TwentyFour
ASSET MANAGEMENT

TwentyFour Select Monthly Income Fund Limited

Interim Management Report and Unaudited Condensed Interim Financial Statements

For the period from 1 October 2021 to 31 March 2022

CONTENTS

CORPORATE INFORMATION

Directors
Claire Whittet (Chair)
Christopher Legge (resigned 31 January 2022)
Ian Martin
Ashley Paxton (appointed 1 November 2021)

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
Maitland Institutional Services Limited
Hamilton Centre
Rodney Way
Chelmsford, CM1 3BY

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
One Wood Street
London, EC2V 7WS

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

Independent Auditor
PricewaterhouseCoopers CI LLP
PO Box 321
Royal Bank Place
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

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

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 "PMs") 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;

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

- The Company may hold up to 10% in cash but works on the basis of an operational limit of 5%.

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. 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 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 although interest rates are expected to rise in the period ahead. Net asset value total return for the period ended 31 March 2022 was -3.34% and the 6p per share dividend per annum target has consistently been met. 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 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.

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 01.10.21 to 31.03.22	Year ended 30.09.21	For the period from 01.10.20 to 31.03.21
Total Net Assets	£176,738,760	£178,003,225	£171,730,690
Net Asset Value per Share	86.44p	93.32p	92.41p
Share price	89.00p	96.20p	94.20p
Net Asset Value total return	-3.34%	14.94%	10.09%
Premium to NAV	2.96%	3.09%	1.94%
Dividends declared during the period/year	3.00p	6.52p	3.00p
Dividends paid during the period/year	3.52p	6.14p	3.14p

As at 25 May 2022, the premium had moved to 4.20%. The estimated NAV per share and share price stood at 81.57p and 85.00p, respectively.

Ongoing Charges
Ongoing charges for the six-month period ended 31 March 2022 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 2022 were 1.20% (31 March 2021: 1.18%) on an annualised basis.

CHAIRPERSON'S STATEMENT

For the period from 1 October 2021 to 31 March 2022

The first paragraph of my statement for the previous Interim Report covering the period 1 October 2020 to 31 March 2021 stated the following;-

"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."

I don't have any psychic powers but this opening statement still rings true a year later.

Market Background and Positioning

The six-month interim period ending 31 March 2022 proved to be an extremely challenging one for market participants.

In the last quarter of 2021, the Central Banks finally recognised that rising inflation was not merely transitory but had become imbedded in various economies. This resulted in a complete pivot by the Federal Reserve System (the "Fed"), the impact of which was an immediate increase in interest rates and yields with a flattening of the yield curve. Likewise, the Monetary Policy Committee (the "MPC") increased UK base-rates to 0.75% in the first quarter of 2022 and the expectation is for further hikes to above 2% by the financial year-end. Furthermore, the European Central Bank (the "ECB") has become hawkish in its rhetoric and has indicated an end to asset purchases in the first half of 2022 and an expectation of a positive deposit interest rate by the year-end. This has resulted in a sell-off of risk assets and a widening of credit spreads as investor sentiment deteriorates on concerns of aggressive monetary policy impacting economic growth. However, at the start of 2022, the market regained some buoyancy as a light new issuance calendar fed into an already strong technical backdrop leading to a tightening of secondary credit-spreads, particularly as market professionals were caught with minimal inventory.

This all changed again on 24 February 2022 when Russian troops invaded Ukraine. Not only has this been a human disaster but it further invigorated already strong energy-prices, adding to general supply-chain pressure and fears of higher inflation. Increased concerns regarding an economic recession in Europe, particularly if Germany succumbs to pressure and applies full sanctions against Russia to include the ending of oil and gas imports further added to the 'wall of worry'. Correlations broke down again, risk assets weakened and as yields rose our NAV has fallen over the period. The Company did not have any direct exposure to Russia, and had only limited exposure to Ukraine, which amounted to less than 0.5% spread across two companies, MHP and Kernel, and had an impact of 31bp on NAV.

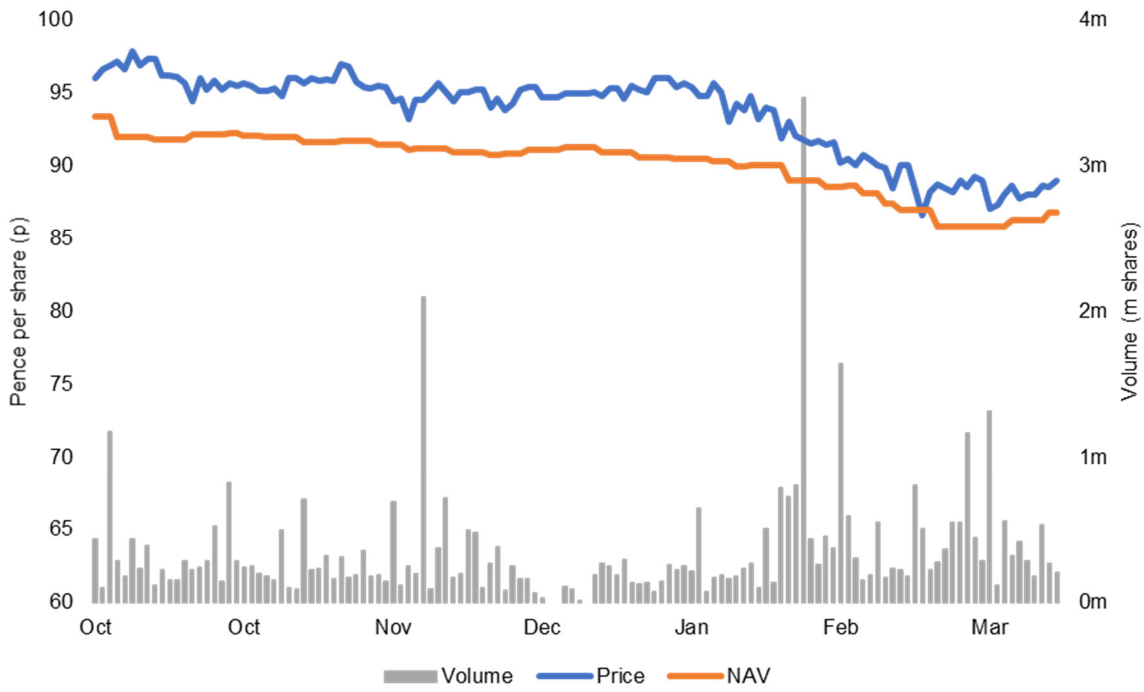
The Portfolio Manager had expected the cycle to move to a more mature phase and therefore in November they positioned an interest rate swap (10% of the Company's notional value) to help mitigate the expected headwind of duration and in anticipation of a pick-up in monetary policy and higher interest rates. Unfortunately, the base case did not include a Russian invasion of Ukraine and so the volatility in credit spreads has been more marked than anticipated. However, as is normal in periods of extreme uncertainty, the contagion across to those assets which are relatively immune from such events does take place and this has created opportunities for the PMs. This in turn has meant that the PMs have supported the issuance of new shares in order to add favoured credits (particularly those that exhibit pricing power to combat inflationary pressures) and enhance the gross portfolio yield. One additional headwind created by the Russian invasion was the adverse contagion on the emerging market sector which was already suffering from investor concerns over regulatory changes in the Chinese credit market (particularly in the Chinese domestic real estate sector) which the PMs had been exiting over the period. Exposure to the Chinese developer sector cost the Fund approx. 83bps during the reporting period. However, on the positive side, European CLOs have outperformed the general market, helped by the floating rate coupons of that product which increase with underlying rates. The volatility over the past few months has eased the apprehensions regarding re-investment which had concerned the PMs over recent years and the Company is now better positioned for the expected challenging period ahead.

CHAIRPERSON'S STATEMENT continued

For the period from 1 October 2021 to 31 March 2022

Share Issuance and Net Asset Value (NAV)

Strong and persistent investor demand in the interim period has meant that the Company's shares have traded at an average premium to NAV of 4%, closing, all bar one trading day, at a premium to NAV, with average daily trading volumes of 355,000 shares. A total of only 143,253 shares were submitted for tender in the two quarterly tender offers in the period (74,099 for the quarter ending 31 December 2021 and 69,154 for the quarter ending 31 March 2022), and these shares were subsequently successfully placed or purchased by the Company's Broker and Financial Adviser, Numis.



As detailed above, due to macroeconomic developments in the six-month interim period, the PMs took the opportunity to seize the investment opportunities within the Company's universe that offered attractive return and risk characteristics. In order to capture these opportunities, the Company accelerated the tap issuance programme by issuing at a reduced premium to NAV but at the same time ensuring the issuance remained accretive to existing shareholders. Pleasingly, investor demand led to the issuance of 13,725,000 shares in the six-month interim period, with a further 3,700,000 shares being issued since the end of the interim period, thereby providing firepower for the PMs to invest in suitable assets at or above the Company's target return. Importantly, tap issues are only authorised by the PMs and the Board if attractive and accretive opportunities exist.

Dividend

On formation, the Company's dividend objective was to generate a return of 8-10% with a 0.5p dividend payment each month and the balance of net income for the financial year being paid as the final monthly dividend of the financial year. Whilst the Company has failed to achieve the original targeted returns due to the markets, it has been able to maintain the 0.5p monthly dividend payment and paid out the surplus net income so as to achieve a return in excess of 6p per annum per share. A Committee of the Board meets each month to approve the monthly payment of 0.5 pence per share and the Board monitors the sustainability of these payments very closely. The PMs are confident that due to the recent opportunities outlined above and the changes to the portfolio which have resulted in improved yields, the current monthly payments are achievable. However, there is no guarantee that the Company will be able to continue distributing 0.5p per month per share in the periods ahead.

CHAIRPERSON'S STATEMENT continued
For the period from 1 October 2021 to 31 March 2022

Other
Despite the challenges of the COVID-19 pandemic, the services provided to the Company by the PMs and other service providers have continued on an uninterrupted basis and many of their staff have returned to the office on a flexible basis. The PMs continue to provide excellent material on their website including written commentary and podcasts.

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

Claire Whittet
Chair
30 May 2022

PORTFOLIO MANAGER'S REPORT

For the period from 1 October 2021 to 31 March 2022

The reporting period was initially dominated by the expectation of base rate hikes, as Central Banks focused on reducing high inflation until Russia invaded Ukraine. Consequently, the invasion led to widespread sanctions on Russia, contributing to a global commodity price shock and pushing inflation even higher. The increasingly inflationary conditions forced Central Banks to become even more hawkish. The increased hawkishness raised the possibility of a recession in 2023 and forced fixed income spreads wider, making Q1 2022 one of the worst starts to the year for financial markets in recent memory.

The period began amid volatility in rates markets, causing credit to weaken. However, equity markets continued to defy the inflationary pressures and found new highs. While the Fed stuck to its "transitory inflation" message, even as CPI hit 5.4%, the Bank of England (BoE) voiced the need to tackle inflation, and participants regarded November's Monetary Policy Meeting as 'live', expecting a rise in the UK's rate rise. Markets subsequently began to build in the expectation of an aggressive rate hiking policy, only for the BoE to vote to remain unchanged, which generated complaints of poor forward guidance from Governor Bailey early into this tenure.

As reports of a new Covid variant, Omicron, began to surface, rates rallied, with 10-year US Treasury yields hitting 1.45%, even as some Fed officials began to turn much more hawkish on rate rises. The BoE also finally hiked in December 2021, while the ECB announced that their Pandemic Emergency Purchase Programme would end in March 2022. Finally, in December 2021, the Fed confirmed its pivot with Powell dropping the "transitory" term and the new set of Dot Plots indicating three rate hikes in 2022.

With the new Omicron variant looking less severe than initially feared, markets rallied strongly, despite fears of inflation and CPI inflation reaching 6.8% year on year, the highest reading since 1982. Despite the Fed pivot, 10-year Treasury yields ended 2021 at 1.5%. Meanwhile, the S&P rallied over 4%, the EuroStoxx50 by almost 6%, and the iTraxx Crossover Index ended 46bp tighter, at just 242bp.

Conditions in January became much more difficult for markets as the Fed's hawkish pivot became apparent and tensions flared between Russia and Ukraine, causing equity and credit markets to reverse their December gains.

At the beginning of the month, the Fed minutes showed a level of hawkishness that surprised the market to the upside, and concerns increased after a US inflation print of 7% year on year and a continuing tightening of the Labour market, with the Unemployment rate coming in at 3.9%. The Fed had its first meeting of 2022 in late January, with Powell's press conference confirming the hawkish leaning. The Fed chair reflected that every meeting this year could be live and described inflation as prolonged rather than transitory. Markets subsequently began to price in five hikes for 2022, and a clear preference emerged for higher rates and possible quantitative tightening, which led to a steep sell-off in stocks.

In addition, tensions on the Russia/Ukraine border intensified as Russia increased their troops in the area leading to a war of words between NATO and Russia. Despite the provocation, there was widespread shock when Russia launched a full-scale invasion in February, targeting Kyiv and other major cities. The West responded with far-reaching sanctions encompassing almost everything except energy. The imposition of sanctions threw Russian markets into disarray as the rouble plummeted and stock trading froze. Further afield, markets fell as investors attempted to clarify the quickly evolving situation and the impacts it may have.

The BoE also surprised the market by only narrowly voting against a 50bp hike. The Monetary Policy Committee's concerns about entrenched inflation due to wage pressures led the market to price in a UK bank rate of 2% by the end of the year, up from 1.5% at the beginning of the month.

PORTFOLIO MANAGER'S REPORT continued

For the period from 1 October 2021 to 31 March 2022

Meanwhile, after the ECB's February meeting, it was clear that a hike was on the table for 2022, something considered extremely unlikely at its previous December meeting. As a result, European government bond yields moved sharply higher, particularly in the periphery economies. In the US, the short end of the Treasury curve shifted up further after a strong Nonfarm Payroll release and another inflation beat of 7.5% year-on-year as the market began to price in 7 hikes from the Fed for 2022.

The period ended with the West increasing sanctions on Russia, following increasing reports of atrocities, with Putin retaliating by announcing that any payments for Russian gas would have to be in roubles, a stance immediately rejected by his European counterparts. These exchanges cast an ominous cloud over the introduction of full sanctions against Russia and the huge effect potentially wrought on the Eurozone economy. Markets remained weak as the impact of the sanctions became clearer, along with the bottom up impact on corporates, as a wholesale withdrawal from Russia began. Combined with a global commodity price shock, the impact of sanctions elevated fears of recession.

Central Banks met in March after some historically high inflation prints. With US CPI at 7.9% year-on-year, the Fed began its hiking cycle at the March meeting, pointing to seven rate hikes in 2022 and Fed Funds Rate reaching 2.75% in 2023. However, these projections represented the 'median member', and there was a significant variation between voting members of the Federal Open Market Committee. In addition, the Fed's projections proved much more hawkish than market expectations. As a result, the curve shifted up, especially in the short end, resulting in a curve flattening and the 2-10 yield curve briefly inverting by the end of the month.

Meanwhile, the ECB adopted a surprisingly hawkish stance, reducing the size of its Asset Purchase Programme and signalling the programme might end in Q3 2022 – a move that possibly increases the likelihood of rate hikes this year. Finally, the BoE made its third successive hike in March, taking rates to 0.75%. Nonetheless, it could be described as a 'dovish hike' as the Monetary Policy Committee warned of a cost of living crisis in the UK and alluded to the market getting carried away with the number of hikes.

Portfolio Commentary

Due to the widespread headwinds faced by markets over the reporting period, most fixed income and equity indices struggled to provide positive returns.

The Company did not have any direct exposure to Russia, and had only limited exposure to Ukraine, which amounted to less than 0.5% spread across two companies, MHP and Kernel, and had an impact of 31bp on NAV.

Yields in rates markets moved significantly higher, with 10-year Treasuries adding almost 100bp, which saw the treasury index return a negative 6.10% over the period. Higher yielding indices performed slightly better, helped by the higher carry on offer, with US high yield down by 3.9%, euro high yield down over 5% and sterling high yield lower by almost 4%. In addition, the COCO bond index saw losses of 6%.

The Portfolio Managers took advantage of the more difficult markets by switching out of lower coupon bonds to add income to the Company and by reinvesting maturity bonds in very attractive relative value opportunities.

The Board also took advantage of the better opportunities by issuing further share capital, allowing the Company to benefit from additional yield. Of course, raising capital was difficult in such a volatile period, but the additional raise did help the diversity and yield of the Company. In addition, the Portfolio Managers added a sterling interest rate swap to the Company in December, which helped to smooth some of the volatility as Gilt yields moved higher.

PORTFOLIO MANAGER'S REPORT continued

For the period from 1 October 2021 to 31 March 2022

Despite the tough markets, the Company performed relatively well, returning -3.34% (NAV per Share total return, for the 6 month period), with floating rate CLOs outperforming, along with the interest rate swap. Emerging market bonds performed worst, with the war in Ukraine focusing attention on the sector and the Chinese property developer sector continuing to underperform, and overall, the EM index lost 13.25% during the reporting period.

Market Outlook

Market sentiment will closely align with developments related to Ukraine, with close attention on the application of full sanctions and the potential switching off of Russian gas exports into Europe.

In addition to key economic data, the team will pay particular attention to central bank rhetoric; future monetary policy needs to be balanced against the continuing headwinds of inflation and the knock-on effects of the current supply-side shock while maintaining economic growth.

The Portfolio Managers will continue investing selectively in relative value opportunities, particularly in those companies that exhibit pricing power in the current inflationary environment. In addition, the team will not invest in names with direct or material indirect exposure to the crisis and will seek to improve the portfolio's overall credit quality. Finally, the Portfolio Managers remain wary of interest rate duration, believing inflationary pressures remain to the upside.

TwentyFour Asset Management LLP
30 May 2022

TOP TWENTY HOLDINGS

As at 31 March 2022

	Nominal/ Shares	Credit Security # Sector	Fair Value * £	Percentage of Net Asset Value
Nationwide Building Society 10.25 29/06/2049	40,960	Financial - Banks	7,064,462	4.00
Rothesay Life 6.875 31/12/2049	4,542,000	Financial - Insurance	4,818,140	2.73
Coventry Building Society 6.875 31/12/2049	4,560,000	Financial - Banks	4,747,872	2.69
Armada Euro Clo 15/07/2033	4,000,000	ABS	3,314,518	1.88
Santander UK	2,000,000	Financial - Banks	3,176,670	1.80
Arbour Clo II FRN 15/04/2034	4,000,000	ABS	3,105,775	1.76
Oaknorth Bank 7.75 01/06/2028	3,000,000	Financial - Banks	3,048,750	1.73
Aareal Bank AG 29/11/2049	3,600,000	Financial - Banks	2,998,285	1.70
Avoca Clo XIII FRN 15/04/2034	3,500,000	ABS	2,766,434	1.57
OneSavings Bank, 6% perp	2,800,000	Financial - Banks	2,744,932	1.55
UnipolSai Assicurazioni, 6.375% perp	3,100,000	Financial - Insurance	2,723,102	1.54
Phoenix Group 5.75 31/12/2049	2,780,000	Financial - Insurance	2,719,781	1.54
Investec 6.75 FRN 31/12/2049	2,700,000	Financial - Banks	2,661,984	1.51
Banco de Sabadell, 5% perp	3,400,000	Financial - Banks	2,608,750	1.48
Volksbank Wien-baden A.G 7.75 31/12/2049	2,600,000	Financial - Banks	2,286,557	1.29
St Pauls Clo 25/04/2030	2,835,000	ABS	2,226,995	1.26
Burford Capital 5.00% 01/12/2026	2,209,400	High Yield - European	2,149,211	1.22
VSK Holdings Limited VAR 31/7/2061	297,000	ABS	2,076,007	1.17
Pension Insurance Corporation, 7.375% perp	1,900,000	Financial - Insurance	2,044,921	1.16
Dryden 62 Euro Clo 5.887% 15/07/2031	2,500,000	ABS	1,949,755	1.10
Total			61,232,901	34.68

* 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 asset backed securities (“ABS”) as at 31 March 2022 can be obtained from the Administrator on request.

BOARD MEMBERS

Biographical details of the Directors are as follows:

Claire Whittet – (Chair) (age 67)
Ms Whittet is a resident of Guernsey and has over 40 years' experience in the banking industry. She joined Rothschild and Co 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 has extensive non-executive director experience and 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.

Ian Martin - (Non-executive Director) (age 58)
Mr Martin has over 38 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.

Mr Martin 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.

Ashley Paxton - (Non-executive Director) (age 54)
Mr Paxton is a Guernsey resident and has worked in the financial services sector for nearly 30 years, with deep sectoral experience supporting listed funds in both London and Guernsey throughout that time. He trained as a Chartered Accountant with MacIntyre & Co in London before moving to KPMG's financial services group upon qualification in 1996. He moved to Guernsey in 2002 having accepted an audit partner appointment with KPMG in the Channel Islands. In 2008, Mr Paxton transitioned from audit and developed a Channel Islands advisory practice for the firm, growing it into a full taxonomy of services across transactions, restructuring, management and risk consulting. He remained as C.I. Head of Advisory for the firm through to his retirement in 2019.

Mr Paxton holds a number of Non-Executive Directorships across the financial services sector, including the listed fund sector. He also plays an important role in the local third sector as chairman of the Youth Commission for Guernsey & Alderney.

Mr Paxton is a Fellow of the Institute of Chartered Accountants in England and Wales and holds an Economics degree from the University of Warwick. Mr Paxton was appointed to the Board on 1 November 2021.

Christopher F. L. Legge – (Non-executive Director, resigned 31 January 2022) (age 66)
Mr Legge resigned from the Board on 31 January 2022. He 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.

BOARD MEMBERS continued

Christopher F. L. Legge – (Non-executive Director, resigned 31 January 2022) (age 66)
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.

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 2021. 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.

The Board and Portfolio Manager consider these risk categories remain relevant for the six months covered by this report.

- 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 and global events.

- 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. The Company may also use credit default swaps to mitigate the effects of market volatility on credit risk.

- 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.

- Operational risks
  The Company is exposed to the risk arising from any failures of systems and controls in the operations of the Portfolio Manager, Administrator, AIFM and the Custodian and Depositary amongst others.

- 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.

- Cyber security risks
  The Company is exposed to risk arising from a successful cyber-attack through its service providers.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES continued

- Pandemic risk (currently COVID-19)
  Pandemic risk is the risk of business interruption currently caused by the COVID-19 pandemic, along with the potential impact it has on the valuation of investments.

- 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.

- Environmental, Social and Governance ("ESG") risk
  The PMs consider environmental, social and governance (ESG) factors in the investment process, utilising an integrated approach.

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 2021 to 31 March 2022 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 2021 to 31 March 2022 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
30 May 2022

Ashley Paxton
Director

INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF 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 2022. 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 2022;
- 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 THE MEMBERS OF 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
30 May 2022

(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 2021 to 31 March 2022

	Notes	For the period from 01.10.21 to 31.03.22 £ (Unaudited)	For the period from 01.10.20 to 31.03.21 £ (Unaudited)
Income			
Interest income on financial assets at fair value through profit and loss		6,398,062	5,894,936
Net foreign currency gains	7	1,211,778	7,095,259
Net (losses)/gains on financial assets at fair value through profit or loss	8	(14,576,781)	5,876,307
Net gains on derivative assets - swap contracts		1,157,016	-
Total (loss)/income		(5,809,925)	18,866,502
Expenses			
Portfolio management fees	13	(662,172)	(699,118)
Directors' fees	13	(68,440)	(58,000)
Administration fees	14	(61,596)	(64,034)
AIFM management fees	14	(41,446)	(42,924)
Audit fees		(34,500)	(34,500)
Custody fees	14	(9,413)	(9,932)
Broker fees		(24,932)	(24,927)
Depositary fees	14	(14,490)	(15,222)
Legal fees		(11,254)	(46,488)
Other expenses		(131,385)	(105,269)
Total expenses		(1,059,628)	(1,100,414)
Total (loss)/income for the period		(6,869,553)	17,766,088
(Loss)/earnings per Ordinary Share - Basic & Diluted	3	(0.035)	0.086

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 2022

Assets	Notes	31.03.22 £	30.09.21 £
Current assets		(Unaudited)	(Audited)
Financial assets at fair value through profit and loss			
- Investments	8	171,880,097	175,652,111
- Derivative assets	16	1,050,206	47,708
Shares sold receivable		-	486,350
Amounts due from broker		1,441,115	832,810
Other receivables	9	2,954,930	2,572,415
Cash and cash equivalents		2,425,806	2,899,593
Total current assets		179,752,154	182,490,987
Liabilities			
Current liabilities			
Amounts due to broker		1,352,287	3,107,784
Other payables	10	635,518	451,622
Financial liabilities at fair value through profit and loss			
- Derivative liabilities: Forward currency contracts	16	1,025,589	928,356
Total current liabilities		3,013,394	4,487,762
Total net assets		176,738,760	178,003,225
Equity			
Share capital account	11	192,109,623	179,677,592
Retained earnings		(15,370,863)	(1,674,367)
Total equity		176,738,760	178,003,225
Ordinary Shares in issue	11	204,463,518	190,738,518
Net Asset Value per Ordinary Share (pence)	5	86.44	93.32

The Unaudited Condensed Interim Financial Statements on pages 19 to 39 were approved by the Board of Directors on 30 May 2022 and signed on its behalf by:

Claire Whittet
Chair

Ashley Paxton
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 2021 to 31 March 2022

	Note	Share capital account	Retained earnings	Total
		£	£	£
		(Unaudited)	(Unaudited)	(Unaudited)
Balance at 1 October 2021		179,677,592	(1,674,367)	178,003,225
Issue of shares		12,634,813	-	12,634,813
Share issue costs		(148,454)	-	(148,454)
Income equalisation on new issues	4	(54,328)	54,328	-
Dividends paid		-	(6,881,271)	(6,881,271)
Total comprehensive loss for the period		-	(6,869,553)	(6,869,553)
Balance at 31 March 2022		192,109,623	(15,370,863)	176,738,760

	Note	Share capital account	Retained earnings	Total
		£	£	£
		(Unaudited)	(Unaudited)	(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

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 2021 to 31 March 2022

	Notes	For the period from 01.10.21 to 31.03.22 £ (Unaudited)	For the period from 01.10.20 to 31.03.21 £ (Unaudited)
Cash flows (used in)/from operating activities			
Total (loss)/income for the period		(6,869,553)	17,766,088
Adjustments for:			
Net losses/(gains) on financial assets at fair value through profit or loss	8	14,576,781	(5,876,307)
Net gains on derivative assets - swap contracts		(1,157,016)	-
Amortisation adjustment under effective interest rate method	8	(688,847)	(980,653)
Unrealised loss/(gain) on forward currency contracts	7	92,267	(3,597,798)
Exchange loss/(gain) on cash and cash equivalents		10,877	(45,490)
(Increase)/decrease in other receivables	9	(382,515)	237,535
Increase in other payables	10	183,896	52,130
Purchase of investments		(41,699,048)	(27,336,785)
Sale of investments		29,219,326	50,161,118
Purchases/sales of swap contracts		159,484	-
Net cash (outflow)/generated from operating activities		(6,554,348)	30,379,838
Cash flows from/(used in) financing activities			
Proceeds from issue of ordinary shares	11	13,121,163	-
Payment for repurchased tendered shares cancelled	11	-	(32,472,475)
Share issue costs	11	(148,454)	-
Dividends paid	18	(6,881,271)	(6,423,378)
Net cash generated from/(outflow) from financing activities		6,091,438	(38,895,853)
Decrease in cash and cash equivalents		(462,910)	(8,516,015)
Cash and cash equivalents at beginning of period		2,899,593	11,689,871
Exchange (loss)/gain on cash and cash equivalents		(10,877)	45,490
Cash and cash equivalents at end of period		2,425,806	3,219,346

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 2021 to 31 March 2022

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 2021 to 31 March 2022 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 2021, 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.

b) Changes in accounting policy

The following accounting policy has been applied in the current financial period. There have been no other changes to the accounting policies from those applied in the most recent audited annual financial statements.

Swap contracts

Swap contracts are derivative contracts and as such are recognised at fair value on the date on which they are entered into and subsequently measured at their fair value. All swap contracts are carried as assets when fair value is positive and as liabilities when fair value is negative. Gains and losses on forward currency contracts are recognised as part of net gains on derivative assets - swap contracts in the Statement of Comprehensive Income.

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

Interest Rate Benchmark Reform (IBOR) Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (the Phase 2 Amendments) (Effective 1 January 2021)

IBOR reform phase 2 finalises the response to the ongoing reform of inter-bank offered rates (IBOR) and other interest rate benchmarks.

The adoption of these standards has not had any impact on the financial statements of the Company.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

3. Earnings/(loss) per Ordinary Share - Basic & Diluted

The loss per Ordinary Share - Basic and Diluted of 3.5p (31 March 2021: earnings of 8.6p) has been calculated based on the weighted average number of Ordinary Shares of 196,060,497 (31 March 2021: 206,882,406) and a net loss for the period of £6,879,482 (31 March 2021: income of £17,766,088).

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 £54,328 (31 March 2021: (£260,105)).

5. Net Asset Value per Ordinary Share

The net asset value of each Share of 86.44p (30 September 2021: 93.32p) is determined by dividing the net assets of the Company attributed to the Shares of £176,738,760 (30 September 2021: £178,003,225) by the number of Shares in issue at 31 March 2022 of 204,463,518 (30 September 2021: 190,738,518).

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 2021: £1,200).

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

7. Net foreign currency gains

	For the period from 01.10.21 to 31.03.22 (Unaudited) £	For the period from 01.10.20 to 31.03.21 (Unaudited) £
Movement in net unrealised (losses)/gains on forward currency contracts	(92,267)	3,597,798
Movement in unrealised losses on spot currency contracts	-	(2,051)
Realised gains on forward currency contracts	504,998	3,733,477
Realised currency gains/(losses) on receivables/payables	806,795	(239,314)
Unrealised currency (losses)/gains on receivables/payables	(7,748)	5,349
	1,211,778	7,095,259

8. Investments

	As at 31.03.22 (Unaudited) £	As at 30.09.21 (Audited) £
Financial assets at fair value through profit and loss:		
Unlisted Investments:		
Opening amortised cost	166,830,696	183,628,540
Purchases at cost	40,459,656	57,121,711
Proceeds on sale/principal repayment	(30,343,736)	(76,971,774)
Amortisation adjustment under effective interest rate method	688,847	2,105,374
Realised gain on sale/principal repayment	2,828,369	7,016,007
Realised loss on sale/principal repayment	(6,540,192)	(6,069,162)
Closing amortised cost	173,923,640	166,830,696
Unrealised gain on investments	5,877,953	12,676,132
Unrealised loss on investments	(7,921,496)	(3,854,717)
Fair value	171,880,097	175,652,111

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

8. Investments continued

	For the period from 01.10.21 to 31.03.22	For the period from 01.10.20 to 31.03.21
	(Unaudited)	(Unaudited)
	£	£
Realised gain on sale/principal repayment	2,828,369	6,093,035
Realised loss on sale/principal repayment	(6,540,192)	(7,384,831)
(Decrease)/increase in unrealised gain	(6,798,179)	2,586,967
(Increase)/decrease in unrealised loss	(4,066,779)	4,581,136
Net (loss)/gain on financial assets at fair value through profit or loss	(14,576,781)	5,876,307

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

9. Other receivables

	As at 31.03.22	As at 30.09.21
	(Unaudited)	(Audited)
	£	£
Interest income receivable	2,822,115	2,434,953
Prepaid expenses	32,485	36,547
Dividends receivable	100,330	100,915
	2,954,930	2,572,415

10. Other payables

	As at 31.03.22	As at 30.09.21
	(Unaudited)	(Audited)
	£	£
Portfolio management fees payable	447,759	246,822
Administration fees payable	30,284	30,897
AIFM management fees payable	11,816	34,280
Audit fees payable	53,579	69,000
Other expenses payable	63,764	54,825
Depositary fees payable	2,330	2,280
Custody fees payable	3,880	3,541
Share issue costs payable	22,106	9,977
	635,518	451,622

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

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 31.03.22 (Unaudited) £	As at 30.09.21 (Audited) £
Ordinary Shares		
Share Capital at the beginning of the period/year	179,677,592	207,218,537
Issue of shares	12,634,813	4,760,903
Repurchased tendered shares cancelled	-	(32,472,475)
Share issue costs	(148,454)	(54,842)
Income equalisation on new issues	(54,328)	225,469
Total Share Capital at the end of the period/year	192,109,623	179,677,592

Reconciliation of number of Shares

	31.03.22 Shares	30.09.21 Shares
Ordinary Shares		
Shares at the beginning of the period/year	190,738,518	222,214,981
Issue of shares	13,725,000	4,900,000
Repurchased tendered shares cancelled	-	(36,376,463)
Total Shares in issue at the end of the period/year	204,463,518	190,738,518

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 shares in Treasury as at 31 March 2022 (30 September 2021: Nil).

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

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 2022 (Unaudited)			
Financial Assets			
Financial assets at fair value through profit and loss			
-Investments			
- Corporate Bonds	110,880,810	-	110,880,810
- Asset backed securities	60,999,287	-	60,999,287
-Derivative assets: Swap contracts	997,532	-	997,532
-Derivative assets: Forward currency contracts	52,674	-	52,674
Amounts due from broker	-	1,441,115	1,441,115
Other receivables (excluding prepaid expenses)	-	2,922,445	2,922,445
Cash and cash equivalents	-	2,425,806	2,425,806
	172,930,303	6,789,366	179,719,669

	Financial liabilities at fair value through profit and loss	Amortised Cost	Total
	£	£	£
31 March 2022 (Unaudited)			
Financial Liabilities			
Amounts due to broker	-	1,352,287	1,352,287
Other payables	-	635,518	635,518
Financial liabilities at fair value through profit and loss			
-Derivative liabilities: Forward currency contracts	1,025,589	-	1,025,589
	1,025,589	1,987,805	3,013,394

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

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 2021 (Audited)			
Financial Assets			
Financial assets at fair value through profit and loss			
-Investments			
- Corporate Bonds	112,451,508	-	112,451,508
- Asset backed securities	63,200,603	-	63,200,603
-Derivative assets: Forward currency contracts	47,708	-	47,708
Shares sold receivable	-	486,350	486,350
Amounts due from broker	-	832,810	832,810
Other receivables (excluding prepaid expenses)	-	2,535,868	2,535,868
Cash and cash equivalents	-	2,899,593	2,899,593
	175,699,819	6,754,621	182,454,440

	Financial liabilities at fair value through profit and loss	Amortised Cost	Total
	£	£	£
30 September 2021 (Audited)			
Financial Liabilities			
Amounts due to broker	-	3,107,784	3,107,784
Other payables	-	451,622	451,622
Financial liabilities at fair value through profit and loss			
-Derivative liabilities: Forward currency contracts	928,356	-	928,356
	928,356	3,559,406	4,487,762

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

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.

	(Unaudited) 31.03.22 £	(Audited) 30.09.21 £
Claire Whittet (Chair of the Board)	22,000	44,000
Christopher Legge*	12,895	38,500
Ian Martin (Management Engagement Committee Chairman)	18,500	33,500
Ashley Paxton*	15,045	-
Total Directors' fees	68,440	116,000

* On 31 January 2022, Christopher Legge resigned as Chairman of the Audit Committee and of the Remuneration and Nomination Committee, and Ashley Paxton was appointed in his place.

With the effect from 1 October 2021, the base director fee level was increased to £35,000 per annum and the MEC Chairman be increased to £37,000 per annum. The Chair of the Board and Audit Committee Chairman remuneration remained unchanged.

No Directors fees were outstanding as at 31 March 2022 (30 September 2021: £Nil).

b) Shares held by related parties

The Directors of the Company held the following shares beneficially:

	31.03.22 Shares	30.09.21 Shares
Claire Whittet	25,000	25,000
Christopher Legge *	50,000	50,000
Ian Martin	35,000	35,000
Ashley Paxton**	-	-

* Christopher Legge resigned on 31 January 2022.
**Ashley Paxton and his wife acquired 22,500 shares on 1 April 2022.

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 2022, the Portfolio Manager held no Shares (30 September 2021: no Shares) of the Issued Share Capital. Partners and employees of the Portfolio Manager increased their holdings during the period, and held 4,216,692 (30 September 2021: 1,725,691), which is 2.06% (30 September 2021: 0.90%) of the Issued Share Capital.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

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 £662,172 (31 March 2021: £699,118) of which £447,759 (30 September 2021: £251,935) 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 £22,106 (31 March 2021: £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 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 £41,446 (31 March 2021: £42,924) were charged to the Company, of which £12,691 (30 September 2021: £34,280) 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 £61,596 (31 March 2021: £64,034) were charged to the Company, of which £30,284 (30 September 2021: £30,897) remained payable at the end of the period (year).

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 £126,348 (31 March 2021: £nil) 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 2021 to 31 March 2022

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 £14,490 (31 March 2021: £15,222) were charged to the Company, of which £2,330 (30 September 2021: £2,280) 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 £9,413 (31 March 2021: £9,932) of which £3,880 (30 September 2021: £3,541) 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.

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 2021.

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 2021 to 31 March 2022

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 2022.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Financial assets at fair value through profit or loss				
-Investments				
- Corporate Bonds	-	110,880,810	-	110,880,810
-Asset backed securities	-	53,877,207	7,122,080	60,999,287
-Derivative assets: Swap contracts	-	997,532	-	997,532
-Derivative assets: Forward currency contracts	-	52,674	-	52,674
Total assets as at 31 March 2022	-	165,808,223	7,122,080	172,930,303
Liabilities				
Financial liabilities at fair value through profit or loss				
-Derivative liabilities: Forward currency contracts	-	1,025,589	-	1,025,589
Total liabilities as at 31 March 2022	-	1,025,589	-	1,025,589

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

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 2021.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets	(Audited)	(Audited)	(Audited)	(Audited)
Financial assets at fair value through profit or loss				
- Corporate Bonds	-	112,451,508	-	112,451,508
- Asset backed securities	-	50,428,986	12,771,617	63,200,603
-Derivative assets: Forward currency contracts	-	47,708	-	47,708
Total assets as at 30 September 2021	-	162,928,202	12,771,617	175,699,819
Liabilities				
Financial liabilities at fair value through profit or loss				
-Derivative liabilities: Forward currency contracts	-	928,356	-	928,356
Total liabilities as at 30 September 2021	-	928,356	-	928,356

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 2021 to 31 March 2022

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 2022 by class of financial instrument.

	Bonds	Asset backed securities	Total
31 March 2022 (Unaudited)	**£**	**£**	**£**
Opening balance	-	12,771,617	12,771,617
Net purchases	-	(3,876,389)	(3,876,389)
Net realised loss for the period	-	(478,951)	(478,951)
Net unrealised loss for the period	-	(1,294,197)	(1,294,197)
Closing balance	-	7,122,080	7,122,080

The following table presents the movement in level 3 instruments for the year ended 30 September 2021 by class of financial instrument.

	Bonds	Asset backed securities	Total
30 September 2021 (Audited)	**£**	**£**	**£**
Opening balance	-	12,206,367	12,206,367
Net purchases	-	218,865	218,865
Net realised loss for the year	-	2,164,731	2,164,731
Net unrealised gain for the year	-	(1,818,346)	(1,818,346)
Closing balance	-	12,771,617	12,771,617

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

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 2022 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
31 March 2022 (Unaudited)	£	£	£	£
Assets				
Amounts due from broker	-	1,441,115	-	1,441,115
Other receivables excluding prepaid expenses	-	2,922,445	-	2,922,445
Cash and cash equivalents	2,425,806	-	-	2,425,806
Total	**2,425,806**	**4,363,560**	**-**	**6,789,366**
Liabilities				
Amounts due to broker	-	1,352,287	-	1,352,287
Other payables	-	635,518	-	635,518
Total	**-**	**1,987,805**	**-**	**1,987,805**

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value at 30 September 2021 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
30 September 2021 (Audited)	£	£	£	£
Assets				
Amounts due from broker	-	832,810	-	832,810
Other receivables excluding prepaid expenses	-	2,535,868	-	2,535,868
Cash and cash equivalents	2,899,593	-	-	2,899,593
Total	**2,899,593**	**3,368,678**	**-**	**6,268,271**
Liabilities				
Amounts due to broker	-	3,107,784	-	3,107,784
Other payables	-	451,622	-	451,622
Total	**-**	**3,559,406**	**-**	**3,559,406**

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 2021 to 31 March 2022

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 less 50% of the portfolio management fees for the period; 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 2022:

Period to	Dividend per Share (pence)	Dividend declared (£)	Ex-dividend date	Record date	Pay date
29 October 2021	0.50	966,193	18 November 2021	19 November 2021	30 November 2021
30 November 2021	0.50	966,193	16 December 2021	17 December 2021	5 January 2022
31 December 2021	0.50	978,693	20 January 2021	21 January 2022	4 February 2022
31 January 2022	0.50	998,693	17 February 2022	18 February 2022	4 March 2022
28 February 2022	0.50	1,014,818	17 March 2022	18 March 2022	1 April 2022
31 March 2022	0.50	1,029,318	14 April 2022	19 April 2022	6 May 2022

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2021 to 31 March 2022

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

Russia's invasion of Ukraine is a new emerging risk to the global economy. The resulting imposition of international sanctions on Russia will have wider global effect on the supply and prices of certain commodities and consequently on inflation and general economic growth of the global economy.

21. Subsequent Events

These Unaudited Condensed Interim Financial Statements were approved for issuance by the Board on 30 May 2022. 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)
7 April 2022	0.50
12 May 2022	0.50

Tenders

On 6 April 2022, 69,154 shares were tendered, all of which were placed rather than repurchased by the Company.

Share issues

Ashley Paxton and his wife acquired 22,500 shares on 1 April 2022.

On 4 April 2022, 500,000 new ordinary shares were issued for a total consideration of £442,500 (before costs and expenses).

On 8 April 2022, 900,000 new ordinary shares were issued for a total consideration of £798,930 (before costs and expenses).

On 22 April 2022, 1,100,000 new ordinary shares were issued for a total consideration of £968,770 (before costs and expenses).

On 29 April 2022, 600,000 new ordinary shares were issued for a total consideration of £524,040 (before costs and expenses).

On 20 May 2022, 600,000 new ordinary shares were issued for a total consideration of £503,640 (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.

Dividend Target
The Company maintains an annual minimum dividend target of 6p per share or higher 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 £176,738,760 (30 September 2021: £178,003,225) by the number of shares at the end of the period/year of 204,463,518 units (30 September 2021: 190,738,518). This produces a NAV per share of 86.44p (30 September 2021: 93.32p), which was a decrease of 7.59% (30 September 2021: 7.52%).

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.

NAV Total Return per Share
NAV Total return 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 share with the dividend per share when paid and reinvested back into the NAV, and dividing it by the NAV per share at the start of the period.

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