Vontobel Fund II – Global Small & Mid-Cap Opportunities

Marketing document for institutional investors in: AT, CH, DE, ES, FR, GB, IT, LI, LU, SE.

Investors in France should note that, relative to the expectations of the Autorité des Marchés Financiers, this fund presents disproportionate communication on the consideration of non-financial criteria in its investment policy.

Market developments

In June, global equity markets paused their upward trajectory after two exceptionally strong months. Momentum in technology stocks lost steam before regaining strength toward month-end. Only a few companies posted strong results, with AI-related ones still underpinning the bullish narrative. However, the macroeconomic backdrop remained lackluster. Inflation stayed stubbornly elevated, prompting the European Central Bank (ECB) to raise interest rates for the first time since 2023, while the US Federal Reserve, under its new Chair Kevin Warsh, kept rates unchanged for the time being. Investor sentiment remained lukewarm in between companies' resilient earnings cycle and consumers' increasingly stretched finances.

Portfolio review

We made several selective portfolio adjustments across key investment themes.

Purchases: We initiated a position in JX Advanced Metals, as we deemed its current stock price weakness, after a year-to-date rally by roughly 169%, an attractive entry point. In our view, the investment case for critical materials remains intact, supported by the company's expansion of its rhodium capacity and improving volume trends. Within NextGen Consumer fintech, we established a position in Resona Holdings, Japan's fourth-largest bank and key beneficiary of the Bank of Japan's interest-rate hiking cycle. Resona is leveraging its deep capital and operational alliance with Digital Garage, aiming to deliver AI-enabled, data-driven banking solutions tailored to small and medium-sized companies. Moreover, we added Nokia to the portfolio after a string of high-profile partnerships the company had announced in June, including collaborations with Google Cloud, AWS, and a Finnish counter-drone consortium – developments reinforcing our conviction that market sentiment is improving around Nokia's role in the build-out of AI infrastructure. We also added Ceres Power, taking advantage of a sharp sector-wide selloff, as we deemed the company well positioned to benefit from growing fuel-cell adoption and rising demand for behind-the-meter power generation – trends that could increasingly translate into partnerships with data-center operators, as power constraints intensify. Finally, we bought ServiceTitan, whose software platform powers mission-critical field-service industries, including electrical, plumbing, and HVAC. With labor shortages, aging infrastructure, and growing demand for essential home and commercial services driving greater digitization, we considered the company as well positioned to benefit from a durable, long-term growth runway.

Sales: We exited Halma following a weaker outlook and growing concerns about customer concentration risk within the company's data-center optics business. Moreover, we sold Samyang Foods after its strong share-price appreciation had pushed valuation to demanding levels, while emerging signs of packaging-cost inflation linked to plastics supply disruptions raised the risk of margin pressure. We also divested Amorepacific amid disappointing first-quarter results and a lack of clear near-term catalysts for earnings acceleration. In addition, exited WuXi AppTec, as ongoing US regulatory scrutiny of Chinese biotech companies continues to overshadow the sector's broader recovery driven by licensing activity. Finally, we sold Freeport-McMoRan to take profits after a strong year-to-date performance, as permitting uncertainty increasingly clouds the timeline and economics of the company's Chilean expansion projects.

Performance analysis

In June, the fund slightly lagged its benchmark but outperformed it over the quarter.

By theme, Foundational Technologies and Robotics & Automation contributed the most, reflecting ongoing investor enthusiasm for AI-driven infrastructure and industrial automation. By contrast, Energy Transition detracted, mainly the holdings exposed to commodities, such as aluminum, copper, silver, and other critical minerals, which sharply corrected amid concerns about potential oversupply in certain markets – especially aluminum – and a stronger US dollar weighing on precious metals.

By name, NAURA Technology, a leading Chinese semiconductor equipment manufacturer, contributed the most. Investor sentiment was supported by media reports stating that China aims to source more than 70% of silicon wafers from domestic production, highlighting the country's efforts to increase self-sufficiency across the semiconductor supply chain. In our view, this positions NAURA, as one of the country's dominant wafer-fabrication-equipment providers, as a key beneficiary of this strategic push. The second-largest contributor was Enova International, whose AI-enabled lending platform continues to gain traction. The company is leveraging advanced data analytics and machine learning to improve underwriting accuracy and customer acquisition, supporting both growth and profitability in an increasingly digital consumer-finance landscape. By contrast, defense holdings Hensoldt and RENK detracted, suffering from pressure like the broader European defense sector. Investor sentiment weakened following the German government's decision to cancel the F-126 frigate program, raising concerns about the pace and visibility of future defense spending. While analysts generally viewed the direct impact on both companies as limited, the announcement triggered a broader sector pullback. Looking ahead, attention is shifting to upcoming NATO discussions, which could provide greater clarity on defense spending commitments and serve as the next potential catalyst for the sector.

Outlook

We deem global small- and mid-cap equities an attractive long-term opportunity. Following a prolonged period of underperformance relative to large caps, valuations have adjusted to more compelling levels while underlying fundamentals remain robust. On average, small- and mid-cap companies continue to exhibit stronger earnings growth and more conservative balance sheets than their large-cap peers. The medium-term outlook is supported by a potentially more favorable macroeconomic backdrop, including a recovery in mergers and acquisitions activity – where small- and mid-cap companies are often natural acquisition targets – and increasing investor demand to diversify equity exposure beyond a concentrated large-cap universe. Finally, the segment of small- and mid-cap companies is still under-researched compared to the large-cap segment, creating market inefficiencies that we strive to exploit by active management, based on our own in-depth research.

Fund characteristics

Fund name	Vontobel Fund II – Global Small & Mid-Cap Opportunities
ISIN	LU2275724420
Share class	V USD
Benchmark	MSCI All Country World Index TR net to 28.1.2026, MSCI ACWI SMID Index TR net thereafter
Inception date	7.6.2021

Historical performance (net returns, in %)

Time period	Fund	Benchmark
MTD	0.3%	0.4%
YTD	12.5%	10.9%
1 year	23.1%	23.3%
3 yrs p.a.	17.3%	19.6%
5 yrs p.a.	4.1%	10.9%
10 yrs p.a.	–	–
ITD p.a.	12.4%	13.7%

Time period	Fund	Benchmark
2025	21.8%	22.3%
2024	12.6%	17.5%
2023	22.4%	22.2%
2022	-32.8%	-18.4%
2021	6.0%	18.5%
2020	48.0%	16.3%
2019	–	–
2018	–	–
2017	–	–
2016	–	–

Past performance is not a reliable indicator of current or future performance.
Performance data does not take into account any commissions and costs charged when shares of the fund are issued and redeemed, if applicable. The return of the fund may go down as well as up, e.g. due to changes in rates of exchange between currencies. The value of the money invested in the fund can increase or decrease and there is no guarantee that all or part of your invested capital can be redeemed.
Performance prior to 7.6.2021 corresponds to Variopartner SICAV – 3-Alpha Megatrends. Since fund inception until 28.1.2026, the fund had different characteristics and performance was achieved under circumstances that no longer apply.

Investment risks

- Investments in Chinese A-Shares are subject to changes in political, economic and social conditions in China as well as changes in the policies of the PRC government, laws and regulations.
- The portfolio has lower risk diversification as the focus lies on companies within a specific investment theme.
- A company's stock price may be adversely affected by changes in the company, its industry or economic environment and prices can change quickly. Equities typically involve higher risks than bonds and money market instruments.
- Using derivatives generally creates leverage and entails valuation risks and operational risks. Leverage magnifies gains but also losses. Over-the-counter derivatives involve corresponding counterparty risks.
- The sub-fund's investments may be subject to sustainability risks. The sustainability risks that the sub-fund may be subject to are likely to have an immaterial impact on the value of the sub-fund's investments in the medium to long term due to the mitigating nature of the sub-fund's ESG approach. The sub-fund's performance may be positively or negatively affected by its sustainability strategy. The ability to meet social or environmental objectives might be affected by incomplete or inaccurate data from third-party providers. Information on how environmental and social objectives are achieved and how sustainability risks are managed in this sub-fund may be obtained from vontobel.com/sfdr.

Important legal information
This marketing document was produced by one or more companies of the Vontobel Group (collectively "Vontobel") for institutional clients, for distribution in AT, CH, DE, ES, FR, GB, IT, LI, LU, SE.
This document is for information purposes only and does not constitute an offer, solicitation or recommendation to buy or sell shares of the fund/fund units or any investment instruments, to effect any transactions or to conclude any legal act of any kind whatsoever. Subscriptions of shares of the fund should in any event be made solely on the basis of the fund's current sales prospectus (the "Sales Prospectus"), the Key (Investor) Information Document ("K(I)ID"), its articles of incorporation and the most recent annual and semi-annual report of the fund and after seeking the advice of an independent finance, legal, accounting and tax specialist. This document is directed only at recipients who are institutional clients, such as eligible counterparties or professional clients as defined by the Markets in Financial Instruments Directive 2014/65/EC ("MiFID") or similar regulations in other jurisdictions, or as qualified investors as defined by Switzerland's Collective Investment Schemes Act ("CISA").
Neither the fund, nor the Management Company nor the Investment Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of an assessment of ESG research and the correct execution of the ESG strategy. As investors may have different views regarding what constitutes sustainable investing or a sustainable investment, the fund may invest in issuers that do not reflect the beliefs and values of any specific investor. ESG investing and criteria employed may be subjective in nature. The considerations assessed as part of ESG processes may vary across types of investments and issuers and not every factor may be identified or considered for all investments. Information used to evaluate ESG components may vary across providers and issuers as ESG is not a uniformly defined characteristic. ESG investing may forego market opportunities available to strategies which do not utilize such criteria. There is no guarantee the criteria and techniques employed will be successful. Note: Unless otherwise stated in Fund documentation or included within the Fund's investment objective, information herein does not imply that the Fund has an ESG-aligned investment objective, but rather describes how ESG criteria and factors are considered as part of the overall investment process.

Past performance is not a reliable indicator of current or future performance.
Performance data does not take into account any commissions and costs charged when shares of the fund are issued and redeemed, if applicable. The return of the fund may go down as well as up, e.g. due to changes in rates of exchange between currencies. The value of the money invested in the fund can increase or decrease and there is no guarantee that all or part of your invested capital can be redeemed.
Interested parties may obtain the above-mentioned documents free of charge from the representative in **Switzerland**: Vontobel Fonds Services AG, Gotthardstrasse 43, 8022 Zurich, the paying agent in Switzerland: Bank Vontobel AG, Gotthardstrasse 43, 8022 Zurich, the facilities agent in **Austria**: Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna, from the authorized distribution agencies and from the offices of the fund at 49 Avenue J.F. Kennedy, L-1855 **Luxembourg**, the European facilities agent for **Germany**: PwC Tax and Advisory, Société coopérative - GFD, 2, rue Gerhard Mercator, L-2182 Luxembourg, Email: lu_pwc.gfd.facsvs@pwc.com, gfdplatform.pwc.lu/facilities-agent/, the European facilities agent for **France**: PwC Tax and Advisory, Société coopérative - GFD, 2, rue Gerhard Mercator, L-2182 Luxembourg, Email: lu_pwc.gfd.facsvs@pwc.com, gfdplatform.pwc.lu/facilities-agent/, from the information agent in **Liechtenstein**, LLB Fund Service AG, Äulestrasse 80, 9490 Vaduz. Refer for more information on the fund to the latest prospectus, annual and semi-annual reports as well as the key (investor) information documents (“K(I)ID”). These documents may also be downloaded from our website at vontobel.com/am. A summary of investor rights (including information on representative actions for the protection of the collective interests of consumers under EU Directive 2020/1828) is available in English under: vontobel.com/vamsa-investor-information. Vontobel may decide to terminate the arrangements made for the purpose of marketing its collective investment schemes in accordance with Article 93a of Directive 2009/65/EC. The KID is available in French. The fund is authorized to the commercialization in **France**. Refer for more information on the funds to the KID. **Italy**: Refer for more information regarding subscriptions in Italy to the Modulo di Sottoscrizione. For any further information: Vontobel Asset Management S.A., Milan Branch, Piazza degli Affari 2, 20123 Milano, telefono: 0263673444, e-mail: clientrelation.it@vontobel.com. In **Spain**, funds authorized for distribution are recorded in the register of foreign collective investment companies maintained by the Spanish CNMV (under number 1900). The KID can be obtained in Spanish from Vontobel Asset Management S.A., Sucursal en España, Paseo de la Castellana, 91, Planta 5, 28046 Madrid. **Sweden**: The KID is available in Swedish. The fund authorized for distribution in the **United Kingdom** and entered into the UK’s temporary marketing permissions regime can be viewed in the FCA register under the Scheme Reference Number 837679. The fund is authorized as a UCITS scheme (or is a sub fund of a UCITS scheme) in a European Economic Area (EEA) country, and the scheme is expected to remain authorized as a UCITS while it is in the temporary marketing permissions regime. This information was approved by Vontobel Asset Management S.A., London Branch, which has its registered office at 20 Fenchurch Street, London EC3M 3BY and is authorized by the Commission de Surveillance du Secteur Financier (CSSF) and subject to limited regulation by the Financial Conduct Authority (FCA). Details about the extent of regulation by the FCA are available from Vontobel Asset Management S.A., London Branch, on request. The KIID can be obtained in English from Vontobel Asset Management S.A., London Branch, 20 Fenchurch Street, London EC3M 3BY or downloaded from our website vontobel.com/am.
This document is not the result of a financial analysis and therefore the “Directives on the Independence of Financial Research” of the Swiss Bankers Association are not applicable. Vontobel and/or its board of directors, executive management and employees may have or have had interests or positions in, or traded or acted as market maker in relevant securities. Furthermore, such entities or persons may have executed transactions for clients in these instruments or may provide or have provided corporate finance or other services to relevant companies.
Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto. Refer to am.vontobel.com/terms-of-licenses for more details.
Although Vontobel believes that the information provided in this document is based on reliable sources, it cannot assume responsibility for the quality, correctness, timeliness or completeness of the information contained in this document. Except as permitted under applicable copyright laws, none of this information may be reproduced, adapted, uploaded to a third party, linked to, framed, performed in public, distributed or transmitted in any form by any process without the specific written consent of Vontobel. To the maximum extent permitted by law, Vontobel will not be liable in any way for any loss or damage suffered by you through use or access to this information, or Vontobel’s failure to provide this information. Our liability for negligence, breach of contract or contravention of any law as a result of our failure to provide this information or any part of it, or for any problems with this information, which cannot be lawfully excluded, is limited, at our option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you. Neither this document nor any copy of it may be distributed in any jurisdiction where its distribution may be restricted by law. Persons who receive this document should make themselves aware of and adhere to any such restrictions. In particular, this document must not be distributed or handed over to US persons and must not be distributed in the USA.

Vontobel Asset Management AG
Gotthardstrasse 43, 8022 Zürich
Switzerland
T +41 58 283 71 11
info@vontobel.com | vontobel.com/am