TwentyFour
a boutique of Vontobel

Fund Commentary | 31 July 2025

TwentyFour Sustainable Global Corporate Bond Fund

This Commentary is a marketing communication for professional UK investors only

Market Commentary

- The Federal Reserve (Fed) held rates at 4.25-4.50% at its July meeting, although two dissenting voters signalled a debate within the Federal Open Market Committee. In the subsequent press conference, Fed Chairman Jerome Powell indicated that the central bank is firmly in wait-and-see mode.
- US Treasuries sold off over the month as President Donald Trump stepped up his attacks on the Fed's independence. The 10-year US Treasury yield rose from 4.23% at the start of the month to end at 4.38%.
- Purchasing managers' index data in Europe continued to show a contraction, which, combined with benign inflation data, reinforced expectations of further interest rate cuts by the European Central Bank.

Portfolio Commentary

- The portfolio managers made no significant changes during the month, with primary market issuance very limited.
- New issuance in September may be an interesting catalyst for spread moves, in combination with clearer macroeconomic data.
- The Fund added to its position in Tennet after its Dutch unit was granted a state guarantee by the Netherlands.

Market Outlook and Strategy

- Macroeconomic-driven doubts have begun to emerge as data on the true impact of tariff volatility appears.
- However, this uncertainty is met by solid fundamentals from credit issuers.
- With attractive yields on offer, relative to history, the portfolio managers believe that disciplined carry strategies remain compelling, while duration and credit risk require careful calibration.

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 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

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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

ICE BofA Global Corporate Index - tracks the performance of investment-grade corporate debt publicly issued in major domestic and eurobond markets.