

TwentyFour Income Fund

This Commentary is a marketing communication for professional UK investors only

Fund Commentary | 27 February 2026

Market Commentary

- **Summary:** Broadly, markets performed well during February, ahead of escalating tensions in the Middle East. This also applied to European securitised products, although headlines from the artificial intelligence (AI) segment resulted in negative price action in the collateralised loan obligation (CLO) market, albeit protected by healthy income. There was €17bn of new issuance in the asset-backed security (ABS) market, complemented by €7bn of CLO refinancing/reset. Secondary supply picked up significantly, particularly in CLOs, where several offshore accounts sold high yield paper. There was a dispersion in clearing levels for CLOs, depending on the level of market over-collateralisation, following the sell-off in loans. BB European CLOs traded in a range of 5.5-7.0% over Euribor.
- **ABS:** ABS markets picked up during February, with €7bn of issuance. Supply was again focused in the residential mortgage-backed security (RMBS) market, although unlike January, there was greater geographical diversification. ING and Lloyds placed AAA Dutch prime RMBS transactions that were well subscribed at initial talk, with ING seeing three times subscription and placing a €1bn tranche at 0.43% over Euribor. In the ABS market, demand across the capital structure remained significant. Stellantis placed a full capital structure Spanish automotive transaction, where coverage reached nine times on mezzanine tranches. The A rated tranche printed almost 50 basis points (bp) inside initial price talk, at 1.05% over Euribor. It is worth highlighting the Australian RMBS market, where cross-currency relative value has supported issuance, with Columbus Capital placing a A\$2.6bn full capital structure transaction, with senior AAAs at BBSW +0.95%. While the technical should remain supportive of spreads into March, geopolitical tensions are likely to steepen the credit curve.
- **CLOs:** The European securitised market was dominated by CLOs during February. European CLO volume set a new monthly record, with €9.5bn of new issuance and a further €7bn of reset and refinancing. The US CLO market was equally active, with \$14bn of new issuance and \$19bn of reset/refinancing activity. During the month, headlines reflecting concerns about disruption from AI technology and

the broader software market resulted in a partial reversal of tightening seen in January. As expected, the softness was most pronounced in the BB and B tranches, where tiering between deals also widened. BB European CLOs ended the month 50bp wider at 5.5% over Euribor, and new issue Bs at a spread of 9.0%. The slide in European loans continued, with the index dropping 0.5 points to 95.2. Given the geopolitical escalation at the end of the month, volatility is expected to continue into March, which will provide attractive opportunities for managers ramping recently closed new issue transactions.

Portfolio Commentary

February was an active month for the Fund. The portfolio managers (PMs) were active in both the primary and secondary CLO markets, where volatility created attractive opportunities for the Fund. In the European CLO market, the team added a number of single-B rated positions in the secondary market at a discount to par, with significant price upside seen. The portfolio continued to build on the US CLO allocation, where the team added BB bonds in a range of 4.65-6.50% over SOFR. A number of private investments have drawn capital, as the PMs ramp positions in the Fund. The Fund's gearing remained unchanged, while the Fund remains in a flexible position.

Market Outlook and Strategy

Market sentiment in February was bifurcated between the ABS and CLO markets. In the ABS market, supply continued to be met by significant demand, which helped to maintain a tightening bias across segments. In the CLO market, a busy new issue pipeline combined with software weakness to create softness in spreads, which was most prominent in high yield tranches. The pipeline remains diverse, although given the escalation in the Middle East, issuance could disappoint in March.

The PMs expect secondary activity to remain robust, as accounts react to market moves stemming from conflict in the Middle East. Although the demand technical should remain broadly supportive, credit curves are expected to steepen across segments. European securitised products should continue to gain support from healthy income, with rates facing upward pressure and fresh uncertainty, although the PMs remain cautious given geopolitical escalation.

Cumulative Performance	1m	3m	6m	1y	Annualised			
					3y	5y	10y	Since Inception*
NAV per share inc. dividends	-0.89%	0.86%	2.69%	7.48%	13.75%	8.31%	8.24%	8.03%

Discrete Performance	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NAV per share inc. dividends	0.01%	10.07%	16.92%	20.40%	-8.84%	7.85%	5.97%	5.04%	2.39%	13.51%	4.28%

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: 06/03/2013.

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
- Typically, sub-investment grade securities will have a higher risk of default, and are generally considered to be more illiquid than investment grade securities
 - 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 twentyfouram.com/responsible-investment

Further Information



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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 Prospectus and the Key Information Document (KID) which are available at www.twentyfouram.com/view/GG00B90J5Z95/twentyfour-income-fund

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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 Fund is not managed in reference to any benchmark index.

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