TwentyFour
a boutique of Vontobel

TwentyFour
Select Monthly Income Fund

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Fund Commentary | 30 January 2026

Market Commentary

- January was dominated by heightened volatility in global bond markets, led by significant moves in Japanese government bond (JGBs) yields, which rose to multi-decade highs as the 10-year yield reached around 2.35% and the 30-year yield peaked at 3.85%. The increases in JGB yields were driven by election-related domestic uncertainty, weak bond auctions and continued speculation around the implementation of further monetary policy tightening by the Bank of Japan. These moves spilled over into other developed market sovereign bonds and contributed to elevated global rate volatility.
- Equities also experienced significant volatility amid geopolitical uncertainty and shifting policy expectations. Equity markets initially rallied, with the S&P 500 Index reaching a new high, before they became more unsettled following tariff threats and well-documented developments related to Greenland and Venezuela. Credit markets remained relatively resilient, with investment grade and high yield spreads broadly contained. Primary issuance stayed elevated while attracting strong investor demand.
- US markets were shaped by inflation data and shifting expectations around the Federal Reserve's (Fed) leadership. The core Consumer Prices Index (CPI) rose by 0.24% month on month, which was slightly below expectations, while headline inflation remained steady at 2.7% year on year, supporting the view that inflationary pressures were easing. Nevertheless, Treasury yields moved higher over the month, with the 10-year yield peaking at almost 4.3%, which reflected political uncertainty around potential nominees to become the next Fed chairman. President Donald Trump's nomination of Kevin Warsh late in the month contributed to a further steepening of the yield curve and a cross-asset sell-off on the final trading day of the month, which saw gold post its largest daily decline since 2013 at 8.95% and silver register its largest daily fall since 1980 at 26.4%.

Portfolio Commentary

- The Fund was well positioned to navigate market volatility, generating strong returns in January. Bank Additional Tier 1s (AT1s) were again the biggest contributor to performance as European banks continued to benefit from a strong technical amid solid earnings growth. From a fundamental perspective, the banking sector in Europe is in the strongest place it has ever been. Capital ratios are at record levels, while non-performing loans are, on average, less than 2% of total assets (versus 8% plus a decade ago). There were no detractors over the month. The Fund benefited from its lack of exposure to government bonds, the performance of which lagged credit as a combination of geopolitical uncertainty, the sell-off in JGBs and fears about the erosion of the Fed's independence weighed on risk-free assets and kept yields elevated.
- At the time of writing, the Fund's credit spread duration was about 4.1 years, which compared with about 3.95 years at the beginning of December, with the increase coming via extensions along the credit curve. The portfolio managers remain highly selective as to how this is achieved, focusing on higher-quality areas of credit where it is possible to pick up both a spread and a rate component given the steepness of government bond curves.

Market Outlook and Strategy

- Market conditions are likely to continue to be shaped by heightened rate volatility and ongoing geopolitical uncertainty. Despite these headwinds, global growth should remain broadly resilient and inflation is expected to continue to moderate, supporting expectations that major central banks will maintain a cautious and largely accommodative policy stance.
- In this environment, portfolio positioning continues to favour high-quality, higher-rated assets and a disciplined approach to duration risk. Although credit spreads remain tight, absolute yield levels are still attractive, offering opportunities to generate income from fundamentally strong issuers. With elevated carry and supportive technical factors, maintaining meaningful exposure to fixed income remains preferable.

Cumulative Performance	1m	3m	6m	1y	Annualised 3y	5y	10y	Since Inception*
NAV per share inc. dividends	1.48%	2.87%	5.31%	10.57%	14.46%	7.47%	7.95%	6.69%

Discrete Performance	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NAV per share inc. dividends	1.48%	10.70%	17.69%	17.60%	-12.92%	7.48%	5.73%	11.94%	-1.41%	14.56%	8.20%

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: 10/03/2014.

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
- Typically, sub-investment grade securities will have a higher risk of issuer 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/sustainability

Further Information

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Important information

Further information on fund charges and costs are included on our website at www.twentyfouram.com/view/GG00BJVDZ946/twentyfour-select-monthly-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/purchased and redeemed/disposed of, 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.

For definitions of the investment terminology used within this document please see glossary at: https://twentyfouram.com/glossary. TwentyFour Asset Management LLP is able to assist those institutional clients who require it with meeting their Solvency II (including its UK onboarding and onshoring legislation) obligations. In particular, TwentyFour Asset Management LLP will make all reasonable endeavours to comply with the Solvency II Regulations 2015 Article 256. Neither the fund nor TwentyFour Asset Management LLP 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 funds may invest in issuers that do not reflect the beliefs and values of any specific investor. Please contact the Compliance Department at compliance@twentyfouram.com for more information. TwentyFour Asset Management LLP is a Limited Liability Partnership incorporated in England under Partnership No. OC335015 with its registered office at 8th Floor, The Monument Building, 11 Monument Street, London, EC3R 8AF and is authorised and regulated in the UK by the Financial Conduct Authority, FRN No. 481888. Calls may be recorded for training and monitoring purposes.