

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

Headlines during March were dominated again by the developing situation in the Ukraine, focused on the Crimean Peninsula, as the political stand-off between Russia and the West escalated. Following the referendum and the annexing of the Crimea by Russia, the imposition of sanctions and the decision by the G7 to boycott the proposed G8 meeting in Sochi heightened market anxiety driving a risk-off environment. Central Banks during the month were less dovish than could have been expected. Janet Yellen's comments about raising rates within 6 months of the end of the QE tapering process was a surprising admission and Mario Draghi downplayed the markets' concerns around persistent deflation in the medium term, despite the data suggesting otherwise.

While these events drove performance in the wider market place they had little effect on the European ABS market which continued to grind tighter during the month. Fundamental data remained mixed with the UK the notable outperformer showing stable employment data and a further rise in house prices. The only slight mitigant to the continued recovery was a drop in the BBA's data on loan approvals.

In Europe, Italian unemployment numbers ticked up slightly from 12.7% to 12.9%. Spanish unemployment was marginally better; though house prices trended lower (-1.3% on the quarter), sales were up on the month but down on the year and mortgage lending and approvals data were also heavily down. Dutch unemployment saw a 0.2% rise to 8.8% although house prices were stable and are now down only 1.7% on the year.

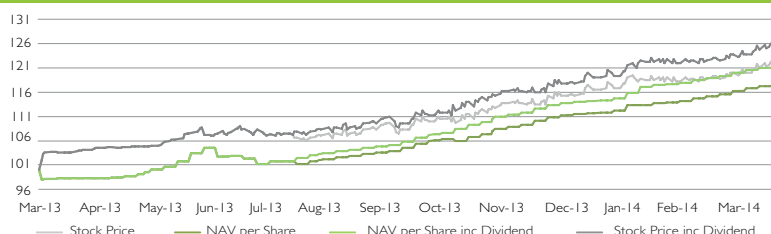
There was a significant amount of policymaker rhetoric around ABS during the month, with both Christian Noyer (the Bank of France's Governor) and Michel Barnier (EC Commissioner) advocating the benefits of a standardised and transparent ABS market, and interestingly calling for a "consistent approach", "more favourable capital treatment" and "harmonising prudential treatment across jurisdictions". The implication here, that a consistent approach is needed to capital buffers held against ABS for different investor types, is one the industry has been pushing for; though to date, the response has only been in rhetoric and not in substance. However at the end of March there has been significant speculation that the EC is discussing whether to halve the capital requirements for insurers investing in high quality ABS, which would still leave them as expensive compared to alternative forms of bank funding, and other parts of credit, but would be a significant move in the right direction.

During the month the Fund was relatively active, selling a number of positions in European RMBS that had tightened significantly and reinvesting the proceeds in an Italian RMBS position and building positions in a few vintage CLO deals. The NAV per share increased by 1.73% in March. The proportion of the fund represented by investment grade assets (including cash) is 52.5% and the gross portfolio yield at month end closed at 7.67%.

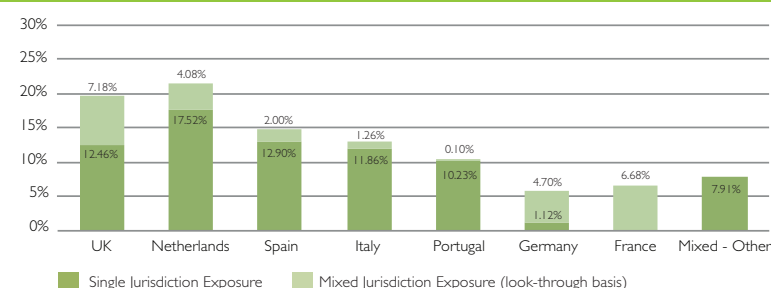
Market Outlook

The market continues to show positive performance driven by a relative lack of supply, although there have recently been a few new deals brought to market. Supply continues to be focussed on the top of the capital structure, with originators opting to retain the higher yielding mezzanine tranches in most deals other than CLOs. The number of deals placed though indicates that even at the larger senior part of the market there is significant ongoing appetite for paper. There were deals from the challenger bank Aldermore (OAK No.1), Veneto Banca (Claris) and UK Prime deal Darrowby from Skipton BS; this, following on from March's issuance from Paragon, Venn Partners (Cartesian), Clydesdale Bank (Lanark) and Aegon (Saecure), as well as CLOs and other ABS, feels that the market is a long way from experiencing any indigestion. The strong recovery in peripheral sovereign spreads continues, being the best performer in fixed income during March, suggesting this may continue to flow through to peripheral ABS.

Fund Performance

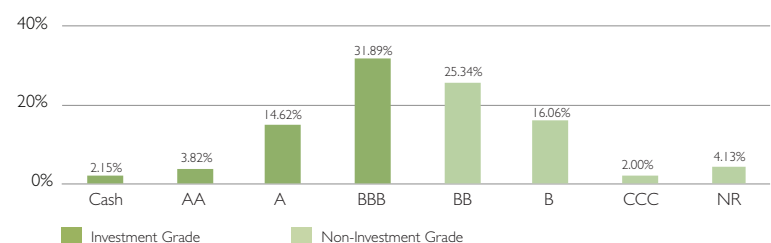


Geographical Breakdown (Issuer)



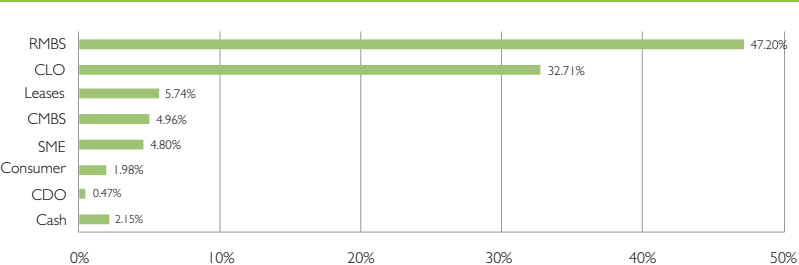
Excluding Cash

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	11.96	4.79%
LUSI 5	Peripheral RMBS	6.61	4.63%
WHINSTONE	Prime RMBS	7.31	4.61%
LEMES 06-1	CMBS	2.40	4.15%
LUSI 4	Peripheral RMBS	6.58	3.78%
ITALF 07-1	Leases	2.32	3.43%
BANKP 1	Peripheral SME	6.39	3.21%
MERCT I-X	Lev loan CLO	4.06	3.13%
EMACP 07-NL4	Prime RMBS	12.53	2.63%
DOLPH 10-3	Prime RMBS	1.23	2.32%

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.

The Fund currently conducts its affairs so that the shares issued by it can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because the Fund would qualify as an investment trust if the Fund was based in the UK.

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	122.50p
Current Price per Share (inc Dividend)	126.25p
Current NAV per Share	117.66p
Current NAV per Share (inc Dividend)	121.41p
Premium / (Discount) to NAV	4.11%
Market Capitalisation	£327.0m
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 16 years' structured finance experience; previously senior fund manager to four portfolios at Citi Alternative.



Aza Teeuwen
Portfolio Manager with 7 years' structured finance experience; previously buy-side analyst for IMC asset management.



Douglas Charleston
Portfolio Manager with 7 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.