

Vontobel Fund - TwentyFour Sustainable Short Term Bond Income

This Commentary is a marketing communication for professional UK investors only

Fund Commentary | 29 August 2025

Market Commentary

- While credit spreads remained broadly stable over August, government bonds experienced volatility on a number of fronts.
- US Treasury yields swung lower due to weak labour data and were then pushed higher by upside inflation surprises. However, they ultimately ended lower as economic growth expectations moderated.
- In France, political maneuvering around confidence votes drove yields higher. The yield spread between French bonds and German bunds widened to around 81 basis points – the widest level in 2025. Gilts also fared poorly, amid elevated inflation and weakening confidence about the government's ability to stay within its fiscal rules.

Portfolio Commentary

- The Fund's positioning was maintained through August, with trading focused on reinvesting proceeds from maturities and tenders.
- The portfolio managers reappraised French corporate risk due to price action in French government bonds. They remain comfortable in the Fund's exposure to lower beta areas of the French economy.

Market Outlook and Strategy

- The Federal Reserve's dovish pivot may be punished by a further steepening of the US Treasury yield curve.
- The strong technical continues keep credit spreads tight, supported by solid fundamentals, even as valuations look stretched.
- The portfolio managers' focus remains on defensive carry rather than capital gains.

Cumulative Performance	1m	3m	6m	1y	Annualised			
					3y	5y	10y	Since Inception*
Class G	0.40%	1.67%	2.74%	5.67%	5.52%	2.64%	N/A	2.42%
SONIA + 250	0.56%	1.69%	3.47%	7.27%	7.22%	5.45%	N/A	5.15%

Discrete Performance	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Class G	4.05%	5.77%	6.52%	-4.21%	0.24%	N/A	N/A	N/A	N/A	N/A	N/A
SONIA + 250	4.67%	7.87%	7.36%	3.97%	2.59%	N/A	N/A	N/A	N/A	N/A	N/A

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, if applicable. 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 22/01/2020. 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
- Success of single security analysis and active management cannot be guaranteed
- It cannot be guaranteed that the investor will recover the capital invested
- Derivatives entail risks relating to liquidity, leverage and credit fluctuations, illiquidity and volatility
- Interest rates may vary, bonds suffer price declines on rising interest rates
- High-yield bonds (non-investment-grade bonds/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated bonds

- The Sub-Fund's investments may be subject to sustainability risks. The sustainability risks that the Sub-Fund may be subject to are likely to have an immaterial impact on the value of the Sub-Funds' investments in the medium to long term due to the mitigating nature of the Sub-Fund's ESG approach
- The Sub-Funds' 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 Sub-Fund may be obtained from [Vontobel.com/SFDR](https://www.vontobel.com/SFDR)

Important information

The Fund considers environmental, social and governance (ESG) factors in the investment process, utilising an integrated approach.

Information on the integration approach may be obtained from <https://www.twentyfouram.com/responsible-investment-policy>

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

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Where ratings are available from the credit rating agencies specified in the portfolio's rating methodology, including S&P Global Ratings Inc, Moody's Investor Services Inc & Fitch Ratings Inc, TwentyFour will use the highest of the available ratings. Moody's® assigns a rating of Aaa as the highest to C as the lowest credit quality rating. S&P® assigns a rating of AAA as the highest to D as the lowest credit quality. Fitch assigns a rating of AAA as the highest to D as the lowest credit quality. Additionally, where no rating has been requested, or there is insufficient information on which to base a rating, a rating agency may assign a rating of NR (Not Rated). For unrated sovereign issues TwentyFour will adopt the issuing sovereign's credit rating. The average credit quality (ACQ) is provided to indicate the average credit rating of the portfolio's underlying investments' rating and may change over time. The portfolio itself has not been rated by an independent rating agency and is provided for informational purposes only. The

ACQ is determined by using a market-weighted equivalent rating and rounding to the nearest rating. For unrated bonds and cash and equivalents, when calculating the ACQ ratings TwentyFour will determine an internal rating by considering all relevant factors, including but not restricted to, the relationship between the bond's maturity and its price and/or yield, the ratings of comparable bonds, the issuer's financial statements and the issuer's credit rating if available. The risk of default increases as a bond's rating decreases, so the ACQ provided is not a statistical measurement of the portfolio's default risk because a simple weighted average does not measure the increasing level of risk from lower-rated bonds. The ACQ may be lower if cash and equivalents are excluded from the calculation. Derivative positions are not reflected in the ACQ.

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