TwentyFour
ASSET MANAGEMENT

TWENTYFOUR SELECT MONTHLY INCOME FUND LIMITED

Interim Management Report and Unaudited Condensed Interim Financial Statements

For the period from 1 October 2020 to 31 March 2021

CONTENTS

CORPORATE INFORMATION

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SUMMARY INFORMATION

The Company
TwentyFour Select Monthly Income Fund Limited (the "Company") was incorporated with limited liability in Guernsey, as a closed-ended investment company on 12 February 2014. The Company's Shares were listed with a Premium Listing on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange ("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. The portfolio will include securities of a less liquid nature. The portfolio will be dynamically managed by TwentyFour Asset Management LLP (the "Portfolio Manager" or "PM") and, in particular, will not be subject to any geographical restrictions.

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

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

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

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

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

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 share per annum and a target capital return of 2p-4p, both based on the original issue amount of 100p. There is no guarantee that this can or will be achieved, particularly given the current low interest rate environment. As such the total return generated has been lower than initially anticipated, although the 6p per share dividend per annum has consistently been met and the Portfolio Manager is confident, based on the current outlook, that this dividend target will be maintained in the current financial year. Refer to note 18 to the 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.

SUMMARY INFORMATION continued

Shareholder Information

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

Financial Highlights

	For the period from 01.10.20 to 31.03.21	Year ended 30.09.20	For the period from 01.10.19 to 31.03.20
Total Net Assets	£171,730,690	£192,860,455	£149,206,696
Net Asset Value per Share	92.41p	86.79p	72.40p
Share price	94.20p	83.40p	78.00p
Premium/(discount) to NAV	1.94%	-3.91%	7.73%
Dividends declared during the period/year	3.00p	6.14p	3.00p
Dividends paid during the period/year	3.14p	6.34p	3.34p

As at 12 May 2021, the premium had moved to 2.92%. The estimated NAV per share and share price stood at 93.28p and 96.00p, respectively.

Ongoing Charges

Ongoing charges for the six-month period ended have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the six-month period ended 31 March 2021 were 1.18% (31 March 2020: 1.09%) on an annualised basis.

CHAIRPERSON'S STATEMENT

For the period from 1 October 2020 to 31 March 2021

The often quoted "May you live in interesting times" is a translation of a Chinese curse implying that less interesting times may sometimes be preferable to stimulating ones. Today there is no shortage of interesting matters including a rich mix of political, economic and policy activity combined with transformational technological progress and shifting geopolitical power.

Unsurprisingly, the proverbial wall of worry continues to endure and there is much to consider when building long term policy. Yet the near-term fundamentals in certain parts of the credit markets are improving and may even be the best for some time. Provided one maintains flexibility through portfolio structure and duration positioning, opportunities can be found and exploited within a sensible risk budget.

A good example is the financial sector where we have long held a sizable exposure. The robustness and sustainability of many financial company balance sheets have improved significantly yet this is still under appreciated by markets which often imply greater risks, thus providing what the Portfolio Manager ("PM") sees as continued attractive prospective returns.

The existence of uncertainty or change are often sources of opportunity and interesting times whilst challenging are therefore welcome. A key challenge for the PM is to structure our portfolio proactively but retain the optionality to exploit emerging opportunities.

However, the point about the quote above is that it is a curse. The longer-term implication of high indebtedness, a poor allocation of capital and warped incentives creates structural future risks that need to be navigated whilst uncovering the opportunities that inevitably emerge today. Investors have already had significant support through the COVID-19 lockdown but it is not yet clear what the true long-term costs of this will be and how and when these will be paid.

Points to note for reporting period

Over this financial period, fears of economic collapse increasingly gave way to a focus on the costs of the virus response, expectations of economic recovery and the political/economic implications of coordinated fiscal and monetary support.

No-one is in any doubt that the costs associated with recent government interventions will be high, with increased taxation, crowding effects, inflation and repression all being possible. With corporate margins historically wide and government debt so large calls for higher corporation taxes are already growing but the more prominent cost markets debated what was the potential for higher inflation.

Significant new support measures were introduced in Europe and the USA, often routed through new channels that potentially increase stimulus multipliers. With economies already recovering and cash savings high there was concern that this may be a stimulus too far.

Remarkably, following an economic shock, cash savings balances for many individuals have grown dramatically whilst consumer debt levels have fallen. Consequently, individual balance sheets for some have improved whilst various sections of the corporate world are awash with cash and now face new incentives to invest. As lockdowns end the possibility of a new roaring 20's led by a consumer spending boom, a new investment cycle and reflationary government policies is possible.

During the reporting period expectations of post lockdown economic growth have increased across most regions. However, the EU remains a potential problem area due to its poor vaccination rollout and emerging internal conflicts, including legal challenges to some support measures. For the regions we are most exposed to the International Monetary Fund (IMF) forecasts 2021 GDP growth of 6.4% in the USA, 4.4% in the Euro area, 5.3% in the UK and 6.7% in Emerging Markets.

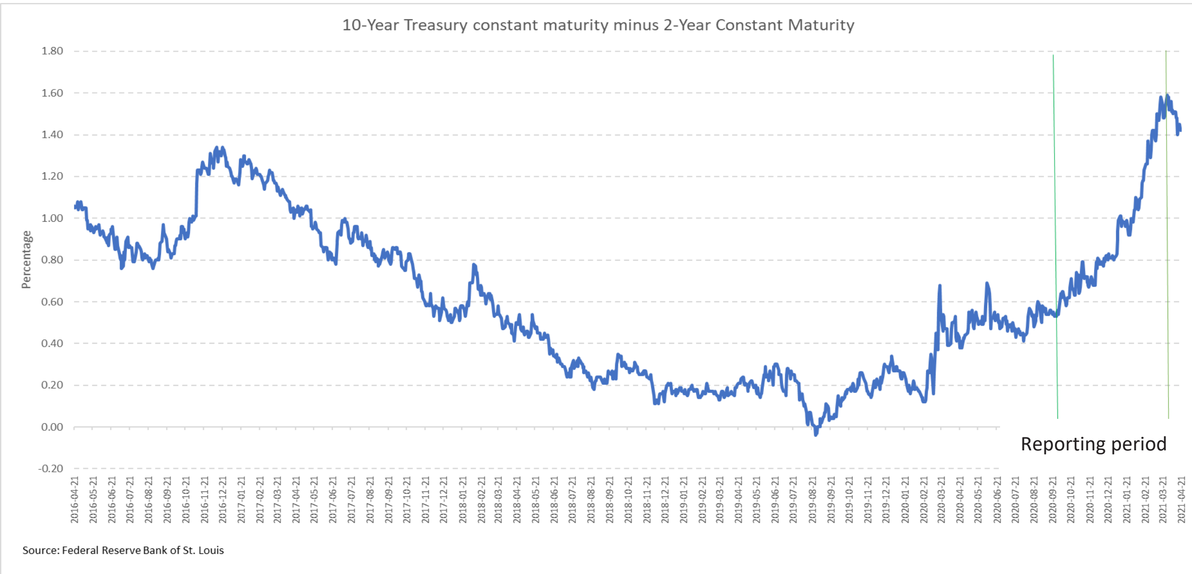
CHAIRPERSON'S STATEMENT continued

For the period from 1 October 2020 to 31 March 2021

A more focussed appreciation of monetary conditions coupled with evidence of rising producer prices, higher commodity prices, vibrant consumer spending and robust growth expectations led to a fundamental shift in inflationary expectations over the period. It is too early to say if this is transitory or structural but the ingredients for higher consumer inflation appear abundant despite the 'relaxed' attitude of European and USA policy makers.

Changing inflation expectations led to a rapid sell-off in long term rates, notably in the USA causing a dramatic and quick steepening of various yield curves.

The rapid move in 10 Year US Government Bonds unnerved both growth orientated investors and many in fixed income markets and bonds with long durations or little spread protection came under pressure. More recently sentiment seems to have moderated and the markets' response to recent higher than consensus inflation data was surprisingly measured. This either indicates confidence in the Central Bankers or complacency. Once again time will tell.



Whilst the possibility of higher inflation was a debate for investors, Central Bankers were largely dismissive of structural risks reiterating a commitment to focus on employment and let inflation run temporarily hot if necessary, believing they have the tools available should they be needed.

For now, there are good arguments for both disinflation and inflation with continued market debate on this point likely to continue for some time, probably generating volatility. As this has a significant potential impact on valuations and the real economy, portfolio flexibility and optionality remain especially valuable.

High yield default rates initially climbed during 2020 with European default rate expectations of between 7%-9%. However actual defaults appear to have peaked by the start of this accounting period and did so around 4%, a much lower rate than initially feared. Substantial monetary and liquidity support coupled with a positive outlook and strong investor demand, progressively helped the default environment to further improve for those with access to credit markets.

Importantly, European recovery rates as high as 54% compare very favourably with long term averages of 40% supporting bank capital and European Collateralised Loan Obligations ("CLO") which remain large allocations in our portfolio with weights of 27% and 26% respectively.

With this favourable evidence the upgrade/down grade cycle has also improved.

CHAIRPERSON'S STATEMENT continued

For the period from 1 October 2020 to 31 March 2021

However, there are sectors that remain highly vulnerable and the PM continues to adopt a very bottom-up focussed approach to sector and security selection. This remains a critical part of risk control as a period of indiscriminate liquidity provision often obscures risks and many poor quality companies have managed to secure funding that in more discerning times they may have struggled to find.

The commitment of Central Banks to keeping interest rates low and continued Central Bank bond purchases helped spreads generally tighten or stabilise over the period, thus benefiting our portfolio. Any future moderation of central bank buying even if precipitated by strong growth would no doubt cause the market to reappraise some relative and absolute risks.

New issuance activity has been healthy and the rational incentive to borrow is matched by strong demand for sustainable income.

Positioning
The liquidation of assets at the start of 2021 following the large tender enabled the PM to refocus exposures improving the purchase yield and further diversifying the portfolio. Simulations indicate that this has had a positive impact on income expectations and distribution capabilities.

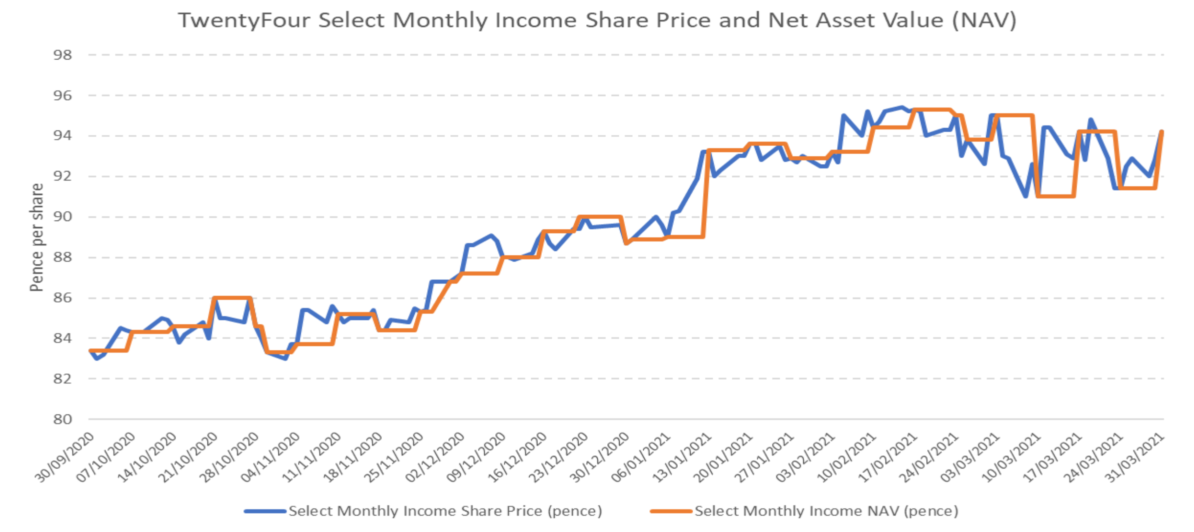
Our relatively short duration and exposures to floating rate assets (38%) and high spread instruments performed well and the resulting volatility from changing expectations created a number of relative and absolute value opportunities.

With interest rate volatility likely to remain high and possibly on an upward bias in some regions, focus on high spread instruments backed with attractive credit metrics remains the main focus alongside a tactically higher exposure to pro cyclical risk.

Notably the PM has been very keen on European CLO's for some time and the relative value here continues to be attractive with current spreads on' BB' of 630 and 860 on 'B' comparing very well to 230 and 400 respectively on traditional bonds with the same ratings.

The rebalancing following the tender aside, portfolio activity was relatively low.

Shares and Net Asset Value (NAV)
During the reporting period our shares traded respectably with both the NAV and share price appreciating.



Source: RNS and London International Stock Exchange

CHAIRPERSON'S STATEMENT continued

For the period from 1 October 2020 to 31 March 2021

Over the period our shares traded at a premium to NAV for 50% of trading days, a discount for 43% and with no premium or discount for 7% of the time. Daily turnover averaged just over 250,000 shares (excluding the tender) and the shares have recently returned to a small premium to NAV.

A large tender towards the end of the previous accounting period was completed during the first week of January 2021 with 10,000,000 shares placed with a variety of institutions and the balance of 36,100,745 shares repurchased by the Company and cancelled. Whilst it was disappointing not to have placed more shares the tender process operated well, validating the liquidity features of our Company and the PMs access to market liquidity. The repurchase of shares at a discount of 2% to NAV and subsequent cancellation of these was accretive to NAV.

A period of persistent investor demand led to our shares recovering their premium to NAV and it was recently possible to issue 650,000 new shares at a 4% premium to NAV. Once again this was accretive to NAV and enabled the manager to invest in some attractive opportunities. Importantly tap issues are only supported by the PM and Board if attractive and accretive opportunities exist.

Other

As with other funds in our sector our share register continues to evolve in range and type of investor. Most notable has been the growth of platform directed investors which are now an important part of the register. The Board is investigating options to better and economically engage with the full range of our shareholders and I will report back with my thoughts in the year end statement.

In the meantime, the PM provides some excellent material on its website including written commentary and podcasts which are well worth exploring.

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

Claire Whittet
Chair
18 May 2021

PORTFOLIO MANAGER'S REPORT

For the period from 1 October 2020 to 31 March 2021

Market Commentary

The period started with market participants totally engrossed with the build-up to the US elections and concerns about a second 'lockdown' across Europe. The buoyant conditions of the summer were quickly replaced by caution with the Eurostoxx 50 down 7% in October and the key Xover credit index trading in a 66bp range, closing the month at 369bp. Christine Lagarde suggested the ECB would discuss additional stimulus and consider recalibration of its asset purchase programme, which did finally put a floor under the selling and initiated some buyers on the dips.

The first week of November saw Joe Biden win a contentious US election, with Donald Trump claiming fraudulent postal counting. The resulting protests and legal challenges became an embarrassing sideshow as the market began to focus on the effect of the two run-off elections in Georgia to determine control of the Senate. Unsurprisingly, Biden pledged to increase the fiscal stimulus package, and this in turn led to concerns about heavy US Treasury issuance and the stoking of future inflation. Trading in rates became volatile, with the 10-year UST trading in a 20bp range in November (0.764%-0.961%), closing the month at 0.84%.

Most investors were relieved to see the year-end holiday period and volumes were light in December with a relatively benign market, though investor appetite for credit was in evidence and professional traders closed the year with little inventory, causing spreads to grind tighter. Slowly sentiment began to improve as the release of COVID-19 vaccines began to be rolled out, despite headline fears of new variants appearing. As we finally said goodbye to 2020, the S&P 500 reached an all-time high, up 16.26% on the year and the iTraxx Xover index finished the year at 242bp, a similar level to February 2020 and considerably tighter than the 700bp level it hit in March.

The ECB had its final meeting of 2020 and as expected announced further stimulus, most significantly expanding the PEPP programme to €1.85tr (an increase of €500bn) and extending the duration for another nine months until at least March 2022. Then finally on 24 December 2020 the UK and the European Union signed a bilateral trade agreement, just a week before the end of the Brexit transition period, finally bringing the saga to an end and removing a big market uncertainty.

It was an eventful start to 2021, with the Democrats finally gaining control of the US Senate and political uncertainty returning to Europe as the junior partner in the Italian government left the alliance, forcing Prime Minister Guiseppe Conte to resign and leaving Italy once again looking for a new leader. The emergence of new COVID-19 variants forced new lockdown restrictions across many countries and again there was a pause in the strong market rally in the later part of February.

Investors took comfort from momentum in the COVID-19 vaccine rollout but across the EU bureaucracy appeared to hamper the procurement process and tensions increased between countries accused of hoarding. To the astonishment of almost everyone, this resulted in Article 16 of the Northern Ireland Protocol being triggered and export controls imposed on the Northern Ireland border; a huge diplomatic row was averted when the EU immediately reversed its decision and apologised for the error.

The earnings season kicked off with US banks announcing strong results and rolling back on provisions, and while the early European bank results were more mixed, they continued to show the robustness of their balance sheets and earnings. Once again it was the rates market that attracted the limelight as the market became concerned about the combination of additional fiscal stimulus on top of an improving economy. The UST curve steepened in March with the 2s-10s reaching 157bp at month-end. Market participants grew more concerned about a classic bear steepening event but the Fed was steadfast and repeatedly said any inflation spike would be transient. With the early Easter break coming just at the right time the market calmed and the curve began to flatten, helping confidence pick up again in the credit risk sectors of the market.

PORTFOLIO MANAGER'S REPORT continued

For the period from 1 October 2020 to 31 March 2021

Portfolio Commentary

Most of the activity centred on raising funds for the tender process in early January, when just over 46 million shares were tendered, 10 million of which were placed with investors, leaving the balance to be raised from asset sales. In discussion with the Board, the PMs used the sale process as an opportunity to refocus the Fund by selling low yielding assets. The securities sales process was transacted methodically and with very strong execution resulting with an average premium of NAV+0.38% on the sales made. Furthermore the sales facilitated a bottom up relative value exercise with the optimisation of the portfolio resulting in the mark-to-market yield increasing from 6.67% to 7.10%, while the gross purchase yield was improved from 7.13% to 7.35%. The PMs managed to make these improvements to the portfolio yields while maintaining the weighted average rating at BB-.

The Euro high yield index returned 7.09% for the six-month period ending 31 March 2021, while the sterling HY index returned 8.02% and the CoCo index returned 7.83%.

The Company was well positioned to benefit from a credit rally and returned 10.23% (NAV per Share) for the period.

Market Outlook and Strategy

Looking ahead, the Portfolio Managers expect the primary pipeline to remain relatively strong once the Q1 2021 earnings season has passed, and this is expected to be met by strong demand as the technical backdrop continues to be extremely supportive. That said the managers do expect to see some volatility as inflation concerns continue to overhang investors and heavy UST issuance to pay for the huge stimulus is expected to weigh on the market, causing some volatility in the rates curve.

The ongoing developments on the COVID-19 front, such as any delays to vaccine rollouts and its impact on new strains, will also have to be closely watched, as will signs of an eventual reopening of the UK and Europe. With the UK vaccine rollout progressing particularly well, it is likely the UK could reopen first, and pent-up demand could drive economic growth ahead of other European countries. The spike in India is also causing some concern as it could potentially impact the supply chain. The Company has selective exposure to bank capital and European CLOs, both of which should continue to be supported by lower-than-expected default rates, better-than-expected recovery rates, supportive monetary policy and a continuation of the fiscal stimulus at least until mid-2022.

TwentyFour Asset Management LLP
18 May 2021

TOP TWENTY HOLDINGS

As at 31 March 2021

	Nominal/ Shares	Credit Security # Sector	Fair Value * £	Percentage of Net Asset Value
Nationwide Building Society 10.25 29/06/2049	40,960	Financial - Banks	7,536,640	4.39
Rothesay Life 6.875 31/12/2049	4,542,000	Financial - Insurance	5,186,774	3.02
Coventry Building Society 6.875 31/12/2049	4,560,000	Financial - Banks	5,118,600	2.98
Armada Euro Clo 15/07/2033	4,000,000	ABS	3,407,408	1.98
Bracken Midco1 8.875 15/10/2023	3,113,550	High Yield - European	3,223,988	1.88
Santander UK	2,000,000	Financial - Banks	3,134,652	1.83
VSK Holdings Limited VAR 31/7/2061	282,000	ABS	3,110,470	1.81
Aareal Bank AG 29/11/2049	3,600,000	Financial - Banks	3,104,985	1.81
Phoenix Group 5.75 31/12/2049	2,780,000	Financial - Insurance	2,936,028	1.71
UnipolSai Assicurazioni, 6.375% perp	3,100,000	Financial - Insurance	2,893,035	1.68
Banco de Sabadell 6.5 31/12/2049	3,200,000	Financial - Banks	2,765,671	1.61
Investec 6.75 FRN 31/12/2049	2,700,000	Financial - Banks	2,759,303	1.61
Barclays PLC 7.875 31/12/2049	2,365,000	Financial - Banks	2,545,074	1.48
Arbour Clo 2 15/05/2030	3,000,000	ABS	2,533,878	1.48
Oaknorth Bank 7.75 01/06/2028	2,500,000	Financial - Banks	2,450,000	1.43
Volksbank Wien-baden A.G 7.75 31/12/2049	2,600,000	Financial - Banks	2,366,147	1.38
St Pauls Clo 25/04/2030	2,835,000	ABS	2,274,856	1.32
Pension Insurance Corporation, 7.375% perp	1,900,000	Financial - Insurance	2,270,120	1.32
OneSavings Bank, 9.125% perp	2,200,000	Financial - Banks	2,264,281	1.32
Optimum Three Ltd 0% 25/3/2021	2,200,000	ABS	2,200,000	1.28
Total			64,081,910	37.32

* 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”), Financial – Banks and Financial – Insurance are all Corporate Bonds.

The full portfolio listing of bonds and asset backed securities (“ABS”) as at 31 March 2021 can be obtained from the Administrator on request.

BOARD MEMBERS

Biographical details of the Directors are as follows:

Claire Whittet – (Chair) (age 66)
Ms Whittet is a resident of Guernsey and has over 40 years experience in the banking industry. She joined Rothschild Bank International Ltd as a Director in 2003 and was latterly Managing Director and Co-Head before becoming a Non-Executive Director on her retirement in 2016. She began her career at the Bank of Scotland where she was for 19 years in a variety of personal and corporate finance roles and subsequently, joined Bank of Bermuda as Global Head of Private Client Credit before joining Rothschild.

Ms Whittet is a Non-Executive Director of a number of listed investment funds and PE entities which invest in a wide range of assets.

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

Christopher F. L. Legge – (Non-executive Director) (age 65)
Mr Legge is a Guernsey resident and worked for Ernst & Young in Guernsey from 1983 to 2003. Having joined the firm as an audit manager in 1983, he was appointed a partner in 1986 and managing partner in 1998. From 1990 to 1998, he was head of Audit and Accountancy and was responsible for the audits of a number of banking, insurance, investment fund, property fund and other financial services clients. He also had responsibility for the firm's training, quality control and compliance functions. He was appointed managing partner for the Channel Islands region in 2000 and merged the business with Ernst & Young LLP in the United Kingdom. He retired from Ernst & Young in 2003.

Mr Legge currently holds a number of Non-Executive Directorships in the financial services sector and also chairs the Audit Committees of several UK listed companies. He is a Chartered Accountant and holds a BA (Hons) in Economics from the University of Manchester. Mr Legge was appointed to the Board on 12 February 2014.

Ian Martin - (Non-executive Director) (age 57)
Mr Martin has over 36 years experience in finance gathered in a variety of multi asset investment focused roles in the UK, Asia, Switzerland and South America. More recently he was the Chief Investment Officer (CIO) and Head of Asset Management and Research at Lloyds Bank in Geneva and then Head of Bespoke Portfolio Management and Advisory for key clients in UBP Bank in Geneva. Previous roles have included senior roles in equity derivatives and multi asset trading as well as CIO and Managing Director of a Fund of Hedge funds company.

He has an MSc, is a Fellow of the Institute of Directors (IOD) holding the Chartered Director qualification as well as being a Chartered Member of the Chartered Institute of Securities and Investment (CISI). Mr Martin was appointed to the Board on 15 July 2014.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

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

The principal risks assessed by the Board relating to the Company were disclosed in the Annual Report and Audited Financial Statements for the year ended 30 September 2020. The principal risks disclosed include market risk, liquidity risk, credit risk, foreign currency risk and reinvestment risk. A detailed explanation of these can be found in the annual report.

Whilst the Board and Portfolio Manager do not consider these risks to have changed, and they remain relevant for the remaining six months of the year, the COVID-19 pandemic has had a significant effect on capital markets. This has increased volatility and the crisis has engendered market disruptions which have the potential to affect market liquidity. The majority of the employees of the Company's service providers are still currently working remotely. The Board have received assurances from these service providers that their business continuity plans moved into operation and that all essential services are being provided on a timely basis. The Company has not experienced any disruption in services.

- Market risk
  Market risk is risk associated with changes in market prices including spreads, interest rates, economic uncertainty, changes in laws and national and international political circumstances.

- Reinvestment risk
  Reinvestment risk is the risk that any monies resulting from principal and income payments from a bond are reinvested at a lower interest rate than that captured when the bond was initially purchased.

- Credit risk
  The investment portfolio is comprised of Asset Backed Securities and Bonds which expose the Company to credit risk, being the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

- Liquidity risk
  Liquidity risk is that the Company does not have sufficient cash resources to meet obligations, including the dividend target and tenders as they fall due or can only do so on terms that are materially disadvantageous.

- Foreign currency risk
  Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk through its investment in predominantly Euro denominated assets and mitigates this risk through hedging.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES continued

- COVID-19
  Given recent events, COVID-19 changed from being an emerging risk to a principal risk, which has impacted global commercial activities. It also links to other market and credit risk factors which are discussed above. The Board has been monitoring the development of the COVID-19 outbreak and has considered the impact it has had to date on the Company, and will continue to have on the future of the Company and the performance of the Portfolio. There remains continued uncertainty about the development and scale of COVID-19 outbreaks globally.

  From an operational perspective, the Company uses a number of service providers. These providers have established, documented and regularly tested Business Resiliency Policies in place, to cover various possible scenarios whereby staff cannot turn up for work at the designated office and conduct business as usual.

  Over the course of the pandemic, the Administrator has implemented business resiliency protocols which have effectively transitioned many of our full time partners to a work-from-home status. Challenges around long-term work from home have been addressed at the business level after consultation with our Information Security and Technology Risk Management team. Where exceptions to existing controls were warranted, risk assessments were completed and temporary exceptions were granted and then re-evaluated on a regular cadence throughout the ensuing months. In addition, consideration for long term work-from-home situations was a key factor in the annual review of information security policies and standards, which were updated to incorporate appropriate controls.

  Since the COVID-19 pandemic outbreak, service providers have deployed these alternative working policies to ensure continued business service and the Company has not encountered any problems.

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

Going Concern
Under the 2018 UK Corporate Governance Code and applicable regulations, the Directors 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.

RESPONSIBILITY STATEMENT

The Directors confirm 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 UK Listing 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 2020 to 31 March 2021 and their impact on the Unaudited Condensed Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place during the period from 1 October 2020 to 31 March 2021 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,

Claire Whittet
Chair
18 May 2021

Christopher Legge
Director

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 2021. 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.

What we have reviewed

The interim financial statements comprise:

- the condensed statement of financial position as at 31 March 2021;
- 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.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Company is The Companies (Guernsey) Law, 2008 and International Financial Reporting Standards (IFRSs).

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.

INDEPENDENT REVIEW REPORT continued
TO TWENTYFOUR SELECT MONTHLY INCOME FUND LIMITED

What a review of interim financial statements involves

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.

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.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
18 May 2021

(a) The maintenance and integrity of the TwentyFour Select Monthly Income Fund Limited website is the responsibility of the directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the 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 2020 to 31 March 2021

	Notes	For the period from 01.10.20 to 31.03.21 £ (Unaudited)	For the period from 01.10.19 to 31.03.20 £ (Unaudited)
Income			
Interest income on financial assets at fair value through profit and loss		5,894,936	6,953,324
Net foreign currency gains/(losses)	7	7,095,259	(348,703)
Net gains/(losses) on financial assets at fair value through profit or loss	8	5,876,307	(33,334,098)
Total income/(loss)		18,866,502	(26,729,477)
Expenses			
Portfolio management fees	13	(699,118)	(628,844)
Directors' fees	13	(58,000)	(58,000)
Administration fees	14	(64,034)	(59,457)
AIFM management fees	14	(42,924)	(40,154)
Audit fees		(34,500)	(27,940)
Custody fees	14	(9,932)	(9,796)
Broker fees		(24,927)	(24,944)
Depositary fees	14	(15,222)	(13,923)
Legal fees		(46,488)	(8,813)
Other expenses		(105,269)	(47,537)
Total expenses		(1,100,414)	(919,408)
Total income/(loss) for the period		17,766,088	(27,648,885)
Earnings/(loss) per Ordinary Share - Basic & Diluted	3	0.086	(0.149)

All items in the above statement derive from continuing operations.

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

CONDENSED STATEMENT OF FINANCIAL POSITION
as at 31 March 2021

Assets	Notes	31.03.21 £	30.09.20 £
Current assets		(Unaudited)	(Audited)
Financial assets at fair value through profit and loss			
- Investments	8	168,105,313	185,202,867
- Derivative assets: Forward currency contracts		1,217,022	48,052
Other receivables	9	2,375,415	2,612,952
Cash and cash equivalents		3,219,346	11,689,871
Total current assets		174,917,096	199,553,742
Liabilities			
Current liabilities			
Amounts due to broker		2,496,260	3,626,441
Other payables	10	473,351	421,221
Financial liabilities at fair value through profit and loss			
- Derivative liabilities: Forward currency contracts		216,795	2,645,625
Total current liabilities		3,186,406	6,693,287
Total net assets		171,730,690	192,860,455
Equity			
Share capital account	11	175,006,167	207,218,537
Retained earnings		(3,275,477)	(14,358,082)
Total equity		171,730,690	192,860,455
Ordinary Shares in issue	11	185,838,518	222,214,981
Net Asset Value per Ordinary Share (pence)	5	92.41	86.79

The Unaudited Condensed Interim Financial Statements on pages 18 to 37 were approved by the Board of Directors on 18 May 2021 and signed on its behalf by:

Claire Whittet
Chair

Christopher Legge
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 2020 to 31 March 2021

	Notes	Share capital account £ (Unaudited)	Retained earnings £ (Unaudited)	Total £ (Unaudited)
Balance at 1 October 2020		207,218,537	(14,358,082)	192,860,455
Repurchased tendered shares cancelled		(32,472,475)	-	(32,472,475)
Income equalisation on redemptions	4	260,105	(260,105)	-
Dividends paid		-	(6,423,378)	(6,423,378)
Total comprehensive income for the period		-	17,766,088	17,766,088
Balance at 31 March 2021		175,006,167	(3,275,477)	171,730,690

	Notes	Share capital account £ (Unaudited)	Retained earnings £ (Unaudited)	Total £ (Unaudited)
Balance at 1 October 2019		180,201,379	(12,374,093)	167,827,286
Issue of shares		15,372,431	-	15,372,431
Share issue costs		(153,724)	-	(153,724)
Income equalisation on new issues	4	(89,989)	89,989	-
Dividends paid		-	(6,190,412)	(6,190,412)
Total comprehensive loss for the period		-	(27,648,885)	(27,648,885)
Balance at 31 March 2020		195,330,097	(46,123,401)	149,206,696

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 2020 to 31 March 2021

	Notes	For the period from 01.10.20 to 31.03.21 £ (Unaudited)	For the period from 01.10.19 to 31.03.20 £ (Unaudited)
Cash flows from operating activities			
Total income/(loss) for the period		17,766,088	(27,648,885)
Adjustments for:			
Net (gains)/losses on financial assets at fair value through profit or loss	8	(5,876,307)	33,334,098
Amortisation adjustment under effective interest rate method	8	(980,653)	(358,965)
Unrealised (gain)/loss on derivatives	7	(3,597,798)	2,638,665
Exchange gain on cash and cash equivalents		(45,490)	(2,451)
Decrease/(increase) in other receivables	9	237,535	(304,819)
Increase/(decrease) in other payables	10	52,130	(598,819)
Purchase of investments		(27,336,785)	(25,666,097)
Sale of investments		50,161,118	19,711,019
Net cash generated from operating activities		30,379,838	1,103,746
Cash flows used in financing activities			
Payment for repurchased tendered shares cancelled	11	(32,472,475)	-
Dividends paid		(6,423,378)	(6,190,412)
Net cash outflow from financing activities		(38,895,853)	(6,190,412)
Decrease in cash and cash equivalents		(8,516,015)	(5,086,666)
Cash and cash equivalents at beginning of period		11,689,871	7,197,759
Exchange gain on cash and cash equivalents		45,490	2,451
Cash and cash equivalents at end of period		3,219,346	2,113,544

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 2020 to 31 March 2021

1. General Information

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

The investment objective and policy is set out in the Summary Information on page 3.

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

2. Principal Accounting Policies

a) Basis of preparation and Statement of compliance

The Unaudited Condensed Interim Financial Statements for the period from 1 October 2020 to 31 March 2021 have been prepared on a going concern basis in accordance with IAS 34, 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 2020, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and The Companies (Guernsey) Law, 2008 and for which an unqualified audit report was issued by the independent auditor.

COVID-19

Given recent events, the COVID-19 changed from being an emerging risk to a principal risk, which has impacted global commercial activities. It also links to other market and credit risk factors which are discussed above. The Board has been monitoring the development of the COVID-19 outbreak and has considered the impact it has had to date on the Company, and will continue to have on the future of the Company and the performance of the Portfolio. There remains continued uncertainty about the development and scale of COVID-19 outbreaks globally.

From an operational perspective, the Company uses a number of service providers. These providers have established, documented and regularly tested Business Resiliency Policies in place, to cover various possible scenarios whereby staff cannot turn up for work at the designated office and conduct business as usual. Since the COVID-19 pandemic outbreak, service providers have deployed these alternative working policies to ensure continued business service and the Company has not encountered any problems.

b) Changes in accounting policy

In the current financial period, there have been no changes to the accounting policies from those applied in the most recent audited annual financial statements.

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

Amendments to IAS1, 'Presentation of financial statements and IAS8, 'Accounting policies, changes in accounting estimates and errors' (Definition of Material) effective 1 January, 2020

The amendments in Definition of Material clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

d) Standards, amendments and interpretations effective during the period (continued)
The amended definition is 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments to IFRS 9, IAS 39 and IFRS 7 'Interest Rate Benchmark Reform' effective 1 January 2020
The amendments amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.

- The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform.
- In addition, the amendments require the Company to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Management assessed the above and concluded that although the change from LIBOR to other alternative interest rate benchmarks (i.e. Sterling Overnight Index Average SONIA) will affect the Company, the amendments are unlikely to material effect on the Company's financial statements in terms of contractual cashflows and all modifications will be applied prospectively from date of change and the Company does not have any hedging relationship.

There are no new standards, interpretations and amendments applicable to the Company for the period ended 31 March 2021 which management consider to have material impact on the Company.

3. Earnings/(loss) per Ordinary Share - Basic & Diluted
The earnings per Ordinary Share - Basic and Diluted of 8.6p (31 March 2020: 14.9p loss) has been calculated based on the weighted average number of Ordinary Shares of 206,882,406 (31 March 2020: 185,635,981) and a net income for the period of £17,766,088 (31 March 2020: £27,648,885 loss).

4. Income on Equalisation of New Issues
In order to ensure there were no dilutive effects on earnings per share for current shareholders when issuing new shares, earnings have been calculated in respect of the accrued income at the time of purchase and a transfer has been made from share capital to income to reflect this. The transfer for the period amounted to (£260,105) (31 March 2020: £89,989).

5. Net Asset Value per Ordinary Share
The net asset value of each Share of 92.41p (30 September 2020: 86.79p) is determined by dividing the net assets of the Company attributed to the Shares of £171,730,690 (30 September 2020: £192,860,455) by the number of Shares in issue at 31 March 2021 of 185,838,518 (30 September 2020: 222,214,981).

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 £1,200 (30 September 2020: £1,200).

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

7. Net foreign currency gains/(losses)

	For the period from 01.10.20 to 31.03.21 (Unaudited) £	For the period from 01.10.19 to 31.03.20 (Unaudited) £
Movement in net unrealised gains/(losses) on forward currency contracts	3,597,798	(2,638,665)
Movement in unrealised (losses)/gains on spot currency contracts	(2,051)	601
Realised gains on forward currency contracts	3,733,477	596,276
Realised currency (losses)/gains on receivables/payables	(239,314)	1,652,529
Unrealised currency gains on receivables/payables	5,349	40,556
	7,095,259	(348,703)

8. Investments

	As at 31.03.21 (Unaudited) £	As at 30.09.20 (Audited) £
Financial assets at fair value through profit and loss:		
Unlisted Investments:		
Opening amortised cost	183,628,540	156,072,167
Purchases at cost	28,227,148	84,771,543
Proceeds on sale/principal repayment	(52,181,662)	(59,883,095)
Amortisation adjustment under effective interest rate method	980,653	1,119,110
Realised gain on sale/principal repayment	6,093,035	6,547,101
Realised loss on sale/principal repayment	(7,384,831)	(4,998,286)
Closing amortised cost	159,362,883	183,628,540
Unrealised gain on investments	12,098,885	9,511,918
Unrealised loss on investments	(3,356,455)	(7,937,591)
Fair value	168,105,313	185,202,867

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

8. Investments continued

	For the period from 01.10.20 to 31.03.21 (Unaudited) £	For the period from 01.10.19 to 31.03.20 (Unaudited) £
Realised gain on sale/principal repayment	6,093,035	804,168
Realised loss on sale/principal repayment	(7,384,831)	(1,458,910)
Increase/(decrease) in unrealised gain	2,586,967	(4,945,448)
Decrease/(increase) in unrealised loss	4,581,136	(27,733,908)
Net gain/(loss) on financial assets at fair value through profit or loss	5,876,307	(33,334,098)

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

9. Other receivables

	As at 31.03.21 (Unaudited) £	As at 30.09.20 (Audited) £
Interest income receivable	2,249,652	2,497,638
Prepaid expenses	25,415	11,564
Dividends receivable	100,348	103,750
	2,375,415	2,612,952

10. Other payables

	As at 31.03.21 (Unaudited) £	As at 30.09.20 (Audited) £
Portfolio management fees payable	234,315	244,649
Administration fees payable	63,176	62,150
AIFM management fees payable	37,075	16,588
Audit fees payable	34,500	60,000
Other expenses payable	96,679	31,974
Depositary fees payable	2,437	2,712
Custody fees payable	3,118	3,148
Foreign currency payable	2,051	-
	473,351	421,221

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued
for the period from 1 October 2020 to 31 March 2021

11. Share Capital

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

Issued Share Capital

	As at 31.03.21 (Unaudited) £	As at 30.09.20 (Audited) £
Ordinary Shares		
Share Capital at the beginning of the period/year	207,218,537	180,201,379
Issue of shares	-	27,480,711
Repurchased tendered shares cancelled	(32,472,475)	-
Share issue costs	-	(295,997)
Income equalisation on new issues	260,105	(167,556)
Total Share Capital at the end of the period/year	175,006,167	207,218,537

Reconciliation of number of Shares

	31.03.21 Shares	30.09.20 Shares
Ordinary Shares		
Shares at the beginning of the period/year	222,214,981	185,179,151
Issue of shares	-	37,035,830
Repurchased tendered shares cancelled	(36,376,463)	-
Total Shares in issue at the end of the period/year	185,838,518	222,214,981

The Ordinary Shares carry the following rights:

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

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

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

The Company held no Treasury as at 31 March 2021 (30 September 2020: Nil).

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

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 2021 (Unaudited)			
Financial Assets			
Financial assets at fair value through profit and loss			
-Investments			
- Corporate Bonds	107,612,192	-	107,612,192
- Asset backed securities	60,493,121	-	60,493,121
-Derivative assets: Forward currency contracts	1,217,022	-	1,217,022
Other receivables (excluding prepaid expenses)	-	2,350,000	2,350,000
Cash and cash equivalents	-	3,219,346	3,219,346
	169,322,335	5,569,346	174,891,681

	Financial liabilities at fair value through profit and loss	Amortised Cost	Total
	£	£	£
31 March 2021 (Unaudited)			
Financial Liabilities			
Amounts due to broker	-	2,496,260	2,496,260
Other payables	-	473,351	473,351
Financial liabilities at fair value through profit and loss			
-Derivative liabilities: Forward currency contracts	216,795	-	216,795
	216,795	2,969,611	3,186,406

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

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 2020 (Audited)			
Financial Assets			
Financial assets at fair value through profit and loss			
-Investments			
- Corporate Bonds	119,272,163	-	119,272,163
- Asset backed securities	65,930,704	-	65,930,704
-Derivative assets: Forward currency contracts	48,052	-	48,052
Other receivables (excluding prepaid expenses)	-	2,601,388	2,601,388
Cash and cash equivalents	-	11,689,871	11,689,871
	185,250,919	14,291,259	199,542,178

	Financial liabilities at fair value through profit and loss	Amortised Cost	Total
	£	£	£
30 September 2020 (Audited)			
Financial Liabilities			
Amounts due to broker	-	3,626,441	3,626,441
Other payables	-	421,221	421,221
Financial liabilities at fair value through profit and loss			
-Derivative liabilities: Forward currency contracts	2,645,625	-	2,645,625
	2,645,625	4,047,662	6,693,287

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

13. Related Parties

a) Directors' Remuneration & Expenses

The Directors of the Company are remunerated for their services at such a rate as the Directors determine. The aggregate fees of the Directors will not exceed £200,000.

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

	31.03.21	30.09.20
	£	£
Claire Whittet (Chair of the Board)	22,000	44,000
Christopher Legge (Audit Committee Chairman)	19,250	38,500
Ian Martin (MEC Chairman)	16,750	33,500
Total Directors' fees	58,000	116,000

Directors fees are as follows: Chair: £44,000, Audit Committee Chair: £38,500, MEC Chair £33,500 and an ordinary Director £31,500. There was no increase in directors fees during the period.

No Directors fees were outstanding as at 31 March 2021 (30 September 2020: £Nil)

b) Shares held by related parties

The Directors of the Company held the following shares beneficially:

	31.03.21	30.09.20
	Shares	Shares
Claire Whittet	25,000	25,000
Christopher Legge	50,000	50,000
Ian Martin	35,000	35,000

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.

As at 31 March 2021, the Portfolio Manager held no Shares (30 September 2020: no Shares) of the Issued Share Capital. Partners and employees of the Portfolio Manager increased their holdings during the period, and held 1,837,664 (30 September 2020: 1,316,909), which is 0.99% (30 September 2020: 0.59%) of the Issued Share Capital.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

13. Related Parties continued

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 £699,118 (31 March 2020: £628,844) of which £234,315 (30 September 2020: £244,649) is payable at period/year end. The Portfolio Management Agreement dated 17 February 2014 remains in force until determined by the Company or the Portfolio Manager giving the other party not less than twelve months' notice in writing. Under certain circumstances, the Company or the Portfolio Manager is entitled to immediately terminate the agreement in writing.

The Portfolio Manager is also entitled to a commission of 0.175% of the aggregate gross offering proceeds plus any applicable VAT in relation to any issue of new Shares, following admission, in consideration of marketing services that it provides to the Company. During the period, the Portfolio Manager received £nil (31 March 2020: £10,297) in commission.

14. Material Agreements

a) Alternative Investment Fund Manager ("AIFM")

The Company's AIFM is Maitland Institutional Services Limited. In consideration for the services provided by the AIFM under the AIFM Agreement the AIFM is entitled to receive from the Company a minimum fee of £20,000 per annum and fees payable quarterly in arrears at a rate of 0.07% of the Net Asset Value of the Company below £50 million, 0.05% on Net Assets between £50 million and £100 million and 0.03% on Net Assets in excess of £100 million. During the period, AIFM fees of £42,924 (31 March 2020: £40,154) were charged to the Company, of which £37,075 (30 September 2020: £16,588) 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 £64,034 (31 March 2020: £59,457) were charged to the Company, of which £63,176 (30 September 2020: £62,150) remained payable at the end of the period.

c) Broker

For its services as the Company's broker, Numis Securities Limited (the "Broker") is entitled to receive a retainer fee of £50,000 per annum and also a commission of 1% on all tap issues. During the period, the Broker received £nil (31 March 2020: £143,427) in commission, which is charged as a cost of issuance.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued
for the period from 1 October 2020 to 31 March 2021

14. Material Agreements continued

d) Depositary

Depositary's 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 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 £15,222 (31 March 2020: £13,923) were charged to the Company, of which £2,437 (30 September 2020: £2,712) remained payable at the end of the period.

The Depositary is also entitled to a Global Custody fee of a minimum of £8,500 per annum plus transaction fees. Total Global Custody fees and charges for the period amounted to £9,932 (31 March 2020: £9,796) of which £3,118 (30 September 2020: £3,148) is due and payable at the end of the period.

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.

These Unaudited Condensed Interim Financial Statements do not include the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements for the year ended 30 September 2020.

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).

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued
for the period from 1 October 2020 to 31 March 2021

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 31 March 2021.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Financial assets at fair value through profit or loss				
-Investments				
- Corporate Bonds	-	107,612,192	-	107,612,192
-Asset backed securities	-	51,915,539	8,577,582	60,493,121
-Derivative assets: Forward currency contracts	-	1,217,022	-	1,217,022
Total assets as at 31 March 2021	-	160,744,753	8,577,582	169,322,335
Liabilities				
Financial liabilities at fair value through profit or loss				
-Derivative liabilities: Forward currency contracts	-	216,795	-	216,795
Total liabilities as at 31 March 2021	-	216,795	-	216,795

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

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 2020.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets	**(Audited)**	**(Audited)**	**(Audited)**	**(Audited)**
Financial assets at fair value through profit or loss				
- Corporate Bonds	-	119,272,163	-	119,272,163
- Asset backed securities	-	53,724,337	12,206,367	65,930,704
-Derivative assets: Forward currency contracts	-	48,052	-	48,052
Total assets as at 30 September 2020	-	173,044,552	12,206,367	185,250,919
Liabilities				
Financial liabilities at fair value through profit or loss				
-Derivative liabilities: Forward currency contracts	-	2,645,625	-	2,645,625
Total liabilities as at 30 September 2020	-	2,645,625	-	2,645,625

Credit Securities which have a value based on quoted market prices in active markets are classified in 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 in level 2 or level 3. Credit securities priced at cost are classified as 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 these assets, 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 in level 2. Any dealer quote that is over 20 days old is considered stale and is classified as level 3.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

16. Fair Value Measurement continued

There were no transfers between levels during the period.

Due to the inputs into the valuation of Credit Securities classified as level 3 not being available or visible to the Company, no meaningful sensitivity on inputs can be performed.

The following table presents the movement in level 3 instruments for the period ended 31 March 2021 by class of financial instrument.

	Bonds	Asset backed securities	Total
31 March 2021 (Unaudited)	**£**	**£**	**£**
Opening balance	-	12,206,367	12,206,367
Net purchases	-	(2,247,002)	(2,247,002)
Net realised gain for the period	-	2,610,513	2,610,513
Net unrealised loss for the period	-	(2,051,496)	(2,051,496)
Transfer out of Level 3	-	(1,940,800)	(1,940,800)
Closing balance	-	8,577,582	8,577,582

The following table presents the movement in level 3 instruments for the year ended 30 September 2020 by class of financial instrument.

	Bonds	Asset backed securities	Total
30 September 2020 (Audited)	**£**	**£**	**£**
Opening balance	-	7,367,060	7,367,060
Net purchases	-	5,342,385	5,342,385
Net realised loss for the year	-	(2,301,993)	(2,301,993)
Net unrealised gain for the year	-	1,798,915	1,798,915
Closing balance	-	12,206,367	12,206,367

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued
for the period from 1 October 2020 to 31 March 2021

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 2021 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
31 March 2021 (Unaudited)	**£**	**£**	**£**	**£**
Assets				
Other receivables	-	2,350,000	-	2,350,000
Cash and cash equivalents	3,219,346	-	-	3,219,346
Total	**3,219,346**	**2,350,000**	**-**	**5,569,346**
Liabilities				
Amounts due to broker	-	2,496,260	-	2,496,260
Other payables	-	473,351	-	473,351
Total	**-**	**2,969,611**	**-**	**2,969,611**

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value at 30 September 2020 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
30 September 2020 (Audited)	**£**	**£**	**£**	**£**
Assets				
Other receivables	-	2,601,388	-	2,601,388
Cash and cash equivalents	11,689,871	-	-	11,689,871
Total	**11,689,871**	**2,601,388**	**-**	**14,291,259**
Liabilities				
Amounts due to broker	-	3,626,441	-	3,626,441
Other payables	-	421,221	-	421,221
Total	**-**	**4,047,662**	**-**	**4,047,662**

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

Cash and cash equivalents include 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 and other receivables represent the contractual amounts and rights due to the Company for settlement of trades and income.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

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.

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

Revenue earned is reported separately on the face of the 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; and (d) any gain/(loss) on the foreign exchange contracts caused by the LIBOR/interest rates benchmarks differentials between each foreign exchange currency pair. This definition differs from the IFRS "net income" definition which also recognises gains and losses on financial assets.

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

The Company declared the following dividends in respect of the profit for the period ended 31 March 2021:

Period to	Dividend per Share (pence)	Dividend declared (£)	Ex-dividend date	Record date	Pay date
31 October 2020	0.50	1,109,696	12 November 2020	13 November 2020	30 November 2020
30 November 2020	0.50	1,109,696	17 December 2020	18 December 2020	5 January 2021
31 December 2020	0.50	929,193	14 January 2021	15 January 2021	29 January 2021
31 January 2021	0.50	929,193	18 February 2021	19 February 2021	2 March 2021
28 February 2021	0.50	929,193	18 March 2021	19 March 2021	31 March 2021
31 March 2021	0.50	929,193	15 April 2021	16 April 2021	30 April 2021

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2020 to 31 March 2021

18. Dividend Policy continued

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

20. Other significant events

Brexit

The UK completed its Withdrawal Agreement from the EU on 31 December 2020. The UK's departure from the EU has introduced new uncertainties and instability into the financial markets. The Board and the Portfolio Manager expect an ongoing period of market uncertainty as the implications are clarified.

21. Subsequent Events

These Unaudited Condensed Interim Financial Statements were approved for issuance by the Board on 18 May 2021. 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 Share (pence)
8 April 2021	0.50
11 May 2021	0.50

Tenders

On 6 April 2021, 43,044 shares were tendered, all of which were placed rather than repurchased by the Company.

Share issues

On 13 April 2021, 650,000 new ordinary shares were issued for a total consideration of £627,640 (before costs and expenses).

On 16 April 2021 a written resolution was passed to issue a new block listing facility for 10,000,000 ordinary shares.

The new shares and the block listing were all admitted to the stock exchange on 19 April 2021.

On 7 May 2021, 600,000 new ordinary shares were issued for a total consideration of £581,040 (before costs and expenses).

On 14 May 2021, 500,000 new ordinary shares were issued for a total consideration of £485,050 (before costs and expenses).

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 Annual Report and Audited 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 annual report and accounts, is unaudited and outside the scope of IFRS.

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

Dividends Declared
Dividends declared are the dividends that are announced in respect of the current accounting period.

Dividend Yield
Dividend yield is the percentage of dividends declared in respect of the period, divided by the initial share issue price of 100.00 pence. The Company maintains an annual minimum dividend target of 6p per share and if it does not meet this target at the end of an accounting year, a Continuation Vote is held for all Shareholders.

Net Asset Value (“NAV”)
NAV is the assets attributable to Shareholders expressed as an amount per individual share. NAV is calculated using the accounting standards specified by International Financial Reporting Standards (“IFRS”) and consists of total assets, less total liabilities.

NAV per Share
NAV per share is calculated by dividing the total net asset value of £171,730,690 (30 September 2020: £192,860,455) by the number of shares at the end of the period/year of 185,838,518 units (30 September 2020: 222,214,981). This produces a NAV per share of 92.41p (30 September 2020: 86.79p), which was an increase of 5.62%.

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 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.

Total Return per Share
Total return per share represents is calculated by adding the increase or decrease in NAV per share with the dividend per share and dividing it by the dividend per share at the start of the period.

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