Vontobel Fund – TwentyFour Sustainable Short Term Bond Income

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

- Government bonds rallied on the back of geopolitical relief, as easing inflation fears pulled yields lower. Credit spreads held steady despite AI-related equity volatility. Record investment grade (IG) supply was met with strong demand, underscoring the resilience of the technical backdrop.
- As priced-in rate hikes came to be viewed as an overreaction to a supply-driven inflation shock, the front-end recovered, driving positive performance across the subsectors.
- Central banks will remain a key driver – we expect Warsh to express hawkishness through Federal Reserve (Fed) balance-sheet reduction. The growing weight of AI-related issuance across credit markets is a developing theme.

Market developments

Government bonds rallied on the back of geopolitical relief, as easing inflation fears pulled yields lower.
Credit spreads held steady despite AI-related equity volatility. Record investment grade (IG) supply was met with strong demand, underscoring the resilience of the technical backdrop.

Portfolio review

Allocations were made to attractive opportunities in investment grade corporates, hybrids, and financials.

Performance analysis

As priced-in rate hikes came to be viewed as an overreaction to a supply-driven inflation shock, the front-end recovered, driving positive performance across the subsectors.
Having seen the resiliency of credit demand successfully tested once again and with strong underlying fundamentals, the managers felt confident to neutralise risk positions from their cautious basis.

Outlook

With the US-Iran Memorandum of Understanding (MoU) looking likely, if not certain, to lead to a lasting end to military hostilities, market focus has shifted to other risks.
Central banks will remain a key driver – we expect Warsh to express hawkishness through Federal Reserve (Fed) balance-sheet reduction.
The growing weight of AI-related issuance across credit markets is a developing theme. While demand remains robust, the managers are monitoring the blurring of sector boundaries and the scope for idiosyncratic stress as financing structures evolve.

Fund characteristics

Fund name	Vontobel Fund – TwentyFour Sustainable Short Term Bond Income
ISIN	LU2081485240
Share class	G GBP
Benchmark	–
Inception date	22.1.2020

Historical performance (net returns, in %)

Time period	Fund	Benchmark
MTD	0.4%	–
YTD	1.5%	–
1 year	4.2%	–
3 yrs p.a.	6.1%	–
5 yrs p.a.	2.9%	–
10 yrs p.a.	–	–
ITD p.a.	2.6%	–

Time period	Fund	Benchmark
2025	5.9%	–
2024	5.8%	–
2023	6.5%	–
2022	-4.2%	–
2021	0.2%	–
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

- 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.
- Investments in emerging markets entail increased liquidity and operational risks as these markets tend to be underdeveloped and more exposed to political, legal, tax and foreign exchange control 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.
- 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 also includes sustainability criteria in its investment process. This may mean that the sub-fund's performance is more positive or negative than a conventionally managed portfolio.
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