Monthly commentary / 29.5.2026

Vontobel Fund – Global Equity

Summary

- The performance of the Fund was negative in May 2026 and underperformed the MSCI ACWI ND.
- The Financials and Real Estate sectors were positive contributors to relative performance over the month. The Information Technology and Industrials sectors were the largest detractors from relative performance.
- On a country basis, China and Korea, Republic of, (South Korea) contributed to relative performance, while the United States and Japan detracted from relative performance.
- Relative to the benchmark, the Fund's largest sector overweights for the month were Industrials and Energy while the largest sector underweight were Financials and Information Technology.
- The Fund's largest country overweights for the month were the Switzerland and Germany relative to the benchmark. The largest underweights were the United States and China at the end of month.

Market developments

Global equities continued their ascent in May. Technology heavy markets in the US and Asia led gains, supported by strong earnings growth and continued AI capital expenditure, which drove tech hardware, semiconductor, and semi cap equipment names higher, with particular strength in memory. Investors' hopes for a deal between the US and Iran lifted stock markets and eased pressure on oil prices. US equities delivered strong returns, fueled by ongoing AI expansion and infrastructure buildout. US GDP growth recovered in the first quarter, although less than expected, while inflation rose to 3.8% in April. Kevin Warsh was appointed chair of the US Federal Reserve, with markets anticipating interest-rate hikes to contain inflation. European equities lagged as inflation rose to 3% in April, reflecting the impact of the Iran conflict. In response, European monetary policymakers reaffirmed their commitment to bringing inflation back to target. Meanwhile, the EU forecast a slowdown in economic growth in 2026, as first quarter GDP contraction in France heightened recession concerns. Emerging market equites outperformed, with Taiwan and Korea once again driving gains, supported by strong technology export growth. China diverged from the broader emerging market outperformance.

Portfolio review

Purchases

Advanced Micro Devices Inc

Advanced Micro Devices (AMD) holds a unique position as a "dual-engine" beneficiary of the structural shift toward artificial intelligence. AMD is capturing massive market share in two exploding domains: traditional server CPUs and AI GPU accelerators. The emergence of "agentic AI" workloads is driving a sudden and durable acceleration in CPU demand, prompting management to double its 2030 Server CPU Total Addressable Market (TAM) estimate to $120 billion. In this high-margin segment, AMD is aggressively taking share from the struggling incumbent, Intel, and targeting over 50% market share. Simultaneously, AMD is cementing itself as the industry's premier second-source alternative to Nvidia in the AI accelerator market, backed by multi-gigawatt-scale deployment agreements with hyperscalers like Meta and OpenAI. AMD holds only a low single-digit share of a massive AI accelerator TAM that could reach $1 trillion by 2030. The company is well positioned to capitalize on this "rising tide" compute leveraging its open-source ROCm ecosystem and next-generation MI450 and Helios rack-scale platforms. The company's highly profitable Data Center segment is now the primary driver of revenue and earnings, which has structurally improved gross margins and recently helped triple free cash flow. Thus, AMD offers a highly attractive financial profile characterized by consistent roadmap execution, expanding margins, and solid free cash flow generation.

KLA Corp

KLA is dominant in inspection, metrology and reticle tools. The company's products help find defects, measure dimensions and inspect photomasks that define chips. KLA is benefitting from tailwinds in WFE growth as well as process control intensity that rises with every node. Simply put, as the industry advances, the ratio of inspection and metrology spend rises and these are unavoidable deeply important steps in making chips. KLA's products are essential and it's a dominant player in the inspection/metrology equipment used by all the leading-edge fabs. We think that KLA has a long runway for earnings growth in the double-digit range as we expect continued investments by the hyperscalers and other demand drivers in the future.

SK Hynix Inc
SK Hynix is the dominant supplier of High Bandwidth Memory (HBM), a critical bottleneck for AI infrastructure, and management notes that customer demand for HBM will continue to far exceed supply capacity for the next few years. Furthermore, the rapid evolution from basic LLM training toward real-time inference and agentic AI is exponentially increasing data processing needs, such as massive KV caching. This broadens the company's structural demand drivers beyond HBM to encompass high-capacity server DRAM and enterprise SSDs (eSSDs), cementing SK Hynix as a core, long-term enabler of the global AI ecosystem rather than a mere cyclical beneficiary. Severe industry-wide supply constraints have forced hyperscale customers to prioritize supply security over pricing. This has catalyzed a shift toward multi-year Long-Term Agreements (LTAs) that feature volume commitments, pricing floors, and substantial upfront down payments. These LTAs mitigate traditional industry cyclicality, buffer margins during downturns, and provide unprecedented earnings visibility. Driven by this structural pricing power and a mix shift toward premium products, SK Hynix recently achieved a record-breaking operating margin of over 70%, proving a structural upgrade in its profitability profile. SK Hynix is rapidly transitioning into a massive net cash position, targeting over KRW 100 trillion in net cash to ensure stable investments through any market cycle. Management is actively preparing enhanced return measures, including sustained dividends, and share buybacks, with expectations to return a significant portion of its FCF to investors.
NextEra Energy Inc
NextEra, a Defender, is a safe but growing utility that we like for the long term. The company is growing faster than it has due to data center expansion for AI related spending in the US. NextEra has an excellent track record and is based in a friendly regulatory state (Florida) that also has high quality renewable energy exposure. The company has historically grown at around a 6 percent rate; however, due to data center and electrification themes, it is poised to grow by a 10 percent CAGR over the next five years.
Linde PLC
Linde is a direct peer of Air Liquide. Compared to its peer, Linde has greater exposure to the U.S., where increasing industrial activity is supporting growth. As a result, Linde is expected to deliver higher growth, leading us to allocate more capital to it vs. Air Liquide.
Infineon Technologies AG
Infineon is an undisputed global market leadership in both power semiconductors and automotive chips, placing it directly at the intersection of this decade's most powerful secular megatrends: vehicle electrification, renewable energy infrastructure (decarbonization), and the explosive power demands of AI data centers. Infineon’s competitive advantage is underpinned by its unparalleled in-house manufacturing scale (including a margin-accretive shift to 300mm thin wafers) and its proprietary mastery across all three critical power materials: Silicon (Si), Silicon Carbide (SiC), and Gallium Nitride (GaN). This technological breadth allows Infineon to offer highly efficient, end-to-end "grid-to-core" power delivery systems that smaller, fabless competitors struggle to replicate. In the near-to-medium term, the thesis is supported by a strong new growth vector in AI power and a broadening cyclical recovery. Infineon is a leading provider of the power management architecture required to run highly intensive AI server racks, a segment that is expected roughly double to around €3 billion by FY27. Concurrently, the company is moving past the trough of the industrial and automotive inventory correction; channel inventories have normalized, and a massive order backlog of €25 billion indicates that an early-cycle replenishment phase is already gathering momentum, providing solid revenue visibility into FY27. Importantly, operating margins are projected to structurally expand back toward its target of a 25% through-cycle margin as fab utilization recovers, 300mm wafer scale benefits materialize, and the product mix shifts toward high-value SDV and AI content.
Sales
Air Liquide SA
Sold Air Liquide to reallocate to other opportunities.
Capcom Co Ltd
CAPCOM is a great business, but it is facing a couple of headwinds. First AI technology is lowering the barriers to creating video games, this will increase competition for CAPCOM. Secondly, DRAM shortages are causing consoles and PCs to increase in price which represents an important distribution channel for CAPCOM games. We are selling out due to these reasons along with having better opportunities within the portfolio for this capital.
L'Oreal SA
Sold L'Oreal because valuation is bit high for their earnings growth rate.

Performance analysis
TOP3 Contributors:
SK Hynix Inc
As of Q1 2026, SK Hynix maintained a 58% global market share in HBM, positioning it far ahead of Samsung and Micron. Investor enthusiasm was fueled by the broadening realization that the AI infrastructure cycle is currently memory-constrained more than compute-constrained. Strong demand for conventional memory for the Vera Rubin platform is expected to further tighten the overall memory supply. SK Hynix confirmed it has already locked in approximately 70% of HBM supply agreements for Nvidia's forthcoming Vera Rubin architecture. Most importantly, Cloud hyperscalers have begun treating memory as a "strategic asset," signing 3-to-5-year LTAs with fixed volume and price commitments to ensure supply security. These agreements have provided the market with much higher earnings visibility, leading analysts to shift from a cyclical P/B valuation framework to a structural growth P/E framework.
Advanced Micro Devices
Advanced Micro Devices (AMD) delivered a strong first quarter results, beating consensus estimates with broad-based growth across all segments and providing extremely bullish commentary. Data Center was the standout segment marking a fourth consecutive quarterly record server CPU revenue with AMD gaining significant market share. Management described visibility into 2027 as very good on both demand and supply, with planning extending to 2028. Most importantly, AMD drastically doubled its 2030 Server CPU Total Addressable Market (TAM) expectation to $120 bln (>35% annual growth rate), supported by accelerating demand signals and

longer-term capacity forecasts from cloud/hyperscale and enterprise customers. On the GPU side, Helios (MI450) is on track, with sampled systems already running production workloads in customer data centers (meaningful revenue ramps in 4Q26). To sum it up, the company highlighted a "meaningful acceleration" in customer demand driven by inferencing and Agentic AI, which require substantial CPU compute for orchestration, data movement, and parallel execution.

Infineon Technologies Ag

Infineon delivered a solid FQ2'26 that met top-line expectations, accompanied by a highly optimistic outlook and a major guidance upgrade for the full year. One of the most significant takeaway was the surge in order backlog, which increased by 25% YoY to €25 billion, signaling a broadening cyclical recovery across multiple end markets. Infineon's AI power business remains exceptionally strong and is currently in allocation (supply-constrained). The company reiterated its AI-specific revenue guidance of €1.5 billion for FY26 and ~€2.5 billion for FY27. While AI exceptionalism persists, the recovery is broadening into industrial markets (power infrastructure, grid modernization) and automotive.

TOP3 Detractors:

Disco Corp

Disco has a high market share (70%–80%) in back-end semiconductor production equipment, particularly dicers and grinders, made it a primary beneficiary of the industry shift toward generative AI. To meet demand exceeding its current capacity, Disco implemented a "production support initiative" that assigned head office engineers to manufacturing plants; originally set for six months, this program was potentially extended for up to a year due to sustained plant activity. Local equipment manufacturers in China and South Korea are accelerating their "catch-up efforts" in high-end processing equipment, which may exert pressure on Disco's market share.

Ferguson Enterprises Inc

While reporting a beat, the company kept its guidance the same as it still sees uncertainty around the pricing environment along with continued residential weakness. On a positive note, non-residential exposures continue to more than offset the weakness, and Ferguson continues to see share gains as it outgrows the market through both organic growth and acquisitions.

Siemens Energy Ag

Market participants have rotated out of power companies such as Siemens Energy which benefit from power bottlenecks in data center buildouts into areas more directly correlated with hyperscalers' capex. Siemens Energy's revenues are primarily tied to utilities capex, which is more sensitive to the broader economic environment, including developments in the Middle East, compared to the relatively resilient spending of hyperscalers.

Outlook

Given the uncertainty in today's markets, we are seeking to balance exposure between defensive companies with diverse drivers and low disruption risk, and growth driven by AI capital expenditure. We believe this positioning enables us to participate in market upside while maintaining downside protection should the market digest the outstanding risks over the near term. The largest near-term risk we see relates to higher oil prices, which could weigh on both the consumer and corporates down the road. By investing in high-quality companies that we believe exhibit strong pricing power, high margins, and diverse drivers, we seek to position our portfolios to pursue growth opportunities while aiming for greater resilience across a range of market environments.

Fund characteristics

Fund name	Vontobel Fund – Global Equity
ISIN	LU0278093595
Share class	I USD
Benchmark	MSCI World Index to 31.12.2010, MSCI All Country World Index TR net thereafter
Inception date	19.6.2008

Historical performance (net returns, in %)

Time period	Fund	Benchmark
MTD	-0.3%	5.2%
YTD	1.2%	12.1%
1 year	3.2%	30.3%
3 yrs p.a.	9.7%	22.3%
5 yrs p.a.	3.9%	11.5%
10 yrs p.a.	9.3%	12.8%
ITD p.a.	8.0%	8.4%

Time period	Fund	Benchmark
2025	8.0%	22.3%
2024	10.6%	17.5%
2023	19.9%	22.2%
2022	-21.2%	-18.4%
2021	13.5%	18.5%
2020	19.3%	16.3%
2019	27.6%	26.6%
2018	-5.0%	-9.4%
2017	28.9%	24.0%
2016	4.5%	7.9%

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