Vontobel

Monthly Update / September 2024

Vontobel Fund II - Active Beta AI

Multi Asset - Active Beta

The fund invests in global equities and government bonds and aims to generate an absolute positive return while promoting environmental and social characteristics by following ESG integration and exclusion approaches. The portfolio structure is optimally adjusted to the opportunities and risks of the prevailing market conditions (economic cycles) through long-term tactical management of the equity allocation and bond duration. This ensures a sustained stabilization of the return profile. The underlying assessment of the market environment and the resulting tactical return potentials are based on the quantitative investment models developed by Vontobel, GLOCAP and FINCA. The equity exposure is currently managed in a global implementation between 0 and 60%, the duration between 0 and 10 years. At the same time, the securities portfolio promotes environmental and social characteristics by following an ESG integration and exclusion approach to invest in corporates and sovereigns with an ESG rating above a minimum threshold. Additionally, the securities portfolio consists at least 15% green, social and sustainable bonds.

General Information

Investment Manager	Vontobel Asset Management S.A. - Munich branch
Management Company	Vontobel Asset Management S.A.
Custodian	CACEIS Bank, Luxembourg Branch
Investment Company	Vontobel Fd. II, SICAV, UCITS V compliant
Fund Domicile	Luxemburg
Fund Currency	EUR
Share Class Currency	EUR
Net Asset Value	1,685.20
Fund Volume [Mln. EUR]	352.60

Management Fee p.a.	0.45%
TER [as of 28.03.2024]	0.61%
Launch Date [Shareclass]	11/11/2002
Launch Price	1,000.00
Last Distribution per Share [as of 24.07.2024; EUR]	17.30
ISIN	LU1617166936
Valor	36870126
Bloomberg	VOVABAI LX
Distribution Policy	Distributing

Investment Strategies

Risk Premium
Eq

GLOCAP is a scientifically based economic approach for dynamic modelling and forecasting of capital market yield drivers. The GLOCAP allocation signals are used for the tactical control of equity allocation.

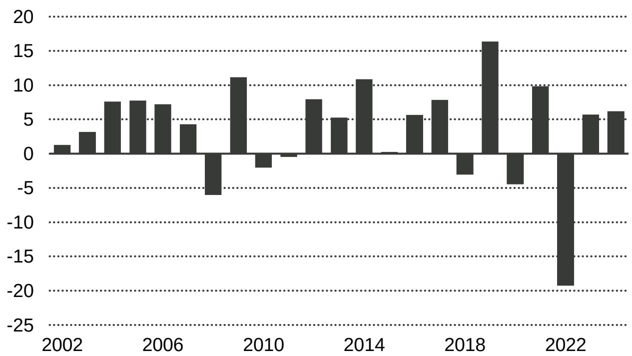
Risk Premium
Fi

FINCA models the development of the yield curves for the most important global currency zones. Based on forecasting of the dynamics of the yield curves, FINCA selects a tactical positioning on each yield curve separately.

Price Development AI in EUR*

Indexed - since Inception

Performance per calendar year in %



Performance attribution of AI share class for the last 10 years in % (EUR)*

10 years		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Fund	**5.26**	**10.85**	**0.27**	**5.63**	**7.85**	**-3.07**	**16.34**	**-4.47**	**9.84**	**-19.27**	**5.71**	**6.18**
	GLOCAP	9.33	-0.14	0.15	2.58	9.79	-5.01	10.30	-5.35	9.87	-9.18	4.33	5.90
	FINCA	-4.07	10.99	0.12	3.05	-1.94	1.94	6.04	0.88	-0.03	-10.09	1.39	0.28

2024		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Fund	**-0.15**	**0.58**	**1.56**	**-0.84**	**1.10**	**0.43**	**1.02**	**0.86**	**1.48**	**-**	**-**	**-**	**6.18**
	GLOCAP	0.00	0.91	1.26	-0.32	0.97	0.30	0.69	0.65	1.33	-	-	-	5.90
	FINCA	-0.15	-0.33	0.30	-0.52	0.13	0.13	0.33	0.21	0.16	-	-	-	0.28

Performance of AI share class in % (EUR)*

	1 month	**YTD**	**3 years p.a.**	**5 years p.a.**	**10 years p.a.**	**since inception**
Fund	1.48	6.18	-2.43	-0.60	2.37	112.85

	10/2019 - 09/2020	**10/2020 - 09/2021**	**10/2021 - 09/2022**	**10/2022 - 09/2023**	**10/2023 - 09/2024**
Fund	-5.41	10.45	-15.77	0.53	9.69

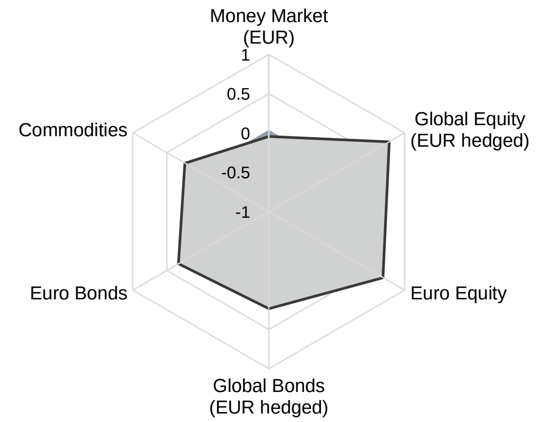
* Source: Vontobel Asset Management AG. Historical performance is not an indicator of current or future performance. The performance data do not take into account the commissions and costs charged on the issue and redemption of units. The fund's return may rise or fall as a result of currency fluctuations.

Fund Characteristics

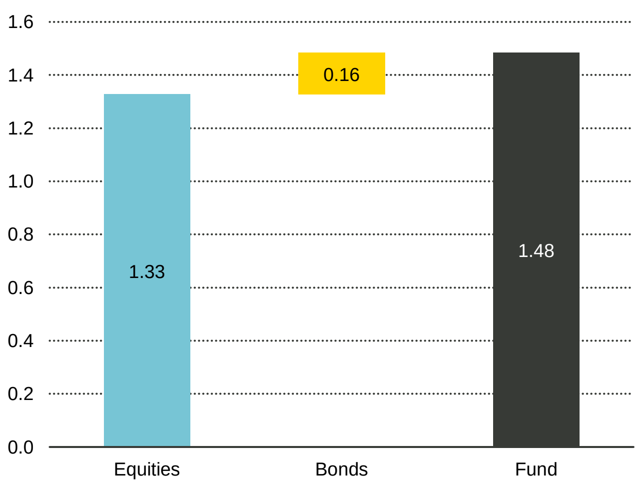
Return and Risk

Return since inception p.a. [%]	3.51
Volatility [3 years, annualised]	6.40
Sharpe Ratio [3 years, annualised]	-
Sharpe Ratio [since inception, annualised]	0.42
Best Month [%]	3.98
Worst Month [%]	-7.38
Positive Months	166
Value at Risk 95/1M [% ex-ante]	2.43
Duration [years]	4.96

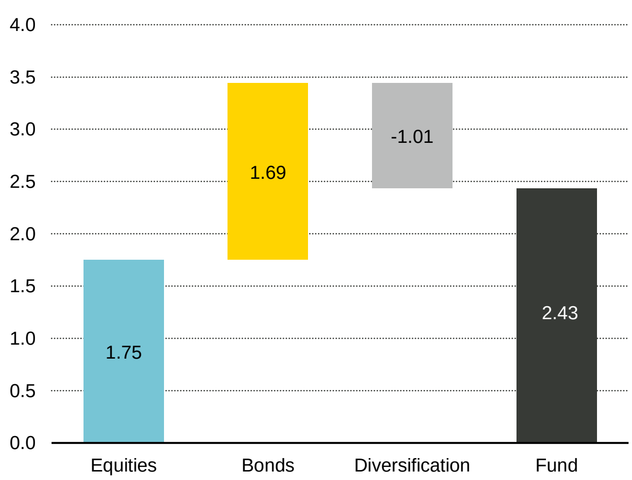
Correlations



Return Attribution Current Month in % (EUR)



Risk Attribution (VaR 1M/95%) Current Month in % (EUR)



Market commentary

At the beginning of October, the fundamental economic market environment continues to navigate the tension between growth concerns, interest rate hopes, and geopolitical risks.

While the stock markets initially recorded noticeable losses in the reporting month of September, the first rate cut by the US Fed gave market participants' risk appetite renewed strength, leading to significant gains for risk-bearing assets over the course of the month. At the beginning of September, economic concerns in the U.S. and Germany still weighed heavily on investors' risk appetite. Although German exports have so far shown a sales increase in the second half of the year, companies in Germany sharply reduced production in July by 2.4 percent, much more than expected. The weak German economy is increasingly proving to be a drag on the Eurozone: while the gross domestic product in Eurozone countries grew slightly by 0.2 percent in the second quarter, the German economy shrank by 0.1 percent during the same period. The slowdown in the U.S. economy was particularly reflected in a weaker jobs report, which weighed heavily on sentiment and stock markets at the beginning of the month. However, hopes for interest rate cuts on both sides of the Atlantic gained traction and were confirmed when the ECB lowered its key interest rate by 0.25% on September 10, followed by a strong signal from the US Fed with a 50 basis point cut on September 19.

In this environment, the MSCI World gained 1.0% in euro terms and 1.9% in US dollars. The euro appreciated 0.8% against the US dollar, and the European stock market (EuroStoxx50) rose by 0.9%. German government bonds, considered safe, also posted a positive return of 1.2% in September.

This month’s outlook

The looming escalation of the Middle East conflict is currently weighing on investor risk appetite. While losses on the stock markets have so far remained limited after an initial wave of risk aversion, rising oil prices are signaling early concerns in the commodities market. These could hamper the recovery of the global growth outlook. Looking ahead, volatility in the capital markets is likely to remain elevated overall—especially given the still completely uncertain outcome of the U.S. presidential election in early November.

Current Allocation

Total Portfolio	TOTAL
Equity Allocation	**44.62%**
Bond Allocation	**148.21%**

Equity Markets	TOTAL
Europe	**14.79%**
Eurozone (EuroStoxx50)	3.68%
United Kingdom (FTSE 100)	3.70%
Sweden (OMX)	3.70%
Switzerland (SMI)	3.71%

Bond Markets	TOTAL
Europe	**118.93%**
Collateral**	93.49%
Germany (6-10 Years)	5.89%
France (6-10 Years)	7.45%
United Kingdom (6-10 Years)	12.10%

	TOTAL
North America	**14.92%**
Canada (S&P / TSE 60)	4.95%
US (Dow Jones Industrial Average)	2.50%
US (NASDAQ 100)	4.95%
US (S&P 500)	2.52%

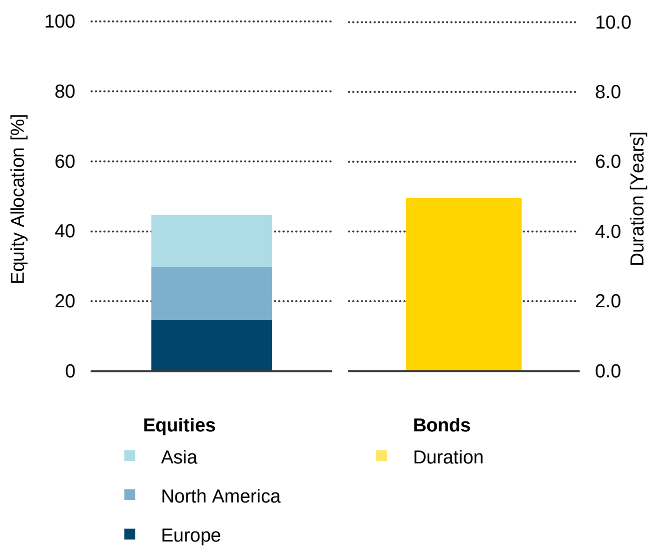
	TOTAL
North America	**15.87%**
Canada (6-10 Years)	6.62%
US (6-10 Years)	9.26%

	TOTAL
Asia / Pacific	**14.91%**
Australia (S&P / ASX 200)	3.73%
Hong Kong (Hang Seng)	3.73%
Japan (TOPIX)	3.71%
Singapore (MSCI Singapore)	3.74%

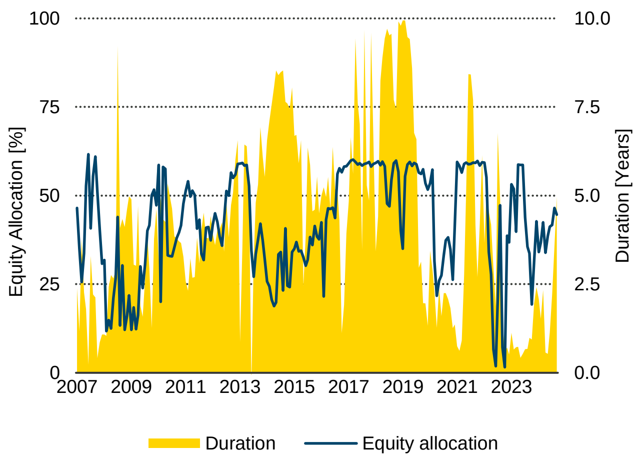
	TOTAL
Asia / Pacific	**13.41%**
Australien (6-10 Jahre)	13.41%

** Collateral includes short-term collateral bonds which add as cash-effective investments to the derivative-based implementation of the GLOCAP and FINCA strategy.

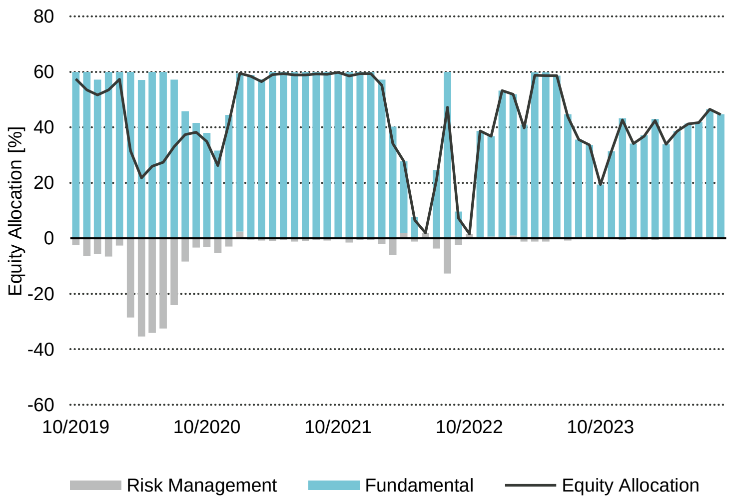
Current Allocation



Allocation Over Time

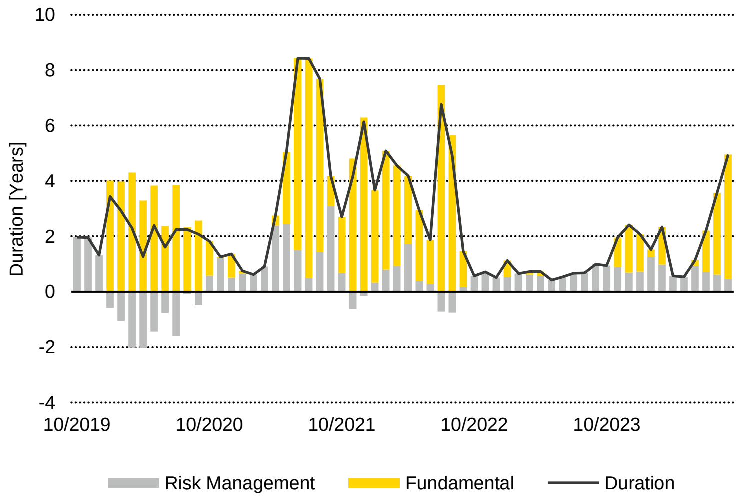


Attribution of Equity Allocation [last 5 years; in %]



Our equity allocation model slightly decreased the tactical equity weighting in September to 44.6%. The equity allocation is derived from contributions of dividend yield, TED spread, credit spread, and term spread. The term spread remains the determining factor for positioning, which was slightly reduced during the reporting period. The majority of the allocation reduction is attributable to the variable dividend yield. After the TED spread and the credit risk spread recently provided no or negative contribution, they are currently contributing positively to the equity allocation again.

Attribution of Fund Duration [last 5 years; in years]



The tactical duration held in the fund was gradually built up in the context of a long-only approach during the reporting period and amounts to 4.4 years as of the end of September. The positioning of the global government bonds held in the portfolio results from the contributions of the model types Carry, Mean Reversion, and Momentum. The sub-model Carry continues to provide only a small contribution to the bond allocation. The build-up in the reporting month is almost equally attributable to the sub-models Mean Reversion and Momentum.

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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.

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Glossary

Benchmark
An index that is used to measure the performance of an investment fund with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees.

Duration (Modified Duration)
Duration is an indication of how much a bond's price could be affected by a change in interest rates.

Management Fee
Is a fee which covers all costs relating to possible services rendered in connection with investment management and distribution. Please refer to the fund's prospectus for a complete description.

NAV
The Net Asset Value (NAV) represents the value per share. It is calculated by dividing the total net asset value of the fund (the value of the fund's assets less its liabilities) by the number of shares outstanding.

Sharpe Ratio
The Sharpe ratio indicates the additional reward per unit of risk compared to a risk/free investment. It reveals how much performance was achieved at what level of risk.

TER
The fees and incidental costs charged on the management of collective investment schemes are to be disclosed using the internationally recognized Total Expense Ratio (TER). This ratio expresses the sum of all fees and incidental costs charged on an ongoing basis to the collective investment scheme's assets (operating expenses) taken retrospec-tively as a percentage of the net assets.

Volatility
Volatility (or risk or standard deviation) is an indicator of the range of fluctuation of the annualized performance of a fund over a certain period.

Chances
+ Potential gains on invested capital through opportunities in global euity and bond markets
+ Use of equity index and government bond derivatives to enhance fund performance and earnings
+ Bond investments offer interest income and opportunities for capital gains in the event of a decline in market yields
+ Potential benefits of investing in liquid money market instruments that are less interest rate sensitive than longer-dated bonds

Risks
- The share value may fall below the purchase price at which the investor acquired his unit.
- The use of derivatives can generate additional risks (e.g. counterparty risk).
- Interest rates may fluctuate, bonds experience price losses as interest rates rise
- Market-related price fluctuations are possible
- foreign exchange risk
- Investments in money market instruments are associated with risks such as interest rate risk, inflation risk and economic instability.