SHINING A LIGHT ON THE...... Vontobel Fund – Commodity B USD

AT A GLANCE

Investment Objective

The Fund aims to achieve sustainable investment returns in USD. The Fund may also be exposed to the development of the commodities sector via investments in UCITS or other UCIs within the permitted limits. No more than 10% of the Sub-Fund's assets may be invested in UCITS and other UCIs at any time.

Launch date	4 th April 2007
Fund Factsheet Link	https://markets.ft.com/data/funds/tearsheet/su
	mmary?s=lu0415414829:usd

Management		
Manager Name	Start Date	
Michel Salden	1 st July 2014	
Kerstin Hottner	23 rd March 2021	

FUND PERFORMANCE

Performance from 1st January 2016 to 28th February 2021:

	2016	2017	2018	2019	2020	2021
Vontobel Commodity B USD Fund	37.93%	-7.33%	-10.47%	4.12%	-4.29%	11.25%
FTSE World ex UK	30.42%	13.45%	-2.68%	23.10%	14.15%	4.04%

Performance over 12 months, 3 years, 5 years and since fund manager inception:

	1 year	3 years	5 years	Since fund
				manager
				inception
Vontobel Commodity B USD Fund	32.35%	-2.00%	19.84%	-15.17%
FTSE World ex UK	40.84%	48.57%	103.97%	139.51%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	-	-	-	-	-	-	-

LWM Consultants Ltd

Volatility Measurements	
3-Yr Std Dev (volatility)	15.53%
3-Yr Mean Return (average)	-0.67%

Investment Style Details		
Giant	-	
Large	-	
Medium	-	
Small	-	
Micro	-	

Top 5 Holdings		
NORD/LB Luxembourg S.A. Covered Bond	-	7.93%
Bank 2.88%		
Bank of America Corporation 3.5%	-	4.94%
Industrial And Commercial Bank Of China Ltd	-	4.83%
Dubai (DIFC) Branch 2.64%		
Skandinaviska Enskilda Banken AB (publ)	-	3.49%
2.62%		

Top 5 Sectors		
-	-	
-	-	
-	-	
-	-	
-	-	

Top 5 Regions		
-	-	
-	-	
-	-	
-	-	
-	-	

UPDATE....

This was our first introduction to the strategy. In doing the background research the first thing to note is that this fund is very hard to find and obtain any information about. It is domiciled in Luxembourg and therefore may not be accessible to UK investors.

However, we can access some performance information and some information on the fund from ft.com. The performance against the global index is poor but that reflects an asset class that is out of favour.

They believe that is about to change and we are entering a cyclical bull market for commodities. With the desire to weaken the dollar this only strengthens the case as a weak dollar supports higher commodity returns.

LWM Consultants Ltd

In terms of oil the price has been driven down by factors caused by the global shut down and with the opening of air travel there will be a greater demand for jet fuel. They believe this will push oil prices up to \$75 a barrel.

ESG is also a significant driver for commodities and an example of this would be copper which is used across the sustainable market and therefore demand will increase at a time that supply is shrinking.

Another area of potential value is soyabean where inventories are tight and therefore there is the potential for prices to be pushed higher.

The fund is a mix of automated process and input from the managers with ESG screening being part of the overall outcome. So instead of palm oil they would favour soyabean oil. They are overweight energy and the grain sector but underweight soft sectors like sugar.

Where the fund is difficult to judge is within the holdings. They do not appear to invest directly into commodities but use futures. There also appears to be a large weighting to cash. In summary, we are not sure that investors can access this in the UK, but two things flag as concerns: firstly this appears to be cyclical i.e., investors would need to time when to buy and when to sell. The second is transparency of holdings. This does not appear to invest directly in the commodity companies and uses futures, and therefore for those looking to invest directly in commodities this might not appeal to potential investors

The source of information in this note has been provided by Vontobel and is correct as at March 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.