TwentyFour
a boutique of Vontobel

Vontobel Fund - TwentyFour Strategic Income Fund

This Commentary is a marketing communication for professional UK investors only

Fund Commentary | 30 June 2026

Market Commentary

- Markets in June remained defined by developments in the Middle East, as the signing of a Memorandum of Understanding (MoU) between the US and Iran allowed the reopening of the Strait of Hormuz, leading oil supply to recover towards nine million barrels per day. Despite bouts of renewed tensions, the market saw this as a significant de-escalation, and oil prices fell sharply over the course of the month, with Brent Crude reaching around $73 per barrel by month end versus the peak of $118 per barrel in April.
- Inflation remained sticky, as core personal consumption expenditures (PCE) were up 3.4% year-on-year (YoY) in the US and 2.4% YoY in the Eurozone, reinforcing the hawkish central bank policy shift. New Fed chair Kevin Warsh's debut Federal Open Market Committee (FOMC) meeting held rates steady at 3.5%-3.75%, but struck a hawkish tone as he reiterated the 2% inflation target and reinforced the Fed's commitment to price stability. The European Central Bank (ECB) delivered its first rate hike since 2023, while the Bank of England (BoE) held rates unchanged at 3.75%.
- Risk assets had a strong month on the back of the fall in oil prices. The S&P 500 reached new highs, driven by continued momentum in artificial intelligence (AI). Meanwhile, the initial product offering (IPO) of Elon Musk's SpaceX marked the largest listing in financial history with a debut valuation of around $1.8tr. Spreads were volatile but remained tight versus historical levels, while yields were largely stable for investment grade (IG) and high yield (HY) credit.

Portfolio Commentary

- The Fund was in a strong position to deal with the geopolitical and macroeconomic uncertainty and generated solid returns for the month of June. Bank Additional Tier 1s (AT1s) were once again the biggest contributor to Fund performance, along with the Government bucket, which benefited from a more dovish repricing of central bank policy expectations, with the fall in oil prices allaying fears of persistent inflation. There were no detractors to Fund performance over the period.
- There were no major changes on the asset allocation front as the team considers the portfolio well-positioned to navigate the ongoing market uncertainty and to take advantage of the strong technical tailwind in fixed income markets. The team continues to prefer higher quality credit, with Bank AT1s looking more attractive than Tier 2, while remaining selective in high yield given spread compression.

Market Outlook and Strategy

- The relief in oil prices on the back of the MoU and reopening of the Strait of Hormuz has tempered immediate fears of a stagflationary environment. While the market will continue to pay close attention to any further developments in the conflict, we expect performance to be buoyed by the improving sentiment and growth outlook.
- Fixed income markets demonstrated a high level of resilience through the conflict in the Middle East, supported by strong technical demand and robust fundamentals. Based on these factors, in conjunction with elevated all-in yields, we expect fixed income markets to continue to deliver healthy returns.
- Given the dispersion we have seen in high yield markets along with the volatile macroeconomic backdrop, careful credit analysis and selectivity remains key. We continue to favour higher quality credit and a neutral duration exposure, and maintain the liquidity to take advantage of any periods of volatility, should they arise.

Cumulative Performance	1m	3m	6m	1y	Annualised 3y	5y	10y	Since Inception*
Class G Acc	0.78%	3.13%	2.19%	5.98%	9.03%	2.82%	4.47%	4.18%
ICE BoAML Global Broad Market	0.39%	1.24%	1.09%	3.11%	3.86%	-0.22%	0.83%	1.32%

Discrete Performance	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Class G Acc	2.19%	7.35%	9.20%	10.04%	-12.61%	2.30%	7.71%	9.59%	-2.36%	8.99%	5.90%
ICE BoAML Global Broad Market	1.09%	4.95%	2.02%	5.67%	-13.46%	-1.73%	5.30%	6.49%	0.02%	1.97%	3.64%

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

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.

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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.

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