Vontobel Fund – mtx Emerging Markets Leaders ex China

Marketing document for institutional investors in: AT, CH, DE, DK, ES, FI, FR, GB, IT, LU, NL, NO, 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.

Summary

— Following a strong second-quarter advance, emerging market equities consolidated in June, with the MSCI EM ex China Index broadly unchanged (0.0%), outperforming both the MSCI EM Index (-1.4%) and the MSCI World Index (-0.6%).
— The mtx Emerging Markets Leaders ex China (EMLX) fund returned +0.2% (gross of fees) during June 2026.
— The mtx EMLX fund outperformed the benchmark by 3.4% (gross of fees) during the first half of 2026.

Market developments

The MSCI EM ex China Index was broadly unchanged in June, outperforming the broader MSCI EM Index, which declined 1.5% amid weakness in Chinese equities. Despite the flat monthly performance, emerging markets ex China ended the quarter with strong gains, supported by robust performance in technology-heavy markets such as Taiwan and Korea, as well as continued resilience in India.

Risk appetite remained broadly constructive, with both emerging market and US equities reaching fresh all-time highs during the month, supported by continued enthusiasm around AI and technology-related stocks. However, concerns over increasingly stretched valuations among large-cap technology names triggered bouts of volatility and ultimately weighed on market performance. Korean equities experienced particularly sharp swings, reflecting technical pressures associated with sizeable outstanding leveraged ETF positions.

Performance across EM ex China markets was mixed. South Africa (-6.8%), Mexico (-3.1%), Brazil (-2.9%) and Saudi Arabia (-2.7%) were among the weakest performers, while India (+1.5%) and Taiwan (+1.4%) delivered positive returns, supported by resilient domestic fundamentals and continued investor demand for technology exposure. Korea was broadly flat (+0.1%) despite heightened volatility. The positive performance in India and Taiwan largely offset weakness elsewhere, resulting in a flat return for the MSCI EM ex China Index during the month.

Sector performance within emerging markets ex China was mixed. Information technology (+1.7%) and financials (+3.8%) were the strongest-performing sectors, supported by continued AI-related optimism and resilient earnings expectations. Health care (+2.8%), real estate (+1.5%) and utilities (-0.7%) were broadly resilient. At the other end of the spectrum, communication services (-2.2%) and consumer staples (-1.3%) lagged, while cyclical sectors remained under pressure. Energy (-6.4%) was the weakest-performing sector as oil prices fell sharply during the month, followed by consumer discretionary (-10.9%), materials (-9.4%) and industrials (-1.7%), reflecting weaker commodity prices and softer cyclical expectation

Against this backdrop, geopolitical developments provided some relief to markets. A memorandum of understanding between Iran and the United States extended the ceasefire by 60 days and paved the way for the reopening of the Strait of Hormuz. While negotiations on a comprehensive agreement remain ongoing, the truce significantly reduced immediate concerns over energy supply disruptions. Implementation risks, policy miscalculations, and the potential for renewed escalation remain key tail risks, although shipping activity through the Strait has gradually normalized despite sporadic clashes.

Commodity markets reacted sharply to the easing in geopolitical tensions, with both Brent and WTI crude oil prices falling by more than 20% during the month. Meanwhile, a stronger US dollar weighed on the outlook for a broader cyclical recovery, with the JPMorgan Broad Dollar Index rising 2.0% and the DXY gaining 2.3%, while EM currencies declined 2.3%. Adding to the more cautious market backdrop, the June FOMC meeting delivered a more hawkish-than-expected message, reinforcing expectations that US monetary policy could remain restrictive for longer than previously anticipated.

Portfolio review

The mtx Emerging Markets Leaders ex China strategy modestly outperformed (+0.3%) the benchmark in June, with positive allocation effects largely offset by mixed stock-selection outcomes. At the country level, South Korea was the largest contributor to relative performance, driven by successful stock selection within technology and semiconductor-related holdings. Positive contributions also came from Peru, Hungary, India, and Colombia. Conversely, Taiwan was the largest detractor, reflecting weakness across several information technology holdings. Positions in South Africa, Brazil, Mexico, and Argentina also weighed on relative returns. From a sector perspective, stock selection in information technology and financials contributed positively to performance. Key contributors included SK Hynix, HDFC Bank, OTP Bank, Credicorp, Aldar Properties, and Elite Material. These gains were partially offset by weakness in Wiwynn, SK Square, Kia Corp, Naver, Grupo Mexico, and Prio. Consumer-related holdings and selected commodity exposures also detracted amid weaker commodity prices and heightened market volatility.

Allocation effects were positive overall and supported relative returns. The portfolio benefited from underweight exposure to several weak-performing benchmark markets, including Saudi Arabia, Poland, Australia, and South Africa, while overweight positions in Peru and Hungary added value. These gains were partially offset by underweights in Korea and India.

At the end of June, the portfolio consisted of 41 companies across 43 holdings, reflecting dual share-class positions in Localiza and Samsung Electronics. During the month, we initiated two new positions and fully exited one holding. New investments included Credicorp (financials, Peru), and SK Square (industrials, South Korea). These additions were funded through the sale of Bank Mandiri (financials, Indonesia), as we continued to reallocate capital towards our highest-conviction opportunities.

Performance analysis

June highlighted a sharp divergence across the portfolio. Holdings exposed to the AI infrastructure, semiconductor, and data-centre supply chains delivered strong gains, while selected cyclical, commodity, and internet-related holdings faced headwinds from weaker commodity prices, valuation concerns, and broader market volatility.

The strongest contributors were Credicorp (+19.0%), SK Hynix (+10.5%), HDFC Bank (+9.4%), OTP Bank (+7.7%), and Aldar Properties (+6.2%). Credicorp benefited from strong momentum in Peruvian equities, while OTP Bank continued to outperform on the back of improving profitability and robust earnings expectations. SK Hynix remained a key beneficiary of the ongoing AI investment cycle, supported by continued strength in demand for advanced memory solutions.

On the downside, Prio (-18.1%), Kia Corp (-20.7%), Naver (-17.3%), Wiwynn (-13.8%), and Grupo Mexico (-8.6%) were among the main detractors from performance. Weakness was concentrated in selected technology hardware, internet, automotive, and commodity-related holdings.

Overall, performance reflected the portfolio's emphasis on high-quality growth companies across technology and financials. Strong gains from semiconductor and banking holdings were partly offset by weakness in selected Taiwanese, Korean, and Latin American positions.

Outlook

The outlook for emerging market equities remains constructive, supported by resilient economic growth, strong earnings momentum and attractive relative valuations. Consensus expects EM earnings to grow by roughly 35% in 2026, well ahead of developed markets, reinforcing the region's long-standing growth advantage.

Fundamentals remain supportive, particularly in North Asia, where profitability continues to improve. Technology, especially semiconductors and AI-related supply chains, remains the key earnings driver, with Korea and Taiwan expected to remain at the forefront of earnings growth across emerging markets. While earnings remain concentrated in a relatively narrow set of sectors, the overall outlook for corporate profits remains robust.

Valuations continue to be appealing on a relative basis. The MSCI EM Index trades at roughly 13.5x forward earnings, representing a significant discount to both developed and US equities. Although higher inflation and tighter financial conditions may limit scope for near-term multiple expansion, high-quality companies with strong profitability characteristics continue to offer attractive opportunities.

The macroeconomic backdrop is broadly supportive. EM economies are expected to grow around 4% in 2026, comfortably ahead of developed markets. While inflation remains elevated and central banks have become somewhat more cautious, the environment is best characterized as one of resilient growth rather than stagflation. Oil prices have stabilized following the geopolitical volatility seen earlier in the year, reducing the likelihood of extreme downside outcomes.

The main risks to the outlook stem from a potential slowdown in AI-related capital expenditure, renewed energy market disruptions, tighter-than-expected US monetary policy, and weaker global growth. Nevertheless, given the combination of superior earnings growth, improving profitability and attractive valuations, we remain constructive on the medium-term outlook for emerging market equities.

The AI capex cycle remains the single most important swing factor for EM equities heading into Q3, with Korea and Taiwan acutely exposed to any deceleration in hyperscaler spending. The base case remains constructive, supported by continued commitments to AI infrastructure spending and healthy demand trends across the semiconductor value chain. However, the risk of a capex pause remains non-trivial, particularly if tighter financial conditions or slower AI monetization were to affect investment plans.

Trade policy also represents a growing source of uncertainty. New tariff measures, including proposals that could raise tariffs on certain countries such as Brazil, have the potential to disrupt global trade flows and weigh on export-oriented EM markets.

Finally, earnings risks remain relevant, as historical patterns indicate that downward revisions tend to lag energy shocks by approximately two to three quarters, suggesting potential pressure on estimates later in the year.

Fund characteristics

Fund name	Vontobel Fund – mtx Emerging Markets Leaders ex China
ISIN	LU2601939379
Share class	I USD
Benchmark	MSCI Emerging Markets Index ex China TR Net 10/40
Inception date	20.9.2023

Historical performance (net returns, in %)

Time period	Fund	Benchmark
MTD	0.1%	-0.2%
YTD	40.0%	36.9%
1 year	63.6%	59.3%
3 yrs p.a.	–	–
5 yrs p.a.	–	–
10 yrs p.a.	–	–
ITD p.a.	32.5%	29.7%

Time period	Fund	Benchmark
2025	37.2%	33.6%
2024	3.4%	2.3%
2023	–	–
2022	–	–
2021	–	–
2020	–	–
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.

Investment risks

- Investments in emerging markets entail increased liquidity and operational risks as these markets tend to be underdeveloped and more exposed to political, legal, tax and foreign exchange control risks.
- 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 also includes sustainability criteria in its investment process. This may mean that the sub-fund's performance is more positive or negative than a conventionally managed portfolio.
- 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.
- 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.

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 authorized distribution agencies and from the offices of the fund at 49 Avenue J.F. Kennedy, L-1855 **Luxembourg**, the facilities agent in **Austria**: Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna, 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 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/. 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. **Denmark**: The KID is available in Danish. **Finland**: The KID is available in Finnish. 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. **Netherlands**: The Fund and its sub-funds are included in the register of Netherland's Authority for the Financial Markets as mentioned in article 1:107 of the Financial Markets Supervision Act ("Wet op het financiële toezicht"). **Norway**: The KID is available in Norwegian. In **Spain**, funds authorized for distribution are recorded in the register of foreign collective investment companies maintained by the Spanish CNMV (under number 280). 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 466625. 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