

TwentyFour

Select Monthly Income Fund

This Commentary is a marketing communication for professional UK investors only

Fund Commentary | 30 September 2026

Market Commentary

- September brought a further escalation in the US-Iran conflict, as hopes of a resolution before the US midterm elections faded. Oil moved back above \$100 per barrel, with WTI reaching \$108.75 on September 15 and Brent crossing \$100 a day later. European natural gas prices also climbed to their highest level since 2023, adding to concerns about second round inflation effects.
- Central banks turned more hawkish in response. The Federal Reserve (Fed) delivered its first rate hike since 2023 and signalled another by year-end, while the European Central Bank (ECB) also hiked and warned that inflation is set to remain well above target for an extended period. Government bond yields reset higher as a result, with 10-year US Treasury yields widening around 53 basis points (bp) over the month, the largest monthly increase since September 2022. In Europe, rates volatility was exacerbated by fiscal concerns and political uncertainty, particularly in France and the UK, ahead of their budget announcements.
- Risk assets held up well, but struggled to escape the rates move, with the S&P 500 down -0.3% and the Stoxx 600 down -2.4% over the month. Credit spreads remained fairly resilient, supported by healthy corporate fundamentals. Investment Grade (IG) saw only modest spread widening over the course of the month (around 4bp), while the bulk of the pain was felt in total return terms due to the rise in underlying yields.

Portfolio Commentary

- Against a volatile market backdrop, September proved challenging, resulting in the portfolio generating a negative total return over the month. Banks and Insurance were the largest detractors in Fund performance, as rate moves weighed on total returns despite strong underlying fundamentals. Asset-backed securities were the only segment to generate a positive return, aided by their high running yield and floating rate structure.
- Index performance reflected the broad-based sell-off, with the CoCo, European High Yield and Euro IG indices returning -1.9%, -1.8% and -1.4% respectively. This was driven by rates and duration rather than credit stress.

- The portfolio managers kept sector allocations broadly unchanged and elected to maintain a defensive positioning, while selectively rotating into high quality credit at attractive levels to capitalise on volatility, and maintain a roughly neutral duration exposure.

Market Outlook and Strategy

- The outlook into year-end has become more cautious, as the balance of risks has shifted due to the lack of a clear path towards a resolution in the Iran war. In this environment, with tight spreads and high all-in yields, the managers continue to favour higher quality credit, rather than investing in riskier sectors and seeking additional returns through capital gains.
- Energy will remain in focus, with price volatility expected to continue alongside potential supply shortages. European industrials have made efforts to diversify their energy sources since 2023 and therefore, the team do not expect an energy crisis on the same scale as the one at the start of the Ukraine war. However, they will nonetheless be keeping our exposure to Europe's energy intensive industries low. They also remain cautious on the hyperscalers and AI data centre build outs in general.
- The volatility in government bonds looks poised to continue, particularly with a packed agenda that includes the upcoming US midterm elections, an Autumn budget from the new UK chancellor, and budget debates in France. Given sovereign yields are becoming very painful, in this context, interventions cannot be ruled out.
- Despite the challenging backdrop, the team take comfort in the economic data which has surpassed expectations, as Eurozone GDP growth forecasts have been upgraded for 2026 and 2027, and from corporate fundamentals, which are healthy overall.

Cumulative Performance	1m	3m	6m	1y	Annualised				10y	Since Inception*
					3y	5y				
NAV per share inc. dividends	-1.30%	-0.63%	3.92%	4.17%	12.73%	6.40%			7.28%	6.39%

Discrete Performance	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
NAV per share inc. dividends	2.23%	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



TwentyFour AM
 TwentyFour Sales
 Tel. 020 7015 8900
sales@twentyfouram.com



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

THIS COMMENTARY IS FOR FINANCIAL ADVISERS AND INSTITUTIONAL/PROFESSIONAL INVESTORS ONLY. NO OTHER PERSONS SHOULD RELY ON THE INFORMATION CONTAINED WITHIN THIS DOCUMENT. For non-rated sovereigns the issuing sovereign's rating will be used. In making any investment in TwentyFour Select Monthly Income Fund, investors should rely solely on the Prospectus and the KID and not the summary set out in this document.

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 4th Floor, 20 Fenchurch Street, London, EC3M 3BY 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. Copyright TwentyFour Asset Management LLP, 2026 (all rights reserved).