

# KEY INFORMATION DOCUMENT ("KID")

## TWENTYFOUR INCOME FUND LIMITED (TFIF)

### PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

### PRODUCT

PRODUCT:	TwentyFour Income Fund Limited Ordinary Shares
ISSUER NAME:	TwentyFour Income Fund Limited
PRODUCT CODE:	GG00B90J5Z95
	<a href="https://twentyfouram.com/funds/twentyfour-income-fund/">https://twentyfouram.com/funds/twentyfour-income-fund/</a>
CALL NUMBER:	+44(0) 1481 745001
REGULATOR:	Guernsey Financial Services Commission (GFSC)
DOCUMENT VALID AS AT:	07/01/2021

### WHAT IS THIS PRODUCT?

**TYPE:** This product is an Alternative Investment Fund (AIF). It is also a non-cellular company limited by shares incorporated in Guernsey under the Companies (Guernsey) Law 2008, as amended, with registered number 56128, and is a London listed closed-ended investment company.

**OBJECTIVES:** The investment objective is to generate attractive risk-adjusted returns, principally through income distributions, by investing directly in a diversified portfolio of predominantly UK and European asset-backed securities (ABS), that provide indirect exposure to pools of financial assets, including, but not limited to, residential and commercial mortgages, credit card receivables, recreational vehicle leases, instalment sales contracts, corporate loans, and various types of account receivables, and which are typically more difficult to sell but provide greater returns to the Fund, and which the Fund's portfolio manager believe represent attractive relative value. The Fund's portfolio (Portfolio) is subject to geographical restrictions and issuer restrictions, but will typically look to hold at least 50 securities. The Portfolio will include assets that are linked to interest rates; their value will therefore change in line with interest rates. The Fund targets a dividend of 6 pence per Ordinary Share or such higher Dividend Target as the Directors determine. The Fund may, from time-to-time, utilise derivatives (contracts where value is linked to the value of an underlying investment) to reduce the risk of potential losses. The Fund may also, from time-to-time, employ gearing and /or derivatives, as well as borrowing (up to a limit of 25% of the Fund's NAV) for investment purposes. The Fund may have more than one loan, repurchase or stock loan facility in place. The value of an investment in the Fund depends on the value that its shares are traded at on the main market of the London Stock Exchange, which, in turn, depends on the value of the Portfolio which may be affected by the income the Fund generates, prevailing interest rates and global economic conditions. The Fund is valued by the Fund's administrator. Details on how the Fund's assets are valued are set out in the Fund's most recent prospectus. Realisation Elections may be made at 3 year intervals where investors may elect to realise all or part of their investment, or, alternatively, continue their investment in the Fund.

**INTENDED INVESTOR:** The Fund may be appropriate for professional investors or professionally advised retail investors seeking quarterly investment income drawn from a portfolio of ABS, and who are capable of evaluating the potential risks of investing in the Fund and who can afford to hold the investment for a minimum period of 5 years. Most investors will hold this investment as part of a wider investment strategy and not as a single investment.

### WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?



Lower risk

Higher risk

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less than your original investment. The underlying funds may include illiquid assets. These assets incur additional risks which are not considered in the indicator shown above when they do not represent a significant part of the underlying funds. These risks are that these assets could not be sold or not sold at the desired time and / or lead to significant losses. You may not be able to sell your product easily or may have to sell at a price that significantly impacts on how much you get back.

#### RISK INDICATOR

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

This product is rated as 4 out of 7, which is a medium risk class.

The Fund will look to invest in high yield (non-investment grade) ABS which typically have a higher risk of issuer default and are generally considered to be more illiquid than investment grade ABS. The Company will only use hedging instruments to mitigate risk. Full details of potential risks are set out in the Prospectus.

Some of the Fund's assets are not denominated in GBP which creates currency risk. The portfolio manager therefore employs currency hedging to try and minimise the effect of currency fluctuations on the underlying assets. This risk is not considered in the indicator shown above.

This product does not include any protection from future market performance so you could lose some or all of your investment. If the Fund is unable to pay you what is owed, you could lose your entire investment.

## PERFORMANCE SCENARIOS

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

INVESTMENT 10000 GBP

		1 YEAR	3 YEARS	5 YEARS (RECOMMENDED HOLDING PERIOD)
STRESS SCENARIO	<b>What might you get back after costs</b>	1 872.23 GBP	6 322.63 GBP	<b>5 469.26 GBP</b>
	Average return each year	-81.28 %	-14.17 %	-11.37 %
UNFAVOURABLE SCENARIO	<b>What might you get back after costs</b>	8 530.57 GBP	7 885.86 GBP	<b>7 613.46 GBP</b>
	Average return each year	-14.69%	-7.61%	-5.31%
MODERATE SCENARIO	<b>What might you get back after costs</b>	10 324.77 GBP	10 966.06 GBP	<b>11 647.19 GBP</b>
	Average return each year	3.25%	3.12%	3.1%
FAVOURABLE SCENARIO	<b>What might you get back after costs</b>	12 421.42 GBP	15 157.98 GBP	<b>17 711.25 GBP</b>
	Average return each year	24.21%	14.87%	12.11%

This table shows the money you could get back over the recommended holding period, under different scenarios, assuming that you invest 10,000 GBP.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The performance figures are based on the share price of TFIF plus dividends and not the Net Asset Value (NAV).

The scenarios presented are an estimate of future performance based on evidence from the past, on how the value of the investment varies, and are not an exact indicator. What you get back will vary depending on how the market performs and how long you keep the investment. The value of your investment can go up and down. The stress scenario shows you what you might get back in extreme market conditions, and it does not take into account a situation where the Fund is unable to pay you. The figures shown include all the costs of the product itself, where applicable, but may not include all the costs that you pay to your adviser or distributor. The figures also do not take into account your personal tax situation, which may also affect how much you get back.

## WHAT HAPPENS IF TWENTYFOUR INCOME FUND LIMITED IS UNABLE TO PAY OUT?

An investment in TFIF is not covered by an investor compensation (such as the Financial Services Compensation Scheme (FSCS)) or guarantee scheme; therefore should the Fund be unable to pay you any dividends or returns it may elect to pay from time-to-time, or if it were unable to pay any amounts due on a winding up, you would not be able to make any claims. An investment in TFIF therefore carries the risk of full capital loss.

## WHAT ARE THE COSTS?

### COSTS OVER TIME

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest 10,000 GBP. The figures are estimates and may change in the future. The figures are based on the Fund's NAV and not its share price.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

INVESTMENT 10000 GBP	IF YOU CASH IN AFTER 1 YEAR	IF YOU CASH IN AFTER 3 YEARS	IF YOU CASH IN AFTER 5 YEARS
<b>Total costs</b>	<b>90.29 GBP</b>	<b>290.21 GBP</b>	<b>518.24 GBP</b>
Impact on return (RIY) per year	0.9 %	0.9 %	0.9 %

### COMPOSITION OF COSTS

The table below shows:

\* The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.

\* The meaning of the different cost categories.

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## THIS TABLE SHOWS THE IMPACT ON RETURN PER YEAR

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ONE-OFF COSTS	ENTRY COSTS	0.00 %	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less. The impact of costs are already included in the price. This includes the costs of distribution of your product.
	EXIT COSTS	0.00 %	The impact of the costs of exiting your investment when it matures.
ONGOING COSTS	PORTFOLIO TRANSACTION COSTS	-0.10 %	The impact of the costs of the buying and selling of the underlying investments for the product.
	OTHER ONGOING COSTS	0.97 %	The impact of the costs that are taken each year for managing your investments.
INCIDENTAL COSTS	PERFORMANCE FEE	0.00 %	TFIF does not charge a performance fee.
	CARRIED INTERESTS	0.00 %	TFIF does not pay carried interest.

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## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MY MONEY OUT EARLY?

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**RECOMMENDED MINIMUM HOLDING PERIOD:** 5 YEARS

The recommended minimum holding period of 5 years (as above) has been selected for illustrative purposes only and reflects the long-term nature of the Company's investment objectives. To sell your investment before the end of the recommended minimum 5 year holding period you will need to place an order with your broker to sell your investment on the main market of the London Stock Exchange. The broker may levy a fee for the service it provides to you. No exit charges will be levied by the Fund. Investments may be sold on any day that the London Stock Exchange is open for business provided there is demand in the market. There is no guarantee that your broker will be able to sell your investment at the quoted market price, at a price equal to the proportionate value of the Portfolio, or at all.

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## HOW CAN I COMPLAIN?

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In case of any unanticipated problems in the understanding or handling of this product and this document, please feel free to directly contact the Company Secretary, Northern Trust International Fund Administration Services (Guernsey) Limited, either in writing to the Fund's registered office, or by email or by telephone. The Company will handle your complaint and endeavour to provide you with a response as soon as possible.

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**E-MAIL:** GSY\_Board\_Relationship\_Team@ntrs.com

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## OTHER RELEVANT INFORMATION

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The cost performance and risk calculations included in this document follow the methodology prescribed by EU rules.

The Fund makes available a number of additional document before and after you invest in accordance with EU and national law. Copies of these documents and the latest copy of this document are available at <https://twentyfourincomefund.com/>. These documents include: (i) TFIF Investor Disclosure Document; (ii) Prospectus; and (iii) Annual Report and financial statements.