Growing together, with integrity and respect

TwentyFour Corporate Bond Fund Manager Review – December 2025

This report offers a comprehensive Money Wise UK review of the TwentyFour Corporate Bond Fund, combining formal fund documentation with qualitative insights from our recent podcast discussion with the lead manager. It summarises the investment philosophy, process, portfolio characteristics, performance and risks, and outlines the fund's potential role within a diversified portfolio or retirement income strategy.

Strategy & Objective

The TwentyFour Corporate Bond Fund is an actively managed GBP corporate bond strategy aimed at delivering:

- A high and sustainable level of income, and
- Total return above the median of the IA £ Corporate Bond Sector over the medium to long term, with low volatility and capital preservation as core priorities.

Key features:

- Invests at least 80% in investment grade (IG) corporate bonds.
- Can invest up to 20% in high yield and/or floating rate bonds, plus a sleeve in government and SSA (Sovereigns, Supranationals and Agencies) bonds to manage risk and liquidity.
- Benchmark-aware, but not benchmark-constrained: primary reference is the IA £ Corporate Bond sector, with iBoxx GBP Corporate Bond Index as a secondary reference.

The philosophy is explicitly "total return with capital preservation" – the fund is not trying to maximise yield at any cost, but to deliver an attractive income while limiting drawdowns versus peers and index.

Approach	Aims to **exceed the median return** of the IA UK Corporate Bond Sector over the **medium to long term** based on a combination of **income and capital growth**
Concept	Actively managed open-ended Irish UCITS fund seeking **low volatility** and potential to provide a **high level of income**, which is consistent with **beating the sector total return**
How	Invests **primarily (at least 80%) in Investment Grade bonds**, but may also invest up to 20% in high yield issues or floating rate bonds
	Total return mind-set seeking to generate **superior levels of income** through the economic cycle
	Managed with strong focus on **capital preservation** and **mitigating volatility**
	Use of TwentyFour's "Observatory" – bespoke quantitative research system to seek out most compelling relative value securities
	Risk reduction through a broad armoury of **hedging tools**
Consequence	***We believe this has the potential to beat the sector total return while providing for a high level of income and low volatility***

Team & Resources

The fund sits within TwentyFour's Outcome Driven Team:

a boutique of Vontobel

The Outcome Driven Team

Chris Bowie
Partner
Chris is one of the partners at TwentyFour, joining in September 2014 to create and manage the Outcome Driven business line. This business line sits between the ABS and Multi-Sector Bond strategies and tends to have greater exposure to interest rate sensitive bonds, where the active management of duration risk is seen as a key determinant of absolute and relative performance. Day to day, Chris is the lead manager for TwentyFour's Corporate Bond & Short Term Bond strategies. He is also a member of the firm's Investment Committee and a member of the firm's ESG Committee. Chris has 33 years of experience across fixed income markets, having been Head of Credit at Ignis for 10 years, and Head of Rates at AEGON (now Kames). Before AEGON, Chris was a senior portfolio manager at Murray Johnstone Ltd (which was acquired by Aberdeen Asset Management).

Gordon Shannon, CFA
Partner
Gordon is one of the partners at TwentyFour having joined in 2015 as a Portfolio Manager. He has over 18 years of experience in fixed income. Gordon's main responsibility is as Co-Head of the Outcome Driven Business line. Gordon is also a member of the firm's Investment Committee and ESG Committee. Before joining TwentyFour, Gordon was a portfolio manager at Ignis Asset Management, helping to run £14bn of retail, institutional and insurance portfolios on the firm's credit desk. Gordon worked at Ignis for 8 years running several euro and sterling corporate bond mandates. While at Ignis Gordon became a CFA Charterholder. Prior to this Gordon worked as a Pensions Consultant at Watson Wyatt for two years, after graduating from Cambridge University in 2005 with a degree in Economics.

Jack Daley, CFA
Portfolio Management
14 years investment experience

- Jack joined TwentyFour in 2013 originally as an Operations Analyst before moving to the Investment Grade Team in a portfolio management role. His primary responsibility is the management of the firm's Short Term Bond Strategy focusing on absolute return, as well as its Corporate Bond Strategy, focusing on investment-grade corporates, hybrids and financials. He is a CFA® Charterholder and a member of CFA Society of the UK.
- Prior to joining TwentyFour, Jack worked in the investment team at VenCap International Plc as an Investment Associate. A graduate of Loughborough University, Jack holds a BSc in Management Science.

Giorgio Serafino
Portfolio Management
1 year investment experience

- Before joining TwentyFour, Giorgio completed an industrial placement at HSBC in Global Research. He holds a BSc in Finance and Management from Loughborough University, where he also served as Head Portfolio Manager of the Loughborough Student Managed Fund.

Johnathan Owen, CFA
Portfolio Management
7 years investment experience

- Johnathan joined TwentyFour in 2018 as a member of the Investment Grade team in a portfolio management role and his primary responsibilities is the management of the firm's Short Term Bond Strategy focusing on absolute return, as well as its Corporate Bond Strategy. Johnathan is also a member of the firm's ESG Committee.
- Before joining TwentyFour, Johnathan completed an internship at Baillie Gifford and spent 6 months as a Process Engineer with Xodus Group, an Oil and Gas Consultancy. A graduate of the University of Edinburgh, Johnathan holds a Master's Degree in Chemical Engineering.

- Lead Manager: Chris Bowie (Partner) – 30+ years in fixed income; formerly Head of Credit at Ignis and Head of Rates at Aegon. He is also on TwentyFour's Investment Committee and ESG Committee.
- Co-Head Outcome Driven: Gordon Shannon (Partner, CFA) – >18 years' experience, previously ran large institutional credit mandates at Ignis.
- Portfolio Manager: Jack Daley (CFA) – joined TwentyFour in 2013; works across the Short Term Bond and Corporate Bond strategies.

Additional areas to note from research:

- Very low team turnover, with many team members having worked together since early in their careers.
- Bowie emphasises "skin in the game" – he is a major investor in his own strategies and the Corporate Bond Fund makes up the entirety of his SIPP.

TwentyFour is a fixed income specialist with c. £23.6bn AUM across ABS, multi-sector bond and outcome-driven strategies, supported by a dedicated credit research platform and quantitative tools.

Money Wise UK view: This is a deep, experienced, and stable credit team, with genuine alignment of interest via co-investment – a strong positive.

Investment Philosophy & Process

The process combines top-down macro, bottom-up credit research and quantitative tools:

a) Risk/return framework

- Risk-adjusted return mind-set: target to beat the IA £ Corporate Bond Sector in total return, not just yield, while running lower risk than the index where possible.
- The fund uses TwentyFour's proprietary "Observatory" system to screen the corporate universe for relative value and to help position sector and issuer risk.

b) Asset allocation & duration

- Duration is managed tactically around the index, historically kept slightly shorter to mitigate interest-rate risk, then moved closer as yields and spreads reset.
- Recent positioning: duration c. 5.9 years vs 5.9 years for the iBoxx GBP Corporate Bond Index – essentially neutral after being underweight for much of 2022–24.

- A sleeve in gilts and SSAs provides liquidity and “ballast” in risk-off environments.

This ties closely to our podcast conversation, where Bowie described using government bonds within a corporate bond fund to offset credit risk and avoid the “+20% / –20%” equity-style volatility profile – the intention is steady, defensible returns rather than heroics.

c) Sector & security selection

- Strong emphasis on financials, especially national champion banks and insurers (e.g. Intesa Sanpaolo, NatWest) in Tier 2 and senior parts of the capital structure where they see attractive risk-adjusted spreads.
- Hybrids and AT1/RT1: used selectively in strong IG issuers, focusing on better structures and higher reset spreads, with a clear risk budget.
- High yield exposure kept very low and carefully chosen; the fund is not a “stealth HY” strategy.

d) ESG integration

- ESG analysis is integrated into credit research, supported by the firm-wide ESG Committee. While this fund is not labelled as Article 8/9 in the way the Sustainable Global Corporate Bond fund is, ESG is nevertheless part of the risk assessment.

e) Risk management & tools

- Use of derivatives and hedging (e.g. duration hedges, credit indices) to manage tail risks and adjust exposures without turning over the whole portfolio.
- Broad diversification, with no single corporate issuer above 4% of portfolio value.

Portfolio Characteristics

This data has been taken from the latest presentation and commentary (as at 31 October 2025).

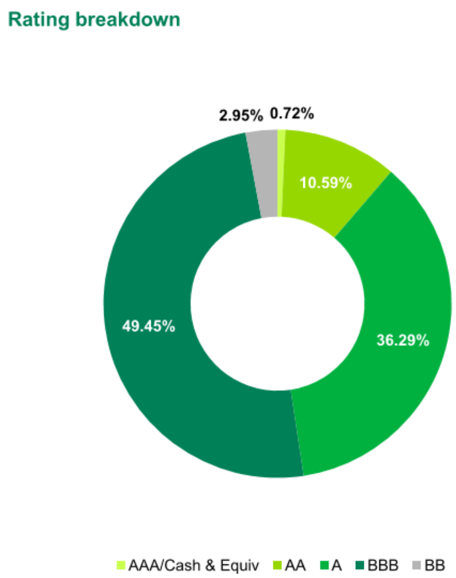
- Yield (GBP, gross of fees): c. 5.3% (Yield to Worst).
- Spread vs index: +109 bps vs +80 bps for iBoxx GBP Corporate Bond – i.e. more income for similar interest-rate risk.
- Duration: 5.87 years vs 5.86 years for index (interest-rate duration).
- Average credit rating: BBB+.

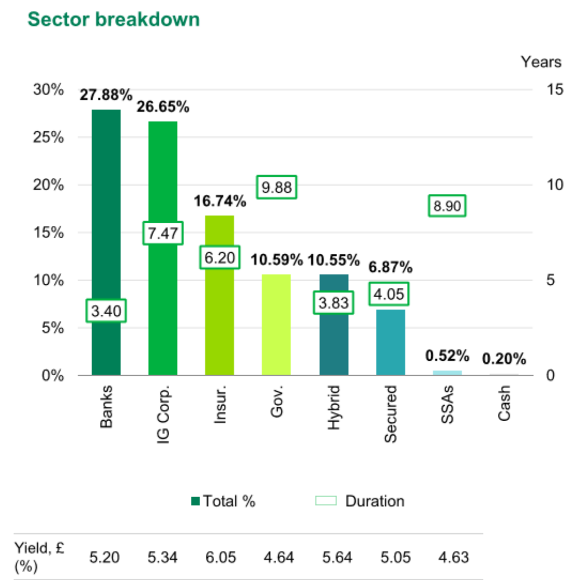
TwentyFour Corporate Bond Fund	
Fund yield*	5.32% vs. 4.98% Index**
Fund spread	+109bps vs. +80bps Index
Fund duration***	5.87yrs vs. 5.86yrs Index
Fund break-even	+91bps vs. +85bps Index
Corporate credit exposure	No corporate credit issuer exposure > 4%
Average rating	BBB+

Rating distribution:

- 0.7% AAA/cash & equivalents
- 10.6% AA
- 36% A
- 49% BBB
- 3% BB (HY/hybrid sleeves)

TwentyFour Corporate Bond Fund portfolio positioning



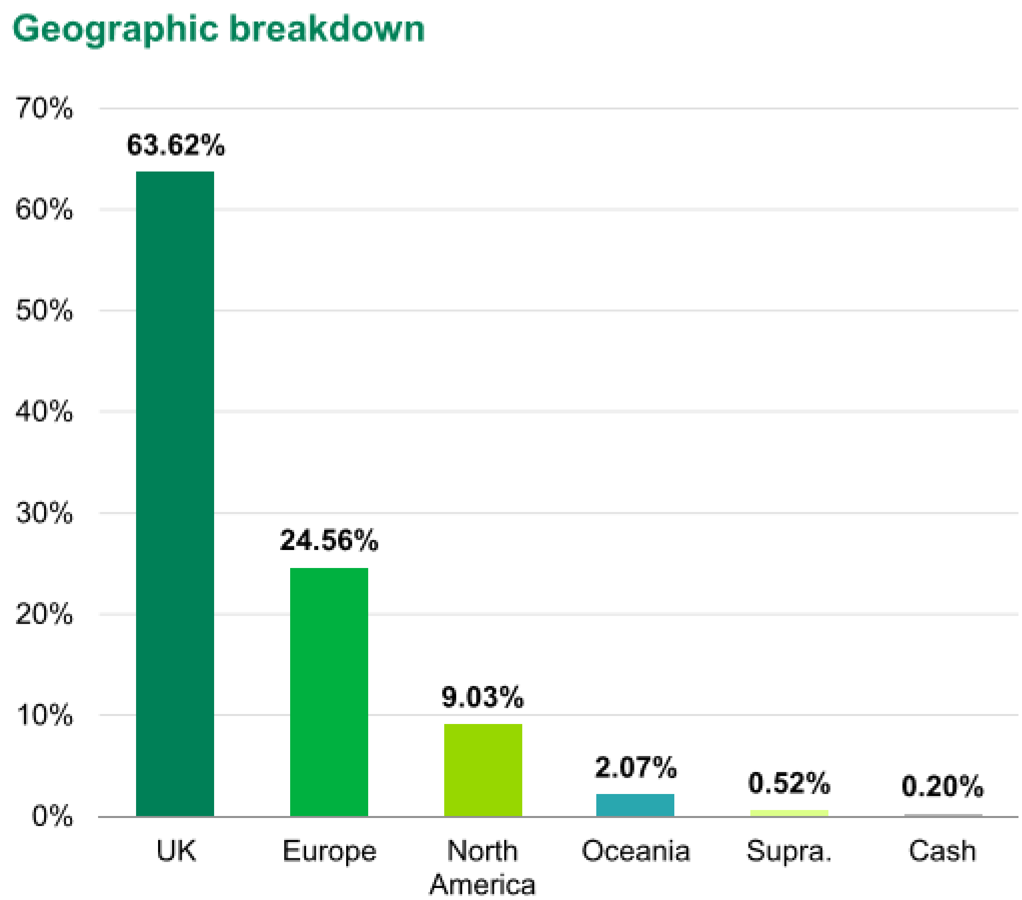


Sector breakdown (approx.):

- Banks: 28%
- IG corporates (non-financial): 26–27%
- Insurance: 17%
- Governments & SSAs: 11%
- Hybrids: 11%
- Secured: 7%
- Cash: minimal

This reflects a clear bias to high-quality financials and IG corporates, with hybrids and modest HY used to enhance yield.

Geographic exposure: heavily skewed to UK and Europe: UK c. 64%, Europe c. 25%, North America c. 9%, small allocation to supranationals and cash.



Money Wise UK view: Portfolio construction is conservative but not timid – the fund earns a meaningful yield premium versus the index while keeping duration broadly in line and ratings centred on BBB+. The financials overweight is deliberate and needs to be monitored but is underpinned by strong capital ratios and national-champion franchises.

Performance

From the October 2025 fund commentary (GBP I Acc):

Discrete returns

- YTD 2025: +6.96% (index: +6.64%)
- 2024: +4.91% (index: +2.18%)
- 2023: +9.09% (index: +9.70%)
- 2022: –17.70% (index: –18.37%)
- 2021: –1.55% (index: –3.19%)
- 2020: +7.56% (index: +8.63%)
- 2019: +9.73% (index: +11.03%)

Annualised (to 31 Oct 2025)

- 1 year: 8.04% vs 7.68%
- 3 years: 7.90% vs 6.98%
- 5 years: 0.49% vs –0.40% (reflecting the 2022 drawdown and low starting yields)
- Since inception (2015): 2.62% vs 2.36%

Longer-term shows the fund outperforming both gilts and the GBP IG index since 2021, helped by shorter duration and yield premium, especially through the 2022–23 rate shock.

Performance

					Annualised			
Cumulative Performance	1m	3m	6m	1y	3y	5y	10y	Since Inception*
GBP I Accumulation	1.97%	2.53%	4.98%	8.04%	7.90%	0.49%	2.92%	2.62%
iBoxx GBP Corporate Bond Index	2.08%	2.58%	4.74%	7.68%	6.98%	-0.40%	2.81%	2.36%

Discrete Performance	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GBP I Accumulation	6.96%	4.91%	9.09%	-17.70%	-1.55%	7.56%	9.73%	-2.26%	7.21%	8.48%	N/A
iBoxx GBP Corporate Bond Index	6.64%	2.18%	9.70%	-18.37%	-3.19%	8.63%	11.03%	-2.20%	5.01%	11.83%	N/A

Money Wise UK view: This is a solid alpha record in a difficult decade for bonds, with meaningful protection in 2022 vs gilts and modest, but consistent, outperformance of the iBoxx index over time. Returns are what you'd expect from a "sensible" active credit fund – no fireworks, but credible value-add.

Investment Theme & Edge

Key themes

1. IG credit still pays you to take risk

   With yields above 5% in GBP and spreads still compensating for low default expectations, the team sees the current environment as supportive for carry-driven strategies, especially in high-quality financials.

2. Financials as a structural opportunity

   BBB financials (banks and insurers) continue to trade at spreads above non-financial BBB corporates, despite stronger capitalisation and regulatory oversight post-GFC; the team expects further spread compression.

3. Cautious stance on “weak links” in credit

   They highlight risks in CRE, leveraged loans, subprime consumer credit, and US regional banks, areas where they see stress building and largely avoid in this fund.

4. Duration now more “normal”, but risk still managed

   Having run shorter duration through the rate-hiking cycle, they have moved closer to index as yields normalised, but are prepared to adjust if macro data surprises.

Edge vs typical peer/benchmark

- Boutique fixed income specialist with all resources focused on bonds.
- Combination of quantitative “Observatory” engine plus experienced fundamental credit team.
- Yield premium at roughly index-level duration and higher average quality – i.e. higher income without extending rate risk.
- Genuine active management of sector and capital-structure risk, especially within financials and hybrids.

The podcast also reinforces their communication and education edge – Bowie can explain duration, spreads and credit risk in plain English, which is valuable for advisers who need to translate fixed-income concepts to clients.

Strengths

- Experienced, stable team with long history in credit and clear “owner mentality” via co-investment.
- Clear, consistent process that has navigated multiple regimes (pre-COVID, pandemic shock, rate spike) with a coherent framework.
- Attractive yield for the risk taken: yield premium to index with duration and average credit quality broadly aligned.
- Strong track record versus IA sector and iBoxx index, particularly over 3 and 10 years and since inception.
- Risk-aware positioning: cautious stance on HY, CRE, leveraged loans and subprime; diversified issuer exposure; use of gilts and SSAs as risk-off ballast.
- Competitive fees – AMC 0.25%, OCF c. 0.34% on the institutional share class, with no performance fee.

Risks

- Credit risk & sector concentration:
  - Meaningful allocation to financials, including Tier 2 and hybrid capital; adverse events in banks/insurers or regulatory changes in AT1 / RT1 markets would hurt performance.
- Interest-rate risk:
  - Duration 5.9 years means the fund remains sensitive to moves in gilt yields; a renewed rate shock would generate mark-to-market losses, as seen in 2022.
- Spread/valuation risk:
  - Spreads in many IG sectors are near post-GFC tights; managers themselves acknowledge they may have been "too cautious" as spreads rallied. If spreads back up from here, there could be capital downside, partly offset by carry.
- Liquidity risk:
  - Corporate bond markets can be less liquid in stress – though broad diversification and government/SSA exposure mitigate this.
- UK bias:
  - Strong UK orientation means outcomes will be influenced by UK macro, gilt moves and domestic financial sector dynamics.

Role in a Portfolio / Retirement Context

For a diversified client portfolio (accumulation or decumulation), the TwentyFour Corporate Bond Fund can serve as:

- A core GBP investment grade credit allocation, sitting alongside gilts, multi-asset funds, and/or global equity holdings.
- A source of relatively stable income (c. 5% yield) with lower expected volatility than equities, helping to smooth portfolio returns – consistent with the point made in the podcast about bonds reducing the "rocky road" that comes with equity-only allocations.
- In retirement planning frameworks/CRP®:
  - Part of the "reliable income" / middle bucket to generate ongoing income, paired with:
    - Short-dated credit / cash-like funds for near-term withdrawals.
    - Growth assets (equities, multi-asset) for long-term inflation protection.

It is not a substitute for ultra-defensive cash or short-duration strategies – as 2022 showed, IG credit can suffer double-digit drawdowns when yields reset – but it offers a good compromise between income and capital growth over a medium-term horizon.

Points of Difference vs Peers

- Boutique fixed-income house with all resources dedicated to bonds, rather than a generalist multi-asset firm.
- Outcome Driven philosophy: explicit focus on total return and capital preservation, not just yield maximisation.
- Strong use of in-house quant (Observatory) plus fundamental research, giving depth in sector and issuer selection.
- Manager co-investment and low team turnover, which is not universal in the IA £ Corporate Bond peer group.
- Fee level that is more in line with "smart beta" or low-cost active than traditional 60–75 bps bond funds, improving net-of-fee competitiveness.

Summary – Money Wise UK View

The TwentyFour Corporate Bond Fund is a high-quality, risk-aware GBP corporate bond strategy run by an experienced, aligned team within a fixed-income specialist firm. It has:

- Delivered consistent alpha versus the IA sector and iBoxx GBP Corporate Bond index over multiple regimes.
- Maintained a structured, transparent approach to duration and credit risk, with a clear bias toward high-quality financials and modest use of HY/hybrids.
- Offered attractive income (~5% yield) for broadly index-level duration and ratings, with fees that are competitive for an active strategy.

In essence, this is a "grown-up" corporate bond fund: it doesn't chase yield or complexity, it accepts that bonds can and do have drawdowns (as 2022 demonstrated), and it focuses on delivering steady, risk-adjusted returns and reliable income over time.

For adviser portfolios it looks well-suited as a core IG credit building block, provided you are comfortable with the financials tilt and with the inherent credit and duration risk that come with any longer-duration corporate bond fund.

Disclaimer

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Review Completed: December 2025