TwentyFour
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TwentyFour
Select Monthly Income Fund

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Fund Commentary | 31 July 2026

Market Commentary

- July was dominated by renewed escalation between the US and Iran, which revived concerns over disruption to energy supplies through the Strait of Hormuz. Brent crude began the month in the low $70s per barrel but rose sharply as attacks on commercial shipping and retaliatory US strikes threatened the fragile interim agreement, briefly moving above $100 per barrel during the final week. Both sides appeared reluctant to move towards a broader conflict. Nevertheless, the oil price increase over the month represented a material reversal from June and fresh concerns around inflation and weaker global growth.
- The rise in energy prices drove a hawkish repricing across government bond markets. US Treasury and European sovereign yields moved higher as investors assessed the inflationary impact of the oil shock alongside resilient labour-market and domestic-demand data. Market sentiment was further unsettled by President Trump's inconsistent messaging, as he declared the ceasefire over while continuing to reference negotiations and provided little clarity. The absence of a clear path towards de-escalation prolonged uncertainty around oil supplies, inflation and global growth. The 10-year Treasury yield increased from around 4.47% to 4.73%, while the 10-year Bund yield rose from approximately 2.86% to 3.2%. The Federal Reserve ultimately left interest rates unchanged at its July meeting, although the decision did little to alleviate concerns that policy may need to remain restrictive. In the UK, the Bank of England also kept rates unchanged, but more dovish guidance supported a gilt rally towards month-end.
- Risk assets experienced a more volatile month as geopolitical concerns and higher yields offset continued support from corporate earnings and artificial intelligence-related investment. US equities were particularly sensitive to sharp moves in semiconductor stocks, which suffered a significant correction during the month before rebounding following strong results from several large technology companies. European equities were comparatively resilient, while credit spreads widened modestly as the energy shock intensified. Overall, markets remained orderly, but July marked a clear deterioration in risk sentiment relative to the strong performance recorded during the second quarter.

Portfolio Commentary

- The Fund generated a positive return across the month, benefiting from the lack of exposure to government bonds. The collateralised loan obligation (CLO) bucket was the biggest contributor to fund performance, benefiting from a high running yield. The only negative performer over the month was bank additional tier-1s, which were dragged down by the move wider in government bond yields.
- The portfolio managers (PMs) kept sector allocations broadly the same during the month but were active in the secondary market to make changes within buckets. With new issuance subdued, the team looked to the secondary market to rotate into names with a better relative value.

Market Outlook and Strategy

- The team's key convictions from an asset allocation perspective remain that solid corporate fundamentals, along with a global economy that will continue growing, provide a good backdrop for spreads. While the PMs do not think there's scope for spreads to tighten meaningfully from here, they do think that this positive picture should mean flows into the class remain solid, which should keep spreads well anchored close to their lows.
- The PMs think carry will be the main contributor to total returns. In this environment of tight spreads and high all-in yields, they do not believe the potential for additional capital gains justifies investing in riskier sectors or issuers. They therefore expect sectors with strong fundamentals, and where they can safely collect some premium in spreads, to outperform. CLOs, subordinated bank and insurance debt fit this description.

Cumulative Performance	1m	3m	6m	1y	Annualised 3y	5y	10y	Since Inception*
NAV per share inc. dividends	0.13%	2.60%	1.52%	6.90%	13.61%	6.75%	7.72%	6.54%

Discrete Performance	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NAV per share inc. dividends	3.02%	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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TwentyFour AM
TwentyFour Sales
Tel. 020 7015 8900
sales@twentyfouram.com

Deutsche Numis

Deutsche Numis
Sam Murphy
Tel. 0207 260 1232
s.murphy@numis.com

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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Further Information and Literature: TwentyFour Asset Management LLP
T. +44 (0)20 7015 8900 E. sales@twentyfouram.com W. twentyfouram.com