Vontobel

Monthly commentary / 29.5.2026

Vontobel Fund – TwentyFour Sustainable Strategic Income Fund

Marketing document for institutional investors in: AT, CH, DE, DK, FR, GB, LU.

Investors in France should note that, relative to the expectations of the Autorité des Marchés Financiers, this fund presents disproportionate communication on the consideration of non-financial criteria in its investment policy.

Summary

- In May, all eyes were once again on developments in the Middle East. Sentiment improved as hopes of a peace agreement grew. As commodity prices fell and inflation expectations cooled, government bonds rallied, and the probability of additional rate hikes weakened.
- The Fund was well positioned to navigate market volatility, generating solid returns, with no detractors to the Fund's performance in May. Bank Additional Tier 1s (AT1s) and collateralised loan obligations (CLOs) were the biggest positive contributors to the Fund's performance. The Fund lowered its CLO allocation from 17% to 15% and reallocated to sovereign bonds while also switching around 1% of European high yield (HY) corporate exposure in US HY to capture higher currency-adjusted yields.
- Markets will continue to focus on the Middle East over the next few weeks, with investors' focus shifting to the growth implications of the closure rather than the initial inflationary shock. Portfolio positioning continues to favour high-quality, higher-rated credit assets and a disciplined approach to duration risk.

Market developments

May was dominated by developments in the Middle East, with financial markets swinging between fears of a prolonged energy shock and optimism around a potential US-Iran peace agreement. Sentiment improved materially as the month progressed, with reports of ceasefire extensions and renewed diplomatic negotiations leading investors to increasingly price out the risk of a sustained supply disruption. As a result, oil prices retraced sharply, with Brent ending the month closer to $90 per barrel, significantly easing pressure on global markets.

Rising energy prices initially fuelled a stagflation narrative, pushing inflation expectations higher and prompting markets to reduce expectations for policy easing from both the Federal Reserve and the European Central Bank. Sovereign yields moved higher during the first half of the month as investors contemplated the risk of further tightening. However, as oil prices declined and inflation expectations moderated, markets reversed much of this move, scaling back the probability of additional rate hikes and supporting a rally in government bonds. By month-end, Treasury and Bund yields had fallen from their highs.

Risk assets delivered a strong performance overall, led by US equities and supported by resilient economic data, AI-related earnings and improving geopolitical sentiment. European equities lagged somewhat amid weaker growth expectations and ongoing geopolitical uncertainty, although credit markets remained resilient. Investment grade (IG) spreads were broadly stable to tighter, while HY spreads compressed modestly, particularly in Europe, reflecting continued investor demand for carry and confidence that geopolitical risks would not materially derail the economic backdrop.

Portfolio review

The Fund was well positioned to navigate market volatility, generating solid returns for the month of May. There were no detractors to the Fund's performance over the period.

Performance analysis

Bank Additional Tier 1s (AT1s) and collateralised loan obligations (CLOs) were once again the biggest contributors to Fund performance. The former benefited from European bank results for the first quarter of 2026 showing a strong start to the year. The government bond bucket returned a positive performance, thanks to the sovereign bond rally late in the month.

The managers made several changes to the portfolio's asset allocation in May, with the main themes being reducing credit exposure through CLO sales, lowering the overall CLO allocation from 17% to 15% and reallocating the proceeds to sovereign bonds. Which were equally split between 10-year German Bunds and 10-year US Treasuries at 10.5% each. This will increase the portfolio's interest rate duration to around 4.5 years. The team decided to switch around 1% of European HY corporate exposure into US HY, reflecting the recent outperformance of European HY spreads relative to the US by around 20 basis points (bp).

Outlook

The market will continue to pay close attention to how the conflict in the Middle East develops and whether diplomatic efforts succeed in reopening the Strait of Hormuz. While inflation will be at the forefront of investors' minds, the managers expect the focus to gradually shift towards growth the longer the strait remains effectively closed.

Given the combination of high yields and solid fundamentals, fixed income markets can deliver healthy returns for those who remain invested. The managers believe a portfolio biased towards higher quality credit and neutral duration is a solid proposition. Maintaining high liquidity will be particularly important, offering opportunities to investors during periods of volatility. The managers stand ready to make changes and potentially add risk if markets sell off.
Portfolio positioning continues to favour high-quality, higher-rated credit assets and a disciplined approach to duration risk.

Fund characteristics

Fund name	Vontobel Fund – TwentyFour Sustainable Strategic Income Fund
ISIN	LU2549760598
Share class	I GBP
Benchmark	–
Inception date	26.1.2023

Historical performance (net returns, in %)

Time period	Fund	Benchmark
MTD	0.9%	–
YTD	1.5%	–
1 year	6.6%	–
3 yrs p.a.	8.6%	–
5 yrs p.a.	–	–
10 yrs p.a.	–	–
ITD p.a.	7.1%	–

Time period	Fund	Benchmark
2025	7.4%	–
2024	8.8%	–
2023	–	–
2022	–	–
2021	–	–
2020	–	–
2019	–	–
2018	–	–
2017	–	–
2016	–	–

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 and redeemed, 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.

Investment risks

—

— The sub-fund's investments may be subject to sustainability risks. The sustainability risks that the sub-fund may be subject to are likely to have an immaterial impact on the value of the sub-fund's investments in the medium to long term due to the mitigating nature of the sub-fund's ESG approach. The sub-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 sub-fund may be obtained from vontobel.com/sfdr.

rective 2014/65/EC (“MiFID”) or similar regulations in other jurisdictions, or as qualified investors as defined by Switzerland’s Collective Investment Schemes Act (“CISA”).
Neither the fund, nor the Management Company nor the Investment Manager 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 fund may invest in issuers that do not reflect the beliefs and values of any specific investor.
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 and redeemed, 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.
Interested parties may obtain the above-mentioned documents free of charge from the authorized distribution agencies and from the offices of the fund at 49 Avenue J.F. Kennedy, L-1855 **Luxembourg**, the facilities agent in **Austria**: Erste Bank der oesterreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna, the representative in **Switzerland**: Vontobel Fonds Services AG, Gotthardstrasse 43, 8022 Zurich, the paying agent in Switzerland: Bank Vontobel AG, Gotthardstrasse 43, 8022 Zurich, the European facilities agent for **Germany**: PwC Tax and Advisory, Société coopérative – GFD, 2, rue Gerhard Mercator, L-2182 Luxembourg, Email: lu_pwc.gfd.facsvs@pwc.com, gfdplatform.pwc.lu/facilities-agent/. Refer for more information on the fund to the latest prospectus, annual and semi-annual reports as well as the key (investor) information documents (“K(I)ID”). These documents may also be downloaded from our website at vontobel.com/am. A summary of investor rights (including information on representative actions for the protection of the collective interests of consumers under EU Directive 2020/1828) is available in English under: vontobel.com/vamsa-investor-information. Vontobel may decide to terminate the arrangements made for the purpose of marketing its collective investment schemes in accordance with Article 93a of Directive 2009/65/EC. **Denmark**: The KID is available in Danish. The KID is available in French. The fund is authorized to the commercialization in **France**. Refer for more information on the funds to the KID. The fund authorized for distribution in the **United Kingdom** and entered into the UK’s temporary marketing permissions regime can be viewed in the FCA register under the Scheme Reference Number 466625. The fund is authorized as a UCITS scheme (or is a sub-fund of a UCITS scheme) in a European Economic Area (EEA) country, and the scheme is expected to remain authorized as a UCITS while it is in the temporary marketing permissions regime. This information was approved by Vontobel Asset Management S.A., London Branch, which has its registered office at 3rd Floor, 70 Conduit Street, London W1S 2GF and is authorized by the Commission de Surveillance du Secteur Financier (CSSF) and subject to limited regulation by the Financial Conduct Authority (FCA). Details about the extent of regulation by the FCA are available from Vontobel Asset Management S.A., London Branch, on request. The KIID can be obtained in English from Vontobel Asset Management S.A., London Branch, 3rd Floor, 70 Conduit Street, London W1S 2GF or downloaded from our website vontobel.com/am.
This document is not the result of a financial analysis and therefore the “Directives on the Independence of Financial Research” of the Swiss Bankers Association are not applicable. Vontobel and/or its board of directors, executive management and employees may have or have had interests or positions in, or traded or acted as market maker in relevant securities. Furthermore, such entities or persons may have executed transactions for clients in these instruments or may provide or have provided corporate finance or other services to relevant companies.
Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto. Refer to am.vontobel.com/terms-of-licenses for more details.
Although Vontobel believes that the information provided in this document is based on reliable sources, it cannot assume responsibility for the quality, correctness, timeliness or completeness of the information contained in this document. Except as permitted under applicable copyright laws, none of this information may be reproduced, adapted, uploaded to a third party, linked to, framed, performed in public, distributed or transmitted in any form by any process without the specific written consent of Vontobel. To the maximum extent permitted by law, Vontobel will not be liable in any way for any loss or damage suffered by you through use or access to this information, or Vontobel’s failure to provide this information. Our liability for negligence, breach of contract or contravention of any law as a result of our failure to provide this information or any part of it, or for any problems with this information, which cannot be lawfully excluded, is limited, at our option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you. Neither this document nor any copy of it may be distributed in any jurisdiction where its distribution may be restricted by law. Persons who receive this document should make themselves aware of and adhere to any such restrictions. In particular, this document must not be distributed or handed over to US persons and must not be distributed in the USA.
TwentyFour Asset Management LLP is registered in England No. OC335015 and is authorised and regulated in the UK by the Financial Conduct Authority, FRN No. 481888. Registered Office: 8th Floor, The Monument Building, 11 Monument Street, London, EC3R 8AF.

Vontobel Asset Management AG
Gotthardstrasse 43, 8022 Zürich
Switzerland
T +41 58 283 71 11
info@vontobel.com | vontobel.com/am