Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

25 Annex "Sustainable investment objective" to the Sub-Fund Vontobel Fund – TwentyFour Sustainable Short Term Bond Income

Pre-contractual disclosure annex for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Vontobel Fund – TwentyFour Sustainable Short Term Bond Income
Legal entity identifier: 222100VI6EIILFZY1V62

Sustainable investment objective

Does this financial product have a sustainable investment objective?

●● ☒ Yes	●○ ☐ No
☒ It will make a minimum of **sustainable investments with an environmental objective: 60%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of _% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The Sub-Fund's sustainable investment objective consists of investing in securities of issuers that contribute towards the Paris Agreement's goal to hold the increase in the global average temperature to below 2°C above pre-industrial levels. The Sub-Fund invests at least 80% in sustainable investments. The sustainable investments' objectives are "climate change mitigation" and "climate change adaptation". The Sub-Fund may also invest in sustainable investments with a social objective, namely "empowerment".

Additionally the Sub-Fund will exclude certain economic activities that the investment manager determines are detrimental to society or the environment and are incompatible with the sustainable investment objective of the Sub-Fund.

The Sub-Fund has not designated a reference benchmark for the purpose of attaining the sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

- Percentage of sustainable investments by investing in securities of corporate issuers that contribute to an environmental (climate change mitigation, climate change adaptation) objective or social (empowerment) objective
- Percentage of investments in securities of corporate issuers that pass the minimum ESG score (set at 34 out of 100)
- Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund (excluded products and/or activities can be found in the website disclosures referenced belowunder“Exclusion approach”)

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the sustainable investments that the Sub-Fund intends to make do not cause significant harm to any environmental or social investment objective, the Investment Manager takes into account all the mandatory indicators for adverse impacts applicable to the asset class and ensures that the financial product’s investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager makes reasonable estimates or assumptions. Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms include: engagement and exclusion.

The Investment Manager considers excluding issuers that are (i) in violation of the norms or (ii) involved in severe controversies. Unless, in either case, the Investment Manager has identified a positive outlook (i.e., through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes)..

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager’s investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

☒ Yes, the Investment Manager takes into account all the mandatory adverse impact indicators and any relevant additional adverse impact indicators by applying the following process:

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager makes reasonable estimates or assumptions. Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms include: engagement and exclusion.

The Investment Manager considers excluding issuers that are (i) in violation of the norms and (ii) involved in critical controversies. Unless, in either case, the Investment Manager has identified a positive outlook (i.e., through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes).

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

In order to attain the sustainable investment objective, the Sub-Fund applies the following ESG framework:

Screening:

– The objective of the sustainable investments is to invest in securities of issuers that contribute to either an environmental (climate change mitigation, climate change adaptation) or a social (empowerment) objective. In order to qualify as sustainable investment, and apart from following good governance, the investment:
  - must not be classified as “Significant Harm”;
  - must be classified as “In transition” (which includes a commitment to transition) or “Positive contribution”

  This evaluation will be conducted by the Investment Manager.
  As an issuer can contribute to an environmental (climate change mitigation, climate change adaptation) or a social (empowerment) objective at the same time, an investment can be counted as a sustainable investment with an environmental objective and a sustainable investment with a social objective.

  The focus of the Sub-Fund will be on sustainable investments with an environmental objective. The Sub-Fund will invest at least 60% of its net assets in sustainable investments with an environmental objective and it may also invest in sustainable investments with a social objective. Accordingly, no minimum percentage for sustainable investments with a social objective has been defined.

– The Sub-Fund invests in securities of corporate issuers that pass the minimum combined ESG score (minimum is set at 34, on a scale from 0 to 100, with 0 being the worst and 100 being the best score), using the Investment Manager’s proprietary methodology. These scores are the result of combination of qualitative and quantitative analysis. The Investment Manager’s proprietary relative value system, Observatory, combines third party data covering over 400 ESG metrics in conjunction with the portfolio managers' overall relative value decision making. The quantitative scoring process varies the weighting of each measure across industries as the importance of ESG factors differs across industries. The scores are based on relative performance on environmental and social factors within the issuer's industry, making issuers comparable against peers.

Exclusion approach:
The Sub-Fund excludes issuers (corporate and/or other issuers) based on pre-defined criteria related to certain practices or involvement in certain activities (such as involvement in manufacturing or controversial weapons, and where applicable other types of controversial activities). More information about these pre-defined exclusion criteria are disclosed under https://am.vontobel.com/view/SSTBI#documents, and, if applicable, whether the exclusion applies to upstream, midstream/production or downstream activities, the revenue thresholds applied and potential exceptions considered.

Monitoring of critical controversies:
The Investment Manager has established a monitoring process to track incidents or on-going situations in which an issuer's activities may have adverse effects on environmen-tal, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of is-suers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

The securities will be analyzed based on the binding elements prior to investment and monitored on a continuous basis. The securities in the portfolio have their sustainability performance periodically reevaluated using the above-described sustainability framework. If a security does not comply with the binding criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Vontobel Fund may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

– The Sub-Fund invests at least 80% of its net assets in sustainable investments, where at least 60% of its net assets are invested in sustainable investments with an environmental objective (climate change mitigation, climate change adaptation), based on the Investment Manager's evaluation.
– The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities referenced above under "Exclusion approach".
  The Sub-Fund invests in securities of corporate issuers that pass the minimum combined ESG score (set at 34 out of 100) that have been set for this Sub-Fund as described in the "Investment Strategy" section above.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● ***What is the policy to assess good governance practices of the investee companies?***

The investee companies are rated for governance aspects using the Investment Manager's ESG Observatory score. Common governance indicators include sound management structures, such as board independence and diversity, employee ownership, remuneration of staff, tax compliance, rights of minority shareholders, executive remuneration, and audit and accounting oversight, in addition to those governance factors which are specific to ABS, including structural features of a transaction that evidence adequate protection to bondholders and alignment of interest. These governance indicators are a major component of the Investment Manager's ESG Observatory score. The Investment Manager has established a monitoring process to track incidents or

ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.
The Sub-Fund further intends to ensure good governance of the investee companies via active engagement. All engagements directly conducted by the Investment Manager are recorded in the Investment Manager's Observatory database.

What is the asset allocation and the minimum share of sustainable investments?

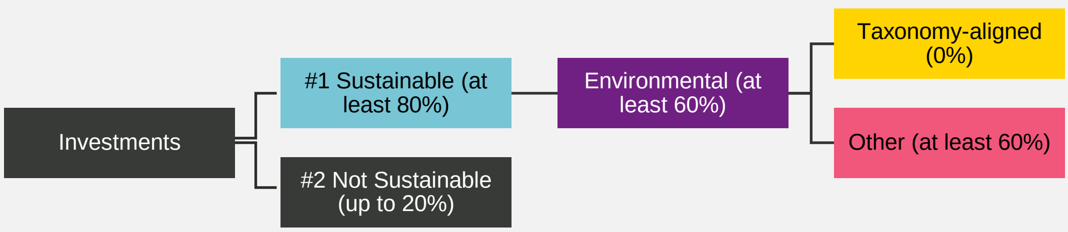
The Sub-Fund invests at least 80% of its NAV in sustainable investments (#1 Sustainable), under normal market conditions.

The Sub-Fund may hold 20% of it's NAV in cash and instruments used for the purposes of liquidity (#2 Other), under normal market conditions. This percentage may increase significantly in extreme market conditions.

The percentages indicated below refer to the Sub-Fund's net asset value.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

- ***How does the use of derivatives attain the sustainable investment objective ?***
  Not applicable. Derivatives are not used for the purpose of attaining the sustainable investment objective.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While individual investments may contribute to EU Taxonomy environmental objectives, the Sub-Fund does not commit to invest a minimum share in environmentally sustainable investments with an environmental objective aligned with the EU Taxonomy. Therefore, the Sub-Fund's minimum share of investments in environmentally sustainable economic activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?***

  ☐ Yes:

  ☐ In fossil gas ☐ In nuclear energy

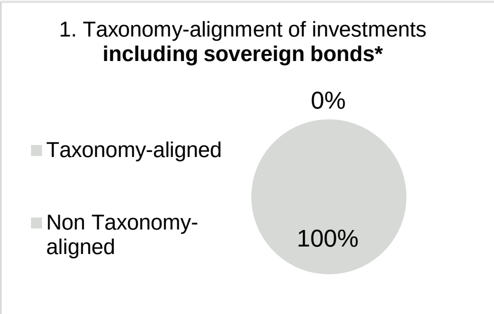
  ☒ No

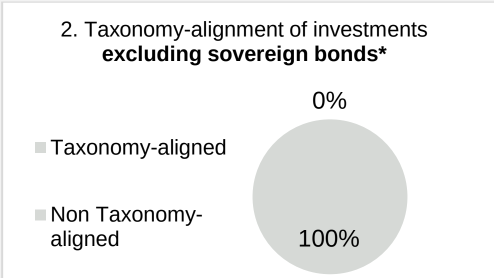
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents X% of the total investments.**

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

*** As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.*

- ***What is the minimum share of investments in transitional and enabling activities?***
  The Sub-Fund's minimum share of investments in transitional and enabling activities in accordance with the EU Taxonomy regulation are indicated to be 0%.

[1]Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

are **sustainable investments with an environmental objective that do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund's minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is indicated to be at least 60%.

EU Taxonomy aligned sustainable investments are considered a sub-category of sustainable investments. If a sustainable investment is not Taxonomy-aligned if

– the economic activity is not yet covered under the EU Taxonomy,
– the positive contribution is not (fully) aligned with the criteria for environmentally sustainable economic activities under the EU Taxonomy, or
– the issuer does not fall under the reporting scope of the EU Taxonomy, and the Investment Manager does not have sufficient equivalent information to conclude its assessment,

the investment can still be considered an Sustainable Investment with an environmental objective that is not aligned with the EU Taxonomy, provided it complies with all criteria of the SFDR.
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What is the minimum share of sustainable investments with a social objective?

The focus of the Sub-Fund will be on sustainable investments with an environmental objective. The Sub-Fund will invest at least 60% of its net assets in sustainable investments with an environmental objective and it may also invest in sustainable investments with a social objective. Accordingly, no minimum percentage for sustainable investments with a social objective has been defined.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may hold cash and instruments for liquidity.While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund's environmental and social characteristics, no minimum environmental or social safeguards are applied.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective??

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://am.vontobel.com/view/SSTBI#documents, under "Sustainability Related Disclosures".