TwentyFour Select Monthly Income Fund Limited

Interim Management Report and Unaudited Condensed Interim Financial Statements

For the period from 1 October 2014 to 31 March 2015

TwentyFour Asset Management

CONTENTS

CORPORATE INFORMATION

Directors
Claire Whittet (Chair)
Christopher Legge
Thomas Emch
Ian Martin

Registered Office
PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey, GY1 3QL

Portfolio Manager
TwentyFour Asset Management LLP
24 Cornhill
London, EC3V 3ND

Alternative Investment Fund Manager
Phoenix Fund Services (UK) Limited
Springfield Lodge
Colchester Road
Chelmsford, CM2 5PW

Custodian, Principal Banker and Depositary
Northern Trust (Guernsey) Limited
PO Box 71
Trafalgar Court
Les Banques
St Peter Port
Guernsey, GY1 3DA

Administrator and Company Secretary
Northern Trust International Fund Administration Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey, GY1 3QL

Receiving Agent
Computershare Investor Services PLC
The Pavillions
Bridgewater Road
Bristol, BS13 8AE

UK Legal Advisers to the Company
Eversheds LLP
One Wood Street
London, EC2V 7WS

Guernsey Legal Advisers to the Company
Carey Olsen
Carey House
Les Banques
St Peter Port
Guernsey, GY1 4BZ

Independent Auditor
PricewaterhouseCoopers CI LLP
PO Box 321
Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey, GY1 4ND

Registrar
Computershare Investor Services (Guernsey) Limited
3rd Floor
NatWest House
Le Truchot
St Peter Port
Guernsey, GY1 1WD

Sponsor, Broker and Financial Adviser
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London, EC4M 7LT

SUMMARY INFORMATION

The Company

TwentyFour Select Monthly Income Fund Limited (the "Company") was incorporated with limited liability in Guernsey, as a closed-ended investment company on 12 February 2014. The Company's shares were listed with a Premium Listing on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange on 10 March 2014.

Investment Objective and Investment Policy

The Company's investment objective is to generate attractive risk adjusted returns, principally through income distributions.

The Company's investment policy is to invest in a diversified portfolio of credit securities.

The portfolio may be comprised of any category of credit security, including, without prejudice to the generality of the foregoing, bank capital, corporate bonds, high yield bonds, leveraged loans, payment-in kind notes and asset backed securities. The portfolio will include securities of a less liquid nature. The portfolio will be dynamically managed by TwentyFour Asset Management LLP (the "Portfolio Manager") and, in particular, will not be subject to any geographical restrictions.

The Company maintains a portfolio diversified by issuer; the portfolio comprises at least 50 Credit Securities. No more than 5 per cent of the portfolio value will be invested in any single Credit Security or issuer of Credit Securities, tested at the time of making or adding to an investment in the relevant Credit Security. Uninvested cash, surplus capital or assets may be invested on a temporary basis in:

- Cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a ''single A'' or higher credit rating as determined by any internationally recognised rating agency which, may or may not be registered in the EU; and

- Any ''government and public securities'' as defined for the purposes of the Financial Conduct Authority (the "FCA") Rules.

Efficient portfolio management techniques are employed by the Company, such as currency hedging, interest rate hedging and the use of derivatives to manage key risks such as interest rate sensitivity and to mitigate market volatility. The Company's currency hedging policy will only be used for efficient portfolio management and not to attempt to enhance investment returns.

The Company will not employ gearing or derivatives for investment purposes. The Company may use borrowing for short-term liquidity purposes, which could be achieved through a loan facility or other types of collateralised borrowing instruments including repurchase transactions and stock lending. The Articles will restrict the borrowings of the Company to 10% of the Company's Net Asset Value ("NAV") at the time of drawdown.

The Company has a target net total return on the original issue price of between 8 and 10% per annum. This target net total return is made of an annual dividend return of 6% and between 2 and 4% capital return. There is no guarantee that this can or will be achieved.

Shareholder Information

Phoenix Fund Services (UK) Limited ("Phoenix") is responsible for calculating the NAV per share of the Company. Phoenix delegate this responsibility to Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") whilst performing an oversight function. The unaudited NAV per Ordinary Share will be calculated as at the close of business on every Wednesday that is also a business day and the last business day of every month and will be announced by a Regulatory Information Service the following business day.

SUMMARY INFORMATION continued

Financial Highlights

	31.03.15
Total Net Assets	£136,943,952
Net Asset Value per share	96.62p
Share price at 31 March 2015	100.00p
Premium to Net Asset Value	3.50%
Dividends paid in period	3.00p

As at 12 May 2015, the premium had moved to 2.33%. The estimated NAV per share and share price stood at 97.72p and 100.00p respectively.

Ongoing Charges
Ongoing charges for the period ended 31 March 2015 have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the period ended 31 March 2015 were 1.19%.

Comparative Period
The annual audited financial statements for the period ended 30 September 2014 have been used as a comparative period. As the Company did not start trading until 10 March 2014, the audited period of approximately six months trading activity is deemed a suitable comparative for these unaudited condensed interim financial statements for the six month period ended 31 March 2015.

CHAIR'S STATEMENT

for the period from 1 October 2014 to 31 March 2015

Since the Company's inception markets have been challenging. Central bank policy has maintained strong influence throughout this period with artificially low interest rates creating a strong demand for all yield-generating securities.

Despite the competition for yield-generating assets the initial portfolio was created with a satisfactory level of diversity and at the target yield to achieve a gross monthly dividend in excess of 0.5p per share. Since that period the Portfolio Manager has highlighted a number of periods when volatility has picked up thereby creating an environment when sourcing suitable assets has been achievable.

With the European Central Bank ("ECB") embarking on a significant Quantitative Easing ("QE") programme the Portfolio Manager and the Board have looked at the re-investment risk faced by the Company. On the most recent cashflow analysis the amortisation profile indicates less than 10% of the Company's investments will redeem or amortise within the next 12 months, giving a degree of comfort that the distribution target will be sufficiently surpassed. The Portfolio Manager will continue to monitor this situation and report on a timely basis to the Board in this regard. Generating income in line with the Company's objectives does remain challenging but the Board and Portfolio Manager believe that the Company will be able to continue to achieve its dividend target on an ongoing basis.

The Company's shares traded at a premium during the accounting period. The Company's issued share capital as at 31st March 2015 consisted of 141,735,881 Ordinary Shares. In total, the Company has issued an additional 16,550,000 shares over the period, in direct response to investor appetite. However, over the same period a number of small share requests were refused due to the lack of suitable investment opportunity at the time.

The Company also issued 14,173,887 new shares at a price of 94.9p to be held in treasury on 9 February 2015. These shares were listed on the London Stock Exchange on 13 February 2015 and were immediately purchased by the Company.

The Company's quarterly tender programme saw some small activity in the period; the Board were surprised that tender requests were received considering the premium, but all tender shares were purchased, through demand in the secondary market.

The Company's performance is expected to continue to be positive with central bank support likely to remain as the key driving force for markets for the foreseeable future. Interest rates are expected to remain artificially low for a prolonged period which in turn will help keep corporate default rates low. With rising geo-political risks the Portfolio Manager expects an increase in volatility over the summer period and views this as an opportunity to source suitable investments particularly as the ECB purchase programme is expected to be the over-riding factor through to mid-2016.

Claire Whittet
12 May 2015

PORTFOLIO MANAGER'S REPORT
for the period from 1 October 2014 to 31 March 2015

Economic Background

The six month period to 31 March 2015 was dominated by a number of key macro and geopolitical events, which combined to create a high degree of uncertainty across markets. One of the core drivers of sentiment has been the expectation of divergent interest policy in the USA and Eurozone, with the Federal Open Market Committee ("FOMC") becoming steadily less dovish and the ECB finally embarking on full-blown QE.

The period started with a relatively high level of volatility, particularly in US equities. With markets seemingly addicted to central bank liquidity the Bank of Japan surprised everyone with a huge increase in its monthly QE programme to JPY80tn, followed by the ECB's announcement of its own asset purchase programme focused on bank covered bonds and vanilla Asset Back Securities ("ABS") debt. The continued decline in crude oil prices, combined with the geopolitical risk around Russia and the events in Ukraine added to concerns. In Europe political worries were increasing around Greece moving towards an anti-austerity government which led to a sharp 14% decline in the domestic stock market in October. On a more micro basis the ECB reported on the Asset Quality Review tests for the EU domiciled banks, which in general were viewed as stringent with the banks showing resilience due to improved capital buffers. As we moved into November markets grew ever more skittish with traditional correlations breaking down as US equities hit all-time highs, commodities sold off and US Treasury yields rallied; primarily due to expectations that any hike in US rates would be pushed back into mid-2015. Mario Draghi, head of ECB, then helped buoy sentiment by talking about the need to re-inflate the ECB balance sheet back to the level it was in early 2012 ie. inferring a EUR 1.1tn stimulus package. As the year drew to a close sentiment was impaired by Greek PM, Samaras, calling a surprise Parliamentary vote in an attempt to appoint former EU Commissioner Stavros Dimas as the new President. As feared Samaras failed to get the required support and hence a general election was announced in January; not what the market wanted, with the Syriza Party leading the polls on a promise to end EU-implemented austerity. As a bit of a side-show to the events taking place in Athens, the Swiss National Bank shocked markets by announcing it was to abandon the CHF1.20 floor against the EUR which resulted in an immediate 30% appreciation of the 'Swissy', although this later proved to be a temporary effect. Then on 20 January 2015 with the market firmly focused on the ECB Council meeting, Draghi surpassed all expectations by announcing a purchase programme of €60bn per month (until September 2016) of Euro-area sovereign bonds and Euro agencies, to commence in March. The scale of the QE programme had an obvious and immediate impact on government bonds across the Eurozone – the exception being Greece as Syriza won the election and helped deflate some of the QE euphoria. Meanwhile in the UK the BoE's MPC voted 9-0 in favour of keeping base rates unchanged.

As feared the new Greek government pledged to their electorate that they were no longer willing to adhere to the terms of the EU/IMF bailout and would endeavour to renegotiate them. As expected the Eurozone finance ministers rejected this and once again rumours and stories of a Greek exit began to circulate and destabilise market sentiment. However, a positive tone, gained from the ECB's QE pledge at the end of January, remained the overall driver for the market, despite the Greek situation continuing to be an irritation. Stock indices rallied to new highs, and in fixed income, government debt yields rallied to new lows. In Germany, for example, 30 year Bunds dipped below 1% yield and by month end, over 50% of the Euro sovereign bond market had moved to negative yields. The biggest gainers were those in Europe's periphery where spreads converged sharply towards those of Germany (although nowhere near their pre-crisis levels).

As the period drew to a close the US Fed omitted 'patience' from the minutes of the FOMC, although the general rhetoric continues to be measured and market moves after the announcement suggest the change of text was priced in. Focus began to shift towards the strength of the USD against its basket of traded currencies with many participants suggesting this, together with relatively benign economic data, will force the Fed to push back any rate rise into late 2015 or even early 2016.

PORTFOLIO MANAGER'S REPORT continued
for the period from 1 October 2014 to 31 March 2015

Performance Review
The Company's aim is to produce an attractive level of income, with an aim of generating a minimum monthly income of 0.5p, with any excess income annually distributed to investors. This is a high conviction strategy based on relative value bonds in the credit markets, with an emphasis on the securities that exhibit a degree of liquidity premium. The Portfolio Manager does not look to supplement income by sourcing highly stressed credits. It is a total return oriented Company and not benchmark-driven and by the nature of the underlying portfolio components the assets are primarily buy-to-hold. The Portfolio Manager currently recognises that the majority of the performance from the primary effects of QE (ie. the Eurozone sovereign bonds) has played out and that there is now greater upside in those assets that will be beneficiaries from the secondary effects of QE. The Company has a core holding in ABS, bank capital and selective Euro High Yield Bonds and hence should be a direct beneficiary of these second order effects.

Despite a challenging period (particularly in the 2nd half of 2014) the Company's performance has generally improved over the course of the period. The NAV total return in the period was 2.28p per Share. Net of 4.07p per Share of dividends declared in respect of the period, the capital value of the NAV per Share decreased by 1.79p per Share.

Foreign Exchange Accounting
The Company's policy is to hedge foreign exchange currency risk. Any movements in foreign exchange rates are monitored daily and the hedge is adjusted when necessary to ensure that currency exposure remains within strict limits.

Investment Outlook
The Portfolio Manager recognises that the recovery in the established economies, following the credit crisis, will be slow and challenging. The political uncertainty in Greece could still damage the EU if contagion spread to other anti-austerity parties across the region. Ultimately, the ECB's determination to ensure the survival of the Euro system and the extent of the QE programme should be the biggest driver of markets over the medium term, which will be positive for credit spreads. However, political and geopolitical uncertainties are expected to create periods of market volatility, hence the Portfolio Manager will be looking to take advantage of this situation in the hope of sourcing suitable investment assets for the longer term.

TwentyFour Asset Management LLP
12 May 2015

TOP TWENTY HOLDINGS

As at 31 March 2015

	Nominal/ Shares	Credit Security Sector	Fair Value * £	Percentage of Net Asset Value
NWIDE 10 1/4 06/29/49	39,000	Banks	4,973,893	3.63
COVBS 6 3/8 12/29/49	3,890,000	Banks	3,841,515	2.81
ABBEY 10 ⅜ 12/31/49	2,000,000	Banks	2,990,000	2.18
HPARK 1X E	4,600,000	Asset Backed Security	2,972,329	2.17
HASTNS 8 10/21/20	2,750,000	Insurance	2,917,063	2.13
LVFRSC 6 1/2 05/22/43	2,750,000	Insurance	2,885,438	2.11
MTNLN 6 7/8 06/01/19	2,700,000	High Yield	2,730,510	1.99
BUTSAS 7 3/8 09/15/19	3,600,000	High Yield	2,654,348	1.94
AVOCA 11X F	4,000,000	Asset Backed Security	2,594,906	1.89
ACAFP 7 1/2 04/49	2,500,000	Banks	2,568,750	1.88
JUBIL 2014-12X F	3,950,000	Asset Backed Security	2,514,802	1.84
AARB 7 5/8 11/29/49	3,400,000	Banks	2,511,290	1.83
VOYCAR 11 02/01/19	2,250,000	High Yield	2,452,500	1.79
TMFG 9 7/8 12/01/19	3,100,000	High Yield	2,414,297	1.76
SPAUL 3X F	3,700,000	Asset Backed Security	2,389,098	1.74
BACR 7 06/15/49	2,362,000	Banks	2,376,763	1.74
AQUIL 2006-1X E	3,500,000	Asset Backed Security	2,372,442	1.73
LLOYDS 7 5/8 12/29/49	2,180,000	Banks	2,323,117	1.70
ARGID 8 3/8 06/15/19	3,127,718	High Yield	2,313,969	1.69
DGGLN 7 7/8 11/15/21	2,300,000	High Yield	2,273,155	1.66

* Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

BOARD MEMBERS

Biographical details of the Directors are as follows:

Claire Whittet – (Chair) (age 60)
Ms Whittet is a resident of Guernsey and has over 35 years' experience in the banking industry and since 2003 has been a Director and, more recently, Managing Director and Co-Head of Rothschild Bank International Ltd and a Director of Rothschild Bank (CI) Ltd. Ms Whittet is also a non-executive director of a number of listed funds. Ms Whittet began her career at the Bank of Scotland where she was for 19 years in a variety of personal and corporate finance roles. Subsequently, Ms Whittet joined Bank of Bermuda and was Global Head of Private Client Credit before taking up her current position at Rothschild.

Ms Whittet holds an MA from Edinburgh University, is a member of the Chartered Institute of Bankers in Scotland, a member of the Chartered Insurance Institute, a Chartered Banker, a member of the Institute of Directors and holds the Institute of Directors Diploma in Company Direction. Ms Whittet was appointed to the Board on 12 February 2014.

Christopher F. L. Legge – (Non-executive Director) (age 59)
Mr Legge is a Guernsey resident and worked for Ernst & Young in Guernsey from 1983 to 2003. Having joined the firm as an audit manager in 1983, he was appointed a partner in 1986 and managing partner in 1998. From 1990 to 1998, he was head of Audit and Accountancy and was responsible for the audits of a number of banking, insurance, investment fund, property fund and other financial services clients. He also had responsibility for the firm's training, quality control and compliance functions. He was appointed managing partner for the Channel Islands region in 2000 and merged the business with Ernst & Young LLP in the United Kingdom. He retired from Ernst & Young in 2003.

Mr Legge currently holds a number of non-executive directorships in the financial services sector including BH Macro Limited (FTSE 250) where he is Senior Independent Director. He also chairs the Audit Committees of several UK listed companies. He is an FCA and holds a BA (Hons) in Economics from the University of Manchester. Mr Legge was appointed to the Board on 12 February 2014.

Thomas H. Emch – (Non-executive Director) (age 71)
Mr Emch is an independent Board member and consultant. He graduated from the University of Zurich (lic.oec.publ.) and IMD (PED) in Lausanne. During his professional career he successively was European Treasurer of Litton International, SVP of Banque Paribas Suisse, EVP of Lombard Odier & Co. and CEO of Royal Bank of Canada (Suisse), a position he held for 11 years until his retirement in 1999. Throughout his banking career, he served on the Boards of numerous companies and professional associations in Switzerland and abroad. Mr Emch was appointed to the Board on 12 February 2014.

Ian Martin - (Non-executive Director) (age 51)
Ian Martin has over 30 years' experience in finance gathered in a variety of multi asset investment focussed roles in the UK, Hong Kong, Switzerland and Uruguay. More recently he was the CIO and Head of Asset Management and Research at Lloyds Bank in Geneva and then Head of Bespoke Portfolio Management and Advisory for key clients in UBP Bank in Geneva. Previous roles have included senior roles in equity derivatives and trading as well as CIO and Managing Director of a Fund of Hedge fund company in the UK. Currently he is also a Director of Avenue Capital Credit Opportunities Limited. Mr Martin was appointed to the Board on 15 July 2014.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The Company's assets are comprised of Bonds, Asset Backed Securities and a Preferred Stock carrying exposure to risks related to the underlying assets backing the security or the originator of the security. The Company's principal risks are therefore market or economic in nature.

The principal risks assessed by the Board relating to the Company were disclosed in the Annual Report and Audited Financial Statements for the period from 12 February 2014 to 30 September 2014. The principal risks disclosed include market risk, liquidity risk, credit risk, foreign currency risk, operational risk, accounting, legal and regulatory risk, income recognition risk and reinvestment risk. A detailed explanation of these can be found in the annual report. The Board and Portfolio Manager do not consider these risks to have changed and remain relevant for the remaining six months of the financial year.

Going Concern
The Board believes that it is appropriate to adopt the going concern basis in preparing the Unaudited Condensed Interim Financial Statements in view of its holding in cash and cash equivalents and certain more liquid investments within the portfolio and the income deriving from those investments, meaning the Company has adequate financial resources to meet its liabilities as they fall due.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- these Unaudited Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4.

- This interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the period from 1 October 2014 to 31 March 2015 and their impact on the Unaudited Condensed Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place during the period from 1 October 2014 to 31 March 2015 and that have materially affected the financial position or performance of the Company during that period as included in note 12.

By order of the Board,

Claire Whittet
12 May 2015

INDEPENDENT INTERIM REVIEW REPORT
TO TWENTYFOUR SELECT MONTHLY INCOME FUND LIMITED

Introduction
We have been engaged by the Company to review the Condensed Interim Financial Statements in the Interim Report for the six months ended 31 March 2015, which comprises the Condensed Statement of Comprehensive Income, the Condensed Statement of Financial Position as at 31 March 2015, the Condensed Statement of Changes in Equity, the Condensed Statement of Cash Flows and related notes. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Condensed Interim Financial Statements.

Directors' responsibilities
The Interim Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 a), the Annual Financial Statements of the Company are prepared in accordance with International Financial Reporting Standards. The Condensed Interim Financial Statements included in this Interim Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Our responsibility
Our responsibility is to express to the Company a conclusion on the Condensed Interim Financial Statements in the Interim Report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the Condensed Interim Financial Statements in the Interim Report for the six months ended 31 March 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
12 May 2015

Publication of Interim Financial Report

(a) The maintenance and integrity of the Company's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Interim Report and Unaudited Condensed Interim Financial Statements since they were initially presented on the website.

(b) Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 October 2014 to 31 March 2015

	Note	For the period from 01.10.14 to 31.03.15 £	For the period from 12.02.14 (date of incorporation) to 30.09.14 £
Income		(Unaudited)	(Audited)
Interest income		4,628,160	4,008,515
Net foreign currency gains	6	4,242,345	3,470,419
Net loss on financial assets at fair value through profit or loss	7	(4,766,611)	(5,449,310)
Total income		4,103,894	2,029,624
Expenses			
Portfolio management fee	12	(476,739)	(468,360)
Directors' fees	12	(59,092)	(46,223)
Administration fees	13	(49,269)	(52,314)
AIFM management fee	13	(39,752)	(7,119)
Audit fee		(39,110)	(45,000)
Custody fees	13	(7,709)	(7,152)
Broker fees		(25,137)	(25,000)
Depositary fees	13	(10,781)	(8,244)
Other expenses		(77,569)	(81,172)
Total expenses		(785,158)	(740,584)
Total comprehensive income for the period		3,318,736	1,289,040
Earnings per Ordinary Share - Basic & Diluted	3	0.025	0.012

All items in the above statement derive from continuing operations.

The notes on pages 16 to 30 form an integral part of these unaudited condensed interim financial statements.

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
as at 31 March 2015

Assets	Note	31.03.15 £	30.09.2014 £
Current assets		(Unaudited)	(Audited)
Investments	7	133,324,330	117,308,598
Derivative assets	15	249,033	1,582,673
Other receivables	8	2,555,683	2,265,533
Cash and cash equivalents		1,487,314	4,912,175
Total current assets		137,616,360	126,068,979
Liabilities			
Current liabilities			
Amounts due to broker		-	2,543,473
Other payables	9	228,596	253,043
Derivative liabilities	15	443,812	77,997
Total current liabilities		672,408	2,874,513
Total net assets		136,943,952	123,194,466
Equity			
Share capital account	10	139,135,431	123,434,794
Other reserves		(2,191,479)	(240,328)
Total equity		136,943,952	123,194,466
Ordinary Shares in issue	10	141,735,881	125,185,881
Net Asset Value per Ordinary Share	4	96.62	98.41

The unaudited condensed interim financial statements on pages 12 to 30 were approved by the Board of Directors on 12 May 2015 and signed on its behalf by:

Claire Whittet

Christopher Legge

The notes on pages 16 to 30 form an integral part of these unaudited condensed interim financial statements.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2014 to 31 March 2015

	Share Capital Account	Other Reserves	Total
	£	£	£
Balance at 01 October 2014	123,434,794	(240,328)	123,194,466
Issue of shares	29,527,004	-	29,527,004
Share issue costs	(285,777)	-	(285,777)
Purchase of own shares - Treasury Shares	(13,451,019)	-	(13,451,019)
Income equalisation on new issues	(89,571)	89,571	-
Distributions paid	-	(5,359,458)	(5,359,458)
Total comprehensive income for the period	-	3,318,736	3,318,736
Balance at 31 March 2015 (Unaudited)	139,135,431	(2,191,479)	136,943,952

In the absence of any legal requirement, the purchase of shares by the Company is debited to a separate component of equity. Paid-in capital is not reduced.

	Share Capital Account	Other Reserves	Total
	£	£	£
Balance at 12 February 2014	-	-	-
Issue of shares	125,946,801	-	125,946,801
Share issue costs	(2,248,587)	-	(2,248,587)
Income equalisation on new issues	(263,420)	263,420	-
Distributions paid	-	(1,792,788)	(1,792,788)
Total comprehensive income for the period	-	1,289,040	1,289,040
Balance at 30 September 2014 (Audited)	123,434,794	(240,328)	123,194,466

The notes on pages 16 to 30 form an integral part of these unaudited condensed interim financial statements.

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
for the period from 1 October 2014 to 31 March 2015

	Notes	For the period from 01.10.14 to 31.03.15	For the period from 12.02.14 (date of incorporation) to 30.09.14
		£	£
Cash flows used in operating activities		(Unaudited)	(Audited)
Total comprehensive income for the period		3,318,736	1,289,040
Adjustments for:			
Net loss on investments	7	4,766,611	5,449,310
Adjustment for amortisation of investment cost		(340,390)	(217,124)
Increase in receivables		(290,150)	(2,265,533)
(Decrease)/increase in payables		(24,447)	253,043
Unrealised loss/(gain) on derivatives		1,699,455	(1,504,676)
Purchase of investments		(47,111,121)	(143,836,560)
Sale of investments		24,125,695	23,839,249
Net cash used in operating activities		(13,855,611)	(116,993,251)
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares		16,075,985	125,946,801
Share issue costs		(285,777)	(2,248,587)
Dividend distribution		(5,359,458)	(1,792,788)
Net cash inflow from financing activities		10,430,750	121,905,426
(Decrease)/increase in cash and cash equivalents		(3,424,861)	4,912,175
Cash and cash equivalents at beginning of period		4,912,175	-
Cash and cash equivalents at end of period		1,487,314	4,912,175

The notes on pages 16 to 30 form an integral part of these unaudited condensed interim financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

for the period from 1 October 2014 to 31 March 2015

1. General Information

TwentyFour Select Monthly Income Fund Limited (the "Company") was incorporated with limited liability in Guernsey, as a closed-ended investment company on 12 February 2014. The Company's Shares were listed with a Premium Listing on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange on 10 March 2014.

The Company's investment objective is to generate attractive risk adjusted returns, principally through income distributions.

2. Principal Accounting Policies

a) Basis of preparation and Statement of compliance

The Unaudited Condensed Interim Financial Statements for the period from 1 October 2014 to 31 March 2015 have been prepared on a going concern basis in accordance with IAS 34 "Interim Financial Reporting", the Listing Rules of the London Stock Exchange ("LSE") and applicable legal and regulatory requirements.

The condensed interim unaudited financial statements should be read in conjunction with the annual financial statements for the period ended 30 September 2014, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and which received an unqualified audit report.

b) Changes in presentation

The comparable period that has been used to show the Unaudited Condensed Statement of Financial Positions equity and the Unaudited Condensed Statement of Changes in Equity has been amended to reflect income equalisation on new shares. This is a change in presentation and not a restatement.

c) Comparable period

IAS 34 requires disclosure of comparative statements for the Unaudited Condensed Statement of Comprehensive income and the Unaudited Condensed Statement of Cash Flows for the comparable interim period of the immediately preceding financial year, whereas comparative statements for the Unaudited Condensed Statement of Financial Position and Unaudited Condensed Statement of Changes in Equity should be presented for the immediately preceding financial year. The Company did not start trading until 10 March 2014, therefore there is no comparable interim period and the audited period of financial information is deemed an appropriate representation to compare against a period of a similar length of time. The directors have elected to present the audited financial information as additional information, and as an appropriate comparison to the Unaudited Condensed Statement of Comprehensive income and the Unaudited Condensed Statement of Cash Flows.

d) Significant judgements and estimates

In the current financial period there have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the most recent audited annual financial statements.

e) Changes in accounting policy

In the current financial period, there have been no changes to the accounting policies from those applied in the most recent audited annual financial statements but an additional accounting policy has been included to explain the treatment of Treasury Shares.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
Continued
for the period from 1 October 2014 to 31 March 2015

2. Principal Accounting Policies continued

f) Treasury Shares
In the current financial period the Company purchased 10% of the shares in issue to hold as treasury shares. In the absence of any legal requirement, the purchase of shares by the Company is debited to a separate component of equity. Paid-in capital is not reduced.

Shares held in Treasury are excluded from calculations when determining Earnings per Ordinary Share or Net Asset Value per Ordinary Share as detailed in notes 3 and 4.

3. Earnings per Ordinary Share - Basic & Diluted
The earnings per Ordinary Share - Basic and Diluted has been calculated based on the weighted average number of Ordinary Shares of 133,872,894 (30 September 2014: 111,058,808) and a net gain of £3,318,736 (30 September 2014: £1,289,040).

In order to ensure there were no dilutive elements for current shareholders when issuing new shares, earnings have been calculated in respect of accrued income at the time of issue of the new shares and a transfer has been made from share capital to income to reflect the amount of income deemed to be included in the purchase price. The transfer for the period ended 31 March 2015 is £89,571 (30 September 2014: £263,420).

4. Net Asset Value per Ordinary Share
The net asset value of each Share of 96.62p is determined by dividing the net assets of the Company attributed to the Shares of £136,943,952 (30 September 2014: £123,194,466) by the number of Shares in issue at 31 March 2015 of 141,735,881 (30 September 2014: 125,185,881).

5. Taxation
The Company has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability for Guernsey taxation is limited to an annual fee of £600.

6. Net foreign currency gains

	For the period from 01.10.14 to 31.03.15 £ (Unaudited)	For the period from 12.02.14 (date of incorporation) to 30.09.14 £ (Audited)
Movement in net unrealised loss on forward currency contracts	(1,699,455)	1,504,676
Realised gain on forward currency contracts	5,626,185	2,824,471
Realised currency gain/(loss)	304,360	(821,357)
Unrealised income exchange gain/(loss)	11,255	(37,371)
	4,242,345	3,470,419

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 October 2014 to 31 March 2015

7. Investments

	For the period from 01.10.14 to 31.03.15 £	For the period from 12.02.14 (date of incorporation) to 30.09.14 £
Financial assets at fair value through profit and loss:	(Unaudited)	(Audited)
Unlisted Investments:		
Opening book cost	122,539,767	-
Purchases at cost	44,567,648	146,380,033
Proceeds on sale/principal repayment	(24,125,695)	(23,839,249)
Amortisation of discount on purchases and sales	340,390	217,124
Realised loss on sale/principal repayment	(1,650,343)	(218,141)
Closing book cost	141,671,767	122,539,767
Unrealised loss on investments	(8,347,437)	(5,231,169)
Fair value	133,324,330	117,308,598
Realised loss on sales/principal repayment	(1,650,343)	(218,141)
Increase in unrealised loss	(3,116,268)	(5,231,169)
Net loss on financial assets at fair value through profit or loss	(4,766,611)	(5,449,310)

The Company does not experience any seasonality or cyclicality in its investing activities.

8. Other receivables

	31.03.15 £	30.09.14 £
	(Unaudited)	(Audited)
Interest income receivable	2,446,134	2,163,269
Prepaid expenses	16,174	8,889
Dividends receivable	93,375	93,375
	2,555,683	2,265,533

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued
for the period from 1 October 2014 to 31 March 2015

9. Other payables

	31.03.15	30.09.14
	£	£
	(Unaudited)	(Audited)
Portfolio Management fees payable	90,008	80,887
Directors' fee payable	26,875	20,625
Administration fee payable	25,027	23,813
AIFM Management fee payable	17,003	7,119
Audit fee payable	38,500	45,000
Broker fee payable	137	25,000
General expenses payable	28,026	45,211
Depositary fee payable	2,019	3,460
Custody fee payable	1,001	1,928
	228,596	253,043

10. Share Capital

Authorised Share Capital

The Directors may issue an unlimited number of Ordinary Shares at no par value and an unlimited number of Ordinary Shares with a par value.

Issued Share Capital

	31.03.15	30.09.14
	£	£
Ordinary Shares	(Unaudited)	(Audited)
Share Capital at the beginning of the period	123,434,794	-
Issue of Shares	29,527,004	125,946,801
Share issue costs	(285,777)	(2,248,587)
Purchase of own shares	(13,451,019)	-
Income equalisation on new issues	(89,571)	(263,420)
Total Share Capital at the end of the period	139,135,431	123,434,794

	31.03.15	30.09.14
	£	£
Treasury Shares	(Unaudited)	(Audited)
Share Capital at the beginning of the period	-	-
Purchased Shares	13,451,019	-
Sold Shares	-	-
Total Share Capital at the end of the period	13,451,019	-

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued
for the period from 1 October 2014 to 31 March 2015

10. Share Capital continued

Reconciliation of number of Shares

	31.03.15 Shares	30.09.14 Shares
Ordinary Shares	**(Unaudited)**	**(Audited)**
Shares at the beginning of the period	125,185,881	-
Issue of Shares	30,723,887	125,185,881
Purchase of own shares	(14,173,887)	-
Total Shares in issue at the end of the period	141,735,881	125,185,881

The Ordinary Shares carry the following rights:

a) the Ordinary Shares carry the right to receive all income of the Company attributable to the Ordinary Shares.

b) the Shareholders present in person or by proxy or present by a duly authorised representative at a general meeting has, on a show of hands, one vote and, on a poll, one vote for each Share held.

Reconciliation of number of Treasury Shares

	31.03.15 Shares	30.09.14 Shares
Treasury Shares	**(Unaudited)**	**(Audited)**
Shares at the beginning of the period	-	-
Purchased Shares	14,173,887	-
Sold Shares	-	-
Total Shares in issue at the end of the period	14,173,887	-

The Company has the right to issue and purchase up to 14.99% of the total number of its own shares at £0.01 each, to be classed as Treasury Shares and may cancel those Shares or hold any such Shares as Treasury Shares, provided that the number of Shares held as Treasury Shares shall not at any time exceed 10% of the total number of Shares of that class in issue at that time or such amount as provided in the Companies Law.

On 13 February 2015 the Company purchased 14,173,887 Ordinary Shares of £0.01 at a price of 94.9p to be held in treasury. The total amount paid to purchase these shares was £13,451,019 and has been deducted from the shareholders' equity. The Company has the right to re-issue these shares at a later date. All shares issued were fully paid.

Shares held in Treasury are excluded from calculations when determining Earnings per Ordinary Share or Net Asset Value per Ordinary Share as detailed in notes 3 and 4.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
Continued
for the period from 1 October 2014 to 31 March 2015

11. Analysis of Financial Assets and Liabilities by Measurement Basis

	Financial Assets at fair value through profit and loss	Loans and receivables	Total
	£	£	£
31 March 2015 (Unaudited)			
Financial Assets as per Statement of Financial Position			
Investments at fair value through profit or loss:			
-Preferred stock	2,990,000	-	2,990,000
-Bonds	97,936,191	-	97,936,191
-Asset backed securities	33,401,172	-	33,401,172
-Interest rate swaps	(1,003,033)	-	(1,003,033)
Unrealised gains on derivative assets	249,033	-	249,033
Cash and cash equivalents	-	1,487,314	1,487,314
Other receivables	-	2,555,683	2,555,683
	133,573,363	4,042,997	137,616,360

	Financial Liabilities at fair value through profit and loss	Other financial liabilities	Total
	£	£	£
Financial Liabilities as per Statement of Financial Position			
Amounts due to brokers	-	-	-
Other payables	-	228,596	228,596
Unrealised loss on derivative liabilities	443,812	-	443,812
	443,812	228,596	672,408

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 October 2014 to 31 March 2015

11. Analysis of Financial Assets and Liabilities by Measurement Basis continued

	Financial Assets at fair value through profit and loss	Loans and receivables	Total
	£	£	£
30 September 2014 (Audited)			
Financial Assets as per Statement of Financial Position			
Investments at fair value through profit or loss:			
-Preferred stock	2,895,000	-	2,895,000
-Bonds	80,408,167	-	80,408,167
-Asset backed securities	34,258,005	-	34,258,005
-Interest rate swaps	(252,574)	-	(252,574)
Unrealised gains on derivative assets	1,582,673	-	1,582,673
Cash and cash equivalents	-	4,912,175	4,912,175
Other receivables	-	2,265,533	2,265,533
	118,891,271	7,177,708	126,068,979

	Financial Liabilities at fair value through profit and loss	Other financial liabilities	Total
	£	£	£
Financial Liabilities as per Statement of Financial Position			
Amounts due to brokers	-	2,543,473	2,543,473
Other payables	-	253,043	253,043
Unrealised loss on derivative liabilities	77,997	-	77,997
	77,997	2,796,516	2,874,513

12. Related Parties

a) Directors' Remuneration & Expenses

The Directors of the Company are remunerated for their services at such a rate as the Directors determine. The aggregate fees of the Directors will not exceed £150,000.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
Continued
for the period from 1 October 2014 to 31 March 2015

12. Related Parties continued

a) Directors' Remuneration & Expenses continued

The annual Directors' fees comprise £30,000 payable to Ms Whittet, the Chair, £27,500 to Mr Legge as Chair of the Audit Committee and £25,000 to Mr Emch and Mr Martin. During the period ended 31 March 2015, Directors' fees of £59,092 (30 September 2014: £46,223) were charged to the Company, of which £26,875 (30 September 2014: £20,625) remained payable at the end of the period. Directors' expenses for the period were £4,807 (30 September 2014: £3,975).

b) Shares held by related parties

As at 31 March 2015, Directors of the Company held the following shares beneficially:-

	Number of Shares	
	31.03.15	**30.09.14**
Claire Whittet	25,000	10,000
Christopher Legge	50,000	25,000
Thomas Emch	25,000	25,000
Ian Martin	25,000	-

As at 31 March 2015, the Portfolio Manager held Nil Shares (30 September 2014: 400,000 Shares), which is 0% (30 September 2014: 0.32%) of the Issued Share Capital, and partners and employees of the Portfolio Manager held 339,280 (30 September 2014: 548,336), which is 0.24% (30 September 2014: 0.44%) of the Issued Share Capital.

c) Portfolio Manager

The portfolio management fee is payable to the Portfolio Manager, TwentyFour Asset Management LLP, monthly in arrears at a rate of 0.75% per annum of the lower of NAV, which is calculated weekly on each valuation day, or market capitalisation of each class of shares. Total investment management fees for the period amounted to £476,739 (30 September 2014: £468,360) of which £90,008 (30 September 2014: £80,887) is payable at the period end. The Portfolio Management Agreement dated 17 February 2014 remains in force until determined by the Company or the Portfolio Manager giving the other party not less than twelve months' notice in writing. Under certain circumstances, the Company or the Portfolio Manager is entitled to immediately terminate the agreement in writing.

The Portfolio Manager is also entitled to a commission of 0.175% of the aggregate gross offering proceeds plus any applicable VAT in relation to any issue of new Shares, following admission, in consideration of marketing services that it provides to the Company. During the period ended 31 March 2015, the Portfolio Manager received £28,133 (30 September 2014: £40,605) in commission.

13. Material Agreements

a) Alternative Investment Fund Manager

The Company's Alternative Investment Fund Manager (the "AIFM") is Phoenix Fund Services (UK) Limited. In consideration for the services provided by the AIFM under the AIFM Agreement the AIFM is entitled to receive from the Company a minimum fee of £20,000 per annum and fees payable quarterly in arrears at a rate of 0.07% of the Net Asset Value of the Company below £50 million, 0.05% on Net Assets between £50 million and £100 million and 0.03% on Net Assets in excess of £100 million. During the period ended 31 March 2015, AIFM fees of £39,752 (30 September 2014: £7,119) were charged to the Company, of which £17,003 (30 September 2014: £7,119) remained payable at the end of the period.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 October 2014 to 31 March 2015

13. Material Agreements continued

b) Administrator and Secretary

Administration fees are payable to Northern Trust International Fund Administration Services (Guernsey) Limited monthly in arrears at a rate of 0.06% of the Net Asset Value of the Company below £100 million, 0.05% on Net Assets between £100 million and £200 million and 0.04% on Net Assets in excess of £200 million as at the last business day of the month subject to a minimum £50,000 in the first year of admission and £75,000 for each year thereafter. In addition, an annual fee of £25,000 will be charged for corporate governance and company secretarial services. During the period ended 31 March 2015, administration and secretarial fees of £49,269 (30 September 2014: £52,314) were charged to the Company, of which £25,027 (30 September 2014: £23,813) remained payable at the end of the period.

c) Placing Agent

For its services as the Company's placing agent pursuant to a placing agreement dated 17 February 2014 in connection with the initial public offering ("IPO") of shares in March 2014, Numis Securites Limited (the "Placing Agent") was entitled to receive a fee of 2% of the gross proceeds of the IPO. The placing agent received a fee of £1,930,360 under this agreement.

The Placing Agent is also entitled to receive commission of 1% on all tap issues. During the period the Placing Agent received £160,760 (30 September 2014: £232,110) in commission.

d) Depositary

Depositary's fees are payable to Northern Trust (Guernsey) Limited monthly in arrears at a rate of 0.0175% of the Net Asset Value of the Company below £100 million, 0.0150% on Net Assets between £100 million and £200 million and 0.0125% on Net Assets in excess of £200 million as at the last business day of the month subject to a minimum £15,000 in the first year of admission and £25,000 for each year thereafter. During the period ended 31 March 2015, depositary fees of £10,781 (30 September 2014: £8,244) were charged to the Company, of which £2,019 (30 September 2014: £3,460) remained payable at the end of the period.

The Depositary is also entitled to a Global Custody fee of a minimum of £8,500 per annum plus transaction fees. Total Global Custody fees and charges for the period amounted to £7,709 (30 September 2014: £7,152) of which £1,001 (30 September 2014: £1,928) is due and payable at the period end.

14. Financial Risk Management

The Companies activities expose it to a variety of financial risks: Market risk (including price risk and reinvestment risk), interest rate risk, credit risk, liquidity risk, foreign currency risk and capital risk.

The condensed unaudited interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements for the period ended 30 September 2014.

On 28 January 2015, the Company signed a £10 million overdraft facility with its Principal Banker, Northern Trust (Guernsey) Limited. This was subject to ratification by the Board on 2 May 2015. The purpose of this arrangement is to mitigate any short-term liquidity risk faced by the Company.

Other than the above, there have been no changes in the risk management practices or in any risk management policies since the year end.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
Continued
for the period from 1 October 2014 to 31 March 2015

15. Fair Value Measurement

All assets and liabilities are carried at fair value or at carrying value which equates to fair value.

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

(ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices including interest rates, yield curves, volatilities, prepayment speeds, credit risks and default rates) or other market corroborated inputs (level 2).

(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value for the periods ended 31 March 2015 and 30 September 2014.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit and loss:				
-Preferred stock	-	-	2,990,000	2,990,000
-Bonds	-	-	97,936,191	97,936,191
-Interest rate swaps	-	-	(1,003,033)	(1,003,033)
-Asset backed securities	-	9,178,264	24,222,908	33,401,172
Derivative assets	-	249,033	-	249,033
Total assets as at 31 March 2015	-	9,427,297	124,146,066	133,573,363

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Liabilities				
Derivative liabilities	-	443,812	-	443,812
Total liabilities as at 31 March 2015	-	443,812	-	443,812

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 October 2014 to 31 March 2015

15. Fair Value Measurement continued

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit and loss:				
-Preferred stock	-	-	2,895,000	2,895,000
-Bonds	-	3,727,025	76,681,142	80,408,167
-Interest rate swaps	-	-	(252,574)	(252,574)
-Asset backed securities	-	13,814,087	20,443,918	34,258,005
Derivative assets	-	1,582,673	-	1,582,673
Total assets as at 30 September 2014	-	19,123,785	99,767,486	118,891,271

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Liabilities				
Derivative liabilities	-	77,997	-	77,997
Total liabilities as at 30 September 2014	-	77,997	-	77,997

Credit Securities which have a value based on quoted market prices in active markets are classified in level 1. At the period end, no Credit Securities held by the Company, are classified as level 1.

Credit Securities which are not traded or dealt on organised markets or exchanges are classified in level 2. The prices of these Credit Securities are obtained from an independent price vendor or where the Portfolio Manager determines that the price is not an accurate representation of the fair value of the Credit Security, the Portfolio Manager may source prices from third party broker or dealer quotes and if the price represents a firm tradable price, the Credit Security is classified in level 2.

Credit Securities where no third party verifiable price is available are classified in level 3. The valuation of these Credit Securities will be determined based on the Portfolio Manager's valuation policy, which may include the use of a comparable arm's length transaction, reference to other securities that are substantially the same, discounted cash flow analysis and other valuation techniques. Where the Portfolio Manager sources prices from a third party broker or dealer quotes and these prices are indicative rather than tradable, the Credit Security is classified in level 3.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 October 2014 to 31 March 2015

15. Fair Value Measurement continued

There were no transfers between level 1 and 2 during the period, however transfers between level 2 and 3 occur based on the Portfolio Managers ability to obtain a firm tradable price as detailed above.

There were no changes in valuation techniques during the period.

The following table presents the movement in level 3 instruments for the periods ended 31 March 2015 and 30 September 2014 by class of financial instrument.

	Preferred Stock	Bonds	Interest Rate Swaps	Asset backed securities	**Total**
	£	£	£	£	£
Opening balance	2,895,000	76,681,142	(252,574)	20,443,918	99,767,486
Purchases/(Sales)	-	15,554,089	-	3,140,216	18,694,305
Net unrealised loss for the period included in the Statement of Comprehensive Income for level 3 Investments held at 31 March 2015	95,000	(268,848)	(750,459)	(1,982,034)	(2,906,341)
Transfer into Level 3	-	5,969,808	-	7,649,214	13,619,022
Transfer out Level 3	-	-	-	(5,028,406)	(5,028,406)
Closing balance	2,990,000	97,936,191	(1,003,033)	24,222,908	124,146,066

	Preferred Stock	Bonds	Interest Rate Swaps	Asset backed securities	**Total**
	£	£	£	£	£
Opening balance	-	-	-	-	-
Purchases	2,733,339	78,583,997	-	21,970,582	103,287,918
Net unrealised gain/(loss) for the period included in the Statement of Comprehensive Income for level 3 Investments held at 30 September 2014	161,661	(1,902,855)	(252,574)	(1,526,664)	(3,520,432)
Closing balance	2,895,000	76,681,142	(252,574)	20,443,918	99,767,486

There were no transfers between levels during the period ended 30 September 2014.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 October 2014 to 31 March 2015

15. Fair Value Measurement continued

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value at 31 March 2015 and 30 September 2014 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Cash and cash equivalents	1,487,314	-	-	1,487,314
Other receivables	-	2,555,683	-	2,555,683
Total	**1,487,314**	**2,555,683**	**-**	**4,042,997**
Liabilities				
Amounts due to brokers	-	-	-	-
Other payables		228,596	-	228,596
Total	**-**	**228,596**	**-**	**228,596**

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Cash and cash equivalents	4,912,175	-	-	4,912,175
Other receivables	-	2,265,533	-	2,265,533
Total	**4,912,175**	**2,265,533**	**-**	**7,177,708**
Liabilities				
Amounts due to brokers	-	2,543,473	-	2,543,473
Other payables		253,043	-	253,043
Total	**-**	**2,796,516**	**-**	**2,796,516**

The assets and liabilities included in the above tables are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Cash and cash equivalents include cash in hand and deposits held with banks.

Amounts due to brokers and other payables represent the contractual amounts and obligations due by the Company for settlement of trades and expenses.

16. Segmental Reporting

The Board is responsible for reviewing the Company's entire portfolio and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 October 2014 to 31 March 2015

16. Segmental Reporting continued

The Company invests in a diversified portfolio of Credit Securities. The fair value of the major financial instruments held by the Company and the equivalent percentages of the total value of the Company are reported in the Top Twenty Holdings.

Revenue earned is reported separately on the face of the Statement of Comprehensive Income as investment income being interest income received from Credit Securities.

17. Dividend Policy

The Board intends to distribute an amount at least equal to the value of the Company's net income arising each financial year to the holders of Ordinary Shares. However, there is no guarantee that the dividend target of 6.0 pence per Ordinary Share for the period ended 30 September 2015 and for each Reporting Period thereafter will be met or that the Company will make any distributions at all.

Distributions made with respect to any income period comprise (a) the accrued income of the portfolio for the period (for these purposes, the Company's income will include the interest payable by the Credit Securities in the Portfolio and amortisation of any discount or premium to par at which a Credit Security is purchased over its remaining expected life), and (b) an additional amount to reflect any income purchased in the course of any share subscriptions that took place during the period. Including purchased income in this way ensures that the income yield of the shares is not diluted as a consequence of the issue of new shares during an income period.

The Board expects that dividends will constitute the principal element of the return to the holders of Ordinary Shares.

The Company declared the following dividends for the period from 1 October 2014 to 31 March 2015:

Period to	Dividend rate per Share (pence)	Net dividend paid - Income (£)	Ex-dividend date	Record date	Pay date
31 October 2014	0.5	648,179	13 November 2014	14 November 2014	28 November 2014
30 November 2014	0.5	650,679	18 December 2014	19 December 2014	31 December 2014
31 December 2014	0.5	658,679	15 January 2015	16 January 2015	30 January 2015
31 January 2015	0.5	708,679	19 February 2015	20 February 2015	27 February 2015
28 February 2015	0.5	708,679	19 March 2015	20 March 2015	31 March 2015
31 March 2015	0.5	708,679	16 April 2015	17 April 2015	30 April 2015

Under Guernsey law, companies can pay dividends in excess of accounting profit provided they satisfy the solvency test prescribed by The Companies (Guernsey) Law, 2008. The solvency test considers whether a company is able to pay its debts when they fall due, and whether the value of a company's assets is greater than its liabilities. The Board confirms that the Company passed the solvency test for each dividend paid.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 October 2014 to 31 March 2015

18. Ultimate Controlling Party

In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no ultimate controlling party.

19. Subsequent Events

These Financial Statements were approved for issuance by the Board on 12 May 2015. Subsequent events have been evaluated until this date.

On 2 April 2015, 1,000,000 new Ordinary Shares were issued from treasury at 99.5 pence per share.

On 9 April 2015, the Company declared a dividend of 0.05p per share.

On 15 April 2015 Phoenix Fund Services announced their purchase by Maitland, a multi-national fund advisory and administration firm. The deal is subject to regulatory approval.

On 17 April 2015, 500,000 new Ordinary Shares were issued from treasury at 99.6 pence per share.

On 27 April 2015, 750,000 new Ordinary Shares were issued from treasury at 99.9 pence per share.

On 30 April 2015, the Company paid a dividend as detailed above.

On 12 May 2015, the Company declared a dividend of 0.05p per share.

The Portfolio Manager, TwentyFour Asset Management LLP (“TwentyFour”), has agreed to enter into a strategic partnership with Vontobel Asset Management (“Vontobel”), the multi-boutique asset manager and subsidiary of the Vontobel Group.

Vontobel will acquire a 60% shareholding in TwentyFour, with the working partners retaining a 40% stake in the business. They will remain fully committed to TwentyFour with long-term lock-ins.

www.twentyfourincomefund.com

PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL