

TwentyFour Income Fund Limited is managed by TwentyFour Asset Management LLP and is a non-cellular company limited by shares incorporated in Guernsey and registered as a Registered Closed-ended Collective Investment Scheme with the Guernsey Financial Services Commission. Its shares are traded on the Main Market of the London Stock Exchange.

Market Commentary

The prevalent market sentiment at the end of October continued throughout November, with participants remaining cautiously optimistic and willing to position risk; albeit with one eye on US data and the other on rhetoric from the Fed, whilst trying to judge the potential for asset purchase (QE) tapering in the US at the December meeting. During the month, strong employment data dampened activity but this was offset by commentary from St Louis Federal President, Bullard, pointing to low inflation delaying any push for tightening of policy.

In contrast, lower than expected Euro inflation rates (including Germany at 1.2% year on year) and higher Eurozone unemployment (12.2%) resulted in considerable market speculation for lower ECB rates, which finally materialised on 7 November; with the refi-rate being cut to 25bp although the deposit rate was left at zero for now. At the very end of the month the Bank of England provided further cause for optimism in the UK as they closed their Funding for Lending Scheme to additional mortgage lending, citing a well-developed recovery in the mortgage market and amid increasing concerns around a bubble in the UK housing market. While the housing market is now enjoying a degree of recovery across the country, it is only prices in London and the South East that have shown strong growth for a sustained period. It is also notable that this closure is not to say that UK Banks can no longer feed at the cheap funding trough that the BoE have been providing, as only £2.3bn has been drawn from the facility leaving roughly double that still unallocated and available to be drawn.

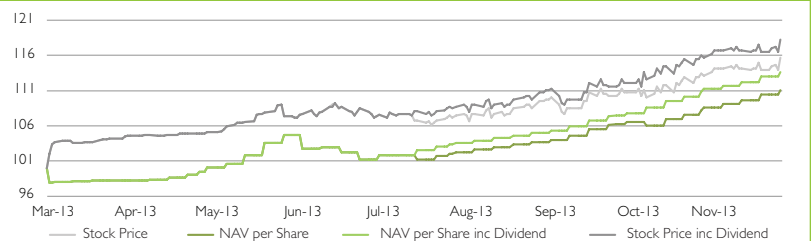
Mortgage lending data during the month reflected the BoE's recovery claims, coming in at £10bn in October (up 33% year on year), and with the early start of the second phase of Help to Buy, we expect to see this continue despite a drop in loan approvals during the month. House price data was also positive from the Nationwide, Halifax and the Royal Institution of Chartered Surveyors (RICS) poll. This was supplemented with surprisingly strong employment data in the UK which pushed Mark Carney to emphasise once again that the 7% threshold was to start discussions on the base rate, rather than a trigger to increase rates. Positive quarterly GDP data in Spain and the Netherlands, combined with good employment data in the latter; was offset by negative house price, employment and mortgage data in Spain. Irish property prices continued their recent trend and performed well. During the month a number of deals were placed in the primary market including Precise Mortgages, who placed AAA to BB notes, Gallerie (Italian CMBS) and a number of CLOs. With the exception of senior tranches of CLOs, many of these ultimately priced at levels significantly inside initial yield indications from the sponsor of existing deals in the secondary market. This show of demand for lower rated product, and the fact that it makes economic sense for the sponsors to place bonds rated lower than AAA, are positive signs for the market.

Following the recent capital raise the portfolio management team invested the remainder of the proceeds along the lines of the pre-existing portfolio. The Fund sold a number of UK non-conforming positions and two Dutch RMBS bonds that no longer represented good value. During the month the NAV per share increased by 2.57%, the proportion of the portfolio represented by investment grade assets (including cash) is 52.9% and the gross portfolio yield at the end of the month closed at 7.43%.

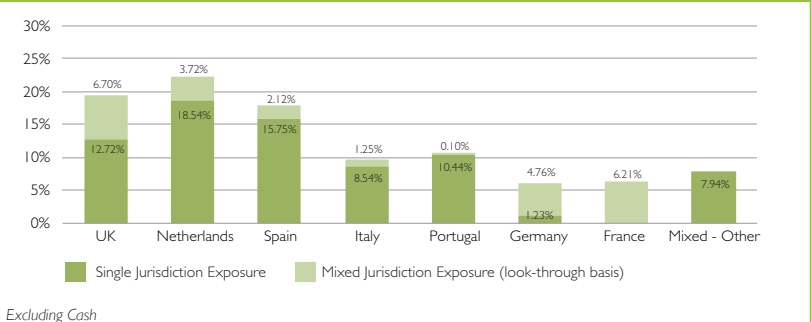
Market Outlook

As we approach year end we expect the market to quieten down as is traditional at this time of year. This may lead to better opportunities to invest as banks look to lighten up on inventory ahead of the annual audit. Spanish Prime RMBS has performed well over the last 3 months but the margin over the UK/Dutch equivalents still looks extremely good value. The end of the Funding for Lending Scheme's acceptance of mortgages is unlikely to lead to any immediate boom in new issuance and therefore we do not see this as a threat to performance, however on a forward looking basis the decision the Fed takes during the month as to whether to taper or not is the most likely short-term driver of all markets' performance despite the very limited connection with fundamentals in mezzanine European ABS.

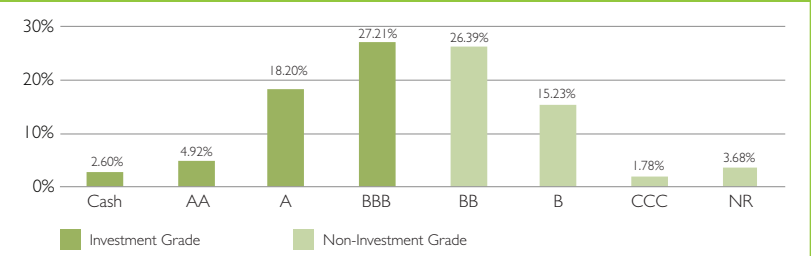
Fund Performance



Geographical Breakdown (Issuer)

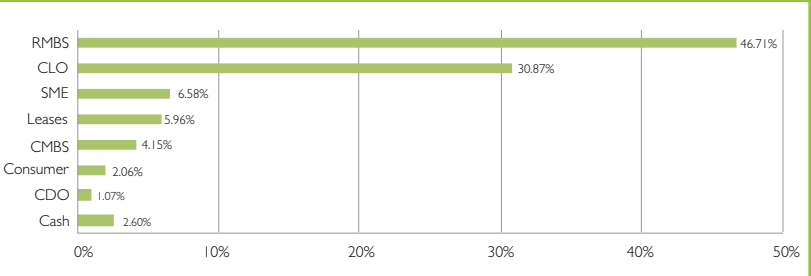


Rating Breakdown



Source: Moody's, S&P and Fitch

Sector Breakdown



Top 10 Holdings

Security	Sector	WAL	% of Total
ESAIL 07-NL2	Non-Conforming RMBS	12.58	4.79%
WHINSTONE	Prime RMBS	7.65	4.53%
LEMES 06-1	CMBS	2.73	4.15%
LUSI 4	Peripheral RMBS	6.52	3.83%
ITALF 07-1	Leases	2.45	3.77%
LUSI 5	Peripheral RMBS	7.26	3.58%
MERCIT I-X	Lev loan CLO	4.84	3.32%
BANKP 1	Peripheral SME	6.63	3.03%
DOLPH 10-3	Prime RMBS	1.56	2.48%
MSIMM 07-1	Lev loan CLO	4.51	2.39%

Past performance is not an indication of future performance
Source: TwentyFour Asset Management, save as indicated

Fund Objective

The Fund aims to generate attractive risk adjusted returns principally through income distributions.

Investment Approach

The Fund will invest in a diversified portfolio of UK and European Asset Backed Securities. Uninvested cash or surplus capital or assets may be invested on a temporary basis in cash and/or a range of assets including money market instruments and government bonds. Efficient portfolio management techniques will be employed such as currency hedging, interest rate hedging and the use of derivatives such as credit default swaps to mitigate market volatility.

In the event that investors elect to realise all or part of their shareholdings in the Fund pursuant to the realisation election on the 3rd anniversary of the admission of the Fund's shares to the London Stock Exchange, the Fund will split its portfolio into two pools and realise the assets comprised in the realisation pool on a timely basis in accordance with an orderly realisation programme with the aim of making progressive returns of cash to the relevant investors as soon as practicable.

This is only a summary; details of the Fund's investment policy, including investment restrictions, are set out in the Prospectus.

Fund Facts

Type of Fund	Closed-ended investment fund
Listing and Trading	UKLA Official List; LSE Main Market
Launch Date	6 March 2013
Launch Price	100p per Ordinary Share
Current Price per Share	115.25p
Current Price per Share (inc Dividend)	117.75p
Current NAV per Share	110.78p
Current NAV per Share (inc Dividend)	113.28p
Premium / (Discount) to NAV	4.03%
Market Capitalisation	£307.6m
Shares in Issue	266.9m
Dividend	Quarterly from 1 July 2013
Dealing	Daily during LSE opening hours
NAV Calculation	As of the last business day of each week and each month
Currency	£ denominated
ISA and SIPP Eligible	Yes
Realisation Election	On or before 6 March 2016

Technical Information

Investment Manager	TwentyFour Asset Management LLP
Board of Directors	Fully Independent
Administrator / Custodian	Northern Trust
Broker	Numis Securities
Auditor	PricewaterhouseCoopers
Management Fee	0.75% of lower of market cap or NAV
Estimated Ongoing Charge Ratio*	0.99%*

*As at 30/09/2013. Further information on fund charges and costs are included on the Fund's website at www.twentyfourincomefund.com

Share Codes

TIDM:	TFIF
SEDOL:	B90J5Z9
ISIN:	GG00B90J5Z95

Lead Fund Managers



Rob Ford
Partner with 27 years' of Fixed Income experience; previously Head of European ABS trading at Barclays Capital.



Ben Hayward
Partner with 15 years' structured finance experience; previously senior fund manager to four portfolios at Citi Alternative.



Aza Teeuwen
Portfolio Manager with 5 years' structured finance experience; previously buy-side analyst for IMC asset management.



Douglas Charleston
Portfolio Manager with 6 years' experience. Previous roles include a structurer at Lloyds and ratings analyst at S&P.

Further Information



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TwentyFour Asset Management LLP is a Limited Liability Partnership incorporated in England under Partnership No. OC335015 with its registered office at 24 Cornhill, London EC3V 3ND and is authorised and regulated in the UK by the Financial Conduct Authority, FRN No.481888.