

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

When we wrote last month there was a lot of uncertainty in the market. The US government shutdown and the potential collapse of the Italian government could have riled markets into a state of panic, however as the month progressed markets stayed calm, supported by the notion that such disarray in the US could only delay the onset of asset purchase tapering. The lack of any strong data made it impossible for the Fed to change tack, whereas the turmoil in Italy played out as well as could have been expected, with even Berlusconi performing an admirable 180 degree turn and supporting the continuation of the existing government. During the month data was broadly supportive. Employment statistics in relevant geographies were stable (UK/Netherlands) or improving (Spain), although housing and mortgage markets were more bifurcated (positive in the UK, stable in the Netherlands, negative in Spain). During the month ECOFIN announced that the expected proposals to use the ABS market to stimulate lending to SMEs in Europe would become operational in 2014. Although they are yet to finalise which of three suggested formats they are to choose, all three rely on securitisation and it is expected that €55-100 billion of additional SME lending would be generated over the next 3 years.

Standard and Poor's rating agency have published a suggested change to their rating methodology driven by the strength of the sovereign from which the deal is sourced. This is not expected to be positive for ABS ratings, and would seem to be swimming against the tide of opinion on ABS in Europe. In addition to the SME initiative (and the ECB's move to lower haircuts) it is now likely that during 2014 the Basel Committee for Banking Supervision will move to lower haircuts on ABS from the levels proposed in 2012, making it more efficient for banks to hold such positions.

During the month the fund picked up a number of Portuguese RMBS positions, using up the small available cash position having accounted for the payment of the second dividend on 25th October. The Board also approved a further, and most likely final fund raising, which closed at the end of the month having attracted interest significantly beyond the range sought. Based on the prevailing market conditions the offering was upsize by £5million to £55 million.

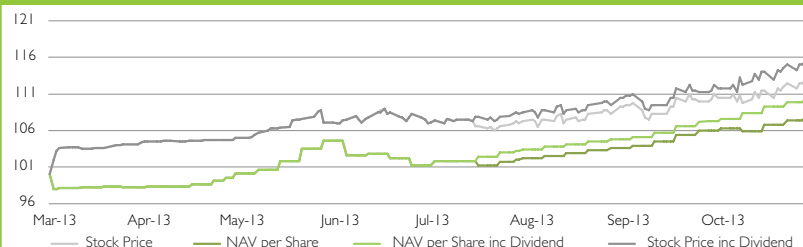
During the month the NAV per share increased by 3.01%. The proportion of the portfolio represented by investment grade assets (including cash) is 60.25% and the gross portfolio yield at the end of the month closed at 7.58%.

Market Outlook

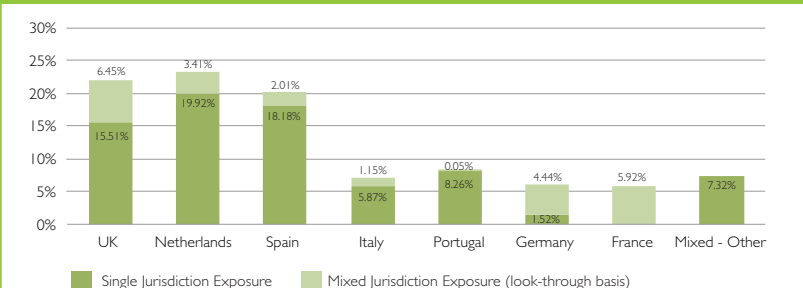
Little has changed during the month in terms of the direction that the market is moving in. The lack of supply continues to provide support as we go into November, although it is not unusual to see an increased amount of offers after Thanksgiving as participants look to secure their performance at the end of a good year, and this may lead to some attractive opportunities. In the medium term, the suggestion from regulators that it will be easier for banks and insurance companies in Europe to invest in this market will continue to skew the imbalance between demand and supply towards being exposed to mezzanine ABS.

While some markets have reacted favourably to the delay in tapering, investors continue to monitor data releases and any significant signs of strength will push the US yield curve around (and potentially the UK curve in sympathy) again emphasizing the benefits of floating-rate exposure.

Fund Performance

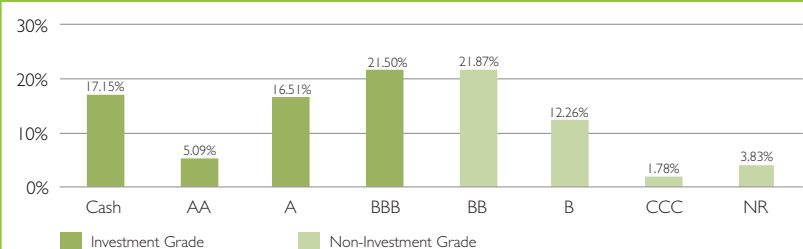


Geographical Breakdown (Issuer)



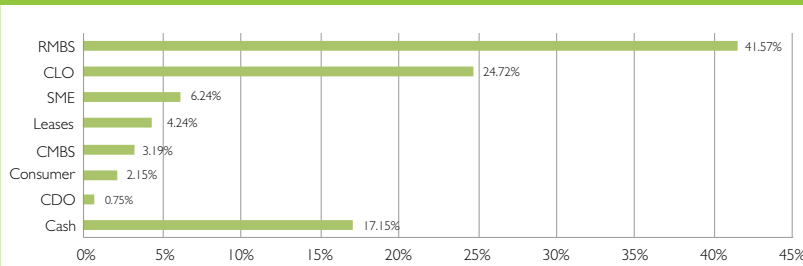
Excluding Cash

Rating Breakdown



Source: Moody's, S&P and Fitch

Sector Breakdown



Top 10 Holdings

Security	Sector	WAL	% of Total
WHINSTONE	Prime RMBS	7.73	4.21%
MERCET I-X	Lev loan CLO	4.92	3.42%
ESAIL 07-NL2	Non-Conforming RMBS	12.01	3.39%
LEMES 06-1	CMBS	2.81	3.19%
BANKP I	Peripheral SME	6.73	3.08%
LUSI 5	Peripheral RMBS	12.92	2.89%
DOLPH I0-3	Prime RMBS	1.64	2.58%
EMACP 07-NL4	Prime RMBS	12.94	2.48%
EUROCVIII-X	Lev loan CLO	4.62	2.38%
HSAME 06-IX	Lev loan CLO	5.05	2.18%

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	113.00p
Current NAV per Share	108.01p
Current NAV per Share (inc Dividend)	110.51p
Premium / (Discount) to NAV	4.62 %
Market Capitalisation	£245.0m
Shares in Issue	216.8m
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*	1.00%

*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 26 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



TwentyFour
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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.