TwentyFour
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MI TwentyFour Investment Funds - Monument Bond Fund

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Fund Commentary | 31 October 2025

Market Commentary

- **Summary:** Credit markets, including securitised products, witnessed a degree of volatility during October, driven by intensifying US-China tensions and notable idiosyncratic credit events, particularly in the US automotive market. Despite intra-month widening, the asset-backed security (ABS) market ended October in a strong position, as the demand technical has drawn real money support across the curve. In the collateralised loan obligation (CLO) market, however, there was more persistent widening, particularly in the high yield tranches, as investors appeared to have moved to a greater pricing of risk. Despite this, there was a healthy amount of supply in primary markets. The European ABS market recorded €20bn of new issuance, complimented by €11.5bn of CLO refinancing, which brought year-to-date new issue volumes to €139bn – a post-global financial crisis record. Given the dynamic pricing activity, there was an uptick in both ABS and CLO trading during October, with volumes close to double the monthly averages. Secondary activity was concentrated in CLOs, particularly in AAAs and BBBs, where spreads ended the month 3 basis points (bp) and 35bp wider, respectively.
- **ABS:** October was a notably active month for ABS primary markets, with €20bn of new issuance across Europe. UK residential mortgage-backed security (RMBS) issuance increased, particularly from specialist lenders, and there was a consistent supply of consumer assets from the continent. Although issuance volumes were not disrupted by intra-month volatility, there was a degree of steepening across the curve. However, most of this retraced following significant investor demand. For example, BBB UK RMBS printed in a SONIA +1.65-1.80% range. Although consumers have continued to display resilience, on balance, there has been dispersion in collateral performance between lenders and jurisdictions. One thing that has been apparent, and something that the portfolio managers wish to highlight, has been the lack of premium demanded by investors in the face of this performance. For that reason, the team's focus has been on the large and established lenders. The managers expect issuance volumes to remain robust into November.
- **CLO:** October was a dynamic month for CLO markets. The pace of supply across global CLO markets continued, especially resets in Europe. In the European CLO market, €18bn of new issuance was recorded, including €12bn of refinancing and resets. European CLO issuance for 2025 has reached a record high of €101.6bn, topping the previous full-year record of €100.5bn that was set in 2021. Similarly, US markets absorbed $45bn of supply, with $32bn attributed to refinancing and resets. There were idiosyncratic credit events, particularly in the US market, where car parts business First Brands filed for bankruptcy protection amid allegations of financial irregularities. Following a relatively long period of very low default rates and little price dispersion between managers and vintages, this resulted in BBs trading in a spread range of Euribor +5.5-7.5%, a level of tiering that was already normal for the US CLO market. As a secondary effect, there has been a move to quality from CLO managers and, as a result, weaker loans sold off, which has increased the level of stressed names in the market.

Portfolio Commentary

- October was an active month for the Fund. The portfolio management team focused on rotation throughout the month, especially in segments where spreads had tightened significantly. This included AA rated consumer paper and AAA Australian bonds, where persistent demand has continued to support spreads, which were replaced with UK and European AAA ABS. The team added UK mezzanine RMBS, including As at 1.4% over SONIA, in favour of this. In the CLO market, AAA bonds have continued to look attractive on an historical basis, and the team has added in primary at 1.3% over Euribor. With ongoing geopolitical risk, fiscal uncertainties and a growing opportunity set, the portfolio managers favour liquidity and high-quality income from secured assets.

Market Outlook and Strategy

The supply-demand technical is likely to remain very strong, especially in the ABS market, as demand for high-quality floating rate income has picked up. But while the portfolio managers are positive on UK and European consumers and large corporates, they remain cautious on smaller or newer lenders and those that focus on lower-income borrowers. This is because collateral could underperform as economic data weakens, particularly given potential noise surrounding the UK Budget towards the end of November. In the CLO market, the team remains focused on the best-quality managers and has welcomed the recent spread widening in BBB and BB rated CLOs. In investment grade, the team continues to see the best value in AAA bank-issued ABS and in CLOs. In the high yield market, the managers think that BB CLOs at spreads above 600bp points are at fair value while, for example, BB consumer ABS at spreads below 275bp look rich. As the year draws to a close, the team thinks that volatility is likely to remain elevated and could pick up further if there are more idiosyncratic events in the corporate bond and loan market. As the Fund's positioning has remained in favour of liquidity and flexibility, this could prove to be a good entry point in some sectors.

Cumulative Performance	1m	3m	6m	1y	Annualised 3y	5y	10y	Since Inception*
I Gross Acc Shares	0.14%	1.16%	3.32%	5.67%	8.18%	4.47%	3.56%	3.69%
SONIA	0.34%	1.01%	2.09%	4.45%	4.69%	2.98%	1.70%	1.22%

Discrete Performance	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
I Gross Acc Shares	4.59%	7.88%	10.20%	-2.63%	1.91%	0.47%	3.07%	-0.01%	5.30%	4.46%	-1.89%
SONIA	3.63%	5.20%	4.71%	1.41%	0.05%	0.19%	0.71%	0.56%	0.25%	0.36%	0.46%

Past performance is not a reliable indicator of future performance. The performance figures shown are in GBP on a mid-to-mid basis inclusive of net reinvested income and net of all fund expenses. Performance data does not take into account any commissions and costs charged when shares of the fund are issued and redeemed. The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested. *Inception date 10/08/2009. SONIA used as a proxy for cash as a performance reference for illustration purposes only, there is no specific return objective or benchmark for the fund.

Key risks

- Limited participation in the potential of single securities
- Investments in foreign currencies are subject to currency fluctuations
- Success of single security analysis and active management cannot be guaranteed
- It cannot be guaranteed that the investor will recover the capital invested
- The structure of ABS/MBS and the pools backing them might not be transparent which exposes the Fund to additional credit and prepayment risks (extension or contraction risks) depending on which tranche of ABS/MBS is purchased by the Fund
- The Fund has the ability to use derivatives, including but not limited to FX forwards, for hedging and EPM purposes only. This may magnify gains or losses
- The Fund's investments may be subject to sustainability risks. The sustainability risks that the Fund may be subject to are likely to have an immaterial impact on the value of the Fund's investments in the medium to long term due to the mitigating nature of the Fund's ESG approach
- The Fund's performance may be positively or negatively affected by its sustainability strategy.
- The ability to meet social or environmental objectives might be affected by incomplete or inaccurate data from third-party providers
- Information on how environmental and social objectives are achieved and how sustainability risks are managed in this Fund may be obtained from www.twentyfouram.com/responsible-investment

Important information

Further information on fund charges, costs and other important information pertaining to the fund can be found in English and free of charge on the fund pages of our website and/or in the relevant offering documents available at www.twentyfouram.com/document-library and/or www.fundrock.com/mi-funds/twentyfour-asset-management-llp/

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If you invest indirectly through a third party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. In making any investment into the Fund, investors should rely on the Prospectus and Key Investor Information Document (KIID) provided by the Authorised Corporate Director (ACD) of MI TwentyFour Investment Funds, and not the summary set out in this document. The Prospectus and KIID are also available from Apex Fundrock Ltd ("Apex"), Hamilton Centre, Rodney Way, Chelmsford, Essex, CM1 3BY. For definitions of the investment terminology used within this document please see glossary at: https://twentyfouram.com/glossary. TwentyFour Asset Management LLP is able to assist those institutional clients who require it with meeting their Solvency II (including its UK onboarding and onshoring legislation) obligations. In particular, TwentyFour Asset Management LLP will make all reasonable endeavours to comply with the Solvency II Regulations 2015 Article 256.

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. Neither the fund, nor TwentyFour Asset Management LLP nor Apex make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of an assessment of ESG research and the correct execution of the ESG strategy. As investors may have different views regarding what constitutes sustainable investing or a sustainable investment, the funds may invest in issuers that do not reflect the beliefs and values of any specific investor. Please contact the Compliance Department at compliance@twentyfouram.com for more information.