Vontobel Fund – European Equity

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 June 2026 and outperformed the MSCI Europe ND.
- The Consumer Staples and Materials sectors were positive contributors to relative performance over the month. The Financials and Industrials sectors were the largest detractors from relative performance.
- On a country basis, Netherlands and Switzerland contributed to relative performance, while the United Kingdom and Norway detracted from relative performance.
- Relative to the benchmark, the Fund’s largest sector overweights for the month were Information Technology and Utilities while the largest sector underweights were Health Care and Energy.
- The fund’s largest country overweights were the United Kingdom and United States relative to the benchmark. The largest underweights were the France and Germany at the end of month.

Market developments

Global equities softened in June as inflation and interest rate concerns weighed on markets. Stocks found some support from a ceasefire agreement between the US and Iran and the reopening of the Strait of Hormuz. Crude oil prices retraced much of their earlier gains, ending the month near pre-conflict levels. After a strong run, the S&P 500 pulled back in June, and market leadership broadened, which contributed to a rotation away from the narrow group of AI-driven leaders and toward more cyclical and defensive areas of the market. Markets were also unsettled by comments that were more hawkish than expected from new Fed Chair Kevin Warsh. His plans to remove forward guidance raised concerns about reduced policy transparency and greater interest rate volatility. The European Central Bank raised interest rates in June but signaled that future inflation-fighting measures may not need to be as aggressive as in the past. In the UK, Keir Starmer resigned as prime minister following poor local election results in May, triggering a leadership contest and adding to policy uncertainty. European equities posted modest gains, while emerging markets declined, led lower by China. Korea and Taiwan, which were notable outperformers within emerging markets for most of the year, were only moderately positive for the month.

Portfolio review

Purchases
INTERCONTINENTAL HOTELS GROUP PLC
Diversify the portfolio with a best-in-class travel company operating in a structurally attractive growth market.
Sales
PROSUS NV
Reallocated to better opportunities.
PRUDENTIAL PLC
Reallocated to better risk reward opportunity.

Performance analysis

TOP3 Contributors:
ASML HOLDING NV
Analysts and semiconductor equipment companies raised their Wafer Fab Equipment (WFE) spending projections for the 2026–2027 period by 25% to 30%, driven by the persistent shortage of compute capacity. ASML benefits from intensifying demand for AI infrastructure, and high-profile strategic project discussions, such as Elon Musk's "Terafab" initiative. ASML CEO Christophe Fouquet confirmed ongoing discussions regarding the project. All these developments drive higher pricing even on 3nm-capable tool (3600D), while capacity constraints likely to ease as ASML expects " meaningfully " higher than 90 EUV units exiting CY27. Rising EUV intensity and adoption of High-NA EUV keeps driving lithography intensity over the next 3-5 years.
COCA-COLA HBC AG-DI
During June, CCH was a strong performer as it provides stability in volatile times and investors were awaiting its July investor event.
GALDERMA GROUP AG
There wasn't much company specific drivers in June specifically, but continued growth of Nemluvio, a survey showing strong patient demand for aesthetics was released, and perhaps excitement over an upcoming decision from the FDA on a new product.
TOP3 Detractors:
HALMA PLC
Halma's FY2026/27 guidance was significantly below market expectations. The market (buy-side) had assumed that the company would maintain a growth trajectory similar to that achieved in FY2025/26; however, management guided to a deceleration in growth.
KONGSBERG GRUPPEN ASA
Kongsberg's June weakness was not company-specific but part of a broader sell-off across the European Aerospace & Defense sector, driven by investor rotation away from the sector amid concerns over the pace at which companies can convert record backlogs into sales.
HENSOLDT AG

EU defence stocks were lower over the last Quarter as Iran conflict calmed, and renewed talk of Ukraine possible ceasefire talks weighed on spending sentiment, even though NATO countries re committed to increasing spending. Thesis u/c.

Outlook

Investor sentiment continues to oscillate rapidly between concerns around excessive spending by hyperscalers and optimism that AI is the defining technology investment cycle of the next decade. Despite these shifting narratives, AI-related data center construction remains robust. Hyperscalers have committed extraordinary levels of capital to AI infrastructure, yet the tangible return on investment remains difficult to quantify. We remain mindful of the challenges in predicting both the duration and magnitude of the AI investment cycle. We therefore believe maintaining a balance between AI beneficiaries and businesses with more diversified growth drivers will enable our portfolios to participate if the buildout continues while providing resilience should investment activity slow. Our focus remains on identifying companies with durable competitive advantages, attractive valuations, and those that can generate consistent and predictable growth across a wide range of conditions.

Fund characteristics

Fund name	Vontobel Fund – European Equity
ISIN	LU0278085062
Share class	I EUR
Benchmark	MSCI Europe Index TR net
Inception date	3.4.2007

Historical performance (net returns, in %)

Time period	Fund	Benchmark
MTD	3.8%	3.0%
YTD	10.2%	10.7%
1 year	5.8%	21.8%
3 yrs p.a.	7.0%	14.4%
5 yrs p.a.	4.4%	10.3%
10 yrs p.a.	6.2%	9.6%
ITD p.a.	5.3%	5.5%

Time period	Fund	Benchmark
2025	0.7%	19.4%
2024	11.5%	8.6%
2023	12.2%	15.8%
2022	-19.0%	-9.5%
2021	24.3%	25.1%
2020	4.6%	-3.3%
2019	28.6%	26.1%
2018	-12.6%	-10.6%
2017	11.1%	10.2%
2016	-3.1%	2.6%

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

— 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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