Monthly commentary / 27.2.2026

# 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**

- Broadly, markets performed well during February, ahead of escalating tensions in the Middle East. This also applied to European securitised products, although headlines from the artificial intelligence (AI) segment resulted in negative price action in the collateralised loan obligation (CLO) market, albeit protected by healthy income. There was €17bn of new issuance in the asset-backed security (ABS) market, complemented by €7bn of CLO refinancing/reset.
- February was an active month for the Fund, with the portfolio managers active in both the primary and secondary markets. In the CLO market, the team focused on rotation, selling AA bonds at 1.7% and buying primary BBB bonds at spreads of 3% over Euribor, which looked attractive on an historical basis. In the ABS market, the team was active in Australian RMBS.
- The portfolio managers expect secondary activity to remain robust, as accounts react to market moves stemming from conflict in the Middle East. European securitised products should continue to gain support from healthy income, with rates facing upward pressure and fresh uncertainty, although the portfolio managers remain cautious given geopolitical escalation.


**Market developments**

Broadly, markets performed well during February, ahead of escalating tensions in the Middle East. This also applied to European securitised products, although headlines from the artificial intelligence (AI) segment resulted in negative price action in the collateralised loan obligation (CLO) market, albeit protected by healthy income. There was €17bn of new issuance in the asset-backed security (ABS) market, complemented by €7bn of CLO refinancing/reset. Secondary supply picked up significantly, particularly in CLOs, where several offshore accounts sold high yield paper. There was a dispersion in clearing levels for CLOs, depending on the level of market over-collateralisation, following the sell-off in loans. BB European CLOs traded in a range of 5.5-7.0% over Euribor.

ABS markets picked up during February, with €7bn of issuance. Supply was again focused in the residential mortgage-backed security (RMBS) market, although unlike January, there was greater geographical diversification. ING and Lloyds placed AAA Dutch prime RMBS transactions that were well subscribed at initial talk, with ING seeing three times subscription and placing a €1bn tranche at 0.43% over Euribor. In the ABS market, demand across the capital structure remained significant. Stellantis placed a full capital structure Spanish automotive transaction, where coverage reached nine times on mezzanine tranches. The A rated tranche printed almost 50 basis points (bp) inside initial price talk, at 1.05% over Euribor. It is worth highlighting the Australian RMBS market, where cross-currency relative value has supported issuance, with Columbus Capital placing a A$2.6bn full capital structure transaction, with senior AAAs at BBSW +0.95%. While the technical should remain supportive of spreads into March, geopolitical tensions are likely to steepen the credit curve.

European CLO volume set a new monthly record, with €9.5bn of new issuance and a further €7bn of reset and refinancing. The US CLO market was equally active, with $14bn of new issuance and $19bn of reset/refinancing activity. During the month, headlines reflecting concerns about disruption from AI technology and the broader software market resulted in a partial reversal of tightening seen in January. As expected, the softness was most pronounced in the BB and B tranches, where tiering between deals also widened. BB European CLOs ended the month 50bp wider at 5.5% over Euribor, and new issue Bs at a spread of 9.0%. The slide in European loans continued, with the index dropping 0.5 points to 95.2. Given the geopolitical escalation at the end of the month, volatility is expected to continue into March, which will provide attractive opportunities for managers ramping recently closed new issue transactions.

**Portfolio review**

February was an active month for the Fund, with the portfolio managers active in both the primary and secondary markets. In the CLO market, the team focused on rotation, selling AA bonds at 1.7% and buying primary BBB bonds at spreads of 3% over Euribor, which looked attractive on an historical basis. The team continued to add AAA US CLOs at SOFR +1.2%. In the ABS market, the team was active in Australian RMBS, where the curve remained attractive on a currency-adjusted basis. BBB RMBS bonds were added at BBSW +1.7% and shorter RMBS were sold against this.

**Performance analysis**

The Fund remains in a flexible position, given ongoing geopolitical risks.

**Outlook**

Market sentiment in February was bifurcated between the ABS and CLO markets. In the ABS market, supply continued to be met by significant demand, which helped to maintain a tightening bias across segments. In the CLO market, a busy new issue pipeline combined with software weakness to create softness in spreads, which was most prominent in high yield tranches. The pipeline remains diverse, although given the escalation in the Middle East, issuance could disappoint in March.

The portfolio managers expect secondary activity to remain robust, as accounts react to market moves stemming from conflict in the Middle East. Although the demand technical should remain broadly supportive, credit curves are expected to steepen across segments. European securitised products should continue to gain support from healthy income, with rates facing upward pressure and fresh uncertainty, although the portfolio managers remain cautious given geopolitical escalation.

**Fund characteristics**

| | |
|---|---|
| **Fund name** | Vontobel Fund – TwentyFour Asset Backed Securities |
| **ISIN** | LU1602255561 |
| **Share class** | I EUR |
| **Reference index** | – |
| **Inception date** | 27.6.2017 |

**Historical performance (net returns, in %)**

| Time period | Fund | Ref. index |
|---|---|---|
| MTD | 0.0% | – |
| YTD | 0.5% | – |
| 1 year | 3.1% | – |
| 3 yrs p.a. | 5.4% | – |
| 5 yrs p.a. | 3.0% | – |
| 10 yrs p.a. | – | – |
| ITD p.a. | 2.1% | – |

| Time period | Fund | Ref. index |
|---|---|---|
| 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.
- 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 generally creates leverage and entails valuation risks and operational risks. Leverage magnifies gains but also losses. Over-the-counter derivatives involve corresponding counterparty 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

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