Monthly commentary / 29.5.2026

Vontobel Fund – TwentyFour Asset Backed Securities

Marketing document for institutional investors in: AT, CH, DE, DK, ES, FI, FR, GB, IT, LI, LU, NL, NO, 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

— May was another strong month for European securitised products, supported by solid technical. Issuance accelerated, with €19bn of new asset-backed securities (ABS) supply, complemented by €3.3bn of collateralised loan obligation (CLO) refinancings and resets. Secondary activity also picked up across both ABS and CLO markets, again concentrated in investment grade (IG) tranches, with AA ABS, for example, trading inside 90 basis points (bp). Generally, spreads are back at the year-to-date tights in the ABS market, although high yield (HY) CLOs sit 50bp wide of this.

— May was a quiet month for the Fund. In the ABS market, the focus was on residential mortgage-backed securities (RMBS), with secured collateral continuing to perform well. The team added AA UK RMBS at SONIA+120bp and also continued to add to Australian RMBS, where spreads look attractive on a currency-adjusted basis, and sold a 2021 UK commercial mortgage-backed securities (CMBS) deal. The Fund remains in a flexible position given ongoing geopolitical risk.

— Conflict in the Middle East has anchored expectations of higher inflation and rates from here, while also weighing on global growth expectations. While lower rate volatility and higher carry should support ABS and CLO bondholders, the changing macroeconomic environment may resurface performance concerns for consumers. We will continue to prioritise established issuers with a proven track record.

Market developments

Summary: May was another strong month for European securitised products, supported by solid technical. Despite inflationary concerns and ongoing political uncertainty, collateral performance continues to demonstrate resilience, further underpinning the asset class. Issuance accelerated, with €19bn of new asset-backed securities (ABS) supply, complemented by €3.3bn of collateralised loan obligation (CLO) refinancings and resets. Secondary activity also picked up across both ABS and CLO markets, again concentrated in investment grade (IG) tranches, with AA ABS, for example, trading inside 90bp. Spreads in the UK residential mortgage-backed securities (RMBS) secondary market were somewhat stagnant, while primary spreads tightened, creating pockets of relative value. There was also an uptick in secondary activity in CLO equity, where longer-dated profiles performed well. Generally, spreads are back at the year-to-date tights in the ABS market, although high yield (HY) CLOs sit 50bp wide of this.

ABS: ABS markets saw a healthy level of issuance in May, as issuers looked to secure funding ahead of the Annual Global ABS conference in Barcelona. The €19bn of issuance was diversified across both asset classes and jurisdictions. We continue to see significant oversubscription across transactions, allowing spread curves to compress. For example, Pepper priced a AA tranche at just 11bp wide of the AAA, at SONIA + 1.0%, following strong investor demand. We continue to see value in the Australian ABS market, particularly higher up the capital structure, where BBSW+100bp offers a significant pick-up relative to comparable transactions in the UK or EU. Although June will include the Global ABS conference, we expect healthy supply on either side of this and expect supportive demand technicals to persist.

CLO: During May, a recovering loan market supported a healthy month of issuance for the CLO market. Over the month, €5.7bn of new issuance and €3.3bn of resets and refinancings were recorded. The US market was relatively more active, with $11.7bn of new issuance and $33bn of refinancings and resets. We expect European refinancings of older CLOs to pick up. Demand remained strong through May, particularly for IG tranches, where average spreads moved inside 300bp for the first time since January. The European loan market continued to rally, ending May up 1.4 points at 96.1, and a reduction in the amount of distressed loans. Risks remain in the credit market, and a focus on prudent management will be key to CLO performance, especially for deals that are beyond their reinvestment periods.

Portfolio review

May was a quiet month for the Fund. In the ABS market, the focus was on RMBS, where secured collateral continues to perform well. The team added AA UK RMBS at SONIA+120bp and also continued to add to Australian RMBS, where spreads look attractive on a currency-adjusted basis, and sold a 2021 UK CMBS deal.

Performance analysis

The Fund remains in a flexible position given ongoing geopolitical risk.

Outlook

In May, European securitised products were supported by strong income and a tightening bias across most of the market. Demand for the asset class continues to outpace supply, and we expect this dynamic to persist into the summer.
The ongoing conflict in the Middle East has anchored expectations of higher inflation and rates from here, while also weighing on global growth expectations. While lower rate volatility and higher carry should support ABS and CLO bondholders, the changing macroeconomic environment may resurface performance concerns for consumers. Although we do not expect a significant deterioration in securitised asset pools, we will continue to prioritise established issuers with a proven track record.
In IG, we continue to see value in AAA and BBB CLOs, along with segments of the ABS market such as AAA Australian RMBS, but the team also likes shorter date Auto transactions. In high yield ABS, we think that BB rated CLOs currently offer the best relative value. Despite mixed, albeit broadly constructive, headlines from the Middle East, we remain liquid across the Funds given the expectation of persistent volatility. Looking ahead, even with the annual conference taking place mid-month, we expect strong issuance as issuers seek to secure funding ahead of the summer.

Fund characteristics

Fund name	Vontobel Fund – TwentyFour Asset Backed Securities
ISIN	LU1602255561
Share class	I EUR
Benchmark	–
Inception date	27.6.2017

Historical performance (net returns, in %)

Time period	Fund	Benchmark
MTD	0.4%	–
YTD	1.4%	–
1 year	3.4%	–
3 yrs p.a.	5.3%	–
5 yrs p.a.	3.1%	–
10 yrs p.a.	–	–
ITD p.a.	2.1%	–

Time period	Fund	Benchmark
2025	3.5%	–
2024	6.7%	–
2023	8.4%	–
2022	-4.5%	–
2021	1.7%	–
2020	-0.1%	–
2019	2.0%	–
2018	-1.1%	–
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

- 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.
- 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, IT, LI, LU, NL, NO, 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. **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 sub-funds are included in the register of Netherlands' 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. 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.

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