

Monthly commentary / 31.3.2026

Vontobel Fund – US Equity

Marketing document for institutional investors in: AT, CH, DE, DK, ES, FI, FR, GB, IE, 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

- In March, the fund performed negatively and lagged the S&P 500.
- By sector, consumer staples and consumer discretionary contributed the most to relative performance, whereas energy and healthcare detracted the most.
- Allocation-wise, the fund's largest overweights versus the reference index were industrials and real estate, while the largest underweights were information technology and energy.

Market developments

In March, global equities declined, as concerns about the impact of the war in Iran and disruptions to oil supply weighed heavily on the macroeconomic outlook. All major regional benchmarks pulled back, with emerging markets and Europe being the worst performers. Oil prices and stocks fluctuated in response to news around the escalating conflict. Reports of discussions regarding a potential peace deal, and Iranian proposals to allow non-hostile vessels through the Strait of Hormuz, assuaged some market concerns. However, the possibility of a prolonged conflict weighed on investor confidence. Inflation expectations spiked in Europe, prompting European Central Bank (ECB) President Christine Lagarde to signal that the ECB was prepared to raise interest rates "at any meeting." She also cautioned that markets could underestimate the economic impact of the Iran war. Consumer confidence in the European Union and the UK contracted. The geopolitical conflict also triggered a risk-off sentiment in emerging markets. While energy supply risks are significant across the board, the degree of vulnerability to higher oil prices varies among emerging markets. For example, China, Korea, and Taiwan should be better positioned to avoid shortages, supported by high inventory levels, fiscal buffers, and multiple sourcing channels. On the other hand, India appears more vulnerable due to a deteriorating macroeconomic backdrop caused by the oil price shock and currency weakness.

Portfolio review

Purchases:

Cintas Corporation: The firm operates within the outsourced facility services industry, delivering mission-critical uniform, safety, and compliance solutions to businesses. Its vertically integrated, route-based model enables high customer retention and strong unit economics driven by density advantages. The core economic engine is the Uniform Rental segment, which generates recurring revenue through long-duration service contracts. This model embeds Cintas deeply into cus-

tommer operations, creating switching costs and enabling consistent pricing power. Over time, the company layers additional services – First Aid and Fire Protection – onto this base, increasing revenue per customer and enhancing lifetime value. The company's competitive advantage is rooted in its route density. While stop density increases, marginal costs decline, creating a self-reinforcing cost advantage that smaller competitors cannot replicate. This translates into structurally higher margins and return on invested capital (ROIC).

Sales:

Adobe: As we look to reallocate to higher conviction opportunities, we exited our position in Adobe. While the company continues to deliver on its current growth expectation, we have seen increased competitive intensity that puts pressure on the company in the long run, which has only intensified with innovation coming from investments related to artificial intelligence (AI).

Ecolab: We exited our position in Ecolabs and reallocated capital to opportunities we deem more promising.

Performance analysis

Top-3 contributors:

Akamai Technologies: The good consistent results the company reported in February helped sustain the positive performance in March. All 3 of its segments ended the year with positive sequential QoQ growth with the faster parts of the business (namely compute and security) continuing its momentum. They are also seeing AI activity driving growth for all 3 segments.

Casey's General Stores: The stock price benefited from several broker upgrades following the company's recent publication of results, and various channel checks positives on store food sales.

Intuit: The company reported ahead of expectations in late February with sales up 17% and earnings up 25%. The business segment was up 18% with no sign of slowing. The faster growing areas continue their advance with QuickBooks Ad-

vanced and Enterprise suites (Intuit's mid-market, bigger customer products) up 40%. The consumer side also proved strong with sales up 15%. On AI, the firm continues to see success with released features, whose usage and adoption by customers helps drive pricing and attach of other services.

Top-3 detractors:

Boston Scientific: The stock sold off despite reporting positive Champion trial results for its Watchman product, as attention focused on the numerically higher stroke rate vs. blood thinners. However, a lower-than-expected rate of stroke events meant that the difference amounted to 0.3% per year. In addition, the 1.1% annual stroke rate in the Watchman arm was strong in absolute terms and compared to 1.3% for Eliquis in its own pivotal trial. Ultimately, Champion was a successful trial and now represents the fourth trial in which Watchman was noninferior to blood thinners in stroke prevention. Critics may not be convinced until the US Food and Drug Administration (FDA) expands Watchman's label to include first line treatment, which the company expects to take 9-12 months. However, we view Boston Scientific as compelling value even without the first line opportunity, particularly when compared against slower growing peers.

Alphabet: There was no major fundamental news, but Alphabet traded lower along with a broader sell-off in technology stocks with large market capitalization. In addition, the company's YouTube business was a defendant and with Meta in the Los Angeles child social media addiction trial. However, we view Alphabet as having much less exposure to that litigation given that YouTube is only a portion of the total business, plus lacks many of the features typically seen in traditional social media platforms.

Meta: The company lost a Los Angeles civil trial where the

plaintiff claimed social media addiction as a child. This initial win raised concerns for a potentially much larger tort class. The actual legal process will take time to progress, as Meta will have the opportunity to appeal this ruling. In addition, the next trial will take place in federal court, which is typically viewed as more favorable for defendants. In the long term, potential business practice changes, such as implementing an age limit for social media, should have little impact on Meta's business, provided they apply to the overall industry. Meta already has an age 13+ requirement and teens represent roughly 1% of the company's revenues.

Outlook

The rising concerns around inflation are straining an already weakening consumer environment. Historically, consumer-related investments that target the high-end market have demonstrated resilience in such conditions, as they are typically more insulated from economic fluctuations. There remains considerable uncertainty around the returns on the substantial levels of AI-related capital expenditure. We continue to maintain exposure to businesses experiencing strong growth in AI revenues but that are also benefitting from diversification in non-AI-related segments. We believe there are also several opportunities to invest in quality businesses that are not driven by AI, which are now available at more attractive valuations. Overall, we believe our portfolios are well-positioned to navigate the risks in today's markets. In our view, market sentiment is shifting away from favoring businesses with the fastest growth and toward those that can deliver growth with a higher degree of certainty. This shift aligns with our approach, which emphasizes quality and predictability.

Fund characteristics

Fund name	Vontobel Fund – US Equity
ISIN	LU0278092605
Share class	I USD
Reference index	S&P 500 - TR
Inception date	16.3.2007

Historical performance (net returns, in %)

Time period	Fund	Ref. index	Time period	Fund	Ref. index
MTD	-6.2%	-5.0%	2025	10.2%	17.9%
YTD	-9.5%	-4.3%	2024	12.2%	25.0%
1 year	-0.5%	17.8%	2023	25.3%	26.3%
3 yrs p.a.	9.8%	18.3%	2022	-15.7%	-18.1%
5 yrs p.a.	6.4%	12.1%	2021	18.9%	28.7%
10 yrs p.a.	11.1%	14.2%	2020	16.3%	18.4%
ITD p.a.	9.1%	10.6%	2019	30.6%	31.5%
			2018	-0.8%	-4.4%
			2017	25.6%	21.8%
			2016	9.3%	12.0%

Past performance is not a reliable indicator of current or future performance.

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