

Press release / 28 October 2015



## **Vontobel masters challenging market environment in third quarter of 2015 – continued inflow of new money and successful international expansion of Financial Products confirm effectiveness of systematically executed growth strategy**

At the traditional autumn media discussion taking place today in the French-speaking region of Switzerland, CEO Zeno Staub will comment on Vontobel's performance in the period from July to September 2015.

- Vontobel performed well in an environment characterized by economic uncertainty in emerging markets, high levels of volatility and negative equity market developments: advised client assets totalled CHF 142 billion at end-September 2015, exceeding the level at end-2014 and in line with mid-2015.
- A strong and broad-based inflow of new money of CHF 7.3 billion was recorded since the start of the year. In the third quarter, Wealth Management and Asset Management attracted total net new money of CHF 0.9 billion. In Asset Management, the Fixed Income and Multi Asset Class boutiques made an important contribution to the net inflow of new money in the third quarter.
- Financial Products maintained its strong market position in Switzerland, Germany and Sweden and continued its international expansion with its market entry in Finland. deritrade® MIP also achieved pleasing progress: the volume of structured products issued via the platform more than trebled in the third quarter compared to the same period of 2014.
- As expected, variable income was lower than in the two preceding quarters due to seasonal effects and continues to be impacted by challenging market conditions.

### **Vontobel continues on its growth path**

In a difficult environment characterized by uncertainty surrounding economic growth in China and developments in the commodities markets, Vontobel operated successfully as a global wealth and asset manager. Its investment solutions in the area of Emerging Markets Equity performed well in the volatile third quarter and once again significantly outperformed their benchmarks. Further organic growth was achieved across all three core activities in the third quarter as a result of Vontobel's client-focused strategy. In the course of 2015, Vontobel has accelerated the expansion of its business through targeted acquisitions in the areas of Asset Management and Private Banking. By acquiring a majority stake in TwentyFour Asset Management, Vontobel strengthened its position in its UK focus market. The acquisition of Finter Bank Zurich enabled

Vontobel to grow its presence in its Swiss home market and to create an optimal basis for the further expansion of its private clients business in its focus market of Italy. "With the systematic and focused execution of our strategy, we are ideally positioned to perform well even in a difficult market environment and to resolutely continue our profitable and sustainable growth. These two acquisitions will support these efforts," stated CEO Zeno Staub.

The logo consists of a dark blue vertical rectangle on the left, followed by the word "VONTOBEL" in white, uppercase, sans-serif font, oriented vertically.

#### **Wealth Management achieves continued inflow of new money and progress in digitalization**

The sustained net inflow of new money over many years demonstrates the trust that clients place in Vontobel's proven expertise and advisory skills. In the last two years, Wealth Management has achieved organic growth of almost 6% p.a. – significantly exceeding the market average – and, in Private Banking, has ideally enhanced its presence in Italian-speaking markets through the purchase of Finter Bank Zurich. Following the closing of the transaction, the integration of Finter Bank Zurich is now progressing as planned and will already be profit-generating in 2016. The implementation of the digitalization strategy is also advancing. In Vontobel's Swiss home market, the successfully established app for tablets is now also available for smartphones. This offering is being rolled out in Emerging Markets and is due to be gradually introduced in further international markets. In the third quarter, the number of client advisors rose by 5% as a result of new hires. The expansion of the client advisor base will now continue as planned in order to drive forward the expansion of the business. Confirming the consistently high level of advisory expertise offered by Private Banking, it was once again assigned the top rating "excellent" by the German investor magazine *€uro*.

#### **Asset Management pursues its growth path despite difficult market environment**

The high level of market volatility led to only a marginal reduction in the asset base, reflecting Vontobel Asset Management's successful diversification strategy across five boutiques and all major asset classes. The net inflows of new money in the third quarter originated primarily from the Multi Asset Class and Fixed Income boutiques, driven in particular by the Corporate and Flexible Bonds segments. The pleasing performance of the TwentyFour Asset Management boutique should also be highlighted: among other things, it secured a GBP 250 million mandate from UK Mortgages Limited in July and was able to exceed its target annual growth rate of 20%. The difficult environment in emerging markets is and will remain a major challenge. Against this backdrop, the Quality Growth Boutique performed well – achieving a significant outperformance relative to the benchmark. As a result, the Emerging Markets Fund exceeded the benchmark by more than 500 basis points in the first nine months of the year. This solid performance illustrates Vontobel's ability to generate value as an active asset manager, even in turbulent market phases.

## **Financial Products makes successful progress with international expansion and deritrade® MIP**

Following its successful market entry in Sweden at the start of 2015, Financial Products continued its pan-European expansion in the area of leverage products with its market debut in Finland in September. During its first month, it was able to gain market share of 18.3% thanks to its technological leadership and attractive product offering. Financial Products maintained its strong position in its Swiss home market, as well as in Germany and Sweden. The digital platform for structured products, deritrade® MIP, continued to grow, with turnover reaching over CHF 0.5 billion – a threefold increase in the issuing volume compared to the same period of 2014. In the second half of 2015, two more banks decided to join deritrade® MIP, confirming its position as the leading platform for structured products in Switzerland. In Asia, the technical implementation of the platform is advancing as planned, and eight distributors and four issuers are in the process of being connected to the platform.

### **Outlook**

In an environment characterized by profound structural changes, high levels of volatility, the strong Swiss franc and negative interest rates, Vontobel is resolutely focused on the strategic priorities it has defined. It will continue to drive organic growth through targeted initiatives in its three core activities, while also seeking to make targeted acquisitions in Private Banking or Asset Management.

As anticipated, the second half of 2015 is proving weaker than the first half of the year due to seasonal effects. In addition, uncertainty surrounding the global economic outlook has increased and is weighing on variable income. Vontobel expects to deliver a solid result for the full year 2015 and currently anticipates that it will exceed the result for the previous year.

### **Vontobel**

Vontobel's mission is to protect and build the wealth our clients have entrusted to us over the long term. Specializing in active asset management and tailor-made investment solutions, we provide responsible and forward-looking advice. In doing so, we are committed to Swiss quality and performance standards. With their good name, our owner family has stood by these principles for generations. As of 30 June 2015, Vontobel held CHF 181 billion of client assets. Over 1,400 employees worldwide provide first-rate, customized services for clients with an international focus. The registered shares of Vontobel Holding AG are listed on the SIX Swiss Exchange. The Vontobel families and the Vontobel Foundation hold the majority of shares and votes in the company. [www.vontobel.com](http://www.vontobel.com)

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