

Vontobel Fund - TwentyFour Sustainable Strategic Income Fund

This Commentary is a marketing communication for professional UK investors only

Fund Commentary | 27 February 2026

Market Commentary

- Escalating geopolitical tensions dominated the latter part of February after co-ordinated US and Israeli strikes on Iran prompted retaliatory action from Tehran at the very end of the month, raising fears of a broader regional conflict. Oil prices were expected to surge when the market opened at the beginning of March, while market participants will keep a close eye on how credit performs given the resilience seen thus far this year. Investors may view the shock as contained rather than systemic.
- Financial market concerns re-emerged through a combination of technology sector volatility, private credit stress and renewed debate about disruption caused by new artificial intelligence (AI) tools. Early in the month, a sharp sell-off in software names triggered broader indiscriminate weakness across risk assets, widening credit spreads and slowing primary issuance. Sentiment was further dented when Blue Owl Capital declined to reopen withdrawals from a retail-focused private credit fund, which reignited fears of liquidity mismatches and a potential crunch across parts of private markets. At the same time, research highlighting a hypothetical scenario in which rapid AI adoption could push US unemployment into double digits by 2028 added to longer-term uncertainty, which reinforced investor sensitivity to both cyclical data and structural shifts in the labour market.
- Monetary policy expectations shifted many times as investors digested a mixed macroeconomic backdrop and fresh economic data across the month. A stronger-than-expected January payrolls report (+130,000 versus +65,000 expected) reinforced the narrative of continued US economic resilience into 2026, while softer fourth-quarter GDP growth (+1.4% versus +2.8% expected) and firmer core personal consumption expenditures (PCE) inflation (+0.4% month on month) complicated the outlook. Consumer Price Index (CPI) data later surprised to the downside, which added a more dovish tone. Meanwhile, the US Supreme Court ruling limiting the use of International Emergency Economic Powers Act (IEEPA) for broad tariffs improved the global growth outlook into 2026.

Portfolio Commentary

- The Fund was well positioned to navigate market volatility, generating solid returns in February. The government rates bucket was the biggest contributor to the Fund's performance. Both US Treasuries and German Bunds benefited from softer

inflation prints and rising expectations of Federal Reserve monetary policy easing in 2026, as well as heightened geopolitical volatility and AI fears, which boosted demand for safe-haven assets. The strong performance among sovereign bonds helped the investment grade corporates bucket deliver the second-biggest contribution over the month, with the latter often closely correlated with that of the former.

- Bank Additional Tier 1s (AT1s) also contributed strongly, with most European banks reporting their full-year 2025 results in February. Profitability generally remained robust and well diversified, despite normalising net interest income due to rate cuts. Capital ratios continued to have a healthy buffer to minimum requirements and asset quality remained resilient, despite pockets of stress in some sectors. This supported the continued outperformance of European bank capital instruments, with the contingent convertible (CoCo) bond index up by 1.62% in the year to date versus 0.99% for the European high yield index.
- The most significant change to the Fund's asset allocation saw the portfolio managers switch 1% of US investment grade corporates into 1% of US high yield corporates, as they took advantage of a change in relative value.

Market Outlook and Strategy

- The market will pay particularly close attention to how the conflict in the Middle East develops. This will likely be a key driver of market sentiment, with prices of both risk assets and risk-off instruments being reassessed by investors as the situation evolves. The impact on European energy markets could also be significant and long-lasting.
- Financial markets will remain anxious about the consequences of AI on corporates and the wider global economy. Uncertainty is expected to remain high in the coming quarters and is only likely to begin to dissipate gradually as companies report concrete figures on forward-looking indicators, such as new subscriptions, backlogs of new orders and others that might be relevant for different industries.
- Given the volatile macroeconomic and geopolitical background, careful credit analysis and active portfolio management remain critical to delivering attractive risk-adjusted returns in the medium term. Portfolio positioning continues to favour high-quality, higher-rated assets and a disciplined approach to duration risk.

Cumulative Performance	1m	3m	6m	1y	Annualised					
					3y	5y	10y	Since Inception*		
Class G Acc	0.57%	1.86%	3.79%	6.82%	8.43%	N/A	N/A	N/A	N/A	7.86%
ICE BoAML Global Broad Market	1.59%	1.55%	3.50%	4.99%	4.74%	N/A	N/A	N/A	N/A	3.88%

Discrete Performance	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Class G Acc	1.50%	7.46%	8.92%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ICE BoAML Global Broad Market	1.91%	4.95%	2.02%	N/A	N/A	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. 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 26/01/2023. ICE Global Broad Market Index has been chosen as a proxy for the fixed income broad market overall and is used as reference index for illustration purposes only, there is no fund benchmark. Please see Important Information slides for further information on the index.

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
- 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
- Investment universe may involve investments in countries where the local capital markets may not yet qualify as recognised capital markets
- Money market investments are associated with risks of a money market, such as interest rate fluctuations, inflation risk and economic instability
- 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

This marketing document was produced by TwentyFour Asset Management LLP ("TwentyFour"), a company of the Vontobel Group (collectively "Vontobel"), for institutional clients, for distribution in the UK. TwentyFour acts as delegated portfolio manager of the Sub-Fund discussed.

This document is for information purposes only and does not constitute an offer, solicitation or recommendation to buy or sell shares of the fund/fund units or any investment instruments, to effect any transactions or to conclude any legal act of any kind whatsoever. Subscriptions of shares of the fund should in any event be made solely on the basis of the fund's current sales prospectus (the "Sales Prospectus"), the Key Investor Information Document ("KIID"), its articles of incorporation and the most recent annual and semi-annual report of the fund and after seeking the advice of an independent finance, legal, accounting and tax specialist. This document is directed only at recipients who are institutional clients, such as eligible counterparties or professional clients as defined by the Markets in Financial Instruments Directive 2014/65/EC ("MiFID") or similar regulations in other jurisdictions, or as qualified investors as defined by Switzerland's Collective Investment Schemes Act ("CISA").

Interested parties may obtain the above-mentioned documents free of charge from the authorized distribution agencies and from the offices of the fund at 11-13 Boulevard de la Foire, L-1528 **Luxembourg**. These documents may also be downloaded from our website at vontobel.com/am. A summary of investors rights (including information on representative actions for the protection of the collective interests of consumers under EU Directive 2020/1828) is available in English under the following link: www.vontobel.com/vamsa-investor-information. Vontobel may decide to terminate the arrangements made for the purpose of marketing its collective investment schemes in accordance with Article 93a of Directive 2009/65/EC. The fund is authorised for distribution in the **United Kingdom** and entered into the UK's temporary marketing permissions regime can be viewed in the FCA register under the Scheme Reference Number 466625. The fund is authorised as a UCITS scheme (or is a sub fund of a UCITS scheme) in a European Economic Area (EEA) country, and the scheme is expected to remain authorised as a UCITS while it is in the temporary marketing permissions regime. This information was approved by Vontobel Asset Management S.A., which has its registered office at 3rd Floor, 70 Conduit Street, London W1S 2GF and is authorized by the Commission de Surveillance du Secteur Financier (CSSF) and subject to limited regulation by the

Financial Conduct Authority (FCA). Details about the extent of regulation by the FCA are available from Vontobel Asset Management S.A., on request. The KIID can be obtained in English from Vontobel Asset Management S.A., 3rd Floor, 70 Conduit Street, London W1S 2GF or downloaded from our website vontobel.com/am.

Neither the fund, nor the Management Company nor the Investment Manager 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 fund may invest in issuers that do not reflect the beliefs and values of any specific investor.

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.

The index data referenced herein is the property of Merrill Lynch, Pierce, Fenner & Smith Incorporated (BofAML) and/or its licensors and has been licensed for use by Vontobel. BofAML and its licensors accept no liability in connection with its use. It is not possible to invest directly in an index and they will not be actively managed.

ICE BofAML Global Broad Market Index - tracks the performance of investment grade debt publicly issued in the major domestic and eurobond markets, including sovereign, quasi-government, corporate, securitized and collateralized securities.

Except as permitted under applicable copyright laws, none of this information may be reproduced, adapted, uploaded to a third party, linked to, framed, performed in public, distributed or transmitted in any form by any process without the specific written consent of Vontobel. To the maximum extent permitted by law, Vontobel will not be liable in any way for any loss or damage suffered by you through use or access to this information, or Vontobel's failure to provide this information. Our liability for negligence, breach of contract or contravention of any law as a result of our failure to provide this information or any part of it, or for any problems with this information, which cannot be lawfully excluded, is limited, at our option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you. Neither this document nor any copy of it may be distributed in any jurisdiction where its distribution may be restricted by law. Persons who receive this document should make themselves aware of and adhere to any such restrictions. In particular, this document must not be distributed or handed over to US persons and must not be distributed in the USA.

TwentyFour Asset Management LLP is registered in England No. OC335015, and is authorised and regulated in the UK by the Financial Conduct Authority, FRN No. 481888. Registered Office: 8th Floor, The Monument Building, 11 Monument Street, London, EC3R 8AF. Calls may be recorded for training and monitoring purposes. Copyright TwentyFour Asset Management LLP, 2026 (all rights reserved).