

KEY INFORMATION DOCUMENT (KID)

TwentyFour Select Monthly Income Fund Limited (SMIF)



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 Select Monthly Income Fund Limited ("SMIF", "the Company") - Ordinary Shares |
| Product code: | GG00BJVDZ946 |
| Manufacturer name: | TwentyFour Select Monthly Income Fund Limited |
| Website: | https://selectmonthlyincomefund.com/ |
| Regulator: | Guernsey Financial Services Commission (GFSC) |

Document valid as at: 17 January 2025

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 57985, and a London listed closed-ended investment company.

Term:

This product is not subject to any fixed term.

Objectives:

The investment objective is to generate attractive risk-adjusted returns, principally through monthly income distributions, by investing directly in a diversified portfolio of fixed income credit securities, but with a focus on those assets that demonstrate an illiquidity premium, and which the Company's portfolio manager believe represent attractive relative value. At any one time, the Company's portfolio (Portfolio) may comprise any category of credit security including (but not limited to) bank capital, corporate bonds, high yield bonds, leveraged loans and asset-backed securities 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 and various types of account receivables. The Portfolio will not be subject to any geographical restrictions and it is anticipated that it will typically hold at least 50 securities. The Company will target a minimum dividend of 6p per annum, payable monthly. The Company may, from time-to-time, utilise derivatives (contracts where the value is linked to the value of an underlying investment) to try to mitigate the risks of potential losses. The value of an investment in the Company depends on the value that its shares are traded at on the main market of the London Stock Exchange, which, in turn, is largely determined by the performance of the Portfolio which may be affected by the income the Company generates, prevailing interest rates and global economic conditions. The Portfolio is valued by the Company's administrator. Details on how the Portfolio's assets are valued are set out in the Company's most recent Prospectus.

Intended Retail Investor:

The Company may be appropriate for professional investors or professionally advised retail investors seeking monthly investment income drawn from fixed income securities, and who are capable of evaluating the potential risks of investing in the Company 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?

Risk indicator



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. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

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 the Company is not able to pay you.

We have classified this product as class 4 out of 7, which is a medium risk class.

This rates the potential losses from future performance at a medium level, and poor market conditions could impact the capacity of the Company to pay you.

The Portfolio may include illiquid assets which may not be able to be sold at the desired price and/or over the desired timeframe. Please refer to the Prospectus for further details.

INVESTMENT PERFORMANCE INFORMATION

Performance Information Main Factors

The performance of the Company depends on a number of factors, such as changes in underlying economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends and tax laws. The return to the investor depends on the performance of the shares of the Company and the dividends they generate. As the shares are traded, the share price depends on both the supply and demand for the shares of the Company and the Net Asset Value of the Company. Consequently, the return to the investor may be higher or lower than the return of the Company.

Please refer to the Prospectus and Prospectus Supplement for the full list of the risks and potential rewards associated with an investment in the Company.

Performance Information Comparator

The Company is actively managed and no index is used for the purposes of determining or constraining the composition of the Portfolio.

What could affect my return positively?

The Company's return may be positively affected by an increase in the value of securities the Company is invested in as a result of macro-economic conditions, or positive events affecting interest rates or the credit quality of the Portfolio.

What could affect my return negatively?

The Company's return may be less favourable in a market environment that does not favour certain regions, sectors and industries, or if negative events affect interest rates or the credit quality of the Portfolio. In addition, if the demand for the Company shares on the London Stock Exchange is low when you sell your investment, or you are doing so during severely adverse market conditions, or both, this can result in your return on the shares being lower than the return of the Company and may also mean that you receive back less than your original investment amount.

WHAT HAPPENS IF TwentyFour Select Monthly Income Fund Limited IS UNABLE TO PAY OUT?

As a shareholder in the Company, you would not be covered by an investor compensation body (such as the Financial Services Compensation Scheme (FSCS)) or guarantee scheme; therefore should the Company 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 SMIF therefore carries the risk of full capital loss.

WHAT ARE THE COSTS?

The person selling you or advising you about this product may charge you other costs (for example broker commissions, platform fees or stamp duty). 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.

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.

| Investment GBP 10 000 | If you cash in after 1 year | If you cash in after 3 years | If you cash in after 5 years |
|---------------------------------|-----------------------------|------------------------------|------------------------------|
| Total costs | 146.53 GBP | 467.34 GBP | 828.13 GBP |
| Impact on return (RIY) per year | 1.47 % | 1.46 % | 1.46 % |

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.

| | | | |
|------------------|-----------------------------|-------|---|
| 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 | 0.12% | The impact of the costs of the buying and selling of the underlying investments for the product. |
| | Other ongoing costs | 1.29% | The impact of the costs that are taken each year for managing your investments and the costs associated with running the Company. |
| Incidental costs | Performance fees | N/A | SMIF does not charge a performance fee. |
| | Carried interests | N/A | SMIF does not pay carried interest. |

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

Recommended minimum holding period: **5 years**

The product is designed for long-term investment, and therefore the Company would suggest a minimum holding period of 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. Investors may elect to sell their shares on the market at any time without penalty by the Company. The value of shares and the income derived from them (if any) may go down as well as up, and investors may not get back the full value of their investments. While the shares are traded on the main market, it is possible that there may not be a liquid market in the shares and investors may have difficulty selling them.

HOW CAN I COMPLAIN?

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 Company'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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OTHER RELEVANT INFORMATION

- The cost performance and risk calculations included in this document follow the methodology prescribed by UK KID rules.
- The Company makes available a number of additional documents before and after you invest in accordance with UK KID and national law. Copies of these documents and the latest copy of this document are available at <https://selectmonthlyincomefund.com/>. These documents include: (i) SMIF Investor Disclosure Document; (ii) Prospectus; (iii) Notice of annual general meeting; and (iv): Annual Report and financial statements.
- Investors should take care when making investment decisions and refer to all available information including the Prospectus, Financial Statements and factsheets as well as the KID and any other relevant material.
- The Company's Alternative Investment Fund Manager (AIFM) is Waystone Management (IE) Limited (Waystone), effective 21 June 2024 upon retirement of the previous AIFM, Apex Fundrock Ltd (Apex).
- Alongside this document, we invite you to carefully consult the Prospectus on the Company's website at <https://selectmonthlyincomefund.com/>