Vontobel

Monthly commentary / 29.5.2026

Vontobel Fund – Global Equity Income

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.

Summary

- The performance of the Fund was positive in May 2026 and underperformed the MSCI ACWI ND.
- The Energy and Communication Services sectors were positive contributors to relative performance over the month. The Information Technology and Financials sectors were the largest detractors from relative performance.
- On a country basis, Canada and China contributed to relative performance, while the United States and France detracted from relative performance.
- Relative to the benchmark, the Fund's largest sector overweights for the month were Financials and Consumer Staples while the largest sector underweights were Information Technology and Communication Services.
- The Fund's largest country overweights were the Taiwan and Switzerland relative to the benchmark. The largest underweights were the United States and Japan at the end of month.

Market developments

Global equities continued their ascent in May. Technology heavy markets in the US and Asia led gains, supported by strong earnings growth and continued AI capital expenditure, which drove tech hardware, semiconductor, and semi cap equipment names higher, with particular strength in memory. Investors' hopes for a deal between the US and Iran lifted stock markets and eased pressure on oil prices. US equities delivered strong returns, fueled by ongoing AI expansion and infrastructure buildout. US GDP growth recovered in the first quarter, although less than expected, while inflation rose to 3.8% in April. Kevin Warsh was appointed chair of the US Federal Reserve, with markets anticipating interest-rate hikes to contain inflation. European equities lagged as inflation rose to 3% in April, reflecting the impact of the Iran conflict. In response, European monetary policymakers reaffirmed their commitment to bringing inflation back to target. Meanwhile, the EU forecast a slowdown in economic growth in 2026, as first quarter GDP contraction in France heightened recession concerns. Emerging market equites outperformed, with Taiwan and Korea once again driving gains, supported by strong technology export growth. China diverged from the broader emerging market outperformance.

Portfolio review

Purchases
N/A
Sales
Tata Consultancy Services Ltd
We sold to allocate capital to better opportunities.

Performance analysis

TOP3 Contributors:
Samsung Electr-Gdr Reg S
The company reported that its HBM4 capacity is already "sold out" as the global memory shortage is projected to worsen into 2027. Moreover, Samsung's management confirmed that HBM4 mass production began in 1Q26, with meaningful volume upside expected in the second half of the year. Samsung has been negotiating multi-year, legally binding LTAs, which provide much higher earnings visibility and durability compared to traditional spot market sales. Lastly, the resolution of labor union concerns in May was seen as positive. Thus, several analysts shifted their valuation methodology from P/B to P/E to reflect the structural shift in business models.
Taiwan Semiconductor Manufacturing Company Ltd
TSMC's strong stock performance was primarily driven by a "step-up" in demand for AI-related chips that continues to outpace production capacity, coupled with positive technical milestones for next-generation 2nm (N2) and A16 process nodes. High-performance computing (HPC) and AI now account for 55.00% of the total semiconductor market, leading to extreme tightness in leading-edge nodes (N5 and N3) through 2027. Driven by this demand surge, TSMC reaffirmed and in some cases raised its annual revenue growth outlook to over 30% in USD terms for 2026.
Brookfield Infrastructure Pa
There is nothing fundamental to report this month. Brookfield Infrastructure Partners is an owner and operator of global infrastructure assets. It has a track record of good execution. Also, the stock offers an attractive dividend yield.
TOP3 Detractors:
Power Grid Corp Of India Ltd
Power Grid underperformed as the company reported a slower fourth quarter of the fiscal year and a dip in project award market share. However, we view these a near term issues, and the business remains on track to benefit from India's structurally rising transmission capex.
Pepsico Inc

PepsiCo (PEP US) stock weaker as US food stocks lower on spike in bond yields (tend to trade as bond proxies) and worries over some rising commodities costs as Iran conflict drags on.
CME Group Inc
The stock underperformed as volume growth decelerated.

Outlook
Given the uncertainty in today's markets, we are seeking to balance exposure between defensive companies with diverse drivers and low disruption risk, and growth driven by AI capital expenditure. We believe this positioning enables us to participate in market upside while maintaining downside protection should the market digest the outstanding risks over the near term. The largest near-term risk we see relates to higher oil prices, which could weigh on both the consumer and corporates down the road. By investing in high-quality companies that we believe exhibit strong pricing power, high margins, and diverse drivers, we seek to position our portfolios to pursue growth opportunities while aiming for greater resilience across a range of market environments.

Fund characteristics

Fund name	Vontobel Fund – Global Equity Income
ISIN	LU0278093322
Share class	I USD
Benchmark	MSCI All Country World Index TR net
Inception date	13.7.2007

Historical performance (net returns, in %)

Time period	Fund	Benchmark
MTD	1.6%	5.2%
YTD	7.2%	12.1%
1 year	15.8%	30.3%
3 yrs p.a.	14.1%	22.3%
5 yrs p.a.	7.3%	11.5%
10 yrs p.a.	–	–
ITD p.a.	8.5%	13.0%

Time period	Fund	Benchmark
2025	23.8%	22.3%
2024	2.3%	17.5%
2023	11.1%	22.2%
2022	-8.6%	-18.4%
2021	13.8%	18.5%
2020	5.3%	16.3%
2019	18.9%	26.6%
2018	-11.1%	-9.4%
2017	23.3%	24.0%
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.
Since fund inception until 31.12.2016, the fund had different characteristics and performance was achieved under circumstances that no longer apply.

Investment risks

- 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.

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