Vontobel Fund – US Equity

Quarterly commentary 3Q 2025

Key takeaways

– US equities rallied in the third quarter as enthusiasm around AI fueled investor optimism. Speculative areas of the market saw significant gains, while more stable, lower-volatility stocks underperformed in this pronounced risk-on environment. The Vontobel Fund - US Equity generated positive returns but trailed the S&P 500 Index during the quarter.

– Stock selection in materials and communication services were the largest contributors to relative performance. However, stock selection in information technology, combined with an underweight to the sector, was the largest detractor from relative performance, followed by stock selection in financials.

– We believe significant risks to economic expansion persist. Key economic indicators showed signs of weakness. The ISM manufacturing index remained in contraction territory, below 50, for the seventh consecutive month. The employment market has also softened, with anemic job growth May through August. Job gains in the coming months will be critical to sustaining economic growth. If job gains fail to materialize, our exposure to defensive, resilient companies would be essential.

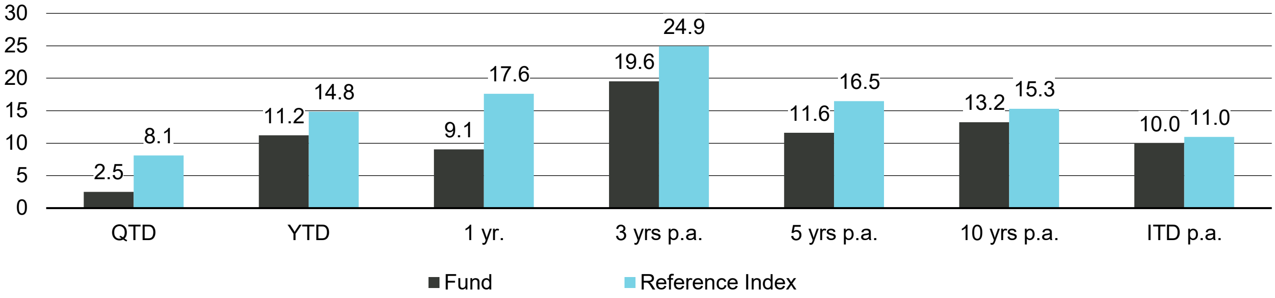
– Demand for AI infrastructure has continued to outpace capacity growth this year, driven by compute-intensive use cases, such as reasoning models and video creation. In response, leading AI players have continued to increase their future capital expenditure (capex) targets. Some sell-side analysts now project annual AI capex to exceed $1 trillion by the end of the decade, which would have a substantial impact on the overall economy, as well as individual companies. The increasingly large capex commitments that are being announced raise the prospects of a substantial investment cycle and potential capex "arms race."

– Given the inherent uncertainty, our exposure to companies whose fortunes are entirely dependent on AI is lower than the index. Instead, we are taking a more selective approach, focusing on ways to benefit from AI's long-term growth in a more predictable and lower-risk manner.

Fund characteristics

Share class	Vontobel Fund – US Equity I (ISIN LU0278092605)
Reference index	S&P 500 - TR
Currency	USD
Inception date	16.3.2007
Reporting period	16.3.2007-30.9.2025

Historical performance (net returns, in %) as of 30.9.2025 (I-Share class)



	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund	12.2	25.3	-15.7	18.9	16.3	30.6	-0.8	25.6	9.3	7.2
Ref. index	25.0	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	1.4

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. Performance and characteristics for other share classes will differ from the information discussed herein.

Market review

In a quarter largely absent any major market shocks, US equities made gains. Investor concerns about the effect of tariffs receded, while confidence about the impact of AI boosted markets.

US GDP growth for the second quarter exceeded consensus estimates, driven by stronger-than-expected consumer spending. A weakening jobs market prompted the Federal Reserve to make its first interest rate cut of 2025 in September. Fed Chair Jerome Powell signaled a cautious approach for the future, despite calls from President Trump to cut more aggressively. Data showed the core inflation gauge for August remained elevated but in line with expectations.

Global markets

Performance (%) as of 30.9.2025	THIRD QUARTER	1 YEAR
MSCI All Country World Index	7.62	17.27
MSCI All Country World ex U.S. Index	6.89	16.45
MSCI EAFE (Europe, Australasia, Far East)	4.77	14.99
MSCI Europe Index	3.62	15.08
MSCI Japan Index	8.02	16.36
MSCI All Country Asia ex Japan Index	10.76	17.19
MSCI Emerging Markets Index	10.64	17.32
S&P 500 Index	8.12	17.60

Source: FactSet, MSCI, S&P
Expressed in USD.

S&P 500 - TR

Sector performance (%) as of 30.9.2025	THIRD QUARTER	1 YEAR
Information Technology	13.13	27.95
Communication Services	11.96	35.15
Consumer Discretionary	9.51	20.09
Utilities	7.35	10.24
Energy	5.94	3.40
Industrials	4.88	15.15
Health Care	3.62	-8.45
Financials	3.15	20.29
Materials	2.98	-4.73
Real Estate	2.33	-3.26
Consumer Staples	-2.52	-0.21

Source: FactSet, S&P
Expressed in USD.

Outlook

- The third quarter reflected growing optimism among investors as concerns about the impact of tariffs diminished. However, we believe significant risks to economic expansion persist. Key economic indicators showed signs of weakness. The ISM manufacturing index remained in contraction territory, below 50, for the seventh consecutive month. The employment market has also softened, with anemic job growth May through August. Job gains in the coming months will be critical to sustaining economic growth. If job gains fail to materialize, our exposure to defensive, resilient companies would be essential.

- The economy has been supported by growth in consumer spending by high income earners (boosted by the wealth effect of the stock market) and the AI-related capex boom. There are signs of potential excess in the massive surge in AI capital investment given the uncertainty about the magnitude of productivity gains that will materialize as a result. Consumers have shown greater enthusiasm in adopting AI products, as seen in the initial rollout of ChatGPT. However, businesses have moved at a measured pace, given considerations around model reliability, data readiness, and security. Business adoption continues to skew to more inwardly focused use cases, with an emphasis on driving efficiency, such as knowledge management, coding, and help desk automation.

- Demand for AI infrastructure has continued to outpace capacity growth this year, driven by compute-intensive use cases, such as reasoning models and video creation. In response, leading AI players have continued to increase their future capital expenditure (capex) targets. Some sell-side analysts now project annual AI capex to exceed $1 trillion by the end of the decade, which would have a substantial impact on the overall economy, as well as individual companies. The increasingly large capex commitments that are being announced (in some cases with more aggressive funding structures) raise the prospects of a substantial investment cycle and potential capex “arms race.”

- Given the inherent uncertainty surrounding AI’s long-term trajectory, our exposure to companies whose fortunes are entirely dependent on AI is lower than the index. Instead, we are taking a more selective approach, focusing on ways to benefit from AI's long-term growth in a more predictable and lower-risk manner. For example, the three major hyperscalers (Amazon, Microsoft, and Alphabet) are parts of highly profitable firms with other secular growth drivers, giving them greater ability to absorb the impact of an AI pullback. They also have greater ability to reallocate AI computing infrastructure toward internal projects, providing another avenue to digest potential excess capacity. In addition, companies like Alphabet and Meta are benefiting from some of the most impactful use cases of AI, such as content recommendation, content generation, and improved ad monetization.

Performance drivers[1]

The Vontobel Fund - US Equity generated positive returns but trailed the S&P 500 Index during the quarter. Stock selection in materials and communication services were the largest contributors to relative performance. However, stock selection in information technology combined with an underweight to the sector was the largest detractor from relative performance, followed by stock selection in financials.

On an individual stock basis, Alphabet, CRH, and Amphenol were the top contributors to absolute performance, while Intuit, Intercontinental Exchange, and Coca-Cola were the largest detractors from absolute results.

Shares of Alphabet rallied after the company delivered solid second-quarter results, reporting 14% revenue growth and strength across its business segments. Both YouTube and Search exceeded consensus expectations, with Search benefiting from AI features such as the company's AI Overviews, which have driven a 10% increase in queries.

CRH, a leading provider of building materials, rallied after delivering results that exceeded expectations and raising its guidance. The company has benefited from strong demand, pricing power, and recent acquisitions. Execution remains robust, and CRH has a solid pipeline of M&A opportunities to drive future growth.

Shares of Amphenol, a provider of cables and connectors, also continued to rally strongly. The company is well-positioned to benefit from increased AI-related capital expenditures and the ongoing data center buildout, as its connectors are a critical component in these areas. Earnings per share rose 84%, driven by strong performance in its IT datacom business. Additionally, its industrial segment experienced significant growth.

On the negative side, Intuit, a provider of business software solutions including QuickBooks and TurboTax, saw its shares decline despite delivering solid quarterly results. Investors reacted to a weaker-than-expected outlook for 2026 and softness in its MailChimp business. Still, sales were up 20%, driven by strength in Intuit's midmarket business, as cross-selling opportunities are increasing given AI integration.

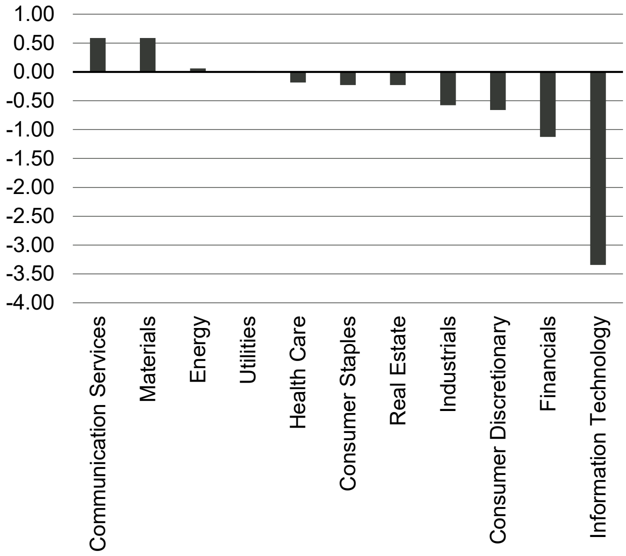
Intercontinental Exchange underperformed due to moderating futures trading volumes, particularly energy futures. In general, futures volumes have come off their highs, as volatility subsided. The stock provided us with downside protection earlier in the year and has given back outperformance after macro conditions appear to have normalized. There is no change to our longer-term outlook for Intercontinental Exchange.

The share price of Coca-Cola declined as part of a broader "risk-on" environment, where investors gravitated toward higher-beta names at the expense of more defensive, durable areas of the market. The company's second-quarter results slightly exceeded estimates, with strong performance across all regions. Coca-Cola has experienced minimal impact from tariffs, as its bottlers are primarily local. Additionally, its fairlife protein milk continues to be a standout performer.

Attribution

Sector

Vontobel Fund – US Equity vs. S&P 500 - TR



Source: FactSet, MSCI
Attributions for the quarter ending 30.9.2025.
Based on cumulative gross performance (USD) of Vontobel Fund – US Equity. The gross rates of return are presented before the deduction of investment management fees, other investment-related fees, and after the deduction of foreign withholding taxes, brokerage commissions and transaction costs. An investor's actual return will be reduced by investment advisory fees. Country attribution based on top 5 / bottom 5 countries by total effect. **Past performance is not indicative of future results.**
Total Effect: The net effect of the allocation and selection effects. A single-period sector or country's geometric total effect is calculated by multiplying the product of one plus the allocation effect (AE/100 + 1) by one plus the selection effect (SE/100 + 1) and subtracting one from the result before multiplying by 100.

[1] Please see full list of top and bottom 5 contributors at the end of this commentary.

Portfolio changes[1]

In industrials, we purchased Waste Management, the largest provider of waste services in North America. The company offers waste collection, recycling, disposal, and sustainability solutions. Waste Management operates an extensive network of landfills, transfer stations, and recycling facilities, which provides it with significant scale advantages and pricing power over smaller competitors. Waste collection is a highly predictable and recession-resilient business. We believe Waste Management is well-positioned to grow through a combination of strong pricing, volume gains, renewable natural gas initiatives, and M&A opportunities. The industry is consolidating, and Waste Management is capitalizing on this trend by acquiring smaller, less profitable operators and integrating them into its existing network. Thanks to its scale benefits and consistent pricing growth, Waste Management offers predictable and sustainable earnings growth over the long term.

We initiated a position in Autodesk, a leading design and engineering software company that serves a diverse range of end markets, including architecture, engineering, construction, manufacturing, and media. Autodesk's software enables users to efficiently and accurately create, simulate, and visualize designs, while also fostering digital collaboration. The company benefits from a predictable recurring revenue base and high customer retention. We believe Autodesk is well-positioned for continued growth as it expands its platform by increasing subscription adoption and deepening customer engagement through further innovation.

In the financials sector, we purchased Aon, a leading provider of insurance brokerage and health/benefits consulting services. In our view, Aon operates an attractive, cash-flow generative business model where insurance carriers assume the underwriting risk, while Aon acts as an intermediary. We believe Aon is a well-managed company, with a strong track record of margin expansion over many years under its current CEO.

Also in financials, we purchased Toast, a company that provides both software and hardware solutions for the restaurant industry. Toast provides the operating system for restaurants, offering a broad, best-in-class platform that outperforms the legacy systems still prevalent in the market today. The company has significant opportunities to capture additional market share in U.S. restaurants, which supports a strong growth outlook. This growth potential is further enhanced by Toast's expansion into other verticals and international markets. In our view, Toast has demonstrated its ability to scale effectively and has now become a profitable and well-managed company with substantial upside potential.

We added a position in Iron Mountain, a leading real estate company specializing in records and information management (RIM). Originally focused on physical storage, Iron Mountain has successfully evolved to include digital records management. The company is a trusted brand in the industry, operating a highly cash-generative business with strong margins that continue to grow. Iron Mountain's natural evolution into data centers and asset lifecycle management presents higher-growth opportunities. The core RIM business still accounts for approximately three-quarters of the business and it grows through volume, pricing, and cross-selling initiatives. Meanwhile, the newer segments of the business are growing at a faster rate, benefiting from synergies across the company's various offerings.

We purchased IQVIA Holdings, a health care company formed through the merger of IMS Health and Quintiles. IMS is best known for its prescription data, consulting, and analytics products, while Quintiles is a contract research organization (CRO). Parts of the business that originated from IMS are a virtual monopoly, resulting in high margins. The CRO segment is also a strong business, though it is currently facing headwinds due to reduced biotech funding and project re-prioritization by pharmaceutical companies. Despite these temporary headwinds, we view IQVIA as a high-quality company trading at an attractive valuation.

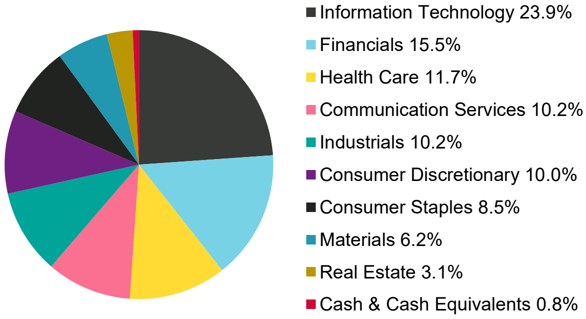
We sold our position in consumer staples company PepsiCo after its core snack business continued to deliver lackluster sales growth, despite strong performance in its beverage and international units. We replaced PepsiCo with another defensive growth stock that offers better risk-reward metrics.

In the information technology sector, we exited our position in KLA Corporation. While the company is high quality, various uncertainties make it challenging to justify its elevated valuation. Concerns over its exposure to China persist, and with wafer fabrication equipment (WFE) spending prone to fluctuations, growth expectations remain highly variable. We reallocated capital to opportunities where we have greater confidence in the earnings growth trajectory.

Additionally, we sold our position in Accenture due to lower bookings, macroeconomic softness weighing on its business, and concerns about the longer-term impact of AI on its operations.

Allocation

Sector



Sector allocations are as of 30.9.2025 and based on the Vontobel Fund – US Equity.

[1] Purchases provided are the new purchases with positions greater than 50 basis points in the Vontobel Fund – US Equity for the period. Sells provided are all names that were fully liquidated in the Vontobel Fund – US Equity for the period. The holdings may not represent all of the securities purchased, sold, or recommended for advisory clients.

Portfolio data

Top 10 holdings[1]

	SECTOR	COUNTRY	% OF PORTFOLIO
Microsoft Corporation	United States	Information Technology	6.6
Amazon.com, Inc.	United States	Consumer Discretionary	5.7
Intercontinental Exchange, Inc.	United States	Financials	4.3
Alphabet Inc. Class A	United States	Communication Services	4.2
Meta Platforms Inc Class A	United States	Communication Services	4.1
Mastercard Incorporated Class A	United States	Financials	3.9
Coca-Cola Company	United States	Consumer Staples	3.8
RB Global, Inc.	United States	Industrials	3.5
Abbott Laboratories	United States	Health Care	3.3
Intuit Inc.	United States	Information Technology	3.2
Total			**42.7**

Characteristics

	US EQUITY[1]	S&P 500
Market capitalization (USD B), weighted average	766.2	1367.6
P/E - forecast 12-month, weighted harmonic average	24.8	22.9
Dividend yield (%)	1.0	1.1
5-yr historical EPS growth (%)	14.9	14.6
Return on Equity, weighted average (%)	26.0	23.9

Risk statistics (5 years)

	US EQUITY[2]	S&P 500
Annualized alpha	-2.1	–
Beta	0.9	1.0
Sharpe Ratio	0.6	0.9
Annualized standard deviation	14.2	15.8

Top 5 contributors[1] by security (3 months)

	SECTOR	AVERAGE WEIGHT (%)	CONTRIBUTION TO RETURN (%)
Alphabet Inc.	United States	5.24	1.69
CRH public limited company	United States	2.39	0.66
Amphenol Corporation	United States	2.75	0.62
IDEXX Laboratories, Inc.	United States	1.37	0.37
Thermo Fisher Scientific Inc.	United States	2.85	0.36

Bottom 5 contributors[1] by security (3 Months)

	SECTOR	AVERAGE WEIGHT (%)	CONTRIBUTION TO RETURN (%)
Intuit Inc.	United States	3.42	-0.50
Intercontinental Exchange, Inc.	United States	4.56	-0.33
Coca-Cola Company	United States	4.41	-0.23
American Tower Corporation	United States	2.14	-0.23
Adobe Inc.	United States	2.20	-0.19

Top 5 contributors[1] by security (1 year)

	SECTOR	AVERAGE WEIGHT (%)	CONTRIBUTION TO RETURN (%)
Alphabet Inc.	United States	5.41	1.91
Amphenol Corporation	United States	2.03	1.81
Meta Platforms, Inc.	United States	1.93	1.60
Amazon.com, Inc.	United States	6.27	1.35
RB Global, Inc.	United States	4.03	1.35

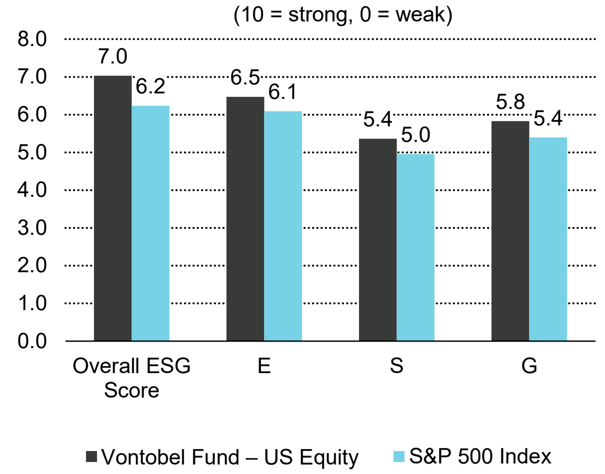
Bottom 5 contributors[1] by security (1 year)

	SECTOR	AVERAGE WEIGHT (%)	CONTRIBUTION TO RETURN (%)
Adobe Inc.	United States	2.55	-1.11
Becton, Dickinson and Company	United States	1.93	-0.95
Thermo Fisher Scientific Inc.	United States	2.51	-0.71
PepsiCo, Inc.	United States	1.99	-0.71
Zoetis Inc.	United States	2.34	-0.71

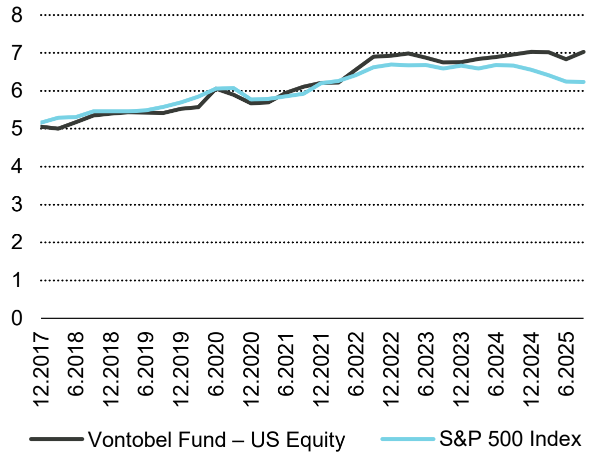
Portfolio data as of 30.9.2025
Past performance is not indicative of future results. Source: FactSet. All returns are expressed in USD.
[1] Based on the Vontobel Fund – US Equity. Fund holdings and characteristics subject to change. The reader should not assume that an investment in the securities identified was or will be profitable. For more information on the calculation methodology or a complete list of holdings which contributed to overall performance during the period, please contact a Vontobel representative at ClientServices@vontobel.com.
[2] Based on gross performance of the Vontobel Fund – US Equity. The fund's gross rates of return are presented before the deduction of investment management fees, other investment-related fees, and after the deduction of foreign withholding taxes, brokerage commissions and transaction costs. An investor's actual return will be reduced by investment advisory fees.

ESG metrics

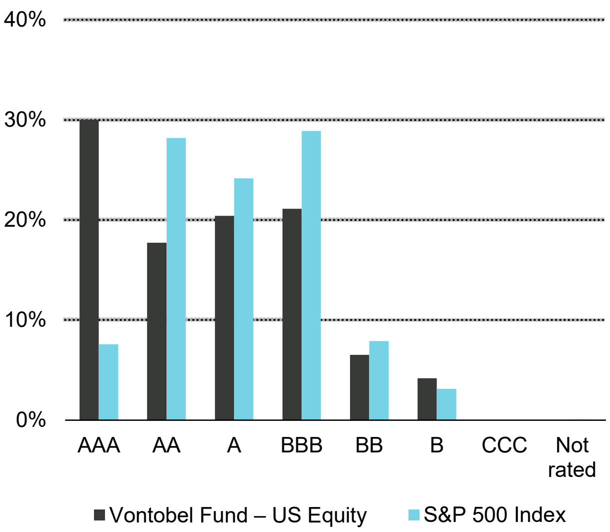
ESG (MSCI) scores[1]



ESG (MSCI) scores[1] history

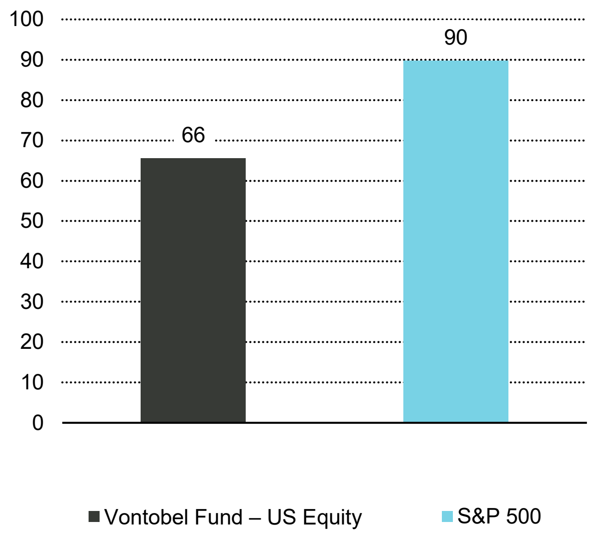


ESG (MSCI) rating distribution



Weighted average carbon intensity[2] (Scope 1+2)

(tons CO2e/$1M sales)



Past performance is not indicative of future results. As of 30.9.2025. Based on the Vontobel Fund – US Equity.
Source: MSCI ESG Research LLC, FactSet. ESG scores calculated by MSCI ESG Research LLC.
[1] MSCI ESG Overall Score methodology is calculated as a simple weighted average of issuer ESG ratings, where cash is excluded.
[2] Based on a company's most recently reported or estimated Scope 1 + Scope 2 greenhouse gas emissions.

Igor Krutov
Boutique Head, PM, Analyst
31 years in industry
23 years with Vontobel

Edwin Walczak
PM, Analyst
47 years in industry
37 years with Vontobel

Chul Chang, CFA
PM, Analyst
25 years in industry
16 years with Vontobel

Investment risks[1]

- 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.
- As the sub-fund focuses on companies that are domiciled and/or conduct the majority of their business in the US, it has a lower degree of risk diversification.
- 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.

[1] The listed risks concern the current investment strategy of the fund and not necessarily the current Portfolio. Subject to change, without notice, only the current prospectus or comparable document of the fund is legally binding.

Vontobel
Gotthardstrasse 43, 8022 Zurich
Telefon +41 58 283 71 50
Telefax +41 58 283 71 51

vontobel.com/am