

TwentyFour Select Monthly Income Fund Limited

Interim Management Report and Unaudited Condensed Interim Financial Statements

For the period ended 31 March 2023



TwentyFour Select Monthly Income Fund Limited

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TwentyFour Select Monthly Income Fund Limited

CORPORATE INFORMATION

Directors

Claire Whittet (Chair)
Ashley Paxton
Sharon Parr (appointed 1 November 2022)
Wendy Dorey (appointed 1 February 2023)
Ian Martin (resigned 1 February 2023)

Registered Office

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

Portfolio Manager

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

Alternative Investment Fund Manager

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

Custodian, Principal Banker and Depository

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

Administrator and Company Secretary

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

Receiving Agent

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

UK Legal Adviser to the Company

Eversheds Sutherland (International) LLP
One Wood Street
London, EC2V 7WS

Guernsey Legal Adviser to the Company

Carey Olsen (Guernsey) LLP
Carey House
Les Banques
St Peter Port
Guernsey, GY1 4BZ

Independent Auditor

PricewaterhouseCoopers CI LLP
PO Box 321
Royal Bank Place
Gategny Esplanade
St Peter Port
Guernsey, GY1 4ND

Registrar

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

Listing Sponsor, Broker and Financial Adviser

Numis Securities Limited
45 Gresham Street
London, EC2V 7BF

TwentyFour Select Monthly Income Fund Limited

SUMMARY INFORMATION

The Company

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

Investment Objective and Investment Policy

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

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

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

The Company maintains a portfolio diversified by issuer and comprises at least 50 credit securities. No more than 5% of the portfolio value will be invested in any single credit security or issuer of credit securities, tested at the time of making or adding to an investment in the relevant credit security. The Company may hold up to 10% in cash but works on the basis of an operational limit of 5% and any uninvested cash, surplus capital or assets may be invested on a temporary basis in:

- Cash or cash equivalents, money market instruments, bonds, commercial paper or other debt obligations with banks or other counterparties having a “single A” or higher credit rating as determined by any internationally recognised rating agency which, may or may not be registered in the EU; and
- Any “government and public securities” as defined for the purposes of the Financial Conduct Authority (the “FCA”) Rules.

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

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

At launch, the Company had a target net total return on the original issue price of between 8% and 10% per annum. This comprised a target dividend payment of 6p per share per annum and a target capital return of 2p-4p, both based on the original issue amount of 100p. There is no guarantee that this can or will be achieved. However, the 6p per share Dividend Target has consistently been met. The Portfolio Manager is confident, based on the current outlook and higher and rising interest rates, that this Dividend Target will be met and is likely to be exceeded in the current financial year. Refer to note 18 to the Unaudited Condensed Interim Financial Statements for details of the Company’s dividend policy.

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

TwentyFour Select Monthly Income Fund Limited

SUMMARY INFORMATION continued

Shareholder Information

Maitland Institutional Services Limited (“Maitland” or the “AIFM”) is responsible for calculating the NAV per share of the Company. Whilst Maitland delegated this responsibility to Northern Trust International Fund Administration Services (Guernsey) Limited (the “Administrator”), they still perform an oversight function.

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

Financial Highlights

	For the period from 01.10.22 to 31.03.23	Year ended 30.09.22	For the period from 01.10.21 to 31.03.22
Total Net Assets	£177,537,198	£151,334,878	£176,738,760
Net Asset Value per Share	72.83p	69.99p	86.44p
Share price	72.90p	73.00p	89.00p
Net Asset Value total return per share	9.00%	(18.94%)	(3.34%)
Premium to NAV	0.10%	4.30%	2.96%
Dividends declared during the period/year	3.00p	6.39p	3.00p
Dividends paid during the period/year	3.39p	6.52p	3.52p

As at 12 June 2023, the premium had moved to a discount of 0.35%. The estimated NAV per share and share price stood at 74.26p and 74.00p, respectively.

Ongoing Charges

Ongoing charges for the six-month period ended 31 March 2023 have been calculated in accordance with the Association of Investment Companies (the “AIC”) recommended methodology. The ongoing charges for the six-month period ended 31 March 2023 were 1.22% (31 March 2022: 1.20%) on an annualised basis.

TwentyFour Select Monthly Income Fund Limited

CHAIRPERSON'S STATEMENT

For the period from 1 October 2022 to 31 March 2023

In my capacity as Chair to the TwentyFour Select Monthly Income Fund Limited Board of Directors, I am pleased to present my report on the Company's progress for the interim period ended 31 March 2023.

Economic Background

Whilst 2022 was one of the weakest years on record for financial markets, sentiment did improve in the fourth quarter, with many of the issues, including the war in Ukraine, driving markets through the year beginning to ease. There were strong risk rallies through the last three months of 2022, with much of that strength continuing into the new year - buoyed by a strong technical backdrop in credit markets.

However, the effects of the extraordinary level of interest rate hikes towards the end of the period were evidenced with the collapse in the US of Silicon Valley Bank ("SVB"), Signature Bank and, since the end of our reporting period, First Republic Bank, coupled with the forced acquisition of Credit Suisse ("CS") by UBS in March 2023. Whilst much of this seems to be idiosyncratic in nature, given large unhedged government bond investments in the case of the US regional banks and a long track record of poor governance in the case of CS (to which the Company only had senior exposure and did not hold CS Additional Tier-one bonds ("AT1" or "AT1s")), it is evident that when base rates rise as rapidly as they have done, the probability of market dislocation increases. The Company's Net Asset Value ("NAV") saw a sharp drop in March given the exposure to the AT1 sector, although performance has rebounded strongly since these lows, as regulators around the globe united in disagreeing with the actions of the Swiss Financial Market Supervisory Authority ("FINMA"), the Swiss regulator. The market also recognised the fact that the banking sector in Europe continues to remain extraordinarily well capitalised.

Outlook

Looking forward to the rest of 2023, the themes permeating the market in 2022 continue to remain front of mind. Whilst market commentary suggests that we are close to the peak in interest rates, inflation across the UK and Europe, in particular, remains persistently above targets - with headline inflation in the UK only recently moving below 10% and core inflation in Europe still at record highs. The Portfolio Manager expects economic fundamentals to weaken to a level commensurate with a mild recession, where unemployment and default rates rise - but to lower levels than seen in previous recessionary cycles, given both strong consumer and corporate balance sheets and a banking sector that remains open to lend to their corporate partners. Indeed, the default rate forecast over the next 12 months remains broadly consistent with longer term averages in both the US and Europe, even in a mild recession scenario, and it is worth noting that the Company has historically seen a much lower default rate than the market, a trend which the Portfolio Manager expects to continue.

Share Activity

Investor demand was been robust over the period as shares traded at a consistent premium to NAV (average premium of 2.6%), closing at a discount to NAV on only 5 trading days of the period. As commented on above, this demand has coincided with a further period of macroeconomic volatility which has presented a number of investment opportunities within the Company's universe offering both attractive returns and risk characteristics. Given the opportunity to deploy funds on an accretive basis in the market, the Company continued to meet investor demand with further issuance - issuing 27.6m shares in the period across 23 trading days (representing 13% of the Company at the start of the period). Post the period end, shares have at times traded more frequently at a discount but this discount has narrowed to nearer par as at the date of signing.

TwentyFour Select Monthly Income Fund Limited

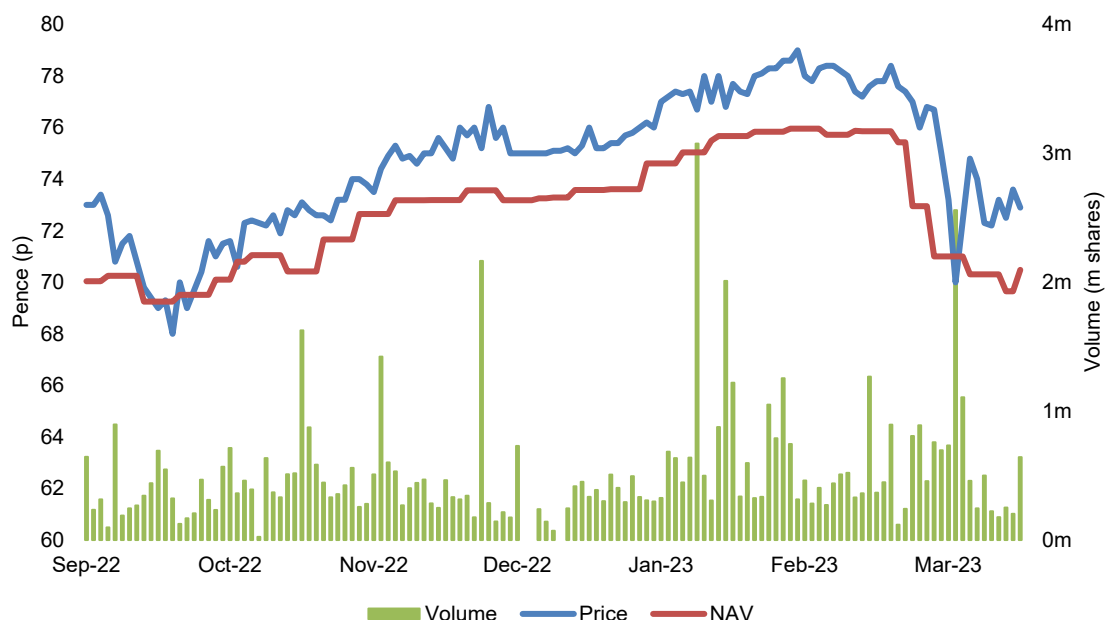
CHAIRPERSON'S STATEMENT continued

For the period from 1 October 2022 to 31 March 2023

Share Activity continued

The heightened issuance helped support an increased level of liquidity with average daily volume traded in the period of 526k shares vs the previous 2-year average of 351k. In order to maintain the Company's capacity to satisfy ongoing demand for shares and, given the benefits to existing Shareholders of issuance (as set out in the EGM Circular published on 17 March 2023), the Directors convened an EGM to seek Shareholder approval to issue further shares for cash on a non-pre-emptive basis. Aside from the matter of Shareholder authority to disapply pre-emption, the Company must also comply with the requisite provisions of the Prospectus Regulation Rules Sourcebook of the United Kingdom's Financial Conduct Authority when issuing new Shares, and in particular the rolling requirement that the Company should issue no more than 20% of its issued share capital during any preceding 12-month period without having published a Prospectus. Encouragingly, the Shareholders voted to support the resolutions on 3 April 2023.

The chart below details the share price premium/discount and volumes traded over the period:



The drop in the share price in March reflects market sentiment following the demise of CS. However, as detailed above, the Company had no exposure to CS-issued AT1s and the price subsequently recovered.

A total of 681,567 shares were submitted for tender in the two quarterly tender offers during the period (129,108 for the quarter ending 31 December 2022 and 552,459 for the quarter ending 31 March 2023), and these shares were subsequently successfully placed or purchased by the Company's Listing Sponsor, Broker and Financial Adviser, Numis.

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

TwentyFour Select Monthly Income Fund Limited

CHAIRPERSON'S STATEMENT continued

For the period from 1 October 2022 to 31 March 2023

Dividend Policy

The Board believes that the monthly dividend will be a minimum of 0.5p per Ordinary Share. The Board intends within the final interim dividend of each financial year to distribute an amount equal to the value of any net income of the Company for that financial year remaining after payment of the monthly dividends.

The dividends declared for the period totalled 3p per share. At present, the possibility of the Company declaring total dividends of at least 7p per share for the current financial year is very likely.

Annual General Meeting

The Company's 2023 Annual General Meeting ("AGM") will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands on 11 July 2023 at 10am.

Board Composition

As detailed in the Annual Report for the year ended 30 September 2022, I have served on the Board as Chair since inception in February 2014 and will therefore not be standing for re-election at the forthcoming AGM in July. Ashley Paxton, who joined the Board in November 2021 and became Audit Chair in January 2022, will become Chair on my retirement and Sharon Parr, who joined the Board in November 2022 will take over as Audit Chair.

In February 2023, Ian Martin retired after nearly 9 years' service and the Board was delighted to welcome Wendy Dorey as a new Director.

Wendy is an experienced financial services industry professional, with key competencies in business strategy, financial regulation, risk management and investment marketing and distribution. She is currently a Director of Dorey Financial Modelling Limited, an investment consulting company, a Commissioner for the Guernsey Financial Services Commission, a Non-Executive Director for Schroders (CI) Limited and a Non-Executive Director of an AIM-listed fund. She is a Chartered Director and Fellow of the Institute of Directors. Wendy's appointment was conducted via an independent specialist search firm. The Board will continue to review its skill sets and succession planning needs.

I would like to thank Ian Martin for his hard work and valued contribution to the Company during his tenure on the Board and to wish the new Board every success in the future. I have every confidence that the Shareholders are in very good hands with an experienced Board of diverse skills and that the Company will continue to be successful.

I also wish to thank my past Board colleagues, the Portfolio Manager and the Shareholders for their support over the last 9 years.

Claire Whittet
Chair
13 June 2023

TwentyFour Select Monthly Income Fund Limited

PORTFOLIO MANAGER'S REPORT

For the period from 1 October 2022 to 31 March 2023

In our capacity as Portfolio Manager to the TwentyFour Select Monthly Income Fund Limited, we are pleased to present our report on the Company's progress for the interim period ended 31 March 2023.

Market Commentary

After a highly volatile September, which saw a ramping up in terminal rate expectations and the announcement that Russia intended to cut off gas flow via the Nord Stream pipeline, (including a number of pipelines being blown up on 26 September), the last quarter of 2022 saw an improvement in sentiment and a broad risk rally into the end of the year.

The market received some clarity on a number of issues which had driven the volatility through the year. Inflation, which had beaten expectations almost every month since the end of 2021, started to weaken, and with that came better visibility on the reactions of central banks and where rates were going to end up. European economies, aided by an unusually warm winter, navigated the loss of Russian gas well and with it came significant upgrades to European growth. In addition, China's long held "zero-COVID" policy was finally dropped after that country's Party Congress.

As a result, the final quarter of 2022 saw a reversal in the large increases in government bond yield curves which the market had seen in previous quarters (10yr Treasuries, after peaking at 4.25% in October, fell to below 3.5% by the middle of December), and with better growth forecasts (and lower yields), came strong performance across equity and credit markets (European high yield returned approximately 5% in the quarter and GBP high yield approximately 10%). Nevertheless, 2022 ultimately remained a very weak year for financial markets.

2023, however, began with some of the highest starting yields in over a decade. Attractive valuations and light positioning (high cash balances and positive fund flows), continued to drive markets tighter at the beginning of the year. The new issue market, which had remained dormant for much of 2022, began to open up in December and in the beginning of 2023, particularly in the investment grade space. This was very well received by markets, with many books being substantially oversubscribed.

Strong performance continued through January, although it started to weaken at the end of February after a higher inflation print out of the US and tentative signs that the extraordinary amount of interest rate hikes which the central banks had pushed through the system over the past 12 months were beginning to have an impact on the real economy.

The period finished with a US regional bank crisis when SVB was seized by the California Department of Financial Protection and Innovation ("DFPI"), the Californian regulator. SVB appeared to have faced unique circumstances of poor risk management, a low level of insured deposits, very large deposit outflows and a very large concentration in long dated Treasuries, held with unrealised losses.

Although there was very little read-across to European banks, they nevertheless suffered contagion, and spreads began to widen across the capital structure. CS was caught by the negative sentiment which, after a couple of years in the headlines, had begun its restructuring plan in Q4 2022. The SVB story came at the worst time for CS, leading to large deposit withdrawals which eventually led the Swiss regulator to contentiously deem the bank to be non-viable. Additionally, the Swiss regulator's hugely controversial subordination of AT1s below equity holders meant that this sector saw a lot of volatility in March. The European and UK rejection of the Swiss regulator's approach (alongside similar comments from other regulators around the world), comforted the market but the sector still finished the period trading heavily.

TwentyFour Select Monthly Income Fund Limited

PORTFOLIO MANAGER'S REPORT continued

For the period from 1 October 2022 to 31 March 2023

Performance

The Company has returned 9.0% in the reporting period, on a net basis (NAV total return per share including dividends reinvested).

Performance has been driven in particular by its exposure to collateralised loan obligations (“CLOs”), which saw a net return of 16.9% during the period, as well as by insurance bonds and European high yield, which returned 10.2% and 9.4% respectively. All sectors generated positive total returns through the period, with AT1s returning 5.1%, even given the weakness in the sector seen in March 2023.

Positioning through the period remained broadly consistent, with the Portfolio Manager looking for opportunities in the new issue space, as well as any attractive relative value opportunities, on an ongoing basis. The team maintained a significant exposure to CLOs and AT1s through the period, whilst adding to the insurance sector at the expense of European high yield and emerging markets.

Market Outlook

The Portfolio Manager is currently closely following the US regional banking crisis to determine whether the consequences will have a wider ranging effect on the global economy. Sentiment has improved in recent weeks as the US regional banking crisis subsides, although the full effects on credit conditions are yet to be seen. More broadly, with a slowdown expected within the next 12 months, the Portfolio Manager is looking for further clarity as to what this will look like, ranging from a soft landing with a limited increase in the unemployment rate and growth remaining resilient, to a hard landing which would see a spike in job losses and a sharp fall in Gross Domestic Product. The Portfolio Manager will, as always, focus on finding attractive bottom-up opportunities in the credit markets, with many sectors, including CLOs and AT1s, trading at or close to record high yields, providing significant protection to any future macro driven volatility.

TwentyFour Asset Management LLP
13 June 2023

TwentyFour Select Monthly Income Fund Limited

TOP TWENTY HOLDINGS

As at 31 March 2023

	Nominal/ Shares	Credit Security # Sector	Fair Value * £	Percentage of Net Asset Value
Nationwide Building Society 10.25 29/06/2049	40,960	Financial - Banks	4,900,279	2.76
Rothsay Life 6.875 31/12/2049	4,542,000	Financial - Insurance	3,863,134	2.18
Optimum Three Ltd '3 Mez6' Frn 25/4/2023	3,750,000	ABS	3,747,000	2.11
Oaknorth Bank 7.75 01/06/2028	3,000,000	Financial - Banks	2,943,750	1.66
Armada Euro Clo 15/07/2033	4,000,000	ABS	2,943,186	1.66
Arbour Clo II FRN 15/04/2034	4,000,000	ABS	2,719,263	1.53
Santander UK PLC 10.375%	2,000,000	Financial - Banks	2,569,670	1.45
Aareal Bank AG 29/11/2049	3,600,000	Financial - Banks	2,562,245	1.44
Avoca Clo XIII FRN 15/04/2034	3,500,000	ABS	2,560,954	1.44
Intesa Sanpaolo 6.375 31/12/2049	3,110,000	Financial - Banks	2,362,153	1.33
UnipolSai Assicurazioni, 6.375% perp	3,100,000	Financial - Insurance	2,307,321	1.30
Investec 6.75 FRN 31/12/2049	2,700,000	Financial - Banks	2,264,902	1.28
Phoenix Group 5.75 31/12/2049	2,780,000	Financial - Insurance	2,232,963	1.26
Banco de Sabadell, 5% perp	3,400,000	Financial - Banks	2,141,759	1.21
Direct Line Insurance, 4.75% perp	2,900,000	Financial - Insurance	2,102,442	1.18
Syon Securities Frn 24/02/2027	2,131,741	ABS	1,986,291	1.12
Societe Generale, 7.875% perp	2,400,000	Financial - Banks	1,945,408	1.10
Volksbank Wien-baden A.G 7.75 31/12/2049	2,600,000	ABS	1,933,120	1.09
Esure Group, 6% perp	2,800,000	Financial - Insurance	1,926,680	1.09
Credit Suisse Frn 7.75% 01/03/2029	2,000,000	Financial - Banks	1,924,473	1.08
Total			<u>51,936,993</u>	<u>29.27</u>

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

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

The full portfolio listing of bonds and ABS as at 31 March 2023 can be obtained from the Administrator on request.

TwentyFour Select Monthly Income Fund Limited

BOARD MEMBERS

Biographical details of the Directors who served during the period are as follows:

Claire Whittet - (Chair)

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

Ms Whittet has extensive non-executive director experience and is a Non-Executive Director of a number of listed investment funds and PE entities which invest in a wide range of assets.

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

Ian Martin - (non-executive Director)

Mr Martin has over 38 years' experience in finance gathered in a variety of multi asset investment focused roles in the UK, Asia, Switzerland and South America. More recently he was the Chief Investment Officer (CIO) and Head of Asset Management and Research at Lloyds Bank in Geneva and then Head of Bespoke Portfolio Management and Advisory for key clients in UBP Bank in Geneva. Previous roles have included senior roles in equity derivatives and multi asset trading as well as CIO and Managing Director of a Fund of Hedge funds company.

Mr Martin has an MSc, is a Fellow of the Institute of Directors (IOD) holding the Chartered Director qualification as well as being a Chartered Member of the Chartered Institute of Securities and Investment (CISI). Mr Martin was appointed to the Board on 15 July 2014 and resigned on 1 February 2023.

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

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

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

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

Sharon Parr - (non-executive Director)

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

TwentyFour Select Monthly Income Fund Limited

BOARD MEMBERS continued

Sharon Parr - (non-executive Director) - continued

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

Ms Parr is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Society of Trust and Estate Practitioners, and is a resident of Guernsey. Ms Parr was appointed to the Board on 1 November 2022.

Wendy Dorey - (non-executive Director)

Ms Dorey is an experienced professional in the financial services industry, with key competencies in business strategy, financial regulation, risk management and investment marketing and distribution. She is currently a Director of Dorey Financial Modelling Limited, an investment consulting company, a Commissioner for the Guernsey Financial Services Commission, a Non-Executive Director for Schroders (CI) Limited and a Non-Executive Director for Weiss Korea Opportunity Fund Limited.

Ms Dorey has over 25 years' industry experience working for asset managers, pension consultants and retail banks in the UK, Guernsey and France. She has worked for a number of leading asset managers: BNY Mellon, M&G Asset Management, Friends Ivory & Sime and Robert Fleming/Save & Prosper. She has also consulted to the Defined Contribution Consulting arm of the Punter Southall Group, and obtained retail banking experience at Lloyds Bank and Le Credit Lyonnais.

Ms Dorey is a Fellow of the Institute of Directors and qualified as a Chartered Director in 2020. She was, until recently, the Chair of the Guernsey Branch of the Institute of Directors. Ms Dorey was appointed to the Board on 1 February 2023.

TwentyFour Select Monthly Income Fund Limited

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks assessed by the Board relating to the Company were disclosed in the Annual Report and Audited Financial Statements for the year ended 30 September 2022. A detailed explanation of these can be found in the annual report.

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

- **Market risk**

The Company invests in credit securities which are subject to market risk, including the potential for both losses and gains from price risk, reinvestment risk, interest rate risk, and foreign currency risk. These are discussed in detail in note 16 to the Company's Annual Report and Audited Financial Statements for the year ended 30 September 2022.

The Company's continuing position in relation to interest rate risk and duration risk is monitored on a weekly basis by the Portfolio Manager as part of its review of the weekly NAV calculations prepared by the Company's Administrator. The Company may also use swap contracts to mitigate the effects of market volatility on interest rate risk. There were no swaps held as at 31 March 2023.

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

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

- **Credit risk**

The Company invests in credit securities issued by other companies, trusts or other investment vehicles which, compared to bonds issued or guaranteed by governments, are generally exposed to greater risk of default in the repayment of the capital provided to the issuer or interest payments due to the Company.

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

- **Liquidity risk**

Substantially all of the assets of the Company are invested in credit securities. These may be illiquid and this may limit the ability of the Company to realise its investments for the purposes of cash management, including any needs arising for dividend payments, buying back Ordinary Shares under the Quarterly Tenders or in the market. There may be no active market in the Company's interests in credit securities and the Company may be required to provide liquidity to fund Tender Requests or repay any borrowings. The Company does not have redemption rights in relation to any of its investments. As a consequence, the value of the Company's investments may be materially adversely affected.

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

Each quarter, the Board formally reviews documentation provided by the Portfolio Manager pertaining to liquidity risk.

TwentyFour Select Monthly Income Fund Limited

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES continued

- **Valuation of investments**
The Company's investments had a fair value of £169,658,179 as at 31 March 2023 (30 September 2022: £148,915,038) which are the key constituent of the Company's net assets. There has been no change to the accounting policy applied to how these investments have been valued. As detailed in note 16 of these Unaudited Condensed Interim Financial Statements, the Portfolio Manager uses judgements and estimates to determine the fair value of securities not quoted in active markets and an independent third party valuation expert was used to value approximately 2.2% of the Company's Level 3 investments at 31 March 2023 (30 September 2022: 2.7%).
- **Income recognition risk**
Interest income is recognised on a time-proportionate basis using the effective interest rate method. Discounts received or premiums paid in connection with the acquisition of credit securities are amortised into interest income using the effective interest rate method over the expected life of the related security.

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

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

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

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

In addition to the Dividend Target the Board intends, within the final monthly dividend for each financial year, to distribute an amount equal to the value of any unaudited excess income of the Company for that financial year remaining after payment of the monthly dividends.

As the Dividend Target is central to the Company's purpose, the Board and the Portfolio Manager are very focused on the sustainability of the dividend and regularly monitor and review the position. The Portfolio Manager is confident that due to the recent improvement in yields in the market as a result of increasing interest rates, the Dividend Target remains achievable.

TwentyFour Select Monthly Income Fund Limited

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES continued

- Quarterly tenders (Capital risk)

The Company has incorporated into its structure a mechanism for a quarterly tender minimising the risk of Ordinary Shares trading at a significant discount to NAV. Ordinary Shares trading at a discount to NAV over a long period of time may impact the viability of the Company. The Company offers a tender on a quarterly basis for up to 20% of the Ordinary Shares in issue as at the relevant Quarter Record Date, subject to an aggregate limit of 50% of the Ordinary Shares in issue in any twelve-month period ending on the relevant Quarter Record Date. In the event that quarterly tender applications, on any tender submission deadline, exceed the 50% limit, the Directors will convene a General Meeting in accordance with the Continuation Vote requirements set out in note 16 to the Company's Annual Report and Audited Financial Statements for the year ended 30 September 2022. The execution and acceptance of the quarterly tenders is at the sole discretion of the Board.

A key consideration for the ongoing viability of the Company is therefore its liquidity assessment which is considered on an ongoing basis by the Board. No liquidity concerns have been identified for the period ended 31 March 2023 and the Board and Portfolio Manager are confident that under anticipated market conditions the Company can continue to meet tender requests as they arise.

During the period, 681,567 shares were tendered. All shares were initially purchased by the Broker and subsequently placed with investors.

- Shareholder base

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

The Board monitors shareholder opinions through their own channels and where possible utilises the broker and media to identify potential periods of disequilibrium. The Board is reviewing avenues to better engage with all shareholder groups and in doing so has to weigh up the cost of this against the long-term benefits. Subject to market conditions and cost benefit factors the Board will actively utilise its buy back, Treasury capacity and ability to sell shares through taps directly into the market to help limit this risk.

Other Risks and Uncertainties

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

- Operational risks

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

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

TwentyFour Select Monthly Income Fund Limited

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES continued

Other Risks and Uncertainties continued

- Operational risks continued

The Company is exposed to cyber-attack risk through its Service Providers. Through the Management Engagement Committee, the Company asks its Service Providers to confirm that they have appropriate safeguards in place to mitigate the risk of cyber-attacks and remote working (including minimising the adverse consequences arising from any such attack), that they provide regular updates to the Board on cyber security, and conduct ongoing monitoring of industry developments in this area. Due to COVID-19, Service Providers adopted a work from home arrangement. Since that time, some Service Providers have continued to work from home from time to time. None of the Service Providers have reported any problems regarding cyber security when questioned by the Management Engagement Committee.

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

- Accounting, legal and regulatory risks

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

The Board's assessment of accounting, legal and regulatory risk has not changed during the period.

- Climate risk

The Financial Stability Board ("FSB") formed the Task Force on Climate-related Financial Disclosures ("TCFD") in December 2015 to address the impact climate change is having on companies and the global financial system through disclosure. On 2 July 2019, the UK Government announced, in its Green Finance Strategy, the expectation that listed companies and large asset owners should disclose in line with the TCFD. The Company is a closed ended Guernsey domiciled fund. There is no current mandatory requirement under the listing rules or any other framework to make disclosures in line with the TCFD for closed ended funds. The Board continues to assess, with the Portfolio Manager, disclosures prevailing in the market in similar entities to that of the Company so as to best articulate the low levels of climate risk to which the Board believes the Company is exposed.

The PM considers environmental, social and governance ("ESG") factors in the investment process, utilising an integrated approach. Additional information is detailed in the Strategic Report included in the Company's Annual Report and Audited Financial Statements for the year ended 30 September 2022.

- Environmental, Social and Governance

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

TwentyFour Select Monthly Income Fund Limited

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES continued

Other Risks and Uncertainties continued

- Environmental, Social and Governance continued

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

Going Concern

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

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

Related Parties

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

TwentyFour Select Monthly Income Fund Limited

RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge:

- These Unaudited Condensed Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" and give a true and fair view of the assets, liabilities, equity and profit or loss of the Company as required by the UK Listing Authority's Disclosure and Transparency Rule ("DTR") 4.2.4R.
- This interim management report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the period from 1 October 2022 to 31 March 2023 and their impact on the Unaudited Condensed Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place during the period from 1 October 2022 to 31 March 2023 and that have materially affected the financial position or performance of the Company during that period as included in note 13.

By order of the Board,

Claire Whittet
Chair
13 June 2023

Ashley Paxton
Director

TwentyFour Select Monthly Income Fund Limited

INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF TWENTYFOUR SELECT MONTHLY INCOME FUND LIMITED

Report on the unaudited condensed interim financial statements

Our conclusion

We have reviewed TwentyFour Select Monthly Income Fund Limited's unaudited condensed interim financial statements (the "interim financial statements") in the Interim Management Report and Unaudited Condensed Interim Financial Statements of TwentyFour Select Monthly Income Fund Limited for the 6-month period ended 31 March 2023 (the "period"). Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the condensed statement of financial position as at 31 March 2023;
- the condensed statement of comprehensive income for the period then ended;
- the condensed statement of cash flows for the period then ended;
- the condensed statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

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

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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.

TwentyFour Select Monthly Income Fund Limited

INDEPENDENT REVIEW REPORT continued

TO THE MEMBERS OF TWENTYFOUR SELECT MONTHLY INCOME FUND LIMITED

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

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

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

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
13 June 2023

- (a) The maintenance and integrity of the TwentyFour Select Monthly Income Fund Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept 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.

TwentyFour Select Monthly Income Fund Limited

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1 October 2022 to 31 March 2023

	Notes	For the period from 01.10.22 to 31.03.23 £ (Unaudited)	For the period from 01.10.21 to 31.03.22 £ (Unaudited)
Income			
Interest income on financial assets at fair value through profit and loss		8,404,087	6,398,062
Net foreign currency gains	7	2,375,468	1,211,778
Net gains/(losses) on financial assets at fair value through profit or loss	8	3,624,782	(14,576,781)
Net gains on interest rate swaps		-	1,157,016
Total income/(loss)		14,404,337	(5,809,925)
Expenses			
Portfolio management fees	13	(630,659)	(662,172)
Directors' fees	13	(80,111)	(68,440)
Administration fees	14	(59,495)	(61,596)
AI FM management fees	14	(40,185)	(41,446)
Audit fees		(48,250)	(34,500)
Custody fees	14	(9,840)	(9,413)
Broker fees		(25,162)	(24,932)
Depositary fees	14	(13,860)	(14,490)
Legal fees		(24,658)	(11,254)
Other expenses		(91,345)	(131,385)
Total expenses		(1,023,565)	(1,059,628)
Total comprehensive income/(loss) for the period*		13,380,772	(6,869,553)
Earnings/(loss) per Ordinary Share - Basic & Diluted	3	0.058	(0.035)

All items in the above statement derive from continuing operations.

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

*There was no other comprehensive income during the period.

TwentyFour Select Monthly Income Fund Limited

CONDENSED STATEMENT OF FINANCIAL POSITION

as at 31 March 2023

		31.03.23	30.09.22
	Notes	£	£
Assets			
Current assets		(Unaudited)	(Audited)
Financial assets at fair value through profit and loss			
- Investments	8	169,658,179	148,915,038
- Derivative assets: Forward currency contracts	16	1,267,864	778
Amounts due from broker		-	855,647
Other receivables	9	3,586,060	3,084,550
Cash and cash equivalents		3,370,220	674,776
Total current assets		<u>177,882,323</u>	<u>153,530,789</u>
Liabilities			
Current liabilities			
Other payables	10	305,400	444,657
Financial liabilities at fair value through profit and loss			
- Derivative liabilities: Forward currency contracts	16	39,725	1,751,254
Total current liabilities		<u>345,125</u>	<u>2,195,911</u>
Total net assets		<u>177,537,198</u>	<u>151,334,878</u>
Equity			
Share capital account	11	221,946,068	201,561,499
Retained earnings		(44,408,870)	(50,226,621)
Total equity		<u>177,537,198</u>	<u>151,334,878</u>
Ordinary Shares in issue	11	<u>243,763,518</u>	<u>216,213,518</u>
Net Asset Value per Ordinary Share (pence)	5	<u>72.83</u>	<u>69.99</u>

The Unaudited Condensed Interim Financial Statements on pages 21 to 41 were approved by the Board of Directors on 13 June 2023 and signed on its behalf by:

Claire Whittet
Chair

Ashley Paxton
Director

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

TwentyFour Select Monthly Income Fund Limited

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the period from 1 October 2022 to 31 March 2023

	Note	Share capital account £ (Unaudited)	Retained earnings £ (Unaudited)	Total £ (Unaudited)
Balance at 1 October 2022		201,561,499	(50,226,621)	151,334,878
Issue of shares		20,793,365	-	20,793,365
Share issue costs		(246,169)	-	(246,169)
Income equalisation on new issues	4	(162,627)	162,627	-
Dividends paid		-	(7,725,648)	(7,725,648)
Total comprehensive income for the period		-	13,380,772	13,380,772
Balance at 31 March 2023		221,946,068	(44,408,870)	177,537,198

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

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

TwentyFour Select Monthly Income Fund Limited

CONDENSED STATEMENT OF CASH FLOWS

for the period from 1 October 2022 to 31 March 2023

		For the period from 01.10.22 to 31.03.23	For the period from 01.10.21 to 31.03.22
	Notes	£ (Unaudited)	£ (Unaudited)
Cash flows from operating activities			
Total comprehensive income/(loss) for the period		13,380,772	(6,869,553)
Adjustments for:			
Net (gains)/losses on financial assets at fair value through profit or loss	8	(3,624,782)	14,576,781
Net gains on interest rate swaps		-	(1,157,016)
Amortisation adjustment under effective interest rate method	8	(1,078,462)	(688,847)
Unrealised (gains)/losses on forward currency contracts	7	(2,978,615)	92,267
Exchange loss on cash and cash equivalents		14,286	10,877
Increase in other receivables	9	(501,510)	(382,515)
(Decrease)/increase in other payables	10	(139,257)	183,896
Purchase of investments		(27,033,131)	(41,699,048)
Sale of investments		11,848,881	29,219,326
Sales of interest rate swaps		-	159,484
Net cash outflow from operating activities		<u>(10,111,818)</u>	<u>(6,554,348)</u>
Cash flows from financing activities			
Proceeds from issue of ordinary shares	11	20,793,365	13,121,163
Share issue costs	11	(246,169)	(148,454)
Dividends paid	18	(7,725,648)	(6,881,271)
Net cash generated from financing activities		<u>12,821,548</u>	<u>6,091,438</u>
Increase/(decrease) in cash and cash equivalents		<u>2,709,730</u>	<u>(462,910)</u>
Cash and cash equivalents at beginning of period		674,776	2,899,593
Exchange loss on cash and cash equivalents		(14,286)	(10,877)
Cash and cash equivalents at end of period		<u>3,370,220</u>	<u>2,425,806</u>

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

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

for the period from 1 October 2022 to 31 March 2023

1. General information

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

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

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

2. Principal accounting policies

a) Basis of preparation and statement of compliance

The Unaudited Condensed Interim Financial Statements for the period from 1 October 2022 to 31 March 2023 have been prepared on a going concern basis in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, and the Disclosure Guidance and Transparency Rules Sourcebook of the United Kingdom’s Financial Conduct Authority (“FCA”), the Listing Rules of the LSE and applicable legal and regulatory requirements.

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements for the year ended 30 September 2022, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) and The Companies (Guernsey) Law, 2008 and for which an unqualified audit report was issued by the independent auditor.

b) Changes in accounting policy

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

c) Significant judgements and estimates

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

d) Standards, amendments and interpretations effective during the period

There are no new standards, interpretations and amendments applicable to the Company for the period ended 31 March 2023 which management consider to have material impact on the Company.

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

2. Principal accounting policies continued

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

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

Definition of Accounting Estimates (Amendments to IAS 8) (Effective 1 January 2023)

The International Accounting Standards Board issued amendments to IAS 8 Accounting Policies, Changes to Accounting Estimates and Errors, in which it introduces a new definition of 'accounting estimates'. The amendments introduce a new definition of accounting estimates and are designed to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". A change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods.

The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (Effective 1 January 2023)

An entity is now required to disclose its material accounting policy information instead of its significant accounting policies. Explanation has been added regarding how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material. Accounting policy information may be material because of its nature, even if the related amounts are immaterial. Accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements. If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board anticipates that the adoption of these standards, which will be adopted in the period which they become effective, will not have a material impact on the financial statements.

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

The earnings per Ordinary Share - Basic and Diluted of 5.8p (31 March 2022: loss of 3.5p) has been calculated based on the weighted average number of Ordinary Shares of 229,147,036 (31 March 2022: 196,060,497) and a net income for the period of £13,380,772 (31 March 2022: loss of £6,869,553).

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

In order to ensure there are no dilutive effects on earnings/(loss) per share for current Shareholders when issuing new shares, or when repurchasing tendered shares, earnings/losses have been calculated in respect of the accrued income at the time of purchase of new shares/repurchase of tendered shares and a transfer has been made from share capital to income to reflect this. The transfer for the period amounted to £162,627 (31 March 2022: £54,328).

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

5. Net asset value per Ordinary Share

The net asset value of each Share of 72.83p (30 September 2022: 69.99p) is determined by dividing the total net assets of the Company of £177,537,198 (30 September 2022: £151,334,878) by the number of Shares in issue at 31 March 2023 of 243,763,518 (30 September 2022: 216,213,518).

6. Taxation

The Company has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability for Guernsey taxation is limited to an annual fee of £1,200 (30 September 2022: £1,200).

7. Net foreign currency gains

	For the period from 01.10.22 to 31.03.23 (Unaudited) £	For the period from 01.10.21 to 31.03.22 (Unaudited) £
Movement in net unrealised gains/(losses) on forward currency contracts	2,978,615	(92,267)
Realised gains on forward currency contracts	504,261	504,998
Realised currency (losses)/gains on receivables/payables	(1,023,447)	806,795
Unrealised currency losses on receivables/payables	(83,961)	(7,748)
	<u>2,375,468</u>	<u>1,211,778</u>

8. Investments

	As at 31.03.23 (Unaudited) £	As at 30.09.22 (Audited) £
Financial assets at fair value through profit and loss:		
Opening amortised cost	181,626,982	166,830,696
Purchases at cost	36,834,678	72,079,175
Proceeds on sale/principal repayment	(20,794,781)	(57,405,301)
Amortisation adjustment under effective interest rate method	1,078,462	1,607,825
Realised gain on sale/principal repayment	2,843,711	8,112,896
Realised loss on sale/principal repayment	(5,398,532)	(9,598,309)
Closing amortised cost	<u>196,190,520</u>	<u>181,626,982</u>
Unrealised gain on investments	1,562,984	695,135
Unrealised loss on investments	(28,095,325)	(33,407,079)
Fair value	<u>169,658,179</u>	<u>148,915,038</u>

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

8. Investments continued

	For the period from 01.10.22 to 31.03.23	For the period from 01.10.21 to 31.03.22
	(Unaudited)	(Unaudited)
	£	£
Realised gain on sale/principal repayment	2,843,711	2,828,369
Realised loss on sale/principal repayment	(5,398,532)	(6,540,192)
Increase/(decrease) in unrealised gain	867,849	(6,798,179)
Decrease/(increase) in unrealised loss	5,311,754	(4,066,779)
Net gain/(loss) on financial assets at fair value through profit or loss	3,624,782	(14,576,781)

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

9. Other receivables

	As at 31.03.23	As at 30.09.22
	(Unaudited)	(Audited)
	£	£
Interest income receivable	3,424,488	2,972,574
Prepaid expenses	61,242	11,628
Dividends receivable	100,330	100,348
	3,586,060	3,084,550

10. Other payables

	As at 31.03.23	As at 30.09.22
	(Unaudited)	(Audited)
	£	£
Portfolio management fees payable	125,531	231,970
Directors' fees payable	5,762	-
Administration fees payable	30,411	59,267
AIFM management fees payable	12,666	11,860
Audit fees payable	46,795	74,195
Other expenses payable	71,323	59,838
Custody fees payable	120	1,112
Share issue costs payable	12,792	6,415
	305,400	444,657

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

11. Share capital

Authorised Share Capital

The Directors may issue an unlimited number of Ordinary Shares.

Issued Share Capital

	As at 31.03.23 (Unaudited) £	As at 30.09.22 (Audited) £
Ordinary Shares		
Share Capital at the beginning of the period/year	201,561,499	179,677,592
Issue of shares during the period/year	20,793,365	22,233,683
Share issue costs	(246,169)	(261,324)
Income equalisation on new issues	(162,627)	(88,452)
Total Share Capital at the end of the period/year	<u>221,946,068</u>	<u>201,561,499</u>

Reconciliation of number of Shares

	31.03.23 Shares	30.09.22 Shares
Ordinary Shares		
Shares at the beginning of the period/year	216,213,518	190,738,518
Issue of shares	<u>27,550,000</u>	<u>25,475,000</u>
Total Shares in issue at the end of the period/year	<u>243,763,518</u>	<u>216,213,518</u>

The Ordinary Shares carry the following rights:

- a) the Ordinary Shares carry the right to receive all income of the Company attributable to the Ordinary Shares.
- b) the Shareholders present in person or by proxy or present by a duly authorised representative at a general meeting has, on a show of hands, one vote and, on a poll, one vote for each Share held.

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

The Company held no shares in Treasury as at 31 March 2023 (30 September 2022: Nil).

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

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

	Financial assets at fair value through profit and loss £	Amortised cost £	Total £
31 March 2023 (Unaudited)			
<i>Financial Assets</i>			
Financial assets at fair value through profit and loss			
- Investments			
- Corporate bonds	107,276,281	-	107,276,281
- Asset-backed securities	62,381,898	-	62,381,898
- Derivative assets: Forward currency contracts	1,267,864	-	1,267,864
Other receivables (excluding prepaid expenses)	-	3,524,818	3,524,818
Cash and cash equivalents	-	3,370,220	3,370,220
	<u>170,926,043</u>	<u>6,895,038</u>	<u>177,821,081</u>

	Financial liabilities at fair value through profit and loss £	Amortised cost £	Total £
31 March 2023 (Unaudited)			
<i>Financial Liabilities</i>			
Other payables	-	305,400	305,400
Financial liabilities at fair value through profit and loss			
- Derivative liabilities: Forward currency contracts	39,725	-	39,725
	<u>39,725</u>	<u>305,400</u>	<u>345,125</u>

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

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

	Financial assets at fair value through profit and loss £	Amortised cost £	Total £
30 September 2022 (Audited)			
<i>Financial Assets</i>			
Financial assets at fair value through profit and loss			
- Investments			
- Corporate bonds	95,890,726	-	95,890,726
- Asset-backed securities	53,024,312	-	53,024,312
- Derivative assets: Forward currency contracts	778	-	778
Amounts due from broker	-	855,647	855,647
Other receivables (excluding prepaid expenses)	-	3,072,922	3,072,922
Cash and cash equivalents	-	674,776	674,776
	<u>148,915,816</u>	<u>4,603,345</u>	<u>153,519,161</u>

	Financial liabilities at fair value through profit and loss £	Amortised cost £	Total £
30 September 2022 (Audited)			
<i>Financial Liabilities</i>			
Other payables	-	444,657	444,657
Financial liabilities at fair value through profit and loss			
- Derivative liabilities: Forward currency contracts	1,751,254	-	1,751,254
	<u>1,751,254</u>	<u>444,657</u>	<u>2,195,911</u>

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

13. Related parties

a) Directors' remuneration

The Directors of the Company are remunerated for their services at such a rate as the Directors determine. The aggregate fees of the Directors will not exceed £250,000.

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

	31.03.23 (Unaudited) £	30.09.22 (Audited) £
Claire Whittet (Chair of the Board)	22,000	44,000
Christopher Legge*	-	12,895
Ian Martin (Management Engagement Committee Chairman)**	18,500	37,000
Ashley Paxton (Audit and Risk Committee Chairman)	19,250	34,295
Sharon Parr***	14,599	-
Wendy Dorey****	5,762	-
Total Directors' fees	80,111	128,190

* Christopher Legge resigned on 31 January 2022.

** On 1 February 2023, Ian Martin resigned as a Director and as Management Engagement Committee Chairman.

*** Sharon Parr was appointed a Director on 1 November 2022.

**** Wendy Dorey was appointed a Director and Chair of the Management Engagement Committee on 1 February 2023.

As at 31 March 2023, there was £5,762 in Directors' fees outstanding (30 September 2022: £Nil).

b) Shares held by related parties

The Directors of the Company held the following shares beneficially:

	31.03.23 Shares	30.09.22 Shares
Claire Whittet	25,000	25,000
Ian Martin*	35,000	35,000
Ashley Paxton	73,750	22,500
Sharon Parr**	74,000	-
Wendy Dorey***	-	-

* Ian Martin resigned on 1 February 2023.

** Sharon Parr was appointed on 1 November 2022.

*** Wendy Dorey was appointed on 1 February 2023

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

As at 31 March 2023, the Portfolio Manager held no Shares (30 September 2022: no Shares) of the Issued Share Capital. The partners and employees of the Portfolio Manager, including their immediate family members, directly or indirectly held 5,747,158 Shares (30 September 2022: 5,064,515 Shares) which is 2.36% (30 September 2022: 2.34%) of the Issued Share Capital.

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

13. Related parties continued

b) Shares held by related parties continued

The Shares held by Directors and by partners and employees of the Portfolio Manager are purchased in their own right on the open market and do not form part of their remuneration. The Portfolio Manager, partner and employee amounts therefore exclude Shares held under any long-term incentive plan which has not yet vested. The amounts for the Portfolio Manager, its partners and employees are shown for transparency purposes and are not considered transactions with related parties.

c) Portfolio Manager

The portfolio management fee is payable to the Portfolio Manager, monthly in arrears at a rate of 0.75% per annum of the lower of NAV, which is calculated weekly on each valuation day, or market capitalisation of each class of shares. Total portfolio management fees for the period amounted to £630,659 (31 March 2022: £662,172) of which £125,531 (30 September 2022: £231,970) remained payable at the end of the period (year). The Portfolio Management Agreement dated 17 February 2014 remains in force until determined by the Company or the Portfolio Manager giving the other party not less than twelve months' notice in writing. Under certain circumstances, the Company or the Portfolio Manager is entitled to immediately terminate the agreement in writing.

The Portfolio Manager is also entitled to a commission of 0.175% of the aggregate gross offering proceeds plus any applicable VAT in relation to any issue of new Shares, following admission, in consideration of marketing services that it provides to the Company. During the period, the Portfolio Manager received £38,235 (31 March 2022: £22,106) in commission, which is charged as a cost of issuance.

14. Material agreements

a) Alternative Investment Fund Manager ("AIFM")

The Company's AIFM is Maitland Institutional Services Limited. In consideration for the services provided by the AIFM under the AIFM Agreement, the AIFM is entitled to receive from the Company a minimum fee of £20,000 per annum and fees payable quarterly in arrears at a rate of 0.07% of the Net Asset Value of the Company below £50 million, 0.05% on Net Assets between £50 million and £100 million and 0.03% on Net Assets in excess of £100 million. During the period, AIFM fees of £40,185 (31 March 2022: £41,446) were charged to the Company, of which £12,666 (30 September 2022: £11,860) remained payable at the end of the period (year).

b) Administrator and Secretary

Administration fees are payable to Northern Trust International Fund Administration Services (Guernsey) Limited monthly in arrears at a rate of 0.06% of the Net Asset Value of the Company below £100 million, 0.05% on Net Assets between £100 million and £200 million and 0.04% on Net Assets in excess of £200 million as at the last business day of the month subject to a minimum of £75,000 for each year. In addition, an annual fee of £25,000 will be charged for corporate governance and company secretarial services. During the period, administration and secretarial fees of £59,495 (31 March 2022: £61,596) were charged to the Company, of which £30,411 (30 September 2022: £59,267) remained payable at the end of the period (year).

c) Broker

For its services as the Company's broker, Numis Securities Limited (the "Broker") is entitled to receive a retainer fee of £50,000 per annum and also a commission of 1% on all tap issues. During the period, the Broker received £207,934 (31 March 2022: £126,348) in commission, which is charged as a cost of issuance.

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

14. Material agreements continued

d) Depositary

Depositary's fees are payable to Northern Trust (Guernsey) Limited monthly in arrears at a rate of 0.0175% of the NAV of the Company below £100 million, 0.0150% on Net Assets between £100 million and £200 million and 0.0125% on Net Assets in excess of £200 million as at the last business day of the month subject to a minimum of £25,000 for each year. During the period, depositary fees of £13,860 (31 March 2022: £14,490) were charged to the Company, of which £Nil (30 September 2022: £Nil) remained payable at the end of the period (year).

The Depositary is also entitled to a Global Custody fee of a minimum of £8,500 per annum plus transaction fees. Total Global Custody fees and charges for the period amounted to £9,840 (31 March 2022: £9,413) of which £120 (30 September 2022: £1,112) remained payable at the end of the period (year).

15. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including price risk, reinvestment risk, interest rate risk and foreign currency risk), credit risk, liquidity risk and capital risk. Please refer to the Statement of Principal Risks and Uncertainties on pages 13 to 17 of this report.

These Unaudited Condensed Interim Financial Statements may not include all the financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's Annual Report and Audited Financial Statements for the year ended 30 September 2022.

16. Fair value measurement

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

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

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices including interest rates, yield curves, volatilities, prepayment speeds, credit risks and default rates) or other market corroborated inputs (Level 2).
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

16. Fair value measurement continued

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value as at 31 March 2023.

	Level 1 £ (Unaudited)	Level 2 £ (Unaudited)	Level 3 £ (Unaudited)	Total £ (Unaudited)
Assets				
Financial assets at fair value through profit or loss				
- Investments				
- Corporate bonds	-	107,276,281	-	107,276,281
- Asset-backed securities	-	52,709,731	9,672,167	62,381,898
- Derivative assets: Forward currency contracts	-	1,267,864	-	1,267,864
Total assets as at 31 March 2023	-	161,253,876	9,672,167	170,926,043
Liabilities				
Financial liabilities at fair value through profit or loss				
- Derivative assets: Forward currency contracts	-	39,725	-	39,725
Total liabilities as at 31 March 2023	-	39,725	-	39,725

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

16. Fair value measurement continued

The following table analyses within the fair value hierarchy the Company's financial assets and liabilities (by class) measured at fair value as at 30 September 2022.

	Level 1 £ (Audited)	Level 2 £ (Audited)	Level 3 £ (Audited)	Total £ (Audited)
Assets				
Financial assets at fair value through profit or loss				
- Investments				
- Corporate bonds	-	95,890,726	-	95,890,726
- Asset-backed securities	-	45,313,705	7,710,607	53,024,312
- Derivative assets: Forward currency contracts	-	778	-	778
Total assets as at 30 September 2022	-	141,205,209	7,710,607	148,915,816
Liabilities				
Financial liabilities at fair value through profit or loss				
- Derivative liabilities: Forward currency contracts	-	1,751,254	-	1,751,254
Total liabilities as at 30 September 2022	-	1,751,254	-	1,751,254

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

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

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

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

16. Fair value measurement continued

The Portfolio Manager also took advantage of engaging a third party valuer to value certain investments (primarily residential mortgage-backed security assets). The valuation of these assets and others that the Portfolio Manager may deem appropriate to provide fair value, primarily use discounted cash flow analysis but may also include the use of a comparable arm's length transaction, reference to other securities that are substantially the same, and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs. As at 31 March 2023, investments representing 3.13% (30 September 2022: 2.7%) of the portfolio were valued by the third party valuer.

Although the models used do utilise unobservable inputs, it is the Board's and Portfolio Manager's views that any reasonable movement in the key unobservable inputs would not yield a significant change in fair value to the portfolio and as a result, a sensitivity analysis relating to the unobservable inputs related to these models has not been presented.

There were no transfers between levels during the period (30 September 2022: Nil).

The following table presents the movement in Level 3 instruments for the period ended 31 March 2023 by class of financial instrument.

	Bonds	Asset-backed securities	Total
31 March 2023 (Unaudited)	£	£	£
Opening balance	-	7,710,607	7,710,607
Net purchases	-	1,949,205	1,949,205
Net realised gains for the period	-	27,782	27,782
Net unrealised losses for the period	-	(15,427)	(15,427)
Closing balance	-	9,672,167	9,672,167

The following table presents the movement in Level 3 instruments for the year ended 30 September 2022 by class of financial instrument.

	Bonds	Asset-backed securities	Total
30 September 2022 (Audited)	£	£	£
Opening balance	-	12,771,617	12,771,617
Net purchases	-	(4,676,067)	(4,676,067)
Net realised gains for the year	-	262,161	262,161
Net unrealised losses for the year	-	(647,104)	(647,104)
Closing balance	-	7,710,607	7,710,607

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

16. Fair value measurement continued

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value at 31 March 2023 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
31 March 2023 (Unaudited)	£	£	£	£
Assets				
Other receivables excluding prepaid expenses	-	3,524,818	-	3,524,818
Cash and cash equivalents	3,370,220	-	-	3,370,220
Total	3,370,220	3,524,818	-	6,895,038
Liabilities				
Other payables	-	305,400	-	305,400
Total	-	305,400	-	305,400

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value at 30 September 2022 but for which fair value is disclosed.

	Level 1	Level 2	Level 3	Total
30 September 2022 (Audited)	£	£	£	£
Assets				
Amounts due from broker	-	855,647	-	855,647
Other receivables excluding prepaid expenses	-	3,072,922	-	3,072,922
Cash and cash equivalents	674,776	-	-	674,776
Total	674,776	3,928,569	-	4,603,345
Liabilities				
Other payables	-	444,657	-	444,657
Total	-	444,657	-	444,657

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

Cash and cash equivalents include deposits held with banks.

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

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

17. Segmental reporting

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

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

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

18. Dividend policy

The Board intends to distribute an amount at least equal to the value of the Company's excess income, as defined below, arising each financial year to the holders of Ordinary Shares. However, there is no guarantee that the Dividend Target of 6.0 pence per Ordinary Share for each financial year will be met or that the Company will make any distributions at all.

Excess income is defined as the distributions made with respect to any income period, which comprise (a) the accrued income of the portfolio for the period (for these purposes, the Company's income will include the interest payable by the credit securities in the portfolio and amortisation of any discount or premium to par at which a credit security is purchased over its remaining expected life); (b) an additional amount to reflect any income purchased in the course of any share subscriptions that took place during the period. Including purchased income in this way ensures that the income yield of the shares is not diluted as a consequence of the issue of new shares during an income period; (c) any relevant expenses less 50% of the portfolio management fees for the period; and (d) any gain/(loss) on the foreign exchange contracts caused by the interest rate differentials between each foreign exchange currency pair which is reflected in each pair's forward foreign exchange rate. This definition differs from the IFRS "net income" definition which also recognises gains and losses on financial assets.

The Company declared the following dividends in respect of the profit for the period ended 31 March 2023:

Period to	Dividend per Share (pence)	Dividend declared (£)	Ex-dividend date	Record date	Pay date
31 October 2022	0.50	1,105,068	17 November 2022	18 November 2022	2 December 2022
30 November 2022	0.50	1,129,068	15 December 2022	16 December 2022	30 December 2022
30 December 2022	0.50	1,149,068	19 January 2023	20 January 2023	3 February 2023
31 January 2023	0.50	1,195,318	16 February 2023	17 February 2023	3 March 2023
28 February 2023	0.50	1,218,818	16 March 2023	17 March 2023	31 March 2023
31 March 2023	0.50	1,221,318	20 April 2023	21 April 2023	5 May 2023

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

18. Dividend policy continued

Under The Companies (Guernsey) Law, 2008, the Company can distribute dividends from capital and revenue reserves, subject to the net asset and solvency test. The net asset and solvency test considers whether a company is able to pay its debts when they fall due, and whether the value of a company's assets is greater than its liabilities. The Board confirms that the Company passed the net asset and solvency test for each dividend paid.

19. Ultimate controlling party

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

20. Subsequent events

These Unaudited Condensed Interim Financial Statements were approved for issuance by the Board on 13 June 2023. Subsequent events have been evaluated to this date.

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

Dividend declarations

Declaration date	Dividend rate per Share (pence)
13 April 2023	0.50
11 May 2023	0.50
8 June 2023	0.50

Tenders

On 5 April 2023, 552,459 shares were tendered, all of which were placed rather than repurchased by the Company.

Share issues

On 3 April 2022, 500,000 new ordinary shares were issued for a total consideration of £367,300 (before costs and expenses).

Results of Extraordinary General Meeting

On 3 April 2023, all Resolutions set out in the Extraordinary General Meeting Notice sent to Shareholders dated 17 March 2023 were duly passed.

Resolution 1 and Resolution 2: Under Resolution 1, the Board sought the approval for the authority to issue and allot (or sell from treasury) up to 10% of the issued Shares. Resolution 2 was conditional on Resolution 1 being passed and applies in addition to Resolution 1. Under Resolution 2, the Board sought the approval for authority to issue and allot (or sell from treasury) an additional 10% of the issued Shares.

Shareholders approved the issuance and allotment of 20% of the issued Shares.

Resolution 3: Resolution 3 dis-applies the pre-emption rights contained in the Articles so that the Board has authority to allot and issue (or sell from treasury) Shares for cash on a non-pre-emptive basis in respect of Shares in the Company (equivalent to 10% of the shares in issue as at the latest practicable date prior to the date of publication of this document, excluding shares held in treasury). The disapplication expires on the earlier of the conclusion of the next annual general meeting of the Company and the date falling fifteen months after the date of passing of this Resolution 3, and permits the Board to allot and issue shares (or sell shares from treasury) after expiry of the disapplication if it has agreed to do so beforehand.

TwentyFour Select Monthly Income Fund Limited

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS continued

for the period from 1 October 2022 to 31 March 2023

20. Subsequent events continued

Results of Extraordinary General Meeting continued

Resolution 4: Resolution 4 was conditional on Resolution 3 being passed and applies in addition to Resolution 3. Resolution 4 dis-applies the pre-emption rights contained in the Articles so that the Board has authority to allot and issue (or sell from treasury) Shares for cash on a non-pre-emptive basis equivalent to a further 10% of the Shares in issue as at the latest practicable date prior to the date of publication of this document, excluding shares held in treasury. The disapplication expires on the earlier of the conclusion of the next annual general meeting of the Company and the date falling fifteen months after the date of passing of Resolution 4, and permits the Board to allot and issue shares (or sell shares from treasury) after expiry of the disapplication if it has agreed to do so beforehand.

Shareholders approved the disapplication of pre-emption rights in respect of the total of 20% of the Shares in issue.

TwentyFour Select Monthly Income Fund Limited

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures (“APMS”)

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

Discount/Premium

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

Dividends Declared

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

Dividend Target

The Company maintains an annual minimum dividend target of 6p per Ordinary Share.

Net Asset Value (“NAV”)

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

NAV per Share

NAV per share is calculated by dividing the total net asset value of £177,537,198 (30 September 2022: £151,334,878) by the number of shares at the end of the period/year of 243,763,518 units (30 September 2022: 216,213,518). This produces a NAV per share of 72.83p (30 September 2022: 69.99p), which was an increase of 4.06% (30 September 2022: decrease of 25.74%).

Ongoing Charges

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

NAV Total Return per Share

NAV Total return is the percentage increase or decrease in NAV, inclusive of dividends paid and reinvested, in the reporting period. It is calculated by adding the increase or decrease in NAV per share with the dividend per share when paid and reinvested back into the NAV, and dividing it by the NAV per share at the start of the period.



TwentyFour
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