

Monthly commentary / 31.05.2020
Vontobel Asset Management

Vontobel Fund (CH) - Vescore Swiss Equity Multi Factor

Approved for institutional investors in: CH

Market developments

In May, Swiss and global equity markets continued their rebound as countries started to relax their lockdown measures due to the decreasing daily infection rates, especially in Europe. Furthermore, the fiscal and monetary measures continued to inspire confidence among market participants. By the end of the month, also the European Union unveiled a plan to raise 750 billion euros to finance the economic recovery. On the other hand, the released economic data were rather weak. For example, the US employment rate for April reached almost 15% but also purchasing managers' indices and corporate earnings reports were weakening. Nevertheless, the positive sentiment dominated markets and cyclical sectors as industrials and materials benefited.

Portfolio review

Last month, the factor allocation stayed almost unchanged with a Value overweight of 58% (versus 1/N weighting of 25%) at the end of May. The overweight is especially attributable to our long-term mean reversion model. Furthermore, our economic model increased the Value allocation, whereas our momentum model reduced the exposure to Value stocks. The other factors, Momentum, Quality and Minimum Volatility were all underweight with an allocation of 14% at the end of the month.

Performance analysis

In May, the Vontobel Fund (CH) - Vescore Swiss Equity Multi Factor benefited from the continued rebound of the Swiss equity market and outperformed the benchmark, the Swiss Performance Index. All factor portfolios, except Value, contributed positively to the fund performance. In particular, the Quality and Momentum portfolios outperformed the cap-weighted benchmark. On the other hand, the dynamic weighting of the factor portfolios, namely the Value overweight, contributed slightly negatively to the performance. From a sector perspective, the fund profited from the industrials and materials overweight but also from the stock selection within these sectors. Furthermore, the underweight in the defensive index heavyweights Nestlé, Roche and Novartis contributed positively.

Outlook

Despite the recent market rebound, uncertainty is still high. In the coming weeks, the ongoing development of the COVID-19 pandemic is continuing to define investors risk appetite. That means the market sentiment will depend, amongst others, on whether economies can reopen fully and sustainably.

Performance (in %)

Net returns	Rolling 12-month net returns					
	Fund	Index	Start date	End date	Fund	Index
CHF						
MTD	3.5	2.9	01.06.2019	29.05.2020	3.5	6.1
YTD	-9.1	-4.6	01.06.2018	31.05.2019	7.3	13.6
2019	34.8	30.6	01.06.2017	31.05.2018	7.6	-0.8
3 years p.a.	6.1	6.1	01.06.2016	31.05.2017	22.3	15.3
5 years p.a.	n/a	n/a	01.06.2015	29.05.2016	n/a	n/a
10 years p.a.	n/a	n/a	Index: Swiss Performance Index (SPI)			
Since launch	11.1	8.5				
p.a.						
Launch Date		26.01.2016	Share class: I			
			ISIN: CH0311189556			

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 due to changes in the rates of exchange between currencies.

Disclaimer

This marketing document was produced for institutional clients, for distribution in CH.

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 ("KIID"), 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.

In particular, we wish to draw your attention to the following risks: Investments in derivatives are often exposed to the risks associated with the underlying markets or financial instruments, as well as issuer risks. Derivatives tend to carry more risk than direct investments. Money market investments are associated with risks of a money market, such as interest rate fluctuations, inflation risk and economic instability.

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 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 fund management company: Vontobel Fonds Services AG, Gotthardstrasse 43, 8022 Zurich or the paying agent in Switzerland: Bank Vontobel AG, Gotthardstrasse 43, 8022 Zurich.

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 Asset Management AG, its affiliates 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.

The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Although Vontobel Asset Management AG ("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