

TwentyFour

Select Monthly Income Fund

This Commentary is a marketing communication for professional UK investors only

Fund Commentary | 31 March 2026

Market Commentary

- March was largely defined by the conflict between US-Israel and Iran, which resulted in a sharp increase in volatility and weighed on macroeconomic sentiment. The effective closure of the Strait of Hormuz disrupted global trade flows, with commodity markets bearing the brunt of the impact. Oil prices surged by about 50% and remained volatile throughout the month, which ignited fears of a potential stagflationary environment. Markets were volatile as investors attempted to gauge the likely duration of the conflict and responded swiftly to any signs of de-escalation or renewed tensions.
- Geopolitical tensions compounded the existing nervousness around artificial intelligence and private credit. Credit spreads widened given the 'risk-off' sentiment as investors showed a preference for higher-quality assets due to the uncertainty. Primary issuance was very limited in the high yield space in particular, although the small number of deals that emerged were well digested. Electronic Arts tested investors' appetite as it brought its \$18bn financing package to the market, which marked the largest leveraged buyout deal in history and generated strong demand. Private credit continued to draw negative headlines as a surge in redemption requests, predominantly from retail investors, forced several business development companies to halt withdrawals.
- Monetary policy expectations underwent a hawkish repricing as investors assessed the challenging mix of growth and inflation outlooks. The US February payrolls report was much weaker than expected (-92,000 versus the +55,000 predicted) and the US unemployment rate increased to 4.4%. Meanwhile, core personal consumption expenditures (PCE) inflation remained sticky at 3.1%, which was the highest level in two years. The Federal Reserve held rates steady at 3.5-3.75% as Chairman Jerome Powell acknowledged that the energy shock had clouded the policy path.

Portfolio Commentary

- The Fund generated a negative total return in March, which reflected small declines across all asset classes amid the

challenging geopolitical environment and heightened volatility. Bank Additional Tier 1s (AT1s) were the largest detractor as subordinated paper was impacted by the risk-off sentiment, and reversed some of the prior months' outperformance.

- The weakness in sentiment was evident in index performance, as the contingent convertible (CoCo) index reversed the gains made in January and March and was down 1.2% in the year to date. The European high yield index was down 1.7% in the year to date.
- The most significant change to the Fund's asset allocation was the decision to trim risk further to address the asymmetry of potential outcomes of the conflict. The portfolio managers also elected to buy protection to hedge credit exposure to mitigate the impact of a potential further deterioration in the geopolitical environment.

Market Outlook and Strategy

- Markets will continue to pay close attention to how the conflict in the Middle East develops over the next few weeks, as investors prepare for a longer duration than initially expected. The continued closure of the Strait of Hormuz will place energy markets at the forefront as investors recalibrate the outlook in the event of a prolonged spike in energy prices.
- Investors will keep a close eye on how the surge in energy prices, if maintained through April, comes through in inflation and growth data, and continue to reprice the likelihood of hawkish policy paths. Meanwhile, sentiment is likely to remain highly volatile in response to evolving commentary from both sides of the conflict.
- Active management of portfolios remains vital to adapt to the evolving geopolitical backdrop, and to deliver attractive risk-adjusted returns in the medium term. Given the asymmetry of potential outcomes, with risks skewed towards the downside, portfolio positioning reflects a reduction in beta, and continues to favour high-quality, higher-rated assets while maintaining a disciplined approach to duration risk.

Cumulative Performance	1m	3m	6m	1y	Annualised			
					3y	5y	10y	Since Inception*
NAV per share inc. dividends	-2.74%	-1.62%	0.24%	7.20%	14.11%	6.48%	7.71%	6.32%

Discrete Performance	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NAV per share inc. dividends	-1.62%	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.

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