



Vontobel Fund – TwentyFour Strategic Income Fund

February 2018

The Strategic Income Fund is an **actively managed**, long only bond fund with a **fully flexible** approach which seeks value across the **global bond universe**.

Strategy

- To provide an attractive and consistent level of income
- Focus on capital preservation
- Stringent risk based approach, managed independent of market indices

“A repeatable and proven investment process”

Fund Characteristics

- A genuinely unconstrained bond fund, combining the best sources of fixed income risks from around the globe in one portfolio
- Flexible approach to managing key risks such as interest rate and credit risk; enabling the fund to outperform in all market conditions
- Combination of traditional top-down macroeconomic views with a robust security selection process and diligent bottom up research
- Diversified fund with the ability to reduce risk through a broad armoury of hedging tools
- Fund is dynamic in nature and looks to move into sectors, geographies and products that are supported by economic fundamentals as well as market technical, liquidity and sentiment

The Team

- TwentyFour's competitive advantage is the combination of our people and our framework – capable of adding real value through security selection and trading proficiency through our high conviction approach
- The collegiate, eight membered strong team (3 of whom are Partners) means we are not reliant on one person making strategic decisions across all investment products
- On average, our partners have roughly 20 years' experience in fixed income and are highly regarded in the industry, having a wealth of experience gained through multiple market cycles
- All this combined means we have had award winning performance over the 7 years of running this strategy

Reasons to Invest

- Targets attractive and consistent income
- Strong focus on capital preservation
- The transparent and easy to understand design of the Fund makes it 'bond like' in behaviour and gives confidence in predictable performance
- Flexible nature of the Fund allows the managers to tactically shift portfolio weightings helping the fund to capture the best relative value opportunities as economic and market conditions change
- Value added through stock selection as well as the top down – important in today's low yielding environment

A flexible approach to fixed income; enabling the Fund to perform throughout the economic cycle

Investment Committee

Determines the key risk metrics and sector allocations for each portfolio



+ 6 portfolio assistants



- The Strategic Income Fund utilises the expertise of all 21 investment professionals at TwentyFour. They draw on experience gained through multiple market cycles, with many of the team starting in the fixed income markets in the mid-1980s
- No reliance on internal analysts - we prefer a combination of our own analysis plus the ability to tap into a broad range of external research
- Portfolio managers execute their own trades - direct interaction with sell-side counterparts builds invaluable knowledge of the market's technical picture as well as maximising efficient execution
- Optimisation team ensures portfolios adhere very accurately to top down asset allocation as well as single stock targets

Advantages:

- Possible extra returns through single security analysis and active management
- Gains on invested capital possible
- Flexible strategy that allows for income generation across changing environments
- Investment universe is diversified across global bond markets

Risks:

- Success of single security analysis and active management cannot be guaranteed
- It cannot be guaranteed that the investor will recover the capital invested
- Environments are unpredictable and your investment may go up as well as down
- Investment universe may involve investments in countries where the local capital markets may not yet qualify as recognised capital markets



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