Vontobel

Monthly commentary / 27.2.2026

Vontobel Fund – TwentyFour Strategic Income Fund

Marketing document for institutional investors in: AT, CH, DE, DK, ES, FI, FR, GB, IE, IT, LI, LU, NL, NO, PT, SE, SG (Professional Investors only).

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

— Escalating geopolitical tensions dominated the latter part February after co-ordinated US and Israeli strikes on Iran prompted retaliatory action from Tehran at the very end of the month, raising fears of a broader regional conflict. Meanwhile, financial market concerns re-emerged through a combination of technology sector volatility, private credit stress and renewed debate about disruption caused by new artificial intelligence (AI) tools.
— The Fund was well positioned to navigate market volatility, generating solid returns, with the government rates bucket the biggest contributor to performance. The strong performance among sovereign bonds helped the investment grade corporates bucket deliver the second-biggest contribution, while bank Additional Tier 1s (AT1s) also provided a solid boost to performance.
— The market will pay particularly close attention to how the conflict in the Middle East develops, while the impact on European energy markets could be significant. Financial markets will also remain anxious about the consequences of AI on corporates and the wider global economy. Portfolio positioning continues to favour high-quality, higher-rated assets and a disciplined approach to duration risk.

Market developments

Escalating geopolitical tensions dominated the latter part of February after co-ordinated US and Israeli strikes on Iran prompted retaliatory action from Tehran at the very end of the month, raising fears of a broader regional conflict. Oil prices were expected to surge when the market opened at the beginning of March, while market participants will keep a close eye on how credit performs given the resilience seen thus far this year. Investors may view the shock as contained rather than systemic.

Financial market concerns re-emerged through a combination of technology sector volatility, private credit stress and renewed debate about disruption caused by new artificial intelligence (AI) tools. Early in the month, a sharp sell-off in software names triggered broader indiscriminate weakness across risk assets, widening credit spreads and slowing primary issuance. Sentiment was further dented when Blue Owl Capital declined to reopen withdrawals from a retail-focused private credit fund, which reignited fears of liquidity mismatches and a potential crunch across parts of private markets. At the same time, research highlighting a hypothetical scenario in which rapid AI adoption could push US unemployment into double digits by 2028 added to longer-term uncertainty, which reinforced investor sensitivity to both cyclical data and structural shifts in the labour market.

Monetary policy expectations shifted many times as investors digested a mixed macroeconomic backdrop and fresh economic data across the month. A stronger-than-expected January payrolls report (+130,000 versus +65,000 expected) reinforced the narrative of continued US economic resilience into 2026, while softer fourth-quarter GDP growth (+1.4% versus +2.8% expected) and firmer core personal consumption expenditures (PCE) inflation (+0.4% month on month) complicated the outlook. Consumer Price Index (CPI) data later surprised to the downside, which added a more dovish tone. Meanwhile, the US Supreme Court ruling limiting the use of International Emergency Economic Powers Act (IEEPA) for broad tariffs improved the global growth outlook into 2026.

Portfolio review

The most significant change to the Fund's asset allocation saw the portfolio managers switch 1% of US investment grade corporates into 1% of US high yield corporates, as they took advantage of a change in relative value. This comes as over the last five weeks, the spread on the US HY index has widened by 42bp, significantly more than that of the US IG index at 11bps.

Performance analysis

The Fund was well positioned to navigate market volatility, generating solid returns in February. The government rates bucket was the biggest contributor to the Fund's performance. Both US Treasuries and German Bunds benefited from softer inflation prints and rising expectations of Federal Reserve monetary policy easing in 2026, as well as heightened geopolitical volatility and AI fears, which boosted demand for safe-haven assets. The strong performance among sovereign bonds helped the investment grade corporates bucket deliver the second-biggest contribution over the month, with the latter often closely correlated with that of the former.

Bank Additional Tier 1s (AT1s) also contributed strongly, with

most European banks reporting their full-year 2025 results in February. Profitability generally remained robust and well diversified, despite normalising net interest income due to rate cuts. Capital ratios continued to have a healthy buffer to minimum requirements and asset quality remained resilient, despite pockets of stress in some sectors. This supported the continued outperformance of European bank capital instruments, with the contingent convertible (CoCo) bond index up by 1.62% in the year to date versus 0.99% for the European high yield index.

Outlook

The market will pay particularly close attention to how the conflict in the Middle East develops. This will likely be a key driver of market sentiment, with prices of both risk assets and risk-off instruments being reassessed by investors as the situation evolves. The impact on European energy markets could also be significant and long-lasting.

Financial markets will remain anxious about the consequences of AI on corporates and the wider global economy. Uncertainty is expected to remain high in the coming quarters and is only likely to begin to dissipate gradually as companies report concrete figures on forward-looking indicators, such as new subscriptions, backlogs of new orders and others that might be relevant for different industries.

Given the volatile macroeconomic and geopolitical background, careful credit analysis and active portfolio management remain critical to delivering attractive risk-adjusted returns in the medium term. Portfolio positioning continues to favour high-quality, higher-rated assets and a disciplined approach to duration risk.

Fund characteristics

Fund name	Vontobel Fund – TwentyFour Strategic Income Fund
ISIN	LU1322871390
Share class	I GBP
Reference index	–
Inception date	30.11.2015

Historical performance (net returns, in %)

Time period	Fund	Ref. index
MTD	0.5%	–
YTD	1.4%	–
1 year	6.5%	–
3 yrs p.a.	8.1%	–
5 yrs p.a.	3.0%	–
10 yrs p.a.	4.7%	–
ITD p.a.	4.1%	–

Time period	Fund	Ref. index
2025	7.2%	–
2024	9.0%	–
2023	9.9%	–
2022	-12.7%	–
2021	2.1%	–
2020	7.5%	–
2019	9.4%	–
2018	-2.5%	–
2017	8.8%	–
2016	5.6%	–

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

- Securities with a lower credit quality means a higher risk that an issuer may fail to meet its obligations. The investment value may fall if an issuer's credit rating is downgraded.
- Asset-backed securities and their underlying receivables are often intransparent. The sub-fund may also be subject to a higher credit and/or prepayment risk.
- Using derivatives creates significant leverage and entails valuation risks and operational risks. Leverage magnifies gains but also losses. Over-the-counter derivatives involve corresponding counterparty risks.

For institutional investors only/not for public viewing or distribution

- CoCo-Bonds are associated with significant risks, including the risk of coupon payments being cancelled, capital structure inversion risk, and the risk of a CoCo-Bond's maturity being extended.
- 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.

Important legal information
This marketing document was produced by one or more companies of the Vontobel Group (collectively “Vontobel”) for institutional clients, for distribution in AT, CH, DE, DK, ES, FI, FR, GB, IE, IT, LI, LU, NL, NO, PT, SE, SG (Professional Investors only). This document is for information purposes only and does not constitute an offer, solicitation or recommendation to buy or sell shares of the fund/fund units or any investment instruments, to effect any transactions or to conclude any legal act of any kind whatsoever. Subscriptions of shares of the fund should in any event be made solely on the basis of the fund’s current sales prospectus (the “Sales Prospectus”), the Key (Investor) Information Document (“K(I)ID”), its articles of incorporation and the most recent annual and semi-annual report of the fund and after seeking the advice of an independent finance, legal, accounting and tax specialist. This document is directed only at recipients who are institutional clients, such as eligible counterparties or professional clients as defined by the Markets in Financial Instruments Directive 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/, the information agent in **Liechtenstein**: LLB Fund Services AG, Äulestrasse 80, FL-9490 Vaduz. 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. **Finland**: The KID is available in Finnish. 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. **Ireland:** It is the responsibility of any person in possession of this document and any related materials to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence, or domicile. If you are in any doubt about the contents of this document, you should consult your own legal, financial and/or tax advisors. This Fund shall only be marketed to professional investors in Ireland and shall not be marketed to retail investors. Neither the Fund nor the investment has been authorized by the Central Bank of Ireland. If a prospective investor is not interested in making an investment, this document should be promptly returned. This document does not, and shall not be deemed to, constitute an invitation to the public in Ireland to subscribe shares in the Fund. No person receiving a copy of this document may treat it as constituting an invitation to them to subscribe shares in the Fund or a solicitation to anyone other than the addressee. The offer for subscribe shares in the Fund shall not be made by any person in Ireland otherwise than in conformity with the provisions of the Financial Instruments Directive 2014/65/EC (“MiFID”) and in accordance with any codes, guidance or requirements imposed by the Central Bank of Ireland thereunder. **Italy**: Refer for more information regarding subscriptions in Italy to the Modulo di Sottoscrizione. For any further information: Vontobel Asset Management S.A., Milan Branch, Piazza degli Affari 2, 20123 Milano, telefono: 0263673444, e-mail: clientrelation.it@vontobel.com. **Netherlands**: The Fund and its subfunds are included in the register of Netherland's Authority for the Financial Markets as mentioned in article 1:107 of the Financial Markets Supervision Act (“Wet op het financiële toezicht”). **Norway**: The KID is available in Norwegian. Please note that certain sub-funds are exclusively available to qualified investors in Andorra or **Portugal**. In **Spain**, funds authorized for distribution are recorded in the register of foreign collective investment companies maintained by the Spanish CNMV (under number 280). The KID can be obtained in Spanish from Vontobel Asset Management S.A., Sucursal en España, Paseo de la Castellana, 91,

Planta 5, 28046 Madrid. **Sweden**: The KID is available in Swedish. The fund and its sub-funds are not available to retail investors in **Singapore**. Selected sub-funds of the fund are currently recognized as restricted schemes by the Monetary Authority of Singapore. These sub-funds may only be offered to certain prescribed persons on certain conditions as provided in the "Securities and Futures Act", Chapter 289 of Singapore. This document was approved by Vontobel Pte. Ltd., which is licensed with the Monetary Authority of Singapore as a Capital Markets Services Licensee and Exempt Financial Adviser and has its registered office at 8 Marina Boulevard, Marina Bay Financial Centre (Tower 1), Level 04-03, Singapore 018981. This advertisement has not been reviewed by the Monetary Authority of Singapore. The fund is not authorized by the Securities and Futures Commission in **Hong Kong**. It may only be offered to those investors qualifying as professional investors under the Securities and Futures Ordinance. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution and if you are in doubt about any of the contents of this document, you should obtain independent professional advice. This document was approved by Vontobel (Hong Kong) Ltd., which is licensed by the Securities and Futures Commission of Hong Kong and provides services only to professional investors as defined under the Securities and Futures Ordinance (Cap. 571) of Hong Kong and has its registered office at 1901 Gloucester Tower, The Landmark 15 Queen's Road Central, Hong Kong. This advertisement has not been reviewed by the Securities and Futures Commission. 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.

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