

Monthly commentary / 27.2.2026

Vontobel Fund – Non-Food Commodity

Marketing document for institutional investors in: AT, CH, DE, ES, FI, GB, IT, LI, LU, NL, NO, PT, SE.

Summary

- Further escalation in the Middle East pushes oil prices higher.
- Gold faces resistance, while other precious metals consolidate.
- Very strong month for Vontobel Non-Food Commodity fund outperforming the benchmark by 6.2%

Market developments

The Bloomberg Commodity Total Return Index rose another 1.1% in February. Performance was led by the oil complex, precious metals, and grains, while soft commodities and natural gas underperformed significantly. Base metals and live-stock remained broadly unchanged over the month. A major development in February was the US Supreme Court's ruling that broad tariffs imposed under the IEEPA were unconstitutional. US President Donald Trump responded by announcing a 10% global tariff under Section 122 of the Trade Act of 1974, effective for 150 days from February 24, and indicated it could rise to 15%, though that has not yet been implemented. Equity markets weakened last month due to the ongoing sell-off in software stocks. Despite AI-related valuation concerns, equities saw only modest declines, as economic data remained broadly resilient and provided a supportive backdrop for markets. US–Iran tensions remained a dominant theme throughout February. Progress in nuclear talks between the US and Iran later in the month initially helped temper some of this risk. However, on Saturday, February 28, the US and Israel launched strikes in which they killed the Supreme leader Ayatollah Khamenei.

Oil extended its strong rally in February, largely supported by heightened geopolitical tensions surrounding Iran. Brent crude gained more than 6% during the month and is now up approximately 22% year-to-date. Throughout February, the US deployed its largest air and naval presence in the region since the 2003 Iraq invasion. For this risk premium to be sustained, any US strike and subsequent Iranian retaliation would need to directly target oil production and materially disrupt oil flows for a prolonged period. While there does not appear to have been any damage on that front yet, oil flows through the Strait of Hormuz have effectively ceased, and we expect them to be halted for the duration of the military conflict between the US/Israel and Iran. Iran has provided conflicting signals regarding the Strait of Hormuz. As a result, many shippers, oil producers, and insurers have shifted into a cautious wait-and-see mode amidst reports of damaged ships. We still believe that a prolonged closure of the Strait of Hormuz is unlikely, as all of Iran's oil exports pass through that chokepoint and the country heavily depends on this revenue stream. Also, approximately 80% of the oil exports passing through the Strait of

Hormuz are destined for Asian markets, including China. A closure would therefore harm not only geopolitical adversaries but also key economic allies. OPEC announced that it would add 206,000 barrels per day to its production in April during the same weekend that the attacks began. The group was careful not to mention the conflict or geopolitical factors as a reason for its decision, as Iran is a member of OPEC. Finally, the widely anticipated inventory build for Q1 has yet to materialize. This is largely due to temporary supply disruptions, including damage to the CPC pipeline (which primarily transports Kazakh crude) and weather-related production freeze-offs in the US during winter storms. Disregarding the geopolitical risk premium in oil prices, the main question regarding the shape of the futures curve (currently still in strong backwardation) over the coming months will be whether OECD inventories will finally rise and confirm the bearish narrative that has been circulating for almost 12 months, or whether we must accept that something else is at play (such as stockpiling, strong demand, and limited supply growth) that is preventing inventories from building.

Natural gas prices dropped sharply (-32%) in February, as the second cold shock people feared after the winter storm "Fern" at the end of January in the US did not materialize. With inventories sufficiently filled and the outlook pointing to a mild end to winter, prices suffered massively.

Precious metals markets finally saw a period of consolidation during the first half of February before prices rose again in the last week, although they did not reach January's all-time highs. The BCOM Gold Index closed the month with +10.6%, silver rose by 17.9%, platinum gained +11.9%, and palladium increased by +6.1%. Investor activity was initially muted during the Chinese holiday period before excessive speculation and strong buying demand from Asia returned by month-end, particularly pushing silver and platinum prices higher. This was coupled by renewed concerns about US fiscal debt following the IEEPA tariff ruling and a buildup of geopolitical risks due to escalating tensions with Iran, both of which drove global demand for safe-haven assets. Investment demand was positive, with total gold and silver ETF holdings rising. Data on central bank activity for January showed that the PBOC increased its gold reserves again, while Russia sold

gold reserves in January to take profits. We remain overweight gold and closed our tactical underweight position in silver after China's Lunar New Year break.

There were no significant moves in base metals in February. Copper gained around 1%, while lead declined by roughly 3%, with the rest of the complex trading within that range. With the start of the Chinese New Year holiday period, we are now entering the seasonally weaker demand phase in China, during which metal inventories typically build as industrial activity slows. Historically, inventories tend to rise for approximately nine weeks after Lunar New Year, implying a build through mid-April. The key question thereafter will be whether Chinese demand rebounds strongly enough to support higher prices, or whether the softness in activity observed since November persists, potentially weighing on the sector. So far, the global inventory build in copper does not appear to be weighing on prices.

Portfolio review

In February, the cross-sectional model increased again the allocation to the energy sector and reduced the underweight by month end to -1.0% versus the benchmark, mainly due to an increase in gasoline. The fund kept its allocation to natural gas basically at zero throughout the month, leading to a relative underweight of -12.7%, mainly driven by negative roll yields and a negative contribution from momentum. The model also kept its underweight in crude oil constant at -6.3%, mainly due to negative momentum and only a small positive contribution from carry. On the other side, the model increased its overweight in oil products mainly in gasoline, driven by positive carry and value.

Regarding industrial metals, the model switched again to an underweight of -1.4% compared to the benchmark, mainly driven by a reduction in copper. The model increased its underweight in copper during the month to -6.4% with all three factors (carry, value, momentum) showing negative contributions. The position in aluminum was basically flat (-0.8%) driven by a balance between a positive value factor vs a negative momentum contribution. The fund reduced its overweight positions in lead (+1.9%), nickel (+1.6%) and zinc (+2.2%), mainly due to a decrease in the carry factor and a decreasing positive contribution from value.

In February, the model basically kept its allocation in precious

metals constant, ending the month with an overweight of +2.9% vs the benchmark, which was still driven by a positive price momentum and a negative carry contribution. The model underweights gold (-15.0%), is flat in silver (+0.3%) while keeping the positive allocations in the off-benchmark positions palladium (+8.4%) and platinum (+9.2%).

Performance analysis

In February, the Vontobel Fund – Non-Food Commodity (I share, USD) gained +5.24% and the Bloomberg Commodity ex-AL Capped TR Index lost -0.96%, leading to an outperformance of +6.2%. The underweight in natural gas, overweight in oil products and the off-benchmark positions in palladium and platinum added positively to overall performance. On the other hand, the underweight in crude oil and gold were the biggest drags on performance.

Outlook

The conflict in the Middle East will be the main theme to watch in March with respect to commodity markets. We expect oil flows through the Strait of Hormuz to be halted for the duration of the military conflict between the US/Israel and Iran. Thus, the duration of the conflict will be the key variable for energy markets. Producers have the possibility to store their production for 4-5 weeks without exporting it. However, if shipments through the Strait of Hormuz do not resume thereafter, oil production will start to get curtailed, which would quickly deplete global oil inventories. While no one can say with conviction how long this conflict will last, we believe there is a strong incentive for the US to wind down the military pressure as soon as possible. US stockpiles in the region are not infinite, and Trump has other foreign and domestic policy goals to focus on in the next few months. We therefore expect the campaign to last a few weeks before a "mission accomplished" narrative is declared. The US and Israel will likely argue that they have fundamentally weakened the regime and leave it to the Iranian people to complete the regime change. The White House has confirmed a three-day visit by Trump to Beijing from March 31 to April 2. As China strongly condemned the US/Israeli military attack on Iran and is the main country affected by curtailed oil and gas flows through the Strait of Hormuz, there is some uncertainty surrounding the visit.

Fund characteristics

Fund name	Vontobel Fund – Non-Food Commodity
ISIN	LU1106544999
Share class	I USD
Reference index	Bloomberg Commodity ex-Agriculture and Livestock Capped Index TR
Inception date	28.11.2014

Historical performance (net returns, in %)

Time period	Fund	Ref. index
MTD	5.2%	-1.0%
YTD	13.7%	14.8%
1 year	33.5%	33.0%
3 yrs p.a.	10.4%	13.8%
5 yrs p.a.	8.3%	13.6%
10 yrs p.a.	7.6%	9.2%
ITD p.a.	2.9%	3.6%

Time period	Fund	Ref. index
2025	20.2%	23.9%
2024	1.7%	8.6%
2023	-9.5%	-12.3%
2022	6.8%	18.8%
2021	21.7%	28.6%
2020	1.7%	-10.5%
2019	16.2%	11.7%
2018	-19.5%	-11.4%
2017	5.7%	7.9%
2016	23.0%	18.6%

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.

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