Monthly Update / August 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	1,660.56
Fund Volume [Mln. EUR]	348.14

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.

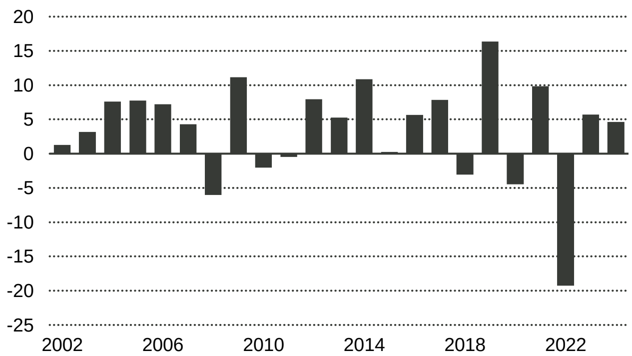
Risk Premium **Fi**

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)*

		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
10 years	**Fund**	**5.26**	**10.85**	**0.27**	**5.63**	**7.85**	**-3.07**	**16.34**	**-4.47**	**9.84**	**-19.27**	**5.71**	**4.63**
	GLOCAP	9.33	-0.14	0.15	2.58	9.79	-5.01	10.30	-5.35	9.87	-9.18	4.33	4.51
	FINCA	-4.07	10.99	0.12	3.05	-1.94	1.94	6.04	0.88	-0.03	-10.09	1.39	0.12

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2024	**Fund**	**-0.15**	**0.58**	**1.56**	**-0.84**	**1.10**	**0.43**	**1.02**	**0.86**	**-**	**-**	**-**	**-**	**4.63**
	GLOCAP	0.00	0.91	1.26	-0.32	0.97	0.30	0.69	0.65	-	-	-	-	4.51
	FINCA	-0.15	-0.33	0.30	-0.52	0.13	0.13	0.33	0.21	-	-	-	-	0.12

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	0.86	4.63	-3.80	-0.67	2.06	109.74

	09/2019 - 08/2020	09/2020 - 08/2021	09/2021 - 08/2022	09/2022 - 08/2023	09/2023 - 08/2024
Fund	-3.65	12.71	-16.02	-1.22	7.33

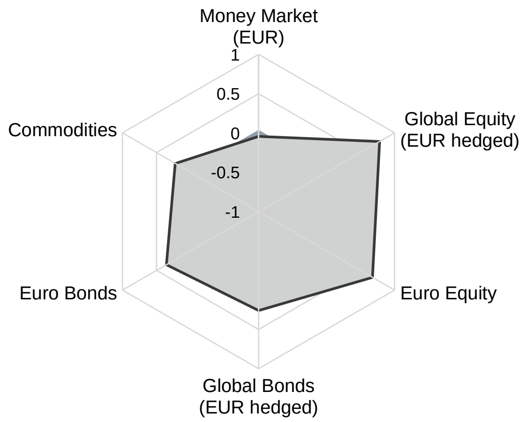
* Source: Vontobel Asset Management AG. Historical performance is not an indicator of current or future performance. The performance data do not take into account the commissions and costs charged on the issue and redemption of units. The fund's return may rise or fall as a result of currency fluctuations.

Fund Characteristics

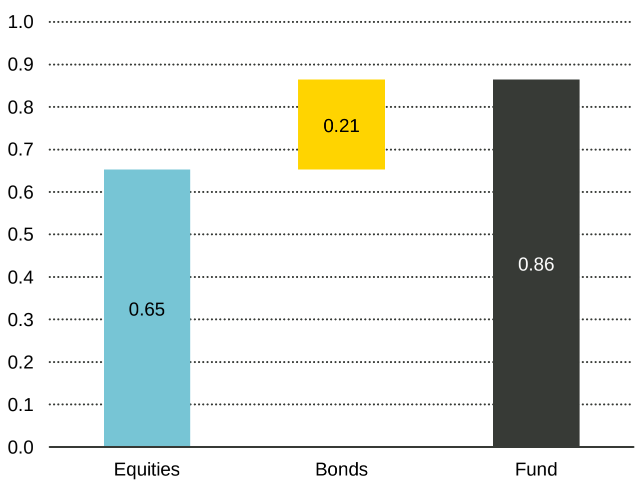
Return and Risk

Return since inception p.a. [%]	3.45
Volatility [3 years, annualised]	6.49
Sharpe Ratio [3 years, annualised]	-
Sharpe Ratio [since inception, annualised]	0.42
Best Month [%]	3.98
Worst Month [%]	-7.38
Positive Months	165
Value at Risk 95/1M [% ex-ante]	2.19
Duration [years]	3.57

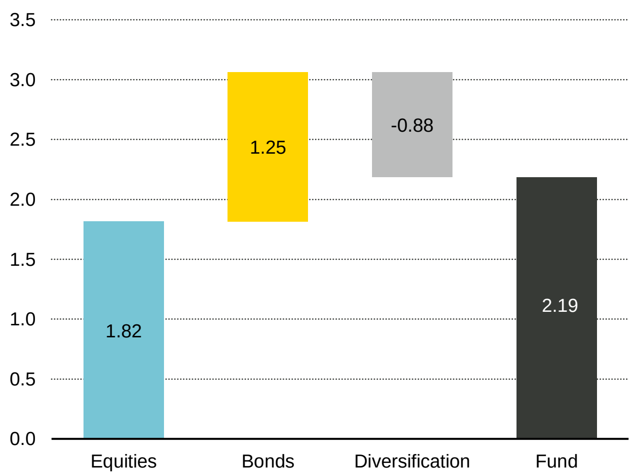
Correlations



Return Attribution Current Month in % (EUR)



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



Market commentary

The reporting month of August was initially marked by a significant rise in risk aversion, driven primarily by US recession fears and a stronger yen. However, in the second half of the month, demand for risk-bearing assets stabilized, allowing the losses in the global stock market to be fully offset.

The US labor market report for July, which showed a rise in the unemployment rate and significantly weaker job growth, sparked recession fears among market participants. The stronger yen also led to a swift unwinding of carry trades, resulting in double-digit daily losses in Japanese stock markets. Additionally, heightened geopolitical risks and concerns about the profitability of investment in artificial intelligence had already dampened market sentiment. Improved economic data (including retail figures and consumer confidence from the US), along with market participants' expectations of rate cuts from central banks, created a balance between recession fears and hopes for rate cuts as the month progressed. At the Jackson Hole central bank conference, Fed Chair Jerome Powell signaled, as expected, a potential rate cut at the September meeting and emphasized concerns about a weakening labor market. This put the upcoming August labor market report in the spotlight, with market participants already factoring in a 50 basis point cut.

In response, the MSCI World gained 0.4% for Euro investors and 2.7% in US dollars. The Euro strengthened by 2.1% against the US dollar, while the European stock market (EuroStoxx50) rose by 1.8%. German government bonds, considered safe, ended August with a positive return of 0.4%.

This month’s outlook

This month, market attention is centered on the US Fed, with expectations that the September meeting will mark the beginning of a shift in interest rates. In contrast, geopolitical risks are being largely overlooked by the capital markets. Both the situation in the Middle East and the ongoing Ukraine-Russia war could negatively affect sentiment.

Current Allocation

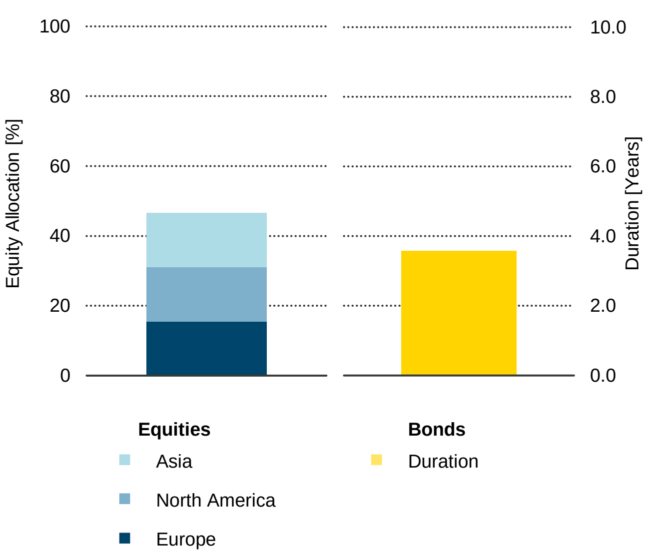
Total Portfolio	TOTAL
Equity Allocation	**46.52%**
Bond Allocation	**130.85%**

Equity Markets	TOTAL
Europe	**15.50%**
Eurozone (EuroStoxx50)	3.86%
United Kingdom (FTSE 100)	3.87%
Sweden (OMX)	3.87%
Switzerland (SMI)	3.89%
	TOTAL
North America	**15.49%**
Canada (S&P / TSE 60)	5.19%
US (Dow Jones Industrial Average)	2.60%
US (NASDAQ 100)	5.11%
US (S&P 500)	2.58%
	TOTAL
Asia / Pacific	**15.53%**
Australia (S&P / ASX 200)	3.86%
Hong Kong (Hang Seng)	3.93%
Japan (TOPIX)	3.87%
Singapore (MSCI Singapore)	3.88%

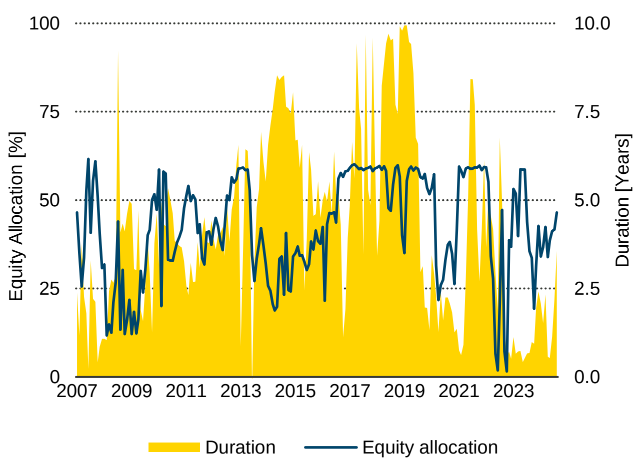
Bond Markets	TOTAL
Europe	**112.01%**
Collateral**	93.70%
Germany (6-10 Years)	3.43%
France (6-10 Years)	7.29%
United Kingdom (6-10 Years)	7.59%
	TOTAL
North America	**9.23%**
Canada (6-10 Years)	4.20%
US (6-10 Years)	5.03%
	TOTAL
Asia / Pacific	**9.61%**
Australien (6-10 Jahre)	9.61%

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

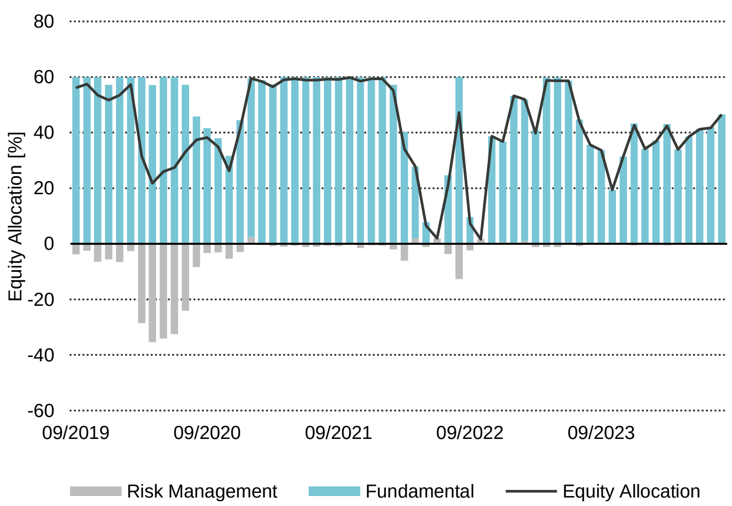
Current Allocation



Allocation Over Time

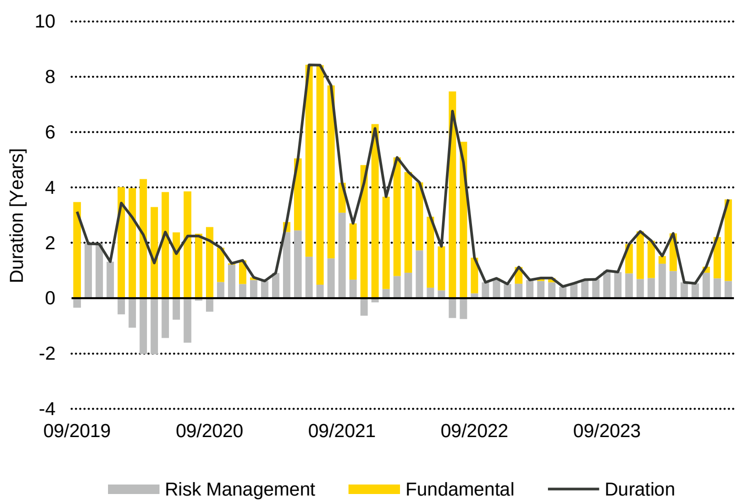


Attribution of Equity Allocation [last 5 years; in %]



Our equity allocation model slightly increased the tactical equity weighting in August to 46.5%. 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 the positioning, which was marginally expanded during the reporting period. The TED spread, whose long-time negative contribution dissolved in August, is responsible for the build-up in the reporting month. The variables credit spread and dividend yield continue to provide only marginal contributions.

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 3.0 years as of the end of August. 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 main driver for the position build-up was again the sub-model Momentum, with the momentum in Australia in particular increasing. In addition, the allocation from the sub-model Mean Reversion increased. The contribution from Carry is almost unchanged and thus continues to be negative.

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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.