

## Vontobel confirms strategy and targets

- **In a “new world” Vontobel remains on course to deliver on its strategy as a global investment firm**
- **Focus on established markets with sophisticated clients**
- **Access to more than 80 percent of global wealth requiring professional investment management**
- **Vontobel will offer private clients access to investment opportunities in Private Markets**
- **Hybrid service model with a range of options for all private clients**
- **Plans to accelerate growth in the US**
- **Growth and income targets remain unchanged for the period to 2024**
- **Strict focus on relevant and essential costs in the new market environment**
- **Result for first nine months of 2022 reflects general market environment**
- **Results trend seen in first six months has continued**
- **Good performance in Wealth Management, while institutional investors remain on the sidelines**
- **Wealth Management net new money exceeds target range**

As part of its regular strategy process, Vontobel has confirmed that it remains fully committed to its strategic positioning as a client-centric, globally active investment firm with strong Swiss roots that wants to empower investors to build better futures. With the business model that it has successfully implemented over approximately the last three years, Vontobel believes it is very well positioned – especially in the context of a “new world”.

The fundamental drivers of growth for an investment firm such as Vontobel remain largely intact. Experts assume, for example, that global wealth will continue to grow in the coming years and that the proportion of professionally managed assets will increase further. At present, only around 25 percent of total global wealth is professionally managed. External studies suggest that the proportion of professionally managed assets has risen by 4 percentage points over the last decade and is expected to increase by the same amount over the next five years. Vontobel believes that real interest rates are likely to remain in negative territory at least for the foreseeable future, boosting the need for professional advice. With its strategic positioning in its focus markets, Vontobel has access to more than 80 percent of global wealth that requires professional investment management. As already communicated when it announced its half-year 2022 results, the investment firm will place an even stronger focus on large, established markets with substantial numbers of sophisticated clients whom Vontobel can help to realize their objectives – drawing on its global investment expertise. In addition to its Swiss home market, which accounts for around 40 percent of its assets under management, Vontobel has defined five focus markets in which the investment firm wants to achieve growth in the future. They include the US, the largest asset and wealth management market in the world, in which Vontobel has, for decades, been successfully serving institutional and private clients seeking an account in Switzerland for diversification purposes. With the acquisition of UBS Swiss Financial Advisers (UBS SFA) at the end of 2021, Vontobel laid the foundations for additional growth in that market. Another focus market is the UK, where Vontobel is already very well positioned with the fixed income specialist TwentyFour Asset Management. Even after Brexit, the UK is still the largest asset management market in the EMEA region; it accounts for around 40 percent of assets under management in EMEA and has a wholesale market worth around USD 2.5 trillion. Other focus markets are Germany, where Vontobel is continuing to generate profitable growth in the business with private and institutional clients, as well as Italy. In addition to partnering with institutional clients and those clients who want to invest in structured products issued by Vontobel, a large team of experts in Milan has been serving Italian wealth management clients for the past two years. In the future, Vontobel also wants to expand its business with institutional clients in established markets in the Asia Pacific region – primarily Japan and Australia – as well as in selected countries in Latin America in the future.

Vontobel remains committed to its long-term ambition of becoming one of the leading and most respected investment firms in all its target markets by 2030. In view of this ambition, the company will focus on four priorities over the next two years:

1. Vontobel wants to offer its clients future-proof investment solutions
2. Vontobel wants to offer its private clients best-in-class client experiences
3. Vontobel wants to accelerate its growth in the US
4. Vontobel wants to focus even more intensively on scaling value creation

To offer an even more diversified range of future-proof investment solutions, Vontobel will further enhance the quality of its investment expertise in the coming years – especially in the area of equity products, with a particular emphasis on ESG, Impact and Thematics. Vontobel already has around 300 experienced investment experts in Europe, the US and Asia who actively manage over CHF 120 billion of assets in its six investment boutiques across the asset classes Equity, Fixed Income and Multi Asset. As an active asset manager, Vontobel sees opportunities even in the current market environment. With inflation remaining at a high level, there is a need to find higher-returning investments in the area of fixed income, for example. 90 percent of our fixed income assets have a yield above 7 percent. By comparison, the Global Aggregate Benchmark yield is 3.9 percent. The investment firm believes that deglobalization and the ongoing formation of geopolitical blocs will make investors more aware of country risks than before. Vontobel is well positioned with its diversified strategies: 58 percent of its asset under management are actively managed in different regional strategies and 42 percent in global investment strategies (status as of 30.9.2022). Further, the battle against climate change is opening up ESG-related investment opportunities. As an active asset manager, Vontobel offers investors the chance to profit from selected opportunities.

In addition, Vontobel will establish partnerships to give Wealth Management and Digital Investing clients access to Private Market investments in the future – thus also providing those clients with additional opportunities for diversification.

To deliver a best-in-class client experiences, Vontobel will offer Wealth Management and Digital Investing clients a fully hybrid service model with a range of options in the coming years – leveraging the experience that it has gained with volt by Vontobel. Its own insights as well as research show that clients do not wish to take a purely analogue or purely digital approach to wealth and asset management but are seeking a combination of both – whatever their age or volume of assets. Against this backdrop, Vontobel views digitization first and foremost as a means of making investment expertise and products available to all clients rather than only to a small circle of clients, as was previously the case. For example, Vontobel has developed a proprietary solution – iPortfolio – to assist in the active management of thousands of individual client portfolios, while at the same time consistently mapping Vontobel's investment strategy. It intends to further develop solutions such as iPortfolio in the future to provide clients with even better, more individual service and to cater for new client groups.

To maintain strong growth in the US, Vontobel will further expand its business with North American wealth management clients seeking an account in Switzerland for diversification purposes. For more than a decade, Vontobel has been successfully serving North American private clients seeking regionally diversified strategies through its subsidiary Vontobel Swiss Wealth Advisors. With the acquisition of UBS SFA at the end of 2021, Vontobel became Switzerland's largest wealth manager for this continuously expanding client group. To achieve growth in the future, Vontobel will also leverage its cooperation with the around 6,000 UBS advisors across all US states. As part of the acquisition of UBS SFA in December 2021, Vontobel and UBS agreed that UBS advisors will continue to refer clients with a US connection seeking tailored investment solutions in a Swiss-based environment exclusively to their partner Vontobel SFA in the future.

Vontobel Asset Management wants to further expand its business with Global Banks in the US, and its product range in the US has been extended accordingly in recent years. Today, Vontobel offers its complete investment expertise across all asset classes to institutional clients in the US and it aims to generate additional growth through product solutions that are tailored directly to the needs of financial intermediaries in this market.

The creation of value and the desire to achieve operational excellence are the foundations of sustainable success for every company. This includes achieving continued increases in productivity, actively managing the complexity of the business portfolio, and active cost management. Operational excellence enables the firm to fulfill its client value proposition and reduce its operational risks, as well as making it attractive to highly qualified talents. Vontobel will, in the future, therefore continue to review its business model to identify scope for optimization and will make the necessary adjustments without losing sight of the direction it is taking. In this context, Vontobel will continue to focus primarily on organic growth and will make targeted use of M&A transactions as a means of driving additional, value-enhancing growth. Vontobel will pursue its capital-light business strategy and conservative risk profile. The investment firm will continue to systematically manage costs over the long term and thus maintain its strategic flexibility. This involves constantly reviewing costs and investing in selected strategic projects. Vontobel will deliver additional reductions in running costs, move ahead with strategic projects, pursue an even more capital-light approach to business and maintain its strict focus on pricing excellence.

This is in line with Vontobel's ambitious growth and income targets, which remain unchanged for the period to 2024: Vontobel wants to grow its business by 4-6 percent overall on an annual basis across the cycle. It has therefore set itself ambitious goals for annual growth in net new money, with a target range of 4-6 percent. Each year, it aims to generate a return on equity of at least 14 percent and, in the medium term, it wants to achieve a cost/income ratio of less than 72 percent.

"Vontobel remains on course – even in a "new world". Our strategy has continued to prove effective in the current environment with rising interest rates and inflation as well as increasing geopolitical risks and mounting fears of a recession. Investing is the new form of saving. We will systematically pursue our strategy and focus even more intensively than before on what we really want to do and on areas where we can create value for our institutional and private clients in our selected markets. Like all good business people, we will pay attention to costs without forgoing opportunities. We will maintain this approach in the current market environment, which has also left its mark on Vontobel. Lower stock market valuations and the wait-and-see attitude of institutional investors have also had a significant impact at Vontobel that was only partly offset by the good performance of our business with private clients. There are no signs of a change in the market environment. Uncertainty as well as rising interest rates and high rates of inflation are continuing to affect markets. Despite this, we are continuing to focus on our mid-term targets," stated CEO Zeno Staub.

### **Result for first nine months of 2022 reflects general market environment**

The trend seen in the first six months of the year continued in the third quarter of 2022. In view of the situation in the markets and the economic environment, Vontobel was – as expected – unable to repeat the record result for 2021. Like the half-year result, the result for the first nine months declined compared to the prior year. Alongside lower valuations, which were reflected

by assets under management, institutional clients remained hesitant about new investments – with a negative impact on the business. This reflects the continued high level of uncertainty throughout the industry regarding global market rates, as well as recessionary and geopolitical risks. Among private clients, however, a trend towards security and quality is emerging in the current uncertain environment. As a result, Wealth Management has continued to see strong inflows of assets from all focus markets.

Assets under management declined by CHF 42.5 billion to CHF 201.2 billion compared to the start of the year. That includes net new money outflows of CHF 3.4 billion, a positive impact of CHF 6.2 billion due to the acquisition of UBS SFA, as well as negative impacts of CHF 43.8 billion due to market developments and CHF 1.4 billion due to currency effects.

The net new money outflow of CHF 3.4 billion in the first nine months reflected CHF 7.3 billion of net outflows in Asset Management and CHF 3.9 billion of net inflows in Wealth Management.

In Digital Investing, operating income for the third quarter of 2022 returned to the pre-pandemic level seen in 2019 as a result of generally lower demand for Structured Products. As one of the leading providers of Structured Products, Vontobel has defended its good position in its focus markets.

Vontobel's capital position continues to significantly exceed its capital targets of a CET1 ratio of over 12 percent and a total capital ratio of over 16 percent.

In response to deteriorating market conditions, Vontobel has initiated further cost control measures and expects operating expense for 2022 to be around CHF 40 to 70 million lower than in the previous year (CHF 1,068 million). In the future, for example, Vontobel will continue to enhance the quality of its workforce, which has grown continuously in recent years, but will not increase headcount for the time being. In addition, Vontobel will use changing framework conditions to align its business portfolio even more closely with its Lighthouse Strategy. By adopting a sharper focus and leaner positioning, it expects to generate additional gross cost reductions of CHF 65 million by year end 2023.

CHF Billion	9M 2022 Estimate	Q3 2022 Estimate	H1 2022 Actual
<b>Assets under management</b>	<b>201.2</b>	<b>201.2</b>	<b>208.6</b>
<i>of which Asset Management</i>	<i>107.8</i>	<i>107.8</i>	<i>118.3</i>
<i>of which Wealth Management</i>	<i>89.0</i>	<i>89.0</i>	<i>85.7</i>
<b>Net new money</b>	<b>-3.4</b>	<b>-2.5</b>	<b>-1.0</b>
<i>of which Asset Management</i>	<i>-7.3</i>	<i>-3.3</i>	<i>-4.0</i>
<i>of which Wealth Management</i>	<i>3.9</i>	<i>0.9</i>	<i>3.0</i>

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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 active investment manager with Swiss roots, we specialize in wealth management, active asset management and investment solutions. We harness the power of technology to deliver a high-quality, individual client experience and to deploy our investment expertise across multiple platforms and ecosystems. We empower our employees to take ownership of their work and bring opportunities to life. We do so based on the conviction that successful investing begins with the assumption of personal responsibility. We continuously scrutinize our achievements as we strive to exceed the 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 as an obligation to also assume our social responsibility. As of September 30, 2022, Vontobel held CHF 248.2 billion of total client assets. Around the world and in our home market, we serve our clients from 26 locations.

#### Legal information

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