emerging markets and to achieve an appropriate income and capital gain, while being aware of the associated price fluctuations.</p> <p><b>6. Risk factors</b>  Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail:</p>	<p><b>4. Typical investor profile</b>  The Sub-Fund is aimed at private and institutional investors with a medium- to long-term investment horizon who wish to invest in a broadly diversified portfolio of medium- and long-term fixed-interest and variable-rate and floating-rate securities issued by issuers domiciled in, having their business activity in or exposed to emerging markets and to achieve an appropriate income and capital gain, while being aware of the associated price fluctuations.</p> <p><b>5. Risk factors</b>  Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail:</p> <ul style="list-style-type: none"> <li>- <u>Distressed securities are the securities of companies that are in financial distress or near bankruptcy, typically with a Standard &amp; Poor's rating below CCC- (or an equivalent rating from another agency). Investments in distressed securities are very speculative and their outcome strongly depends on the securities selection skills of the portfolio manager. In the case of the favourable outcome, the investment may yield an attractive return as the distressed securities may experience too high discount in their price which is not justified by the fair value of this security. In the reversed case, the total loss may be suffered by the investment if the issuer of the security goes bankrupt and investors do not receive any repayment on their borrowings. Distressed securities not only exhibit a higher degree of risk as compared to the risks inherent to the conventional investments in fixed-income securities, but also modify the importance of those and even become subject to risk types which are almost irrelevant for the debt securities of good standing.</u></li> <li>- <u>In the sector of the distressed securities, a judge risk gains importance (so-called "J-risk"). As stated above, the distressed securities may be involved in the bankruptcy process. During this process,</u></li> </ul>
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	<p><u>it is usual that several court trials take place. Particular risks arise resulting from the uncertainty of the outcome of this trials, in particular out of the decisions made by the relevant judge.</u></p> <ul style="list-style-type: none"> <li>- <u>Investments in high-yield bonds are more risky and generally considered to constitute more speculative investments. These bonds comprise a higher credit risk, higher price fluctuations, a higher risk of loss of capital deployed and of ongoing earnings than bonds with a higher credit rating. The high-yield bonds are generally more sensitive to the changes in the macroeconomic conditions. The spread to the higher rated securities tends to widen during the economic slowdown and recession and to tighten during the economic upswing. Higher coupon payable to the high-yield bond holders is considered a compensation for a higher degree of risk taken by the investors.</u></li> <li>- <u>Liquidity risk is very important in the high yield bond area, in particular for the distressed securities. Given that many investors are not willing or even not allowed to hold distressed securities, the trading of this securities deteriorates drastically once a security becomes distressed. This may lead to drying up of the market, so that the liquidity risk may even become the most prominent risk for this type of the securities. Liquidity risk refers to the inability of the Sub-Fund to sell a security or liquidate a position at its fair value. A common consequence of reduced liquidity of a security resp. of a position is an additional discount on the selling resp. liquidation price leading to a wider bid-ask spread as compared to the bid-ask spread charged by the brokers to similar securities which have higher liquidity. In addition, reduced liquidity may have an adverse impact on the ability of the Sub-Fund to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner.</u></li> <li>- <u>Contingent convertible bonds (so-called CoCo Bonds) are hybrid fixed-income instruments with embedded derivatives.</u></li> </ul>
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	<p><u>The embedded derivative is executed automatically upon a certain pre-defined event or a set of events at the pre-determined conversion rate (so-called, trigger). The outcome of the conversion is that a fixed-income security is converted into an equity. This conversion may be detrimental for the investors as the equity holder are subordinated to the holders of the fixed-income securities and absorb all the losses in case of the total loss. An investment in a CoCo Bond can, therefore, experience a total loss. Individual design of each single CoCo Bond may bring additional risks which may be significant depending on their level and/ or their combination. These risks may include the following: Trigger level risk (i.e. depending on the trigger level in the relevant issue (i.e. the distance between the capital ratio and the trigger level)); coupon cancellation and their write-off (i.e. given that the CoCo Bonds are structured in a way that coupon payments are entirely discretionary, the cancellation may happen at any time and even in a going concern without triggering an event of default); capital structure inversion risk (i.e. CoCo Bonds investors may suffer a loss of capital even when equity holders do not); call extension risk: CoCo Bonds are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority; liquidity risk: The issuance of Coco Bonds is generally limited by regulatory prescriptions, whereas investor base demand may further increase. This might lead to a limited trading market and, besides financial weakness of the issuer, legal or contractual restrictions on resale or transfer, political or other reason, entail reduced liquidity of the CoCo Bonds held by the Sub-Fund(s). A consequence of reduced liquidity of a security is an additional discount on the selling respectively, liquidation price. In addition, reduced liquidity may account for an adverse impact on the ability of the Sub-Fund(s) to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner.</u></p>
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<ul style="list-style-type: none"> <li>- Investments may be made in countries where the local capital markets may not yet qualify as recognised markets within the meaning of the investment restrictions set out in this Sales Prospectus;</li> <li>- This Sub-Fund's investments may be subject to a higher degree of risk. The economies of emerging markets are generally volatile. This Sub-Fund's investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of ownership apply to certain companies as a result of ongoing privatisation processes;</li> <li>- The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalisation, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created.</li> </ul>	<p><u>The investors are strongly advised to consult the general part of the Prospectus for a more detailed description of the risks of investing in CoCo Bonds. In case of doubts, the investors are advised to consult their own financial, legal and/or tax consultant.</u></p> <ul style="list-style-type: none"> <li>- Investments may be made in countries where the local capital markets may not yet qualify as recognised markets within the meaning of the investment restrictions set out in this Sales Prospectus;</li> <li>- This Sub-Fund's investments may be subject to a higher degree of risk. The economies of emerging markets are generally volatile. This Sub-Fund's investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of ownership apply to certain companies as a result of ongoing privatisation processes;</li> <li>- The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalisation, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created.</li> </ul>
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These changes shall be effective as from 10 August 2018.

Investors who do not agree with the changes may redeem their shares free of charge until 3.45 p.m. CET on 9 August 2018 via the Fund's administrator, distributors and other offices authorized to accept redemption applications.

**6. Change of the investment policy of the sub-fund Vontobel Fund – Emerging Markets Corporate Bond**

Previous investment policy	New investment policy
<p><b>1. Reference currency</b> USD</p> <p><b>2. Investment objective and policy</b> Vontobel Fund – Emerging Markets Corporate Bond (the Sub-Fund) aims to achieve the best possible investment returns in USD.</p> <p>While respecting the principle of risk diversification, the Sub-Fund's assets are primarily exposed to the fixed-income asset class by purchasing bonds, notes and similar fixed-interest rate and variable-rate and floating-rate securities, including convertibles and warrant bonds, denominated in hard currencies, as defined below, and issued or guaranteed by corporate or government, government-related and supra-national issuers domiciled in, having their business activity in or exposed to emerging markets.</p> <p>A maximum of 25% of the Sub-Fund's assets may be exposed to convertible bonds and warrant bonds.</p>	<p><b>1. Reference currency</b> USD</p> <p><b>2. Investment objective and policy</b> Vontobel Fund – Emerging Markets Corporate Bond (the Sub-Fund) aims to achieve the best possible investment returns in USD.</p> <p>While respecting the principle of risk diversification, the Sub-Fund's assets are primarily exposed to the fixed-income asset class by purchasing bonds, notes and similar fixed-interest rate <del>and variable rate</del> and floating-rate securities, <u>including distressed securities, convertibles and contingent convertibles as well as</u> warrant bonds, denominated in hard currencies, as defined below, and issued or guaranteed by corporate or government, government-related and supra-national issuers domiciled in, having their business activity in or exposed to emerging markets.</p> <p><u>Investment instruments do not have necessarily to have any or any specific rating (S&amp;P, Moodys or Fitch). The investments shall be made in a broad range of rating categories, in particular in the high yield sector, including distressed securities.</u></p> <p><u>The exposure to the high yield sector of the fixed-income asset class may be established up to 100% of the Sub-Fund's net assets.</u></p> <p><u>In addition, the Sub-Fund may be exposed to contingent convertible bonds (so-called CoCo Bonds) up to 20% of its net assets.</u></p> <p><u>Further, the Sub-Fund may build up an exposure to non-rated securities up to 30% of its net assets.</u></p> <p>A maximum of 25% of the Sub-Fund's assets may be exposed to convertible bonds and warrant bonds.</p> <p><u>The exposure to securities with a Standard &amp; Poor's rating below CCC- (or an equivalent rating from another agency), so-called distressed securities may not exceed 10% of the Sub-Fund's net assets. This limit includes</u></p>

<p>"Hard currency" means currencies of economically developed and politically stable countries that are OECD members.</p> <p>Emerging markets in connection with this Sub-Fund are all countries other than Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States of America. Sanctioned countries according to the list of sanctioned countries available on <a href="http://www.vontobel.com/am/sanctioned-countries.pdf">www.vontobel.com/am/sanctioned-countries.pdf</a> are not considered emerging markets for the purpose of this Sub-Fund.</p> <p>Up to 33% of the Sub-Fund's assets may be exposed to asset classes or instruments outside the aforementioned investment universe.</p> <p>The Sub-Fund may also buy money-market instruments and hold cash.</p> <p>Currency or credit risk may be actively managed by increasing or decreasing currency or credit exposure through the use of derivative financial instruments. Furthermore, interest rate risk may be actively managed by increasing or decreasing interest rate sensitivity (duration) through the use of financial derivative instruments.</p> <p><b>3. Use of derivatives</b></p> <p>The exposure to the above asset classes may be established also indirectly via financial derivative instruments, traded on exchange or over-the-counter.</p> <p>The derivatives may also be used for the</p>	<p><u>non-rated securities with a credit quality of the distressed grade.</u></p> <p><u>The exposure to asset-backed and mortgage-backed securities may not exceed 20% of the Sub-Fund's net assets.</u></p> <p>"Hard currency" means currencies of economically developed and politically stable countries that are OECD members.</p> <p>Emerging markets in connection with this Sub-Fund are all countries other than Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States of America. Sanctioned countries according to the list of sanctioned countries available on <a href="http://www.vontobel.com/am/sanctioned-countries.pdf">www.vontobel.com/am/sanctioned-countries.pdf</a> are not considered emerging markets for the purpose of this Sub-Fund.</p> <p>Up to 33% of the Sub-Fund's assets may be exposed to asset classes or instruments outside the aforementioned investment universe.</p> <p>The Sub-Fund may also buy money-market instruments and hold cash <u>up to 33% of its net assets.</u></p> <p>Currency or credit risk may be actively managed by increasing or decreasing currency or credit exposure through the use of derivative financial instruments. Furthermore, interest rate risk may be actively managed by increasing or decreasing interest rate sensitivity (duration) through the use of financial derivative instruments.</p> <p><b><u>3 Use of derivatives</u></b></p> <p>The exposure to the above asset classes may be established also indirectly via financial derivative instruments, traded on exchange or over-the-counter <u>and may include, but are not limited to forwards and futures, in particular foreign exchange forwards and futures, options and swaps, in particular credit default swaps and interest rate swaps.</u></p> <p>The derivatives may also be used for the purposes of hedging.</p>
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purposes of hedging.

#### 4. Fees, expenses and commissions

The fees and expenses that may be charged to the Share Classes of the Sub-Fund are described in section 20 "Fees and expenses" of the General Part. The maximum amount of fees and expenses is stipulated in Schedule 1.

The Share Classes of the Sub-Fund may also be charged a Performance Fee. The fee shall be calculated pursuant to section 20 "Fees and expenses" of the General Part with the following stipulations:

Performance Fee	No more than 10% of outperformance
Calculation	HWM Principle
High Water Mark	HWM with annual reset
	JP Morgan Corporate Emerging Market Bond Index (CEMBI) Broad Diversified
Hurdle Rate	
Performance Fee Period	Financial year

#### 5 Typical investor profile

The Sub-Fund is aimed at private and institutional investors with a medium- to long-term investment horizon who wish to invest in a broadly diversified portfolio of medium- and long-term fixed interest rate and variable rate and floating rate securities and to achieve an appropriate income and capital gain, while being aware of the associated price fluctuations.

#### 6 Risk factors

Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail:

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#### 5 Risk factors

Investors are advised to read section 7 "Notice Regarding Special Risks" of the General Part and should duly note the contents thereof prior to making any investment in the Sub-Fund. Please refer to the details below for information on risks that investments in this Sub-Fund may entail:

- Distressed securities are the securities of companies that are in financial distress or near bankruptcy, typically with a Standard & Poor's rating below CCC- (or an equivalent rating from another

agency). Investments in distressed securities are very speculative and their outcome strongly depends on the securities selection skills of the portfolio manager. In the case of the favourable outcome, the investment may yield an attractive return as the distressed securities may experience too high discount in their price which is not justified by the fair value of this security. In the reversed case, the total loss may be suffered by the investment if the issuer of the security goes bankrupt and investors do not receive any repayment on their borrowings.

Distressed securities not only exhibit a higher degree of risk as compared to the risks inherent to the conventional investments in fixed-income securities, but also modify the importance of those and even become subject to risk types which are almost irrelevant for the debt securities of good standing.

- In the sector of the distressed securities, a judge risk gains importance (so-called “J-risk”). As stated above, the distressed securities may be involved in the bankruptcy process. During this process, it is usual that several court trials take place. Particular risks arise resulting from the uncertainty of the outcome of this trials, in particular out of the decisions made by the relevant judge.
- Investments in high-yield bonds are more risky and generally considered to constitute more speculative investments. These bonds comprise a higher credit risk, higher price fluctuations, a higher risk of loss of capital deployed and of ongoing earnings than bonds with a higher credit rating. The high-yield bonds are generally more sensitive to the changes in the macroeconomic conditions. The spread to the higher rated securities tends to widen during the economic slowdown and recession and to tighten during the economic upswing. Higher coupon payable to the high-yield bond holders is considered a compensation for a higher degree of risk taken by the investors.
- Liquidity risk is very important in the



	<p><u>high yield bond area, in particular for the distressed securities. Given that many investors are not willing or even not allowed to hold distressed securities, the trading of this securities deteriorates drastically once a security becomes distressed. This may lead to drying up of the market, so that the liquidity risk may even become the most prominent risk for this type of the securities.</u></p> <ul style="list-style-type: none"> <li>- <u>Liquidity risk refers to the inability of the Sub-Fund to sell a security or liquidate a position at its fair value. A common consequence of reduced liquidity of a security resp. of a position is an additional discount on the selling resp. liquidation price leading to a wider bid-ask spread as compared to the bid-ask spread charged by the brokers to similar securities which have higher liquidity. In addition, reduced liquidity may have an adverse impact on the ability of the Sub-Fund to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner.</u></li> <li>- <u>Contingent convertible bonds (so-called CoCo Bonds) are hybrid fixed-income instruments with embedded derivatives. The embedded derivative is executed automatically upon a certain pre-defined event or a set of events at the pre-determined conversion rate (so-called, trigger). The outcome of the conversion is that a fixed-income security is converted into an equity. This conversion may be detrimental for the investors as the equity holder are subordinated to the holders of the fixed-income securities and absorb all the losses in case of the total loss. An investment in a CoCo Bond can, therefore, experience a total loss. Individual design of each single CoCo Bond may bring additional risks which may be significant depending on their level and/ or their combination. These risks may include the following: Trigger level risk (i.e. depending on the trigger level in the relevant issue (i.e. the distance between the capital ratio and the trigger level)); coupon cancellation and their write-off (i.e. given that the CoCo Bonds are structured in a way that coupon</u></li> </ul>
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<ul style="list-style-type: none"> <li>- Investments may be made in countries where the local capital markets may not yet qualify as recognised markets within the meaning of the investment restrictions set out in this Sales Prospectus;</li> <li>- This Sub-Fund's investments may be subject to a higher degree of risk. The stock markets and the economies of emerging markets are generally volatile. This Sub-Fund's investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of ownership apply to certain companies as a result of ongoing</li> </ul>	<p>payments are entirely discretionary, the cancellation may happen at any time and even in a going concern without triggering an event of default); capital structure inversion risk (i.e. CoCo Bonds investors may suffer a loss of capital even when equity holders do not); call extension risk: CoCo-Bonds are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority; liquidity risk: The issuance of Coco Bonds is generally limited by regulatory prescriptions, whereas investor base demand may further increase. This might lead to a limited trading market and, besides financial weakness of the issuer, legal or contractual restrictions on resale or transfer, political or other reason, entail reduced liquidity of the CoCo Bonds held by the Sub-Fund(s). A consequence of reduced liquidity of a security is an additional discount on the selling respectively liquidation price. In addition, reduced liquidity may account for an adverse impact on the ability of the Sub-Fund(s) to meet redemption requests, or to meet liquidity needs in response to a specific economic event in a timely manner. The investors are strongly advised to consult the general part of the Prospectus for a more detailed description of the risks of investing in CoCo Bonds. In case of doubts, the investors are advised to consult their own financial, legal and/or tax consultant.</p> <ul style="list-style-type: none"> <li>- Investments may be made in countries where the local capital markets may not yet qualify as recognised markets within the meaning of the investment restrictions set out in this Sales Prospectus;</li> <li>- This Sub-Fund's investments may be subject to a higher degree of risk. The stock markets and the economies of emerging markets are generally volatile. This Sub-Fund's investments in certain emerging markets may also be adversely affected by political developments and/or changes in local laws, taxes and exchange controls. Finally, in some countries, it is difficult to clearly identify what conditions of ownership apply to certain companies as a result of ongoing</li> </ul>
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<p>privatisation processes;</p> <ul style="list-style-type: none"> <li>- The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalisation, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created.</li> </ul>	<p>privatisation processes;</p> <ul style="list-style-type: none"> <li>- The procedures for settling securities transactions are associated with higher risks in the emerging markets than in developed markets. These higher risks are partly due to the fact that the Sub-Fund must use brokers and counterparties which do not have a very high level of capitalisation, and the safekeeping of assets may in some countries be undependable, so that upon subscription or redemption, Fund shares may be worth less, or more, than at the time they were created.</li> </ul>
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These changes shall be effective as from 10 August 2018.

Investors who do not agree with the changes may redeem their shares free of charge until 3.45 p.m. CET on 9 August 2018 via the Fund's administrator, distributors and other offices authorized to accept redemption applications.

**7. Change of the investment policy of the sub-fund Vontobel Fund – TwentyFour Absolute Return Credit Fund**

The investment policy of the sub-fund Vontobel Fund – TwentyFour Absolute Return Credit Fund will be complemented by the possibility for the sub-fund to be exposed to contingent convertible bonds up to 20% of its net assets.

Investments in contingent convertible bonds may entail the following risks:

Contingent convertible bonds (so-called CoCo Bonds) are hybrid fixed-income instruments with embedded derivatives. The embedded derivative is executed automatically upon a certain pre-defined event or a set of events at the pre-determined conversion rate (so-called, trigger). The outcome of the conversion is that a fixed-income security is converted into an equity. This conversion may be detrimental for the investors as the equity holder are subordinated to the holders of the fixed-income securities and absorb all the losses in case of the total loss. An investment in a CoCo Bond can, therefore, experience a total loss.

Individual design of each single CoCo Bond may bring additional risks which may be significant depending on their level and/ or their combination. These risks may include the following: Trigger level risk (i.e. depending on the trigger level in the relevant issue (i.e. the distance between the capital ratio and the trigger level)); coupon cancellation and their write-off (i.e. given that the CoCo Bonds are structured in a way that coupon payments are entirely discretionary, the cancellation may happen at any time and even in a going concern without triggering an event of default); capital structure inversion risk (i.e. CoCo Bonds investors may suffer a loss of capital even when equity holders do not); call extension risk: CoCo-Bonds are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority; liquidity risk: The issuance of Coco Bonds is generally limited by regulatory prescriptions, whereas investor base demand may further increase. This might lead to a limited trading market and, besides financial weakness of the issuer, legal or contractual restrictions on resale or transfer, political or other reason, entail reduced liquidity of the CoCo Bonds held by the Sub-Fund. A consequence of reduced liquidity of a security is an additional discount on the selling respectively liquidation price. In addition, reduced liquidity may

account for an adverse impact on the ability of the Sub-Fund to meet redemption requests, or to meet liquidity needs in response to a specific economic events in a timely manner.

The investors are strongly advised to consult the general part of the Prospectus for a more detailed description of the risks of investing in CoCo Bonds. In case of doubts, the investors are advised to consult their own financial, legal and/or tax consultant.

These changes shall be effective as from 10 August 2018.

Investors who do not agree with the changes may redeem their shares free of charge until 3.45 p.m. CET on 9 August 2018 via the Fund's administrator, distributors and other offices authorized to accept redemption applications.

#### **8. Change of the investment policy of the sub-fund Vontobel Fund – TwentyFour Strategic Income Fund**

The investment policy of the sub-fund Vontobel Fund – TwentyFour Strategic Income Fund will be complemented by the possibility for the sub-fund to purchase contingent convertible bonds up to 49% of its net assets. These bonds are issued by banks, typically offering a full banking service, and insurance companies, primarily entities involved in general life, property and casualty insurances, predominantly domiciled in a Member state of the European Union and in the United Kingdom. There shall be no constraints on the rating of the CoCo Bonds. The Sub-Fund may invest in AT1 bonds, RT1 bonds and Tier2 bonds. AT1 (Additional Tier 1 capital) securities are perpetual subordinated debt instruments issued by banks whereas RT1 (Restrictive Tier 1 capital) bonds are perpetual subordinated debt instruments issued by insurance companies. Tier 2 capital supports the resolution of issuers and the position of other creditors, such as a bank's deposit customers, under bankruptcy proceedings.

Investments in contingent convertible bonds may entail the following risks:

Contingent convertible bonds (so-called CoCo Bonds) are hybrid fixed-income instruments with embedded derivatives. The embedded derivative is executed automatically upon a certain pre-defined event or a set of events at the pre-determined conversion rate (so-called, trigger). The outcome of the conversion is that a fixed-income security is converted into an equity. This conversion may be detrimental for the investors as the equity holder are subordinated to the holders of the fixed-income securities and absorb all the losses in case of the total loss. An investment in a CoCo Bond can, therefore, experience a total loss. AT1 bonds and RT1 bonds may see their distributions suspended on discretion of the issuing bank or insurance company and ultimately suffer loss of principal in case the issuer fails. Tier2 bonds also suffer a loss of principal should the issuer fail.

Individual design of each single CoCo Bond may bring additional risks which may be significant depending on their level and/ or their combination. These risks may include the following: Trigger level risk (i.e. depending on the trigger level in the relevant issue (i.e. the distance between the capital ratio and the trigger level)); coupon cancellation and their write-off (i.e. given that the CoCo Bonds are structured in a way that coupon payments are entirely discretionary, the cancellation may happen at any time and even in a going concern without triggering an event of default); capital structure inversion risk (i.e. CoCo Bonds investors may suffer a loss of capital even when equity holders do not); call extension risk: CoCo-Bonds are issued as perpetual instruments, callable at predetermined levels only with the approval of the competent authority; liquidity risk: The issuance of Coco Bonds is generally limited by regulatory prescriptions, whereas investor base demand may further increase. This might lead to a limited trading market and, besides financial weakness of the issuer, legal or contractual restrictions on resale or transfer, political or other reason, entail reduced liquidity of the CoCo Bonds held by the Sub-Fund. A consequence of reduced liquidity of a security is an additional discount on the selling respectively liquidation price. In addition, reduced liquidity may

account for an adverse impact on the ability of the Sub-Fund to meet redemption requests, or to meet liquidity needs in response to a specific economic events in a timely manner. The investors are strongly advised to consult the general part of the Prospectus for a more detailed description of the risks of investing in CoCo Bonds. In case of doubts, the investors are advised to consult their own financial, legal and/or tax consultant.

These changes shall be effective as from 10 August 2018.

Investors who do not agree with the changes may redeem their shares free of charge until 3.45 p.m. CET on 9 August 2018 via the Fund's administrator, distributors and other offices authorized to accept redemption applications.

**9. Amendment of disclosure with regards to the use of total return swaps in the sub-funds Vontobel Fund – Commodity, Vontobel Fund – Dynamic Commodity and Vontobel Fund – Non-Food Commodity**

Figures stated for the sub-funds Vontobel Fund – Commodity, Vontobel Fund – Dynamic Commodity and Vontobel Fund – Non-Food Commodity with regards to the assets of the sub-funds employed by total return swaps are currently indicated in terms of net unrealized profit or loss. The indication of these figures will be made in terms of gross unrealized profit or loss as of 10 July 2018.

**10. Amendment of the expected average level of leverage**

Due to actually higher average figures measured throughout the last business year of the following Sub-Funds, the indications for the expected average level of leverage set out in the Sales Prospectus of the following Sub-Funds will be adjusted as follows:

Sub-Fund	Expected average level of leverage as set out in the prospectus	
	current	new
Vontobel Fund - Commodity	500.00%	900.00%
Vontobel Fund – Dynamic Commodity	700.00%	1500.00%
Vontobel Fund – Absolute Return Credit Fund	300.00%	500.00%

These changes shall be effective as from 10 August 2018.

Investors who do not agree with the changes may redeem their shares free of charge until 2.45 p.m. CET (for Vontobel Fund – Commodity and Vontobel Fund – Dynamic Commodity) respectively 3.45 p.m. CET (for Vontobel Fund – Absolute Return Credit Fund) on 9 August 2018 via the Fund's administrator, distributors and other offices authorized to accept redemption applications.

**11. Miscellaneous**

In addition, a general update has been made to the Prospectus.

Investors are advised to consult their own legal, financial and/or tax advisors if they have any questions regarding the above changes.

The updated version of the Prospectus may be obtained free of charge from the registered office of the Fund or from the Fund's distributors.

**The Board of Directors**