

## **Vontobel continued to develop its business in the third quarter and remains on course**

- **Advised client assets reach a record CHF 175.3 billion**
- **Strong growth in net new money across all divisions**
- **Vontobel delivers another solid result in the third quarter of 2017**
- **Wealth Management with strong inflows of new money and stable margin**
- **Diversification in Asset Management pays off, with growth in new money in the third quarter exceeding target range**
- **Financial Products continues international expansion; further market share gains in Europe and successful entry into Hong Kong market**

Vontobel continued to develop all areas of its business in the third quarter of 2017. The high level of client satisfaction resulted in very pleasing net new money across all divisions. Advised client assets reached a record CHF 175.3 billion at the end of September 2017. This positive trend reflects the ongoing diversification within the boutiques in Asset Management as well as the strong net inflow of new money in Wealth Management across all regions. Financial Products continued its international expansion with its successful market debut in Hong Kong and grew its market share in Europe and Switzerland.

“The pleasing development of the business in the first nine months of the year shows that Vontobel is solidly positioned with its broad-based business model and is performing well in a challenging competitive environment. We continue to expect a solid result for the financial year 2017. Our business model – which we will further strengthen in the future through investments – combined with our sharper positioning will allow us to capture the opportunities that are arising in the changing market environment,” stated Zeno Staub, CEO of Vontobel.

Vontobel has continued to invest selectively in 2017 to further strengthen its business. In addition to entering new markets and further developing talent, its main areas of focus are digitization and the strengthening of its brand. It is also investing in the implementation of regulatory requirements such as MiFID II. In the course of 2017, Vontobel additionally incurred restructuring and integration costs following the acquisition of Vescore. As a result, the profit contribution from the Corporate Center in the third quarter was similar to the two preceding quarters.

### **Wealth Management significantly exceeds market growth and hires relationship managers**

Wealth Management and the External Asset Managers (EAM) business attracted substantial net new money in the third quarter and advised client assets reached over CHF 50 billion. The high level of client satisfaction and the very good investment performance of portfolio management mandates and advisory mandates contributed to this result. Around CHF 2.2 billion of assets under management from the acquisition of the Eastern European client portfolio (Central Eastern Europe) from Notenstein La Roche is not included in this sum; the transaction is expected to close in December 2017. The margin remained stable over the course of the year. In addition to acquiring the CEE Desk of Notenstein La Roche, Vontobel continued to hire new relationship managers, thus demonstrating that it is one of the most attractive employers in the Swiss financial services sector. Vontobel Wealth Management is still targeting growth in net new money of 4% to 6% – exceeding the market average – and it aspires to become the leading Swiss wealth manager that creates value for its clients.

### **Diversification in Asset Management pays off – return to growth confirmed**

Vontobel's active, high-conviction Asset Management division has delivered further success, generating an excellent performance. As a result, the positive trend in net new money that it achieved in the second quarter continued into the third quarter of 2017, as it benefited from its increasing diversification in recent years. It saw especially pleasing developments in the fixed income boutique TwentyFour Asset Management, where assets under management have grown by 40% since the start of 2017 – corresponding to an increase of CHF 4 billion. TwentyFour Asset Management, in which Vontobel acquired a majority stake in 2015, currently manages over CHF 13 billion of assets. As part of the regional diversification strategy, TwentyFour Asset Management also began operating in the US in April 2017. Investment performance remains robust, with 70% of products outperforming their benchmark this year. In addition, a total of 15 funds have been awarded a 5-star rating by Morningstar. In mid-October, Vontobel Asset Management combined its Thematic Investing and Sustainable Investing Boutiques, thus further optimizing its offering for investors. The resulting Sustainable and Thematic Boutique has CHF 10 billion of assets under management and is a leading provider of sustainable investments. Vontobel has more than 20 years of experience in the field of sustainable products and was recently named the most sustainable Swiss financial services provider by Swisscanto. As part of the implementation of the European financial markets directive MiFID II, Vontobel Asset Management has decided to absorb

research costs for clients. This decision will result in additional costs in the low single-digit millions of Swiss francs per year, which are already factored into the 2020 targets published at the end of August 2017.

#### **Financial Products achieves successful market debut in Hong Kong and continuously grows market share**

The Financial Products business has, for years, demonstrated a high level of innovation as well as technology and cost leadership while maintaining its close proximity to clients. Its state-of-the-art digital infrastructure enables it to rapidly enter new markets and serve new target groups. As a result, Financial Products has secured a leading position with a market share of 25% in its Swiss home market and of over 10% in Europe (measured in terms of the exchange-traded volumes in the target segment). Financial Products is working continuously towards its goal of becoming a leading provider of structured products and derivatives globally. In the third quarter, it gained further market share in Germany – meaning that it now ranks as the fourth most successful provider of structured products. At the start of September 2017, Financial Products successfully made its market debut in Hong Kong; the first Vontobel warrants launched during the initial days of trading were among the top traded products on the Hong Kong Stock Exchange. Vontobel Financial Products aims to maintain a strong pace of innovation and to introduce further digital solutions for clients in order to drive its growth strategy. As the next step, it therefore plans to roll out the 'Vontobel Investment Scout' mobile app for private investors in Germany. This app allows private investors to directly select and issue structured products via their smartphones, i.e. using mobile communications.

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#### **Vontobel**

At Vontobel, we actively shape the future. We create and pursue opportunities with determination. We master what we do – and we only do what we master. This is how we get our clients ahead. As a globally operating financial expert with Swiss roots, we specialize in wealth management, active asset management and investment solutions. We empower our colleagues to take ownership of their work and bring opportunities to life. Because we are convinced that successful investing starts with assuming personal responsibility. We relentlessly question the achieved, striving to exceed the goals and expectations of our clients. The registered shares of the Vontobel Holding AG are listed on the SIX Swiss Exchange. The Vontobel families' close ties to the company guarantee our entrepreneurial independence. We consider the resulting freedom an obligation to assume social responsibility as well. As of 30 June 2017, Vontobel held over CHF 208 billion of client assets. Throughout our 21 offices worldwide more than 1,700 employees service our clients.

#### **Legal information**

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