

Monthly commentary / 31.12.2025

## Vontobel Fund – Transition Resources

**Marketing document for institutional investors in:** AT, CH, DE, ES, FI, FR, GB, IT, LI, LU, NL, NO, PT, SE, SG (Professional Investors only).

**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

Global equity markets wrapped up 2025 on a relatively firm footing, albeit with notable regional divergences. Japanese stocks delivered a strong year-end performance, with the TOPIX index closing December at record highs, driven by technology and demand for artificial intelligence (AI) alongside domestic stimulus measures and currency stability. European markets, including the UK, enjoyed a modest Santa-rally boost into year-end, while US markets were more subdued in December, reflecting a cautious sentiment and mixed drivers beneath the surface. Broader equity performance for the year was robust in many regions, anchored by factors such as resilient corporate earnings, AI-related capital expenditure, and moderating macroeconomic data, though valuation concerns and policy uncertainty, for example regarding interest rate developments, continued to temper market enthusiasm. Economic data through December suggested overall resilience in GDP growth and consumer spending, even though geopolitical tensions and trade frictions remained areas of focus.

Across natural resources, commodities delivered a bifurcated picture over 2025 and into December. Precious and industrial metals ended the year notably strong, with silver posting triple-digit gains and copper reaching multi-year highs amid supply tightness and strong structural demand tied to electrification and renewable energy buildouts. However, late in December volatility spiked in precious metals after hikes in futures margins and prices relaxing following their rapid rise. In contrast, traditional energy markets faced downward pressure throughout the year, given persistent oversupply and production adjustments by the Organization of the Oil Exporting Countries and their allies (OPEC+), resulting in notable annual price declines.

### Portfolio review

In December, we increased the number of portfolio holdings from 53 to 54. We initiated a new position in AtkinsRéalis, an EPC (engineering, procurement, construction) player with strong expertise in nuclear power plant engineering, construction, and refurbishment. We expect demand for nuclear-related engineering and project management services to increase meaningfully over the next five years, supported by energy security concerns and the need for reliable, low-carbon baseload capacity. Reflecting our continued constructive

view on lithium demand, particularly from energy storage systems, we also bought Ganfeng Lithium as the portfolio's second lithium pure play, which is likely to benefit from assets positioned relatively low on the global cost curve. As we have become more positive for aluminum heading into 2026, we also bought Alcoa, which in our view offers one of the best operational leverages to a higher aluminum price within the listed universe. To finance these additions, we exited Amrize following the strong performance of its share and given our exposure to building materials was rather high, and we also sold DEME, as the latest stop order by the Trump administration confirmed that confidence for offshore wind projects will take even longer to recover. While uncertainty around Ivanhoe Mines grew, we used the recent recovery of its share to unwind our existing position in it and, as our conviction in copper fundamentals remains strong, redeploy the proceeds into Capstone Copper, a tier-2 producer with an attractive growth pipeline and exposure to relatively stable jurisdictions across the Americas.

### Performance analysis

In December, the fund gained in value, outperforming both its reference index and the broader global equity market. Major contributors were our stock selection within the materials sector and our large exposure to silver, which outperformed most other precious metals, supported by tight physical markets and robust industrial demand. Copper also contributed meaningfully, as constrained supply continued to push prices higher. Our lithium exposure contributed as well, given delays in permitting new mines combined with persistently strong demand for energy storage systems, underpinning higher prices. In contrast, our exposure to polysilicon slightly detracted, reflecting continued pressure in that market. Our relatively low exposure to diversified miners and to pulp and paper producers also detracted somewhat, as these segments performed better than we had anticipated. Ceres Power was among the detractors.

### Outlook

Heading into 2026, we remain constructive for the natural resources sector, which we expect will continue to outperform the broader equity market, underpinned by macroeconomic, structural, and industry-specific factors combined. From a macroeconomic perspective, the interest rate cutting cycle the

US central bank Fed is expected to follow despite a still resilient economic backdrop, should provide a supportive environment for real assets and cyclical equity market segments. In parallel, demand growth might accelerate, as investments in power infrastructure and AI-related capacity continue to scale, driving incremental consumption of energy, metals, and enabling materials. At the same time, many commodity markets remain characterized by industry-wide supply constraints, compounded by years of underinvestment and ongoing de-globalization trends, all of which prevent supply from responding quickly to higher demand. Beyond the cyclical backdrop, the transition toward a net-zero economy represents a powerful long-term structural driver.

Building the energy system of tomorrow will require vast quantities of critical materials, ranging from copper and lithium to silver, rare metals, and rare earth elements. These enabling materials are essential inputs for clean technologies, such as batteries, solar panels, wind turbines, advanced electronics, and the modernization and expansion of power grids.

Recycling is expected to play an increasingly important role alongside primary mining, providing a more sustainable source of critical materials, while helping to secure local supply and reduce the environmental impact. At the same time, the shift toward low-carbon energy must be carefully managed to ensure grid stability and affordability. Despite headwinds in the US, renewable energy deployment continues to grow rapidly everywhere else. Nonetheless, fossil fuels – primarily natural gas – will remain necessary to balance energy systems in the medium term. In parallel, new solutions such as nuclear power and low-carbon hydrogen are emerging as key technologies to bridge the transition. For investors, this environment creates a broad and attractive opportunity set across companies that supply critical materials, develop enabling technologies, and provide essential services required to build a more secure, resilient, and sustainable energy system.

#### Fund characteristics

<b>Fund name</b>	Vontobel Fund – Transition Resources
<b>ISIN</b>	LU0384406327
<b>Share class</b>	I EUR
<b>Reference index</b>	MSCI World Index to 31.8.2021, MSCI All Country World Index to 5.5.2025, S&P Global Natural Resources Net Total Return Index thereafter
<b>Inception date</b>	17.11.2008

#### Historical performance (net returns, in %)

Time period	Fund	Ref. index	Time period	Fund	Ref. index
MTD	3.7%	2.2%	2024	8.3%	25.3%
YTD	31.1%	10.8%	2023	-8.7%	18.1%
1 year	31.1%	10.8%	2022	-14.2%	-13.0%
3 yrs p.a.	9.0%	17.9%	2021	10.1%	29.8%
5 yrs p.a.	4.1%	13.1%	2020	37.4%	6.3%
10 yrs p.a.	4.8%	11.3%	2019	10.4%	30.0%
ITD p.a.	7.1%	12.6%	2018	-24.9%	-4.1%
			2017	3.2%	7.5%
			2016	11.3%	10.7%
			2015	-1.5%	10.4%

#### 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.

Since fund inception until 5.5.2025, 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](http://vontobel.com/sfdr).

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