TwentyFour
a boutique of Vontobel

# Vontobel Fund - TwentyFour Sustainable Short Term Bond Income

This Commentary is a marketing communication for professional UK investors only

## Fund Commentary | 30 October 2026

### Market Commentary

- Risk sentiment weakened through October, as investors questioned the scale and financing of AI investment, while escalating Middle East tensions pushed oil to its highest level since April.
- Government bonds rallied, reversing some of September's losses, but sovereign markets diverged: French debt remained under pressure from fiscal and political uncertainty, while the UK Budget did not impede the easing of Gilt yields.
- Credit spreads widened as risk appetite softened, with concerns around sovereign risk and debt-funded AI expansion increasing differentiation between issuers. Falling government bond yields nevertheless supported positive returns in higher-quality credit.

### Portfolio Commentary

- Performance was positive across most subsectors as income and lower government bond yields more than offset wider credit spreads.
- Investment grade corporates and government bonds were the largest contributors, while financials and hybrids lagged, with negative price returns offset by carry.
- The Fund took advantage of the widening in non-French European financials via selective extensions and rotations.

### Market Outlook and Strategy

- The Bank of England raised rates in November by 25 basis points to 4.00%, following earlier hikes by the US Federal Reserve and the European Central Bank. However, the managers continue to believe central banks are unlikely to deliver a sustained hiking cycle in response to a supply-driven inflation shock.
- October showed that core government bonds can still offer protection when risk sentiment weakens. Oil, fiscal concerns and AI-related financing demands are likely to keep volatility elevated, but high starting yields provide a cushion.
- Credit fundamentals remain sound, with recent widening in financials driven by sovereign stress rather than credit quality. However, the growing reliance on debt to fund AI investment and wider spread dispersion reinforce the managers' preference for high-quality issuers.

| | | | | | Annualised | | | |
|---|---|---|---|---|---|---|---|---|
| Cumulative Performance | 1m | 3m | 6m | 1y | 3y | 5y | 10y | Since Inception* |
| Class G | 0.56% | -0.05% | 0.87% | 1.74% | 5.05% | 2.93% | N/A | 2.42% |
| SONIA + 250 | 0.53% | 1.58% | 3.19% | 6.46% | 7.17% | 6.38% | N/A | 5.38% |

| Discrete Performance | YTD | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Class G | 1.09% | 5.88% | 5.77% | 6.52% | -4.21% | 0.24% | N/A | N/A | N/A | N/A | N/A |
| SONIA + 250 | 5.33% | 6.95% | 7.87% | 7.36% | 3.97% | 2.59% | 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

## 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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