Chenavari Toro Income Fund Limited

(a closed-ended investment company limited by shares incorporated under the laws of Guernsey with registered number 59940)

Condensed Unaudited Interim Financial Statements

For the period from 1 October 2023 to 31 March 2024

Potential investors are "qualified eligible persons" and "Non-United States Persons" within the meaning of the US Commodity Futures Trading Commission Regulation 4.7.

Chenavari Credit Partners LLP (the "Portfolio Manager") is registered as a commodity pool operator ("CPO") with the Commodity Futures Trading Commission (the "CFTC") and is a member of the National Futures Association ("NFA") in such capacity under the U.S. Commodity Exchange Act, as amended ("CEA"). With respect to the Chenavari Toro Income Fund Limited ("the Company"), the Portfolio Manager has claimed an exemption pursuant to CFTC Rule 4.7 for relief from certain disclosure, reporting and recordkeeping requirements applicable to a registered CPO. Such exemption provides that certain disclosures specified in section 4.22 (c) and (d) of the regulation are not in its Condensed Unaudited Financial Statements and Interim Report.

Contents

FORWARD-LOOKING STATEMENTS

This interim report includes statements that are, or may be considered, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "plans", "expects", "targets", "aims", "intends", "may", "will", "can", "can achieve", "would" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this interim report, including in the Chairman's Statement. They include statements regarding the intentions, beliefs or expectations of the Company or the Portfolio Manager concerning, among other things, the investment objectives and investment policies, financing strategies, investment performance, results of operation, financial condition, liquidity prospects, dividend policy and targeted dividend levels of the Company, the development of its financing strategies and the development of the markets in which it, directly and through special purpose vehicles, will invest in and issue securities and other instruments. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, dividend policy and dividend payments and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition, liquidity, dividend policy and dividend payments of the Company and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause differences include, but are not limited to: changes in economic conditions generally and in the structured finance and credit markets particularly; fluctuations in interest and currency exchange rates, as well as the degree of success of the Company's hedging strategies in relation to such changes and fluctuations; changes in the liquidity or volatility of the markets for the Company's investments; declines in the value or quality of the collateral supporting many of the Company's investments; legislative and regulatory changes and judicial interpretations; changes in taxation; the Company's continued ability to invest its cash in suitable investments on a timely basis; the availability and cost of capital for future investments; the availability of suitable financing; the continued provision of services by the Portfolio Manager and the Portfolio Manager's ability to attract and retain suitably qualified personnel; and competition within the markets relevant to the Company. These forward-looking statements speak only as at the date of this interim report. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligations to update or revise any forward-looking statement (whether attributed to it or any other person) contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. The Company qualifies all such forward-looking statements by these cautionary statements.

Commodity Exchange Affirmation Statement

Commodity Exchange Affirmation Statement Required by the Commodity Exchange Act, Regulation §4.22 (h).

I, Loic Fery, hereby affirm that, to the best of my knowledge and belief, the information contained in this Interim Report and Unaudited Interim Financial Statements is accurate and complete.

Loic Fery

Chief Executive Officer and representative of the Managing Member of Chenavari Credit Partners LLP, Commodity Pool Operator of the Company.

27 June 2024

Highlights for the period from 1 October 2023 to 31 March 2024

The metrics below use both IFRS performance measures and Alternative Performance Measures ("APMs"), chosen to best represent Chenavari Toro Income Fund Limited (the "Company") performance over the financial period from 1 October 2023 to 31 March 2024 (the "Period").

- The net asset value ("NAV") total return for the Period (with dividends reinvested) was 8.16%[1] and the share price total return (with dividends reinvested) was 26.84%[2] (1 October 2022 to 31 March 2023: 5.07% and -0.65% respectively).

- During the Period, the Company's NAV per Ordinary Share ("Share"), excluding dividends distributed, increased by 2.95%[3] (1 October 2022 to 31 March 2023: 0.01%) to close at 66.44 cents (31 March 2023: 64.06 cents).

- The Company declared two dividends in respect of the Period ended 31 March 2024: 1.62 cents per Share paid on 7 March 2024 for the quarter ended 31 December 2023 and 1.67 cents per Share paid on 7 June for the quarter ended 31 March 2024. The final dividend for the period ending 30 September 2023, of 1.61 cents per Share was paid on 8 December 2023.

- The Company's mid-market share price at 31 March 2024 was 52.50 cents (30 September 2023: 44.30 cents), representing a discount to NAV of 20.98%[4] (30 September 2023: 31.36%).

- The profit for the Period was €15.8 million (31 March 2023: €9.8 million profit), or 5.13 cents profit per Share (31 March 2023: 3.2 cents profit per Share), taking into account recognition of the following significant items:

  - total income of €20.2 million (31 March 2023: income of €11.2 million)
  - total operating expenses of €4.3 million (inclusive of €2.8 million performance fees. 31 March 2023: €1.4 million, €Nil performance fees)

- At 31 March 2024, the NAV was €205.0 million (30 September 2023: €198.9 million), and its available cash holdings were €10.7 million (30 September 2023: €6.9 million).

[1] Bloomberg NAV Price total return (with dividends re invested daily at Ex-date).
[2] Bloomberg Share Price total return (with dividends re invested daily at Ex-date).
[3] 31 March 2024 NAV per Share of 66.44 cents versus 30 September 2023 NAV per Share of 64.54 cents (66.44-64.54)/64.54 = 2.95%
[4] Listed mid-market share price per Bloomberg of 52.50 cents versus calculated NAV per share per the Statement of Financial position of 66.44 cents (52.50-66.44)/66.44= -20.98%

Corporate Summary
For the Period from 1 October 2023 to 31 March 2024

The Company

Chenavari Toro Income Fund Limited (the "Company" or "Toro") is a closed-ended Collective Investment Scheme registered pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the "Law") and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (the "Commission"). The Company's Ordinary Shares (the "Shares") were admitted to trading on the Specialist Fund Segment ("SFS") of the London Stock Exchange and The International Stock Exchange (formerly Channel Islands Security Exchange Authority Limited) ("TISE") on 8 May 2015.

Investment objective

The investment objective of the Company is to deliver an absolute return from investing and trading in asset backed securities ("ABS") and other structured credit investments in liquid markets, and investing directly or indirectly in asset backed transactions including, without limitation, through the origination of credit portfolios.

Investment policy

The Company seeks to invest in a diversified portfolio of exposures to predominantly European based obligors. The Company's investment strategies are:

The Opportunistic Credit Strategy – the Company invests or trades opportunistically in primary and secondary market Asset Backed Securities and other structured credit investments including private asset backed finance investments.

The Originated Transactions Strategy – the Company invests in transactions on a buy-to-hold basis, via a variety of means, including, without limitation, Warehouse Credit Facilities, which can originate credits that may be refinanced in structured credit markets as well as other financing opportunities.

Originated transactions

The Company invests in Originators which establish securitisation vehicles and retain the requisite Retention Securities in such vehicles pursuant to the EU Risk Retention Requirements and/or, in future, the U.S. Risk Retention Regulations. In exchange for its capital and participation facilitating retention compliant origination transactions, the Company expects to receive enhanced returns relative to direct investment in structured credit investments (such as CLOs). Such returns may take the form of additional returns from fees, fee rebates or other financial accommodations agreed by parties who may benefit from the Company's involvement depending upon the asset class of a securitisation vehicle. The CLO Retention strategy is operated through Taurus Corporate Finance LLP ("Taurus"), a fully owned subsidiary of the Company.

Eligible investments

Each investment shall, as of the date of acquisition by the Company, be a debt obligation (including, but not limited to, a bond or loan), a share or equity security, a hybrid instrument, derivative instrument or contract or an equitable or other interest. In addition, the Company may from time to time have surplus cash (for example, following the disposal of an acquired investment). Cash held by the Company pending investment or distribution will be held in either cash or cash equivalents, including but not limited to money market instruments or funds, bonds, commercial paper or other debt obligations with banks or other counterparties provided such bank or counterparty has an investment grade credit rating (as determined by any reputable rating agency selected by the Company on the advice of the Portfolio Manager).

Target returns and dividend policy

On the basis of market conditions, whilst not forming part of its investment objective or investment policy, the Company targets a NAV total return (including dividend payments) of 9 to 11 per cent per annum payable quarterly in March, June, September and December of each year. The Company dividend policy targets a quarterly dividend yield of 2.5 per cent (by reference to NAV) equating to a targeted annualised dividend yield of 10 per cent (by reference to NAV).

With effect from 1 January 2021, at the end of each calendar quarter, the Company maintained a maximum cash balance in its portfolio of 5 per cent. of NAV, unless the investment manager, at its discretion, decided to maintain such cap at a maximum of 10 per cent., should market opportunities in liquid and tradable European ABS/CLO arise. Per the dividend policy update announcement on 30 January 2024, the Company continues to rebalance its portfolio towards tradable securities and has been able to make attractive investments within the Public ABS and CLO sector as opportunities arise within the market. To that effect, the Company plans to remove the previously announced cap on maximum cash balance, so the portfolio manager can have more flexibility to continue to re-invest based on prevailing market conditions, with excess cash being reinvested. In line with the current dividend policy the Company re-confirms its target quarterly dividend yield of 2.5 per cent (by reference to NAV) equating to a targeted annualised dividend yield of 10 per cent. (by reference to NAV). The Company's net target return remains 9-11 per cent per annum.

Corporate Summary (continued)
For the Period from 1 October 2023 to 31 March 2024

Target returns and dividend policy (continued)

The Company's share price increased by 18.51% during the Period to close at 52.50 cents at 31 March 2024 (30 September 2023: 44.30 cents), representing a discount to the NAV per Share of 20.98% (30 September 2023: 31.36%).

The NAV total return for the Period was 8.16% (with dividends reinvested). Dividends totalling 3.29 cents per share were declared with respect to the Period. This represents a return of 5.10% on the NAV per share of 64.54 cents reported in the 30 September 2023 financial statements.

The dividend and net target return targets stated above are targets only and are not a profit forecast. There can be no assurance that these targets will be met, and they should not be taken as an indication of the Company's expected future results.

Net asset value ("NAV")

At 31 March 2024, the Company's NAV was €205.0 million (30 September 2023: €198.9 million) with the NAV per Share amounting to 66.44 cents (30 September 2023: 64.54 cents). The Company publishes its NAV on a monthly basis. The NAV is calculated as the Company's assets at fair value less liabilities, measured in accordance with International Financial Reporting Standards ("IFRS").

Duration

The Company has an indefinite life.

Website

The Company's website address is http://www.chenavaritoroincomefund.com/

Listing information

The Company's Shares are admitted to trading on the SFS and TISE.

The International Securities Identification Number ("ISIN") of the Euro Shares is GG00BWBSDM98 and the SEDOL is BWBSDM9.

The mid-market closing price quoted on the SFS at 31 March 2024 was 52.50 cents per Share.

The average closing price of the Shares over the Period was 46.63 cents per Share.

General Information

Directors
Frederic Hervouet (Non-executive Chairman)
John Whittle (Non-executive Director)
Roberto Silvotti (Non-Independent Non-executive Director)

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Chairman's Statement

Dear Shareholders,

The independent Board of the Company is pleased to present Chenavari Toro Income Fund Limited's Mid-Year Report and Unaudited Financial Statements for the period ending 31 March 2024.

Financial Performance

The Company's NAV generated a total return (with dividend reinvested) of 8.16%[5] between 1 October 2023 and 31 March 2024, equivalent to 17.14% annualised. This was above our annualised NAV Return Target of 10%.

The share price's total return was 18.51%[6] (26.84%[7] with dividend reinvested).

Discount

The Company's shares closed at mid-price of 52.50 cents per Share as of 31 March 2024, representing a discount to NAV of 20.98%, compared to 31.36% on 30 September 2023.

Cashflows and Dividends

During the period, the Company announced and paid dividends per ordinary share of 3.23 cents, corresponding to a 5.00% dividend return on the prior year-end NAV.

The final dividend for the period ending 30 September 2023, of 1.61 cents per Share, was paid on 8 December 2023 and 1.62 cents per Share was paid on 7 March 2024 for the quarter ended 31 December 2023, corresponding to quarterly dividends of 3.68% based on the average share price for the respective quarters.

Investment Portfolio Overview

Over the period both the direct origination and the public ABS/CLOs strategies contributed to the positive gross performance with respective gains of 5.34% and 2.74%. The direct origination strategy represented an allocation of c. 60%, while the public ABS strategy was slightly decreased to 30% by the end of Q1 2024 as cash was increased to c. 10%.

During the period the annualized payments on Taurus horizontal and vertical risk positions remained robust, reflecting attractive risk adjusted returns provided by CLO retention. The manager also entered new mandates to provide 3rd party CLO risk retention financing as it expects this business to be an increasing part of Toro's investment focus going forward. While generic CLO spreads were tighter during the Q4, the equity arbitrage has been improving over the past months.

If Q4 was overall a benign quarter in terms of default and downgrades, Q1 2024 saw 3 defaults with 3 names focusing the European leveraged loan market attention: Intrum, Ardagh and Altice.
While the portfolio managers expect the credit quality of the European leveraged loan market to deteriorate in the next 12 to 24 months, with stabilisation of default rate around 3.5% witnessed at the end of 2023, they are very much focused on the credit quality of the underlying loan portfolio.

Regarding SpRED (Spanish Real Estate Development) the sale activity in Spanish residential real estate remained sluggish influenced by the enduring challenges related to the affordability of Spanish households and restricted access to credit. The aim is to finalise the sale process within 12 to 24 months with a gross projected IRR of 5% assuming an exit of the remaining units in the next 12M, at a level 10% below our current target sales price.

Frederic Hervouet
Non-executive Chairman
Date: 27 June 2024

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[5] Bloomberg NAV Price total return (with dividends re invested daily at Ex-date).
[6] Bloomberg Share Price total return.
[7] Bloomberg Share Price total return (with dividends re invested daily at Ex-date).

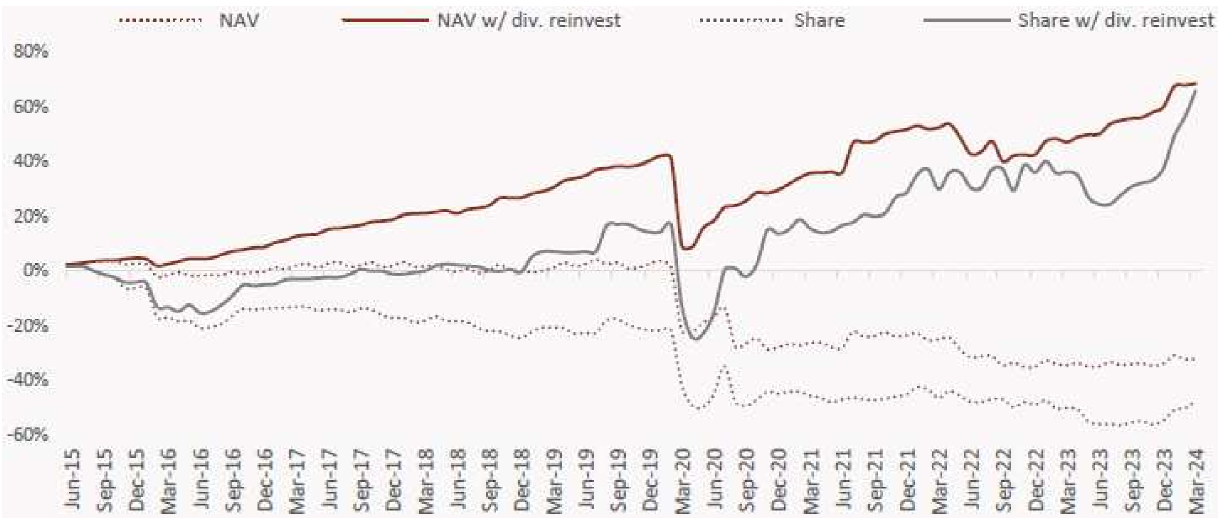
Portfolio Manager's Report

Performance

During the Period, the Company NAV performance was 8.16%[8] (dividends reinvested).

The month-on-month NAV performance since inception was the following (with dividends reinvested at NAV):

Year	YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	**4.53%**	-	-	-	-	2.06%	0.15%	0.45%	0.64%	0.28%	0.02%	0.52%	0.34%
2016	**3.85%**	(0.34%)	(2.44%)	0.69%	0.92%	0.95%	(0.04%)	0.29%	1.13%	1.23%	0.54%	0.67%	0.24%
2017	**9.29%**	1.41%	0.88%	1.21%	0.56%	0.30%	1.49%	0.28%	0.50%	0.51%	0.98%	0.33%	0.48%
2018	**6.66%**	1.37%	0.38%	0.09%	0.39%	0.38%	(0.81%)	1.14%	0.45%	0.76%	2.31%	(0.07%)	0.10%
2019	**10.65%**	1.15%	0.66%	1.06%	1.90%	0.68%	0.74%	1.62%	0.41%	0.53%	(0.12%)	0.43%	1.11%
2020	**(7.60%)**	1.22%	(0.54%)	(22.72%)	(0.37%)	6.28%	2.39%	4.06%	0.53%	1.50%	2.38%	(0.15%)	0.91%
2021	**16.99%**	1.63%	1.77%	1.24%	0.14%	0.24%	(0.2%)	8.02%	0.12%	0.28%	1.72%	0.64%	0.46%
2022	**(6.05%)**	0.92%	(0.79%)	0.35%	0.90%	(3.24)%	(4.06)%	0.67%	2.52%	(4.94)%	1.51%	0.22%	0.03%
2023	**12.30%**	3.46%	0.59%	(0.79%)	1.26%	0.53%	0.19%	2.41%	0.86%	0.49%	0.22%	1.25%	1.25%
2024	**5.25%**	4.64%	0.26%	0.32%									



Since inception, the Company has paid the following dividends in respect of the following Periods:

Period ending	**Dividend (cents per Share)**
30 September 2015 (1 dividend)	2.00
30 September 2016 (4 dividends)	6.50
30 September 2017 (4 dividends)	6.75
30 September 2018 (4 dividends)	8.00
30 September 2019 (4 dividends)	8.00
30 September 2020 (4 dividends)	7.33
30 September 2020 (2 special distributions)	13.97
30 September 2021 (4 dividends)	7.18
30 September 2022 (4 dividends)	6.97
30 September 2023 (4 dividends)	6.39
31 March 2024 (2 dividends)	3.29

In relation to the Period, the Company declared dividends totalling 3.29 cents per Share. Dividend payments in the Period totalled 3.23 cents per Share as the dividend for the 3 month period ending 30 September 2023 (relating to the previous financial period) was paid in the Period and the dividend for the 3 month period ending 31 March 2024 was declared and paid after the end of the Period.

The Company had no share repurchase transactions during the period nor any during the same comparable period of the previous year. At 31 March 2024 the Company had 308,552,938 Shares in issue with 52,897,062 held in treasury (30 September 2023: 308,271,965 Shares in issue with 53,178,035 held in treasury).

[8] Bloomberg NAV Price total return (with dividends re invested daily at Ex-date).

Portfolio Manager's Report (continued)

Portfolio breakdown as of 31 March 2024

As of 31 March 2024, the Company's investment, gross of leverage, represented 108.27% of the NAV.

The NAV allocation as of 31 March 2024 was as follows:

	31 March 2024	30 September 2023
Asset class breakdown	**% NAV**	**% NAV**
Equity (including Taurus Originator)	57.37%	53.42%
Secured loan	53.65%	7.30%
Arbitrage CLO	28.65%	25.22%
Reverse repurchase agreement	13.79%	13.33%
Preferred equity	8.22%	10.43%
Cash and cash equivalents	5.20%	3.48%
Bond	1.33%	-
Derivative financial assets	0.55%	1.83%
Arbitrage CDO	0.11%	0.10%
Derivative financial liabilities	(0.07%)	(0.43%)
Consumer ABS	(8.22%)	0.15%
Residential mortgage-backed security	(9.56%)	0.49%
Due to/from broker, accruals, other receivables and prepayments	(13.48%)	(3.13%)
Equity securities	(17.37%)	(0.79%)
Repurchase agreement	(20.17%)	(11.40%)
Total	**100.00%**	**100.00%**

The geographical breakdown of the underlying assets is as follows:

Geographic breakdown	**31 March 2024**	**30 September 2023**
France	17.01%	16.10%
Great Britain	14.27%	13.24%
Ireland	12.86%	2.15%
Italy	12.15%	2.62%
Netherlands	12.04%	13.73%
Spain	11.08%	13.38%
Luxembourg	9.18%	13.20%
Germany	7.63%	9.88%
USA	1.99%	7.59%
Other	10.07%	7.76%
Cash and cash equivalents	5.20%	3.48%
Due to/from broker, accruals, other receivables and prepayments	(13.48%)	(3.13%)
Total	**100.00%**	**100.00%**

Portfolio Manager's Report (continued)

Gearing
The Company may use borrowings from time to time for the purpose of short-term bridging, financing Share buy backs, repurchase agreements with market counterparties or managing working capital requirements, including hedging facilities. Cash borrowings can contribute alongside other forms of leverage to increase the level of gearing of the Company. The Company may also use gearing to increase potential returns to Shareholders. In the past, the Portfolio Manager has employed leverage against senior tranches of ABS to enhance their returns, and expects it will continue to do so, where the economic terms offered by counterparties can increase potential returns to Shareholders. As of 31 March 2024, the gearing of the Company was approximately 102.69%[9]. (30 September 2023: 116.64%)

Overview
During the six months ending 31 March 2024, the Company's NAV was up 8.16%, including €0.0337 per share dividends reinvested.

The fourth quarter of 2023 began with downbeat financial markets amid expectations of higher-for-longer rates driven by persistently high inflation and U.S. economic resilience. However, in the remaining months of 2023, market sentiment quickly reversed course towards a soft-landing scenario as major central banks signaled the peak of the rate hiking cycle and the possibility of imminent interest rate cuts given signs of easing inflationary pressures. Towards the end of the year, global equities and fixed income markets rallied with government benchmark yields falling across the curve and credit spreads tightening to their lowest levels.

The market rally extended to the start of 2024 with the U.S. registering a stronger-than-expected annualised growth rate of 3.4% in Q4 2023 (vs 4.9% in Q3 2023) supported by a robust labour market and buoyant consumer spending. Nevertheless, elevated price pressures continued to be the main concern for policymakers as inflation rates remained above target with wage growth among the key drivers. The headline Personal Consumption Expenditures Price Index ("PCE"), the Federal Reserves's preferred inflation gauge, recorded a 2.7% Year on Year ("YoY") increase in March (vs 3.4% at the end of Q3 2023). Meanwhile, the trajectory of disinflation was relatively more evident across the Atlantic as the Eurozone YoY headline Consumer Price Index ("CPI") slowed to 2.4% (vs 4.3% at the end of Q3 2023) while the U.K. YoY headline CPI also decelerated to 3.2% (vs 6.7% end of Q3 2023) for the same month.

Against this backdrop of moderating yet sticky inflation, the S&P 500, Nasdaq, and STOXX Europe 600 rallied sharply and recorded multi-decade highs over the six-month period driven by strong corporate earnings and favourable economic conditions. On the other hand, global bonds sold-off with yields rising considerably as investors anticipate a slower pace of rate cuts for the rest of the year.

During the 6 months period to 31 March 2024, the focus continued to be on the core strategies, i.e. the Direct Origination Strategy (i.e. securitisation retention) and the Public ABS Strategy, which have produced the bulk of the return to date since Toro IPO in 2015.

At the end of the period, the Direct Origination Strategy represented 60.9% of NAV, while the Public ABS strategy represented 30.0% of NAV. In terms of performance attribution, the Direct Origination Strategy contributed +5.34% to the NAV performance, while the Public ABS Strategy contributed +2.74%.

The Direct Origination strategy delivered during the 6-month period a strong cashflow performance primarily from CLO equity tranches, against a backdrop of deteriorating credit.

The portfolio's credit performance remained robust, despite some credits with weaker structures encountering difficulties. The non-performing loans ("NPL"s) and debt servicing sector has been particularly challenging, with Intrum, where our exposure was relatively low, experiencing a significant decline over the quarter. A more pressing concern was SFR, which faced substantial uncertainty regarding its capital stack's future.

[9] Gearing is calculated as the sum of the Company's exposures to each position directly held, divided by the last published Net Asset Value (and for the avoidance of doubt, will include the full exposure held by the Company under any full recourse total return swap, but will exclude any borrowing arrangements that are limited-recourse to the Company, such as borrowings by an Originator).

Portfolio Manager's Report (continued)

Overview (continued)

In mid-March, Drahi indicated that debt investors should brace for losses, leading to a sharp decline in debt trading. The market's outlook on subordinated notes is very negative, suggesting low to no recovery potential in distress, with potential haircuts for senior risk as a possible scenario.

Despite these challenges, CLO investors have generally retained their Altice/SFR holdings and remain constructive on the name. Toro, as a manager, has lower-than-average exposure to Altice/SFR. However, our Bosphorus investments have significantly higher exposure in some cases, prompting active dialogue with the manager, Cross Ocean, throughout the month.

Overall, credit issues have remained idiosyncratic. Although we are witnessing an increase in their frequency, these issues are primarily associated with capital structures or business models that are directly impacted by higher interest rates. Strong consumer spending and low unemployment have played a significant role in mitigating the emergence of more systemic credit issues.

In Public ABS, the portfolio manager capitalized on robust technicals that drove spreads closer to post-covid tight levels. Significant repricing of risk occurred, aided by a delayed onset of new issuances in the market, resulting in limited paper supply against heightened demand for risk. Furthermore, investor expectations of up to six rate cuts by the Federal Reserve, with peak rate cut expectations occurring in February, and been rowed back ever since. The narrative of immaculate disinflation played a significant role in driving further tightening during the period across both mezzanine and equity tranches.

In terms of price action, the market witnessed notable shifts, with new issuances pricing in the range of 350-400 basis points and 450-500 basis points for A/BBB tranches transitioning to mid-200s and high-300s/400s by January, a substantial movement. Similarly, BB/B tranches saw tightening of approximately 100-150 basis points at the beginning of the year compared to December 2023 levels. Equity tranches also saw robust demand, with yields tightening by approximately 5% from late Q4/23 to mid Q1/24. The tightening in BB/B tranches has led to increased investor interest in equity positions, contributing to the observed market dynamics.

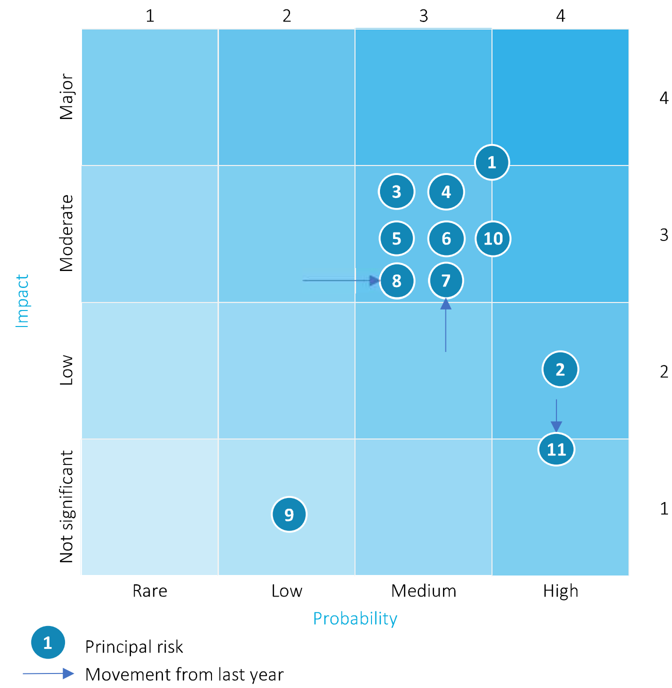
Chenavari Credit Partners LLP
Portfolio Manager

27 June 2024

Statement of Principal Risks and Uncertainties

The table shows the post mitigation principal risks and uncertainties facing the Company and explains how we mitigate them.

1 Exogenous market shocks
2 Share price discount
3 Collateral risk (default, recovery, prepayment)
4 Fund performance
5 Concentration/ Correlation
6 Credit spread risk
7 CLO equity (mark volatility)
8 Risk retention
9 Direct Lending
10 Default/ Downgrade risk
11 Interest rate risk



Market Conditions

1 Exogenous market shocks Risk profile: Unchanged

Probability medium/high	Impact moderate/major	Mitigation
	Large and unexpected shocks to the economy can create spikes in defaults. Macroeconomic tensions have continued to increase this year (USA/China, war in Ukraine, conflict in Gaza, and persistent inflation). These shocks can compound some of the principal risks, not least fund performance, collateral risk, product liquidity and operational risk.	Ex-Ante, the Portfolio Manager will analyse stress scenarios and use derivative instruments to try and hedge the tail risk scenario that this type of shock could have. The Portfolio Manager notes that the ABS product tends to be resilient to local market moves but can underperform in these tail scenarios. The Portfolio Manager is well experienced in using derivatives to hedge. The Portfolio Manager will manage leverage cautiously such that there is low risk of an enforced unwind. Ex-Post this cash management will be a focus of the Portfolio Manager. Once the fund leverage and cash has stabilised, the Portfolio Manager will look to deploy capital and take advantage of these situations.

Statement of Principal Risks and Uncertainties (continued)

2 Share price discount Risk profile: Unchanged

Probability high	Impact low	Mitigation
	The price of the Company's shares may trade at a discount relative to the underlying net asset value of the shares.	The Board continually monitors the Company's share price discount or premium to the published NAV and regularly consults with the Company's brokers regarding share trading volumes, significant buyers and sellers, and comparative data from the Company's peer group. The Board has implemented a series of initiatives with the intention of narrowing the share price discount. In addition, the Company's investment strategy was rebalanced with a focus on investment in liquid and tradeable European ABS/CLO. The Company will continue to consider share buy-backs, where appropriate, to assist in narrowing the discount to NAV, and will continue to invest in hedging instruments.

Asset Performance

3 Collateral risk (default, recovery, prepayment) Risk profile: Unchanged

Probability medium	Impact moderate	Mitigation
	Investment Instruments purchased by the Company are linked to the credit performance of the underlying Collateral. This means that defaults or credit losses in the Collateral may adversely impact the performance of the company, the NAV and the value of the Shares.	The Portfolio Manager conducts detailed fundamental, statistical and scenario analyses. Where it is considered desirable, the Company may enter into hedging transactions designed to protect against or mitigate the consequences of single reference obligations defaulting and/or more generalised credit events. Alongside the fundamental credit analysis, the structural features of the transaction are also assessed. This includes a review of the payment waterfall, the subordination of the proposed investment instrument, the extent of the reserve fund, the amortisation profile and extension risk. The Company has strict limits on the proportion of listed versus non-listed investments that can be held within the portfolio, and these limits are monitored daily.

Statement of Principal Risks and Uncertainties (continued)

4 Fund performance Risk profile: Unchanged

Probability medium	Impact moderate	Mitigation
	The Company is exposed to several market factors, including asset appreciation/ depreciation in the underlying collateral (see the "Collateral Risk" section above). Unrealised performance can be affected by the sentiment of the market, supply/demand of asset types, expectations on unemployment, GDP growth, credit cycle and stability of the Eurozone. Because the liquidity of the instruments is relatively low, prices will tend to be sticky, but can be at risk of sudden falls in price when momentum of sentiment is strong enough and certain pools of investors are forced to liquidate. The timing of these technical factors can be quite out of sync with fundamentals.	The Company is closed ended and has a tight limit on leverage. It is well setup to ride out any short-term dislocations in pricing without being forced to liquidate investments at technically distressed prices. This is achieved by employing hedging strategies using liquid instruments. This reduces the beta of the portfolio compared to some of its peers.

5 Concentration/ Correlation Risk profile: Unchanged

Probability medium	Impact moderate	Mitigation
	The risk of loss arising from a concentration in asset classes, concentration in the assets backing a security, or the credit risk characteristics of financial counterparties that correlate positively. A material risk is the exposure that the Company has to Chenavari CLO managed deals.	The Company's risk management framework includes limits to reduce concentration risk. Active analysis of high concentration names between the Risk and Investment teams looks to reduce high concentration of risk on low conviction issuers.

6 Credit spread risk Risk profile: Unchanged

Probability medium	Impact moderate	Mitigation
	The risk that an individual investment's value will change due to a change in credit spreads or yields.	The risk management framework looks to mitigate the tail risk by having limits on a significant widening scenario. Mitigation aims to limit the maximum potential impact of extreme scenarios and can include the use of credit derivatives on liquid products..

7 CLO equity (mark volatility) Risk profile: Unchanged

Probability medium	Impact low	Mitigation
	As CLO Equity Tranche Securities represent the most junior securities in the leveraged capital structure, and the most subordinated liabilities of the securitisation vehicle, changes in the market value of such CLO Equity Tranche Securities will be greater than changes in the market value of the underlying assets of the CLO issuer in which an Originator holds Retention Securities. The shift in the Company's investment strategy towards a greater focus on investment in liquid and tradeable European ABS/CLO has increased the risk associated with mark volatility.	This is an inherent risk which is core to the strategy. The CLOs that the Company invests in are subject to investment guidelines that increase the diversity of the CLO's collateral pool and mitigate concentration risk.

Statement of Principal Risks and Uncertainties (continued)

8 Risk retention — Risk profile: Decreasing

Probability low	Impact moderate	Mitigation
	Under EU Risk Retention Requirements an Originator will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with Retention Securities until such time as the securities of the relevant securitisation vehicle have been redeemed in full (whether at final maturity or early redemption). In the case of the deterioration of general economic conditions affecting the underlying obligors and/or asset pool, the risk of loss of principal will increase unless it can be sold or hedged. The growth in the value of risk retention assets within the portfolio relative to other assets has increased the impact of a loss of principal.	The Risk Retention strategy is core to the fund and is a significant portion of the fund. It cannot be traded away without failing this regulation. However, macro hedges can be used for tail scenarios to reduce the potential impact.

9 Direct lending — Risk profile: Unchanged

Probability low	Impact not significant	Mitigation
	As part of the private asset backed finance strategy, the Company has historically diversified away from classic secondary corporate loans and residential mortgages into new asset classes. Examples include investment in Spanish real estate. Such investments expose the Company to new types of investment risk, including political and macroeconomic factors. The illiquidity of such investments may make them difficult to dispose of at fair value and there may be a significant period between the date that an investment is made and the date that any capital gain or loss on such investment is realised.	The Company mitigates liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of bank deposits and loans. The Company is closed-ended and not subject to the need to liquidate holdings quickly in order to meet redemptions. During the year there was no origination in direct lending and profit has been taken on existing positions.

10 Default/Downgrade risk — Risk profile: Unchanged

Probability medium/high	Impact moderate	Mitigation
	Risk of loss of capital or interest due to default or bankruptcy of a borrower or the issuer of debt securities. This risk has increased due to a combination of higher interest rates and recession fears. A related risk is Ratings Downgrade, especially on CLO. If more than 7.5% of the underlying loans within the portfolio are downgraded to CCC then the balance beyond would need to be marked-to-market for OC test (overcollateralization ratio) purposes and there is a risk that the portfolio fails the test. This impacts valuation and also dividends on Equity, since cashflows are diverted to pay down senior tranches. This may result in a deleveraging of the portfolio, and at worse may result in defaults and poor residual value in equity.	The Portfolio Manager actively examines the underlying collateral exposure of its investments. Mitigations are made by looking at macro hedging instruments and analysing underlying issuer concentrations. The Portfolio Manager will look to strip out exposures to issuers where it has less fundamental conviction.

Statement of Principal Risks and Uncertainties (continued)

11 Interest rate risk Risk profile: Decreasing

Probability high	Impact low	Mitigation
	The risk that an investment's value will change due to a change in the absolute level of interest rates. This risk increased as central banks raised interest rates but there are signs that the hiking cycle is now at an end.	The Portfolio Manager has set internal limits on the maximum sensitivity to Interest Rates permitted within the portfolio. These limits are monitored daily.

Other risks that we monitor closely

Risk	Description
Portfolio Manager risk	The Company is dependent on the expertise of the Portfolio Manager and its respective key personnel to evaluate investment opportunities and to implement the Company's investment objective and investment policy. The Management Engagement Committee carries out annual reviews of the performance and capabilities of the Portfolio Manager and confirms that the continued appointment of the Portfolio Manager is deemed to be in the best interest of shareholders.
Environmental	The Company believes that Environmental, Social and Governance ('ESG') considerations will increasingly drive economies and markets and that global issues and cross-cutting societal concerns such as climate change have ushered in a new era for responsible investment and corporate social responsibility. The Portfolio Manager has continued its effort to support ESG best practice in the European leveraged finance market by actively engaging with a variety of initiatives promoted by the European Leveraged Finance Association ("ELFA").
Cyber security	Inappropriate access to customer or Company data may lead to loss of sensitive information and result in a material adverse effect on the Company's financial condition, reputation and investor confidence.
CLO investments	Performance may be affected by the default or perceived credit impairment of CLO investments made by an Originator and by general or sector specific credit spreads widening. Credit risks associated with such CLO investments include: (i) the possibility that the earnings of an obligor may be insufficient to meet its debt service obligations; (ii) an obligor's assets declining in value; and (iii) the declining creditworthiness, default and potential for insolvency of an obligor during periods of rising interest rates and economic downturn.
Warehouse credit facilities	The risk that any future securitisation of loan assets the subject of a Warehouse Credit Facility will not be consummated or that such loan assets will be ineligible for purchase by the relevant securitisation vehicle. This may result in a need for the Originator to refinance the loan assets, creating the risk that it will not be able to do so. There is also the risk that the value of loan assets subject to a Warehouse Credit Facility falls, resulting in the Originator being unable to securitise the assets without suffering loss.

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

- These Condensed Unaudited Interim Financial Statements have been prepared in accordance with International Accounting Standard 34;

- The interim management report (comprising the Chairman's Statement and Portfolio Manager's Report) meets the requirements of an interim management report, and includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the period from 1 October 2023 to 31 March 2024 and their impact on the Unaudited Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place during the period from 1 October 2023 to 31 March 2024 and that have materially affected the financial position or performance of the entity during that period.

This responsibility statement was approved by the Board of Directors on 27 June 2024 and is signed on its behalf by:

Frederic Hervouet
Non-executive Chairman

27 June 2024

Independent Review Report to Chenavari Toro Income Fund Limited

We have been engaged by Chenavari Toro Income Fund Limited (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2024 which comprises the Condensed Unaudited Statement of Comprehensive Income, the Condensed Unaudited Statement of Financial Position, the Condensed Unaudited Statement of Changes in Equity, the Condensed Unaudited Statement of Cash Flows, the Condensed Unaudited Schedule of Investments and related notes 1 to 23.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with United Kingdom adopted International Accounting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34 'Interim Financial Reporting'.

Conclusion Relating to Going Concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Our responsibility
In reviewing the half-yearly financial report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report
This report is made solely to the Company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Recognised Auditor
St Peter Port, Guernsey
27 June 2024

Condensed Unaudited Statement of Comprehensive Income
For the period ended 31 March 2024

	Notes	1 October 2023 to 31 March 2024 €	1 October 2022 to 31 March 2023 €
Income			
Net gain on financial assets and financial liabilities held at fair value through profit or loss	12	19,673,683	11,127,423
Interest income		493,182	70,950
Total income		**20,166,865**	**11,198,373**
Expenses			
Management fees	4 (c)	897,811	784,863
Performance fees	4 (c)	2,791,869	-
Administration fees	5 (b)	40,677	40,027
Sub-administration fees	5 (c)	35,271	35,071
Custodian and brokerage fees	5 (d)	18,000	46,591
Legal fees		17,502	17,155
Directors' fees	4(a)	78,449	77,196
Audit fees		79,611	56,753
AIFM fees	4 (c)	38,934	38,312
Recharge fee	4 (c)	63,157	65,046
Other operating expenses		243,667	233,740
Total operating expenses		**4,304,948**	**1,394,754**
Financing costs			
Interest expense		34,891	-
Profit for the period		**15,827,026**	**9,803,619**
Other comprehensive income		-	-
Total comprehensive income		**15,827,026**	**9,803,619**
Earnings per Share			
Basic and diluted	9	5.13 cents	3.20 cents

All items in the above statement derive from continuing operations.

The Condensed Unaudited Schedule of Investments and notes to the financial statements are an integral part of the financial statements.

Condensed Unaudited Statement of Financial Position
As at 31 March 2024

	Notes	31 March 2024	30 September 2023
Current assets		**€**	**€**
Financial assets at fair value through profit or loss	8,11	337,311,070	223,771,894
Due from broker	13	8,268,380	1,365,958
Other receivables and prepayments	14	22,290	416,133
Cash and cash equivalents		10,657,080	6,927,641
Total assets		**356,258,820**	**232,481,626**
Equity			
Share capital and share premium	16	354,752,496	354,752,496
Treasury reserve	16	(45,536,789)	(45,713,799)
Retained deficits		(104,221,307)	(110,090,855)
Total equity		**204,994,400**	**198,947,842**
Current liabilities			
Financial liabilities at fair value through profit or loss	8,11	115,358,086	25,533,582
Due to broker	13	32,254,000	5,856,018
Accrued expenses	15	3,652,334	2,144,184
Total current liabilities		**151,264,420**	**33,533,784**
Total equity and liabilities		**356,258,820**	**232,481,626**
Shares outstanding	16	308,552,938	308,271,965
NAV per share	10	66.44 cents	64.54 cents

Director: John Whittle
Date: 27 June 2024

Director: Roberto Silvotti
Date: 27 June 2024

The Condensed Unaudited Schedule of Investments and notes to the financial statements are an integral part of the financial statements.

Condensed Unaudited Statement of Changes in Equity
For the period ended 31 March 2024

	Notes	Retained earnings/(deficits) €	Share capital and share premium €	Treasury reserve €	Total €
At 30 September 2023		**(110,090,855)**	**354,752,496**	**(45,713,799)**	**198,947,842**
Profit for the period		15,827,026	-	-	**15,827,026**
Regular quarterly dividends paid to equity shareholders	18	(9,957,478)	-	177,010	**(9,780,468)**
At 31 March 2024		**(104,221,307)**	**354,752,496**	**(45,536,789)**	**204,994,400**

	Notes	Retained earnings/(deficits) €	Share capital and share premium €	Treasury reserve €	Total €
At 30 September 2022		**(111,588,289)**	**354,752,496**	**(46,843,186)**	**196,321,021**
Profit for the period		9,803,619	-	-	**9,803,619**
Regular quarterly dividends paid to equity shareholders	18	(9,779,179)	-	146,930	**(9,632,249)**
At 31 March 2023		**(111,563,849)**	**354,752,496**	**(46,696,256)**	**196,492,391**

Condensed Unaudited Statement of Cash Flows
For the period ended 31 March 2024

		1 October 2023 to 31 March 2024	1 October 2022 to 31 March 2023
		€	€
Cash flows from operating activities			
Profit for the period		15,827,026	9,803,619
Adjustments for non-cash items and working capital:			
Purchase of investments*		(140,945,523)	(37,710,851)
Disposal and paydowns of investments*		120,649,462	49,800,824
Net gain on financial assets and financial liabilities held at fair value through profit or loss	12	(19,673,683)	(11,127,423)
Increase in amounts due from brokers	13	(6,902,422)	(1,684,534)
Decrease in other receivables and prepayments	14	393,843	6,333
Increase in amounts due to brokers	13	26,397,982	1,998,587
Increase/(decrease) in accrued expenses	15	1,508,150	(23,129)
Net cash (outflow)/inflow from operating activities		**(2,745,165)**	**11,063,426**
Cash flows from financing activities			
Regular quarterly dividends paid to equity shareholders	18	(9,780,468)	(9,632,249)
Repurchase agreements funding	21	64,806,486	-
(Decrease)/increase in financing activities for repurchase agreements	21	(48,551,414)	2,545,408
Net cash outflow from financing activities		**6,474,604**	**(7,086,841)**
Net increase in cash and cash equivalents		3,729,439	3,976,585
Cash and cash equivalents at beginning of the period		6,927,641	4,669,126
Cash and cash equivalents at end of the period		**10,657,080**	**8,645,711**

* Investments relate to the main revenue producing activity of the Company, hence classified as operating activities.

The Condensed Unaudited Schedule of Investments and notes to the financial statements are an integral part of the financial statements.

Condensed Unaudited Schedule of Investments, at Fair Value
As at 31 March 2024

	France	Germany	Great Britain	Ireland	Italy	Luxembourg	Netherlands	Spain	U.S.A.	Other	Total	NAV
	€	€	€	€	€		€	€	€	€	€	%
Financial assets at fair value through profit or loss												
Equity securities												
Mortgage portfolio	-	-	-	431,638	-	-	-	-	-	-	431,638	0.21%
Equity securities total	**-**	**-**	**-**	**431,638**	**-**	**-**	**-**	**-**	**-**	**-**	**431,638**	**0.21%**
Debt securities												
Arbitrage CLO	10,856,862	5,580,982	9,381,413	762,669	2,009,805	7,959,176	7,836,291	2,068,838	5,830,525	6,441,943	58,728,504	28.65%
Arbitrage CDO	-	137,074	-	-	-	-	39,934	-	-	38,352	215,360	0.11%
Residential mortgage-backed security	-	-	-	1,094,021	-	-	-	-	-	-	1,094,021	0.53%
Bond	2,720,462	-	-	-	-	-	-	-	-	-	2,720,462	1.33%
Consumer ABS	-	-	-	-	-	-	-	281,659	-	-	281,659	0.14%
Secured loan	13,355,250	5,415,157	11,625,266	21,137,446	3,282,809	8,491,715	10,072,716	2,352,289	5,962,750	28,277,505	109,972,903	53.65%
Preferred equity	-	-	-	-	-			16,845,172	-	-	16,845,172	8.22%
Equity*	17,115,653	11,597,209	16,290,049	22,409,789	1,986,258	15,722,414	13,381,169	2,737,066	6,925,299	9,464,548	117,629,454	57.37%
Debt securities total	**44,048,227**	**22,730,422**	**37,296,728**	**45,403,925**	**7,278,872**	**32,173,305**	**31,330,110**	**24,285,024**	**18,718,574**	**44,222,348**	**307,487,535**	**150.00%**
Receivable on reverse repurchase agreements												
Reverse repurchase agreements	**4,929,613**	**2,884,127**	**5,441,402**	**323,654**	**429,561**	**3,974,314**	**4,440,213**	**1,330,716**	**2,448,801**	**2,065,153**	**28,267,554**	**13.79%**
Derivative financial assets												
Futures	-	-	-	-	-		-	-		19,250	19,250	0.01%
Options	-	-	-	-	-		-	-	1,105,093	-	1,105,093	0.54%
Derivative financial assets total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,105,093**	**19,250**	**1,124,343**	**0.55%**
Financial assets at fair value through profit or loss total	**48,977,840**	**25,614,549**	**42,738,130**	**46,159,217**	**7,708,433**	**36,147,619**	**35,770,323**	**25,615,740**	**22,272,468**	**46,306,751**	**337,311,070**	**164.55%**

*Investment in the originator (Taurus) is presented in "Equity".

Condensed Unaudited Schedule of Investments, at Fair Value
As at 31 March 2024

	France	Germany	Great Britain	Ireland	Italy	Luxembourg	Netherlands	Spain	U.S.A.	Other	Total	NAV
	€	€	€	€	€			€	€	€	€	%
Financial liabilities at fair value through profit or loss												
Equity securities												
Mortgage portfolio	(6,317,916)	(2,967,712)	(5,774,070)	(52,437)	(2,404,438)	(4,678,388)	(5,255,583)	(1,391,427)	(3,125,451)	(4,076,151)	(36,043,573)	(17.58%)
Equity securities total	**(6,317,916)**	**(2,967,712)**	**(5,774,070)**	**(52,437)**	**(2,404,438)**	**(4,678,388)**	**(5,255,583)**	**(1,391,427)**	**(3,125,451)**	**(4,076,151)**	**(36,043,573)**	**(17.58%)**
Debt securities												
Residential mortgage-backed security	-	-	-	(20,674,817)	-	-	-	-	-		(20,674,817)	(10.09%)
Consumer ABS	-	-	-		-	-	-	-	-	(17,143,794)	(17,143,794)	(8.36%)
Debt securities total	**-**	**-**	**-**	**(20,674,817)**	**-**	**-**	**-**	**-**	**-**	**(17,143,794)**	**(37,818,611)**	**(18.45%)**
Payable on repurchase agreements												
Repurchase agreement	**(7,794,294)**	**(3,828,499)**	**(7,707,810)**	**(534,512)**	**(1,220,247)**	**(5,114,640)**	**(5,820,393)**	**(1,512,382)**	**(3,461,037)**	**(4,350,977)**	**(41,344,791)**	**(20.17%)**
Derivative financial liabilities												
Options	-	-	-	-	-	-	-	-	(48,611)	(102,500)	(151,111)	(0.07%)
Derivative financial liabilities total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(48,611)**	**(102,500)**	**(151,111)**	**(0.07%)**
Financial liabilities at fair value through profit or loss total	**(14,112,210)**	**(6,796,211)**	**(13,481,880)**	**(21,261,766)**	**(3,624,685)**	**(9,793,028)**	**(11,075,976)**	**(2,903,809)**	**(6,635,099)**	**(25,673,422)**	**(115,358,086)**	**(56.27%)**
Total net investments	**34,865,630**	**18,818,338**	**29,256,250**	**24,897,451**	**4,083,748**	**26,354,591**	**24,694,347**	**22,711,931**	**15,637,369**	**20,633,329**	**221,952,984**	**108.28%**
Other assets and liabilities											**(16,958,584)**	**(8.28%)**
Net assets											**204,994,400**	**100.00%**

Condensed Schedule of Investments, at Fair Value
As at 30 September 2023

	France	Germany	Great Britain	Ireland	Italy	Luxembourg	Netherlands	Spain	U.S.A.	Other	Total	NAV
	€	€	€	€	€	€	€	€	€	€	€	%
Financial assets at fair value through profit or loss												
Equity securities												
Mortgage portfolio	-	-	-	409,545	-	-	-	-	-	-	409,545	0.21%
Equities securities total	**-**	**-**	**-**	**409,545**	**-**	**-**	**-**	**-**	**-**	**-**	**409,545**	**0.21%**
Debt securities												
Arbitrage CLO	9,412,781	5,395,751	7,648,808	746,045	1,546,388	7,021,915	7,657,520	1,581,986	4,466,156	4,718,915	50,196,265	25.22%
Arbitrage CDO	2,948	89,271	5,876	-	19,090	-	30,292	17,525	-	38,303	203,305	0.10%
Residential mortgage-backed security	-	-	-	966,048	-	-	-	-	-	-	966,048	0.49%
Consumer ABS	-	-	-	-	-	-	-	294,355	-	-	294,355	0.15%
Secured loan	2,421,360	1,509,207	2,370,628	251,273	729,665	1,798,458	2,153,424	725,817	1,127,867	1,436,527	14,524,226	7.30%
Preferred equity	-	-	-	-	-	-	-	20,750,321	-	-	20,750,321	10.43%
Equity*	19,849,275	12,416,317	15,941,288	1,893,278	2,949,820	17,116,387	17,204,123	3,164,399	8,413,825	7,334,296	106,283,008	53.42%
Debt securities total	**31,686,364**	**19,410,546**	**25,966,600**	**3,856,644**	**5,244,963**	**25,936,760**	**27,045,359**	**26,534,403**	**14,007,848**	**13,528,041**	**193,217,528**	**97.11%**
Receivable on reverse repurchase agreements												
Reverse repurchase agreement	**4,639,882**	**3,218,219**	**4,782,090**	**335,398**	**522,443**	**3,959,802**	**3,913,145**	**1,294,787**	**2,097,760**	**1,750,012**	**26,513,538**	**13.33%**
Derivative financial assets												
Credit default swap	-	-	-	-	-	-	-	-	-	2,143,680	2,143,680	1.08%
Options	-	-	-	-	-	-	-	-	1,487,603	-	1,487,603	0.75%
Derivative financial assets total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,487,603**	**2,143,680**	**3,631,283**	**1.83%**
Financial assets at fair value through profit or loss total	**36,326,246**	**22,628,765**	**30,748,690**	**4,601,587**	**5,767,406**	**29,896,562**	**30,958,504**	**27,829,190**	**17,593,211**	**17,421,733**	**223,771,894**	**112.48%**

*Investment in the originator (Taurus) is presented in "Equity".

Condensed Schedule of Investments, at Fair Value (continued)
As at 30 September 2023

	France	Germany	Great Britain	Ireland	Italy	Luxembourg	Netherlands	Spain	U.S.A.	Other	Total	NAV
	€	€	€	€	€	€	€	€	€	€	€	%
Financial liabilities at fair value through profit or loss												
Equity securities												
Mortgage portfolio	(331,473)	(206,604)	(324,528)	(34,398)	(99,888)	(246,201)	(294,794)	(99,361)	(154,400)	(196,654)	(1,988,301)	(1.00%)
Equities securities total	**(331,473)**	**(206,604)**	**(324,528)**	**(34,398)**	**(99,888)**	**(246,201)**	**(294,794)**	**(99,361)**	**(154,400)**	**(196,654)**	**(1,988,301)**	**(1.00%)**
Payable on repurchase agreements												
Repurchase agreement	**(3,968,718)**	**(2,758,985)**	**(4,081,148)**	**(286,617)**	**(453,056)**	**(3,387,413)**	**(3,352,522)**	**(1,103,095)**	**(1,796,408)**	**(1,500,300)**	**(22,688,262)**	**(11.40%)**
Derivative financial liabilities												
Options	-	-	-	-	-	-	-	-	(545,455)	-	(545,455)	(0.27%)
Credit default swap	-	-	-	-	-	-	-	-	-	(311,564)	(311,564)	(0.16%)
Derivative financial liabilities total	-	-	-	-	-	-	-	-	**(545,455)**	**(311,564)**	**(857,019)**	**(0.43%)**
Financial liabilities at fair value through profit or loss total	**(4,300,191)**	**(2,965,589)**	**(4,405,676)**	**(321,015)**	**(552,944)**	**(3,633,614)**	**(3,647,316)**	**(1,202,456)**	**(2,496,263)**	**(2,008,518)**	**(25,533,582)**	**(12.83%)**
Total net investments	**32,026,055**	**19,663,176**	**26,343,014**	**4,280,572**	**5,214,462**	**26,262,948**	**27,311,188**	**26,626,734**	**15,096,948**	**15,413,215**	**198,238,312**	**99.65%**
Other assets and liabilities											**709,530**	**0.35%**
Net assets											**198,947,842**	**100.00%**

Notes to the Condensed Unaudited Financial Statements

1. General information

Background information on the Company's activities can be found in the Company's prospectus dated 23 April 2015 and the Company's latest Audited Annual Financial Statements, both of which are available on our website address at http://www.chenavaritoroincomefund.com

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The Audited Annual Financial Statements of the Company are prepared in accordance with United Kingdom adopted international accounting standards, the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and applicable legal and regulatory requirements of the Law. The condensed set of financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting as adopted by the United Kingdom".

The accounting policies adopted are consistent with those adopted in the Audited Annual Financial Statements for the year ended 30 September 2023 with the addition of the following:

Secured loans
Secured loans are financing facilities offered by the Company to originators of securitisations. The originator, sponsor or original lender of a securitisation shall retain on an ongoing basis a material net economic interest in the securitisation of not less than 5 %. The originator will pay a finance spread to the Company and gives up the coupons of the notes. The Portfolio Manager determines Secured loans should be marked at market clean price of the bond it is financing, plus accrued of coupon plus accrued of finance spread.

New standards, interpretations and amendments not yet adopted:

There are no new accounting standards or updates to existing standards that would be expected to have a significant impact on the Company.

2.2 Going concern
The Directors believe that it is appropriate to adopt the going concern basis in preparing the Financial Statements in view of its holding in cash, cash equivalents and investments as well as the income deriving from those investments, meaning the Company has adequate financial resources to meet its liabilities as they fall due and to continue in operation for at least 12 months from approval of the annual report.

The Company has working capital of (€16.9 million) at 31 March 2024, this is a temporary negative due to the timing of trades which were unsettled crossing month-end. The Directors noted that as at 31 March 2024 the total income inclusive of financing costs for the Period was approximately € 20.1 million and operational expenses amounted to €4.3 million. With €10.6 million available in Cash at 31 March 2024, the Board believes the Company has sufficient capital to cover all expenses (which mainly consist of management fees, administration fees and professional fees) and to meet its obligations as they fall due.

The Company has a tradable portfolio; therefore, some investments can be sold for cash in most market conditions. At 31 March 2024 the market value of level 1 and 2 securities was €85.9 million (41.93% of the NAV). The Investment Manager continued to reposition the portfolio more defensively for the last year, with the aim to improve credit quality while maintaining yields. The less liquid part of the portfolio (including the assets of the originator) is actively managed with Spanish and Irish real estate deals expected to be realised over the next 12 months and not expected to require any further cash funding.

-The use of repurchase financing and derivatives do not compromise the Company's liquidity since these are either secured against specific underlying assets with limited recourse to the Company or have sufficient liquidity to be unwound in a swift manner.

Notes to the Condensed Unaudited Financial Statements (continued)

2.2 Going concern (continued)
-The Investment Manager closely monitors the economic environment to anticipate changes and protect against portfolio impacting factors like interest rate, default rate, unencumbered cash via a dedicated set of internal risk measures that are reviewed daily.

-The Company is registered as a Registered Closed-ended Collective Investment Scheme. As such, shareholders cannot request share redemptions which, if permitted, could require cash flows out of the Company.

The Directors review the principal risks and uncertainties facing the Company on an ongoing basis. These risks, and the controls in place to mitigate them, can be found detailed on page 13. It is believed there are sufficient controls in place that these risks will not have a material impact on the ongoing viability of the Company.

3. Critical accounting judgements and key sources of estimation uncertainty

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the Company's Audited Annual Financial Statements for the year ended 30 September 2023.

Note 8 outlines the Level 3 classifications and the analysis of the impacts of Level 3 investments on the performance of the Company.

4. Related parties

(a) *Directors' remuneration & expenses*
The Directors of the Company are remunerated for their services at such a rate as the Directors determine. The fee for Mr. Hervouet as Non-executive Chairman is £55,000 per annum. The fee for Mr. Whittle as Chairman of the Audit Committee is £45,000 per annum. The fee for Mr. Silvotti is £35,000 per annum.

During the Period ended 31 March 2024, Directors fees of €78,449 (31 March 2023: €77,196) were charged to the Company, of which €Nil (30 September 2023: €Nil) were payable at the end of the Period.

(b) Shares held by related parties
As at 31 March 2024, the Directors held the following Shares in the Company.

Frederic Hervouet	600,000	(30 September 2023: 600,000)
John Whittle	132,546	(30 September 2023: 132,546)
Roberto Silvotti	1,641,632	(30 September 2023: 1,641,632)

Loic Fery is the representative of the managing partner of Chenavari Credit Partners LLP. Chenavari Credit Partners LLP acts as discretionary portfolio manager for Chenavari CORE Opportunities Segregated Portfolio and Chenavari Fixed Income Credit Opportunities Fund (the "Managed Accounts"). The Managed Accounts and Loic Fery hold 30.23% of the shares in the Company (30 September 2023: 30.01%)

Roberto Silvotti is a Director of Chenavari Investment Managers (Luxembourg) S.à.r.l (being a member of the Chenavari Financial Group) and Chenavari Multi Strategy Credit Fund SPC (a company under the management of Chenavari Investment Managers (Luxembourg) S.à.r.l). He forms part of the Concert Party which includes Chenavari Credit Partners LLP and related Chenavari Group companies, relevant Chenavari Partners and employees and the Managed Accounts. In total, this Concert Party holds approximately 58.21% of the shares of the Company (30 September 2023: approximately 50.63%) and is therefore deemed to have control over the Company through these shareholdings.

(c) AIFM and Portfolio Manager
The Company has appointed Carne Global AIFM Solutions (C.I.) Limited as the Company's external AIFM (this is not a related party but a service provider). The AIFM has delegated portfolio management to the Portfolio Manager. Under the terms of the AIFM Agreement, the AIFM is entitled to receive from the Company an annual fee, payable out of the assets of the Company, of £66,000. €38,934 (31 March 2023: €38,312) has been charged during the Period.

The AIFM and the Company have appointed the Portfolio Manager, Chenavari Credit Partners LLP, a member of the Chenavari Financial Group, as the external Portfolio Manager with delegated responsibility for portfolio management functions in accordance with the Company's investment objectives and policy, subject to the overall supervision and control of the Directors and the AIFM.

Notes to the Condensed Unaudited Financial Statements (continued)

4. Related parties (continued)

Under the terms of the Portfolio Management Agreement the Portfolio Manager is entitled to receive from the Company a portfolio management fee calculated and accrued monthly at a rate equivalent to one-twelfth of 1 per cent of the NAV per Share Class (before deducting the amount of that month's portfolio management fee and any accrued liability with respect to any performance fee).

Total portfolio management fees for the Period amounted to €897,811 (31 March 2023: €784,863) with €345,869 (30 September 2023: €332,734) outstanding at end of the Period.

The Portfolio Manager shall also be entitled to receive a performance fee in respect of each Class of Shares equal to 15 per cent. of the total increase in the NAV per Share of the relevant Class at the end of the relevant Performance Period (as adjusted to, (i) add back the aggregate value of any dividends per Share paid to Shareholders since the end of the Performance Period in respect of which a performance fee was last paid in respect of that Class (or the date of First Admission, if no performance fee has been paid in respect of that Class) and, (ii) exclude any accrual for unpaid performance fees) over the highest previously recorded NAV per Share of the relevant Class as at the end of the relevant Performance Period in respect of which a performance fee was last paid (or the NAV per Share of the relevant class as at First Admission (after deduction of launch costs), if no performance fee has been paid in respect of that Class of Shares) multiplied by the number of issued and outstanding Shares of that Class at the end of the relevant Performance Period, having made adjustments for numbers of Shares of that Class issued or repurchased during the relevant Performance Period.

Performance Period
Subject to any regulatory limitations, the Portfolio Manager has agreed that for a given Performance Period (i.e, each twelve month period ending 30 September each year) any performance fee shall be satisfied as to a maximum of 60 per cent in cash and as to a minimum (save as set out below) of 40 per cent by the issuance of new Euro Shares (including the reissue of treasury shares) issued at the latest published NAV per Share as a share based payment. The performance fee shall accrue monthly, as a performance fee expense on a provisional basis, which may increase or decrease within each NAV period. At no time shall the Portfolio Manager (and/or any persons deemed to be acting in concert with it for the purposes of the Takeover Code) be obliged, in the absence of a relevant Whitewash Resolution having been passed, to receive further Shares where to do so would trigger a requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code.

Performance fees of €2,791,869 (31 March 2023:Nil) were charged in the Period. If the performance fees are payable the end of the Performance Period, this would pay as a maximum of 60 percent in cash and a minimum of 40 per cent in shares. (1 October 2022 to 31 March 2023: €Nil). As at 31 March 2024, €2,791,869 was payable (30 September 2023: €1,166,065).

An amount of €63,157 was recharged (at cost) by the Portfolio Manager during the period (31 March 2023: €65,046) to compensate for the marketing initiatives and time spent to increase the Company's profile and enhance the shares liquidity.

5. Material agreements

The Company has funded investments with a value of €17,276,810 (30 September 2023: €21,159,866) via hybrid instruments or equity issued by legally segregated compartments of AREO S.à.r.l. ("Areo"), a company incorporated in Luxembourg under the Securitization Law of 2004. Areo is majority owned by funds managed by the Chenavari group and is managed by a Board of Directors composed of a majority of independent directors that consider investment opportunities sourced by the Portfolio Manager. The Company is currently invested in four compartments of Areo, which it fair values in accordance with IFRS 13 as set out in the Company's accounting policies. The Portfolio Manager receives no fees from Areo. Areo are conduit special purpose vehicles sponsored by a member of the Chenavari Financial Group.

(a) Corporate Broker
J.P. Morgan Cazenove services are not based upon a retainer and will be charged accordingly for incremental costs. In the Period J.P. Morgan Cazenove services fees were £Nil (31 March 2023: £Nil).

Notes to the Condensed Unaudited Financial Statements (continued)

5. Material agreements (continued)

(b) Administration fee
Ocorian Administration (Guernsey) Limited (the "Administrator") serves as the Company's administrator and secretary. The Administrator is entitled to an annual asset-based fee calculated at a rate of 0.017 per cent per annum of NAV and subject to a minimum fee of £70,000 per annum. All fees are payable quarterly in advance. Administration fees for the period amounted to €40,677 (31 March 2023: €40,027) of which €11,160 remained payable (30 September 2023: remained payable €4,277) at the end of the period.

(c) Sub-administration fee
The Administrator has appointed U.S. Bank Global Fund Services (Ireland) Limited (the "Sub-Administrator") as the Company's Sub-Administrator. The Sub-Administrator is entitled to receive an annual asset-based fee from the Company of up to 0.073% per annum of NAV, excluding certain expenses. Sub-administration fees for the Period amounted to €35,271 (31 March 2023: €35,071) of which €11,676 (30 September 2023: €11,375) remained payable at the end of the Period.

(d) Custodian fee
J.P. Morgan Chase Bank N.A has been appointed to act as custodian to the Company and to provide custodial, settlement and other associated services to the Company. Under the provisions of the custodian agreement dated 27 April 2015 the Custodian is entitled to a safekeeping and administration fee on each transaction calculated using a basis point fee charge based on the country of settlement and the value of the assets together with various other payment/wire charges on outgoing payments, subject to an aggregate minimum fee of €31,500 per annum.

(e) AIFM and Portfolio Manager
Contractual arrangements relating to the AIFM and Portfolio Manager are detailed in note 4.

6. Financial risk management

Throughout the investment process and following acquisition of an investment, the Portfolio Manager is proactive in identifying and seeking to mitigate transaction and portfolio risk.

The Portfolio Manager will be responsible for sourcing potential investments. The Portfolio Manager will not be required to, and generally will not, submit decisions concerning the discretionary or ongoing management of the Company's assets for the approval of the Board, except where such approval relates to an application of the investment guidelines or a conflict of interest.

Large and unexpected shocks to the economy can create adverse conditions such as:

- spikes in defaults/increase of default rate
- mark-to-market volatility
- price dislocation
- liquidity management issues,

These shocks can compound and impact transversally all the principal financial risks detailed below.

6.1 Credit risk
The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. To the extent that the Portfolio is exposed to underlying concentrations in any one geographical region, borrower sector or credit or asset type, an economic downturn relating generally to such geographical region, borrower type or credit or asset type may result in an increase in underlying defaults or prepayments within a short time period.

The Portfolio is expected to carry leveraged exposure and an increase in credit losses with respect to any or all Collateral could reduce the Company's income (and thus the ability to pay dividends to Shareholders), the NAV and the value of the Shares.

None of the restrictions set out below shall apply to investments issued or guaranteed by the government of an OECD Member State.

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)
6.1 Credit risk (continued)

In relation to investments made:

- no more than 20% of NAV shall be exposed to the credit risk of any underlying single transaction or issue;
  - As of 31 March 2024, the largest investment represents 9.39% of the NAV.

- the top five exposures to any transactions or issues shall not, in aggregate, account for more than 50% of NAV;
  - As of 31 March 2024, the top 5 investments represent 37.00% of the NAV.

- no more than 50% of NAV, in aggregate, shall be invested in unlisted investments;
  - As of 31 March 2024, 42.29% of the NAV is invested in unlisted investments.

Additionally, in each case, the restrictions set out above shall not apply to the Company's investment in Originators (the originator or sponsor of a CLO or a securitisation of a pools of consumer loan assets) but shall be applied on a look-through basis to the investments of such Originators; and

- no more than 20% of NAV, in aggregate, shall be exposed to transactions or issues where the underlying collateral is non-European.
  - As of 31 March 2023, 7.90% of the NAV is exposed to non-European underlying collateral.

The Company may use borrowings from time to time for the purpose of short-term bridging, financing Share buy backs, repurchase agreements with market counterparties or managing working capital requirements, including hedging facilities.

- The Company has set a borrowing limit such that the Company's gearing shall not exceed 130% at the time of incurrence and deployment of any borrowing.
  - As of 31 March 2024, the gearing of the Company was approximately 102.69%[10].

In addition, the Company may from time to time have surplus cash (for example, following the disposal of an acquired investment). Cash held by the Company pending investment or distribution will be held in either cash or cash equivalents, including but not limited to money market instruments or funds, bonds, commercial paper or other debt obligations with banks or other counterparties provided such bank or counterparty has an investment grade credit rating (as determined by any reputable rating agency selected by the Company on the advice of the Portfolio Manager).

Per the dividend policy update announcement on 30 January 2024, the Company plans to remove the previously announced cap on maximum cash balance, so the portfolio manager can have more flexibility to continue to re-invest based on prevailing market conditions, with excess cash being reinvested.

[10] Gearing is calculated as the sum of the Company's exposures to each position directly held, divided by the last published Net Asset Value (and for the avoidance of doubt, will include the full exposure held by the Company under any full recourse total return swap, but will exclude any borrowing arrangements that are limited-recourse to the Company, such as borrowings by an Originator).

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.1 Credit risk (continued)

The Company manages the portfolio with appropriate diversification in terms of sectors and geographical breakdowns. As of 31 March 2024, and 30 September 2023, the breakdown of the NAV per asset class and geography was as follows:

Asset class breakdown	31 March 2024 % NAV	30 September 2023 % NAV
Equity (including Taurus Originator)	57.37%	53.42%
Secured loan	53.65%	7.30%
Arbitrage CLO	28.65%	25.22%
Reverse repurchase agreement	13.79%	13.33%
Preferred equity	8.22%	10.43%
Cash and cash equivalents	5.20%	3.48%
Bond	1.33%	-
Derivative financial assets	0.55%	1.83%
Arbitrage CDO	0.11%	0.10%
Derivative financial liabilities	(0.07%)	(0.43%)
Consumer ABS	(8.22%)	0.15%
Residential mortgage-backed security	(9.56%)	0.49%
Due to/from broker, accruals, other receivables and prepayments	(13.48%)	(3.13%)
Equity securities	(17.37%)	(0.79%)
Repurchase agreement	(20.17%)	(11.40%)
Total	**100.00%**	**100.00%**

Geographic breakdown	31 March 2024	30 September 2023
France	17.01%	16.10%
Great Britain	14.27%	13.24%
Ireland	12.86%	2.15%
Italy	12.15%	2.62%
Netherlands	12.04%	13.73%
Spain	11.08%	13.38%
Luxembourg	9.18%	13.20%
Germany	7.63%	9.88%
USA	1.99%	7.59%
Other	10.07%	7.76%
Cash and cash equivalents	5.20%	3.48%
Due to/from broker, accruals, other receivables and prepayments	(13.48%)	(3.13%)
Total	**100.00%**	**100.00%**

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.1 Credit risk (continued)

The Company is also exposed to counterparty credit risk on forwards, cash and cash equivalents, amounts due from brokers and other receivable balances, as shown in the following tables:

31 March 2024	**BNP**	**JP Morgan**	**Alpha Bank**	**Total**
S&P rating*	**A-1**	**A-2**	**B**	
	€	**€**	**€**	**€**
Cash and cash equivalents**	-	10,657,080	-	10,657,080
Due from broker	3,532	7,591,387	673,461	8,268,380
Total counterparty exposure	**3,532**	**18,248,467**	**673,461**	**18,925,460**
Net asset exposure %	**0.00%**	**8.90%**	**0.33%**	**9.23%**

30 September 2023	**Alpha Bank**	**Royal Bank of Scotland**	**Morgan Stanley**	**JP Morgan**	**Total**
S&P rating*	**B**	**A-1**	**A-2**	**A-2**	
	€	**€**	**€**	**€**	**€**
Cash and cash equivalents**		-	-	6,927,641	6,927,641
Due from broker	91,775	64,699	275,000	934,484	1,365,958
Total counterparty exposure	**91,775**	**64,699**	**275,000**	**7,862,125**	**8,293,599**
Net asset exposure %	**0.05%**	**0.03%**	**0.14%**	**3.95%**	**4.17%**

*Short term, local currency ratings.
** JP Morgan cash and cash equivalents represents cash held in a custodian account.

Offsetting financial assets and financial liabilities
The Company enters into transactions with a number of counterparties whereby the resulting financial instrument is subject to an enforceable master netting arrangement or similar agreement, such as an ISDA Master Agreement (a "Master Netting Agreement"). Such Master Netting Agreements may allow for net settlement of certain open contracts where the Company and the respective counterparty both elect to settle on a net basis. In the absence of such an election, contracts will be settled on a gross basis. All Master Netting Agreements allow for net settlement at the option of the non-defaulting party in an event of default, such as failure to make payment when due or bankruptcy.

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.1 Credit risk (continued)

Offsetting financial assets and financial liabilities (continued)

The below tables present the Company's financial asset and liabilities subject to offsetting, enforceable master netting agreements.

Assets

As at 31 March 2024

Counterparty	Gross amounts of recognised assets	Gross amounts offset in the Statement of Financial Position	Net amounts of assets presented in the Statement of Financial Position	Related amount not offset in the Statement of Financial Position: Financial instruments	Cash collateral received/pledged	Net amount
	€	€	€	€	€	€
Futures						
JP Morgan	19,250	-	19,250	-	-	19,250
Listed options						
JP Morgan	1,105,093	-	1,105,093	(151,111)	-	953,982
	1,124,343	**-**	**1,124,343**	**(151,111)**	**-**	**973,232**

Liabilities

As at 31 March 2024

Counterparty	Gross amounts of recognised liabilities	Gross amounts offset in the Statement of Financial Position	Net amounts of liabilities presented in the Statement of Financial Position	Related amount not offset in the Statement of Financial Position: Financial instruments	Cash collateral received/pledged	Net amount
	€	€	€	€	€	€
Listed options						
JP Morgan	(151,111)	-	(151,111)	151,111	-	-
	(151,111)	**-**	**(151,111)**	**151,111**	**-**	**-**

As at 30 September 2023

Counterparty	Gross amounts of recognised liabilities	Gross amounts offset in the Statement of Financial Position	Net amounts of liabilities presented in the Statement of Financial Position	Related amount not offset in the Statement of Financial Position: Financial instruments	Cash collateral received/pledged	Net amount
	€	€	€	€	€	€
Derivative contracts						
CDS						
Morgan Stanley	(311,564)	-	(311,564)	311,564	-	-
Listed options						
JP Morgan	(545,455)	-	(545,455)	545,455	-	-
	(857,019)	**-**	**(857,019)**	**857,019**	**-**	**-**

None of the financial assets and financial liabilities are offset in the Statement of Financial Position, as the Master Netting Agreements create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Company or counterparties. In addition, the Company and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.2 Foreign currency risk

Foreign currency risk is the risk of gain or loss resulting from exposure to movements on exchange rates on investments priced in currencies other than the base currency of the Company. The Company does not actively take risk in foreign currency, but incurs it as a normal course of business and employs a series of economic hedges to minimise these risks.

The currency exposure and sensitivity analysis as at 31 March 2024 is as follows:

Currency	Investments	Cash	Other net liabilities	31 March 2024 Total exposure	31 March 2024 Total exposure	+/- 10% change to P&L and Equity	NAV impact for a +/-10% FX rate move	P&L impact for a +/-10% FX rate move
	€	€	€	€	% NAV	€	%	%
GBP	-	1,056	(238,819)	(237,763)	(0.12%)	+/-23,776	+/-0.01%	+/-0.15%
USD	1,056,481	106,933	(115,910)	1,047,504	0.51%	+/-104,750	+/-0.05%	+/-0.66%
	1,056,481	**107,989**	**(354,729)**	**809,741**	**0.39%**	**+/-128,526**	**+/-0.06%**	**+/-0.81%**

The currency exposure as at 30 September 2023 was as follows:

Currency	Investments	Cash	Other net liabilities	30 September 2023 Total exposure	30 September 2023 Total exposure	+/- 10% change to P&L and Equity	NAV impact for a +/-10% FX rate move	P&L impact for a +/-10% FX rate move
	€	€	€	€	% NAV	€	%	%
GBP	-	5,980	(369,836)	(363,856)	(0.18%)	+/-36,386	+/-0.02%	+/-0.17%
USD	942,149	944,866	(1,146,784)	740,231	0.37%	+/-74,023	+/-0.04%	+/-0.35%
	942,149	**950,846**	**(1,516,620)**	**376,375**	**0.19%**	**+/-110,409**	**+/-0.06%**	**+/-0.52%**

6.3 Interest rate risk

Interest rate risk is the risk of gain or loss resulting from exposure to movements on interest rates. The Company does not actively take interest rate risk, but incurs it as a normal course of business and employs a series of hedges to minimise these risks. The Company mainly holds floating rate financial instruments which have little exposure to fair value interest rate risk as, when the short-term interest rates increase, the interest on a floating rate note will increase. P&L sensitivity of floating rate instruments to interest rate changes is minimal compared to fixed-rate instruments, as the coupon variation is offset by the change in discounting. The value of asset backed securities may be affected by interest rate movements. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations on interest rates; however the underlying cash positions will not be affected.

The Company's continuing position in relation to interest rate risk is monitored by the Portfolio Manager.

	Fixed rate interest	Floating rate interest	Non-interest bearing
	€	€	€
31 March 2024			
Financial assets at fair value through profit or loss	47,413,912	288,341,178	1,555,980
Due from broker	-	8,268,380	-
Other receivables and prepayments	-	-	22,290
Cash and cash equivalents	-	10,657,080	-
Financial liabilities at fair value through profit or loss	(22,393,149)	(92,813,826)	(151,111)
Due to broker	-	(32,254,000)	-
Accrued expenses	-	-	(3,652,334)
	25,020,763	**182,198,812**	**(2,225,175)**

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.3 Interest rate risk (continued)

	Fixed rate interest €	Floating rate interest €	Non-interest bearing €
30 September 2023			
Financial assets at fair value through profit or loss	37,518,194	184,356,552	1,897,148
Due from broker	-	1,365,958	-
Other receivables	-	-	416,133
Cash and cash equivalents	-	6,927,641	-
Financial liabilities at fair value through profit or loss	(22,999,826)	(1,988,301)	(545,455)
Due to broker	-	(5,856,018)	-
Accrued expenses	-	-	(2,144,184)
	14,518,368	**184,805,832**	**(376,358)**

6.4 Liquidity risk

A proportion of the Company's balance sheet is made up of assets and liabilities which may not be realisable as cash on demand. Under certain market circumstances already seen in the past, most of the portfolio which consists of ABS can become less liquid and the cost of unwinding may become significant. The Company is also contracting repurchases agreement ("REPO") transactions, which provide financing and liquidity but also bear some inherent risk in case of margin calls from liquidity provider. As a result, an exposure to liquidity risk exists. This risk is mitigated by the closed-ended nature of the Company.

The table below analyses the Company's liabilities into relevant maturity groups based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 3 months €	Between 3 and 12 months €	Greater than 12 months €	Total €
31 March 2024				
Financial liabilities at fair value through profit or loss	(19,054,140)	(22,441,760)	(73,862,186)	(115,358,086)
Due to broker	(32,254,000)	-	-	(32,254,000)
Accrued expenses	(860,465)	(2,791,869)	-	(3,652,334)
	(52,168,605)	**(25,233,629)**	**(73,862,186)**	**(151,264,420)**
30 September 2023				
Financial liabilities at fair value through profit or loss	-	(22,688,262)	(2,845,320)	(25,533,582)
Due to broker	(5,856,018)	-	-	(5,856,018)
Accrued expenses	(2,144,184)	-	-	(2,144,184)
	(8,000,202)	**(22,688,262)**	**(2,845,320)**	**(33,533,784)**

The Company is all equity funded and has been established as a Registered Closed-ended Collective Investment Scheme. Other than in the circumstances and subject to the conditions set out in Part I of the prospectus, Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment in the Company will normally therefore be required to dispose of their Shares through the secondary market.

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.5 Price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments and credit ratings of debt issuers in which the Company invests. Market price risk represents the potential loss the Company may suffer through price movements on its investments.

The Company is exposed to market price risk arising from the investments in equity securities, debt and derivatives.

The Portfolio Manager manages the Company's price risk and monitors its overall market positions on a daily basis in accordance with the Company's investment objective and policies. The Company's overall market positions are monitored on a quarterly basis by the Board of Directors.

As at 31 March 2024 a 15% movement in prices (with all other variables held constant) would have resulted in a change to the total net assets of €33,292,948 (30 September 2023: €29,735,747). Further analysis related to price risk can be found in note 8.

7. The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks

The AIFM has delegated the portfolio management of the Company to the Portfolio Manager whilst retaining responsibility for the risk management functions for the Company in accordance with the AIFMD. The AIFM's overall risk management process monitors the consistency between the risk profile of the Company and the investment objective, policies and strategy of the Company.

The day-to-day management of the Company's risk is undertaken by the Portfolio Manager Risk Officer who is functionally and hierarchically separate from portfolio management, and who has full access to risk management information. The risk management systems also include risk reporting, the monitoring of risk limits, and breach alert and actions. The Risk Officer reports to the Risk Committee of the AIFM. The Risk Committee has ultimate responsibility for risk management and controls of the AIF and for reviewing their effectiveness on a regular basis, including taking appropriate remedial action to correct any deficiencies. The Risk Committee has determined the current risk profile of the AIF to be low. The AIFM has also implemented a risk management policy to identify generic risk types and to continuously review the limits and parameters used within the risk management system.

8. Fair value of financial instruments

The fair values of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the period end date. The Company has adopted IFRS 13, 'Fair value measurement' and this standard requires the Company to price its financial assets and liabilities using the price in the bid-ask spread that is most representative of fair value for both financial assets and financial liabilities. If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the period end date, valuation techniques will be applied to determine the fair value. No such event occurred. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

For financial assets and liabilities not traded in active markets the fair value is determined by using broker quotations where the broker is a recognised dealer in the respective position, valuation techniques and various methods including the use of comparable recent arm's length transactions, reference to other instruments that are substantially same, discounted cash flow analysis, option pricing models, alternative price sources including a combination of dedicated price feeds from recognised valuation vendors and application of relevant broker quotations where the broker is a recognised market maker in the respective position.

For instruments for which there is no active market, the Company may also use internally developed models, which are usually based on valuation methods and techniques generally recognised as a standard within the industry. Some of the inputs to these models may not be market observable and are therefore based on assumptions.

The level of the fair value hierarchy of an instrument is determined considering the inputs that are significant to the entire measurement of such instrument and the level of the fair value hierarchy within those inputs are categorised.

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1: Quoted price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

The following tables show the Company's assets and liabilities at 31 March 2024 based on the hierarchy set out in IFRS 13:

	Level 1 2024	Level 2 2024	Level 3 2024	Total 2024
Assets	**€**	**€**	**€**	**€**
Financial assets held for trading				
Equity securities				
Europe: Equity	-	-	431,638	431,638
Debt securities				
Europe: Private bond and equity*	-	-	84,949,558	84,949,558
UK: Private bond and equity*	-	-	16,290,049	16,290,049
USA: Private bond and equity*	-	-	6,925,299	6,925,299
Other: Private bond and equity*	-	-	9,464,548	9,464,548
Europe: ABS	-	37,533,290	1,094,021	38,627,311
USA: ABS	-	5,830,525	-	5,830,525
UK: ABS	-	9,381,413	-	9,381,413
Other: ABS	-	6,480,295	-	6,480,295
Europe: Bond	2,720,462	-	-	2,720,462
Europe: Money market loan	-	-	16,845,172	16,845,172
Europe: Secured loan	-	64,107,382	-	64,107,382
USA: Secured loan	-	5,962,750	-	5,962,750
UK: Secured loan	-	11,625,266	-	11,625,266
Other: Secured loan	-	28,277,505	-	28,277,505
Receivable on reverse repurchase agreements				
Reverse repurchase agreement	-	28,267,554	-	28,267,554
Listed derivatives				
Futures	-	19,250	-	19,250
Listed options	1,105,093	-	-	1,105,093
Total assets	**3,825,555**	**197,485,230**	**136,000,285**	**337,311,070**
Liabilities				
Financial liabilities held for trading				
Equity securities				
Europe: Equity	-	(23,067,901)	-	(23,067,901)
Other: Equity	-	(12,975,672)	-	(12,975,672)
Debt securities				
Europe: ABS	-	(20,674,817)	-	(20,674,817)
Other:ABS	-	(17,143,794)	-	(17,143,794)
Payable on repurchase agreements				
Repurchase agreement	-	(41,344,791)	-	(41,344,791)
Listed derivatives				
Listed options	(151,111)	-	-	(151,111)
Total liabilities	**(151,111)**	**(115,206,975)**	**-**	**(115,358,086)**

*This is the fair value of the subsidiary Taurus Corporate Financing LLP (the "Originator"), as described in note 21. Taurus holds subordinated notes of TCLO 2, 3, 4, 5, 6, 7, 8, 9, BOPHO 4, 5 and 6 CLO valued at €183.7m, repurchase agreements valued at (€68.5m) and other assets and liabilities of €2.4m.

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

The following tables show the Company's assets and liabilities at 30 September 2023 based on the hierarchy set out in IFRS 13:

		Level 1 2023 €	Level 2 2023 €	Level 3 2023 €	Total 2023 €
Assets					
Financial assets held for trading					
Equity securities					
	Europe: Equity	-	-	409,545	409,545
Debt securities					
	Europe: Private bond and equity*	-	-	57,868,999	57,868,999
	UK: Private bond and equity*	-	-	15,941,288	15,941,288
	USA: Private bond and equity*	-	-	8,413,825	8,413,825
	Other: Private bond and equity*	-	-	24,058,896	24,058,896
	Europe: ABS	-	26,943,928	966,048	27,909,976
	USA: ABS	-	4,466,156	-	4,466,156
	UK: ABS	-	7,654,684	-	7,654,684
	Other: ABS	-	11,629,157	-	11,629,157
	Europe: Money market loan	-	-	20,750,321	20,750,321
	Europe: Secured loan	-	8,018,766	-	8,018,766
	USA: Secured loan	-	1,127,867	-	1,127,867
	UK: Secured loan	-	2,370,628	-	2,370,628
	Other: Secured loan	-	3,006,965	-	3,006,965
Receivable on reverse repurchase agreements					
	Reverse repurchase agreement	-	26,513,538	-	26,513,538
Listed derivatives					
	Listed options	1,487,603	-	-	1,487,603
OTC derivatives					
	CDS Option	-	1,310,927	-	1,310,927
	CDS Credit Index	-	832,753	-	832,753
Total assets		**1,487,603**	**93,875,369**	**128,408,922**	**223,771,894**
Liabilities					
Financial liabilities held for trading					
Equity securities					
	Europe: Equity	-	(1,097,733)	-	(1,097,733)
	Other: Equity	-	(890,568)	-	(890,568)
Payable on repurchase agreements					
	Repurchase agreement	-	(22,688,262)	-	(22,688,262)
Listed derivatives					
	Listed options	(545,455)	-	-	(545,455)
OTC derivatives					
	CDS Credit Index	-	(311,564)	-	(311,564)
Total liabilities		**(545,455)**	**(24,988,127)**	**-**	**(25,533,582)**

*This includes the fair value of the subsidiary Taurus Corporate Financing LLP, as described in note 22. As at 30 September 2023 Taurus invests into 10 risk retention CLOs and 1 CLO Warehouse valued at €170.6m (TCLO 2, 3, 4, 5, 6, 7, 8, TCLO 9 Warehouse and Bosphorus IV, V & VI CLO). The Originator also holds €1.7m in cash and cash equivalents.

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

Product type	Transaction	Fair value at 1 October 2023	Realised P&L from exiting trades	Unrealised P&L & FX changes on held investments	Purchases	Sales	Redemptions	Fair value at 31 March 2024
Equity	46	409,545	-	22,093	-	-	-	431,638
Investment in the originator	79	106,283,008	-	11,346,449	-	-	-	117,629,457
Preferred Equity	68	1,458,824	-	(864,722)	-	(235,000)	-	359,102
Preferred Equity	70	4,000,886	-	34,509	-	(1,400,000)	-	2,635,395
Preferred Equity	72	694,437	-	155,747	-	(510,000)	-	340,184
Preferred Equity	73	8,449,285	-	(114,209)	-	(1,365,000)	-	6,970,076
Preferred Equity	74	6,143,889	-	89,526	304,000	-	-	6,537,415
Preferred Equity	75	3,000	-	-	-	-	-	3,000
RMBS	86	171,133	-	(27,942)	-	-	-	143,191
RMBS	87	404,054	-	(45,126)	-	-	(124)	358,804
RMBS	88	390,861	(7,475)	240,720	-	-	(32,083)	592,023
		128,408,922	**(7,475)**	**10,837,045**	**304,000**	**(3,510,000)**	**(32,207)**	**136,000,285**

Eleven Level 3 investments were held during the Period.

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

Product type	Transaction	Fair value at 1 October 2022	Realised P&L from exiting trades	Unrealised P&L & FX changes on held investments	Purchases	Sales	Redemptions	Fair value at 30 September 2023
Non-Performing Loan	16	357,219	(28,043,784)	27,818,930	-	(132,365)	-	-
Equity	46	299,668	-	109,877	-	-	-	409,545
OTC Bond	85	1,901,270	487,029	(878,307)	-	(1,509,992)	-	-
Cons ABS	44	-	(660,556)	661,622	-	(1,066)	-	-
Investment in the originator	79	101,870,138	-	4,412,870	-	-	-	106,283,008
Preferred Equity	68	3,254,326	-	(1,581,502)	-	(214,000)	-	1,458,824
Preferred Equity	70	9,103,273	-	(102,387)	-	(5,000,000)	-	4,000,886
Preferred Equity	72	1,960,230	-	(354,793)	89,000	(1,000,000)	-	694,437
Preferred Equity	73	9,544,795	-	(105,510)	10,000	(1,000,000)	-	8,449,285
Preferred Equity	74	8,423,775	-	(2,366,886)	87,000	-	-	6,143,889
Preferred Equity	75	3,000	-	-	-	-	-	3,000
Loan	83	2,088,046	85,014	(6,937)	224,785	(2,390,908)	-	-
Loan	84	433,781	-	-	-	(433,781)	-	-
RMBS	86	-	-	3,133	168,000	-	-	171,133
RMBS	87	-	-	5,054	399,000	-	-	404,054
RMBS	88	-	-	-	390,861	-	-	390,861
RMBS	66	(127,323)	-	127,323	-	-	-	-
		139,112,198	**(28,132,297)**	**27,742,487**	**1,368,646**	**(11,682,112)**	**-**	**128,408,922**

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

Product type	Description
BS CLO	Balance sheet CLO
CMBS	Commercial mortgage-backed security
CONS ABS	Consumer asset-backed security
RMBS	Residential mortgage-backed security

BS CLO - generally vulnerable to increase in default rate and loss severity of bank loans to SMEs. The default rate and loss severity themselves are affected by interest rates and state of local economy in particular growth. The Company held no BS CLOs at 31 March 2024.

CONS ABS - generally sensitive to default rate and loss severity of consumers. The default rate and loss severity themselves are affected by state of local economy in particular unemployment.

CMBS - most of the pre-2008 deals consist of defaulted assets and have high asset concentration. This makes the deals sensitive to recovery rates (market value of commercial real estate) and ability of borrowers to refinance. The Company held no CMBS at 31 March 2024.

RMBS - generally sensitive to default rate and loss severity of owner occupied and buy-to-let real estate. The default rate and loss severity themselves are affected by interest rates and state of local economy in particular unemployment.

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

The details below describe the valuation techniques used to value the investments at 31 March 2024 and present an approximation of the potential effects of events that could have occurred as at the reporting date given reasonably possible alternative assumptions as to the unobservable input parameters.

Transaction	Fair Value €	Investment Type	Valuation technique	Unobservable Input and base value	Alternative assumptions applied to input	Sensitivity Analysis (Market Value Impact) €	Sensitivity Analysis (Company NAV Impact)
Transaction 46	431,638	Equity Holding in Irish Mortgage lender	Book Value	Book value based on Financials 0.5x	0.4x- 0.6x	€(86,329) - €86,325	(0.04%) - 0.04%
Transaction [86-88]	1,094,018	Irish Mortgage Investment	Discounted Cashflow Model	Discount Margin 15%	11% - 15%	€(82,921) - €22,770	(0.01)% - 0.04%
Transactions [68-75]	16,845,172	Spanish residential asset	Targeted sale value, expected costs and liabilities	Haircut on outstanding sales 10%	0% - 15%	(€971,676) - €1,863,059	(0.47)% - 0.91%
				Disposal costs € 2,697,388	± 10%	€(268,516) - €270,962	(0.13)% - 0.13%
Transaction 79	117,629,457	Taurus CLO retention	Mark-to-Model	Originator NAV	± 10%	(€11,762,946) - €11,762,946	(5.74)% – 5.74%

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

The details below describe the valuation techniques used to value the investments at 30 September 2023 and present an approximation of the potential effects of events that could have occurred as at the reporting date given reasonably possible alternative assumptions as to the unobservable input parameters

Transaction	Fair Value €	Investment Type	Valuation technique	Unobservable Input and base value	Alternative assumptions applied to input	Sensitivity Analysis (Market Value Impact) €	Sensitivity Analysis (Company NAV Impact)
Transaction 46	€409,545	Equity Holding in Irish Mortgage lender	Book Value	Book value based on Financials 0.5x	0.4x-0.6x	€(81,910) - €81,907	(0.04%) - 0.04%
Transaction [86-88]	€966,048	Irish Listed Residential Mortgage Back Securities	Traded Settlement Price	Price 100%-123.3%	± 10%	€(103,973) - €87,598	(0.05)% - 0.04%
Transactions [68-75]	€20,750,321	Spanish residential asset	Targeted sale value, expected costs and liabilities	Haircut on outstanding sales 10%	0% - 15%	(€1,084,412) - €2,168,824	(0.55)% - 1.09%
				Disposal costs € 790,166	± 10%	€(79,016) - €79,016	(0.04)% - 0.04%
Transaction 79	€106,283,008	Taurus CLO retention	Mark-to-Model	Originator NAV	± 10%	(€10,628,300) - €10,628,300	(5.36)% – 5.36%

* Transactions 83 and 84 are senior loans repaid in priority at par, for which returns are unaffected by the stress scenario described. Only the value of transaction 85 (R note entitled to excess returns) is affected.

Notes to the Condensed Unaudited Financial Statements (continued)

9. Earnings per Share - basic & diluted

The earnings per Share - basic and diluted of 5.13 cents (31 March 2023: 3.20 cents earnings per Share) has been calculated based on the weighted average number of Shares of 308,361,569 (31 March 2023: 306,587,747) and a net profit of €15,827,026 (31 March 2023: profit of €9,803,619) over the Period. There were no dilutive elements to shares issued or repurchased during the Period.

10. NAV per Share

The NAV per share of 66.44 cents (30 September 2023: 64.54 cents) is determined by dividing the net assets of the Company attributed to the Shares of €204,994,400, (30 September 2023: €198,947,842) by the number of Shares in issue (excluding those held in treasury) at 31 March 2024 of 308,552,938 (30 September 2023: 308,271,965).

As at 31 March 2024, 52,897,062 Shares were held in treasury (30 September 2023: 53,178,035).

11. Financial assets and financial liabilities at fair value through profit or loss

	31 March 2024	**30 September 2023**
	€	**€**
Financial assets at fair value through profit or loss:		
- Debt securities	2,720,462	-
- ABS	60,319,542	51,659,973
- Equity securities	431,638	409,546
- CDS	-	2,143,680
-Futures	19,250	-
- Listed options	1,105,093	1,487,603
- Investment in Taurus Corporate Financing LLP	117,629,457	106,283,008
- Money market loan	16,845,172	20,750,321
- Secured loan	109,972,902	14,524,226
- Reverse repurchase agreement	28,267,554	26,513,537
Total financial assets at fair value through profit or loss	**337,311,070**	**223,771,894**
Financial liabilities at fair value through profit or loss		
- ABS	(73,862,186)	(1,988,301)
- CDS	-	(311,564)
- Listed options	(151,111)	(545,455)
- Repurchase agreement	(41,344,789)	(22,688,262)
Total financial liabilities at fair value through profit or loss	**(115,358,086)**	**(25,533,582)**

Notes to the Condensed Unaudited Financial Statements (continued)

12. Net gain/(loss) on financial assets and financial liabilities held at fair value through profit or loss

	1 October 2023 to 31 March 2024	1 October 2022 to 31 March 2023
Net gain on debt instruments at fair value through profit or loss	**€**	**€**
- Debt securities	236,699	21,458
- ABS	4,118,009	3,981,838
- Equity securities	22,092	(161,231)
- Investment in Taurus Corporate Financing LLP	15,846,449	11,285,761
- Listed futures	155,810	-
- Listed options	69,396	6,250
- Money market loan	(60,540)	14,443
- Repurchase agreement	(405,091)	-
- Reverse repurchase agreement	27,911	-
- Secured loan	1,892,134	-
- CDS	(2,235,341)	(4,035,097)
Net gain on debt instruments at fair value through profit or loss	**19,667,528**	**11,113,422**
Net gain on foreign exchange and forward contracts	**€**	**€**
Realised gain on foreign exchange	6,282	10,569
Unrealised (loss)/gain on foreign exchange	(127)	3,432
Net gain on foreign exchange and forward contracts	**6,155**	**14,001**
Net gain on financial assets and liabilities at fair value through profit or loss	**19,673,683**	**11,127,423**

13. Due from and to brokers

	31 March 2024	30 September 2023
	€	**€**
Due from:		
Collateral and funding cash	1,815,325	1,090,958
Receivables for securities sold	6,453,055	275,000
	8,268,380	**1,365,958**
Due to:		
Collateral and funding cash	-	(911,018)
Payables for securities purchased	(32,254,000)	(4,945,000)
	(32,254,000)	**(5,856,018)**

14. Other receivables and prepayments

	31 March 2024	30 September 2023
	€	**€**
Prepaid D&O insurance fees	1,648	7,142
Receivable from loan sales	-	408,151
Other receivables	20,642	840
	22,290	**416,133**

Notes to the Condensed Unaudited Financial Statements (continued)

15. Accrued expenses

	31 March 2024	30 September 2023
	€	€
Marketing fee	(65,652)	(175,967)
Management fee	(345,869)	(332,734)
Performance fees	(2,791,869)	(1,166,065)
Administration fee	(11,160)	(4,277)
Audit fee	(79,611)	(113,271)
Sub-administration fee	(11,676)	(11,375)
Legal fee	(37,984)	(22,715)
Custodian fee	(5,376)	(5,779)
Other fee	(303,137)	(312,001)
	(3,652,334)	**(2,144,184)**

16. Share capital

The authorised share capital of the Company consists of an unlimited number of unclassified shares of no-par value. The unclassified shares may be issued as, (a) Shares in such currencies as the Directors may determine; (b) C Shares in such currencies as the Directors may determine; and (c) such other classes of shares in such currencies as the Directors may determine in accordance with the Articles and the Law. Shares will be redeemable at the option of the Company and not Shareholders.

	Shares outstanding	Shares held in treasury	Total
As at 30 September 2023	308,271,965	53,178,035	361,450,000
SCRIP dividends paid out of treasury in period	280,973	(280,973)	-
As at 31 March 2024	**308,552,938**	**52,897,062**	**361,450,000**

Capital management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets. There are currently no external capital requirements.

17. Segmental reporting

The Board is responsible for reviewing the Company's entire portfolio and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy of investing in ABS and other structured credit investments in liquid markets and the Company's performance is evaluated on an overall basis.

The Company invests in a diversified portfolio. The fair value of the major financial instruments held by the Company and the equivalent percentages of the total value of the Company are reported in the Schedule of Investments.

Notes to the Condensed Unaudited Financial Statements (continued)

18. Dividend policy

Subject to compliance with the Companies (Guernsey) Law, 2008 (as amended) and the satisfaction of the solvency test, the Company intends to distribute all its income received from investments, net of expenses, by way of dividends on a quarterly basis with dividends declared in January, April, July and October each year and paid in March, July, September and December. The solvency test considers whether a company is able to pay its debts when they fall due, and whether the value of a company's assets is greater than its liabilities.

The Company is targeting a quarterly dividend yield of 2.5 per cent. (by reference to NAV) equating to a targeted annualised dividend yield of 10 per cent. (by reference to NAV). The Company's net target return remains 9-11 per cent. per annum.

With effect from 1 January 2021, at the end of each calendar quarter, the Company maintained a maximum cash balance in its portfolio of 5 per cent. of NAV, unless the investment manager, at its discretion, decided to maintain such cap at a maximum of 10 per cent., should market opportunities in liquid and tradable European ABS/CLO arise. Per the dividend policy update announcement on 30 January 2024, the Company continues to rebalance its portfolio towards tradable securities and has been able to make attractive investments within the Public ABS and CLO sector as opportunities arise within the market. To that effect, the Company plans to remove the previously announced cap on maximum cash balance, so the portfolio manager can have more flexibility to continue to re-invest based on prevailing market conditions, with excess cash being reinvested. In line with the current dividend policy the Company re-confirms its target quarterly dividend yield of 2.5 per cent (by reference to NAV) equating to a targeted annualised dividend yield of 10 per cent. (by reference to NAV). The Company's net target return remains 9-11 per cent per annum.

The dividend and net target return targets stated above are targets only and are not a profit forecast. There can be no assurance that these targets will be met and they should not be taken as an indication of the Company's expected future results.

The following dividends were announced and/or paid during the Period:

For period ending	Record Date	Pay Date	Dividend per Share		Total Value	Paid in Cash	Taken as Shares
			€			€	Number of Shares
31/03/2024	10/05/2024	07/06/2024	0.0167	Regular quarterly dividend	5,153,873	5,053,150	155,509
31/12/2023	09/02/2023	07/03/2024	0.0162	Regular quarterly dividend	4,995,904	4,894,194	161,316
30/09/2023	10/11/2022	08/12/2023	0.0161	Regular quarterly dividend	4,961,574	4,886,274	119,657

19. Derivative financial instruments

The Company holds the following derivative instruments:

CDS
These are derivative contracts referencing an underlying credit exposure, which can either be a single credit issuer or a portfolio of credit issuers. The Company pays or receives an interest flow in return for the counterparty accepting or selling all or part of the risk of default or failure to pay of a reference entity on which the swap is written. Where the Fund has bought protection the maximum potential payout is the value of the interest flows the Company is contracted to pay until the maturity of the contract.

For short CDS positions, where the Company has sold protection, the maximum potential payout in the event of a default of the underlying instrument is the nominal value of the protection sold.

The market for CDS may from time to time be less liquid than debt securities markets. Due to the lower amount of cash required to hold a position in the CDS versus cash bond markets, the opposite has shown to be true during times of market illiquidity. In relation to CDS where the Company sells protection the Company is subject to the risk of a credit event occurring in relation to the reference issuer. Furthermore, in relation to CDS where the Company buys protection, the Company is subject to the risk of the counterparty of the CDS defaulting.

Forward FX contracts
Forward FX contracts entered into by the Company represent a firm commitment to buy or sell an underlying currency at a specified value and point in time based upon an agreed or contracted quantity. The realised/unrealised gain or loss is equal to the difference between the value of the contract at trade date and the value of the contract at settlement date/period-end date and is included in the Statement of Comprehensive Income.

Notes to the Condensed Unaudited Financial Statements (continued)

19. Derivative financial instruments (continued)

Futures contracts
A futures contract is an agreement between two parties to buy and sell a security, index or currency at a specific price or rate at a future date. Upon entering into a futures contract an amount is deposited with a broker equal to a certain percentage of the contract amount. This is known as "initial cash margin". Subsequent payments of cash ("variation margin") are made or received each day, depending upon the daily fluctuation in the value of the contract. The daily changes in contract value are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Unrealised gains and losses on futures contracts are recognised in the statement of comprehensive income.

Listed options
A listed option is a derivative financial instrument that establishes a contract between two parties concerning the buying or selling of an asset at a reference price during a specified time frame. During this time frame, the buyer of the option gains the right, but not the obligation, to engage in some specific transaction on the asset, while the seller incurs the obligation to fulfil the transaction if so requested by the buyer.

The following table shows the Company's derivative position as at 31 March 2024.

		Financial assets at fair value	Financial liabilities at fair value	Notional amount	Maturity/expiry date
		€	€	€	
Futures contracts		19,250	-	3,334,500	6 June 2024
Listed index options	Buy Call	1,105,093	-	12,447,362	17 January 2025
Listed index options	Sell Put	-	(102,500)	12,866,250	24 May 2024
Listed index options	Sell Call	-	(48,611)	(690,726)	17 January 2025
		1,124,343	**(151,111)**	**27,957,386**	

The following table shows the Company's derivative position as at 30 September 2023.

		Financial assets at fair value	Financial liabilities at fair value	Notional amount	Maturity/expiry date
		€	€	€	
CDS sell protection		832,753	-	(26,500,000)	20 December 2028
CDS option		342,997	-	100,000,000	18 October 2023
CDS option		967,930	-	100,000,000	20 December 2023
CDS option		-	(311,564)	(100,000,000)	20 December 2023
Listed index options	Buy Call	1,487,603	-	11,328,366	17 January 2025
Listed index options	Sell Call	-	(545,455)	(5,151,438)	17 January 2025
		3,631,283	**(857,019)**	**79,676,928**	

20. Securities sold under agreements to repurchase and securities purchased under agreements to resell

As of 31 March 2024, there are ten repurchase agreements in place (at 30 September 2023:six).

Main terms of the repurchase agreements in place as of 31 March 2024:

Notional	Rate	Maturity	Counterparty
(3,630,435)	EUR003M + 0.6%	25 June 2024	BNP
(830,000)	EUR003M + 0.7%	28 June 2024	BNP
(4,321,971)	4.53%	Payable on demand	JPM
(837,737)	5.16%	Payable on demand	JPM
(10,890,772)	4.78%	Payable on demand	JPM
(835,450)	5.21%	Payable on demand	JPM
(5,224,233)	4.73%	Payable on demand	JPM
(8,927,704)	ESTRON + 0.53%	17 June 2024	SG
(1,558,145)	ESTRON + 0.6%	18 June 2024	SG
(3,985,225)	ESTRON + 0.7%	18 June 2024	SG

The pledged assets under these contracts were valued €45,812,181 as at 31 March 2024.

Notes to the Condensed Unaudited Financial Statements (continued)

20. Securities sold under agreements to repurchase and securities purchased under agreements to resell (continued)

Main terms of the reverse repurchase agreements in place as of 31 March 2024:

Notional	Rate	Maturity	Counterparty
4,850,000	1.01%	5 March 2025	Taurus Corporate Financing LLP
6,000,000	0.88%	5 March 2025	Taurus Corporate Financing LLP
1,002,472	1.78%	1 August 2024	Taurus Corporate Financing LLP
1,054,083	2.8%	5 August 2024	Taurus Corporate Financing LLP
12,200,000	EUR003M + 0.99%	8 August 2024	Taurus Corporate Financing LLP
1,668,256	EUR003M + 1.85%	19 March 2025	Taurus Corporate Financing LLP
1,355,742	EUR003M + 2.45%	19 March 2025	Taurus Corporate Financing LLP

The pledged assets under these contracts were valued €27,854,461 as at 31 March 2024.

During the period, the Company has entered into CLO retention financing transactions. The Company has granted term financing in the form of repurchase agreements (Repo's) on CLO notes held by the retention holder of the same CLO managed by a third-party manager. The Company has a recourse on the counterparty (i.e. the CLO retention holder) in case of defaults on the CLO notes, however it estimates that there is a correlation between such risk of default and the counterparty risk on the repo transaction. As a consequence, the Company is assessing the recovery on the repo financing and remarking the positions if required at each NAV date. These transactions are presented as secured loans in note 11 and on the Condensed Schedule of Investments. As at the 31 March 2023 the fair value of secured loans was €109,972,903 (30 September 2023:€14,524,226), with collateral assets pledged under these contracts valued at €108,989,983 (30 September 2023:€14,541,548).

Main terms of the repurchase agreements in place as of 30 September 2023:

Notional	Rate	Maturity	Counterparty
(4,273,206)	3.78%	Payable on demand	JPM
(816,677)	4.41%	Payable on demand	JPM
(807,848)	4.46%	Payable on demand	JPM
(909,055)	4.61%	Payable on demand	JPM
(10,648,033)	4.03%	Payable on demand	JPM
(5,206,555)	3.98%	Payable on demand	JPM

The pledged assets under these contracts were valued €25,702,937 as at 30 September 2023.

Main terms of the reverse repurchase agreements in place as of 30 September 2023:

Notional	Rate	Maturity	Counterparty
4,850,000	1.01%	5 March 2024	Taurus Corporate Financing LLP
6,000,000	0.88%	5 March 2024	Taurus Corporate Financing LLP
1,002,472	1.78%	1 August 2024	Taurus Corporate Financing LLP
1,054,083	2.8%	5 August 2024	Taurus Corporate Financing LLP
1,275,950	4.8%	5 August 2024	Taurus Corporate Financing LLP
12,200,000	EUR003M + 0.99%	8 August 2024	Taurus Corporate Financing LLP

The pledged assets under these contracts were valued €25,702,937 as at 30 September 2023.

21. Changes in financing liabilities

The Company uses repurchase agreements as collateralised financing transactions. The change in financing activities shown on the Statement of Cash Flows is directly related to buy and sell transactions of repurchase agreements. The amounts payable on the open agreements can be found on the Condensed Schedule of Investments, at Fair Value.

The following table presents the movement under repurchase and reverse repurchase agreements for the year:

	31 March 2024	30 September 2023
	€	€
Opening balance	3,825,274	5,665,099
Decrease in financing activities for repurchase agreements	48,551,414	23,285,220
Repurchase agreements funding	(64,806,486)	(25,206,782)
Change in fair value	(377,180)	-
Change in open accrued interest	(270,259)	81,737
Closing balance	**(13,077,237)**	**3,825,274**

Notes to the Condensed Unaudited Financial Statements (continued)

22. Interests in other entities

List of subsidiaries

The Company holds a large ownership percentage of Toro European CLO 9 Designated Activity Company ("TCLO9") (a €400m European Leveraged Loan CLO). The Company heavily participated in owning the subordinated tranche in this structure by holding 76% of this tranche, which for accounting purposes would indicate as having control over this structure and hence consolidating it within the Company's accounts.
The directors concluded that due to the fact that the Company is an investment entity under IFRS 10, it is exempted from consolidating its subsidiaries. Furthermore, neither the Company, nor Taurus have any intention of exercising control over TCLO9.

Taurus Corporate Financing LLP (the "Originator") meets the definition of a subsidiary, in accordance with IFRS 10 the Company is required to apply the consolidation exception and instead account for its investment in subsidiaries at fair value through profit or loss. The Originator is a fully owned subsidiary of the Company with a carrying value per the financial statements as shown below:

	Carrying value
	€
Taurus Corporate Financing LLP	117,629,457

In accordance with IFRS 12 paragraph 19, the Company is also required to disclose the following information:

Name:	Taurus Corporate Financing LLP	Toro European CLO 9 Designated Activity Company
Place of Business:	P.O. Box 286 Floor 2 Trafalgar Court Les Banques St. Peter Port Guernsey	2nd Floor 1-2 Victoria Buildings Haddington Road Dublin 4 D04 XN32 Ireland
Ownership interests held	99.9%	76%*

* Represents the combined ownership of interests directly held by the Company and indirectly via Taurus.

(i) The Company provided several repurchase agreements to the Originator with overall principal of €28,130,553 as at 31 March 2024 (30 September 2023: €26,382,505) that are due on demand. In contrast, the Originator pledged assets on these contracts valued of €27,854,461 (30 September 2023: €25,702,937) that are held by the Company as a security on these lending.

22. Post balance sheet events

On 30 April 2024, the Company announced its regular quarterly dividend of 2.5% (1.67 cent per ordinary share) for the period from 1 January 2024 to 31 March 2024. Payment was made on 7 June 2024 to holders of ordinary shares recorded on the register as at close of business on 10 May with an ex-dividend date of 9 May 2024.

There are no other events subsequent from 31 March 2024 to the date of signing which would require disclosure in these financial statements.

23. Approval of the financial statements

The financial statements were approved for issue to shareholders by the Directors on 27 June 2024.