TwentyFour
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TwentyFour
Select Monthly Income Fund

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Fund Commentary | 28 August 2026

Market Commentary

- August brought another escalation in geopolitical volatility as US strikes on Iranian targets in the Strait of Hormuz reignited concerns of energy supply disruptions. As a result, Brent Crude prices remained highly volatile and trended upwards, starting the month in the low $80s per barrel and reaching a peak in the mid $90s per barrel, which compounded the existing nervousness around inflation. European economic data surprised to the upside, however, as Eurozone GDP growth forecasts for 2026 were revised upwards on the back of a stronger than expected Q2 2026.
- Government bond yields continued to widen, reflecting expectations of continued inflation and rate hikes, cemented by hawkish remarks from both the Federal Reserve (Fed) and the European Central Bank (ECB) during the month, and fiscal concerns amid rising budget deficits. 30-year US Treasuries reached their highest level since 2007, which led Treasury Secretary Scott Bessent to announce a bond buyback program in an attempt to improve liquidity at the long end of the curve, though this attracted criticism from investors who argued that the unpredictability of this strategy risked pushing term premiums higher.
- Risk assets, on the other hand, saw a stronger month as equities proved resilient, with the S&P 500 up over 3% and Euro Stoxx 600 over 2%, buoyed by a strong set of Q2 earnings reports, which continued to benefit from artificial intelligence (AI)-related investment. August was a busy month for supply, led by US investment grade (IG) credit, which printed close to $150bn and marked a third consecutive record month, which was largely well digested.

Portfolio Commentary

- The Fund was well positioned to navigate market volatility and generated solid returns for the month of August. The biggest contributors to Fund performance were once again collateralised loan obligations (CLOs), which benefited from a high running yield, and Bank Additional Tier 1s (AT1s) after a strong round of Q2 2026 results, which largely beat expectations. There were no detractors to Fund performance over the period.
- Index performance reflected the improved risk sentiment, with rebounds in both the CoCo and European High Yield indices, which returned to positive performance after a weak July.
- The portfolio managers (PMs) kept sector allocations broadly unchanged and elected to maintain a defensive positioning given the ongoing market volatility.

Market Outlook and Strategy

- The team's key convictions from an asset allocation point of view remain that solid corporate fundamentals, along with a global economy that will continue growing, provide a good backdrop for spreads. However, with spreads close to all-time tights and with the uncertainty of both the geopolitical environment and variability in risk sentiment, they continue to favour higher quality credit and expect that carry will be the main contributor in total returns.
- September will be an active month in terms of new supply, which the PMs expect the market to digest well, with high yield investors poised to take advantage of new investment opportunities after a comparatively quiet summer and ten consecutive weeks of inflows. Pricing discipline, however, will be essential in a competitive primary market. The PMs remain highly selective, focusing on sectors with robust fundamentals and carefully managing our exposure to potential pressure points in the market such as AI and energy-intensive industries.

Cumulative Performance	1m	3m	6m	1y	Annualised 3y	Annualised 5y	Annualised 10y	Annualised Since Inception*
NAV per share inc. dividends	0.55%	1.62%	2.40%	6.67%	13.52%	6.71%	7.46%	6.54%

Discrete Performance	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NAV per share inc. dividends	3.58%	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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