

Vontobel Fund (CH)
Annual Report 2013/2014

UMBRELLA FUND UNDER SWISS LAW OF THE TYPE
"OTHER FUNDS FOR TRADITIONAL INVESTMENTS"

**Audited annual report as at February 28, 2014
for the period from March 1, 2013 to February 28, 2014**

In case of difference between the German version and the translation, the German version shall prevail.

This document is not an offer to purchase or subscribe to units but is for information purposes only. Units of an investment fund under Swiss law may only be subscribed on the basis of the current prospectus, including the fund contract, the current annual and semi-annual reports and the Key Investor Information Document. An investment in this fund entails risks, which are described in the prospectus. All documents may be obtained free of charge at Vontobel Fonds Services AG, Gotthardstrasse 43, 8022 Zurich as fund management company, at Bank Vontobel AG, Gotthardstrasse 43, 8022 Zurich as paying agent or via funds.vontobel.com. We also recommend that you contact your personal account manager or another advisor before making any investments.

Vontobel Fund (CH)

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Organisation

Fund management company

Vontobel Fonds Services AG
Gotthardstrasse 43
CH-8022 Zurich
Tel. +41 58 283 53 50, Fax +41 58 283 74 66

Board of Directors

Dominic Gaillard	Managing Director, Bank Vontobel AG, Chairman
Christoph Ledergerber	Managing Director, Bank Vontobel AG
Dr. Martin Taufer	Managing Director, Bank Vontobel AG

Executive Board

Diego Gadiant	Executive Director, Vontobel Fonds Services AG, Chairman
Daniel Spitzer	Executive Director, Vontobel Fonds Services AG
Steven Wicki	Executive Director, Vontobel Fonds Services AG
Lobsang Changten	Director, Vontobel Fonds Services AG (until 30.06.2013)
Thomas Carrier	Director, Vontobel Fonds Services AG (from 01.07.2013)

Custodian bank

RBC Investor Services Bank S.A.
Esch-sur-Alzette, Zurich branch
Badenerstrasse 567
P.O. Box 101
CH-8066 Zurich

Asset management company

Bank Vontobel AG
Gotthardstrasse 43
CH-8022 Zurich

Voting rights and investment advisor on sustainability

for the Sub-Fund Ethos Equities Swiss Mid & Small
Ethos Services S.A.
Place Cornavin 2
CH-1211 Geneva

External auditor

Ernst & Young AG
Maagplatz 1
CH-8010 Zurich

Subscription and paying agents

Bank Vontobel AG
Gotthardstrasse 43
CH-8022 Zurich
Tel. +41 58 283 71 11, Fax + +41 58 283 76 50

RBC Investor Services Bank S.A.
Esch-sur-Alzette, Zurich branch
Badenerstrasse 567
P.O. Box 101
CH-8066 Zurich

Basic data

Vontobel Fund (CH) - Sustainable Swiss Equity

	29.02.2012	28.02.2013	28.02.2014
Total net fund assets in CHF millions	121.25	99.76	100.08
Outstanding units A class	932'066.984	592'224.891	410'336.611
Outstanding units IA class	39'051.000	56'751.044	142'228.996
Outstanding units R class	25'239.464	12'052.464	12'787.464
Net asset value per unit in CHF A class	121.31	150.26	174.94
Net asset value per unit in CHF IA class	124.65	155.33	181.78
Net asset value per unit in CHF R class	131.42	162.54	191.30
Distribution per unit in CHF A class	-	1.40	-
Distribution per unit in CHF IA class	-	1.80	-
Distribution per unit in CHF R class	1.80	1.80	1.80
TER for A class ¹⁾			1.93%
TER for IA class ¹⁾			1.14%
TER for R class ¹⁾			0.68%
PTR ²⁾			3.69%
High since launch of A class			174.96
High since launch of IA class			181.78
High since launch of R class			191.30
Low since launch of A class			77.40
Low since launch of IA class			68.97
Low since launch of R class			81.87
Launch date of A class	17.11.2008		
Launch date of IA class	17.11.2008		
Launch date of R class	17.11.2008		
Securities number of A class	4'692'235		
Securities number of IA class	4'696'454		
Securities number of R class	4'696'560		
ISIN code of A class	CH0046922354		
ISIN code of IA class	CH0046964547		
ISIN code of R class	CH0046965601		

Vontobel Fund (CH) - Ethos Equities Swiss Mid & Small

	31.12.2011	28.02.2013	28.02.2014
Total net fund assets in CHF millions	152.62	194.51	251.42
Outstanding units A class	1'014'785.887	985'690.744	1'037'370.347
Net asset value per unit in CHF A class	150.39	197.33	242.36
Distribution per unit in CHF A class	-	1.20	-
TER for A class ¹⁾			0.81%
PTR ²⁾			42.44%
High since launch of A class			258.67
Low since launch of A class			106.68
Launch date of A class	15.12.2005		
Securities number of A class	2'356'802		
ISIN code of A class	CH0023568022		

¹⁾ The TER was calculated in accordance with the SFAMA guidelines of May 16, 2008 on the calculation and publication of the TER and PTR of collective investment schemes.

²⁾ The PTR (portfolio turnover rate) was calculated in accordance with the SFAMA guidelines of May 16, 2008 and describes the turnover frequency of the Fund's portfolio. It is considered an indicator of the significance of the transaction costs incurred by the fund when buying and selling securities.

Performance

					2014	
	Launch date	2011	2012	2013	01.01.2014 to 30.04.2014	Since launch to 30.04.2014*
Vontobel Fund (CH) - Sustainable Swiss Equity A class	17.11.2008	-14.01%	16.79%	25.78%	5.89%	81.35%
SPI TR		-7.72%	17.72%	24.60%	6.32%	79.08%
Vontobel Fund (CH) - Sustainable Swiss Equity IA class	17.11.2008	-13.49%	17.49%	26.66%	6.17%	89.31%
SPI TR		-7.72%	17.72%	24.60%	6.32%	79.08%
Vontobel Fund (CH) - Sustainable Swiss Equity R class	17.11.2008	-12.93%	18.25%	27.36%	6.32%	104.67%
SPI TR		-7.72%	17.72%	24.60%	6.32%	79.08%
Vontobel Fund (CH) - Ethos Equities Swiss Mid & Small A class	15.12.2005	-23.77%	18.96%	29.85%	7.12%	95.58%
SPI Extra		-19.12%	13.89%	27.66%	7.10%	84.32%

Past performance is not a guide to current or future performance.

The performance data do not take account of the commissions and costs incurred on the issue or redemption of units.

* Performance was calculated as at April 30, 2014 in accordance with the SFAMA performance guideline of May 16, 2008.

Vontobel Fund (CH) - Sustainable Swiss Equity

A Sub-Fund of Vontobel Fund (CH), an Umbrella Fund under Swiss law of the type "other funds for traditional investments"

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Vontobel Fund (CH) - Sustainable Swiss Equity

A Sub-Fund of Vontobel Fund (CH), an Umbrella Fund under Swiss law of the type "other funds for traditional investments"

Change in A class	01.03.12 - 28.02.13	01.03.13 - 28.02.14
Units outstanding at the beginning of the period	932'066.984	592'224.891
Number of units issued	121'137.256	122'832.010
Number of units redeemed	460'979.349	304'720.290
Units outstanding at the end of the period	592'224.891	410'336.611
Net asset value per unit in CHF	150.26	174.94

Change in IA class	01.03.12 - 28.02.13	01.03.13 - 28.02.14
Units outstanding at the beginning of the period	39'051.000	56'751.044
Number of units issued	54'189.823	227'769.247
Number of units redeemed	36'489.779	142'291.295
Units outstanding at the end of the period	56'751.044	142'228.996
Net asset value per unit in CHF	155.33	181.78

Change in R class	01.03.12 - 28.02.13	01.03.13 - 28.02.14
Units outstanding at the beginning of the period	25'239.464	12'052.464
Number of units issued	863.000	1'652.000
Number of units redeemed	14'050.000	917.000
Units outstanding at the end of the period	12'052.464	12'787.464
Net asset value per unit in CHF	162.54	191.30

Statement of Assets (in CHF)	28.02.2013	28.02.2014
Assets		
Cash at banks		
– at sight	941'058.97	427'252.11
– on time	-	-
Securities		
– Equities	99'017'081.95	98'381'513.40
Other assets	683'027.43	2'610'120.05
Total fund assets	100'641'168.35	101'418'885.56
./. Loans taken out	-	-
./. Other liabilities	-879'612.34	-1'335'074.85
Total net fund assets	99'761'556.01	100'083'810.71
Statement of changes in net assets		
Net fund assets at beginning of reporting period	121'249'384.35	99'761'556.01
Distributions	-46'894.44	-920'470.11
Balance of units issued/units redeemed	-41'322'040.89	-15'854'678.99
Total net income	19'881'106.99	17'097'403.80
Net asset value at end of reporting period	99'761'556.01	100'083'810.71

Vontobel Fund (CH) - Sustainable Swiss Equity

A Sub-Fund of Vontobel Fund (CH), an Umbrella Fund under Swiss law of the type "other funds for traditional investments"

Statement of income (in CHF)	01.03.12 - 28.02.13	01.03.13 - 28.02.14
Income		
Income on cash at banks	-	-
Income on securities		
– Equities	2'209'440.00	1'738'237.96
Accrued income - paid in on units subscribed	261'644.83	279'885.70
Total income	2'471'084.83	2'018'123.66
Expense		
Interest paid	946.96	7'854.22
Auditing expense	23'346.96	20'999.06
Fees as per regulations paid to the fund management company for:		
– asset management and distribution ¹⁾	1'444'061.03	1'364'147.13
– service fee ²⁾	407'099.68	421'034.09
Other expenses	7'488.21	9'069.35
Partial carryover of expenditure on realised capital gains and losses	-394'603.38	-339'641.74
Accrued income paid out on units redeemed	720'544.94	219'251.48
Total expenses	2'208'884.40	1'702'713.59
Net income/loss (-)	262'200.43	315'410.07
Realised capital gain and loss	1'366'155.98	8'833'450.29
Payments from the capital contributions principle	1'571'497.00	1'258'881.00
Partial carryover of expenditure on realised capital gains and losses	-394'603.38	-339'641.74
Realised income	2'805'250.03	10'068'099.62
Non-realised capital gain and loss	17'075'856.96	7'029'304.18
Total net income	19'881'106.99	17'097'403.80
Utilization of net income (in CHF)	01.03.12 - 28.02.13	01.03.13 - 28.02.14
A class		
Net income for financial year	176'011.32	170'832.13
Profit carried forward from previous year	694'301.26	41'197.73
Profit available for distribution	870'312.58	212'029.86
Profit intended for distribution to investors	-829'114.85	-
Profit carried forward	41'197.73	212'029.86
IA class		
Net income for financial year	66'132.78	121'716.94
Profit carried forward from previous year	39'274.42	3'255.32
Profit available for distribution	105'407.20	124'972.26
Profit intended for distribution to investors	-102'151.88	-
Profit carried forward	3'255.32	124'972.26
R class		
Net income for financial year	20'056.33	22'861.00
Profit carried forward from previous year	3'491.51	1'853.40
Profit available for distribution	23'547.84	24'714.40
Profit intended for distribution to investors	-21'694.44	-23'017.44
Profit carried forward	1'853.40	1'696.96

Effective fees:

¹⁾ 1.50% of the fund's net asset value for the A class, 0.90% for the IA class until July 31, 2013 and thereafter 0.675%, and 0.25% for the R class. Reimbursements and trailer fees were paid out of the management fee in accordance with Section 4 of the SFAMA guideline "Transparency with regard to management fees" dated June 7, 2005.

²⁾ 0.40% of the fund's net asset value.

Vontobel Fund (CH) - Sustainable Swiss Equity

A Sub-Fund of Vontobel Fund (CH), an Umbrella Fund under Swiss law of the type "other funds for traditional investments"

Stock of Funds Assets

as at 28.02.2014

Title	Stock 01.03.2013	Purchase ¹⁾	Sale ¹⁾	Stock 28.02.2014	Market value in CHF	% of total fund assets ²⁾
Securities						
Equities						
Securities listed on an official exchange						
Switzerland						
ABB N	297'750	35'000	96'050	236'700	5'323'383.00	5.25
Adecco N	28'500	8'800	5'300	32'000	2'430'400.00	2.40
AFG Arbonia-Forster Hldg N	57'753	-	13'000	44'753	1'270'985.20	1.25
Belimo Holding N	740	-	50	690	1'656'000.00	1.63
Calida Holding N	31'000	-	10'000	21'000	667'800.00	0.66
Clariant N	100'000	-	32'000	68'000	1'225'360.00	1.21
Compagnie Financière Richemont SA	-	27'000	7'700	19'300	1'690'680.00	1.67
Compagnie Financière Richemont SA - REG	35'000	-	35'000	-	-	0.00
Credit Suisse Group N	144'300	86'726	92'500	138'526	3'837'170.20	3.78
Daetwyler Holding I	14'300	3'000	3'400	13'900	1'883'450.00	1.86
Flughafen Zürich N	3'070	-	3'070	-	-	0.00
Galenica N	1'823	-	450	1'373	1'283'755.00	1.27
Geberit N	7'625	-	2'050	5'575	1'542'045.00	1.52
Givaudan N	1'206	450	416	1'240	1'711'200.00	1.69
Helvetia Holding N	3'230	-	2'200	1'030	469'937.50	0.46
Holcim N	34'700	12'000	6'500	40'200	2'870'280.00	2.83
Implenia N	22'000	12'000	5'000	29'000	1'934'300.00	1.91
Kuehne & Nagel International N	-	21'400	2'000	19'400	2'436'640.00	2.40
Kuoni Reisen Holding N	3'800	3'050	1'700	5'150	1'927'387.50	1.90
Lonza Group N	-	15'500	1'000	14'500	1'348'500.00	1.33
Meyer Burger Technology N	-	130'000	94'000	36'000	599'400.00	0.59
Nestlé N	243'450	15'000	59'500	198'950	13'250'070.00	13.07
Nobel Biocare Holding N	-	50'000	-	50'000	645'000.00	0.64
Novartis N	199'500	24'500	51'500	172'500	12'670'125.00	12.49
Panalpina Welttransport (Holding) N	-	5'000	5'000	-	-	0.00
Rieter Holding N	5'100	5'550	1'950	8'700	1'738'260.00	1.71
Roche Holding GS	54'950	-	9'200	45'750	12'416'550.00	12.24
Schindler Holding PS	11'300	-	7'600	3'700	488'030.00	0.48
SGS N	950	-	550	400	871'600.00	0.86
Sika I	570	-	70	500	1'622'000.00	1.60
Sonova Holding N	8'950	5'000	13'950	-	-	0.00
Straumann Holding N	-	6'300	350	5'950	1'126'930.00	1.11
Sulzer N	10'450	-	10'450	-	-	0.00
Swiss Life Holding N	6'800	2'900	800	8'900	1'948'210.00	1.92
Swiss Life Holding N Anrechte (expiry:22.11.2013)	-	9'700	9'700	-	-	0.00
Swiss Re N	43'480	-	5'980	37'500	3'082'500.00	3.04
Swisscom N	1'800	-	1'800	-	-	0.00
Tamedia AG N	5'400	-	5'400	-	-	0.00
Temenos Group N	70'500	26'500	44'500	52'500	1'630'125.00	1.61
UBS N	378'000	135'000	186'000	327'000	6'170'490.00	6.08
Vontobel Holding N	21'000	-	8'500	12'500	408'750.00	0.40
Zurich Insurance Group AG	15'770	6'780	6'950	15'600	4'204'200.00	4.15
Total - Switzerland					98'381'513.40	97.01
Total - Equities listed on an official exchange					98'381'513.40	97.01
Total - Securities listed on an official exchange					98'381'513.40	97.01

Vontobel Fund (CH) - Sustainable Swiss Equity

A Sub-Fund of Vontobel Fund (CH), an Umbrella Fund under Swiss law of the type "other funds for traditional investments"

Stock of Funds Assets

as at 28.02.2014

Title	Stock 01.03.2013	Purchase ¹⁾	Sale ¹⁾	Stock 28.02.2014	Market value in CHF	% of total fund assets ²⁾
Total - Securities					98'381'513.40	97.01
Cash at banks at sight					427'252.11	0.42
Cash at banks on time					0.00	0.00
Other assets					2'610'120.05	2.57
Total fund assets					101'418'885.56	100.00
Loans taken out					0.00	0.00
Other liabilities					-1'335'074.85	-1.32
Total net fund assets					100'083'810.71	98.68

¹⁾Includes purchases, sales and corporate actions.

²⁾Any discrepancies in the totals are a result of rounding differences.

Vontobel Fund (CH) - Ethos Equities Swiss Mid & Small

A Sub-Fund of Vontobel Fund (CH), an Umbrella Fund under Swiss law of the type "other funds for traditional investments"

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Vontobel Fund (CH) - Ethos Equities Swiss Mid & Small

A Sub-Fund of Vontobel Fund (CH), an Umbrella Fund under Swiss law of the type "other funds for traditional investments"

Change in A class	01.01.12 - 28.02.13	01.03.13 - 28.02.14
Units outstanding at the beginning of the period	1'014'785.887	985'690.744
Number of units issued	99'575.925	1'071'935.625
Number of units redeemed	128'671.068	1'020'256.022
Units outstanding at the end of the period	985'690.744	1'037'370.347
Net asset value per unit in CHF	197.33	242.36
Statement of Assets (in CHF)	28.02.2013	28.02.2014
Assets		
Cash at banks		
– at sight	7'093'937.50	2'350'179.15
– on time	-	-
Securities		
– Equities	189'452'810.40	251'034'710.00
Other assets	223'851.44	1'560'140.41
Total fund assets	196'770'599.34	254'945'029.56
./. Loans taken out	-	-
./. Other liabilities	-2'260'507.16	-3'526'402.70
Total net fund assets	194'510'092.18	251'418'626.86
Statement of changes in net assets		
Net fund assets at beginning of reporting period	152'618'400.99	194'510'092.18
Distributions	-	-1'186'456.22
Balance of units issued/units redeemed	-4'218'748.20	10'909'605.17
Total net income	46'110'439.39	47'185'385.73
Net asset value at end of reporting period	194'510'092.18	251'418'626.86

Vontobel Fund (CH) - Ethos Equities Swiss Mid & Small

A Sub-Fund of Vontobel Fund (CH), an Umbrella Fund under Swiss law of the type "other funds for traditional investments"

Statement of income (in CHF)	01.01.12 - 28.02.13	01.03.13 - 28.02.14
Income		
Income on cash at banks	-	-
Income on securities		
– Equities	1'984'116.82	2'457'065.34
Other income	-	6'956.73
Accrued income - paid in on units subscribed	175'109.30	116'735.59
Total income	2'159'226.12	2'580'757.66
Expense		
Interest paid	9'937.13	27'143.18
Auditing expense	23'156.49	19'998.96
Fees as per regulations paid to the fund management company for:		
– asset management and distribution ¹⁾	1'456'091.05	1'484'396.92
– service fee ²⁾	111'714.82	212'056.73
– custodian fee ²⁾	23'017.02	-
Other expenses	11'446.44	8'285.71
Accrued income paid out on units redeemed	20'445.59	46'512.99
Total expenses	1'655'808.54	1'798'394.49
Net income/loss (-)	503'417.58	782'363.17
Realised capital gain and loss	-5'581'495.19	10'059'567.56
Payments from the capital contributions principle	258'425.00	2'195'671.15
Realised income	-4'819'652.61	13'037'601.88
Non-realised capital gain and loss	50'930'092.00	34'147'783.85
Total net income	46'110'439.39	47'185'385.73
Utilization of net income (in CHF)	01.01.12 - 28.02.13	01.03.13 - 28.02.14
A class		
Net income for financial year	503'417.58	782'363.17
Profit carried forward from previous year	867'514.56	188'103.25
Profit available for distribution	1'370'932.14	970'466.42
Profit intended for distribution to investors	-1'182'828.89	-
Profit carried forward	188'103.25	970'466.42

Effective fees:

¹⁾ Currently 0.70% of the fund's net asset value for the A class. Reimbursements and trailer fees were paid out of the management fee in accordance with Section 4 of the SFAMA guideline "Transparency with regard to management fees" dated June 7, 2005.

²⁾ 0.10% of the fund's net asset value.

Vontobel Fund (CH) - Ethos Equities Swiss Mid & Small

A Sub-Fund of Vontobel Fund (CH), an Umbrella Fund under Swiss law of the type "other funds for traditional investments"

Stock of Funds Assets

as at 28.02.2014

Title	Stock 01.03.2013	Purchase ¹⁾	Sale ¹⁾	Stock 28.02.2014	Market value in CHF	% of total fund assets ²⁾
Securities						
Equities						
Securities listed on an official exchange						
Austria						
Austriamicrosystems I	38'000	13'500	-	51'500	5'788'600.00	2.27
Total - Austria					5'788'600.00	2.27
Switzerland						
Allreal Holding N	45'000	4'000	30'000	19'000	2'337'000.00	0.92
Aryzta N	118'000	14'000	5'000	127'000	9'321'800.00	3.66
Ascom Holding N	237'849	130'000	87'849	280'000	5'166'000.00	2.03
Baloise Holding N	46'400	23'600	-	70'000	7'938'000.00	3.11
Banque Cantonale Vaudoise N	13'000	4'200	3'500	13'700	7'096'600.00	2.78
Barry Callebaut N	1'500	1'250	2'750	-	-	0.00
Belimo Holding N	2'300	600	300	2'600	6'240'000.00	2.45
Bucher Industries N	9'000	-	-	9'000	2'423'250.00	0.95
Burchhardt Compression Holding N	4'000	15'000	-	19'000	8'702'000.00	3.41
Calida Holding N	100'000	30'000	20'000	110'000	3'498'000.00	1.37
Clariant N	500'000	150'000	60'000	590'000	10'631'800.00	4.17
Daetwyler Holding I	33'000	17'000	-	50'000	6'775'000.00	2.66
DKSH Holding N	-	37'000	17'000	20'000	1'271'000.00	0.50
EMS-Chemie Holding N	8'000	4'000	3'000	9'000	3'051'000.00	1.20
Flughafen Zürich N	16'400	-	6'700	9'700	5'412'600.00	2.12
Forbo Holding N	1'214	3'586	-	4'800	3'792'000.00	1.49
Galenica N	9'000	-	4'000	5'000	4'675'000.00	1.83
Georg Fischer N	9'000	3'000	5'000	7'000	4'935'000.00	1.94
Helvetia Holding N	15'500	1'500	-	17'000	7'756'250.00	3.04
Implenia N	40'000	68'000	-	108'000	7'203'600.00	2.83
Kaba Holding N	13'000	-	10'000	3'000	1'314'000.00	0.52
Kuehne & Nagel International N	71'000	26'800	4'000	93'800	11'781'280.00	4.62
Kuoni Reisen Holding N	16'000	4'000	-	20'000	7'485'000.00	2.94
Lindt & Spruengli N	20	-	-	20	1'021'300.00	0.40
Lindt & Spruengli PS	4'000	200	-	4'200	18'202'800.00	7.13
Logitech International N	-	570'000	-	570'000	8'008'500.00	3.14
Lonza Group N	-	38'000	-	38'000	3'534'000.00	1.39
Meyer Burger Technology N	210'000	270'000	380'000	100'000	1'665'000.00	0.65
Meyer Burger Technology N Anrechte (expiry: 07.05.2013)	-	210'000	210'000	-	-	0.00
Nobel Biocare Holding N	-	225'000	-	225'000	2'902'500.00	1.14
OC Oerlikon N	220'000	40'000	-	260'000	3'913'000.00	1.53
Partners Group Holding N	23'937	6'000	7'437	22'500	5'154'750.00	2.02
Rieter Holding N	30'000	6'000	4'000	32'000	6'393'600.00	2.51
Schindler Holding PS	97'000	29'000	-	126'000	16'619'400.00	6.51
Schweizerische National-Versicherungs-Gesellschaft AG	60'000	20'500	50'500	30'000	1'800'000.00	0.71
Sika I	3'700	-	550	3'150	10'218'600.00	4.01
Sonova Holding N	80'000	18'000	28'000	70'000	8'708'000.00	3.42
Straumann Holding N	-	11'700	-	11'700	2'215'980.00	0.87
Sulzer N	51'000	-	24'000	27'000	3'361'500.00	1.32
Swatch Group N	68'000	8'000	-	76'000	7'858'400.00	3.08
Swiss Life Holding N	34'600	7'400	-	42'000	9'193'800.00	3.61
Swiss Life Holding N Anrechte (expiry:22.11.2013)	-	34'600	34'600	-	-	0.00
Swiss Prime Site N	24'000	-	24'000	-	-	0.00
Tamedia AG N	15'485	-	15'485	-	-	0.00

Vontobel Fund (CH) - Ethos Equities Swiss Mid & Small

A Sub-Fund of Vontobel Fund (CH), an Umbrella Fund under Swiss law of the type "other funds for traditional investments"

Stock of Funds Assets

as at 28.02.2014

Title	Stock 01.03.2013	Purchase ¹⁾	Sale ¹⁾	Stock 28.02.2014	Market value in CHF	% of total fund assets ²⁾
Securities						
Equities (Continued)						
Securities listed on an official exchange (Continued)						
Switzerland (Continued)						
Tecan Group N	35'000	-	18'000	17'000	1'795'200.00	0.70
Temenos Group N	85'000	15'000	10'000	90'000	2'794'500.00	1.10
Vontobel Holding N	33'000	-	-	33'000	1'079'100.00	0.42
Total - Switzerland					245'246'110.00	96.20
Total - Equities, listed on an official exchange					251'034'710.00	98.47
Total - Securities listed on an official exchange					251'034'710.00	98.47
Total - Securities					251'034'710.00	98.47
Cash at banks at sight					2'350'179.15	0.92
Cash at banks on time					0.00	0.00
Other assets					1'560'140.41	0.61
Total fund assets					254'945'029.56	100.00
Loans taken out					0.00	0.00
Other liabilities					-3'526'402.70	-1.38
Total net fund assets					251'418'626.86	98.62

¹⁾Includes purchases, sales and corporate actions.

²⁾Any discrepancies in the totals are a result of rounding differences.

Annual distribution 2013/2014

The Vontobel Fund (CH) completed its fifth financial year on February 28, 2014.

The distribution of income was made as at value date May 28, 2014 to all investors holding units in Vontobel Fund (CH) on May 22, 2014 (ex date May 23, 2014).

The distribution was paid out to all unitholders on May 28, 2014, as follows:

Vontobel Fund (CH) - Sustainable Swiss Equity A class

Gross amount per unit	CHF -
Less 35% federal withholding tax	CHF -
Net amount per unit	CHF -

Vontobel Fund (CH) - Sustainable Swiss Equity IA class

Gross amount per unit	CHF -
Less 35% federal withholding tax	CHF -
Net amount per unit	CHF -

Vontobel Fund (CH) - Sustainable Swiss Equity R class

Gross amount per unit	CHF 1.80
Less 35% federal withholding tax	CHF 0.63
Net amount per unit	CHF 1.17

Vontobel Fund (CH) - Ethos Equities Swiss Mid & Small A class

Gross amount per unit	CHF -
Less 35% federal withholding tax	CHF -
Net amount per unit	CHF -

Further information

Basis for the valuation and calculation of the net asset value

1. The net asset value of each Sub-Fund and the proportion attributable to the individual classes are calculated at market value at the end of the relevant financial year and for each day on which units are issued and redeemed, in the unit of account of the relevant Sub-Fund. A Sub-Fund's net asset value will not be calculated on days when the stock exchanges or markets in that Sub-Fund's main investment countries are closed (e.g. bank and stock exchange holidays).
2. Investments traded on a stock exchange or another regulated market open to the public shall be valued at the current prices paid on the main market. Other investments or investments for which no current market value is available shall be valued at the price which would probably be obtained in a diligent sale at the time of the valuation. In such cases, the fund management company will use appropriate valuation models and principles recognised in practice to determine the market value.
3. Open-ended collective investment schemes are valued at their redemption price/net asset value. If they are regularly traded on a stock exchange or another regulated market open to the public, the fund management company can value such funds in accordance with (2) above.
4. The value of money market instruments that are not traded on a stock exchange or another regulated market open to the public is determined as follows: the valuation price of such investments is successively adjusted in line with the redemption price, taking the net purchase price as the basis and holding the investment yield calculated from it constant. If there are significant changes in market conditions, the valuation basis for the individual investments will be adjusted in line with the new market yields. If there is no current market price in such instances, the calculations are as a rule based on the valuation of money market instruments with the same characteristics (quality and domicile of the issuer, issuing currency, term to maturity).
5. Bank deposits are valued on the basis of the amount due plus accrued interest. If there are significant changes in market conditions or the credit rating, the valuation basis for time deposits will be adjusted in line with the new conditions.
6. The net asset value of a unit in a class of a Sub-Fund is calculated from the proportion of the market value of the Sub-Fund assets attributable to the unit class in question, less any liabilities of the Sub-Fund attributable to the unit class in question, divided by the number of units in the relevant class in circulation. It is rounded to 1/100 of the unit of account.

Events of special economic or legal importance

1. Amendments to the fund contract

Due to the incorporation of the Sub-Fund "Ethos Equities Swiss Mid & Small" of the Vontobel Fund (CH) II (other umbrella funds for traditional investments; Sub-Fund being converted) into the Vontobel Fund (CH) (receiving umbrella fund), the following amendments to the fund contract were approved by decree of the Swiss Financial Market Supervisory Authority FINMA of 21.01.2014, entering into force as at 01.02.2014:

a. Addition to Section 6 "Units and unit classes" (4) of the fund contract of the Vontobel Fund (CH) to include the current unit classes of Ethos Equities Swiss Mid & Small.

Addition to Section 6 "Units and unit classes" (4) of the fund contract of the Vontobel Fund (CH) to reflect the current unit classes of Ethos Equities Swiss Mid & Small.

b. Addition to Section 8 "Investment policy" of the fund contract of the Vontobel Fund (CH) of (4) concerning the investment policy and investment objective of Ethos Equities Swiss Mid & Small

Addition to Section 8 "Investment policy" of the fund contract of the Vontobel Fund (CH) of (4) concerning the investment policy and investment objective of Ethos Equities Swiss Mid & Small.

c. Addition to Section 10 "Securities lending" (1) of the fund contract of the Vontobel Fund (CH) of one paragraph concerning the exclusion of securities lending for Ethos Equities Swiss Mid & Small

Addition to Section 10 "Securities lending" (1) of the fund contract of the Vontobel Fund (CH) of a paragraph stating that securities lending is excluded for the Sub-Fund Ethos Equities Swiss Mid & Small.

d. Addition to Section 11 "Securities repurchase agreements" (1) of the fund contract of the Vontobel Fund (CH) of a paragraph concerning the exclusion of securities repurchase agreements for Ethos Equities Swiss Mid & Small

Addition to Section 11 "Securities repurchase agreements" (1) of the fund contract of the Vontobel Fund (CH) of a paragraph stating that securities repurchase agreements are excluded for the Sub-Fund Ethos Equities Swiss Mid & Small.

e. Addition to Section 13 "Taking up and extending loans" (2) of the fund contract of the Vontobel Fund (CH) of a sentence 2 concerning limits on borrowing for Ethos Equities Swiss Mid & Small

Addition to Section 13 "Taking up and extending loans" (2) of the fund contract of the Vontobel Fund (CH) of the following sentence 2: *"In the case of the Sub-Fund Ethos Equities Swiss Mid & Small, the fund management company may borrow up to 10% of the assets on a temporary basis."*

f. Addition to Section 14 "Encumbrance of the fund assets" (1) of the fund contract of the Vontobel Fund (CH) of a paragraph concerning the exclusion of encumbrance for Ethos Equities Swiss Mid & Small

Addition to Section 14 "Encumbrance of the fund assets" (1) of the fund contract of the Vontobel Fund (CH) of the following paragraph: *"In the case of the Sub-Fund Ethos Equities Swiss Mid & Small, the assets of this Sub-Fund may not be pledged or assigned as collateral."*

g. Addition to Section 17 "Issue and redemption of units" (2) of the fund contract of the Vontobel Fund (CH) concerning ancillary costs for Ethos Equities Swiss Mid & Small

Addition to Section 17 "Issue and redemption" (2) of the fund contract of the Vontobel Fund (CH) of the following sentence: *"In the case of the Sub-Fund Ethos Equities Swiss Mid & Small, the ancillary costs for the purchase and sale of the investments are compensated on a flat-rate basis to the extent that 0.05% of the issue, conversion and redemption fee is credited to the assets of the Sub-Fund in each case."*

Further information

h. Clarification of Section 25 "Duration of the fund and dissolution" (1) and (2) of the fund contract of the Vontobel Fund (CH) without any alteration of the content

Section 25 "Duration of the fund and dissolution" (1) and (2) of the fund contract of the Vontobel Fund (CH) is reworded for clarification purposes and reads as follows:

"1. The Sub-Funds of this umbrella fund have been established for an indefinite period.

2. The fund management company or the custodian bank may liquidate individual Sub-Funds by terminating the fund contract subject to a one-month period of notice."

2. Significant issues with regard to the interpretation of legislation and the fund contract

None

3. Change of fund management company and custodian bank

None

4.1. Changes to the Board of Directors of the fund management company

None

4.2. Changes to the Executive Board of the fund management company

Lobsang Changten, Director, Vontobel Fonds Services AG

(until 30.06.2013)

Thomas Carrier, Director, Vontobel Fonds Services AG

(from 01.07.2013)

5. Legal disputes

None

Soft commissions

The fund management company has not concluded any agreements in respect of soft commissions.

Management fees of target funds

The maximum rate of management fees of target funds in which the assets of the individual Sub-Funds of Vontobel Fund (CH) are invested as at 28.02.2014 amounted to

- Sustainable Swiss Equity:

0.00% (max. with respect to the fund contract: 2.50%)

- Ethos Equities Swiss mid & Small:

0.00% (max. with respect to the fund contract: 2.50%)

Off-balance-sheet transactions

As at the balance sheet date, there were no off-balance-sheet transactions.

Securities lending

No securities were lent during the reporting period.

Loans

As at the balance sheet date, no loans had been drawn upon.

Securities repurchase agreements

As at the balance sheet date, no securities repurchase agreements had been entered into.

Short report of the statutory auditor on the financial statements

As the statutory auditor, we have audited the attached annual financial statements of the investment fund

Vontobel Fund (CH) including the Sub-Funds:

- Sustainable Swiss Equity
- Ethos Equities Swiss Mid & Small

comprising the statement of assets and the income statement, information on the appropriation of income and the disclosure of costs as well as other information provided pursuant to Art. 89 (1) b-h of the Swiss Collective Investment Schemes Act (CISA) for the financial year ending February 28, 2014.

Responsibility of the Board of Directors of the fund management company

The Board of Directors of the fund management company is responsible for preparing the annual financial statements in accordance with the Swiss Collective Investment Schemes Act, the accompanying regulations and the fund contract and prospectus. This responsibility includes the design, implementation and maintenance of an internal control system with respect to the preparation of annual financial statements which are free of material misstatement, whether due to infringements or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Statutory auditor's responsibility

Our responsibility is to express an opinion on the annual report based on our audit. We conducted our audit in accordance with Swiss law and Swiss auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's professional judgement, including an assessment of the risks of material misstatement in the annual report, whether due to infringements or errors. In assessing those risks, the auditor considers the internal control system insofar as it is relevant to the preparation of the annual financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the internal control system. An audit also involves evaluating the appropriateness of the accounting methods used and the plausibility of the estimates made as well as evaluating the overall presentation of the annual report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual report for the financial year ended February 28, 2014 complies with the Swiss Collective Investment Scheme Act, the corresponding ordinances and the fund contract and prospectus.

Reporting to comply with further statutory provisions

We confirm that we have fulfilled the statutory requirements with respect to accreditation under the Audit Supervision Act (ASA) and Art. 127 CISA and as regards independence (Art. 11 ASA), and that there are no issues that may conflict with our independence.

Zurich, June 18, 2014

Ernst & Young AG

Christian Soguel
Licensed audit expert

Marc Luchsinger
Licensed audit expert
(Senior auditor)

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