

Vontobel Fund - TwentyFour Strategic Income Fund

This Commentary is a marketing communication for professional UK investors only

Fund Commentary | 28 November 2025

Market Commentary

- Investors recalibrated the odds of near-term interest rate cuts throughout November as conflicting economic data and central bank commentary contributed to volatility in policy expectations. Early in the month, weak US employment indicators and deteriorating consumer sentiment encouraged investors to lean into the possibility that the Federal Reserve (Fed) would cut rates in December. Hawkish commentary from Fed officials then pushed the implied probability of a December rate cut to as low as 27%, which lifted Treasury yields and cooled risk sentiment. Dovish remarks from policymakers, together with speculation that Kevin Hassett was the likely frontrunner to become the next Fed chairman, reignited expectations of a December cut, pushing the odds above 80% and supporting a broad risk rally. Investors also focused on reassessing whether technology valuations had gone too far, with the remarkable run of artificial intelligence (AI) stocks drawing fears of a bubble. This compounded the fragile risk appetite in early November. In fixed income, after a wave of big deals in recent months, unease grew about the 'capital expenditure treadmill' that the AI boom has created.
- November brought further signs of stress in the private credit market. Investors expressed concerns over the illiquidity of long-term loans held by private credit funds, as well as the opacity of valuations that rely on internal valuations rather than transparent public market pricing. Private credit market stress was most evident with turmoil at Blue Owl Capital, which cancelled a planned merger between two of its private credit funds following investor criticism. The incident raised questions over whether 'hidden risk' is embedded in some private credit funds, and compounds concerns surrounding weaker underwriting standards.
- UK Chancellor Rachel Reeves delivered her much-anticipated Autumn Budget. The most important feature was that of heavily backloaded fiscal consolidation, with tax-raising measures due to take effect further down the line. The main measures included £26bn of tax rises by 2029 from frozen income tax thresholds, National Insurance on salary-sacrifice pensions, and higher taxes on dividends and property. This left 10-year gilt yields 10 basis points lower on the week, with the rally likely a result of the fact that there were no unexpected announcements.

Portfolio Commentary

- The portfolio remained well positioned to deal with realistic macroeconomic volatility. The portfolio managers (PMs) continued to keep the portfolio's average credit quality high, while managing duration exposure. The team's preference for extending duration through government securities rather than credit markets remained. The credit portion of the portfolio was defensive relative to historical levels, with the PMs avoiding CCC and weaker single-B names. The PMs continued to target carry in good-quality credit and maintained liquidity to take advantage of periods of volatility when they presented themselves.
- The Fund was well positioned to benefit from bouts of buoyancy among market participants and withstand spells of weakness. US Treasuries were the biggest contributor to the Fund's performance following a late November rally that was driven by policymakers' dovish remarks, which led investors to price in a greater probability of a Fed rate cut in December. Bank Additional Tier 1s (AT1s) also performed well, thanks to the strong technical that has persisted in the asset class. There were no detractors as spreads were well contained and investor demand persisted.

Market Outlook and Strategy

- Volatility should subside heading into the festive period. Before then, though, investors will be keen to dissect any Fed speech or US economic data to price the possibility of a rate cut at the central bank's December meeting. Primary market activity should also slow as issuers look to the new year to bring deals to the market, given the lack of activity in the latter part of December.
- From an asset allocation perspective, it is worth reiterating that the opportunity cost of not stretching down the credit quality spectrum is not particularly high at present. Given the yields on offer in the BB/BBB part of the market, one does not need to import much default risk to target mid-to-high single-digit returns. While there are localised pockets of weakness, the credit story remains well supported. Conviction around returns for higher-quality credit remains strong, since accessing these high overall yields does not require taking on too much duration or default risk.

Cumulative Performance	1m	3m	6m	1y	Annualised					Since Inception*
					3y	5y	10y			
Class G Acc	0.42%	1.88%	4.64%	6.79%	8.93%	3.05%	4.17%	4.17%		
ICE BoAML Global Broad Market	0.27%	1.93%	3.40%	4.08%	3.84%	-0.67%	1.33%	1.33%		

Discrete Performance	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Class G Acc	6.95%	9.20%	10.04%	-12.61%	2.30%	7.71%	9.59%	-2.36%	8.99%	5.90%	N/A
ICE BoAML Global Broad Market	5.33%	2.02%	5.67%	-13.46%	-1.73%	5.30%	6.49%	0.02%	1.97%	3.64%	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 30/11/2015. ICE Global Broad Market Index has been chosen as a proxy for the fixed income 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](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

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, 2025 (all rights reserved).