

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

September was an interesting month, as much for where it leaves markets as for what happened during the month. At the end of August the market was expecting a victory for Angela Merkel in the German elections, and was pricing in a \$20bn reduction in Fed purchases as part of the proposed tapering of QE. While the former happened as expected, the decision not to taper asset purchases took most participants by surprise and was the key driver in a sharp risk rally in both stocks and bonds across the risk spectrum. However the decision not to taper leaves a high degree of uncertainty in the market and it is hard to believe that the probability of an event that was fully priced in a few weeks ago has significantly changed.

At the same time the US budget has again come under the microscope, and as we type the government has gone into shutdown for the first time since 1997. While it is likely that the impasse will be resolved before long, this adds uncertainty and distraction to market participants. The inability to govern efficiently is not unique to the US, as Berlusconi's Forza Italia party withdrew their support for the government, meaning that Prime Minister Letta and President Napolitano have to either secure support for a new coalition, establish an interim government before elections in the spring, or risk destabilising elections in the short-term as they struggle to pass the budget.

In contrast to the political background, fundamentals for the ABS markets have been positive during the month. In the UK house prices have been positive on a countrywide basis, reversing the trend of a bifurcation between London and the South-East showing strong growth offsetting weakness elsewhere. Mortgage approvals were strongly up on the month, and with Help to Buy (part II) brought forward, unemployment down and the job security component of the Consumer Confidence report moving up it would seem that there are fair winds ahead for mortgage performance.

In the Netherlands the data was also mildly positive, reversing a long term trend, with stable house prices and unemployment also down on the month. Spain also had a stable employment number, although the housing market still shows little sign of recovering.

Primary market supply was quiet during the month, with only CLOs being issued at the appropriate risk/return profile for the Fund. Barclays Bank tendered for securities from its AYTGH Spanish mortgage programmes, and we took advantage of this to sell a position that had traded up markedly because of this and which no longer represented value. The fund also raised another £30mm from the market and has invested the proceeds fully, broadly in line with the existing portfolio, although adding more higher rated securities.

During the month the NAV per share increased by 2.32%. The proportion of the portfolio represented by investment grade assets (including cash) is 52.41% and the gross portfolio yield at the end of the month closed at 7.51%.

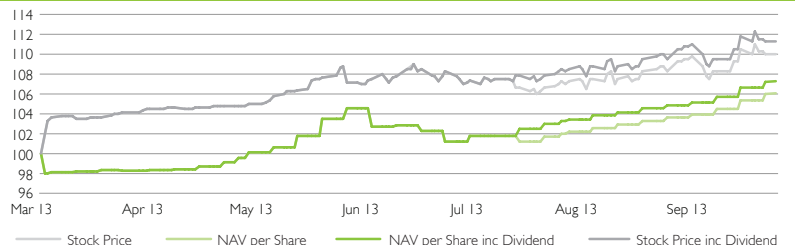
Market Outlook

The outlook for the current strategy appears positive as the ongoing lack of new issuance means that the supply/demand dynamic remains weighted to spread tightening. Towards the end of September Mario Draghi announced that he was prepared to launch another long-term financing operation (LTRO) should it be required for market stability and bank funding. This would further reduce the need for public funding, and instead add liquidity to the banks that may well push the banks to invest this money in ABS, especially after Jens Weidmann's comments and concerns regarding sovereign exposures.

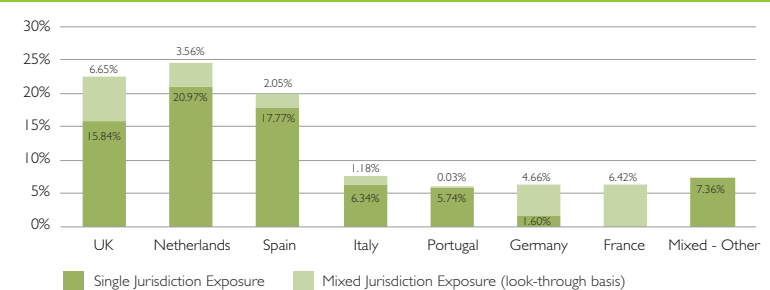
The funding of smaller corporates in Europe and the UK continues to disappoint, although the recent changes to Funding for Lending in the UK to focus on SMEs are yet to take effect, and with similar focus from the ECB the potential here is more weighted to the upside for CLO performance.

Finally, if and when the Fed finds sufficient strength in the US recovery, the start of QE tapering is likely to impact fixed rate bondholders and would underscore the benefits of holding floating rate as an alternative, which again should be beneficial for the portfolio.

Fund Performance

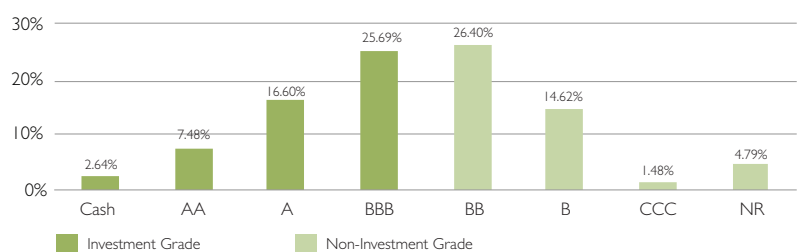


Geographical Breakdown (Issuer)



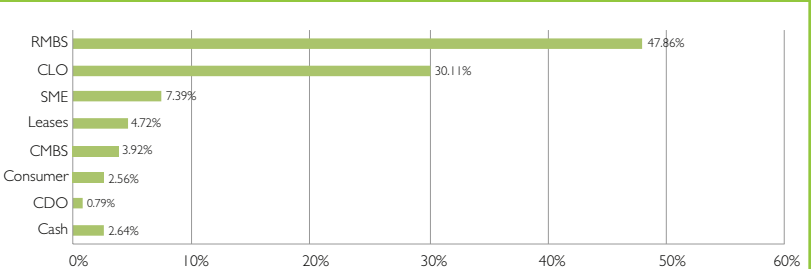
Excluding Cash

Rating Breakdown



Source: Moody's, S&P and Fitch

Sector Breakdown



Top 10 Holdings

Security	Sector	WAL	% of Total
WHINSTONE	Prime RMBS	7.80	4.85%
ESAIL 07-NL2	Non-Conforming RMBS	12.43	4.20%
MERCET I-X	Lev loan CLO	5.01	4.12%
LEMES 06-1	CMBS	2.89	3.92%
BANKP I	Peripheral SME	6.81	3.57%
DOLPH 10-3	Prime RMBS	1.72	3.22%
EMACP 07-NL4	Prime RMBS	13.02	2.98%
EUROCVIII-X	Lev loan CLO	4.70	2.91%
ITALF 07-1	Leases	2.43	2.71%
HSAME 06-IX	Lev loan CLO	5.13	2.71%

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	110.00p
Current NAV per Share	106.04p
Current NAV per Share (inc Dividend)	107.29p
Premium / (Discount) to NAV	3.74 %
Market Capitalisation	£238.5m
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



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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.