

Quarterly commentary / 31.3.2026

Vontobel Fund (CH) – Sustainable Swiss Equity Income Plus

Marketing document for institutional investors in: CH.

Market developments

Technological, economic and geopolitical developments kept global financial markets on their toes in the first quarter of 2026. The sometimes sharp price fluctuations reflected the extent to which investor sentiment can be influenced by exogenous factors, such as disruption caused by artificial intelligence (AI) or the escalating Middle East conflict.

In January, the value of the broad Swiss equity market, as represented by the Swiss Performance Index (SPI), did not change significantly overall. As Swiss companies began releasing their annual reports for the 2025 financial year, the reaction of their share prices to the published business results was remarkably strong. Unusually, this was also true for large-cap companies. These price movements had a detrimental effect on the fund, as did the strength of the Swiss franc, which reached an 11-year high against the US dollar before weakening slightly again at the end of January. On the other side of the Atlantic, strong corporate earnings and enthusiasm for AI investments catapulted the broad US equity market, represented by the S&P 500 Index, above the 7,000-point mark for the first time.

In February, the SPI rebounded significantly and closed the month with a strong gain of 5.7 percent. The reporting season thereafter remained characterized by unusually large price swings in response to published corporate figures. The central theme in international financial markets was the increasing disruption caused by AI. The challenge posed to established business models by new AI models, such as Claude from Anthropic, weighed in particular on the software sector. The share prices of Swiss companies such as Temenos and SMG, in which the fund was invested, suffered considerable losses. The business model of such companies is fundamentally threatened because the latest AI models can also generate software code. The mounting uncertainty about the long-term effects of AI development pressured other industries too, including private equity, insurance and asset management. On the political front, the US Supreme Court's ruling that the US import tariffs imposed by President Donald Trump last year were illegal caused short-term market movements. Investors initially breathed a sigh of relief, but the Trump administration immediately announced a 10 percent increase in the existing tariffs, thus sowing renewed uncertainty.

In March, the escalation of the Middle East conflict captured everyone's attention. The war that erupted between the US, Israel and Iran quickly spread to other countries in the region

at the beginning of the month, including Qatar and the United Arab Emirates. The situation was particularly critical at the Strait of Hormuz, a key hub in global energy trade. Around 20 percent of the world's oil consumption is transported through this bottleneck. The de facto closure of the strait drove up energy prices and fueled fears of a global economic slowdown and renewed inflation. The uncertainties surrounding the conflict and rising energy prices weighed noticeably on international financial markets. Shares of companies in interest-rate-dependent industries, such as construction suppliers and technology firms, suffered particularly under these developments, while shares in more defensive sectors, including telecommunications and real estate, remained relatively stable. Overall, the SPI lost -7.4 percent during the month, reflecting the uncertainty and nervousness of investors. If the situation in the Middle East does not ease for an extended period or even escalates further, or if the Strait of Hormuz remains blocked for a longer time, global economic growth would be significantly jeopardized.

Portfolio review

Equity portfolio: We made a number of adjustments in the first quarter of 2026 in light of the elevated market uncertainties resulting from the rise in oil prices. We established several new positions in companies strongly focused on Switzerland. These new exposures included Banque Cantonale Vaudoise (BCV), which could benefit from higher interest rates; VZ Holding, a financial services provider that should benefit from continued solid growth expectations; the energy and infrastructure company BKW, whose earnings expectations now appear realistic to us after a setback; and Sunrise, a telecommunications provider whose pricing and competitive environment we believe has improved. Conversely, we completely closed a few cyclical positions, such as Adecco and Swissquote.

We added to our existing holding in ABB because the strong momentum in the electrification sector is continuing. In addition, we are maintaining our overweight exposure to insurers, as the industry will probably be affected only minimally by the geopolitical uncertainties and the negative price cycle is less pronounced than initially anticipated. In contrast, we scaled back our existing position in UBS due to a less favorable outlook for capital requirements. We also significantly reduced our existing position in Holcim because the weakening of the EU Emissions Trading System is dampening margin expectations, as lower prices for carbon certificates might diminish

Holcim's competitive advantage over less green competitors. Options strategy: The options strategy, combined with derivatives-based risk management, which we deployed tactically depending on the situation, broke even overall in the first quarter of 2026, but its performance was inconsistent throughout the quarter. In January and February, the permanent options strategy had a negative impact on performance due to rising markets. In March, however, it demonstrated its effectiveness and strength and contributed a positive 1.1 percent, which noticeably offset the previous losses. At the beginning of the Iran conflict, we established additional hedges at an early stage. Markets opened on the Monday after the start of the war with relatively modest losses, while implied volatility rose only slightly. We used this opportunity to build up additional put options. Subsequently, as the oil price rose to around USD 100, we increased our hedges even further by using short futures instruments. These tactical measures significantly stabilized the portfolio during the period of heightened uncertainty. In the second half of March, we closed the short futures positions as the market recovered and in light of emerging hopes for a de-escalation. However, we are retaining the put options that expire in May as valuable protection for the coming weeks, which will probably remain plagued by considerable uncertainty.

In detail, the permanent options strategy incurred low opportunity costs of around -0.3 percent in the first quarter of 2026 and was implemented as planned. As part of ongoing optimization, we temporarily reduced the standard option writing ratio somewhat for the three largest index positions, from 70 percent to 60 percent. We also continue to closely monitor company reporting and remain able to adjust our positioning prior to any potentially price-relevant events in order to limit possible negative effects. The variable options strategy, which uses index options during periods of weakening global economic activity, was not used in the reporting quarter. Our tactical risk management made a positive contribution of 0.7 percent at the low point of the market decline, resulting in an overall contribution of 0.3 percent for the quarter.

Performance analysis

The fund (I unit class) lost value in the first quarter of 2026 and lagged behind the SPI. The equity strategy curbed performance by -1.7 percent, while the options strategy had a neutral effect. Residual effects from management and other costs, as well as performance contributions that cannot be allocated directly, amounted to -0.2 percent.

The three largest contributions within the equity strategy resulted from our overweights in ABB, Accelaron and Zurich Insurance. Our slight underweight in Swiss Re and our lack of exposure to Georg Fischer contributed positively, too. In contrast, performance was dampened by our overweights in UBS, Richemont and Holcim, as well as our underweight in Swisscom.

Although we had already moderately reduced the standard option writing ratio for the three index heavyweights Nestlé, Novartis and Roche in the previous quarter, these positions again resulted in opportunity costs from option sales. Novartis in particular posted an above-average share price increase of around 18 percent in January and February, thus generating the strongest dampening effect in the first quarter. Roche, ABB and VAT curbed performance somewhat too, as most of the written options expired in the money. In contrast, the majority of premiums were collected for all other positions, resulting in a correspondingly positive effect. This success is attributable in part to our consistent monitoring of corporate developments. Prior to any potentially price-relevant events, we systematically analyze the risk of significant upward movements. If the possible opportunity costs appear too high, we take appropriate measures ahead of their realization and, if necessary, partially or completely buy back options to boost the upside potential in the portfolio.

Outlook

The geopolitical situation in the Middle East is currently extremely tense. A de-escalation of this conflict is essential for the global economy. An easing of tensions in Europe, particularly surrounding the Ukraine conflict, would also improve the business environment for companies. Infrastructure programs and closer economic cooperation between Switzerland and the European Union could promote the reconstruction of war-damaged areas. This would be beneficial for the economy and would particularly benefit Swiss industrial companies, which traditionally profit from a stable European market. We anticipate that central banks will base their future monetary policy decisions heavily on developments in the Middle East. Trump is probably eager to achieve rapid progress in the conflict with Iran, as he faces mounting pressure ahead of the upcoming US midterm elections to demonstrate policies that do not harm the US economy. For the same reason, it is possible that more agreements with US trading partners could be reached regarding the import tariffs imposed against them. It remains to be seen how much the extensive tax incentives from Trump's One Big Beautiful Bill Act will benefit the US economy.

The ongoing AI boom will likely continue to support the global investment climate. The growing demand for AI technologies in the fields of automation, data analysis and machine learning is driving innovation and investment. This could provide positive impetus to the global economy, supported by government funding programs and the integration of AI across various industries.

We are cautiously optimistic overall. Even if uncertainties persist, the Swiss economy should remain able to exploit opportunities thanks to the proven resilience of its high-quality companies.

Fund characteristics

Fund name	Vontobel Fund (CH) – Sustainable Swiss Equity Income Plus
ISIN	CH1303570159
Share class	I CHF
Reference index	Swiss Performance Index (SPI)
Inception date	14.3.2024

Historical performance (net returns, in %)

Time period	Fund	Ref. index	Time period	Fund	Ref. index
MTD	-6.3%	-7.4%	2025	10.9%	17.8%
YTD	-4.0%	-2.1%	2024	–	–
1 year	0.2%	6.2%	2023	–	–
3 yrs p.a.	–	–	2022	–	–
5 yrs p.a.	–	–	2021	–	–
10 yrs p.a.	–	–	2020	–	–
ITD p.a.	3.3%	7.5%	2019	–	–
			2018	–	–
			2017	–	–
			2016	–	–

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

- Limited participation in the potential of single securities.
- 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.

Important legal information

This marketing document was produced by one or more companies of the Vontobel Group (collectively "Vontobel") 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 ("K(I)ID"), 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, or as qualified investors as defined by Switzerland's Collective Investment Schemes Act ("CISA").

Neither the fund, nor the Management Company nor the Investment Manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of an assessment of ESG research

and the correct execution of the ESG strategy. As investors may have different views regarding what constitutes sustainable investing or a sustainable investment, the fund may invest in issuers that do not reflect the beliefs and values of any specific investor.

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.

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 custodian bank: State Street Bank International GmbH, Munich, Zurich branch, Beethovenstrasse 19, 8027 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 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.

Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto. Refer to am.vontobel.com/terms-of-licenses for more details.

Although 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