

# MI TwentyFour Investment Funds - Monument Bond Fund

This Commentary is a marketing communication for professional UK investors only

## Fund Commentary | 31 March 2026

### Market Commentary

- **Summary:** Markets were dominated by the war in the Middle East during March, which suppressed returns for risk assets over the month. Moves within the securitised market were most prominent in the collateralised loan obligation (CLO) segment, given its higher beta. Issuance remained healthy, with a greater focus on asset-backed securities (ABS), which reflected the tightening arbitrage in CLO issuance. There was €16bn of new ABS issuance, complemented by €2bn of CLO refinancing and resets, although there was a notable slowdown in the last two weeks of the month. Secondary ABS activity picked up, although it was concentrated in AAA bonds, where senior spreads moved by 3-5 basis points (bp). CLO secondary activity was also focused on AAAs. However, supply was limited in Europe, particularly in mezzanine tranches, which led to a mismatch between buyers and sellers. In the US, CLOs continued to experience a higher degree of two-way trading, especially in AAAs.
- **ABS:** ABS markets saw a healthy level of issuance in March, given the backdrop. The €16bn of issuance was diverse across asset classes and geographies. There was an uptick in UK specialist residential mortgage-backed security (RMBS) activity, where value was most attractive in AAA and BBB bonds at 0.9% and 1.8% over SONIA, respectively. This was around 15bp and 25bp wider, respectively, than issuance earlier in the year. Repricing was more limited in the consumer space, where oversubscription remained in the high single digits. For example, BBB bonds in Santander's latest Italian consumer deal priced at Euribor +1.6% in March, unchanged from a similar transaction in February. It was six times oversubscribed, which was evidence of support for the level. Issuance is expected to pick up after the Easter holiday break, with supportive demand technicals likely to persist.
- **CLOs:** Activity in the CLO market was subdued during March, particularly in Europe. The sell-off in the loan market, combined with liability repricing, led to a decline in issuance. During the month, €5bn of new issuance and €2bn of resets and refinancing were recorded. The US market was relatively more active, with \$14bn of new issuance and \$11bn of refinancing and resets. Sector focus remained on artificial intelligence disruption within the loan market. The war in the Middle East also renewed concerns around cyclical sectors, given inflation shocks and weaker growth. In short, dispersion in the European loan market has persisted and is likely to

continue, negatively impacting CLO valuations. Despite this, CLO spreads remained relatively resilient following the significant widening in February. AAA CLOs traded at around 1.3% over Euribor for longer-dated deals, while BBs were at spreads of 6.0-6.5%, with a wide range depending on the quality of the deal. Given ongoing geopolitical uncertainty, volatility is expected to continue into April, which should create attractive entry points. The European loan index fell by 0.7 points in March.

### Portfolio Commentary

March was an active month for the Fund, with the portfolio managers (PMs) active in both the primary and secondary markets. In the CLO market, the team reduced AAA holdings at 1.3% over Euribor, where spreads were well insulated. In the ABS market, the PMs reduced Australian AAA bonds at BBSW +0.9% and used the proceeds to add mezzanine UK RMBS, including BBB positions at SONIA +1.8%. The team also added AAA UK prime positions at SONIA +0.57%, and increased cash positions to remain in a flexible position given ongoing geopolitical risk.

### Market Outlook and Strategy

In March, European securitised products were supported by strong income. CLO markets carried over February's loan market weakness, which weighed on asset pricing, although healthy demand meant spreads were well supported. The ABS technical has persisted, where credit curves remain flat, particularly in the European auto and consumer segments.

The war in the Middle East has swiftly changed rate and global growth expectations for at least the medium term. The low-rate volatility of securitised products supported the sector during March, and ABS and CLO bondholders will benefit from rate hikes given the floating coupon. The changing macroeconomic environment will resurface performance concerns for consumers, especially where labour markets are on a weakening trajectory and if inflation accelerates. Although securitised asset pools are not expected to deteriorate significantly, the PMs will continue to prioritise established issuers with a proven track record. While a restart of the primary market is expected, the CLO market is likely to be slower to restart as the higher cost of funding makes the creation of new CLOs challenging.

Liquidity positions have been increased across the funds. Given the expectation of persistent volatility, the PMs retain the flexibility to deploy cash once they see more certainty around a timeline for a resolution in the Middle East.

Cumulative Performance	1m	3m	6m	1y	Annualised			
					3y	5y	10y	Since Inception*
I Gross Acc Shares	-0.01%	0.73%	1.80%	4.78%	7.08%	4.47%	3.76%	3.70%
SONIA	0.32%	0.92%	1.93%	4.09%	4.74%	3.30%	1.84%	1.29%

Discrete Performance	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
I Gross Acc Shares	0.73%	5.56%	7.88%	10.20%	-2.63%	1.91%	0.47%	3.07%	-0.01%	5.30%	4.46%
SONIA	0.92%	4.31%	5.20%	4.71%	1.41%	0.05%	0.19%	0.71%	0.56%	0.25%	0.36%

**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](http://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](http://www.twentyfouram.com/document-library) and/or [www.fundrock.com/mi-funds/twentyfour-asset-management-llp/](http://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.

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