

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 disarray resulting from Bernanke's comments on the possibility of taking a 'step-down' in the pace of Fed purchases continued its adverse effect across all markets in June. The uncertainty on how the winding-down of this QE experiment will ultimately impact the global economy led to a breakdown of inter-market correlation, with systemic losses across equities, commodities, HY, EM and DM-govies. Collaborative comments from regional Fed Governors reiterating that any change in the pace of Fed purchases did not indicate an imminent change in the Fed Fund Rate initially did little to calm market uncertainty, resulting in a sharp price correction across fixed income. The coinciding half-year end reporting date for banks added to the price correction through a further reduction in market liquidity. The new paradigm that we noted last month, where positive economic data is met with price weakness, continued unabated although we expect this to be a temporary phenomenon while the market is working through the current transition phase.

The European ABS market had been largely immune from the market disruption throughout June, but after the strong performance of the mezzanine part of the market over the previous 5 months, sellers began to enter the secondary market to either take profits or dispose of legacy portfolios that had been lifted to levels that represent attractive gains. This unexpectedly high volume of secondary market supply, coinciding with the half-year end reporting date for banks, meant that dealers were unwilling to position the additional risk and as a result spreads widened, aided by the contagion from other sectors of the market. During the month the Fund issued additional stock to investors; the timing of which was accelerated from original assumptions primarily as a consequence of underlying market performance since launch, together with concerns that on-going spread tightening would result in the potential dilution of existing holders (as future issuance to address liquidity in the stock would be impaired by significantly tighter spreads in the underlying assets). The settlement of the proceeds coincided with the recent spread widening, so the fund has been relatively insulated from the spread movement, and therefore been able to take advantage and pick up bonds at attractive levels.

When recent purchases settle, the Fund will have a 6.5% cash position and the additional cash has been invested very much in line with the original portfolio. The notable addition has been to add exposure to Italian lease-backed transactions, which are an opportunity that had not previously been available to us. The Fund now has a yield of 8.45% on the invested portion and a yield of 7.22% overall taking into account the current cash drag. The average maturity of the holdings is 7.9 years and therefore well exposed to the spread tightening that the team expect. The proportion of the portfolio represented by investment grade assets (including cash) is 57.5%. During the month the Fund's NAV decreased by 3.2%, taking the NAV per share to 101.22p.

Market Outlook

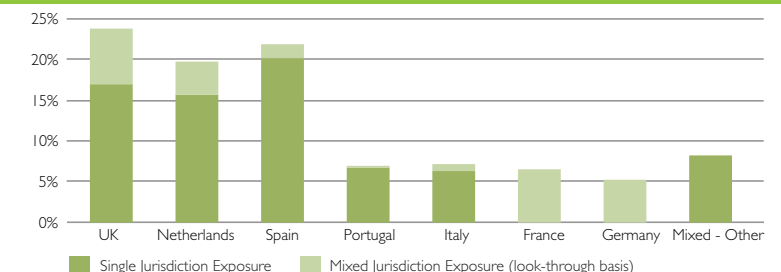
The half-year end clearly acts as an obstacle to market performance and liquidity. However, we are now approaching the summer period when markets are generally quiet and dealers show more reluctance to position significant amounts of risk without the comfort of seeing corresponding demand from the investor base. As such we do not expect to see markets rebound to pre-June levels in the near-term. We expect that with the general fixed income market fixated on Fed QE tapering, thereby focusing attention on US employment and inflation data, together with a resurgence of peripheral concerns in Europe, we may continue to experience contagion volatility from the credit and sovereign markets.

Further clarification on the EU's plans to support SME lending may provide additional support to CLO spreads, and the potential for a successful OMT bailout for Portugal may help to further dampen the yield premium on Spanish ABS, driving price performance. However, the indications suggest it will be an interesting summer with macro-economic and political factors driving sentiment. The good news is this should create an opportunity to pick up interesting assets at relatively attractive levels.

Fund Performance

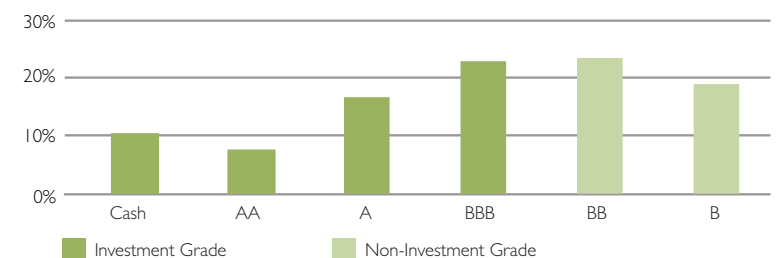


Geographical Breakdown (Issuer)



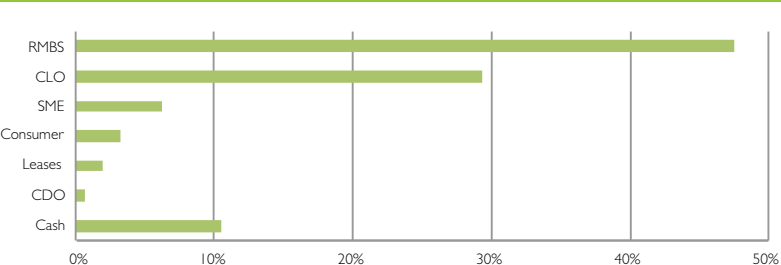
Excluding Cash

Rating Breakdown



Source: Moody's, S&P and Fitch

Sector Breakdown



Top 10 Holdings

Security	Sector	WAL	% of Total
WHINSTONE	Prime RMBS	7.81	4.64%
ESAIL 07-NL2	Non-Conforming RMBS	11.97	4.14%
MERCIT I-X	Lev Loan CLO	5.79	3.90%
EMACP 07-NL4	Prime RMBS	13.02	3.64%
EUROCVIII-X	Lev Loan CLO	4.97	3.50%
BANKP I	Peripheral SME	6.96	3.45%
ITALF 07-I	Leases	2.52	3.26%
DRYD 13-27	Lev loan CLO	3.13	2.94%
BCJAF 6	Peripheral RMBS	6.62	2.88%
DRYD 06-I5	Lev loan CLO	6.87	2.73%

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	108.25p
Current NAV per Share	101.22p
Premium / (Discount) to NAV	6.94%
Market Capitalisation	£194.4m
Shares in Issue	179.6m
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

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.



Eoin Walsh
Partner with 15 years' credit market experience; previously senior portfolio manager at Citi Alternative.



Gary Kirk
Partner with 25 years' of credit market experience; previously Head of Proprietary Credit trading at Wachovia.

Further Information



TwentyFour
Asset Management

TwentyFour AM

John Magrath

Tel. 020 7015 8912

john.magrath@twentyfouram.com



Numis Securities

Chris Gook

Tel. 020 7260 1378

c.gook@numis.com

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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.