Monthly commentary / 30.1.2026

Vontobel Fund – Emerging Markets Equity

Summary

- The performance of the Fund was positive in January 2026 and outperformed the MSCI ACWI ND.
- The Financials and Information Technology sectors were positive contributors to relative performance over the month. The Industrials and Energy sectors were the largest detractors from relative performance.
- On a country basis, United States and Taiwan contributed to relative performance, while the Germany and Japan detracted from relative performance.
- Relative to the benchmark, the Fund's largest sector overweights for the month were Financials and Consumer Staples while the largest sector underweights were Information Technology and Communication Services.
- The Fund's largest country overweights were the Switzerland and Taiwan relative to the benchmark. The largest underweights were the United States and Japan at the end of month.

Market developments

Geopolitical surprises set the tone for equity markets in January. Donald Trump's move to seize Venezuela's President Nicolás Maduro on charges of narco-terrorism sent energy share prices higher on expectations of revitalizing the country's oil industry. The US President subsequently rattled markets by reiterating plans to take Greenland. European share prices tumbled after Trump suggested increased tariffs on Denmark and countries supporting its stance on the North Atlantic Island but then rebounded after he rolled back threats following his attendance at the World Economic Forum in Davos. By the end of the month, European and US markets recovered, although investor concerns about AI investment resurfaced as results from leading tech firms disappointed investors. At a broader level, US policy and geopolitical uncertainty contributed to a weakening dollar and the outperformance of European and international benchmarks as investors pulled back from the US to increase allocations elsewhere. Emerging market equities performed well as Asian chipmakers saw strong gains. Meanwhile, China reported GDP growth of 5% for 2025, driven by exports, although the domestic economy remained soft with continued weakness in the real estate market. Japanese fiscal stimulus measures created concerns about over-stretched national finances. The Bank of Japan kept key policy rates steady in January and signalled a hawkish tone. Prime Minister Sanae Takaichi called a snap election seeking to translate her strong approval ratings into a large majority in Japan's lower house.

Portfolio review

Purchases

Advanced Info Service PCL

Advanced Info Service (AIS) is Thailand's second largest mobile network operator with >45 million subscribers. The competitive situation in Thailand's mobile industry has improved materially after True and DTAC (the #2 and #3 players at the time) merged to form True Corp, forming a duopoly with AIS. Subscriber additions for both companies have decelerated as they have reduced low-priced plans targeted at attracting price-sensitive users and instead started focusing on ARPU recovery. Over the past 2 years, both ARPU and profitability have recovered steadily, suggesting the industry has transitioned into a healthier competitive dynamic. AIS is positioned well to benefit from rational pricing, while expanding its value-added services and content offerings to further drive ARPUs higher. Meanwhile, the company has largely completed the 5G buildout, therefore capex requirements are likely to be more controlled, driving significant free cash flow growth in the coming years.

Lion Finance Group PLC

Lion Finance is the dominant player in Georgia's duopolistic market: the bank holds 40%/46% market share of loans and deposits, respectively, in Georgia and is #2 in Armenia with 20% market share. Being the dominant player in retail means they have the lowest cost of funding and have higher margins versus peer TBC Bank. The company is a high-quality compounder with a strong track record of delivering ~30% ROE and >20% earnings growth over the last few years. We expect the bank to offer earnings growth at least in the high teens, while trading at a cheap valuation. The inclusion in the FTSE 100 Index should be an upcoming catalyst.

Prudential PLC

Prudential PLC is a life insurer, focused on Asian markets. The company operates in faster growing markets. It also enjoys a strong competitive position due to being a well-regarded brand and having built extensive distribution networks, which allows it to capitalize on the growth of life insurance

products in Asia. We wanted to increase exposure to the insurance space, without adding too much single-stock risk.
Saudi National Bank/The
Saudi National Bank (SNB) is the second-largest bank in the MENA region by market capitalization, and the domestic leader in corporate banking with around a 20% market share. It is also a significant domestic retail bank, with retail loans around half its lending book, giving it around a close to 30% domestic retail share. It is 37% held by Saudi Arabia's Public Investment Fund (PIF). SNB benefits from lower rates and should offer stable Total Returns in the low teens. The bank is also one of the 2 main beneficiaries of the foreign flows expected from the lifting of the “Foreign Ownership Restrictions” likely to happen in a few months.
Eastroc Beverage Group Co Ltd
Eastroc is a beverage manufacturer that sells the largest energy drink brand (based on volume) in China. In addition, Eastroc’s portfolio includes functional sports drinks, tea, coffee, and coconut milk. The company is well-positioned as a leading producer of structurally growing categories (energy and functional drinks), in addition to gaining share in other categories by offering better value to downtrading consumers. Eastroc is expected to generate high-teens EPS CAGR over the N5Y.
Sales
Bank Central Asia Tbk PT
The possibility of Indonesia’s downgrade to “Frontier Market” and subsequent outflows from the country reduce the visibility on the Bank Central Asia’s potential and the viability of the stock.
Riyad Bank
We re-allocated capital to better opportunities with higher visibility on earnings growth.

Performance analysis
TOP3 Contributors:
SK Hynix Inc
SK Hynix reported record-breaking performance driven by intensifying global investment in AI infrastructure which fueled strong demand for both HBM and conventional server memory. OP margin of 58% (11 percentage points higher than previous quarter). While HBM revenue more than doubled YoY in 2025, the sales mix of HBM within total DRAM actually dipped slightly in Q4 (to 31% of the mix) because conventional DRAM prices rose faster than HBM prices, highlighting the strength of the broader market. On HBM4, SK Hynix confirmed it secured mass production readiness in September of the previous year and is currently mass-producing volumes. For the full year 2026, the company forecasts DRAM demand growth of over 20%, driven by high-teens percentage growth in server shipments. The pricing environment remains highly favorable for suppliers due to a severe supply-demand imbalance. Most customers are struggling to secure sufficient memory volumes ling to a decrease in customer inventory levels across the board. Capital expenditure (Capex) in 2026 is expected to increase "considerably" to support capacity expansion but tight supply conditions to persist throughout 2026.
Taiwan Semiconductor Manufacturing
Shares of TSMC rallied after the company’s results and guidance exceeded expectations. Gross margins were the most positive surprise, continuing to improve. TSMC forecasts strong revenue growth of 30% and remains bullish on AI. The company stated that “AI is real” and validated the demand from hyperscalers. The company continues to be the world leading foundry, well positioned to benefit from ongoing robust AI capital expenditures.
Samsung Electronics Co Ltd
Samsung Electronics delivered a record-breaking performance in 4Q 2025, driven primarily by the Memory business. In the DRAM segment, Samsung achieved a massive 40% QoQ increase in prices (versus 20% for Hynix) driven by a product mix heavily weighted toward high-density DDR5 and LPDDR5X for servers, alongside HBM. Inventory levels across the industry are significantly low, and server customers are consuming memory as soon as it is shipped, preventing the buildup of buffer stocks. Importantly, HBM4 product has entered the final phase of qualification, and is set to begin in February 2026. The company guided for HBM sales to increase more than three-fold YoY in 2026. Similar commentary to Hynix, the demand is outpacing the industry's ability to expand capacity. In response, Samsung announced a "meaningful increase" in capital expenditure (Capex) for 2026. The pricing environment remains highly favorable for suppliers due to a severe supply-demand imbalance.
TOP3 Detractors:
Trip.Com Group Ltd
In January 2026, the State Administration for Market Regulation (SAMR) launched an antitrust investigation into Trip.com regarding allegations of abusing market dominance.
Bharti Airtel Ltd
Bharti Airtel was negatively impacted by expectations that the long-awaited tariff hike, a key catalyst for the stock, could be pushed put by a few months.
Bajaj Finance Ltd
Bajaj Finance was negatively impacted by lower expectations about the growth potential in the next couple of years.

Outlook
While the promise of AI remains compelling, its market dominance and reliance on external financing are creating vulnerabilities that cannot be ignored, in our view. By seeking opportunities in areas of predictable growth and resilience – both within and outside the AI ecosystem – we aim to navigate the uncertainties of this transformative era. As with any period of rapid innovation, we believe a measured, diversified approach will be critical to weathering potential volatility and capitalizing on long-term opportunities.

Fund characteristics

Fund name	Vontobel Fund – Emerging Markets Equity
ISIN	LU0278093082
Share class	I USD
Reference index	MSCI Emerging Markets TR net
Inception date	30.3.2007

Historical performance (net returns, in %)

Time period	Fund	Ref. index
MTD	7.5%	8.9%
YTD	7.5%	8.9%
1 year	35.8%	42.8%
3 yrs p.a.	8.8%	16.7%
5 yrs p.a.	-1.1%	5.3%
10 yrs p.a.	4.9%	10.1%
ITD p.a.	4.8%	5.2%

Time period	Fund	Ref. index
2025	28.3%	33.6%
2024	-3.2%	7.5%
2023	2.5%	9.8%
2022	-23.3%	-20.1%
2021	-6.0%	-2.5%
2020	16.0%	18.3%
2019	18.3%	18.4%
2018	-14.2%	-14.6%
2017	34.2%	37.3%
2016	0.7%	11.2%

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

— Investments in Chinese A-Shares are subject to changes in political, economic and social conditions in China as well as changes in the policies of the PRC government, laws and regulations.
— Investments in emerging markets entail increased liquidity and operational risks as these markets tend to be underdeveloped and more exposed to political, legal, tax and foreign exchange control 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.

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 authorized distribution agencies and from the offices of the fund at 49 Avenue J.F. Kennedy, L-1855 **Luxembourg**, the facilities agent in **Austria**: Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna, the representative in **Switzerland**: Vontobel Fonds Services AG, Gotthardstrasse 43, 8022 Zurich, the paying agent in Switzerland: Bank Vontobel AG, Gotthardstrasse 43, 8022 Zurich, the European facilities agent for **Germany**: PwC Tax and Advisory, Société coopérative - GFD, 2, rue Gerhard Mercator, L-2182 Luxembourg, Email: lu_pwc.gfd.facsvs@pwc.com, gfdplatform.pwc.lu/facilities-agent/, the information agent in **Liechtenstein**: LLB Fund Services AG, Äulestrasse 80, FL-9490 Vaduz. Refer for more information on the fund to the latest prospectus, annual and semi-annual reports as well as the key (investor) information documents ("K(I)ID"). These documents may also be downloaded from our website at vontobel.com/am. A summary of investor rights (including information on representative actions for the protection of the collective interests of consumers under EU Directive 2020/1828) is available in English under: vontobel.com/vamsa-investor-information. Vontobel may decide to terminate the arrangements made for the purpose of marketing its collective investment schemes in accordance with Article 93a of Directive 2009/65/EC. **Finland**: The KID is available in Finnish. The KID is available in French. The fund is authorized to the commercialization in **France**. Refer for more information on the funds to the KID. **Italy**: Refer for more information regarding subscriptions in Italy to the Modulo di Sottoscrizione. For any further information: Vontobel Asset Management S.A., Milan Branch, Piazza degli Affari 2, 20123 Milano, telefono: 0263673444, e-mail: clientrelation.it@vontobel.com. **Netherlands**: The Fund and its sub-funds are included in the register of Netherland's Authority for the Financial Markets as mentioned in article 1:107 of the Financial Markets Supervision Act ("Wet op het financiële toezicht"). **Norway**: The KID is available in Norwegian. Please note that certain sub-funds are exclusively available to qualified investors in Andorra or **Portugal**. In **Spain**, funds authorized for distribution are recorded in the register of foreign collective investment companies maintained by the Spanish CNMV (under number 280). The KID can be obtained in Spanish from Vontobel Asset Management S.A., Sucursal en España, Paseo de la Castellana, 91, Planta 5, 28046 Madrid. **Sweden**: The KID is available in Swedish. The fund and its sub-funds are not available to retail investors in **Singapore**. Selected sub-funds of the fund are currently recognized as restricted schemes by the Monetary Authority of Singapore. These sub-funds may only be offered to certain prescribed persons on certain conditions as provided in the "Securities and Futures Act", Chapter 289 of Singapore. This document was approved by Vontobel Pte. Ltd., which is licensed with the Monetary Authority of Singapore as a Capital Markets Services Licensee and Exempt Financial Adviser and has its registered office at 8 Marina Boulevard, Marina Bay Financial Centre (Tower 1), Level 04-03, Singapore 018981. This advertisement has not been reviewed by the Monetary Authority of Singapore. The fund is not authorized by the Securities and Futures Commission in **Hong Kong**. It may only be offered to those investors qualifying as professional investors under the Securities and Futures Ordinance. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution and if you are in doubt about any of the contents of this document, you should obtain independent professional advice. This document was approved by Vontobel (Hong Kong) Ltd., which is licensed by the Securities and Futures Commission of Hong Kong and provides services only to professional investors as defined under the Securities and Futures Ordinance (Cap. 571) of Hong Kong and has its registered office at 1901 Gloucester Tower, The Landmark 15 Queen's Road Central, Hong Kong. This advertisement has not been reviewed by the Securities and Futures Commission. The fund authorized for distribution in the **United Kingdom** and entered into the UK's temporary marketing permissions regime can be viewed in the FCA register under the Scheme Reference Number 466625. The fund is authorized as a UCITS scheme (or is a sub fund of a UCITS scheme) in a European Economic Area (EEA) country, and the scheme is expected to remain authorized as a UCITS while it is in the temporary marketing permissions regime. This information was approved by Vontobel Asset Management S.A., London Branch, which has its registered office at 3rd Floor, 70 Conduit Street, London W1S 2GF and is authorized by the Commission de Surveillance du Secteur Financier (CSSF) and subject to limited regulation by the Financial Conduct Authority (FCA). Details about the extent of regulation by the FCA are available from Vontobel Asset Management S.A., London Branch, on request. The KIID can be obtained in English from Vontobel Asset Management S.A., London Branch, 3rd Floor, 70 Conduit Street, London W1S 2GF or downloaded from our website vontobel.com/am.

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

Vontobel Asset Management AG
Gotthardstrasse 43, 8022 Zürich
Switzerland
T +41 58 283 71 11
info@vontobel.com | vontobel.com/am