TWENTYFOUR INCOME FUND LIMITED

INTERIM MANAGEMENT REPORT AND UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

For the period from 1 April 2022 to 30 September 2022

CONTENTS

SUMMARY INFORMATION

The Company
TwentyFour Income Fund Limited (the "Company" and "TFIF") was incorporated with limited liability in Guernsey, as a closed-ended investment company on 11 January 2013. The Company's shares ("Ordinary Shares", being the sole share class) were listed with a Premium Listing on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange on 6 March 2013.

On 16 September 2022, the Company was included on the London Stock Exchange's FTSE 250 Index. The inclusion was largely due to the increase in the net asset value of the Company, following its acquisition of the assets of UK Mortgages Limited ("UKML") in March 2022.

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 predominantly UK and European Asset Backed Securities ("ABS").

The Company maintains a Portfolio largely diversified by the issuer, it being anticipated that the Portfolio will comprise at least 50 Asset Backed Securities at all times.

Target Returns
The Company has a target annual net total return on the Company's NAV of between 6% and 9% per annum, which, until 21 September 2022, included quarterly dividends with a target yield each financial year of 6% (the equivalent of 6 pence per Ordinary Share) or higher, of the Issue Price. On 21 September 2022, the target dividend yield was changed to 7% (the equivalent of 7 pence per Ordinary Share) or higher, of the Issue Price. The change became effective from the dividend declared in respect of the 3-month period ended 30 September 2022. The increase in target yield is intended to increase the rate of return to investors during the financial year.

Ongoing Charges
Ongoing charges for the period ended 30 September 2022 have been calculated in accordance with the Association of Investment Companies (the "AIC") recommended methodology. The ongoing charges for the period ended 30 September 2022 were 0.95% (30 September 2021: 0.96%).

* The Issue Price being £1.00. This is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Company shall pay any dividends at all. This target return should not be taken as an indication of the Company's expected or actual current or future results. The Company's actual return will depend upon a number of factors, including the number of Ordinary Shares outstanding and the Company's total expense ratio, as defined by the AIC's ongoing charges methodology. Potential investors should decide for themselves whether or not the return is reasonable and achievable in deciding whether to invest in or retain or increase their investment in the Company. Further details on the Company's financial risk management can be found in note 17 of the Company's Annual financial statements for the year ended 31 March 2022, which can be found on the Company's website (www.twentyfourincomefund.com).

SUMMARY INFORMATION Continued

Shareholder Information

Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") is responsible for calculating the NAV per share of the Company. The unaudited NAV per Ordinary Share will be calculated as at the close of business on the last business day of every week and the last business day of every month by the Administrator and will be announced by a Regulatory News Service the following business day.

Financial Highlights

	For the six month period ended 30.09.22	For the year ended 31.03.22	For the six month period ended 30.09.21
Total Net Assets	£613,205,044	£718,477,218	£579,141,878
Net Asset Value per share	95.82p	112.45p	113.89p
Share price	99.00p	107.00p	113.00p
Premium/(discount) to Net Asset Value	3.32%	(4.85%)	(0.78%)
Dividends declared in respect of the period/year	3.25p	6.77p	3.00p

The basis for determining the Net Asset Value per share can be found in Note 5 on page 24.

As at 20 December 2022, the premium had moved to 2.79%. The estimated NAV per share and mid-market share price stood at 96.31p and 99.00p respectively.

CHAIR'S STATEMENT
for the period from 1 April 2022 to 30 September 2022

It gives me great pleasure in my capacity as the new Chair to the TwentyFour Income Fund Limited Board of Directors to present my first interim report on the Company's progress for the period ended 30 September 2022.

I am delighted to report that the Company was promoted to the FTSE 250 during the quarterly reshuffle in September and began trading as a FTSE 250 company on 19 September 2022. This makes it more attractive to index trackers and other investors.

Performance
At the beginning of April the shares were trading at a discount of just over 5% due to the generally deteriorating world macro-economic backdrop and the ongoing challenging geopolitical situation. However, the discount was back to neutral by the end of May and stabilised during June, before rising to a steady premium from mid-July until the end of September when the premium reached 3.5%.

The Company declared 3.77p in dividends during the period. Dividends are benefiting from rate increases by the Bank of England and with further interest rate hikes expected, the Board decided in October 2022 to increase the minimum target dividend of the Company to 7p per share (1.75p quarterly). The policy of paying out all remaining income every April remains unchanged.

NAV per share declined from 112.45 pence (31 March 2022) at the start of the period to 95.82 pence, (30 September 2022), representing a total NAV return of -14.76%. The decline in the Company's performance in absolute terms over the review period is disappointing but it has been a particularly volatile period for all assets. Relative NAV performance was more pleasing and in comparison to the European high yield corporate bond sector the decline in the Company's NAV was significantly lower, due to the floating rate nature of the Company's investments.

Given the current market volatility, it is helpful to consider the Company's performance track record over a longer period. I am pleased to report that the Company has provided shareholders with significant positive returns as the NAV total return on the shares from launch in March 2013 to 30 September 2022 was 69.90% (6.01% annualised).

Major markets around the world have been hit by higher inflation fears driven by surging energy prices, supply constraints and the challenging geopolitical situation. In the current reporting period, central banks hiked interest rates further, and economic uncertainty exacerbated the volatility in financial markets as global risk sentiment worsened. In the UK there was a period of relative stability in August and September until the UK 'mini-budget' which precipitated a very sharp sell-off in all fixed income assets. Liquidity dried up in some UK bond markets and the Bank of England was forced to intervene in the UK gilt market to calm market jitters.

Even prior to the extreme market sell off in September, Asset Backed Securities (ABS) spreads had been widening, and our portfolio managers were able to add investments at levels which hadn't been available for many years. This has been accretive to the Company's purchase yield, which was around 10% at the end of September and to the Mark-to-Market Yield, which was 14%.

The triennial share realisation opportunity took place after the end of the current reporting period and it is extremely pleasing to note that the net fund raising that resulted was one of the very few successful fund raisings in October in the London market. The Board sees this result, against a very difficult back-drop, as a vote of confidence by our investors in the TFIF investment strategy. Only 1.5% of shares were redeemed, whilst a net additional £34 million of share capital was raised as a result of the process.

Full details of the Company's performance and a market outlook can be found in the Portfolio Manager's Report.

CHAIR'S STATEMENT Continued
for the period from 1 April 2022 to 30 September 2022

Board of Directors
I joined the Board as Chair-elect on 12 July 2022 in anticipation of Trevor Ash stepping down after 9 years as Chairman at the Annual General Meeting ("AGM") on 14 October 2022. Ian Burns, the Senior Independent Director and Audit Chair also stepped down at the AGM. I want to thank them both for their excellent stewardship since the Fund was launched. John Le Poidevin who joined the Board on 9 July 2021 takes over as Audit Chair and Joanne Fintzen becomes the Senior Independent Director.

Outlook
Despite the volatility, there are significant opportunities in the higher interest rate environment for TFIF. The Company invests in floating rate bonds, so the income generated over the course of the year should continue to improve with further Bank of England base rate rises in prospect. The forward yield to maturity (which takes market pricing of future rate rises into account) was just under 17% at the end of September, making it likely that the Company will be able to pay out higher dividends than it has done in previous years.

The current market conditions have created a dislocation where strongly performing assets are trading at discounted prices. This is partly because AAA and AA-rated ABS proved to be one of the most liquid asset classes for UK pension funds to sell after the mini-budget when liquidity dried up in the corporate bond market. The same selling pressures were not felt in the BB and BBB credits, which is where the Company is typically positioned. However, the Portfolio Managers were able to take advantage of this price dislocation and have used the opportunity to switch into higher quality assets at better yields, and lower prices, than had been available recently for lower rated assets.

During a period of higher rates and a slowing economy, mortgage arrears are likely to rise and there will be some greater pressure in consumer and corporate assets. This always raises questions from investors after their experiences during the global financial crisis. Much has changed since then. The regulatory environment is tighter but so is the stress testing. Any losses on the Company's portfolio are expected to be well within the Portfolio Manager's stress parameters. I am assured that the stresses would have to be multiples of those suffered during the global financial crisis to have a significant effect on the Company's portfolio.

Consumers have been cushioned by low unemployment and high savings built up during the pandemic and over the last few years corporates have refinanced borrowings for longer periods of time, at historically low interest rates. This risk has been carefully watched and managed by the experienced team at TwentyFour Asset Management. Performance of the underlying asset pools remains strong and ratings stable with an ongoing bias towards rating upgrades versus downgrades.

Asset Backed Securities are robust in structure and designed to be able withstand very deep recessions. The Company's asset base is also diversified. As well as UK assets, the Company's portfolio includes senior secured assets in Western Europe which gives the Company exposure to borrowers in countries where governments are willing and able to support consumers and SMEs.

The Board believes that TwentyFour Income Fund Limited provides excellent opportunities for shareholders to benefit from a rising interest rate environment and is confident that the Company's Portfolio Managers will continue to deliver attractive returns.

Bronwyn N. Curtis

Bronwyn Curtis
Chair
20 December 2022

PORTFOLIO MANAGER'S REPORT
for the period from 1 April 2022 to 30 September 2022

Market Commentary
Market sentiment as a whole remained very weak across all fixed income markets during what has been a period of elevated volatility. The period was characterised by risk-off sentiment, challenging liquidity, wider spreads, the ongoing conundrum of interest rate policy, inflation and recessionary fears, the escalating conflict in Ukraine and its associated energy concerns, and culminated with the disastrous UK mini-Budget causing extreme moves in UK Gilt yields and the ensuing Liquid Driven Investment ("LDI") liquidity driven bond sell-off. This was balanced by short periods of stability, which in turn gave rise to windows of opportunity in both primary and secondary markets.

The fear of inflation and higher rates causing a recession across all the world's major economies meant that both bonds and equities fell significantly over the period. In the US, the Federal Reserve (the "Fed") put through three consecutive 75bp hikes in June, July and September to get to an upper bound of 3.25%. At the Jackson Hole event the Fed chair, Jerome Powell, stated that there would be "restrictive policy stance for some time" and that this may inflict "some pain to households and businesses." GDP forecasts were downgraded, and the usual correlations broke down as both credit and rates assets sold off, meaning - in the fixed income markets, there was nowhere to hide. These trends were global, with high inflation (albeit combined with low unemployment) seen across all regions. The European Central Bank exited its long period of negative rates and finished the period with a deposit rate of 0.75%, while the Bank of England increased the pace with two consecutive 50bp hikes to get to 2.25% in September.

For primary ABS markets, issuance was a little bifurcated; April provided an attractive opportunity for investors looking to add floating rate exposure and was very busy across all asset classes, even as spreads widened across the capital stack, but was followed by a virtual hiatus in May and then a small rebound in June. Secondary spreads, which had been relatively stable and constructive earlier in April, also widened, driven by an elevated amount of ABS selling from macro and institutional investors to fund fixed income outflows amid broader volatility. Combined with the substantial primary supply, this took spreads to levels not seen since the height of the COVID-19 sell-off. Bank trading desks had little appetite to add risk in any fixed income product and investors were able to pick and choose selectively where to add risk at higher yields. This allowed the portfolio managers to gradually increase the purchase yield of the portfolio, over and above the natural yield increase generated by the rises in interest rates.

Despite the ongoing market volatility and weaker sentiment, several issuers placed deals in July ahead of the traditional summer lull, though many deals through this whole period followed a "pre-placement" strategy, as is often typical for ABS deals during periods of volatility when public placement conviction is lower. August proved to have a relatively more constructive tone but was typically quiet with virtually no primary and in the early part of September a modicum of normality returned to the primary pipeline. The broader positive tone in wider markets also filtered through into RMBS and ABS secondary markets, with investor interest and lower secondary activity leading to a spread retracement. The move in secondary CLOs was stronger still (though from a wider starting point) but this faded into the late summer.

The more constructive tone to the market at the beginning of September enabled issuers to price deals into a receptive investor base early in the month. However, as market conditions deteriorated sharply later in the month, triggered by the UK mini-Budget, issuance ceased abruptly forcing one UK prime RMBS issuer to retain a deal it had planned to sell as volatility once again closed the doors to further issuance. Secondary markets tracked primary pricing points as spreads in European ABS also rallied for the first two-to-three weeks of September, before markets sold off heavily.

The subsequent stress in Gilts and wider rates markets triggered by the mini-Budget was compounded by the now well-documented bond sales by pension funds running liability-driven investment ("LDI") strategies. The ABS market saw extremely high levels of secondary sales in the run-up to month-end; over €4bn of sales went through the typical Bids Wanted In Competition (public auction) process in the last week of the month, more than in the previous three months combined. In the main, most of the selling activity was concentrated in senior AAA and AA RMBS/ABS/CLOs and Australian RMBS, and it appeared the vast majority of sales were from a fairly select group of investors. Execution was good overall in terms of volumes traded as investors with cash to spend were able to add bonds at yields not seen for many years (excluding the small window at the start of the COVID-19 crisis), and dealers were seen to be providing liquidity in selective and preferred asset classes having been mostly light on inventory over the summer. Pricing clarity was challenging but spreads could broadly be characterised as having widened by 50-75bp in seniors and 3-7 price points lower in mezzanine.

Encouragingly, while spreads were understandably wider (though no wider than any comparable markets such as covered bonds or financials), all the selling volume was absorbed and any liquidity fears that may have lingered about European ABS and CLOs have been well and truly erased. In fact, anecdotal accounts of sellers being unable to source liquidity in corporate bonds and turning to ABS to achieve it were heard repeatedly. The typically higher cash price of ABS (due to their floating rate nature, and therefore immunisation from interest rate duration) meant they were an attractive asset to sell in these markets as the sales had a lower P&L impact – arguably making ABS an unintended victim of its own success. In time, however, we'd expect that many of those investors will look to rebalance their portfolios once more orderly markets have been restored, and so we anticipate a more gradual return over the ensuing months. It should also be noted that this sell-off was driven by an acute and unexpected requirement for liquidity as opposed to any fundamental credit issues, and though the spread widening was prompted by sales higher up the capital structure, this inevitably flowed through to the sub-investment grade sector and these bonds were marked sharply lower. Yields in the sub-investment grade sector currently offer even greater potential returns to investors, though trading activity has generally been muted.

For the portfolio managers these events presented the opportunity to sell shorter dated assets and increase gearing slightly after the summer to invest in cheaper assets, taking advantage of the enhanced value on offer. We believe BBB and BB rated RMBS and BB rated CLOs to be the current sweet spot, at yields that haven't been seen since 2011, and therefore we currently see no real need to reach for yield further down the capital stack. As an example, the Company added secondary BB CLOs which yielded around 12%, and BBB RMBS at attractive yields of between 6.5% -7.5% for fairly short duration bonds, being further accretive to the purchase yield as previously mentioned.

Market Outlook

The liquidity-driven sell-off seen in September (which continued into October) differs from periods of weakness seen earlier in the year, which were prompted by macroeconomic or political fears. However, in the wake of the LDI unwinds, the level of liquidity offered by the ABS market proved its resilience in the face of relentless selling. With ABS bonds being floating rate notes, and therefore trading at higher cash prices, the asset class has arguably borne the brunt of the selling that other fixed income markets were simply unable to deal with, and a level of rebalancing going forward will help to restore some equilibrium.

Meanwhile, the elevated volatility in rates markets has increased expectations for where base rates ultimately go to, and so all floating rate ABS bonds have seen a sharp increase in their forward yield to maturity, making them attractive to investors with cash to invest. This has already been seen with new or dormant groups of investors either entering the market or expanding their activities in the wake of the recent sell-off. Bank treasuries in particular have absorbed the bulk of the selling at the top of the capital structure, while further down, some wholesale and hedge funds and private equity players have stepped in (a number of them stating this quite publicly) as they see opportunities to own debt at better yields than the underlying assets themselves.

PORTFOLIO MANAGER'S REPORT Continued
for the period from 1 April 2022 to 30 September 2022

Moving forward we expect higher rates to start to dent demand for lending. This in turn will limit the funding needs of lenders and constrain ABS issuance globally, a positive technical for investors. It will also slowly have a bearing on consumer and corporate loan performance, though despite scaremongering stories in the more popular press, lending markets have developed under a far stricter regulatory umbrella and with much more conservative lending standards since the financial crisis. Furthermore, almost record low levels of unemployment (by far the largest driver of loan defaults) and strong asset price performance in the last five years provide a far healthier cushion for any downturn in asset performance going forward. At the same time, fiscal plans are being rolled out in core Europe and these have surprised to the upside, which we believe will provide a boost to households feeling more pressure over the coming months.

Related Parties
Related party balances and transactions are disclosed in note 14 of these Unaudited Condensed Interim Financial Statements.

TwentyFour Asset Management LLP
20 December 2022

TOP TWENTY HOLDINGS
as at 30 September 2022

Security	Nominal/ Shares	Asset Backed Security Sector*	Fair Value £	Percentage of Net Asset Value
UK MORTGAGES CORP FDG DAC KPF2 A 0.0% 31/07/2070	48,773,000	RMBS	25,782,822	4.20
UK MORTGAGES CORP FDG DAC KPF1 A 0.0% 31/07/2070	22,779,208	RMBS	23,026,044	3.76
UK MORTGAGES CORP FDG DAC CHL1 A 0.0% 31/07/2070	22,429,000	RMBS	22,202,265	3.62
TULPENHUIS 0.0% 18/04/2051	18,919,960	RMBS	15,799,628	2.58
VSK HOLDINGS LTD VAR 31/7/2061	2,058,000	RMBS	12,182,895	1.99
OPTIMUM THREE LTD '3 MEZ6' FRN 25/4/2023	11,900,000	RMBS	11,900,000	1.94
SYON SECURITIES 19-1 B CLO FLT 19/07/2026	12,047,133	RMBS	11,842,934	1.93
UK MORTGAGES CORP FDG TML1 A 0.0% 31/07/2070	10,899,698	RMBS	11,470,058	1.87
EQTY. RELEASE FNDG. NO 5 '5 B' FRN 14/07/2050	14,550,000	RMBS	11,461,664	1.87
CHARLES STREET CONDUIT FRN 0.00% 12/04/2067	12,000,000	RMBS	10,665,000	1.74
SYON SECS. 2020-2 DAC '2 B' FRN 17/12/2027	9,898,193	RMBS	10,023,938	1.63
CASTELL 2022-1 PLC '1 D' FRN 25/4/2054	10,224,000	RMBS	9,950,283	1.62
BARLEY HILL NO 2 PLC '2 X' FRN 27/08/2058	10,744,905	RMBS	9,831,588	1.60
HABANERO LTD '6W B' VAR 5/4/2024	9,350,000	RMBS	9,350,000	1.52
TAURUS 2020-1 NL DAC 'NL1X E' FRN 20/02/2030	10,815,985	CMBS	8,685,147	1.42
SYON SECURITIES 2020-2 DESIGNATED A FLTG 17/12/2027	9,415,361	RMBS	8,681,245	1.42
HOPS HILL NO2 PLC '2 E' FRN 27/11/2054	9,262,000	RMBS	8,409,989	1.37
VSK HLDGS. '1 C4-1' VAR 01/10/2058	1,250,000	RMBS	7,403,119	1.21
HIGHWAYS 2021 PLC '1X D' FRN 18/11/2026	8,000,000	CMBS	7,220,000	1.18
AURORUS 2020 BV '1 G' FRN 13/08/2046	8,300,000	Consumer ABS	7,156,997	1.17

The full portfolio listing as at 30 September 2022 can be obtained from the Administrator on request.

*** Definition of Terms**
'ABS' – Asset Backed Securities
'CLO' – Collateralised Loan Obligations
'CMBS' – Commercial Mortgage-Backed Securities
'RMBS'- Residential Mortgage-Backed Securities

BOARD MEMBERS

Biographical details of the Directors are as follows:

Bronwyn Curtis - (Non-executive Director and Chair)
Ms Curtis is a resident of the United Kingdom, an experienced Chair, Non-Executive Director and Senior Executive across banking, media, commodities and consulting, with global or European wide leadership responsibilities for 20 years at HSBC Bank plc, Bloomberg LP, Nomura International and Deutsche Bank Group. She is presently Chair of JPMorgan Asia Growth and Income plc, a Non-Executive member of the Oversight Board at the UK Office of Budget Responsibility and Non-Executive Director at Pershing Square Holdings, The Scottish American Investment Company plc and BH Macro Limited. She is also a regular commentator in the media on markets and economics. Ms. Curtis was appointed to the Board on 12 July 2022 and was appointed Chair on 14 October 2022.

Richard Burwood – (Non-executive Director)
Mr Burwood is a resident of Guernsey with over 30 years' experience in banking and investment management. During 18 years with Citibank London, Mr Burwood spent 11 years as a fixed income portfolio manager spanning both banks/finance investments and Asset Backed Securities. Mr Burwood has lived in Guernsey since 2010, initially working as a portfolio manager for EFG Financial Products, managing the treasury department's ALCO Fixed Income portfolio. From 2011 to 2013, Mr Burwood worked as the Business and Investment Manager for Man Investments, Guernsey. In January 2014, Mr Burwood joined the board of RoundShield Fund, a Guernsey private equity fund, focused on European small to mid-cap opportunities. In August 2015, he became a Board Member of SME Credit Realisation Fund Limited, which provides investors access to a diversified pool of SME loans originated through Funding Circle's marketplaces in the UK, US and Europe. Mr Burwood also serves on the boards of Habrok, a hedge fund specialising in Indian equities, and EFG International Finance, a structured note issuance company based in Guernsey. Mr Burwood was appointed to the Board on 17 January 2013.

Joanne Fintzen - (Non-executive Director, Senior Independent Director)
Ms Fintzen is a resident of the United Kingdom, with extensive experience of the finance sector and the investment industry. She trained as a Solicitor with Clifford Chance and worked in the Banking, Fixed Income and Securitisation areas. She joined Citigroup in 1999 providing legal coverage to an asset management division. She was subsequently appointed as European General Counsel for Citigroup Alternative Investments where she was responsible for the provision of legal and structuring support for vehicles which invested $100bn in Asset Backed Securities as well as hedge funds investing in various different strategies in addition to private equity and venture capital funds. Ms Fintzen is currently Non-Executive Director of JPMorgan Claverhouse Investment Trust plc. Ms Fintzen was appointed to the Board on 7 January 2019 and was appointed Senior Independent Director on 14 October 2022.

John de Garis - (Non-executive Director)
Mr de Garis is a resident of Guernsey with over 30 years of experience in investment management. He is Managing Director and Chief Investment Officer of Rocq Capital founded in July 2016 following the management buyout of Edmond de Rothschild (C.I.) Ltd. He joined Edmond de Rothschild in 2008 as Chief Investment Officer following 17 years at Credit Suisse Asset Management in London, where his last role was Head of European and Sterling Fixed Income. He began his career in the City of London in 1987 at Provident Mutual before joining MAP Fund Managers where he gained experience managing passive equity portfolios. He is a non-executive director of VinaCapital Investment Management Limited in Guernsey. Mr de Garis is a Chartered Fellow of the Chartered Institute for Securities and Investment and holds the Certificate in Private Client Investment Advice and Management. Mr de Garis was appointed to the Board on 9 July 2021.

BOARD MEMBERS Continued

John Le Poidevin - (Non-executive Director and Chair of the Audit Committee)
Mr Le Poidevin is a resident of Guernsey and a Fellow of the Institute of Chartered Accountants in England and Wales. He was formerly an audit partner at BDO LLP in London where he developed an extensive breadth of experience and knowledge across a broad range of business sectors in the UK, European and global markets during over twenty years in practice, including in corporate governance, audit, risk management and financial reporting. Since 2013 he has acted as a non-executive, including as audit committee chair, on the boards of a number of listed and private groups. Mr Le Poidevin is currently a non-executive director of International Public Partnerships Limited, BH Macro Limited, Super Group (SGHC) Limited, and several other private companies and investment funds. Mr Le Poidevin was appointed to the Board on 9 July 2021 and was appointed Chair of the Audit Committee on 14 October 2022.

Board Members retired during the period

Trevor Ash – (Former Chair)
Mr Ash is a resident of Guernsey and has over 30 years of investment experience. He is a Fellow of the Chartered Institute for Securities and Investment. He was formerly a managing director of Rothschild Asset Management (CI) Limited. Mr Ash retired as a director of NM Rothschild & Sons (CI) Limited, the banking arm of the Rothschild Group in the Channel Islands in 1999. Since retirement, he has acted as a director of a number of hedge funds, fund of hedge funds, venture capital, derivative and other offshore funds including several managed or advised by Insight, JP Morgan and Merrill Lynch. Mr Ash was appointed to the Board on 11 January 2013. Mr Ash retired from the Board effective 14 October 2022.

Ian Burns – (Former Non-executive Director, Senior Independent Director and Chairman of the Audit Committee)
Mr Burns is a resident of Guernsey and a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Society of Trust and Estate Planners. He is a founder and Executive Director of Via Executive Limited, a specialist management consulting company and managing director of Regent Mercantile Holdings Limited, a privately owned investment company. Mr Burns was appointed to the Board on 17 January 2013. Mr Burns retired from the Board effective 14 October 2022.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The Company's assets are mainly comprised of 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 disclosed can be divided into the various areas as follows:

- *Market Risk*
  The underlying investments in the portfolio are subject to market risk. The Company is therefore at risk that market events may affect performance and in particular may affect the value of the Company's investments which are valued on a marked to market basis. Market risk is the risk associated with changes in market prices, including spreads, interest rates, economic uncertainty, changes in laws and political (national and international) circumstances. Due to a combination of factors, including the invasion of Ukraine by Russia, inflation concerns, and further COVID developments; the UK and Europe are either already, or are predicted to go into recession, therefore, risk premiums demanded by the market could (and have already) rise as the risk sentiment deteriorates and wider spreads could result in lower cash prices. This is not unique to the Asset Backed Securities market, it is also true for all credit and equity markets, and is also evident on XOVER, which is the index for the most liquid Euro High Yield BB/B crossover.

  Under extreme market conditions the portfolio may not benefit from diversification.

- *Liquidity Risk*
  Investments made by the Company may be relatively illiquid. Some investments held on the portfolio may take longer to realise than others and this may limit the ability of the Company to realise its investments and in some circumstances, to pay dividends. In September 2022 the Company announced an increase in the annual target dividend from 6p to 7p, which if the Company had insufficient income arising from its underlying investments and was unable to realise its investments in due course, could limit its ability to pay dividends. This risk is offset by the higher yield being received on the underlying investments as a result of rising interest rates.

- *Credit Risk*
  The Company may not achieve the dividend target and investors may not get back the full value of their investment because it is invested in Asset Backed Securities comprising debt securities issued by companies, trusts or other investment vehicles which, compared to bonds issued or guaranteed by governments, are generally exposed to greater risk of default in the repayment of the capital provided to the issuer or interest payments due to the Company. The amount of credit risk is indicated by the issuer's credit rating which is assigned by one or more internationally recognised rating agencies. This does not amount to a guarantee of the issuer's creditworthiness but generally provides a strong indicator of the likelihood of default. Securities which have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. There is a risk that an internationally recognised rating agency may assign incorrect or inappropriate credit ratings to issuers. Issuers often issue securities which are ranked in order of seniority which, in the event of default, would be reflected in the priority in which investors might be paid back. Whilst they have been historically low since the inception of the Company, the level of defaults in the portfolio and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES Continued

- *Credit Risk (continued)*
  In the event of a default under an Asset Backed Security, the Company's right to recover under the Asset Backed Security will depend on the ability of the Company to exercise any rights that it has against the borrower under the insolvency legislation of the jurisdiction in which the borrower is incorporated. As a creditor, the Company's level of protection and rights of enforcement may therefore vary significantly from one country to another, may change over time and may be subject to rights and protections which the relevant borrower or its other creditors might be entitled to exercise. Information regarding investment restrictions currently in place in order to manage credit risk can be found in the Company's prospectus.

- *Foreign Currency Risk*
  The Company is exposed to foreign currency risk through its investments in predominantly Euro denominated assets. The Company's share capital is denominated in Sterling and its expenses are incurred in Sterling. The Company's financial statements are maintained and presented in Sterling. Amongst other factors affecting the foreign exchange markets, events in the Eurozone may have an impact upon the value of the Euro which in turn will impact the value of the Company's Euro denominated investments. The Company manages its exposure to currency movements by using spot and forward foreign exchange contracts, which are rolled forward periodically.

- *Reinvestment Risk*
  The Portfolio Manager is conscious of the challenge to reinvest any monies that result from principal and income payments and to minimise reinvestment risk as much as possible. Cash flow analysis is conducted on an ongoing basis and is an important part of the Portfolio Management process, ensuring such proceeds can be invested efficiently and in the best interests of the Company.

  The Portfolio Manager expects repayments of around £60.6m over the next 12 months, however, while market conditions are always subject to change, the Portfolio Manager does not currently foresee reinvestment risk significantly impacting the yield and affecting each quarter's minimum dividend. The Portfolio Manager also recognises the need to be opportunistic as and when market conditions are particularly favourable in order to reinvest any proceeds or in order to take advantage of rapidly evolving pricing during periods of market volatility.

- *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, Independent Valuer, Custodian and the Depositary amongst others. The Board and its Audit Committee regularly review reports from the Portfolio Manager, AIFM, the Administrator, Custodian and Depositary on their internal controls, in particular, focussing on changes in working practices which arose during the first phases of the COVID-19 pandemic. The Administrator, Custodian and Depositary report to the Portfolio Manager any operational issues to the Board for final approval as required. In the aftermath of the COVID-19 pandemic outbreak, service providers deployed business resilience policies to good effect and thus enabled continued business support with limited disruption to service.

- *Accounting, Legal and Regulatory Risks*
  The Company is exposed to the risk that it may fail to maintain accurate accounting records or fail to comply with requirements of its Admission document and fail to meet listing obligations. The accounting records prepared by the Administrator are reviewed by the Portfolio Manager. The Portfolio Manager, Administrator, AIFM, Custodian, Depositary and Corporate Broker provide regular updates to the Board on compliance with the Admission document and changes in regulation. Changes in the legal or the regulatory environment can have a major impact on some classes of debt. The Portfolio Manager monitors this and takes appropriate action.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES Continued

- *Income Recognition Risk*
  The Board considers income recognition to be a principal risk and uncertainty of the Company as the Portfolio Manager estimates the remaining expected life of the security and its likely terminal value, which has an impact on the effective interest rate of the Asset Backed Securities which in turn impacts the calculation of interest income. The Board asked the Audit Committee to consider this risk with work undertaken by the Audit Committee. As a result of the work undertaken by the Audit Committee, the Board is satisfied that income is appropriately stated in all material aspects in the Financial Statements.

- *Cyber Security Risks*
  The Company is exposed to risk arising from a successful cyber-attack through its service providers. The Company requests of its service providers that they have appropriate safeguards in place to mitigate the risk of cyber-attacks (including minimising the adverse consequences arising from any such attack), that they provide regular updates to the Board on cyber security, and conduct ongoing monitoring of industry developments in this area. The Board is satisfied that the Company's service providers have the relevant controls in place to mitigate this risk.

- *Geopolitical Risk*
  On 24 February 2022, Russia launched a military operation in Ukraine. As at the date of this report the Company did not hold any assets in Ukraine, Belarus or Russia. The situation in the region is rapidly evolving. The Board and Portfolio Manager continue to monitor the situation carefully and will take whatever steps are necessary and in the best interests of the Company's Shareholders. This includes but is not limited to ensuring that the requirements of all international sanctions are adhered to and ensuring that the Portfolio Manager, Administrator and other key suppliers continue to operate all protections, protocols and monitoring of heightened cyber threats. The Company's key suppliers do not have operations in Ukraine, Russia and Belarus and there is not expected to be any adverse impact from military operations on the activity, process or procedures of the Company.

- The Board continues to monitor the residual impact of the UK's departure from the EU ("Brexit"). The Board and Portfolio Manager do not believe that there will be a significant impact on the Company but continue to monitor the longer term impact and associated trends.

- *Coronavirus Risk (COVID-19)*
  The Board has kept the risks relating to the subsiding COVID-19 pandemic under regular review throughout the period and subsequently. The ongoing impact on the Company and its operations of the pandemic has been negligible during the period. The Board closely monitors all third party service arrangements and is pleased to report that it has not seen any reduction in the level of service provided to the Company.

- *Climate Change Risk*
  Climate change risk is the risk of the Company not responding sufficiently to pressure from stakeholders to assess and disclose the impact of climate change on investment portfolios and address concerns on what impact the Company and its portfolio has on the environment.

  Regular contact is maintained by the Portfolio Manager and Broker with major stakeholders and the Board receives regular updates from the Portfolio Manager on emerging policy and best practice within this area and can take action accordingly.

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES Continued

- *Climate Change Risk (continued)*
  Environmental, Social, and Governance ("ESG") factors are assessed for every transaction as part of the investment process. Specifically for ABS, for every transaction an ESG assessment is produced and an ESG score is assigned. External ESG factors are factors related to the debt issuers of ABS transactions and they are assessed through a combination of internal and third-party data. Climate risks are incorporated in the ESG analysis under environmental factors and taken into consideration in the final investment decision. CO2 emissions are tracked at issuer and deal level where information is available. Given the bankruptcy-remoteness feature of securitisation transactions the climate risks which the manager considers more relevant and that are able to potentially impact the value of the investment are the ones related to the underlying collateral which include physical and transitional risks. Those risks are also assessed and considered as environmental factors in the ESG analysis.

The Board and Portfolio Manager do not consider these risks to have changed materially and these risks are considered to remain relevant for the remaining six months of the financial year.

The Board's process of identifying and responding to emerging risks is disclosed in pages 15 to 18 of the Annual Report for the year ended 31 March 2022.

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 Directors believe that it is appropriate to adopt the going concern basis in preparing the Unaudited Condensed Interim Financial Statements in view of the Company's holdings in cash and cash equivalents and the liquidity of investments and the income deriving from those investments, meaning the Company has adequate financial resources and suitable management arrangements in place to continue as a going concern for at least twelve months from the date of approval of the Unaudited Condensed Interim Financial Statements.

The Company's articles provide for a realisation opportunity under which Shareholders may elect to realise some or all of their holdings of Ordinary Shares at each third Annual General Meeting, with the next realisation opportunity being in September 2025. Details of the October 2022 realisation opportunity are disclosed in note 22.

A stress-test for severe market conditions, which will consider material market sensitivities and volatility and their potential impact on solvency and cash balances will be carried out ahead of the publication of the Audited Financial Statements for the year ending 31 March 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

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

- the 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 April 2022 to 30 September 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 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 April 2022 to 30 September 2022 and that have materially affected the financial position or performance of the Company during that period as included in note 14.

By order of the Board

Bronwyn Curtis
Chair

John Le Poidevin
Director

20 December 2022

INDEPENDENT REVIEW REPORT
TO TWENTYFOUR INCOME FUND LIMITED

Report on the unaudited condensed interim financial statements

Our conclusion

We have reviewed TwentyFour 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 Income Fund Limited for the 6-month period ended 30 September 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 30 September 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.

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.

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.

INDEPENDENT REVIEW REPORT continued

TO THE MEMBERS OF TWENTYFOUR INCOME FUND LIMITED

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
20 December 2022

(a) The maintenance and integrity of the TwentyFour 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 April 2022 to 30 September 2022

	Notes	For the period from 01.04.22 to 30.09.22 £ (Unaudited)	For the period from 01.04.21 to 30.09.21 £ (Unaudited)
Income			
Interest income on financial assets at fair value through profit or loss		27,159,169	21,982,991
Net foreign currency losses	7	(11,081,941)	(1,838,120)
Net (losses)/gains on financial assets at fair value through profit or loss	8	(95,521,570)	5,709,383
Total (loss)/income		(79,444,342)	25,854,254
Expenses			
Portfolio management fees	14	(2,516,061)	(2,158,716)
Directors' fees	14	(149,846)	(89,468)
Administration and secretarial fees	15	(161,765)	(142,707)
Audit fees		(65,000)	(36,208)
Custody fees	15	(33,548)	(28,783)
Broker fees		(25,057)	(25,299)
AIFM management fees	15	(115,684)	(101,390)
Depositary fees	15	(45,695)	(39,739)
Legal and professional fees		(31,216)	(31,624)
Listing fees		(14,105)	(18,082)
Registration fees		(19,783)	(14,886)
Finance costs on repurchase agreements	11	(255,413)	-
Other expenses		(152,697)	(49,288)
Total expenses		(3,585,870)	(2,736,190)
Total comprehensive (loss)/income for the period[1]		(83,030,212)	23,118,064
(Loss)/Earnings per Ordinary Share			
- Basic & Diluted	3	(0.1299)	0.0455

All items in the above statement derive from continuing operations.

The Company's income and expenses are not affected by seasonality or cyclicity.

The notes on pages 23 to 45 form an integral part of these Unaudited Condensed Interim Financial Statements.

[1]There was no other comprehensive income during the current and prior periods.

CONDENSED STATEMENT OF FINANCIAL POSITION
as at 30 September 2022

	Notes	30.09.2022 £ (Unaudited)	31.03.2022 £ (Audited)
Assets			
Current assets			
Financial assets at fair value through profit or loss			
- Investments	8	648,541,933	696,505,062
- Derivative assets: Forward currency contracts	17	1,101,446	40,892
Amounts due from broker		5,796,737	-
Other receivables	9	5,486,233	3,987,405
Cash and cash equivalents		23,048,313	59,706,062
Total assets		683,974,662	760,239,421
Liabilities			
Current liabilities			
Financial liabilities at fair value through profit or loss			
- Derivative liabilities: Forward currency contracts	17	7,108,631	1,737,830
Amounts payable under repurchase agreements	11	39,361,692	15,091,522
Amounts due to broker		22,686,199	19,422,888
Share issue costs payable		1,582	3,200,000
Other payables	10	1,611,514	2,309,963
Total liabilities		70,769,618	41,762,203
Net assets		613,205,044	718,477,218
Equity			
Share capital account	12	677,180,771	675,350,674
(Accumulated losses)/Retained earnings		(63,975,727)	43,126,544
Total equity		613,205,044	718,477,218
Ordinary Shares in issue	12	639,942,655	638,942,655
Net Asset Value per Ordinary Share (pence)	5	95.82	112.45

The Unaudited Condensed Interim Financial Statements on pages 19 to 45 were approved by the Board of Directors on 20 December 2022 and signed on its behalf by:

Bronwyn Curtis
Director

Bronwyn N. Curtis

John Le Poidevin
Director

The notes on pages 23 to 45 form an integral part of these Unaudited Condensed Interim Financial Statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the period from 1 April 2022 to 30 September 2022

	Notes	Share capital account £	Retained earnings/ (Accumulated losses) £	Total £
Balances at 1 April 2022		675,350,674	43,126,544	718,477,218
Issue of shares	12	1,054,500	-	1,054,500
Share issue costs	12	(12,127)	-	(12,127)
Release of UKML share issue costs payable		803,803	-	803,803
Dividends paid		-	(24,088,138)	(24,088,138)
Income equalisation on new issues	5	(16,079)	16,079	-
Total comprehensive loss for the period		-	(83,030,212)	(83,030,212)
Balances at 30 September 2022 (Unaudited)		677,180,771	(63,975,727)	613,205,044

	Share capital account £	Retained earnings £	Total £
Balances at 1 April 2021	533,945,321	39,418,848	573,364,169
Dividends paid	-	(17,340,355)	(17,340,355)
Total comprehensive income for the period	-	23,118,064	23,118,064
Balances at 30 September 2021 (Unaudited)	533,945,321	45,196,557	579,141,878

The notes on pages 23 to 45 form an integral part of these Unaudited Condensed Interim Financial Statements.

CONDENSED STATEMENT OF CASH FLOWS
for the period from 1 April 2022 to 30 September 2022

	Notes	For the period from 01.04.22 to 30.09.22 £ (Unaudited)	For the period from 01.04.21 to 30.09.21 £ (Unaudited)
Cash flows from operating activities			
Total comprehensive (loss)/income for the period		(83,030,212)	23,118,064
Adjustments for:			
Net losses/(gains) on investments	8	95,521,570	(5,709,383)
Amortisation adjustment under effective interest rate method	8	(7,226,952)	(4,376,031)
Unrealised losses on forward currency contracts	7	4,310,247	3,631,893
Exchange gains on cash and cash equivalents		(26,446)	(18,019)
Increase in other receivables		(1,498,828)	(379,590)
(Decrease)/increase in other payables		(698,449)	350,049
Finance costs on repurchase agreements		255,413	-
Purchase of investments		(129,995,550)	(93,243,579)
Sale of investments/principal repayments		87,130,635	92,623,740
Net cash (used in)/generated from operating activities		(35,258,572)	15,997,144
Cash flows from financing activities			
Proceeds from issue of Ordinary Redeemable Shares		1,054,500	-
Share issue costs		(2,406,742)	-
Dividend paid		(24,088,138)	(17,340,355)
Finance costs		(255,413)	-
Increase/(decrease) in amounts payable under repurchase agreements		24,270,170	(1,905,218)
Net cash used in financing activities		(1,425,623)	(19,245,573)
Decrease in cash and cash equivalents		(36,684,195)	(3,248,429)
Cash and cash equivalents at beginning of the period		59,706,062	11,515,643
Exchange gains on cash and cash equivalents		26,446	18,019
Cash and cash equivalents at end of the period		23,048,313	8,285,233

The notes on pages 23 to 45 form an integral part of these Unaudited Condensed Interim Financial Statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

for the period from 1 April 2022 to 30 September 2022

1. General Information

TwentyFour Income Fund Limited (the "Company") was incorporated with limited liability in Guernsey, as a closed-ended investment company on 11 January 2013. The Company's shares ("Ordinary Shares", being the sole share class) were listed with a Premium Listing on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange on 6 March 2013.

On 16 September 2022, the Company was included on the London Stock Exchange's FTSE 250 Index. The inclusion was largely due to the increase in the net asset value of the Company, following its acquisition of the assets of UK Mortgages Limited ("UKML") in March 2022.

The Company's investment objective and policy is set out in the Summary Information on pages 2 to 3.

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

2. Principal Accounting Policies

a) Statement of Compliance

The Unaudited Condensed Interim Financial Statements for the period 1 April 2022 to 30 September 2022 have been prepared on a going concern basis in accordance with IAS 34 "Interim Financial Reporting", the Disclosure Guidance and Transparency Rules Sourcebook of the United Kingdom's Financial Conduct Authority ("FCA") and applicable legal and regulatory requirements.

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements for the year ended 31 March 2022, which were prepared in accordance with International Financial Reporting Standards ("IFRS") and were in compliance with The Companies (Guernsey) Law, 2008 and which received an unqualified Auditor's report.

b) Presentation of Information

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 a third party valuer was engaged to provide valuations for certain investments where the Portfolio Manager determined this would provide more reliable information to determine the fair value of the particular assets, other than this 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

At the reporting date of these Financial Statements, the following standards, interpretations and amendments, were adopted for the period ended 30 September 2022 and the year ending 31 March 2023:

- Treatment of property, plant and equipment cost (Amendments to IAS 16 and IAS 41) ;
- Treatment of onerous contracts (Amendments to IAS 37);
- Subsidiaries being permitted cumulative translation differences using the amounts reported by its parent (Amendments to IFRS 1); and
- Updates to conceptual framework amendments (Amendments to IFRS 3)

The Directors believe that the adoption of the above standards do not have a material impact on the Company's unaudited condensed interim financial statements for the period ended 30 September 2022 and for the annual financial statements for the year ending 31 March 2023.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

2. Principal Accounting Policies (continued)

e) Standards, Amendments and Interpretations Issued but not yet Effective

The following standards, interpretations and amendments, which have not been applied in these Unaudited Condensed Interim Financial Statements, were in issue but not yet effective:

- IFRS 17 Insurance Contracts (Effective 1 January 2023)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (effective 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (Effective 1 January 2023)
- Disclosure of Accounting Policies (Amendments to IAS 1) (Effective 1 January 2023)

The Directors anticipate that the adoption of the above standards, effective in future periods, will not have a material impact on the financial statements of the Company.

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

The earnings per Ordinary Share - Basic and Diluted has been calculated based on the weighted average number of Ordinary Shares of 638,959,048 (30 September 2021: 508,514,809) and a net loss of £82,996,940 (30 September 2021: net gain of £23,118,064).

4. Income Equalisation on New Issues

In order to ensure there are no dilutive effects on earnings per share for current Shareholders when issuing new shares, earnings are calculated in respect of accrued income at the time of purchase and a transfer is made from share capital to income to reflect this. The transfer for the period is £16,079 (30 September 2021: £Nil).

5. Net Asset Value per Ordinary Share

The net asset value of each Share of £0.96 (31 March 2022: £1.12) is determined by dividing the net assets of the Company attributed to the Shares of £612,434,513 (31 March 2022: £718,477,218) by the number of Shares in issue at 30 September 2022 of 639,942,655 (31 March 2022: 638,942,655).

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 (2021: £1,200).

7. Net Foreign Currency Loss

	For the period from 01.04.22 to 30.09.22 £	For the period from 01.04.21 to 30.09.21 £
Movement on unrealised loss on forward currency contracts	(4,310,247)	(3,631,893)
Realised (loss)/gain on foreign currency contracts	(7,171,088)	1,708,856
Unrealised foreign currency gain/(loss) on receivables/payables	219,025	(13,097)
Unrealised foreign currency exchange gain on interest receivable	180,369	98,014
	(11,081,941)	(1,838,120)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

8. Investments

	For the period 01.04.22 to 30.09.22	For the year 01.04.21 to 31.03.22
Financial assets at fair value through profit or loss:	£	£
Unlisted Investments:		
Opening book cost	693,217,802	588,285,142
Purchases at cost	133,258,861	370,421,053
Proceeds on sale/principal repayment	(92,927,372)	(266,964,778)
Amortisation adjustment under effective interest rate method on ABS[1]	2,029,485	6,373,782
Amortisation adjustment under effective interest rate method on PPNs[1]	5,197,467	118,428
Realised gains on sale/principal repayment	46,974,421	38,306,129
Realised losses on sale/principal repayment	(38,404,969)	(43,321,954)
Closing book cost	749,345,695	693,217,802
Unrealised gains on investments	287,281	35,735,454
Unrealised losses on investments	(101,091,043)	(32,448,194)
Fair value	648,541,933	696,505,062

[1.] The amounts for the year ended 31 March 2022 were presented as ‘amortisation adjustment under effective interest rate method’. These have been split to show the amortisation as a result of the effective interest rate method split between that for ABS and that for PPNs. The total figure for the prior year remains unchanged.

	For the period from 01.04.22 to 30.09.22	For the period from 01.04.21 to 30.09.21
	£	£
Realised gains on sales/principal repayment	46,974,421	7,771,336
Realised losses on sales/principal repayment	(38,404,969)	(7,274,578)
Movement in unrealised gains	(35,448,173)	3,015,561
Movement in unrealised losses	(68,642,849)	2,197,064
Net (loss)/gain on financial assets at fair value through profit or loss	(95,521,570)	5,709,383

9. Other Receivables

	As at 30.09.22	As at 31.03.22
	£	£
Coupon interest receivable	5,435,004	3,909,523
Prepaid expenses	51,229	77,882
	5,486,233	3,987,405

There are no expected credit losses for coupon interest receivable as at 30 September 2022.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued
for the period from 1 April 2022 to 30 September 2022

10. Other Payables

	As at 30.09.22 £	As at 31.03.22 £
Portfolio management fees payable	1,121,036	2,010,225
Custody fees payable	15,279	5,318
Administration and secretarial fees payable	161,380	71,619
Audit fees payable	192,840	89,990
AIFM management fees payable	44,820	97,492
Depositary fees payable	23,879	10,127
General expenses payable	52,280	25,192
	1,611,514	2,309,963

A summary of the expected payment dates of payables can be found in the 'Liquidity Risk' section of Note 16.

11. Amounts payable under repurchase agreements

The Company, as part of its investment strategy, may enter into repurchase agreements. A repurchase agreement is a short-term loan where both parties agree to the sale and future repurchase of assets within a specified contract period. Repurchase agreements may be entered into in respect of securities owned by the Company which are sold to and repurchased from counterparties on contractually agreed dates and the cash generated from this arrangement can be used to purchase new securities, effectively creating leverage. The Company still benefits from any income received, attributable to the security.

Finance costs on repurchase agreements have been presented separately from interest income for the period end 30 September 2022. In prior periods, this was netted off with the interest income. The prior period was not adjusted as this will only impact the presentation and this reclassification and would not result in any change in the net (loss)/ profit or the net assets of the Company. The Directors of the Company believe that this adjustment will not influence the decision of the users of the financial statements.

Finance costs on repurchase agreements amounted to £255,413 (30 September 2021: £78,674). As at 30 September 2022, finance cost liabilities on open repurchase agreements amounted to £39,092 (31 March 2021: £54,521).

At the end of the period, amounts repayable under open repurchase agreements were £39,361,692 (31 March 2022: £15,091,522). 9 securities were designated as collateral against the repurchase agreements (31 March 2022: 3 securities), with a total fair value of £49,448,285 (31 March 22: £18,043,498), all of which were investment grade RMBS. The total exposure was -6.42% (31 March 22: -2.10%) of the Company's NAV. The contracts were across two counterparties and were all rolling agreements with a maturity of 3 months.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

12. Share Capital

Authorised Share Capital

Unlimited number of Ordinary Shares at no par value.

Issued Share Capital

	For the period 01.04.22 to 30.09.22	For the year 01.04.21 to 31.03.22
Ordinary Redeemable Shares	£	£
Share Capital at the beginning of the period/year	675,350,674	533,945,321
Issued Share Capital	1,054,500	144,605,353
Share issue costs	(12,127)	(3,200,000)
Release of UKML share issue costs payable	803,803	-
Income equalisation on new issues	(16,079)	-
Total Share Capital at the end of the period/year	677,180,771	675,350,674

	For the period 01.04.22 to 30.09.22	For the year 01.04.21 to 31.03.22
	Shares	Shares
Ordinary Redeemable Shares		
Shares at the beginning of the period/year	638,942,655	508,514,809
Issue of Shares	1,000,000	130,427,846
Total Shares in issue at the end of the period/year	639,942,655	638,942,655

	For the period 01.04.22 to 30.09.22	As at 01.04.21 to 31.03.22
	£	£
Treasury Shares		
Treasury Share capital at the beginning of the period/year	43,083,300	43,083,300
Total Treasury Share capital at the end of the period/year	43,083,300	43,083,300

	For the period 01.04.22 to 30.09.22	For the year 01.04.21 to 31.03.22
	Shares	Shares
Treasury Shares		
Treasury Shares at the beginning of the period/year	39,000,000	39,000,000
Total Shares at the end of the period/year	39,000,000	39,000,000

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

12. Share Capital (continued)

Issued Share Capital (continued)
On 28 September 2022, 1,000,000 new Ordinary Shares were issued at a price of 1.0545 pence per share. The total consideration of the new share issue was £1,054,500. £12,127 in share issue costs were recognised. On March 2022, 130,427,846 new Ordinary Shares of the Company were issued to shareholders of UKML during the acquisition of UKML. The total value of assets transferred were in consideration were: 4 PPNs valued at £87.1 million; Listed notes of £19.0 million and cash of £38.5 million.

The Share Capital of the Company consists of an unlimited number of Shares at no par value which, upon issue, the Directors may designate as: Ordinary Shares; Realisation Shares or such other class as the Board shall determine and denominated in such currencies as shall be determined at the discretion of the Board.

As at 30 September 2022, one share class has been issued, being the Ordinary Shares of the Company.

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.

c) 56 days before the annual general meeting date of the Company in each third year (the "Reorganisation Date"), the Shareholders are entitled to serve a written notice (a "Realisation Election") requesting that all or a part of the Ordinary Shares held by them be redesignated to Realisation Shares, subject to the aggregate NAV of the continuing Ordinary Shares on the last business day before the Reorganisation Date being not less than £100 million. A Realisation Notice, once given is irrevocable unless the Board agrees otherwise. If one or more Realisation Elections be duly made and the aggregate NAV of the continuing Ordinary Shares on the last business day before the Reorganisation Date is less than £100 million, the Realisation will not take place. Shareholders do not have a right to have their shares redeemed and shares are redeemable at the discretion of the Board. The most recent Realisation Election took place in October 2022, details of which can be found in Note 22. The next realisation opportunity is due to occur at the end of the next three-year term, at the date of the AGM in September 2025.

The Company has the right to issue and purchase up to 14.99% of the total number of its own shares at £0.01 each, to be classed as Treasury Shares and may cancel those Shares or hold any such Shares as Treasury Shares, provided that the number of Shares held as Treasury Shares shall not at any time exceed 10% of the total number of Shares of that class in issue at that time or such amount as provided in the Companies (Guernsey) Law, 2008.

The Company has the right to re-issue Treasury Shares at a later date.

Shares held in Treasury are excluded from calculations when determining Earnings per Ordinary Share or NAV per Ordinary Share, as detailed in notes 3 and 5.

£2,396,197 of share issue costs paid in the Condensed Statement of Cash Flows relate to issue costs incurred during the year ended 31 March 2022 in relation to the acquisition of UKML assets. £803,803 of the original costs capitalised have been released back to the NAV of the Company.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

13. Analysis of Financial Assets and Liabilities by Measurement Basis

	Assets at fair value through profit and loss £	Amortised cost £	Total £
30 September 2022			
Financial Assets as per Condensed Statement of Financial Position			
Financial assets at fair value through profit or loss:			
- Investments	648,541,933	-	648,541,933
- Derivative assets: Forward currency contracts	1,101,446	-	1,101,446
Amounts due from broker	-	5,796,737	5,796,737
Other receivables (excluding prepayments)	-	5,435,004	5,435,004
Cash and cash equivalents	-	23,048,313	23,048,313
	649,643,379	34,280,054	683,923,433

	Liabilities at fair value through profit and loss £	Amortised cost £	Total £
Financial Liabilities as per Condensed Statement of Financial Position			
Financial liabilities at fair value through profit or loss:			
- Derivative liabilities: Forward currency contracts	7,108,631	-	7,108,631
Amounts payable under repurchase agreements	-	39,361,692	39,361,692
Amounts due to brokers	-	22,686,199	22,686,199
Share issue costs payable	-	1,582	1,582
Other payables	-	1,611,514	1,611,514
	7,108,631	63,660,987	70,769,618

	Assets at fair value through profit and loss £	Amortised cost £	Total £
31 March 2022			
Financial Assets as per Condensed Statement of Financial Position			
Financial assets at fair value through profit or loss:			
- Investments	696,505,062	-	696,505,062
- Derivative assets: Forward currency contracts	40,892	-	40,892
Other receivables (excluding prepayments)	-	3,909,523	3,909,523
Cash and cash equivalents	-	59,706,062	59,706,062
	696,545,954	63,615,585	760,161,539

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

13. Analysis of Financial Assets and Liabilities by Measurement Basis (continued)

	Liabilities at fair value through profit and loss	Amortised cost	Total
	£	£	£
Financial Assets as per Condensed Statement of Financial Position			
Financial liabilities at fair value through profit or loss:			
- Derivative liabilities: Forward currency contracts	1,737,830	-	1,737,830
Amounts payable under repurchase agreements	-	15,091,522	15,091,522
Amounts due to brokers	-	19,422,888	19,422,888
Share issue costs payable		3,200,000	3,200,000
Other payables	-	2,309,963	2,309,963
	1,737,830	40,024,373	41,762,203

14. Related Parties

a) Directors' Remuneration & Expenses

The Directors of the Company are remunerated for their services at such a rate as the Directors determine. At the Annual General Meeting, held on 14 October 2022, Shareholders approved the increase of the upper limit of aggregate Director fees from £225,000 to £400,000 per annum.

The annual fees are £40,000 for the Chair, which increased to £50,000 on the appointment of Bronwyn Curtis to Chair, £37,500 for Chair of the Audit Committee, and £35,000 for all other Directors.

On 12 April 2022, each of the six appointed Directors received a £5,000 ad-hoc fee for additional work carried out during the acquisition of UK Mortgages Limited ("UKML").

During the period ended 30 September 2022, Directors fees of £149,846 (30 September 2021: £89,468) were charged to the Company, of which £Nil (31 March 2022: £Nil) remained payable at the end of the period.

b) Shares Held by Related Parties

As at 30 September 2022, Directors of the Company held the following shares beneficially:

	Number of Shares 30.09.22	Number of Shares 31.03.22
Trevor Ash (retired 14 October 2022)	108,734	108,734
Ian Burns (retired 14 October 2022)	74,242	74,242
Richard Burwood	66,124	66,124
Bronwyn Curtis	-	N/A
John de Garis	18,691	18,691
Joanne Fintzen	17,476	17,476
John Le Poidevin	23,165	23,165

None of the Directors purchased or sold any shares, during the six month period ended 30 September 2022.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

14. Related Parties (continued)

b) Shares Held by Related Parties (continued)

On 25 October 2022 the board purchased the following Ordinary Shares in the Company as part of the Redemption Placing shares, made available on the market as part of the Realisation Opportunity:

Name	Allocation (Ordinary Shares)	Price per share (pence)	Total Consideration £
Bronwyn Curtis	105,313	94.95	100,000
Richard Burwood	21,062	94.95	20,000
Joanne Fintzen	21,062	94.95	20,000
John de Garis	21,062	94.95	20,000
John Le Poidevin	236,956	94.95	225,000

As at 30 September 2022, the Portfolio Manager held 31,805,683 Shares (31 March 2022: 31,805,683 Shares), which is 4.97% (31 March 2022: 4.98%) of the Issued Share Capital. Partners and employees of the Portfolio Manager held 11,419,512 Shares (31 March 2022: 12,334,376 Shares), which is 1.78% (31 March 2022: 1.93%) of the Issued Share Capital.

Any shares purchased by Directors, the Portfolio Manager and employees of the Portfolio Manager are carried out in their capacity as Shareholders. No shares are offered or awarded to any Related Parties as remuneration.

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 £2,516,061 (30 September 2021: £2,158,716) of which £1,121,036 (31 March 2022: £2,010,225) is due and payable at the period end. The Portfolio Management Agreement dated 29 May 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 0.15% 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 £1,582 (30 September 2021: £Nil) in commission.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued
for the period from 1 April 2022 to 30 September 2022

15. Material Agreements

a) Alternative Investment Fund Manager

The Company's Alternative Investment Fund Manager (the "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 NAV of the Company below £50 million, 0.05% on Net Assets between £50 million and £100 million and 0.03% on Net Assets in excess of £100 million. During the period ended 30 September 2022, AIFM fees of £115,684 (30 September 2021: £101,390) were charged to the Company, of which £44,820 (31 March 2022: £97,492) remained payable at the end of the period.

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 NAV 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 £75,000 each year. In addition, an annual fee of £25,000 is charged for corporate governance and company secretarial services. Total administration and secretarial fees for the period amounted to £161,765 (30 September 2021: £142,707) of which £161,380 (31 March 2022: £71,619) is due and payable at end of the period.

c) Depositary

Depositary fees are payable to Northern Trust (Guernsey) Limited, monthly in arrears, at a rate of 0.0175% of the Net Asset Value of the Company up to £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 £25,000 each period. Total depositary fees and charges for the period amounted to £45,695, (30 September 2021: £39,739) of which £23,879 (31 March 2022: £10,127) is due and payable at the period end.

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 £33,548 (30 September 2021: £28,783) of which £15,279 (31 March 2022: £5,318) is due and payable at the period end.

16. Financial Risk Management

The Company's objective in managing risk is the creation and protection of Shareholder value. Risk is inherent in the Company's activities, but it is managed through an ongoing process of identification, measurement and monitoring.

The Company's financial instruments include investments classified at fair value through profit or loss, cash and cash equivalents, derivative liabilities and amounts payable under repurchase agreements. The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The techniques and instruments utilised for the purposes of efficient portfolio management are those which are reasonably believed by the Board to be economically appropriate to the efficient management of the Company.

Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk, reinvestment risk and price risk. The Company's strategy on the management of market risk is driven by the Company's investment objective. The Company's investment objective is to generate attractive risk adjusted returns principally through investment in Asset Backed Securities.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

16. Financial Risk Management (continued)
Market risk (continued)

The underlying investments comprised in the portfolio are subject to market risk. The Company is therefore at risk that market events may affect performance and in particular may affect the value of the Company's investments. Market risk is risk associated with changes in market prices or rates, including interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, national and international political circumstances.

(i) Price Risk
The price of an Asset Backed Security can be affected by a number of factors, including: (i) changes in the market's perception of the underlying assets backing the security; (ii) economic and political factors such as interest rates and levels of unemployment and taxation which can have an impact on the arrears, foreclosures and losses incurred with respect to the pool of assets backing the security; (iii) changes in the market's perception of the adequacy of credit support built into the security's structure to protect against losses caused by arrears and foreclosures; (iv) changes in the perceived creditworthiness of the originator of the security or any other third parties to the transaction; (v) the speed at which mortgages or loans within the pool are repaid by the underlying borrowers (whether voluntary or due to arrears or foreclosures).

The Company's policy also stipulates that no more than 10% of the Portfolio value can be exposed to any single Asset Backed Security or issuer of Asset Backed Securities.

(ii) Interest Rate Risk
Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of financial assets and liabilities at fair value through profit or loss.

The tables below summarise the Company's exposure to interest rate risk:

As at 30 September 2022	Floating rate £	Fixed rate £	Non-interest bearing £	Total £
Financial assets at fair value through profit or loss	648,541,933	-	-	648,541,933
Derivative assets	-	-	1,101,446	1,101,446
Amounts due from broker	-	-	5,796,737	5,796,737
Other receivables (excluding prepayments)	-	-	5,435,004	5,435,004
Cash and cash equivalents	23,048,313	-	-	23,048,313
Repurchase agreements	-	(39,361,692)	-	(39,361,692)
Amounts due to brokers	-	-	(22,686,199)	(22,686,199)
Share issue costs payable	-	-	(1,582)	(1,582)
Other payables	-	-	(1,611,514)	(1,611,514)
Derivative liabilities	-	-	(7,108,631)	(7,108,631)
Net current assets	671,590,246	(39,361,692)	(19,074,739)	613,153,815

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

16. Financial Risk Management (continued)

Market risk (continued)

(ii) Interest Rate Risk (continued)

	Floating rate	Fixed rate	Non-interest bearing	Total
As at 31 March 2022	**£**	**£**	**£**	**£**
Financial assets at fair value through profit or loss	696,505,062	-	-	696,505,062
Derivative assets	-	-	40,892	40,892
Other receivables (excluding prepayments)	-	-	3,909,523	3,909,523
Cash and cash equivalents	59,706,062	-	-	59,706,062
Repurchase agreements	-	(15,091,522)	-	(15,091,522)
Amounts due to brokers	-	-	(19,422,888)	(19,422,888)
Share issue costs payable	-	-	(3,200,000)	(3,200,000)
Other payables	-	-	(2,309,963)	(2,309,963)
Derivative liabilities	-	-	(1,737,830)	(1,737,830)
Net current assets	756,211,124	(15,091,522)	(22,720,266)	718,399,336

The Company only holds floating rate financial assets and when short-term interest rates increase, the interest rate on a floating rate will increase. The time to re-fix interest rates ranges from 1 month to a maximum of 6 months and therefore the Company has minimal interest rate risk. However, the Company may choose to utilise appropriate strategies to achieve the desired level of interest rate exposure (the Company is permitted to use, for example, interest rate swaps to accomplish this). The value of asset backed securities may be affected by interest rate movements. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates, however the underlying cash positions will not be affected. Please see note 11 for details of the amounts payable under repurchase agreements.

The Company's continuing position in relation to interest rate risk is monitored on a weekly basis by the Portfolio Manager as part of its review of the weekly NAV calculations prepared by the Company's Administrator.

(iii) 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 invests predominantly in non-Sterling assets while its Shares are denominated in Sterling, its expenses are incurred in Sterling. Therefore the Statement of Financial Position may be significantly affected by movements in the exchange rate between Euro and Sterling. The Company manages the exposure to currency movements by using spot and forward foreign exchange contracts, rolling forward on a periodic basis.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

16. Financial Risk Management (continued)
Market risk (continued)
(iii) Foreign Currency Risk (continued)

	Contract values	Outstanding contracts	Mark to market equivalent	Unrealised (losses)/gains
	30.09.2022	30.09.2022	30.09.2022	30.09.2022
Three Sterling forward foreign currency contracts totalling:				
Settlement date 7 October 2022	€403,573,355	£348,332,280	£354,170,591	(£5,838,311)
Settlement date 10 November 2022	€383,650,255	£338,323,128	£337,221,682	£1,101,446
Three Euro forward foreign currency contracts totalling:				
Settlement date 7 October 2022	(£403,573,355)	(£355,440,911)	(£354,170,591)	(£1,270,320)
				(£6,007,185)

	Contract values	Outstanding contracts	Mark to market equivalent	Unrealised (losses)/gains
	31.03.2022	31.03.2022	31.03.2022	31.03.2022
Four Sterling forward foreign currency contracts totalling:				
Settlement date 14 April 2022	€393,860,355	£331,185,177	£332,907,686	(£1,722,509)
One Euro forward foreign currency contracts totalling:				
Settlement date 14 April 2022	(£2,367,768)	(£1,975,767)	(£2,001,338)	£25,571
				(£1,696,938)

Contract values represent the contract's notional value. Outstanding contracts are the contract's notional values, translated at the contracted FX rate from Euro to Sterling, or from Sterling to Euro.

As at 30 September 2022 and as at 31 March 2022, the Company held the following assets and liabilities denominated in Euro:

	As at 30.09.2022	As at 31.03.2022
Assets:	£	£
Investments	325,536,771	347,113,863
Cash and cash equivalents	2,683,369	770,446
Other receivables	4,307,478	3,094,634
Amounts due to broker	(6,349,670)	(19,422,888)
Less: Open forward currency contracts	(337,221,683)	(330,906,347)
	(11,043,735)	649,708

16. Financial Risk Management (continued)
Market risk (continued)
(iii) Foreign Currency Risk (continued)
The tables below summarise the sensitivity of the Company's assets and liabilities to changes in foreign exchange movements between Euro and Sterling at 30 September 2022 and 31 March 2022. The analysis is based on the assumption that the relevant foreign exchange rate increased/decreased by the percentage disclosed in the table, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	As at **30.09.2022** £	As at **31.03.2022** £
Impact on Statement of Comprehensive Income in response to a:		
- 20% increase as at 30.09.2022; 10% increase as at 31.03.2022	1,828,513	5,496
- 20% decrease as at 30.09.2022; 10% decrease as at 31.03.2022	(2,782,963)	151,117
Impact on Statement of Changes in Equity in response to a:		
- 20% increase as at 30.09.2022; 10% increase as at 31.03.2022	1,828,513	5,496
- 20% decrease as at 30.09.2022; 10% decrease as at 31.03.2022	(2,782,963)	151,117

(iv) Reinvestment Risk
Reinvestment risk is the risk that future coupons from a bond will not be reinvested at the prevailing interest rate when the bond was initially purchased.

A key determinant of a bond's yield is the price at which it is purchased and, therefore, when the market price of bonds generally increases, the yield of bonds purchased generally decreases. As such, the overall yield of the portfolio, and therefore the level of dividends payable to Shareholders, would fall to the extent that the market prices of Asset Backed Securities generally rise and the proceeds of Asset Backed Securities held by the Company that mature or are sold are not able to be reinvested in Asset Backed Securities with a yield comparable to that of the portfolio as a whole.

(v) Price Sensitivity Analysis
The following details the Company's sensitivity to movement in market prices. The analysis is based on a 10% increase or decrease in market prices. This represents management's best estimate of a reasonable possible shift in market prices, having regard to historical volatility.

At 30 September 2022, if the market prices had been 10% higher with all other variables held constant, the increase in the net assets attributable to equity Shareholders would have been £64,854,193 (31 March 2022: £69,650,506). An equal change in the opposite direction would have decreased the net assets attributable to equity Shareholders by the same amount. This price sensitivity analysis covers the market prices received from price vendors, brokers and those determined using models (such as discounted cash flow models) on the assumption that the prices determined from these sources had moved by the indicated percentage.

As noted in Note 17, the valuation models used (typically discounted cash flow models) include unobservable inputs that may rely on assumptions that are subject to judgement. The sensitivity analysis of such inputs was not available for the period ended 30 September 2022, however it is the Portfolio Manager's and Board's intention to include any relevant unobservable inputs that could reasonably have a significant impact on the respective valuation models in the financial statements of the Company for the year ending 31 March 2023.

16. Financial Risk Management (continued)
Market risk (continued)
(v) Price Sensitivity Analysis (continued)
Actual trading results may differ from the above sensitivity analysis and those differences may be material.

Credit Risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

The main concentration of credit risk to which the Company is exposed arises from the Company's investments in Asset Backed Securities. The Company is also exposed to counterparty credit risk on forwards, cash and cash equivalents, amounts due from brokers and other receivable balances. At the period end, none of the Company's investments in Asset Backed Securities were impaired (31 March 2022: none).

The Company's policy to manage this risk is by no more than 20% of the portfolio value being backed by collateral in any single country (save that this restriction will not apply to Northern European countries). The Company also manages this credit risk by no more than 10% of the portfolio being exposed to any single Asset Backed Security or issuer of Asset Backed Securities, no more than 40% of the portfolio being exposed to issues with a value greater than 5%, and no more than 10% of the portfolio value being exposed to instruments not deemed securities for the purposes of the Financial Services and Market Act 2000.

Portfolio of Asset Backed Securities by ratings category using the highest rating assigned by Standard and Poor's ("S&P"), Moody's Analytics (Moody's") or Fitch Ratings ("Fitch"):

	30.09.22	**31.03.22**
AAA	0.33%	0.32%
AA-	1.77%	1.73%
A+	3.51%	1.53%
A	2.97%	1.44%
A-	3.07%	2.21%
BBB+	7.81%	5.68%
BBB	2.42%	2.65%
BBB-	4.81%	2.79%
BB+	4.83%	6.55%
BB	5.93%	6.88%
BB-	8.58%	9.82%
B+	5.42%	3.17%
B	5.87%	8.49%
B-	12.38%	13.28%
CCC	0.40%	-
NR*	29.90%	33.46%
	100.00%	100.00%

*The non-rated exposure within the Company is managed in exactly the same way as the exposure to any other rated bond in the portfolio. A bond not rated by any of Moody's, S&P or Fitch does not necessarily translate as poor credit quality. Often smaller issues/tranches, or private deals which the Company holds, won't apply for a rating due to the cost of doing so from the relevant credit agencies. The Portfolio Manager has no credit concerns with the unrated, or rated, bonds currently held.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued
for the period from 1 April 2022 to 30 September 2022

16. Financial Risk Management (continued)

Credit Risk (continued)

To further minimise credit risk, the Portfolio Manager undertakes extensive due diligence procedures on investments in Asset Backed Securities and monitors the on-going investment in these securities. The Company may also use credit default swaps to mitigate the effects of market volatility on credit risk.

The Company manages its counterparty exposure in respect of cash and cash equivalents and forwards by investing with counterparties with a “single A” or higher credit rating. All cash is currently placed with The Northern Trust Company. The Company is subject to credit risk to the extent that this institution may be unable to return this cash. The Northern Trust Company is a wholly owned subsidiary of The Northern Trust Corporation. The Northern Trust Corporation is publicly traded and a constituent of the S&P 500. The Northern Trust Corporation has a credit rating of A+ from Standard & Poor's and A2 from Moody's.

The Company’s maximum credit exposure is limited to the carrying amount of financial assets recognised as at the statement of financial position date, as summarised below:

	As at 30.09.22 £	As at 31.03.22 £
Investments	648,541,933	586,853,917
Cash and cash equivalents	23,048,313	11,515,643
Unrealised gains on derivative assets	1,101,446	1,591,666
Amounts due from broker	5,796,737	-
Other receivables	5,435,004	3,420,226
	683,923,433	603,381,452

Investments in Asset Backed Securities that are not backed by mortgages present certain risks that are not presented by Mortgage-Backed Securities (“MBS”). Primarily, these securities may not have the benefit of the same security interest in the related collateral. Therefore, there is a possibility that recoveries on defaulted collateral may not, in some cases, be available to support payments on these securities. The risk of investing in these types of Asset Backed Securities is ultimately dependent upon payment of the underlying debt by the debtor.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Investments made by the Company in Asset Backed Securities may be relatively illiquid and this may limit the ability of the Company to realise its investments. Investments in Asset Backed Securities may also have no active market and the Company also has no redemption rights in respect of these investments. The Company has the ability to borrow to ensure sufficient cash flows.

The Portfolio Manager considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. Cash flows from trade and other receivables are all contractually due within twelve months.

The Portfolio Manager maintains a liquidity management policy to monitor the liquidity risk of the Company.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

16. Financial Risk Management (continued)

Liquidity Risk (continued)

Shareholders have no right to have their shares redeemed or repurchased by the Company, however Shareholders may elect to realise their holdings as detailed under note 12 and the Capital Risk Management section of this note.

Shareholders wishing to release their investment in the Company are therefore required to dispose of their shares on the market. Therefore, there is no risk that the Company will not be able to fund redemption requests.

	Up to 1 month	1-6 months	6-12 months	Total
As at 30 September 2022	£	£	£	£
Financial liabilities				
Repurchase agreements	-	(39,361,692)	-	(39,361,692)
Amounts due to brokers	(22,686,199)	-	-	(22,686,199)
Unrealised loss on derivative liabilities	(7,108,631)	-	-	(7,108,631)
Share issue costs payable	(1,582)	-	-	(1,582)
Other payables	(1,418,674)	(159,568)	-	(1,578,242)
Total	(31,215,086)	(39,521,260)	-	(70,736,346)

	Up to 1 month	1-6 months	6-12 months	Total
As at 31 March 2022	£	£	£	£
Financial liabilities				
Repurchase agreements	-	(15,091,522)	-	(15,091,522)
Amounts due to brokers	(19,422,888)	-	-	(19,422,888)
Unrealised loss on derivative liabilities	(1,737,830)	-	-	(1,737,830)
Share issue costs payable	(3,200,000)	-	-	(3,200,000)
Other payables	(2,219,973)	(89,990)	-	(2,309,963)
Total	(26,580,691)	(15,181,512)	-	(41,762,203)

Capital Risk Management

The Company manages its capital to ensure that it is able to continue as a going concern while following the Company's stated investment policy and when considering and approving dividend payments. The capital structure of the Company consists of Shareholders' equity, which comprises share capital and other reserves. To maintain or adjust the capital structure, the Company may return capital to Shareholders or issue new Shares. There are no regulatory requirements to return capital to Shareholders.

(i) Share Buybacks

The Company has been granted the authority to make market purchases of up to a maximum of 14.99% of the aggregate number of Ordinary Shares in issue immediately following Admission at a price not exceeding the higher of (i) 5% above the average of the mid-market values of the Ordinary Shares for the 5 business days before the purchase is made or, (ii) the higher of the price of the last independent trade and the highest current investment bid for the Ordinary Shares.

In deciding whether to make any such purchases, the Directors will have regard to what they believe to be in the best interests of Shareholders as a whole, to the applicable legal requirements and any other requirements in its Articles. The making and timing of any buybacks will be at the absolute discretion of the Board and not at the option of the Shareholders, and is expressly subject to the Company having sufficient surplus cash resources available (excluding borrowed moneys). The Listing Rules prohibit the Company from conducting any share buybacks during close periods immediately preceding the publication of annual and interim results.

16. Financial Risk Management (continued)

Capital Risk Management (continued)

(ii) Realisation Opportunity

The realisation opportunity shall be at the annual general meeting of the Company in each third year. On 21 October 2022, the Company concluded its most recent Realisation opportunity. Details of which can be found in note 22. The next realisation opportunity is expected to take place in September 2025, subject to the aggregate NAV of the continuing Ordinary Shares on the last Business Day before Reorganisation being not less than £100 million.

It is anticipated that realisations will be satisfied by the assets underlying the relevant shares being managed on a realisation basis, which is intended to generate cash for distribution as soon as practicable and may ultimately generate cash which is less than the published NAV per Realisation Share.

In the event that the Realisation takes place, it is anticipated that the ability of the Company to make returns of cash to the holders of Realisation Shares will depend in part on the ability of the Portfolio Manager to realise the portfolio.

(iii) Continuation Votes

In the event that the Company does not meet the dividend target in any financial reporting period as disclosed in note 19, the Directors may convene a general meeting of the Company where the Directors will propose a resolution that the Company should continue as an Investment Company.

17. Fair Value Measurement

All assets and liabilities are carried at fair value or at amortised cost, 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 April 2022 to 30 September 2022

17. Fair Value Measurement (continued)

The following tables analyse within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value for the period ended 30 September 2022 and year ended 31 March 2022.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit or loss:				
Asset Backed Securities:				
Auto Loans	-	13,209,104	-	13,209,104
CLO	-	211,136,409	-	211,136,409
CMBS	-	35,171,919	-	35,171,919
Consumer ABS	-	16,232,642	-	16,232,642
CRE ABS	-	12,278,880	-	12,278,880
RMBS	-	193,929,689	161,822,033	355,751,722
Student Loans	-	4,761,257	-	4,761,257
Forward currency contracts	-	1,101,446	-	1,101,446
Total assets as at 30 September 2022	-	487,821,346	161,822,033	649,643,379
Liabilities				
Financial liabilities at fair value through profit or loss:				
Forward currency contracts	-	7,108,631	-	7,108,631
Total liabilities as at 30 September 2022	-	7,108,631	-	7,108,631

	Level 1	Level 2	Level 3	Total
	£	£	£	£
Assets				
Financial assets at fair value through profit or loss:				
Asset Backed Securities:				
Auto Loans	-	14,727,426	-	14,727,426
CLO	-	240,020,766	-	240,020,766
CMBS	-	31,246,602	-	31,246,602
Consumer ABS	-	15,548,348	-	15,548,348
CRE ABS	-	5,851,772	-	5,851,772
RMBS	-	191,791,967	192,389,060	384,181,027
Student Loans	-	4,929,121	-	4,929,121
Forward currency contracts	-	40,892	-	40,892
Total assets as at 31 March 2022	-	504,156,894	192,389,060	696,545,954
Liabilities				
Financial liabilities at fair value through profit or loss:				
Forward currency contracts	-	1,737,830	-	1,737,830
Total liabilities as at 31 March 2022	-	1,737,830	-	1,737,830

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

17. Fair Value Measurement (continued)

Asset Backed 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 Asset Backed Securities held by the Company are classified as Level 1.

Asset Backed Securities which are not traded or dealt on organised markets or exchanges are classified in Level 2 or Level 3. Asset Backed 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. Asset Backed 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 Asset Backed Security, the Portfolio Manager may source prices from third party broker or dealer quotes and if the price represents a reliable and an observable price, the Asset Backed Security is classified as Level 2. Any broker quote that is over 20 days old is considered stale and is classified as Level 3. Any stale price within the portfolio as at 30 September 2022 has been assessed by the Portfolio Manager and the resulting valuation considered a fair value at that date. Furthermore, the Portfolio Manager may determine that the application of a mark-to-model basis may be appropriate where they believe such a model will result in more reliable information with regards to the fair value of any specific investments.

Following the acquisition of the UKML portfolio the Portfolio Manager has taken advantage of engaging a third party valuer for not only these acquired assets, but also certain other specific assets where the Portfolio Manager believes the third party valuer would provide more reliable, fair value information with regards to certain of the Company's investments for the period ended 30 September 2022. The valuation of these assets and others that the Portfolio Manager may deem appropriate to provide a valuation at fair value, primarily use discounted cash flow analysis but may also include the use of a comparable arm's length transaction, reference to other securities that are substantially the same, and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs. The discounted cash flow models include assumptions that are subject to judgement such as prepayment rates, recovery rates and the discount margin/discount rate. As at 30 September 2022, investments (related primarily to RMBS/MBS investments) totalling 18.88% of the portfolio were valued by the third party valuer. Valuations performed by the third party valuer are classified as Level 3.

Please refer to the price sensitivity analysis disclosed in Note 16 where the price sensitivity related to market risk has been disclosed. More detailed sensitivities relating to any unobservable inputs that are relevant and may reasonably have a significant impact on the valuation of these assets will be included in the disclosures of the Company's financial statements for the year ending 31 March 2023. These were not available for the period ended 30 September 2022.

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

During the period, there were no transfers between Level 2 and Level 3 (year ended 31 March 2022: 1 transfer from Level 2 to Level 3).

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

17. Fair Value Measurement (continued)

The following tables present the movement in Level 3 instruments for the period ended 30 September 2022 and year ended 31 March 2022 by class of financial instrument.

	Opening balance	Total purchases	Total sales	Realised gains on Level 3 Investments held during the period ended 30 September 2022	Realised losses on Level 3 Investments held during the period ended 30 September 2022	Unrealised gains for the period for Level 3 Investments held at 30 September 2022	Unrealised losses for the period for Level 3 Investments held at 30 September 2022	Transfer into Level 3	Transfer out Level 3	Closing balance
	£	£	£	£	£	£	£	£	£	£
RMBS	192,389,060	45,744,368	(41,406,428)	29,386,103	(36,485,578)	17,540,056	(45,345,548)	-	-	161,822,033
Total at 30 September 2022	192,389,060	45,744,368	(41,406,428)	29,386,103	(36,485,578)	17,540,056	(45,345,548)	-	-	161,822,033

	Opening balance	Total purchases	Total sales	Realised gains on Level 3 Investments held during the year ended 31 March 2022	Realised losses on Level 3 Investments held during the year ended 31 March 2022	Unrealised gains for the year for Level 3 Investments held at 31 March 2022	Unrealised losses for the year for Level 3 Investments held at 31 March 2022	Transfer into Level 3	Transfer out Level 3	Closing balance
	£	£	£	£	£	£	£	£	£	£
RMBS	85,525,761	175,173,228	(77,365,232)	21,723,748	(37,528,312)	35,279,836	(18,350,241)	7,930,272	-	192,389,060
Total at 31 March 2022	85,525,761	175,173,228	(77,365,232)	21,723,748	(37,528,312)	35,279,836	(18,350,241)	7,930,272	-	192,389,060

All other financial assets and liabilities are carried at amortised cost. Their carrying values are a reasonable approximation of fair value.

18. 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 Asset Backed 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 on page 9.

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

19. Dividend Policy

The Board intends to distribute an amount at least equal to the value of the Company's income available for distribution arising each quarter to the holders of Ordinary Shares. For these purposes, the Company's income will include the interest payable by the Asset Backed Securities in the Portfolio and the amortisation of any discount or premium to par at which an Asset Backed Security is purchased over its remaining expected life, prior to its maturity. However, there is no guarantee that the dividend target for future financial years will be met or that the Company shall pay any dividends at all.

On 21 September 2022, the target dividend yield was changed from 6% to 7% (the equivalent of 7 pence per Ordinary Share) or higher, of the Issue Price. The change became effective from the dividend declared in respect of the 3-month period ended 30 September 2022.

Dividends paid with respect to any quarter comprise (a) the accrued income of the portfolio for the period, and (b) an additional amount to reflect any income purchased in the course of any share subscriptions that took place during the period. Including purchased income in this way ensures that the income yield of the shares is not diluted as a consequence of the issue of new shares during an income period and (c) any income on the foreign exchange contracts created by the SONIA differentials between each foreign currency pair, less (d) total expenditure for the period.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued
for the period from 1 April 2022 to 30 September 2022

19. Dividend Policy

The Company, being a Guernsey regulated entity, is able to pay dividends out of capital. Nonetheless, the Board carefully considers any dividend payments made to ensure the Company's capital is maintained in the longer term. Careful consideration is also given to ensuring sufficient cash is available to meet the Company's liabilities as they fall due.

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

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.

The Company declared the following dividends in respect of distributable profit for the period ended 30 September 2022:

Period to	Dividend rate per Share (£)	Net dividend payable (£)	Ex-dividend date	Record Date	Pay date
30 June 2022	0.0150	9,584,140	21 July 2022	22 July 2022	5 August 2022
30 September 2022	0.0175	11,198,996	20 October 2022	21 October 2022	4 November 2022

20. Ultimate Controlling Party

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

21. Significant Events during the Period

As the globe continues to recover from the COVID-19 pandemic, a further period of economic and political instability is currently being experienced, exacerbated by Russia's invasion of Ukraine in February 2022 and characterised by elevated levels of inflation and energy prices, market volatility, consumer uncertainty and pressure on already problematic global supply chains and the negative market response in September 2022 following the UK Government's 'mini-budget'. Central banks have significantly increased interest rates and the risk of a recession has significantly increased, albeit with historically low levels of unemployment in many developed countries. The Directors continue to monitor the situation and its impact on the Company's Unaudited Condensed Interim Financial Statements.

During the period, asset managers within the UK and Europe have seen increased pressure from stakeholders to assess and disclose the impact of climate change on investment portfolios. The Portfolio Manager has a formalised approach to this risk integrated within a robust ESG framework which is a major factor in the Portfolio Manager's investment analysis. The Board continues to evaluate what aspects the Company will consider reporting, based on the regulatory requirements of the Company and developing best practice in the Company's sector.

22. Subsequent Events

These Unaudited Condensed Interim Financial Statements were approved for issuance by the Board on 20 December 2022. Subsequent events have been evaluated until this date.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS Continued

for the period from 1 April 2022 to 30 September 2022

22. Subsequent Events (continued)

At the Annual General Meeting on 14 October 2022, Trevor Ash retired from the Board as Chair and Director and Ian Burns retired from the Board as Senior Independent Director, Audit Committee Chair and Director. On the same date, Bronwyn Curtis was elected Chair, John Le Poidevin was elected Audit Committee Chair and Joanne Fintzen was appointed Senior Independent Director and developing best practice in the Company's sector.

On 21 October 2022, the Company concluded its Realisation Opportunity. Effective that date, 9,582,068 Ordinary Shares had been elected for realisation at a price of 91.99p per share, which was the closing 18 October 2022 NAV of 93.87p, less 2%. All of these shares were made available for purchase on the market on 25 October 2022 as part of a Placement Programme at a price of 94.95p per share.

On 25 October 2022, the Company also successfully placed 45,276,074 Ordinary Shares, 9,582,068 of which were Ordinary Shares made available for purchase from the Realisation Opportunity and the remaining 35,694,006 of which were new Ordinary Shares. During this placing programme, the Directors of the Board each purchased additional shares, details of which can be found in Note 14b.

Placees were allocated a proportion of Ordinary Shares at the Redemption Price (91.99p) and a proportion at the Placing Programme Price (95.75p), in each case pro rata to the size of their allocation under the Placing, resulting in all placees paying the same 'blended' Placing Price (94.95p).

On 18 November 2022, the Company issued 1,000,000 Ordinary Shares from Treasury at a price of 96.67p per share.

On 24 November 2022, the Company issued 5,000,000 Ordinary Shares from Treasury at a price of 97.10p per share.

On 1 December 2022, the Company issued 3,000,000 Ordinary Shares from Treasury at a price of 97.53p per share.

On 7 December 2022, the Company issued 600,000 Ordinary Shares from Treasury at a price of 97.64p per share.

On 13 December 2022, the Company issued 1,000,000 Ordinary Shares from Treasury at a price of 97.90p per share.

On 14 December 2022, the Company issued 5,000,000 Ordinary Shares from Treasury at a price of 97.90p per share.

On 15 December 2022, the Company issued 4,500,000 Ordinary Shares from Treasury at a price of 97.90p per share.

As at 20 December 2022, the published NAV per Ordinary Share for the Company was 96.31p. This represents an increase of 0.51% (NAV as at 30 September 2022: 95.82p).

CORPORATE INFORMATION

Directors
Trevor Ash (Chair) (retired 14 October 2022)
Ian Burns (retired 14 October 2022)
Richard Burwood
Bronwyn Curtis (appointed Director 12 July 2022)
Joanne Fintzen
John de Garis
John Le Poidevin

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