TwentyFour
a boutique of Vontobel

TwentyFour Income Fund

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Fund Commentary | 28 August 2026

Market Commentary

- **Summary:** European securitised products performed well during August. As expected, asset-backed securities (ABS) issuance was muted, with just €1bn of supply. This was complemented by €8.9bn of collateralised loan obligation (CLO) resets and refinancings. Bids wanted in competition (BWIC) volumes remained healthy as accounts sought to rotate into primary opportunities. Trading activity declined across both ABS and CLO markets, although overall activity remained robust. Strong demand persisted across investment-grade mezzanine bonds, with A-BBB rated CLOs tightening by 5-10 basis points (bp). Senior ABS spreads reversed the widening seen in July, supported by the lack of primary supply.
- **ABS:** During August, European ABS supply entered its usual summer recess, with just €1bn of issuance. Societe Generale opened the market with an Italian auto transaction that attracted significant demand across the capital structure. The BBB tranche was initially marketed with initial guidance in the high 100s, but following 5x oversubscription, it priced at Euribor+1.35%, marking a record print for the asset class. The technicals for mezzanine ABS are not new and appear resilient enough to absorb a heavy post-summer pipeline.
- **CLOs:** The summer recess was not evident in the European CLO market, where deals continued to price throughout August. Issuance across new issues, resets and refinancings reached €8.9bn during the month, again dominated by reset volumes. The US market also remained active, with $38bn of issuance, including $13bn of new supply. During the month, AAA spreads remained firm around 125bp, while investment-grade mezzanine tranches continued to show strong momentum, particularly BBBs, where new issues are now pricing at Euribor+2.8%. We continue to see elevated tiering across both jurisdictions, which is welcome given the growing dispersion in collateral performance. The European loan market increased by 0.4 points during August and should pick up in September, which should support the economics for pending deals.

Portfolio Commentary

August was an active month for the Fund. In the CLO market, the portfolio managers (PMs) continued to add US BB CLO positions in both the primary and secondary markets at the secured overnight financing rate (SOFR)+5%. The team also continued to build mezzanine positions in Dutch commercial mortgages, where collateral performance remains strong. Gearing remained unchanged, and the Fund continues to maintain flexibility.

Market Outlook and Strategy

European securitised markets continue to perform well despite sustained geopolitical tensions and inflationary pressures. The team expect September to be busy with a usual pickup in ABS issuance, which should be well absorbed given the ongoing technical support in the ABS market. CLO issuance should continue to be dominated by resets, as the team expect spreads to remain range-bound into year-end and CLO managers look to extend maturities. Collateral performance has been broadly resilient to date; however, the portfolio managers don't think that current spreads justify increasing credit risk into growing geopolitical tensions and inflationary pressures. In this context, the PMs continue to favour secured assets from well-established lenders with proven track records through the cycle and keep liquidity and flexibility elevated.

Cumulative Performance	1m	3m	6m	1y	Annualised 3y	5y	10y	Since Inception*
NAV per share inc. dividends	0.60%	1.20%	3.17%	5.94%	12.06%	8.22%	7.66%	7.96%

Discrete Performance	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NAV per share inc. dividends	3.18%	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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