2025

# TwentyFour Select Monthly Income Fund Limited

## Interim Management Report and Unaudited Condensed Interim Financial Statements

For the period from 1 October 2024 to 31 March 2025

# Contents

# Corporate Information

## Directors
Ashley Paxton (Chair)
Sharon Parr (Senior Independent Director)
Wendy Dorey
Richard Class

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

## Portfolio Manager
TwentyFour Asset Management LLP
8th Floor, The Monument Building
11 Monument Street
London, EC3R 8AF

## Alternative Investment Fund Manager
Waystone Management Company (IE) Limited
35 Shelbourne Road
Ballsbridge
Dublin 4
Ireland, D04 A4EO

## 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 Adviser to the Company
Eversheds Sutherland (International) LLP
One Wood Street
London, EC2V 7WS

## Guernsey Legal Adviser to the Company
Carey Olsen (Guernsey) LLP
Carey House
Les Banques
St Peter Port
Guernsey, GY1 4BZ

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

## Registrar
Computershare Investor Services (Guernsey) Limited
1st Floor
Tudor House
Le Bordage
St Peter Port
Guernsey, GY1 1DB

## Financial Adviser and Corporate Broker
Numis Securities Limited
45 Gresham Street
London, EC2V 7BF

# Financial Highlights

| Net Asset Value per Ordinary Share | | |
|---|---|---|
| As at 31 March 2025 | As at 30 September 2024 | As at 31 March 2024 |
| **83.87p** | **83.70p** | **81.18p** |

| Share Price | | |
|---|---|---|
| As at 31 March 2025 | As at 30 September 2024 | As at 31 March 2024 |
| **86.00p** | **85.30p** | **83.10p** |

| Total Net Assets | | |
|---|---|---|
| As at 31 March 2025 | As at 30 September 2024 | As at 31 March 2024 |
| **£234.38 million** | **£219.77 million** | **£197.73 million** |

| NAV Total Return per Ordinary Share | | |
|---|---|---|
| For the period ended 31 March 2025 | For the year ended 30 September 2024 | For the period ended 31 March 2024 |
| **4.9%** | **22.6%** | **13.9%** |

| Dividends Declared per Ordinary Share | | |
|---|---|---|
| For the period ended 31 March 2025 | For the year ended 30 September 2024 | For the period ended 31 March 2024 |
| **3.25p** | **7.38p** | **3.25p** |

| Average Premium | | |
|---|---|---|
| For the period ended 31 March 2025 | For the year ended 30 September 2024 | For the period ended 31 March 2024 |
| **2.09%** | **1.44%** | **0.70%** |

| Shares in Issue (excluding treasury shares) | | |
|---|---|---|
| As at 31 March 2025 | As at 30 September 2024 | As at 31 March 2024 |
| **279.47 million** | **262.57 million** | **243.57 million** |

| Number of Positions in the Portfolio | | |
|---|---|---|
| As at 31 March 2025 | As at 30 September 2024 | As at 31 March 2024 |
| **153** | **148** | **159** |

Definitions of the above measures can be found in the Glossary of Terms and Alternative Performance Measures on page 41.

As at 4 June 2025, the premium had moved to 2.08%. The estimated NAV per Ordinary Share and share price stood at 84.44p and 86.20p, respectively.

### Ongoing Charges

Ongoing charges have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the period ended 31 March 2025 were 1.17% (31 March 2024: 1.23%) on an annualised basis.

# 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 Ordinary Shares were listed on the Official List of the Financial Conduct Authority ("FCA") and admitted to trading on the Main Market of the London Stock Exchange ("LSE") 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 can 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 and can include securities of a less liquid nature. The portfolio is dynamically managed by TwentyFour Asset Management LLP ("TwentyFour" or the "Portfolio Manager") and, in particular, is not subject to any geographical restrictions.

The Company maintains a portfolio diversified by issuer and comprises at least 50 credit securities. No more than 5% 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. The Company may hold up to 10% in cash but works on the basis of an operational threshold of 5% and any 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 FCA Rules.

Efficient portfolio management techniques are employed by the Company, and may include currency and interest rate hedging and the use of other derivatives to manage key risks such as foreign exchange movements, interest rate sensitivity and to mitigate market volatility. The Company's currency hedging policy will only be used for efficient portfolio management.

The Company does not employ gearing or derivatives for investment purposes. The Company may use borrowing for short-term liquidity purposes, which could be achieved through arranging a loan facility or other types of collateralised borrowing instruments including repurchase transactions and stock lending. The articles of incorporation of the Company (the "Articles") restrict the borrowings of the Company to 10% of the Company's Net Asset Value ("NAV") at the time of drawdown. No arrangements for borrowing are currently in place.

At launch, the Company had a target net total return on the original issue price of between 8% and 10% per annum. This comprised a target dividend payment of 6p per Ordinary Share per annum ("Dividend Target") and a target capital return of 2p-4p per annum, both based on the original issue amount of 100p. Whilst there is no guarantee that this can or will be achieved, the 6p per Ordinary Share Dividend Target has consistently been met since the Company's launch in 2014. Refer to note 18 to the Unaudited Condensed Interim Financial Statements for details of the Company's dividend policy.

In accordance with the Listing Rules, the Company can only make a material change to its investment policy with the approval of its Shareholders by Ordinary Resolution.

## Shareholder Information

Waystone Management Company (IE) Limited ("Waystone" or the "AIFM") is responsible for calculating the NAV per Ordinary Share of the Company. Whilst the AIFM has delegated this responsibility to Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator"), they still perform an oversight function.

The unaudited NAV per Ordinary Share is calculated as at the close of business on every Wednesday that is also a business day, as well as the last business day of every month and announced by the Regulatory News Service the following business day.

# Chair's Statement

## For the period from 1 October 2024 to 31 March 2025

As Chair to TwentyFour Select Monthly Income Fund Limited, I am delighted to present my report on the Company's progress for the six month period ended 31 March 2025 (the "period"). The Company continued to perform well with a NAV Total Return per Ordinary Share for the period of 4.9%.

### Market Overview

The period was dominated by the US presidential election and the beginning of a second Trump administration, with the market's initial reaction being one of optimism around growth and a fear of stickier inflation. However, it soon became clear upon taking office that the second Trump presidency would diverge from the first. With a tougher stance on tariffs alluding to high and persistent levies not just on China but on all US trading partners, the market began to turn its focus to a potential growth downturn. Post period end, on 16 May 2025, Moody's downgraded the United States' credit rating, making it the last major rating agency to strip the United States of its Aaa rating. The US' lack of fiscal restraint was deemed to be instrumental in the downgrade.

In Europe, after elections in the UK and France in 2024, it was the German election of 2025 that caused the largest impact. The incoming German Chancellor, Friedrich Merz, announced plans to increase infrastructure and defence spending markedly. This saw market participants increase European growth forecasts as a result of this long-awaited fiscal stimulus from Europe's largest economy.

Throughout the period, rates volatility remained elevated, however credit continued to perform well. Spreads widened modestly as we approached the end of the period as market participants looked towards Trump's 2 April 2025 "liberation day" and the prospect of high tariffs causing volatility and slower growth globally.

### Share Activity

In contrast to the wider investment company market, which saw many companies on the Main Market of the LSE trading at large discounts, the Company traded at a premium to NAV throughout the period, at an average 2.09% premium (year ended 30 September 2024: 1.44%).

Due to the availability of accretive assets for purchase, and because of shareholder demand, the Company was able to issue 16,900,000 new Ordinary Shares during the period, at a premium of 2% (prior to issue costs) to the NAV at issue date. A

further 6,400,000 new Ordinary Shares have been issued post period end.

This additional share activity has been an excellent result for the Company and its Shareholders and led to it again being one of the strongest issuers in the investment company market during the period.

A total of 582,139 Ordinary Shares were submitted for tender during the period, comprising 404,301 Ordinary Shares and 177,838 Ordinary Shares in respect of the quarters ended 30 September 2024 and 31 December 2024, respectively. Post period end, a further 287,307 Ordinary Shares were tendered in respect of the quarter ended 31 March 2025. All Ordinary Shares tendered in respect of the above quarters were successfully placed by the Company's Financial Adviser and Corporate Broker, Numis Securities Limited ("Deutsche Numis").

It is pleasing to note that the Company's shareholder base continues to diversify with an ongoing increase in retail investors investing via platforms.

### Dividend Policy

On formation, the Company's objective was to generate a net total return of 8-10% with a 0.5 pence per Ordinary Share dividend payment each month, with the Board's intention that the balance of excess income (as defined in note 18 to the Unaudited Condensed Interim Financial Statements) for the financial year would be paid within the final monthly dividend. It is pleasing to note that the Company has met or exceeded its Dividend Target every financial year since its Initial Public Offering.

Consistent with the year ended 30 September 2024 and given ongoing attractive yields generally available in the market, careful consideration was given to the Company's projected income for the year balanced against the Board's assessment of risks inherent in achieving its target dividend payment of 6 pence per Ordinary Share per annum. Based on this analysis, the Board believes that dividends payable in respect of the year ending 30 September 2025 are likely to be in excess of 6.5 pence per Ordinary Share. It consequently considered it appropriate to pay an additional 0.25 pence per Ordinary Share, in addition to its regular monthly targeted dividend of 0.5 pence per Ordinary Share, for the period ended 31 March 2025 to reward investors for their loyalty over the course of the year, and consequently declared dividends for this period of 3.25 pence per Ordinary Share.

For the Company's next financial year (starting 1 October 2025), given shareholder feedback, the Board reviewed the feasibility of introducing a fixed payment date for the monthly dividends, which would enable investors to know precisely which date to expect their payment each month. However, having considered this in detail, it transpired that most dividends would consequently be paid later than under the current schedule. The Directors therefore decided to retain the status quo.

The Board will continue to monitor the position during the remainder of the year ending 30 September 2025. Where possible to do so, the Board will provide updates on its dividend expectations for the year.

### Return

During the period, the NAV per Ordinary Share increased from 83.70 pence to 83.87 pence, a rise of 0.20%, with a NAV Total Return per Ordinary Share for the period of 4.9%. This, together with the net increase in share capital noted above, meant the Company saw a strong increase in net assets from £219.77m to £234.38m over the period.

### Outlook

Market volatility has reduced since the beginning of April 2025, as President Trump has rolled back on the initial "liberation day" tariff rates and negotiations between trading partners have begun. Recession risks have receded whilst corporate fundamentals have remained robust, helping to drive credit spreads towards their tightest levels seen this calendar year. Whilst TwentyFour believe that the tariff risk has declined, it ultimately thinks that a 10% minimum base line for the US will drive lower real gross domestic product ("GDP") growth there, as well as increased inflation, likely keeping the Federal Reserve ("Fed") on the sidelines. European credit continues to be well protected from tariff-related headlines, giving a relatively smaller impact on growth and a disinflationary impact on European economies, as goods supply (particularly from Asia) is diverted away from the US.

A key theme, post the period end, has been the focus on government deficits. President Trump's "big beautiful bill" has gone through the House and whilst it does not increase the deficit if one includes tariff revenue, it does not shrink it. Running 6%+ deficits in non-recessionary times is not

# Chair's Statement (continued)

sustainable and the US government bond curves have steepened through the year, a trend we generally expect to remain. Conversely, as mentioned previously, European governments are looking to increase defence spending significantly which should provide a positive growth impulse, as well as increase bond supply that the private market has to take down. Ultimately, rates volatility has declined since the April 2025 peak, but still remains elevated, particularly in comparison to the years before 2022. The Portfolio Manager continues to think credit offers better risk-adjusted returns versus rates.

### Environmental, Social and Governance Approach

The Board recognises the importance of Environmental, Social and Governance ("ESG") factors in investment management and in wider society, and has appointed the Portfolio Manager to advise it in relation to all aspects relevant to the Company's portfolio. Throughout the period, the Portfolio Manager continued to work extensively with issuers to improve disclosures and have also extended their proprietary ESG scoring model to cover ABS-specific metrics, meaning ESG data is factored into every level of the investment process.

In keeping with the Board's expectation that ESG factors be taken into account, the Portfolio Manager has a formal ESG framework which incorporates ESG factors into its investment process. The Portfolio Manager has an ESG Committee representing all areas of its business, reporting into its executive committee. The Portfolio Manager is a signatory to the UK Stewardship Code and the United Nations Principles for Responsible Investment, and has long-term commitments to industry bodies working to develop industry guidelines and standards to promote transparency by issuers. In addition to this "top-down" engagement at the industry level, the Portfolio Manager is committed to extensive "bottom-up" engagement with issuers for the benefit of Shareholders. The ongoing due diligence is key to understanding the evolution of risks in the markets invested in, rather than just in relation to evaluating a specific transaction. External ESG factors are related to the debt issuers of transactions and are assessed through a combination of internal and third-party data.

### Other

As signposted in my report last year, the Board appointed an independent consultant in November 2024 – Stogdale St James Limited – who has now completed an independent board evaluation, formally presenting its findings at the Board's March 2025 board meeting. All recommendations are in the process of being fully implemented. The Board subsequently decided to appoint Sharon Parr as its Senior Independent Director (in addition to chairing its Audit and Risk Committee), whilst Richard Class has now taken over as Chair of the Company's Remuneration and Nomination Committee.

The growth of platform-directed Shareholders in the Company means that they constitute a significant part of our share register and the Board continues to consider its options to enhance engagement across the shareholder register. During the period, we have been pleased to work with the Portfolio Manager to continue to develop the standalone 'microsite' for the Company, giving retail investors access to a customised website with key content and Company information.

We also continue to review our investor engagement strategy and look forward to engaging further with the wider shareholder base. We held a formal presentation via Investor Meet Company Limited for the results in respect of the year ended 30 September 2024 and are scheduled to present these results in respect of the interim period ended 31 March 2025 on 11 June 2025.

As Portfolio Manager, TwentyFour continues to provide excellent thought leadership through industry commentaries, blogs, podcasts and webinar presentations. The Board continues to engage closely with the Portfolio Manager and the key advisers to the Company, particularly via the Company's annual Strategy Day, which was last held on 25 November 2024 in London.

On behalf of the Board, I would like to thank all Shareholders for their continued support.

### Annual General Meeting

The Company's 2025 Annual General Meeting ("AGM") will be held on 14 August 2025 at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands at 12:00pm.

**Ashley Paxton**
**Chair**
**10 June 2025**

# Portfolio Manager's Report

## For the period from 1 October 2024 to 31 March 2025

In our capacity as Portfolio Manager to the TwentyFour Select Monthly Income Fund Limited, we are pleased to present our report on the Company's progress for the six month period ended 31 March 2025.

### Market Environment

The final quarter of 2024 was dominated by the US presidential election, the calling of a snap election in Germany and further upheaval in France as Prime Minister Michel Barnier lost a no-confidence vote and was replaced by centrist François Bayrou. Meanwhile, in the UK there was the much anticipated first budget from the new Labour government.

In the US, Trump won a resounding victory, and the Republicans completed a clean sweep by taking control of the Senate and the House of Representatives.

This led to a sizeable move in US Treasuries ("USTs"), with 10-year yields moving from 3.8% to 4.6% over the quarter as a result of the expectation that the "red sweep" would lead to stronger growth, higher inflation and increased fiscal deficits. The move in USTs was also reflected in other rates markets, with 10-year Gilt yields rising by around 60 basis points ("bps") and 10-year German Bunds yields rising by around 40bps.

The UST move was also compounded by inflation data remaining stickier than expected and a recovery in the US labour market, where concern around the surprise spike in unemployment in August was quickly dispelled. Subsequently, even though we saw a rate cut from the Fed in both November and December 2024, its tone was a lot more hawkish than it had been previously. Fed statements showed members had become more fearful on higher inflation and less concerned about weakness in the jobs market. As a result, the "dot plot" forecasts showed 50bps of cuts in 2025, down from the 100bps they had been projecting in September 2024. The weakness in rates also leaked into credit markets as spreads widened towards the end of the quarter.

The rates weakness continued into 2025 as yields rose on inflation fears, strong employment data from the US and investors feeling very confident that growth in the US would remain robust. Credit spreads compensated for this sell-off in rates for the first month of the year as they benefited from improving growth expectations. Sentiment changed very quickly as President Trump's tariff rhetoric escalated beyond expectations, and as a result we saw a large fall in consumer and business confidence and recession fears increased. The Fed joined in the weakening sentiment by downgrading growth projections and upgrading inflation projections in March 2025.

Meanwhile, in the early elections in Germany, the Christian Democratic Union ("CDU") and Christian Social Union ("CSU") parties emerged victorious and immediately looked to remove the "debt brake" fiscal rules from the German economy. In a move much more radical than the market was expecting, defence and infrastructure spending plans increased significantly, with €500 billion of extra spending on infrastructure alone over the next 10 years. The increase in spending in Germany and in other European countries resulted in a sharp sell-off for European rates markets.

As the period ended, the market began to look to 2 April 2025 when tariffs were due to be announced by President Trump. The fear of a large escalation led to a large sell-off in equities, which subsequently seeped into credit spreads, while USTs rallied amid the risk-off sentiment.

### Portfolio Performance

The Company's portfolio returned 4.9% (NAV per Ordinary Share total return) for the period with all sectors returning positively over the six months. The best performers were Collateralised Loan Obligations ("CLOs") and Insurance, which returned 5.83% and 6.04% respectively. Meanwhile, non-Additional Tier 1 ("AT1") banks returned the lowest amount at 2.01%. The main driver of returns in the period was income as the portfolio benefitted from attractive starting yields.

The total return of 4.9% in the period referenced compares to a 13.9% return in the period September 2023 to March 2024. The lower return is a function of lower yields at the start of each period, which was primarily driven by the tightening in credit spreads seen over the back end of 2023 and 2024.

### Portfolio Strategy

We take a "bottom-up" approach to credit investing for the Company, finding value in the markets through rigorous fundamental analysis and a cross-sector approach to relative value. The Company remained overweight in two sectors in particular, namely subordinated financials and Asset-backed securities ("ABS"). These two sectors offer a combination of compelling "top-down" risk reward and attractively priced individual bonds.

ABS, particularly CLOs, have benefitted from elevated central bank base rates through their floating rate nature, in addition

# Portfolio Manager's Report (continued)

to the more benign default environment. Absolute spread levels for the CLO sector remain compelling relative to the underlying high yield space, and the substantial carry available continues to drive strong returns. In addition, the financials space continues to offer one of the more compelling risk reward opportunities in global credit. The European bank sector in particular has gone from strength to strength over the past 10 years, with the balance sheet improvements of the post Global Financial Crisis regulatory environment combining with the improving environment for profitability. The higher starting yields on offer have seen both sectors perform very strongly throughout the period.

## Outlook

Credit continues to be supported by a number of key macroeconomic pillars, including strong corporate and bank balance sheets and healthy consumer data. This combined with high all-in yields offer good downside protection, with robust earnings growth and high breakeven yield protection, providing an attractive tailwind for credit.

We expect macro volatility to remain elevated given policy uncertainty in the US, although we expect European credit to remain well protected from the direct tariff impact; the Company has negligible exposure to businesses that have a direct tariff exposure. We will continue to focus on analysing the best bottom-up opportunities in the credit space, with a key emphasis on buying companies that are well able to manage through multiple economic scenarios (including if growth was to be weaker than expected).

## Environmental, Social & Governance

At TwentyFour, our ESG methodology is embedded within our regular investment process for the Company, and we believe this approach helps us target the maximum risk-adjusted returns while promoting better societal outcomes. An active sense check is applied at every step of our process, which enables us to scrutinise the data given by bond issuers and our external data provider independently. Our methodology is specifically tailored to the demands of fixed income, with an additional focus given to more nuanced factors such as Momentum (transition), Controversies and Engagement. We believe our ESG integration model is an effective way to promote environmental and social characteristics. For instance, through our engagements approach we are able to develop an in-depth understanding of the environmental and social characteristics of each specific issuer. We feel that this is a crucial element in identifying environmental and social characteristics as we recognise the limitations of the third-party data that we use and that some scores may not truly reflect potential ESG risks that are associated with certain companies in which we invest.

TwentyFour is a prominent investor in European ABS markets, including on behalf of the Company. From our experience, the specialist structures and complexity associated with this asset class makes ESG data gathering more challenging compared to more mainstream bond markets. Nevertheless, we have worked hard with issuers on closing this data gap and have also extended our Observatory model to cover ABS-specific metrics. We believe this proprietary ESG work is unique in the European ABS space, and it is well-regarded among our clients and other market participants.

Within CLOs, investor demand for ESG integration has increased significantly over the past year resulting in most CLO managers increasing exclusions at portfolio level and stipulations within deal disclosures. We have also worked on several initiatives on the CLO side through the European Leveraged Finance Association ("ELFA"), with the latest initiative being a paper outlining guidance for CLO managers on carbon and climate disclosures. We have focused particularly on new CLO deals for the Company with positive and negative screening managed by CLO managers with strong ESG credentials.

TwentyFour's ESG Committee oversees all of our ESG and Sustainable activities. The committee features members from all functions of the business, including several partners, and is chaired by members of our Executive Committee. As a signatory to the UK Stewardship Code and the UN's Principles for Responsible Investment, we are committed to educating investors about our process and giving transparency on our engagements with firms on ESG issues.

**TwentyFour Asset Management LLP**
**10 June 2025**

# Top Twenty Holdings

## As at 31 March 2025

| | Nominal/ Shares | Credit Security # Sector | Fair Value * £ | Percentage of Net Asset Value % |
|---|---|---|---|---|
| VSK Holdings '4 C7-1' VAR | 500,000 | ABS | 4,517,928 | 1.93 |
| Banco de Sabadell, 5% perp | 5,400,000 | Financial - Banks | 4,487,721 | 1.92 |
| Nationwide Building Society 10.25 29/06/2049 | 32,960 | Financial - Banks | 4,367,200 | 1.86 |
| Barclays F2V perp | 4,050,000 | Financial - Banks | 4,162,550 | 1.78 |
| Rothesay Life 6.875 31/12/2049 | 3,542,000 | Financial - Insurance | 3,508,180 | 1.50 |
| Banco Santander F2V perp | 4,400,000 | Financial - Banks | 3,314,710 | 1.41 |
| Pension Insurance Corporation, 7.375% perp | 3,300,000 | Financial - Insurance | 3,308,416 | 1.41 |
| Natwest Group PLC F2V perp | 3,600,000 | Financial - Banks | 3,287,280 | 1.40 |
| Arbour Clo II FRN 15/04/2034 | 4,000,000 | ABS | 3,244,767 | 1.38 |
| Intesa Sanpaolo F2V perp | 3,700,000 | Financial - Banks | 3,242,925 | 1.38 |
| Bracken MidCo1 6.75% PIK 1/11/2027 | 3,225,000 | High Yield - European | 3,186,099 | 1.36 |
| Nationwide Building Society F2V perp | 3,200,000 | Financial - Banks | 3,179,708 | 1.36 |
| Santander UK PLC 10.375% | 2,000,000 | Financial - Banks | 3,094,670 | 1.32 |
| North Westerly 'X E' FRN | 3,500,000 | ABS | 2,943,735 | 1.26 |
| Avoca Clo XIII FRN 15/04/2034 | 3,500,000 | ABS | 2,878,773 | 1.23 |
| Direct Line Insurance, 4.75% perp | 2,900,000 | Financial - Insurance | 2,750,380 | 1.17 |
| UnipolSai Assicurazioni, 6.375% perp | 3,100,000 | Financial - Insurance | 2,673,561 | 1.14 |
| Phoenix Group 5.75 31/12/2049 | 2,780,000 | Financial - Insurance | 2,626,052 | 1.12 |
| RL Fin. Bonds No 6 RL Fin. Bonds No 6 F2V perp | 2,300,000 | Financial - Insurance | 2,603,419 | 1.11 |
| Bupa Fin. F2V perp | 3,200,000 | Financial - Insurance | 2,539,643 | 1.08 |
| **Total** | | | **65,917,717** | **28.12** |

* 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.

# Asset-backed securities ("ABS"). All other securities are Corporate Bonds.

The full portfolio listing of bonds and ABS as at 31 March 2025 can be obtained from the Administrator on request.

# Board Members

Biographical details of the Directors as at date of signing are as follows:

### Ashley Paxton - (Chair, non-executive Director)

Mr Paxton was appointed to the Board on 1 November 2021 and is its Chair.

Ashley spent the majority of his career with KPMG having retired as partner and its Channel Islands Head of Advisory in 2019.

Ashley currently holds a number of non-executive directorships across the financial services sector including a number of companies listed on the London Stock Exchange. He also plays an important role in the local third sector.

A resident of Guernsey, Ashley is a Fellow of the Institute for Chartered Accountants in England & Wales and holds an Economics degree from the University of Warwick.

### Sharon Parr - (Audit Chair and Senior Independent Director, non-executive Director)

Ms Parr was appointed to the Board on 1 November 2022 and is Chair of the Audit Committee. She was Chair of the Remuneration and Nomination Committee until 1 April 2025 when she relinquished this role as she was appointed as Senior Independent Director of the Company.

Ms Parr has over 35 years in the finance industry and spent a significant portion of her professional career with Deloitte and Touche in a number of different countries. After a number of years in the audit department, on relocating to Guernsey in 1999 she transferred to their fiduciary and fund management business and, after completing a management buyout and subsequently selling to Barclays Wealth in 2007, she ultimately retired from her role there as Global Head of Wealth Structuring in 2011.

Ms Parr holds a number of Non-Executive Directorships across the financial services sector including in other listed funds.

Ms Parr is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Society of Trust and Estate Practitioners, and is a resident of Guernsey.

### Wendy Dorey – (non-executive Director)

Ms Dorey was appointed to the Board on 1 February 2023 and is Chair of the Management Engagement Committee.

Ms Dorey has over 25 years' experience in the financial services industry, working for a number of leading asset managers including Robert Fleming & Co, Friends Ivory & Sime Inc, M&G Securities Limited and BNY Mellon Corporation. She started her career in investment marketing and distribution, winning a number of awards for her campaigns to direct investors and the Intermediary market. She was latterly head of business strategy and planning for M&G, where she led a number of corporate restructuring projects and product development initiatives.

Since becoming a resident of Guernsey, Ms Dorey has taken on a portfolio of executive and non-executive roles. This includes being a Director of an investment consulting firm and holding Non-Executive Directorships in Schroders (CI) Limited and an AIM-listed fund. She was also appointed as a Commissioner for the Guernsey Financial Services Commission (GFSC) from 2015 to November 2024.

Ms Dorey is a Fellow of the Institute of Directors and qualified as a Chartered Director in 2020. She was, until May 2023, the Chair of the Guernsey Branch of the Institute of Directors.

**Richard Class – (non-executive Director)**

Mr Class was appointed to the Board on 1 November 2023 and was appointed Chair of the Remuneration and Nomination Committee effective 1 April 2025.

Mr Class' career spans more than thirty years in the financial services sector. Over more than a decade at Morgan Stanley, he was Managing Director and Head of EMEA Business Development for Fixed Income in Investment Management, and also a portfolio manager for several fixed income portfolios with assets totalling €7 billion. Prior to that, he was a Board Director and trainer at BG Consulting, a financial products training and development company. He began his career as a fixed income derivatives trader in interest rate and FX products at Rabobank and Morgan Grenfell. He is currently a senior advisor to OptimX, which helps clients to reduce the costs of using financial markets, and is also a senior mentor.

Mr Class has a Mathematics degree from Oxford University and is a resident of the United Kingdom.

# Statement of Principal Risks and Uncertainties

The principal risks assessed by the Board relating to the Company were disclosed in the Annual Report and Audited Financial Statements for the year ended 30 September 2024. A detailed explanation of these can be found in the annual report.

The Board and Portfolio Manager consider these risk categories remain relevant for the six months covered by this report as well as the remaining six months of the financial year.

### *Market risk*

The Company invests in credit securities which are subject to market risk, including the potential for both losses and gains from price risk, reinvestment risk, interest rate risk, and foreign currency risk. These are discussed in detail in note 16 to the Company's Annual Report and Audited Financial Statements for the year ended 30 September 2024.

The underlying investments comprised in the portfolio are subject to price risk. The Company is therefore at risk that market events may affect performance and in particular may affect the value of the Company's investments which are valued on a mark to market and mark to model basis. Price risk is risk associated with changes in market prices or rates, including interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and both national and international political circumstances. The Company's policy is to manage price risk by holding a diversified portfolio of assets, through its investments in credit securities.

The Company's continuing position in relation to interest rate and duration risk is monitored on a weekly basis by the Portfolio Manager as part of its review of the weekly NAV calculations prepared by the Company's Administrator. The Company may also use swap contracts to mitigate the effects of market volatility on interest rate risk. There were no swaps held as at 31 March 2025.

Given the Company's exposure to investments denominated in currencies other than sterling, the Company is exposed to foreign currency risk. The Company manages its exposure to currency movements by using spot and forward foreign exchange contracts, which are rolled forward periodically and typically for a period of one month.

Each quarter, the Board formally reviews the investment performance reports, and amortisation schedules (setting out upcoming maturities for monitoring cashflow available for reinvestment) provided by the Portfolio Manager. The Board also considers the impact of economic volatility and of heightened geopolitical tensions on the Company's performance.

### *Credit risk*

The Company invests in credit securities issued by other companies, trusts or other investment vehicles which, compared to bonds issued or guaranteed by governments, are generally exposed to greater risk of default in the repayment of the capital provided to the issuer or interest payments due to the Company and may also expose the Company to more structural risk. These are discussed in detail in note 16 to the Company's Annual Report and Audited Financial Statements for the year ended 30 September 2024.

Each quarter, the Board formally considers portfolio credit analysis presented to it by the Portfolio Manager.

### *Liquidity risk*

Substantially all of the assets of the Company are invested in credit securities. These may be illiquid and this may limit the ability of the Company to realise its investments for the purposes of cash management, including any needs arising for dividend payments or buying back Ordinary Shares under the Quarterly Tender process or in the market. There may be no active market in the Company's holdings in credit securities and the Company may be required to provide liquidity to fund Tender Requests or repay any borrowings. The Company does not have redemption rights in relation to any of its investments. Consequently, the value of the Company's investments may be materially adversely affected. This is discussed in detail in note 16 to the Company's Annual Report and Audited Financial Statements for the year ended 30 September 2024.

The Company has the authority to arrange a Revolving Credit Facility of up to 10% of NAV to fund short-term liquidity requirements. This arrangement has been provided in the past by Northern Trust (Guernsey) Limited, the Company's "Principal Banker", and could be re-instated in the future subject to the prior agreement of the Principal Banker.

Each quarter, the Board formally reviews documentation provided by the Portfolio Manager pertaining to liquidity risk and assesses any action which may be required.

### *Valuation of investments*

The Company's investments had a fair value of £229,297,727 as at 31 March 2025 (30 September 2024: £205,443,235) which are the key constituents of the Company's net assets.

There has been no change to the accounting policy applied to how these investments have been valued. The use of an independent third-party valuation expert was used to value approximately 3.65% of the Company's investments at 31 March 2025 (30 September 2024: 3.11%). The Company's weekly NAV ensures that investors have sight of timely, relevant valuations of the portfolio assets on a frequent basis.

### *Income recognition risk*

Interest income is recognised on a time-proportionate basis using the effective interest rate method. Discounts received or premiums paid in connection with the acquisition of credit securities are amortised into interest income using the effective interest rate method over the expected life of the related security.

When calculating the effective interest rate, the Portfolio Manager estimates cash flows considering the expected life of the financial instrument, including future credit losses and deferred interest payments. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate and all other premiums or discounts.

Revenue estimations are sensitive to changes in interest income resulting from financial instruments defaulting. Interest income represents the Portfolio Manager's best estimate having regard to historical volatility and looking forward at the global environment.

The Board's assessment of income recognition risk has not changed during the period.

### *Dividends*

The Company has a Dividend Target of 6p per Ordinary Share for each financial year, and the Board consequently targets a minimum monthly dividend of 0.5p per Ordinary Share. If the Dividend Target was not able to be met in a year or the Board considers that it should be reduced, a Continuation Resolution would be put to Shareholders.

In addition to the Dividend Target the Board intends, with the final monthly dividend for each financial year, to distribute an amount equal to the value of any unaudited excess income of the Company for that financial year remaining after payment of the monthly dividends. The Board may also elect during the year to approve an additional interim amount per share if the Company is exceeding its Dividend Target.

The Board meets each month to consider the approval of a monthly interim dividend and in respect of the final monthly dividend for each financial year any additional amount noted above.

As the Dividend Target is central to the Company's purpose, the Board and the Portfolio Manager are very focused on the sustainability of the dividend and regularly monitor and review the position. The Portfolio Manager is confident that the Dividend Target remains achievable due to the continuing level of yields in the market, even with forecast interest rate cuts priced in.

The Company's ability to pay dividends is governed by Guernsey company law which requires the Company to satisfy the prescribed statutory solvency test, which the Board formally considers at each monthly meeting prior to approving each dividend payment. If at the time a dividend is to be made the Board believes that the solvency test cannot be passed, then no payment will be made.

### *Quarterly tenders*

The Company has incorporated into its structure a mechanism for a quarterly tender, minimising the risk of Ordinary Shares trading at a significant discount to NAV. The Company offers a tender on a quarterly basis for up to 20% of the Ordinary Shares in issue as at the relevant Quarter Record Date, subject to an aggregate limit of 50% of the Ordinary Shares in issue in any twelve-month period ending on the relevant Quarter Record Date. In the event that quarterly tender applications, on any tender submission deadline, exceed the 50% limit, the Board will convene a General Meeting in accordance with the Continuation Vote requirements set out in note 16 to the Company's Annual Report and Audited Financial Statements for the year ended 30 September 2024. The execution and acceptance of the quarterly tenders is at the sole discretion of the Board.

A key consideration for the ongoing viability of the Company is therefore its liquidity assessment which is considered on an ongoing basis by the Board. No liquidity concerns were identified for the period ended 31 March 2025 and the Board and Portfolio Manager are confident that under anticipated market conditions the Company can continue to meet tender requests as they arise.

During the period, 582,139 shares were tendered. The shares were initially purchased by the Corporate Broker and

# Statement of Principal Risks and Uncertainties (continued)

subsequently placed with investors. On 4 April 2025, a further 287,307 shares were initially purchased by the Corporate Broker and then placed with investors in respect of the 31 March 2025 tender. Post period-end date, there continues to be healthy demand for shares in the Company, with 3,900,000 Ordinary Shares issued by 10 June 2025.

### *Shareholder base*

The Corporate Broker has limited ability to engage with all investor types and non-institutional investors now form a large shareholder group. This group is often more active on a daily basis than passive institutional holders, and with turnover in the shares relatively low, has an important marginal price impact. This could cause the price to be especially volatile during periods when market maker capital is constrained, and information flow is poor. As engagement with this group of shareholders is difficult, the Company shares could suffer from periods of short-term market volatility.

The Board utilises the Corporate Broker and media to monitor Shareholders' opinions and identify potential issues. The Board is reviewing avenues to engage better with all shareholder groups and in doing so has to weigh up the cost of this against the long-term benefits. To help limit this risk, subject to market conditions and cost benefit factors, the Board actively utilises its buyback Treasury capacity and ability to sell shares through taps directly into the market.

## Other risks and uncertainties

The Board has identified the following other risks and uncertainties along with steps taken to monitor (and mitigate where appropriate/possible):

### *Operational risks*

The Company does not have executive directors or employees. It has entered into contractual arrangements with a network of third parties (the "Service Providers") who provide services to it. The Board, through the Management Engagement Committee (the "MEC"), undertakes annual due diligence on, and ongoing monitoring of, all such Service Providers including obtaining a confirmation that each such Service Provider complies with relevant laws and regulations, good practice, delivers value for money and has environmental, social and governance policies in place.

The Company is exposed to the risk arising from any failures of systems and controls in the operations of the Service Providers. The Board and its Audit and Risk Committee regularly review reports from the Portfolio Manager, the AIFM, Corporate Broker, Administrator, Custodian and Depositary on their internal controls. The Administrator will report to the Portfolio Manager any valuation issues which will be brought to the Board for final approval as required.

The Company is exposed to cyber-attack risk through its Service Providers. Through the MEC, the Company asks its Service Providers to confirm that they have appropriate safeguards in place to mitigate the risk of cyber-attacks and remote working (including minimising the adverse consequences arising from any such attack), that they provide regular updates to the Board on cyber security, and conduct ongoing monitoring of industry developments in this area. Some Service Providers have arrangements to work from home as per their policies. None of the Service Providers have reported any problems regarding cyber security when questioned by the MEC.

The Board's assessment of operational risks has not materially changed during the period and it is satisfied that the Service Providers have the relevant controls in place to manage operational risks.

### *Accounting, legal and regulatory risks*

The Company is exposed to the risk that it may fail to maintain accurate accounting records, fail to comply with requirements of its Admission document and fail to meet listing obligations. The accounting records prepared by the Administrator are reviewed by the Portfolio Manager. The Portfolio Manager, Administrator, AIFM, Custodian and Depositary and the Financial Adviser and Corporate Broker provide regular updates to the Board on compliance with the Admission document and changes in regulation.

Changes in legal or regulatory environments can have a major impact on some classes of debt. The Portfolio Manager and Board monitor this and take appropriate action where needed. The Board's assessment of accounting, legal and regulatory risk has not changed during the period.

### *Climate risk*

The Financial Stability Board ("FSB") formed the Task Force on Climate-related Financial Disclosures ("TCFD") in December 2015 to address the impact climate change is having on companies and the global financial system through disclosure. On 2 July 2019, the UK Government announced, in its Green Finance Strategy, the expectation that listed companies and large asset owners should disclose in line with the TCFD. The Company is a closed-ended Guernsey domiciled fund. There is

no current mandatory requirement under the listing rules or any other framework to make disclosures in line with the TCFD for closed-ended funds. The Board continues to assess, with the Portfolio Manager, disclosures prevailing in the market in similar entities to that of the Company so as to best articulate the low levels of climate risk to which the Board believes the Company is exposed.

The Portfolio Manager considers environmental, social and governance ("ESG") factors in the investment process, utilising an integrated approach. Additional information is detailed in the Strategic Report included in the Company's Annual Report and Audited Financial Statements for the year ended 30 September 2024.

### *Environmental, social and governance*

The Board recognises the importance of ESG factors in the investment management industry and the wider economy as whole. The Company is a closed-ended investment company with a limited purpose and without employees. As such, it is the view of the Board that the direct environmental and social impact of the Company is limited and that ESG considerations are most applicable in respect of the asset allocation and security selection decisions made for its portfolio.

The Company has appointed the Portfolio Manager to advise it in relation to all aspects relevant to the Investment Portfolio. The Company was not established with explicit ESG targets and does not have any ESG objectives. The Portfolio Manager includes ESG factors in its investment appraisal and approach and has a formal ESG framework. The Portfolio Manager has an ESG Committee representing all areas of its business, which is governed by its Executive Committee. The Board receives regular updates from the Portfolio Manager on its ESG processes and assesses their suitability for the Company. ESG factors are assessed by the Portfolio Manager for every transaction as part of their investment process.

## Going concern

Under the 2018 UK Corporate Governance Code and applicable regulations, the Board are required to satisfy themselves that it is reasonable to assume that the Company is a going concern and to identify any material uncertainties to the Company's ability to continue as a going concern for at least 12 months from the date of approving these Unaudited Condensed Interim Financial Statements.

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.

## Related parties

Related party balances and transactions are disclosed in note 13 of these Unaudited Condensed Interim Financial Statements.

# Responsibility Statement

The Board confirms that to the best of their 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, equity and profit or loss of the Company as required by the Financial Conduct Authority's Disclosure and Transparency Rule ("DTR") 4.2.4R.

- 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 2024 to 31 March 2025 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 financial year; and

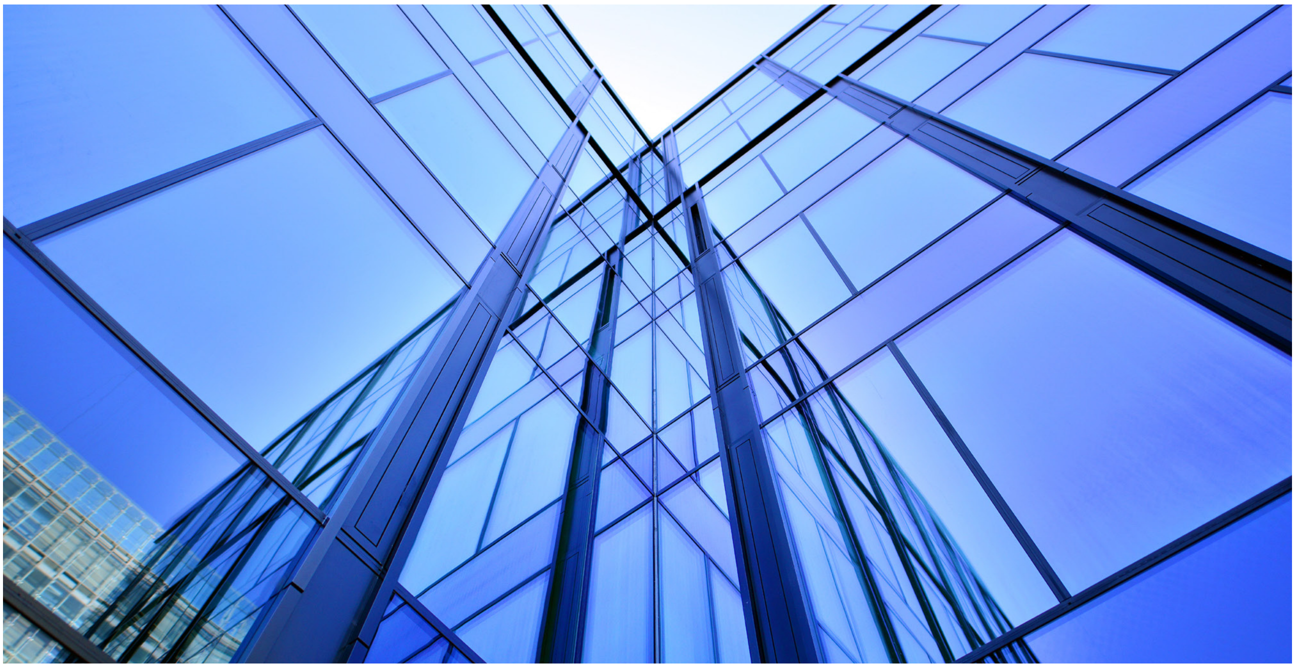
  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place during the period from 1 October 2024 to 31 March 2025 and that have materially affected the financial position or performance of the Company during that period as included in note 13.

By order of the Board,

**Ashley Paxton**
**Chair**

**Sharon Parr**
**Director**

**10 June 2025**



# Independent Review Report to TwentyFour Select Monthly Income Fund Limited

## Report on the unaudited condensed interim financial statements

### Our conclusion

We have reviewed TwentyFour Select Monthly Income Fund Limited's unaudited condensed interim financial statements (the "interim financial statements") in the Interim Management Report and Unaudited Condensed Interim Financial Statements of TwentyFour Select Monthly Income Fund Limited for the 6-month period ended 31 March 2025 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the condensed statement of financial position as at 31 March 2025;
- the condensed statement of comprehensive income for the period then ended;
- the condensed statement of cash flows for the period then ended;
- the condensed statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Management Report and Unaudited Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

### Basis for conclusion

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.

# Independent Review Report to TwentyFour Select Monthly Income Fund Limited (continued)

We have read the other information contained in the Interim Management Report and Unaudited Condensed Interim Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

## Responsibilities for the interim financial statements and the review

**Our responsibilities and those of the directors**

The Interim Management Report and Unaudited Condensed Interim Financial Statements, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Management Report and Unaudited Condensed Interim Financial Statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Management Report and Unaudited Condensed Interim Financial Statements based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

**PricewaterhouseCoopers CI LLP**
**Chartered Accountants**
**Guernsey, Channel Islands**
**10 June 2025**

(a) The directors of TwentyFour Select Monthly Income Fund Limited have chosen to make the interim financial statements available in the TwentyFour Asset Management LLP's (investment manager) website; the work carried out by the auditors does not involve consideration of the maintenance and integrity of the website and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the 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.

# Condensed Statement of Comprehensive Income

## For the period from 1 October 2024 to 31 March 2025

| **Income** | **Notes** | **For the period from 01.10.24 to 31.03.25 (Unaudited) £** | **For the period from 01.10.23 to 31.03.24 (Unaudited) £** |
|---|---|---|---|
| Interest income on financial assets at fair value through profit and loss | | 9,684,088 | 9,117,181 |
| Net foreign currency (losses)/gains | 7 | (224,017) | 2,600,395 |
| Net gains on financial assets at fair value through profit or loss | 8 | 2,766,289 | 13,803,070 |
| Net losses on swaps | | (132,924) | - |
| **Total income** | | **12,093,436** | **25,520,646** |
| **Expenses** | | | |
| Portfolio management fees | 13 | (856,770) | (694,772) |
| Directors' fees | 13 | (78,500) | (75,599) |
| Administration fees | 14 | (73,118) | (63,660) |
| AIFM management fees | 14 | (34,271) | (42,627) |
| Audit fees | | (72,438) | (72,438) |
| Custody fees | 14 | (11,424) | (9,264) |
| Broker fees | 14 | (25,774) | (25,028) |
| Depositary fees | 14 | (18,019) | (15,132) |
| Legal and other professional fees | | (41,659) | (26,911) |
| Other expenses | | (116,397) | (128,337) |
| **Total expenses** | | **(1,328,370)** | **(1,153,768)** |
| Total comprehensive income for the period* | | 10,765,066 | 24,366,878 |
| **Earnings per Ordinary Share - Basic & Diluted** | 3 | 0.040 | 0.101 |

All items in the above statement derive from continuing operations.

The accompanying notes are an integral part of these Unaudited Condensed Interim Financial Statements.

*There was no other comprehensive income during the period.

# Condensed Statement of Financial Position

## As at 31 March 2025

| Assets | Notes | 31.03.25 (Unaudited) £ | 30.09.24 (Audited) £ |
|---|---|---|---|
| **Current assets** | | | |
| Financial assets at fair value through profit and loss | | | |
| - Investments | 8 | 229,297,727 | 205,443,235 |
| - Derivative assets: Forward currency contracts | | 681,304 | 1,215,217 |
| Shares issued receivable | | - | 850,800 |
| Amounts due from broker | | - | 10,000,913 |
| Other receivables | 9 | 3,975,783 | 3,659,262 |
| Cash and cash equivalents | | 2,687,167 | 7,589,458 |
| **Total current assets** | | **236,641,981** | **228,758,885** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Amounts due to broker | | 1,550,127 | 6,997,137 |
| Other payables | 10 | 581,448 | 1,994,378 |
| Financial liabilities at fair value through profit and loss | | | |
| - Derivative liabilities: Forward currency contracts | | 128,840 | - |
| **Total current liabilities** | | **2,260,415** | **8,991,515** |
| **Total net assets** | | **234,381,566** | **219,767,370** |
| **Equity** | | | |
| Share capital account | 11 | 251,793,253 | 237,596,788 |
| Retained earnings | | (17,411,687) | (17,829,418) |
| **Total equity** | | **234,381,566** | **219,767,370** |
| Ordinary Shares in issue (excluding treasury shares) | 11 | 279,474,331 | 262,574,331 |
| Net Asset Value per Ordinary Share (pence) | 5 | 83.87 | 83.70 |

The Unaudited Condensed Interim Financial Statements on pages 21 to 40 were approved by the Board of Directors on 10 June 2025 and signed on its behalf by:

**Ashley Paxton**
**Chair**

**Sharon Parr**
**Director**

The accompanying notes are an integral part of these Unaudited Condensed Interim Financial Statements.

# Condensed Statement of Changes in Equity

## For the period from 1 October 2024 to 31 March 2025

| | Note | Share capital account (Unaudited) £ | Retained earnings (Unaudited) £ | Total (Unaudited) £ |
|---|---|---|---|---|
| **Balance at 1 October 2024** | | 237,596,788 | (17,829,418) | 219,767,370 |
| Issue of Ordinary Shares | | 14,479,780 | - | 14,479,780 |
| Share issue costs | | (170,137) | - | (170,137) |
| Income equalisation on new issues | 4 | (113,178) | 113,178 | - |
| Dividends paid | | - | (10,460,513) | (10,460,513) |
| Total comprehensive income for the period | | - | 10,765,066 | 10,765,066 |
| **Balance at 31 March 2025** | | **251,793,253** | **(17,411,687)** | **234,381,566** |

| | Note | Share capital account (Unaudited) £ | Retained earnings (Unaudited) £ | Total (Unaudited) £ |
|---|---|---|---|---|
| **Balance at 1 October 2023** | | 219,836,492 | (38,147,452) | 181,689,040 |
| Reissue of treasury shares | | 2,612,680 | - | 2,612,680 |
| Share issue costs | | (26,127) | - | (26,127) |
| Repurchased tendered shares in treasury | | (369,501) | - | (369,501) |
| Income equalisation on new issues | 4 | (32,910) | 32,910 | - |
| Dividends paid | | - | (10,542,067) | (10,542,067) |
| Total comprehensive income for the period | | - | 24,366,878 | 24,366,878 |
| **Balance at 31 March 2024** | | **222,020,634** | **(24,289,731)** | **197,730,903** |

The accompanying notes are an integral part of these Unaudited Condensed Interim Financial Statements.

# Condensed Statement of Cash Flows

## For the period from 1 October 2024 to 31 March 2025

| | Notes | For the period from 01.10.24 to 31.03.25 | For the period from 01.10.23 to 31.03.24 |
|---|---|---|---|
| **Cash flows from operating activities** | | **(Unaudited) £** | **(Unaudited) £** |
| Total comprehensive income for the period | | 10,765,066 | 24,366,878 |
| Adjustments for: | | | |
| Net gains on financial assets at fair value through profit or loss | 8 | (2,766,289) | (13,803,070) |
| Net losses on swaps | | 132,924 | - |
| Amortisation adjustment under effective interest rate method | 8 | (910,862) | (975,589) |
| Movement in net unrealised losses/(gains) on forward currency contracts | 7 | 662,755 | (1,681,076) |
| Exchange loss/(gain) on cash and cash equivalents | | 6,222 | (1,731) |
| (Increase)/decrease in other receivables | 9 | (316,521) | 200,093 |
| Decrease in other payables | 10 | (110,058) | (44,003) |
| Purchase of investments | | (61,056,864) | (22,406,424) |
| Sale of investments | | 45,300,500 | 21,393,254 |
| Net cash (used in)/generated from operating activities | | (8,293,127) | 7,048,332 |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of Ordinary Shares | | 15,330,580 | - |
| Payment for purchase of own shares into treasury | 11 | - | (369,501) |
| Proceeds from re-issuance of treasury shares | 11 | - | 2,612,680 |
| Share issue costs | 11 | (170,137) | (26,127) |
| Dividends paid | | (11,763,385) | (10,528,317) |
| Net cash generated from/(used in) financing activities | | 3,397,058 | (8,311,265) |
| **Decrease in cash and cash equivalents** | | **(4,896,069)** | **(1,262,933)** |
| Cash and cash equivalents at beginning of the period | | 7,589,458 | 5,302,091 |
| Exchange (loss)/gain on cash and cash equivalents | | (6,222) | 1,731 |
| **Cash and cash equivalents at end of the period** | | **2,687,167** | **4,040,889** |

The accompanying notes are an integral part of these Unaudited Condensed Interim Financial Statements.

# Notes to the Unaudited Condensed Interim Financial Statements

## For the period from 1 October 2024 to 31 March 2025

### 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 Ordinary Shares were listed on the Official List of the Financial Conduct Authority ("FCA") and admitted to trading on the Main Market of the London Stock Exchange ("LSE") on 10 March 2014.

The investment objective and policy is set out in the Summary Information on page 5.

The Portfolio Manager of the Company is TwentyFour Asset Management LLP (the "Portfolio Manager").

### 2. Material accounting policies

#### *a) Basis of preparation and statement of compliance*

The Unaudited Condensed Interim Financial Statements for the period from 1 October 2024 to 31 March 2025 have been prepared on a going concern basis in accordance with International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules Sourcebook of the United Kingdom's FCA, the Listing Rules of the LSE and applicable legal and regulatory requirements.

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the Audited Annual Financial Statements for the year ended 30 September 2024, which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and The Companies (Guernsey) Law, 2008 and for which an unqualified audit report was issued by the independent auditor.

#### *b) Changes in accounting policy*

There have been no changes to the accounting policies from those applied in the most recent audited annual financial statements.

#### *c) 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.

#### *d) Standards, amendments and interpretations effective during the period*

The following standards, interpretations and amendments were adopted (where applicable) for the period ended 31 March 2025:

- Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (applicable to accounting periods beginning on or after 1 January 2024);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (applicable to accounting periods beginning on or after 1 January 2024); and
- Lease Liability in a Sale or Leaseback (Amendments to IFRS 16) (applicable to accounting periods beginning on or after 1 January 2024).

The adoption of the above standards did not have a material impact on the financial statements of the Company. There are no other standards, amendments and interpretations effective during the period that are deemed material to the Company.

#### *e) Standards, amendments and interpretations issued but not yet effective*

At the reporting date of these financial statements, the following standards, interpretations and amendments, which have not been applied to these financial statements, were in issue but not yet effective:

- Lack of Exchangeability (Amendments to IAS 21) (applicable to accounting periods beginning on or after 1 January 2025);
- Classification and Measurement of Financial Instruments (Amendments to IFRS 7 and IFRS 9) (applicable to periods beginning on or after 1 January 2026); and
- Presentation and Disclosures in Financial Statements (IFRS 18) (applicable to accounting periods beginning on or after 1 January 2027).

The Board is in the process of assessing the impact of the new accounting standards, particularly with respect to the requirements of IFRS 18.

# Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the period from 1 October 2024 to 31 March 2025

### 3. Earnings per Ordinary Share – basic & diluted

The earnings per Ordinary Share basic and diluted of 4.0p (period ended 31 March 2024: earnings of 10.1p) has been calculated based on the weighted average number of Ordinary Shares in issue of 271,304,550 (31 March 2024: 241,472,418) and a net income for the period of £10,765,066 (31 March 2024: net income of £24,366,878).

### 4. Income on equalisation of new issues/tendered shares repurchased

In order to ensure there were no dilutive effects on earnings per Ordinary Share for current Shareholders when issuing new shares, or when repurchasing tendered shares, earnings have been calculated in respect of the accrued income at the time of purchase of new shares/repurchase of tendered shares and a transfer has been made from share capital to income to reflect this. The transfer for the period amounted to £113,178 (31 March 2024: £32,910).

### 5. Net asset value per Ordinary Share

The net asset value of each Ordinary Share of 83.87p (30 September 2024: 83.70p) is determined by dividing the total net assets of the Company of £234,381,566 (30 September 2024: £219,767,370) by the number of Ordinary Shares in issue at 31 March 2025 of 279,474,331 (30 September 2024: 262,574,331).

### 6. 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 £1,600 (30 September 2024: £1,600). The activities of the Company do not constitute relevant activities as defined by the Income Tax (Substance Requirements) (Implementation) Regulations, 2018 (as amended) and as such the Company was out of scope.

## 7. Net foreign currency (losses)/gains

| | For the period from 01.10.24 to 31.03.25 | For the period from 01.10.23 to 31.03.24 |
|---|---|---|
| | (Unaudited) £ | (Unaudited) £ |
| Movement in net unrealised (losses)/gains on forward currency contracts | (662,755) | 1,681,076 |
| Realised (losses)/gains on forward currency contracts | (85,508) | 2,134,152 |
| Realised currency gains/(losses) on receivables/payables | 506,149 | (1,175,570) |
| Unrealised currency gains/(losses) on receivables/payables | 18,097 | (39,263) |
| | **(224,017)** | **2,600,395** |

## 8. Investments

| | As at 31.03.25 | As at 30.09.24 |
|---|---|---|
| **Financial assets at fair value through profit and loss:** | (Unaudited) £ | (Audited) £ |
| Opening amortised cost | 203,435,303 | 196,051,126 |
| Purchases at cost | 55,476,928 | 91,858,943 |
| Proceeds on sale/principal repayment | (35,299,587) | (80,520,101) |
| Amortisation adjustment under effective interest rate method | 910,862 | 1,866,563 |
| Realised gain on sale/principal repayment | 4,389,212 | 2,568,155 |
| Realised loss on sale/principal repayment | (1,243,831) | (8,389,383) |
| Closing amortised cost | 227,668,887 | 203,435,303 |
| Unrealised gain on investments | 4,838,354 | 5,165,931 |
| Unrealised loss on investments | (3,209,514) | (3,157,999) |
| **Fair value** | **229,297,727** | **205,443,235** |

| | For the period from 01.10.24 to 31.03.25 | For the period from 01.10.23 to 31.03.24 |
|---|---|---|
| | (Unaudited) £ | (Unaudited) £ |
| Realised gain on sale/principal repayment | 4,389,212 | 445,724 |
| Realised loss on sale/principal repayment | (1,243,831) | (3,569,107) |
| (Decrease)/increase in unrealised gain | (327,577) | 3,962,262 |
| (Increase)/decrease in unrealised loss | (51,515) | 12,964,191 |
| **Net gain on financial assets at fair value through profit or loss** | **2,766,289** | **13,803,070** |

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

# Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the period from 1 October 2024 to 31 March 2025

## 9. Other receivables

| | As at 31.03.25<br>(Unaudited)<br>£ | As at 30.09.24<br>(Audited)<br>£ |
|---|---|---|
| Interest income receivable | 3,857,518 | 3,563,959 |
| Prepaid expenses | 17,935 | 5,149 |
| Dividends receivable | 100,330 | 90,154 |
| | **3,975,783** | **3,659,262** |

The Board does not anticipate any material expected credit losses for interest income receivable as at 31 March 2025.

## 10. Other payables

| | As at 31.03.25<br>(Unaudited)<br>£ | As at 30.09.24<br>(Audited)<br>£ |
|---|---|---|
| Portfolio management fees payable | 286,245 | 266,879 |
| Administration fees payable | 36,880 | 102,350 |
| AIFM management fees payable | 10,684 | 16,407 |
| Audit fees payable | 75,695 | 144,876 |
| Other expenses payable | 152,100 | 120,092 |
| Depositary fees payable | 5,977 | 11,266 |
| Custody fees payable | 4,152 | 8,675 |
| Share issue costs payable | 9,715 | 20,961 |
| Dividends payable | - | 1,302,872 |
| | **581,448** | **1,994,378** |

## 11. Share capital account

### Authorised share capital

The Board may issue an unlimited number of Ordinary Shares at par value of 1p per share.

### Issued share capital

| | 31.03.25 | 30.09.24 |
|---|---|---|
| **Ordinary Shares** | **(Unaudited)**<br>**£** | **(Audited)**<br>**£** |
| Share capital account at the beginning of the period/year | 237,596,788 | 219,836,492 |
| Reissue of treasury shares | - | 3,183,534 |
| Issue of shares | 14,479,780 | 15,325,836 |
| Share issue costs | (170,137) | (212,529) |
| Purchase of own shares into treasury | - | (369,501) |
| Income equalisation on new issues | (113,178) | (167,044) |
| **Total share capital account at the end of the period/year** | **251,793,253** | **237,596,788** |

### Reconciliation of number of Shares

| | 31.03.25 | 30.09.24 |
|---|---|---|
| **Ordinary Shares** | **(Unaudited)**<br>**Number of Ordinary Shares** | **(Audited)**<br>**Number of Ordinary Shares** |
| Shares at the beginning of the period/year | 262,574,331 | 240,824,331 |
| Reissue of treasury shares | - | 3,939,187 |
| Issue of shares | 16,900,000 | 18,310,813 |
| Purchase of own shares into treasury | - | (500,000) |
| **Total Shares in issue (excluding treasury shares) at the end of the period/year** | **279,474,331** | **262,574,331** |

| | 31.03.25 | 30.09.24 |
|---|---|---|
| **Treasury Shares** | **(Unaudited)**<br>**Number of Ordinary Shares** | **(Audited)**<br>**Number of Ordinary Shares** |
| Shares at the beginning of the period/year | - | 3,439,187 |
| Purchase of own shares to hold in treasury | - | 500,000 |
| Reissue of treasury shares | - | (3,939,187) |
| **Total Shares held in treasury at the end of the period/year** | **-** | **-** |
| **Total Shares in issue at the end of the period/year** | **279,474,331** | **262,574,331** |

# Notes to the Unaudited Condensed Interim Financial Statements (continued)

## For the period from 1 October 2024 to 31 March 2025

### 11. Share capital account (continued)

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 have, on a show of hands, one vote and, on a poll, one vote for each Share held.

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 (Guernsey) Law, 2008.

The Company held no shares in Treasury as at 31 March 2025 (30 September 2024: nil).

### 12. Analysis of financial assets and liabilities by measurement basis as per Statement of Financial Position

| | Financial assets at fair value through profit and loss | Amortised cost | Total |
|---|---|---|---|
| **31 March 2025 (Unaudited)** | **£** | **£** | **£** |
| **Financial Assets** | | | |
| Financial assets at fair value through profit and loss | | | |
| - Investments | | | |
| - Corporate bonds | 149,003,768 | - | 149,003,768 |
| - Asset-backed securities | 80,293,959 | - | 80,293,959 |
| - Derivative assets: Forward currency contracts | 681,304 | - | 681,304 |
| Other receivables (excluding prepaid expenses) | - | 3,957,848 | 3,957,848 |
| Cash and cash equivalents | - | 2,687,167 | 2,687,167 |
| | **229,979,031** | **6,645,015** | **236,624,046** |

| | Financial liabilities at fair value through profit and loss | Amortised cost | Total |
|---|---|---|---|
| **31 March 2025 (Unaudited)** | **£** | **£** | **£** |
| **Financial Liabilities** | | | |
| Amounts due to broker | - | 1,550,127 | 1,550,127 |
| Other payables | - | 581,448 | 581,448 |
| Financial liabilities at fair value through profit and loss | | | |
| - Derivative liabilities: Forward currency contracts | 128,840 | - | 128,840 |
| | **128,840** | **2,131,575** | **2,260,415** |

## 12. Analysis of financial assets and liabilities by measurement basis as per Statement of Financial Position (continued)

| | Financial assets at fair value through profit and loss | Amortised cost | Total |
|---|---|---|---|
| **30 September 2024 (Audited)** | **£** | **£** | **£** |
| **Financial Assets** | | | |
| Financial assets at fair value through profit and loss | | | |
| - Investments | | | |
| - Corporate bonds | 136,260,127 | - | 136,260,127 |
| - Asset-backed securities | 69,183,108 | - | 69,183,108 |
| - Derivative assets: Forward currency contracts | 1,215,217 | - | 1,215,217 |
| Shares issued receivable | - | 850,800 | 850,800 |
| Amounts due from broker | - | 10,000,913 | 10,000,913 |
| Other receivables (excluding prepaid expenses) | - | 3,654,113 | 3,654,113 |
| Cash and cash equivalents | - | 7,589,458 | 7,589,458 |
| | **206,658,452** | **22,095,284** | **228,753,736** |

| | Financial liabilities at fair value through profit and loss | Amortised cost | Total |
|---|---|---|---|
| **30 September 2024 (Audited)** | **£** | **£** | **£** |
| **Financial Liabilities** | | | |
| Amounts due to broker | - | 6,997,137 | 6,997,137 |
| Other payables | - | 1,994,378 | 1,994,378 |
| | **-** | **8,991,515** | **8,991,515** |

# Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the period from 1 October 2024 to 31 March 2025

## 13. Related parties

### a) Directors' remuneration

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 £250,000.

The Directors' fees for the period/year and the outstanding fees at period/year end are as follows:

| | 31.03.25 (Unaudited) £ | 30.09.24 (Audited) £ |
|---|---|---|
| Ashley Paxton | 22,500 | 45,000 |
| Sharon Parr | 20,000 | 40,000 |
| Wendy Dorey | 18,500 | 37,000 |
| Richard Class | 17,500 | 32,099 |
| **Total Directors' fees** | **78,500** | **154,099** |

No Directors' fees were outstanding as at 31 March 2025 (30 September 2024: £Nil).

Effective 1 April 2025, the directors' fees were increased to £53,000 per annum for Ashley Paxton as the Chair of the Board (from £45,000 per annum), £46,000 per annum for Sharon Parr as the Chair of the Audit Committee and Senior Independent Director (from £40,000 per annum), £40,000 per annum for Wendy Dorey as Chair of the Management Engagement Committee (from £37,000 per annum) and £40,000 per annum for Richard Class as Chair of the Remuneration and Nomination Committee (from £35,000 per annum).

### b) Shares held by related parties

The Directors of the Company held the following shares beneficially:

| | 31.03.25 (Unaudited) Number of Ordinary Shares | 30.09.24 (Audited) Number of Ordinary Shares |
|---|---|---|
| Ashley Paxton | 120,000 | 120,000 |
| Sharon Parr | 98,004 | 98,004 |
| Wendy Dorey[1] | 38,505 | 15,000 |
| Richard Class[2] | 50,000 | 50,000 |

1 On 1 October 2024, Wendy Dorey purchased 23,505 Ordinary Shares.
2 On 3 April 2025, Richard Class purchased 25,000 Ordinary Shares, increasing his shareholding post period end to 75,000 Ordinary Shares.

Directors are entitled to receive the dividends on any shares held by them during the period. Dividends declared by the Company are set out in note 18.

## 13. Related parties (continued)

As at 31 March 2025, separate fund entities for which the Portfolio Manager is engaged to provide portfolio management services, collectively held 7,562,744 Shares (30 September 2024: 7,562,744 Shares) which is 2.71% (30 September 2024: 2.88%) of the Issued Share Capital. Partners and employees of the Portfolio Manager, including their immediate family members, directly or indirectly held 3,267,392 Shares (30 September 2024: 3,244,631), which is 1.17% (30 September 2024: 1.24%) of the Issued Share Capital.

The Shares held by Directors and by partners and employees of the Portfolio Manager are purchased in their own right on the open market and do not form part of their remuneration paid by the Company.

The Portfolio Manager, partner and employee amounts therefore exclude Shares held under any long-term incentive plan ("LTIP") which have not yet vested. Shares that are held in employee and partner LTIPs total 494,841 (30 September 2024: 712,329), which is 0.18% of the Issued Share Capital (30 September 2024: 0.27%).

The amounts for the Portfolio Manager, its partners and employees and LTIP are shown for transparency purposes and are not considered transactions with related parties.

### c) Portfolio Manager

The portfolio management fee is payable to the Portfolio Manager 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 portfolio management fees for the period amounted to £856,770 (31 March 2024: £694,772) of which £286,245 (30 September 2024: £266,879) is payable at period (year) end. The Portfolio Management Agreement dated 17 February2014, as amended, 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 in relation to any issue of new Shares, following admission, in consideration of marketing services that it provides to the Company. During the period, the Portfolio Manager earned £25,340 (31 March 2024: £Nil) in commission, which is charged as a cost of issuance.

## 14. Material agreements

### a) Alternative Investment Fund Manager ("AIFM")

The Company's AIFM is Waystone Management Company (IE) 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 £65,000 per annum and fees payable monthly in arrears at a rate of 0.03% of the NAV of the Company below £250 million, 0.025% on Net Assets between £250 million and £500 million, 0.02% on Net Assets between £500 million and £1 billion and 0.015% on Net Assets in excess of £1 billion.

During the period, AIFM fees of £34,271 (31 March 2024: £42,627) were charged to the Company, of which £10,684 (30 September 2024: £16,407) remained payable at the end of the period (year).

### 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 of £75,000 for each year. In addition, an annual fee of £25,000 will be charged for corporate governance and company secretarial services. During the period, administration and secretarial fees of £73,118 (31 March 2024: £63,660) were charged to the Company, of which £36,880 (30 September 2024: £102,350) remained payable at the end of the period (year).

### c) Corporate Broker

For its services as the Company's Corporate Broker, Numis Securities Limited ("Deutsche Numis"), is entitled to receive a retainer fee of £50,000 per annum and also a commission of 1% on all tap issues. Total broker fees for the period amounted to £25,774 (31 March 2024: £25,028) of which £Nil (30 September 2024: £Nil) is payable at period (year) end. During the period, the Corporate Broker earned £144,797 (31 March 2024: £26,127) in commission, which is charged as a cost of issuance.

### d) Depositary

Depositary fees are payable to Northern Trust (Guernsey) Limited monthly in arrears at a rate of 0.0175% of the NAV of the Company below £100 million, 0.0150% on Net

# Notes to the Unaudited Condensed Interim Financial Statements (continued)

for the period from 1 October 2023 to 31 March 2024

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 of £25,000 for each year. During the period, depositary fees of £18,019 (31 March 2024: £15,132) were charged to the Company, of which £5,977 (30 September 2024: £11,266) remained payable at the end of the period (year).

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 £11,424 (31 March 2024: £9,264) of which £4,152 (30 September 2024: £8,675) is due and payable at the end of the period (year).

## 15. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including price risk, reinvestment risk, interest rate risk and foreign currency risk), credit risk, liquidity risk and capital risk. Please refer to the Statement of Principal Risks and Uncertainties on pages 14 to 17 of this report.

These Unaudited Condensed Interim Financial Statements may not include all the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's Annual Report and Audited Financial Statements for the year ended 30 September 2024.

## 16. 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 as at 31 March 2025.

| Assets | Level 1 (Unaudited) £ | Level 2 (Unaudited) £ | Level 3 (Unaudited) £ | Total (Unaudited) £ |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss | | | | |
| - Investments | | | | |
| - Corporate bonds | - | 149,003,768 | - | 149,003,768 |
| - Asset-backed securities | - | 71,931,376 | 8,362,583 | 80,293,959 |
| - Derivative assets: Forward currency contracts | - | 681,304 | - | 681,304 |
| **Total assets as at 31 March 2025** | **-** | **221,616,448** | **8,362,583** | **229,979,031** |

| Liabilities | Level 1 (Unaudited) £ | Level 2 (Unaudited) £ | Level 3 (Unaudited) £ | Total (Unaudited) £ |
|---|---|---|---|---|
| Financial liabilities at fair value through profit or loss | | | | |
| - Derivative liabilities: Forward currency contracts | - | 128,840 | - | 128,840 |
| **Total liabilities as at 31 March 2025** | **-** | **128,840** | **-** | **128,840** |

## 16. Fair value measurement (continued)

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value as at 30 September 2024.

| Assets | Level 1 (Audited) £ | Level 2 (Audited) £ | Level 3 (Audited) £ | Total (Audited) £ |
|---|---|---|---|---|
| Financial assets at fair value through profit or loss | | | | |
| - Investments | | | | |
| - Corporate bonds | - | 136,260,127 | - | 136,260,127 |
| - Asset-backed securities | - | 62,800,110 | 6,382,998 | 69,183,108 |
| - Derivative assets: Forward currency contracts | - | 1,215,217 | - | 1,215,217 |
| **Total assets as at 30 September 2024** | **-** | **200,275,454** | **6,382,998** | **206,658,452** |

As at 30 September 2024, there were no financial liabilities carried at fair value through profit or loss.

Credit securities which have a value based on quoted market prices in active markets are classified as Level 1. At the end of the period, 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 as Level 2 or Level 3. Credit securities with prices obtained from independent price vendors, where the Portfolio Manager is able to assess whether the observable inputs used for their modelling of prices are accurate and the Portfolio Manager has the ability to challenge these vendors with further observable inputs, are classified as Level 2. Prices obtained from vendors who are not easily challengeable or transparent in showing their assumptions for the method of pricing or where an independent value is sought from an external provider based on an appropriate valuation model, are classified as Level 3. Credit securities priced at an average of two vendors' prices are classified as Level 3.

Where the Portfolio Manager determines that the price obtained from an independent price vendor is not an accurate representation of the fair value of the credit security, the Portfolio Manager may source prices from third-party dealer quotes and if the price represents a reliable and an observable price, the credit security is classified as Level 2. Any dealer quote that is over 20 days old is considered stale and is classified as Level 3. Furthermore, the Portfolio Manager may determine that the application of a mark-to-model basis may be appropriate where they believe such a model will result in more reliable information with regards to the fair value of any specific investments and are also classified as Level 3 investments.

The Portfolio Manager also took advantage of engaging a third-party valuer to value certain investments (primarily residential mortgage-backed security assets). The valuation of these assets and others that the Portfolio Manager may deem appropriate to provide fair value, primarily use discounted cash flow analysis but may also include the use of a comparable arm's length transaction, reference to other securities that are substantially the same, and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs. As at 31 March 2025, investments representing 3.65% of the portfolio were valued by the third-party valuer (30 September 2024: 3.11%).

# Notes to the Unaudited Condensed Interim Financial Statements (continued)

For the period from 1 October 2024 to 31 March 2025

## 16. Fair value measurement (continued)

Although the models used utilise other unobservable inputs in addition to the discount margins such as constant default rate and constant prepayment rate, it is the Board's and Portfolio Manager's views that any reasonable movement in these unobservable inputs would not yield a significant change in fair value to the portfolio and as a result, a sensitivity analysis relating to these unobservable inputs has not been presented. The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements and how a reasonable possible change in the input would affect the fair values:

| 31 March 2025 (Unaudited) | Fair Value (£) | Financial Assets/ Liabilities | Unobservable Input | Sensitivity Used | Effect on Fair Value (£) |
|---|---|---|---|---|---|
| Dutch RMBS | 5,892,083 | Financial Asset | Discount Margin (970 bps) | +1% / -1% | (101,937) / (152,535) |
| UK RMBS | 2,470,500 | Financial Asset | Discount Margin (950 bps) | +1% / -1% | 24,458 / (24,211) |

| 30 September 2024 (Audited) | Fair Value (£) | Financial Assets/ Liabilities | Unobservable Input | Sensitivity Used | Effect on Fair Value (£) |
|---|---|---|---|---|---|
| Dutch RMBS | 3,667,997 | Financial Asset | Discount Margin (970 bps) | +1% / -1% | 83,983 / (80,643) |
| UK RMBS | 2,715,000 | Financial Asset | Discount Margin (970 bps) | +1% / -1% | 27,965 / (27,693) |

Transfers between levels of the fair value hierarchy, if any, are recognised as of the end of the reporting period during which the transfers have occurred. There were no transfers between levels during the period (30 September 2024: Nil).

The following table presents the movement in Level 3 instruments for the period ended 31 March 2025 by class of financial instrument.

| | Bonds | Asset-backed securities | Total |
|---|---|---|---|
| **31 March 2025 (Unaudited)** | **£** | **£** | **£** |
| Opening balance | - | 6,382,998 | 6,382,998 |
| Net purchases | - | 1,976,362 | 1,976,362 |
| Net realised losses for the period | - | (62,690) | (62,690) |
| Net unrealised gains for the period | - | 65,913 | 65,913 |
| **Closing balance** | **-** | **8,362,583** | **8,362,583** |

The following table presents the movement in Level 3 instruments for the year ended 30 September 2024 by class of financial instrument.

| | Bonds | Asset-backed securities | Total |
|---|---|---|---|
| **30 September 2024 (Audited)** | **£** | **£** | **£** |
| Opening balance | - | 5,588,925 | 5,588,925 |
| Net purchases | - | 670,974 | 670,974 |
| Net realised gains for the year | - | 184,476 | 184,476 |
| Net unrealised losses for the year | - | (61,377) | (61,377) |
| **Closing balance** | **-** | **6,382,998** | **6,382,998** |

## 16. 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 2025, but for which fair value is disclosed.

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **31 March 2025 (Unaudited)** | **£** | **£** | **£** | **£** |
| **Assets** | | | | |
| Other receivables excluding prepaid expenses | - | 3,957,848 | - | 3,957,848 |
| Cash and cash equivalents | 2,687,167 | - | - | 2,687,167 |
| **Total** | **2,687,167** | **3,957,848** | **-** | **6,645,015** |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | **£** | **£** | **£** | **£** |
| **Liabilities** | | | | |
| Amounts due to broker | - | 1,550,127 | - | 1,550,127 |
| Other payables | - | 581,448 | - | 581,448 |
| **Total** | **-** | **2,131,575** | **-** | **2,131,575** |

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value at 30 September 2024, but for which fair value is disclosed.

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **30 September 2024 (Audited)** | **£** | **£** | **£** | **£** |
| **Assets** | | | | |
| Amounts due from broker | - | 10,000,913 | - | 10,000,913 |
| Shares issued receivable | - | 850,800 | - | 850,800 |
| Other receivables excluding prepaid expenses | - | 3,654,113 | - | 3,654,113 |
| Cash and cash equivalents | 7,589,458 | - | - | 7,589,458 |
| **Total** | **7,589,458** | **14,505,826** | **-** | **22,095,284** |

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **30 September 2024 (Audited)** | **£** | **£** | **£** | **£** |
| **Liabilities** | | | | |
| Amounts due to broker | - | 6,997,137 | - | 6,997,137 |
| Other payables | - | 1,994,378 | - | 1,994,378 |
| **Total** | **-** | **8,991,515** | **-** | **8,991,515** |

# Notes to the Unaudited Condensed Interim Financial Statements (continued)

## For the period from 1 October 2024 to 31 March 2025

The assets and liabilities included in the above tables are carried at amortised cost; due to their short-term nature, their carrying values are a reasonable approximation of fair value.

Cash and cash equivalents include 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.

Amounts due from brokers, shares issued receivable and other receivables represent the contractual amounts and rights due to the Company for settlement of trades and income.

### 17. 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.

Revenue earned is reported separately on the face of the Condensed Statement of Comprehensive Income as interest income on financial assets at fair value through profit and loss being interest income received from credit securities.

### 18. Dividend policy

The Board intends to distribute an amount at least equal to the value of the Company's excess income, as defined below, 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 each financial year will be met or that the Company will make any distributions at all.

Excess income is defined as the distributions made with respect to any income period, which 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); (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; (c) any relevant expenses less 50% of the portfolio management fees for the period; and (d) any gain/(loss) on the foreign exchange contracts caused by the interest rate differentials between each foreign exchange currency pair which is reflected in each pair's forward foreign exchange rate. This definition differs from the IFRS Accounting Standards "net income" definition which also recognises gains and losses on financial assets.

The Company declared the following dividends in respect of the profit for the period ended 31 March 2025:

| Period to | Dividend per Ordinary Share (pence) | Net dividend payable (£) | Ex-dividend date | Record date | Pay date |
|---|---|---|---|---|---|
| 30 September 2024* | 1.38 | 3,624,403 | 17 October 2024 | 18 October 2024 | 1 November 2024 |
| 31 October 2024 | 0.50 | 1,345,372 | 21 November 2024 | 22 November 2024 | 6 December 2024 |
| 29 November 2024 | 0.50 | 1,350,372 | 19 December 2024 | 20 December 2024 | 3 January 2025 |
| 31 December 2024 | 0.50 | 1,360,372 | 16 January 2025 | 17 January 2025 | 31 January 2025 |
| 31 January 2025 | 0.50 | 1,382,622 | 20 February 2025 | 21 February 2025 | 7 March 2025 |
| 28 February 2025 | 0.50 | 1,397,372 | 20 March 2025 | 21 March 2025 | 4 April 2025 |
| | | 10,460,513 | | | |
| | | | | | |
| 31 March 2025 | 0.75 | 2,096,057 | 17 April 2025 | 22 April 2025 | 6 May 2025 |

* This dividend was declared in respect of distributable profit for the year ended 30 September 2024.

## 18. Dividend policy (continued)

The Company declared the following dividends in respect of the profit for the year ended 30 September 2024:

| Period to | Dividend per Ordinary Share (pence) | Net dividend payable (£) | Ex-dividend date | Record date | Pay date |
|---|---|---|---|---|---|
| 30 September 2023* | 1.87 | 4,493,959 | 19 October 2023 | 20 October 2023 | 3 November 2023 |
| 31 October 2023 | 0.50 | 1,201,622 | 16 November 2023 | 17 November 2023 | 1 December 2023 |
| 30 November 2023 | 0.50 | 1,204,122 | 21 December 2023 | 22 December 2023 | 5 January 2024 |
| 29 December 2023 | 0.50 | 1,209,122 | 18 January 2024 | 19 January 2024 | 2 February 2024 |
| 31 January 2024 | 0.50 | 1,215,372 | 15 February 2024 | 16 February 2024 | 1 March 2024 |
| 29 February 2024 | 0.50 | 1,217,872 | 21 March 2024 | 22 March 2024 | 5 April 2024 |
| 28 March 2024 | 0.75 | 1,834,306 | 18 April 2024 | 19 April 2024 | 3 May 2024 |
| 30 April 2024 | 0.50 | 1,243,872 | 16 May 2024 | 17 May 2024 | 31 May 2024 |
| 31 May 2024 | 0.50 | 1,254,872 | 20 June 2024 | 21 June 2024 | 5 July 2024 |
| 28 June 2024 | 0.75 | 1,898,056 | 18 July 2024 | 19 July 2024 | 2 August 2024 |
| 31 July 2024 | 0.50 | 1,272,872 | 15 August 2024 | 16 August 2024 | 30 August 2024 |
| 30 August 2024 | 0.50 | 1,302,872 | 19 September 2024 | 20 September 2024 | 4 October 2024 |
| | | 19,348,919 | | | |
| 30 September 2024 | 1.38 | 3,624,403 | 17 October 2024 | 18 October 2024 | 1 November 2024 |

* This dividend was declared in respect of distributable profit for the year ended 30 September 2023.

Under The Companies (Guernsey) Law, 2008, the Company can distribute dividends from capital and revenue reserves, subject to the net asset and solvency test. The net asset and 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 net asset and solvency test for each dividend paid.

## 19. Ultimate controlling party

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

# Notes to the Unaudited Condensed Interim Financial Statements (continued)

## For the period from 1 October 2024 to 31 March 2025

### 20. Subsequent events

These Unaudited Condensed Interim Financial Statements were approved for issuance by the Board on 10 June 2025. Subsequent events have been evaluated to this date.

Subsequent to the period end and up to the date of signing of the Unaudited Condensed Interim Financial Statements, the following events took place:

#### Dividend declarations

| Declaration date | Dividend rate per Ordinary Share (pence) |
|---|---|
| 10 April 2025 | 0.75 |
| 15 May 2025 | 0.50 |

#### Tenders

On 4 April 2025, 287,307 shares were tendered in respect of the 31 March 2025 tender, all of which were placed by Deutsche Numis, rather than repurchased by the Company.

#### Share issues

| Issue Date | Ordinary Shares issued | Price (pence) |
|---|---|---|
| 25 April 2025 | 2,250,000 | 83.65 |
| 28 April 2025 | 650,000 | 83.65 |
| 2 May 2025 | 1,000,000 | 84.43 |
| 6 June 2025 | 2,000,000 | 86.13 |
| 9 June 2025 | 500,000 | 86.13 |

#### Directors Fees

Effective 1 April 2025, the Directors fees increased as follows:

| | |
|---|---|
| Ashley Paxton | £53,000 per annum |
| Sharon Parr | £46,000 per annum |
| Wendy Dorey | £40,000 per annum |
| Richard Class | £40,000 per annum |

On 1 April 2025, Sharon Parr relinquished her role as the Chair of the Remuneration and Nomination Committee and was appointed as Senior Independent Director. Richard Class was appointed as the Chair of the Remuneration and Nomination Committee on the same date.

#### Other

On 3 April 2025, Richard Class purchased 25,000 Ordinary Shares. Following this, Mr Class' total holding was 75,000 Ordinary Shares in the Company.

# Glossary of Terms and Alternative Performance Measures

### Alternative Performance Measures ("APMS")
In accordance with ESMA Guidelines on Alternative Performance Measures ("APMs"), the Board has considered what APMs are included in the Unaudited Condensed Interim Financial Statements which require further clarification. APMs are defined as a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The APMs included in the Interim Management Report and Unaudited Condensed Interim Financial Statements are unaudited and outside the scope of IFRS Accounting Standards.

### Dividends Declared per Ordinary Share
Dividends declared per Ordinary Share are the dividends that are announced in respect of the current accounting period.

### Dividend Target
The Company maintains an annual minimum dividend target of at least 6p per Ordinary Share.

### Net Asset Value ("NAV")
NAV is the assets attributable to Shareholders. NAV is calculated using the accounting standards specified by IFRS Accounting Standards and consists of total assets, less total liabilities.

### NAV per Ordinary Share
NAV per Ordinary Share is calculated by dividing the total net asset value of £234,381,566 (30 September 2024: £219,767,370) by the number of shares at the end of the period/year of 279,474,331 shares (30 September 2024: 262,574,331). This produces a NAV per Ordinary Share of 83.87p (30 September 2024: 83.70p), which was an increase of 0.20% (30 September 2024: increase of 10.95%).

### NAV Total Return per Ordinary Share
NAV total return per Ordinary Share is the percentage increase or decrease in NAV, inclusive of dividends paid and reinvested, in the reporting period. It is calculated by adding the increase or decrease in NAV per Ordinary Share to the dividends paid per Ordinary Share and dividing it by the NAV per Ordinary Share at the start of the period/year.

### Ongoing Charges
The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average of the daily net assets during the period/year (see page 4). The Board continues to be conscious of expenses and works hard to maintain a sensible balance between good quality service and cost.

### Premium/Discount
If the share price is higher than the NAV per Ordinary Share, the shares are said to be trading at a premium. The size of the premium is calculated by subtracting the share price from the NAV per Ordinary Share and is usually expressed as a percentage of the NAV per Ordinary Share. If the share price of an investment company is lower than the NAV per Ordinary Share, the shares are said to be trading at a discount.

### Average Premium
The premium is calculated as described above at the close of business on every Wednesday that is also a business day, as well as the last business day of every month, and an average taken for the period.

2025

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