

Chenavari Toro Income Fund Limited

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

Annual Report and Audited Financial Statements

For the year ended 30 September 2025

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 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 Audited Annual Financial Statements and Annual Report.

Chenavari Toro Income Fund Limited

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AIFMD Disclosures (unaudited)

FORWARD-LOOKING STATEMENTS

This annual 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 annual report, including in the Chair'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 annual 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.

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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 Annual Report and Audited Annual 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.

18 December 2025

Chenavari Toro Income Fund Limited

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Highlights for the year ended 30 September 2025

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 year ended 30 September 2025 (the “Year” or “Year End”):

- The profit of the Company for the Year was €25.1 million (2024: profit of €24.3 million), or a profit of 8.05 cents per Ordinary Share (“Share”) (2024: profit of 7.87 cents per share), reflecting the following significant items:
 - net profit on financial assets and financial liabilities held at fair value through profit of €32.9 million (2024: profit €31.9 million)
 - total operating expenses of €7.8 million. (2024: €7.5 million)
- At 30 September 2025, the net asset value (“NAV”) of the Company was €210.9 million (30 September 2024: €205.1 million).
- During the year, 589,574 shares were transferred from treasury as scrip dividends and 2,644,812 shares were transferred from treasury in part settlement of performance fees due to Chenavari Credit Partners LLP (the “Investment Manager” or “Portfolio Manager”). The Company repurchased Nil Shares via Share Repurchases. At 30 September 2025 the Company had 361,450,000 shares in issue and 46,776,814 shares held in treasury. (2024: 564,385 shares transferred from treasury as scrip dividends; 2,602,450 shares transferred from treasury in part settlement of performance fees due to the Investment Manager. Nil Shares via Share Repurchase. 361,450,000 shares in issue with 311,438,800 shares outstanding and 50,011,200 shares held in treasury at 30 September 2024).
- The Company’s NAV per Share increased by 1.78%¹ (2024: increased by 2.05%) to close at 67.03 cents (2024: 65.86 cents).
- Dividends of 6.89 cents per Share were declared with respect to the Year. This represents a return of 10.46% on the NAV per share of 65.86 cents reported in the 30 September 2024 financial statements. 6.88 cents per Share were paid during the Year, inclusive of 1.65 cents per Share relating to the previous financial period. The final dividend of 1.66 cents per Share for the period ending 30 September 2025 was paid on 5 December 2025.
- The NAV Total Return (with dividends reinvested) was 12.49%². The Share Price Total Return (with dividends reinvested) was 39.94%³ (2024: 12.76 % and 36.36% respectively).
- The Company’s share price increased by 24.53% during the Year to close at 66 cents at 30 September 2025 (2024: 53.0 cents), representing a discount to the NAV per Share of 1.54%⁴ (2024: 19.53%).

¹ 30 September 2025 NAV per Share of 67.03 cents versus 30 September 2024 NAV per Share of 65.86 cents $(67.03 - 65.86) / 65.86 = 1.78\%$

² Bloomberg NAV Price total return (with dividends re invested daily at Ex-date).

³ Bloomberg Share Price total return (with dividends re invested daily at Ex-date).

⁴ Closing share price per Bloomberg of 66 cents versus calculated NAV per share per the Statement of Financial position of 67.03 cents $(66 - 67.03) / 67.03 = (1.54)\%$.

Corporate Summary

For the year ended 30 September 2025

The Company

Chenavari Toro Income Fund Limited (the “Company”) is a closed-ended Collective Investment Scheme registered pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 2020, 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 generate attractive, risk-adjusted returns, through investing, and in some cases, trading opportunistically, in structured credit markets or asset backed transactions via three sub-strategies: Public Asset Backed Securities (“ABS”), Private Asset Backed Finance and Direct Origination.

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).

Corporate Summary (continued)
For the year ended 30 September 2025

Target returns and dividend policy (continued)

The Company's share price increased by 24.53% during the Year to close at 66 cents at 30 September 2025 (2024: 53.0 cents), representing a discount to the NAV per Share of 1.54% (2024: 19.53%).

The NAV total return for the Year was 12.49% (with dividends reinvested). Dividends totalling 6.89 cents per share were declared with respect to the Year. This represents a return of 10.46% on the NAV per share of 65.86 cents reported in the 30 September 2024 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 30 September 2025, the Company's NAV was €210.9 million (2024: €205.1 million), with the NAV per Share amounting to 67.03 cents (2024: 65.86 cents). The Company publishes its NAV per Share on a monthly basis. The NAV is calculated as the net assets of the Company, 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 London Stock Exchange Specialist Fund Segment ("SFS") and The International Stock Exchange "TISE".

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

The closing price of the Shares quoted on the SFS at 30 September 2025 was 66 cents per Share.

The average closing price of the Shares over the Year was 59 cents per Share.

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General Information

Directors (all non-executive)

Frederic Hervouet (Non-executive Chair)
Roberto Silvotti (Non-Independent Non-executive Director)
Colleen McHugh (Non-executive Director)⁵
John Whittle (Non-executive Director)⁶

Portfolio Manager

Chenavari Credit Partners LLP
80 Victoria Street
London
SW1E 5JL

Corporate Broker

J.P. Morgan Cazenove
25 Bank Street
Canary Wharf
London
E14 5JP

Solicitors to the Company (as to English law)

Gowling WLG (UK) LLP
4 More London Riverside
London
SE1 2AU

Administrator and Company Secretary

Ocorian Administration (Guernsey) Limited
P.O. Box 286
Floor 2
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
GY1 4LY

Sub-Administrator

U.S. Bank Global Fund Services (Ireland) Limited
24-26 City Quay
Dublin 2
Ireland
D02 NY19

Auditor

Deloitte LLP
P.O. Box 137
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Gategny Esplanade
St. Peter Port
Guernsey
GY1 3HW

Registered Office

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Floor 2
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
GY1 4LY

AIFM

Carne Global AIFM Solutions (C.I.) Limited
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St. Helier
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Registrar

Computershare Investor Services (Guernsey) Limited
c/o 13 Castle Street
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Jersey
JE1 1ES

Advocates to the Company (as to Guernsey law)

Ferbrache & Farrell
Somers House
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St Peter Port
Guernsey
GY1 1LU

Custodian and Principal Banker

J.P. Morgan Chase Bank N.A.
Jersey Branch
J.P. Morgan House
Grenville Street
St Helier
Jersey
JE4 8QH

⁵ Appointed to the Board with effect from 21 May 2025.

⁶ Retired from the Board with effect from 30 June 2025.

Chair's Statement

Dear Shareholder,

On behalf of the Board, I am delighted to present Chenavari Toro Income Fund Limited's (the "Company") Annual Report and Audited Financial Statements for the year ending 30 September 2025.

Year overview and macro commentary

The macroeconomic environment in 2025 was dominated by the continued retreat of globalisation and the escalation of tariff disputes. "Liberation Day" on 2 April 2025 marked a decisive shift away from decades of trade liberalisation and triggered significant disruption across global financial markets. It also represented a turning point for investors, who were compelled to reassess portfolio allocations, currency hedging strategies, and inflation expectations. This period was subsequently characterised by elevated valuations in the technology sector and heightened uncertainty regarding the potential formation of a bubble in that segment.

Against this backdrop, the Company delivered a record performance during the year, following what had already been a strong result in the previous financial year.

NAV Performance

The Company's NAV per Share increased by 1.78% over the period. On a dividend-reinvested basis, The Company's NAV advanced by 12.49%, compared with the S&P 500 at 18.55% (13.43% in euro terms), the EuroStoxx at 18.75%, and the Markit EUR Liquid HY Index at 6.07%.

Share Price

The Company's share price recorded its strongest performance since the company's listing in 2015, rising by 24.53% in the financial year ("FY") ending September 2025. With dividends reinvested, the return was 39.94%, placing the company well ahead of its peer group within the structured credit sector. This followed another strong year in FY 2024, during which the share price rose 19.64% (36.36% with dividends reinvested). By comparison, the S&P 500 appreciated by 16.07% with dividends reinvested, while the EuroStoxx delivered a 14.13% dividend-reinvested return.

Discount

The discount narrowed to a level not seen for a decade. Having begun the year at -19.53% (30 September 2024), it closed at -1.54% on 30 September 2025, representing a reduction of 17.99 percentage points.

Dividends

We continued to implement our dividend policy of 2.5% per quarter, resulting in a total dividend payment of 6.89 cents per Share over the period. This is equivalent to a 10% dividend yield on the average NAV per Share of 69.26 cents in the FY ending 30 September 2025. Based on the average share price of 58.97 cents during the year, the dividend yield was 11.7%.

Board composition

On 21 May 2025, the Company announced the appointment of Colleen McHugh as a Non-Executive Director and the retirement of John Whittle.

Colleen is a Chartered Wealth Manager with over 25 years of international experience in investment management and banking. She has held senior positions at HSBC, Barclays Wealth and Investment Management, and has led the wealth management division of Butterfield Bank Guernsey. More recently, she served as Managing Director of 1818 Venture Capital and as Interim Chief Investment Officer of Wealthify.

She also brings current non-executive experience from London-listed company Real Estate Credit Investments Limited and from Ruffer Investment Company Limited.

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Chair's Statement (Continued)

Outlook

In line with our revised default-rate assumptions, reflecting rising idiosyncratic risks and evolving market expectations, we believe the portfolio should continue to deliver positive returns. In our base case, we expect returns to be broadly in line with our 10% NAV Return Target, with marginally positive performance anticipated even under the stress case.

Frederic Hervouet
Non-executive Chair
Date: 18 December 2025

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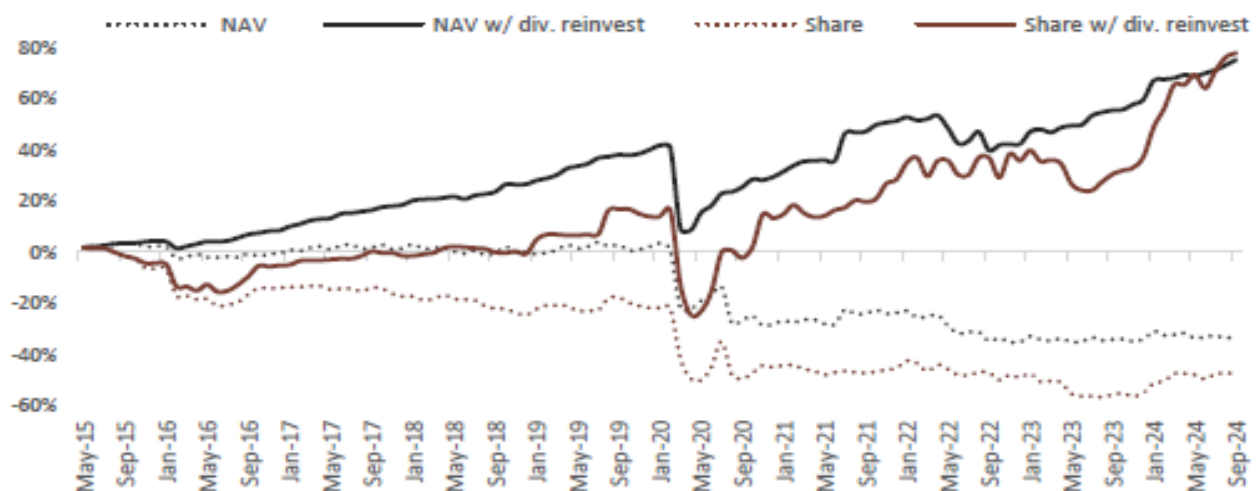
Portfolio Manager's Report

Performance

During the Year, Chenavari Toro Income Fund Limited (the "Company") recorded a NAV total return of 12.49%⁷ (year to 30 September 2024: 12.76%), including dividends paid per share of 6.88 cents.

The month-on-month NAV performance since inception, based on the NAVs with dividends reinvested was as follows:

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	3.86%	(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	9.30%	1.41%	0.88%	1.21%	0.56%	0.30%	1.49%	0.28%	0.49%	0.51%	0.98%	0.33%	0.48%
2018	6.76%	1.37%	0.41%	0.09%	0.39%	0.40%	(0.81%)	1.14%	0.47%	0.76%	2.31%	(0.04%)	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	(7.6%)	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%	(0.20%)	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	9.73%	4.64%	0.26%	0.32%	0.32%	0.71%	(0.28)%	0.67%	1.10%	1.21%	2.68%	2.19%	(0.02%)
2025	8.21%	3.57%	3.54%	0.90%	(1.60%)	2.17%	0.92%	0.45%	(0.57%)	(2.57%)			



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 distribution)	13.97
30 September 2021 (4 dividends)	7.18
30 September 2022 (4 dividends)	6.97
30 September 2023 (4 dividends)	6.39
30 September 2024 (4 dividends)	6.58
30 September 2025 (4 dividends)	6.89

During the Year, the Company repurchased Nil Shares via Share Repurchases and at 30 September 2025 the Company had 361,450,000 Shares in issue with 46,776,814 held in treasury.

⁷ Bloomberg NAV Price total return (with dividends re invested daily at Ex-date).

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 tranches of CLOs and 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 30 September 2025, the gearing of the Company was approximately 124.81 %⁸ (exposure/assets under management) (2024: approximately 115.64%).

Overview

The Company's NAV per Share for the twelve-month financial period (from 1 October 2024 to 30 September 2025), increased by 12.49%, including dividends paid per share of €6.88 cents.

The financial period began amid intensified political focus with the U.S. presidential election in November 2024, which resulted in a victory for the Republican Party led by Donald Trump and set the tone for a new policy era, characterised by renewed protectionism and assertive trade diplomacy.

Following the inauguration in early 2025, the administration unveiled its "Liberation Day" policy agenda, prioritising domestic industrial revival through sweeping tariff measures, a renewed emphasis on industrial policy, and the reshoring of strategic supply chains. A 10% blanket levy on imports, combined with targeted surcharges on key trading partners, reignited global trade tensions and triggered retaliatory measures from several major economies.

As a consequence, the economic rivalry between the United States and China further intensified. Washington tightened export controls on advanced semiconductors, chip-making equipment and AI-related technologies, introduced stricter reviews and new restrictions on U.S. investment in Chinese high-tech sectors, and widened sanctions on selected Chinese firms. In response, Beijing imposed new restrictions on rare-earth exports and other critical industrial materials.

Inflation in the United States remained elevated and above the Federal Reserve's target throughout the period. Headline CPI peaked at 3.0% in January 2025 before trending lower to a trough of 2.3% in April, as energy prices softened and base effects turned favourable. However, inflation subsequently re-accelerated, ending the financial year at 3.0%, likely reflecting the pass-through impact of the administration's broad tariff measures and the uncertainty stemming from the escalating trade dispute with China. Labour-market conditions weakened noticeably toward the end of the period, as hiring slowed and job openings declined, developments amplified by the temporary U.S. government shutdown, which disrupted federal employment and dampened business confidence, further weighing on short-term economic activity.

The Federal Reserve maintained a cautious stance for most of the period. Following two 25-basis-point rate cuts in late 2024, policy remained on hold for nine months as the Federal Reserve weighed elevated inflation against early indications of slowing economic momentum. In September 2025, the Federal Reserve reduced the target range by a further 25 basis points to 4.25% signalling a measured shift toward easing in response to deteriorating labour-market conditions and rising downside risks to growth.

In Europe, the macroeconomic backdrop over the period was characterised by subdued but positive growth, gradually normalising inflation, and an increasingly supportive mix of monetary and fiscal policy. External demand weakened further amid rising trade frictions with the United States, prompting the European Commission to trim its growth forecasts and highlight exports and business investment as key pressure points. Inflation, by contrast, moved closer to target, with the Euro area HICP estimated around 2.1-2.2% through the end of the financial period, broadly consistent with the ECB's forecast of average inflation of 2.0-2.1% for 2025.

Fiscal policy helped offset the external drag, with defence and infrastructure spending emerging as important domestic growth drivers. The European Commission launched the ReArm Europe/Readiness 2030 plan in early 2025, aiming to mobilise up to €800bn in additional defence spending. European Commission President von der Leyen proposed €150bn in EU-level loans to finance defence investment, structured so that the associated outlays would be excluded from the strictest fiscal constraints. This would allow member states to channel up to a further €650bn from national budgets over four years without breaching spending limits. In aggregate, the €800bn package is intended to lift defence spending from 1.9% to around 3% of GDP.

⁸ 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 parallel, Germany's Chancellor-elect Merz has pushed through a landmark reform of the constitutional fiscal rule, the "debt brake". Under the revised framework, defence spending above 1% of GDP is excluded from borrowing constraints. The amendment also creates a €500bn off-budget fund to finance additional infrastructure investment, of which €100bn is specifically allocated to climate-related projects.

Against this macroeconomic backdrop, the European Central Bank shifted decisively into an easing phase. Having delivered two initial rate cuts of 25 basis points in June and 60 basis points in September 2024 on the main refinancing operations rate, the ECB then followed up with a further six 25 basis point cuts. By early summer, this had brought the deposit facility rate and the main refinancing operations rate down to 2.0% and 2.15%, respectively, a cumulative reduction of around 2 percentage points since mid-2024.

In the United Kingdom, the policy mix remained constrained. The Bank of England held Bank Rate at 4.0% through the latter part of the period, following earlier reductions from a higher recent peak (5%), as inflation stayed above target, with UK CPI rising from 1.7% in September 2024 to 3.8% in September 2025. On the fiscal side, Chancellor Reeves maintained a firm commitment to medium-term fiscal rules, limiting room for broad stimulus, even as defence was designated a key priority: on NATO's definition, UK defence spending is estimated at around 2.4% of GDP in 2025, with commitments to lift this to 2.5% by 2027.

Despite ongoing macroeconomic headwinds, global equities moved higher over the period, though performance remained highly concentrated among a handful of U.S. mega-cap technology names. The S&P 500 delivered +17.6% over the period, driven largely by the Magnificent 7 (+38.5%). The artificial-intelligence theme remained a key market driver, led by NVIDIA, which gained 53.7% amid accelerating investment in AI and data-centre infrastructure. European equities also moved higher, albeit at a more measured pace, with the Euro Stoxx 50 up 13.3% over the financial year.

Precious metals delivered notable gains over the financial period, with gold and silver spot prices rising +46.5% and +49.7%, respectively. Gold benefited from a combination of risk-off sentiment, a softer U.S. dollar and historically elevated real yields that remained sensitive to shifting interest-rate expectations, reinforcing its role as a defensive hedge amid heightened geopolitical and macro uncertainty. Silver also performed well, supported by its dual role as both a precious metal attracting safe-haven demand and an industrial metal with steady demand across electronics and other manufacturing applications.

Credit markets delivered a solid performance over the period, supported by broad-based spread tightening and constructive demand across both investment-grade and high-yield segments. The iTraxx Crossover Index (ITRXTX5I Index) gained 8.1%, reflecting improved risk sentiment, while the iTraxx Main Index (ITRXTE5I Index) returned 3.5% as credit conditions remained orderly. In cash markets, EUR High Yield (IBOXXMJA Index) recorded a gain of 6.1%, and EUR Financials AT1 (IBXXC2D1 Index) delivered a notably stronger 10.1%, supported by stable bank fundamentals and favourable technicals. Within securitised markets, performance remained robust on a risk-adjusted basis: Investment-Grade European CLOs (JPM CLOIE IG) returned 4.5%, while High-Yield European CLOs (JPM CLOIE HG) gained 12.0%, highlighting the asset class's structural resilience despite isolated issuer-level stresses in the leveraged-loan market.

Despite this broadly constructive backdrop, signs of credit deterioration emerged toward the end of the financial period. A number of issuers experienced stress, some due to idiosyncratic events and others tied to broader sector- or country-level pressures that suggest pockets of systemic vulnerability. Three issuers, Colisée, First Brands, and Klöckner, moved into default during the quarter. The most notable case was First Brands, a widely held name across EUR and US CLOs, where allegations of fraud triggered a swift and disorderly collapse in loan prices. The loans had traded steadily through 2025, around 95% of par, before dropping sharply in mid-September and subsequently trading in the 25-35% range.

Sector-level weakness also became more apparent, particularly within the European chemicals industry. Europe's structurally higher energy input costs have eroded competitiveness, allowing cheaper imports, especially from China, to gain market share, pressuring domestic producers. This has led to softer demand conditions and mounting credit stress across the sector.

The portfolio manager continued to optimise allocations within the portfolio during the financial period. Exposure to the Public ABS/CLO strategy was reduced to 44.9% of NAV as at 30 September 2025 (from 51.8% a year earlier), while the ABS/CLO Risk Retention strategy was increased to 45.4%, up from 41.4%. Exposures to the Non-Core strategies also declined, with Spanish Real Estate ("SpRED") moving from 6.7% to 4.3%. In addition, cash holdings represented 5.4% of NAV at the end of the financial year.

Portfolio Manager's Report (continued)

Overview (continued)

In terms of performance, the Company's NAV per Share increased by 12.49% for the full year (with dividends reinvested). During the year, the Company continued to deliver on its dividend policy of 2.5% of NAV per quarter, leading to an annual dividend return of 10.46% on the 30 September 2024 NAV per Share.

The gross performance for the year can be broken down per strategy as follows: ABS / CLO Risk retention strategy contributed +12.13%, while Public ABS / CLOs contributed +4.41% and the performance of the Non-core strategies, such as the Spanish Real Estate ("SpRED") contributed +0.09% to the Fund performance, during the financial year.

Within the Public ABS / CLO strategy, the portfolio manager navigated a far more volatile environment than in the previous year, especially during the first half of 2025, when "Liberation Day" triggered a sharp repricing across credit markets. In response, the Portfolio Manager implemented credit-index and option hedges, including iTraxx Crossover, to moderate spread volatility and guard against tail-risk. Notably, despite the geopolitical backdrop and a weakening credit outlook, CLO issuance remained strong throughout 2025 and was above 2024 year-to-date levels as at 30 September 2025. Spreads across the capital structure ended the financial year flat to modestly wider, with greater dispersion across managers and vintages, creating selective trading opportunities.

Within the ABS / CLO Risk Retention strategy, underlying transactions continued to generate resilient cash flows over the period, despite the more challenging credit backdrop and periods of heightened loan-level volatility.

The manager continued to pro-actively manage our CLO equity exposure, reducing exposure to credits with deteriorating fundamentals and removing positions vulnerable to restructuring. Most transactions retain solid over collateralisation "OC" cushions, providing a meaningful buffer against further credit deterioration.

Additionally, the portfolio manager was very active during the financial year in the vertical risk retention financing strategy, having executed 22 transactions and providing €405 million in financing for a securitized notional of €8.8 billion as of September 2025.

Outlook

The period begins with a more cautious stance on credit, as underlying fundamentals continue to soften. While overall market conditions remain relatively contained for now, underlying vulnerabilities are becoming increasingly visible. Default rates in leveraged loans have continued to rise and are now consistent with a late-cycle environment, with weaker issuers increasingly strained by higher financing costs, slowing revenue growth and margin compression. Credit pressures are spreading gradually, with weakness emerging in a wider set of sectors, although not yet in a systemic manner. Dispersion is expected to stay elevated, and idiosyncratic downside will continue to shape performance.

Within our CLO risk-retention portfolios, we have already repositioned defensively in response to these trends. We exited names where we identified a clear restructuring or default risk, particularly where our estimated recoveries sat below prevailing market prices. We have also raised our simple and base default-rate assumptions, reflecting a more conservative assessment of borrower fundamentals. Even with these more stringent assumptions, most of our transactions still exhibit adequate over-collateralisation headroom, providing a buffer for potential further downgrades or loan impairments. That said, we expect cashflow volatility to increase as underlying loan performance weakens.

Looking forward, we think the CLO market will continue to trade on fundamentals, with performance increasingly driven by the quality of underlying credit selection rather than broad market beta. Credit performance in both the US and Europe has softened, and recent high-profile failures have reinforced concerns around underwriting standards in parts of the market. Liquidity remains good for now, but the ability to rotate out of weaker names without paying a premium for stronger credits is becoming more constrained. In our view, this environment calls for a deliberately defensive posture, favouring seasoned managers, diversified pools, stronger documentation, and issuers with clear pricing power and resilient cashflows.

Despite these headwinds, CLO technicals remain supportive. Issuance has continued at a healthy pace, reflecting both robust investor demand and the attractive relative value offered by CLO tranches compared with comparable corporate credit. BB tranches, for example, continue to price meaningfully wide to similarly rated bonds, offering compelling compensation for the risks taken. We therefore remain constructive but selective, recognising the asset class's structural resilience while positioning cautiously for a more challenging phase in the credit cycle.

Board of Directors

Directors

The Directors are responsible for the determination of the Company's investment objective and investment policy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Portfolio Manager. All of the Directors are non-executive and, except for Roberto Silvotti (as described below), are independent of the Portfolio Manager.

The Directors meet at least quarterly.

The Directors of the Company who were in office during the year and up to the date of signing the Annual Report and Audit Financial Statements are listed below:

Frederic Hervouet, Non-executive Chair (appointed 20 April 2015)

Fred Hervouet has more than 20 years of experience in Hedge Funds and Capital Markets roles.

Until the end of 2013, Fred was Managing Director and Head of Commodity Derivatives Asia for BNP Paribas including Trading, Structuring and Sales. Prior to BNP Paribas he also worked for two multi-billion, multi- strategy hedge funds. In the last 20 years, Fred has worked in different aspects of the Financial Markets and Asset Management Industry. His experience includes Derivatives Markets, Structured Finance, Structured Products and Hedge Funds, Trading and Risk Management. Fred has worked in Singapore, Switzerland, United Kingdom and France. Most recently, Fred was a member of BNP Paribas Commodity Group Executive Committee and BNP Paribas Credit Executive Committees on Structured Finance projects (structured debt and Trade Finance).

Fred now acts as a full time dedicated Non-Executive Director on both Listed and non-Listed Companies.

Fred graduated from the University of Paris Dauphine, France achieving a Masters (DESS 203) in Financial Markets, Commodity Markets and Risk Management and an MSc in Applied Mathematics and International Finance. He is a member of the UK Association of Investment Companies.

Fred has dual nationality with both British and French citizenship.

Roberto Silvotti, Non-independent, Non-executive Director (appointed 20 April 2015)

Roberto Silvotti has over 30 years' experience in both academic and senior credit market positions and was formerly the Chief Risk Officer of the Chenavari Financial Group. He started his career as Professor of Mathematics in institutions such as Columbia University (New York), The Institute for Advanced Study (Princeton, New Jersey) and Scuola Normale Superiore (Pisa, Italy). Mr. Silvotti then moved to the capital markets industry. Over the past 20 years, he has held senior positions in various investment banks, including risk manager at Goldman Sachs, head of credit derivatives risk management for Banca Intesa, global head of structured credit trading at Calyon, global head of derivatives structuring and new product development at Dresdner Kleinwort. Prior to his role as Chief Risk Officer of the Chenavari Financial Group he was co-head of structured credit and head of index strategy at Royal Bank of Scotland. Mr Silvotti is a Director of Chenavari Multi-Strategy Credit Fund SPC and Chenavari Investment Managers (Luxembourg) Sàrl and, as such, is not considered independent of the Portfolio Manager.

Colleen McHugh, Non-executive Director (with effect from 21 May 2025)

Colleen is a Chartered Wealth Manager, with over 25 years of international experience in investment management and banking. Colleen has held senior positions at HSBC, Barclays Wealth and Investment Management and has led the wealth management division of Butterfield Bank Guernsey. Colleen was more recently Managing Director of 1818 Venture Capital, and interim Chief Investment Officer of Wealthify. Colleen also has current non-executive director experience of London listed FTSE 250 companies.

John Whittle, Non-executive Director (appointed 20 April 2015 and retired 30 June 2025)

John Whittle has significant experience of the loan market and is a non-executive director of Starwood European Real Estate Finance Ltd. (as chairman), Sancus Lending Group Ltd (as audit committee chair) and The Renewables Infrastructure Group Ltd. (as audit committee chair). Mr. Whittle worked as a chartered accountant at PriceWaterhouseCoopers. He is a Chartered Accountant and holds the IoD Diploma in Company Direction. Prior to acting as a non-executive director, Mr. Whittle was finance director at Close Fund Services, a large independent fund administrator. He has also held senior positions at John Lewis, Vodafone and as CFO of Windsmoor (London LSE).

Chenavari Toro Income Fund Limited

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Disclosure of Directorships in Public Companies Listed on Recognised Stock Exchanges

The following summarises the Directors' directorships in other public companies:

Company Name	Stock Exchange
Frederic Hervouet	
Crystal Amber Fund Limited	AIM (LSE)
Roberto Silvotti	
None held	N/A
Colleen McHugh	
Ruffer Investment Company Limited	LSE
Real Estate Credit Investments Limited	LSE

Report of the Directors

The Directors are pleased to present their Annual Report and Audited Financial Statements for the Year. In the opinion of the Directors, the Annual Report and Audited Financial Statements provide the information necessary for Shareholders to assess the Company's performance.

Incorporation

The Company is a closed-ended limited liability company registered in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) with registered number 59940.

Results

The results for the year to 30 September 2025 are set out in the Statement of Comprehensive Income on page 52. The net profit for the Year was €25.1 million (2024: profit of €24.3 million).

Dividends

Dividends of 6.89 cents per Share were declared in respect of the Year. Dividend payments in the Year were 6.88 cents per Share inclusive of 1.65 cents per Share relating to the previous financial year. For further detail please see note 18.

The payment of any dividend by the Company is subject to the satisfaction of a solvency test as required by the Companies (Guernsey) Law, 2008 (as amended). The directors are satisfied that this solvency test was passed.

Share capital and discount control

Details of the rights attaching to the Shares are set out in note 16 of the Financial Statements. As at 30 September 2025, the Company's issued share capital amounted to 361.5 million shares with 314.7 million Shares outstanding (inclusive of 2.6 million shares which have been transferred from the held treasury shares to the investment manager for the partial settlement of the Year End performance fee) and 46.8 million shares held in treasury.

The Company may, subject to compliance with the Companies (Guernsey) Law, 2008 (the "Law"), purchase its own Shares in the market on an ad hoc basis with a view to addressing any imbalance between the supply of, and demand for, the Shares, to increase the NAV per Share and to assist in minimising any discount to the NAV per Share in relation to the price at which Shares may be trading.

As set out in the Prospectus, the Directors will give consideration to using surplus cash to purchase Shares under this authority but are not bound to do so. Surplus cash for these purposes will comprise undistributed coupons and the proceeds of normal portfolio realisations. The Board will continue to apply the buyback policy published in the Prospectus (and set out above) but may, at its sole discretion and without limit, make additional purchases of Shares beyond those required by the policy.

Investors should note that the purchase of Shares by the Company is entirely discretionary, and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. Investors should also note that any purchase or redemption of Shares will be subject to the ability of the Company to fund the purchase price or redemption amount. Purchases of Shares may be made only in accordance with the Law, the Disclosure Guidance and Transparency Rules. The Company is not required to comply with the provisions of Chapter 12 of the UK Listing Rules regarding market repurchases by the Company of its shares. Nonetheless, by adopting the policy above, the Company will voluntarily be complying with the provisions of UK Listing Rule 12.4.1 and 12.4.2.

The current authority to purchase shares for cancellation or holding in treasury expires on the date of the next Annual General Meeting ("AGM") which will be held in Guernsey on 6 March 2026. The Directors intend to seek annual renewal of this buyback authority from Shareholders each year at the Company's AGM. If the Company purchases any of its Shares, the maximum price (exclusive of expenses) which may be paid for a Share must not be more than the higher of (i) 5% above the average of the mid-market values of a Share for the five Business Days before the purchase is made, or (ii) the higher of the price of the last independent trade and the highest current independent bid for the Shares. In addition, Shares will be purchased through the market only at prices below the last published NAV per Share, which should have the effect of increasing the NAV per Share for the remaining Shareholders. Any such purchase will be carried out in accordance with the Companies Law, which provides inter alia, that any buy-back is subject to the Company passing the solvency test contained in the Companies Law at the relevant time. The minimum price payable per Share is £0.01. During the Year, the Company repurchased Nil Shares via Share Repurchases.

The Law allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This gives the Company the ability to re-issue Shares quickly and cost effectively, thereby potentially improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Shares will be sold from treasury for cash at a price less than the NAV per Share at the time of their sale without Shareholder approval. During the period when the Company holds Shares as treasury shares, the rights and obligations in respect of those Shares may not be exercised or enforced by or against the Company.

Report of the Directors (continued)**Share capital and discount control (continued)**

In order to reduce the discount between the Company's share price and the net asset value per share, the board has previously implemented additional measures including enhanced dividend policies, cash caps with special quarterly distributions and rebalancing the portfolio towards tradable securities. The discount is currently 1.54% at 30 September 2025 (19.53% 30 September 2024) and will continue to be monitored closely.

Shareholder information

The NAV will be calculated as of the last business day of each month (or at any other times at the Board's discretion) by the Sub-Administrator. The NAV and the NAV per Share will be published in Euros by an RIS announcement and on the website of the Company at <http://www.chenavaritoroincomefund.com/>.

Portfolio Manager

The Board keeps the performance of the Portfolio Manager under regular review, and the management engagement committee, comprising all Directors, conducts an annual appraisal of the Portfolio Manager's performance, and makes a recommendation to the Board about the continuing appointment of the Portfolio Manager. The Portfolio Manager has executed the investment strategy according to the Board's expectations and it is the opinion of the Directors that the continuing appointment of Chenavari Credit Partners LLP is in the interests of shareholders as a whole.

The portfolio management fee payable to the Portfolio Manager is paid monthly in arrears at a rate of 1% per annum of NAV, which is based upon the month end NAV and calculated as of the last business day of each month.

The Portfolio Manager shall be entitled to receive from the Company a performance fee in respect of each Class of Shares as detailed in note 4 of the financial statements. Performance fees of €4,432,044 (30 September 2024: €4,284,934) were charged in the Year. As at 30 September 2025, €2,659,226 was payable to the Portfolio Manager in respect of performance fees and €1,772,818, or 40 % paid to the Portfolio Manager in the form of 2,644,812 shares. (2024: €2,570,960 payable and €1,713,974, or 40%, paid to the Portfolio Manager in the form of 2,602,450 shares).

Non-mainstream pooled investments

On 1 January 2014, FCA rules concerning the promotion of non-mainstream pooled investments came into effect. The Board conducts and intends to continue to conduct its affairs so that the Company's shares will be "excluded securities" under the FCA's new rules. This is on the basis that the Company, which is resident outside the EEA, would qualify for approval as an investment trust by the Commissioners for HM Revenue and Customs if resident and listed in the United Kingdom. Promotion of the Company's shares will not be subject to the FCA's restriction on promotion of non-mainstream pooled investments.

Report on viability

The Directors have assessed the viability of the Company over the three years to 30 September 2028. The Board have chosen this timeframe as it reflects a reasonable investment horizon with regards to risks and uncertainty and the Board have reviewed a cash flow forecast prepared by the Portfolio Manager consistent with this time horizon. In making this assessment, the Directors have considered detailed information provided at Board meetings taking account of the Company's Statement of Financial Position, gearing level, share price discount, asset allocation, operating expenses, investment strategy, the potential impact of the relevant principal risks detailed in the Statement of Principal Risks and Uncertainties on pages 29 to 33 and the expected future cash flows based on the current portfolio. The base case of no significant change in the global financial and or credit markets over the three-year period has been flexed by consideration of different stress scenarios. The Board considers that the viability review and stress scenarios cover topical and emerging issues including rising interest rates, significant market shocks and climate change risks as their impact on the Company will be manifested via factors already identified, e.g. market, credit, and liquidity risk.

Further, as an investment fund, the Company outsources all services. The cost base is mainly driven by the various service providers (investment manager, board of directors, administrator etc) and the key variable cost (performance fees) can only arise in a situation where net profits increase. The current market volatility can be expressed in factors that relate to liquidity and factors that relate directly to credit performance of the underlying assets. This risk in our portfolio is partially mitigated through our exposure to a range of different credit profiles and rating categories within the underlying tranches as we hold risk across the capital structure from AAA through to equity.

Report of the Directors (continued)

Report on viability (continued)

In making this assessment, the Directors had regard for the expected yield from the portfolio and the significant margin over the low-cost base of the Company and it is the Board's opinion that the Company would continue to hold sufficient cash to meet its expenses given the inherent liquidity of much of the portfolio. Based on the above, the Board confirms it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of this assessment. The Directors have carried out a robust assessment of the emerging and principal risks facing the Company and will continue to monitor these closely. Further detail can be found on the Statement of Principal Risks and Uncertainties on pages 29 to 33.

Going concern

Going concern refers to the conclusion that the Company has the resources to continue in operation for at least 12 months from approval of the annual report. Based on the following assessments, the Directors are of the opinion that the Company is able to meet its liabilities as they fall due for payment because it has and is expected to maintain, adequate cash resources and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

1. Portfolio composition and investment outlook – The principal exposure of the Company is to European leveraged loans via the Originator and public ABS/CLOs. There is also exposure to Spanish real estate. The period began with a more cautious stance on credit, as underlying fundamentals continue to soften. While overall market conditions remain relatively contained for now, underlying vulnerabilities are becoming increasingly visible. Default rates in leveraged loans have continued to rise and are now consistent with a late-cycle environment, with weaker issuers increasingly strained by higher financing costs, slowing revenue growth and margin compression. Credit pressures are spreading gradually, with weakness emerging in a wider set of sectors, although not yet in a systemic manner. Dispersion is expected to stay elevated, and idiosyncratic downside will continue to shape performance

2. Closed-ended Company - The Company is registered with the Guernsey Financial Services Commission 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 Board have considered the discount to the NAV and the Company's ability to continue paying dividends and are confident in the Company's future position with regard both these points.

3. Working capital and cash management - As at 30 September 2025, there was working capital of approximately €4.5 million. The Directors noted that as at 30 September 2025 the total income net of financing costs for the Year was approximately € 32.9 million and operational expenses amounted to €7.8 million. As such 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 sale and repurchase ("Repo") financing instruments and can use these to facilitate cash management. The use of repurchase financing does not compromise the Company's liquidity because repo agreements are secured against specific underlying assets. The majority of the portfolio is unencumbered and, if needed, could be sold without constraint to meet liquidity requirements.

4. Investments - The Company has a tradable portfolio; therefore, some investments can be sold for cash in most market conditions. At 30 September 2025 the market value of level 1 and 2 securities was €98.8 million, and the Company had cash balances of €13.5 million. Part of the portfolio (including the assets of the originator) is less liquid, consisting of level 3 assets. 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. This risk is partially mitigated by the closed-ended nature of the Company. The retention financing service that the Company provides does not impact the Company's liquidity in general. The assets it finances have a liquidity position that is similar to the normal ABS investments that the Company would normally purchase in its investment strategy, and most of these assets are sold on. There is no requirement for the Company to re-buy these assets as the retention financing agreement maturity coincides with the final maturity (or the earliest call date) of the underlying asset. The Company has the ability to request from the originator the cash settlement payment of any shortfall of principal at the maturity date.

Chenavari Toro Income Fund Limited

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Report of the Directors (continued)

AIFMD

Under UK Law the Company is considered to be an Alternative Investment Fund (“AIF”) under the AIFMD and has appointed Carne Global AIFM Solutions (C.I.) Limited as the Company’s external alternative investment fund manager (“AIFM”).

The Company currently intends to operate as an externally managed non-EEA domiciled AIF with a non-EEA AIFM for the purposes of the AIFM Directive and as such neither it nor the AIFM will be required to seek authorisation under the AIFM Directive. However, following national transposition of the AIFM Directive in a given EU member state, the marketing of shares in non-EEA AIFs with a non-EEA AIFM (such as the AIFM) to investors in that EU member state is prohibited unless certain conditions are met. The AIFM filed a notification on 9 April 2015 with the FCA pursuant to Article 42 of the AIFM Directive to market the Shares in the UK under the UK national private placement regime.

The Foreign Account Tax Compliance Act (“FATCA”) and the Common Reporting Standards (“CRS”)

FATCA was introduced by the US in 2010 to identify and report on US citizens, corporates and trusts who held financial assets – whether US source or not – with financial institutions in other jurisdictions. The intention was to reduce tax evasion by ensuring such assets and the related income were being declared on US tax returns. CRS is a global tax information sharing initiative promoted by the O.E.C.D., similar to FATCA, which came into force on 1 January 2016. The requirements of CRS are closely aligned to requirements under a FATCA Model 1 Intergovernmental agreement where certain disclosure requirements may be imposed in respect of certain investors in the Company.

The Company’s Registrar completed the FATCA and CRS reporting requirements for the year ended 31 December 2024 by 31 May 2025 ahead of deadlines.

The Directors are committed to zero tolerance towards the criminal facilitation of tax evasion.

Further developments will continue to be monitored by the Company’s specialist service providers to ensure that the Company remains compliant with each of FATCA and CRS.

Significant shareholdings

The Company has received the following notifications of major interests in Shares:

Name	Number of shares	Percentage of share capital as at 30 September 2025
Vidacos Nominees Limited*	122,717,702	33.95%
Chase Nominees Limited	56,224,264	15.56%
Chenavari Toro Income Fund Limited*	46,776,814	12.94%
Euroclear Nominees Limited	25,825,063	7.14%
HSBC Global Custody Nominee (Uk)	19,137,178	5.29%

*Inclusive of 2,644,812 shares which have been transferred from the held treasury shares (shown as Chenavari Toro Income Fund Limited) to the investment manager (held within Vidacos Nominees Limited) for the partial settlement of the Year End performance fee.

The concert party

As a Guernsey company which has its shares admitted to trading on the Specialist Fund Segment of the London Stock Exchange, the Company is subject to The City Code on Takeovers and Mergers (the “Code”). Under Rule 9 of the Code, any person who acquires an interest (as defined in the Code) in shares which, taken together with shares in which he is already interested and shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

When members of a concert party hold more than 50 per cent. of the voting rights in a company, no obligations normally arise from acquisitions by any member of the concert party. They may accordingly increase their aggregate interests in shares without incurring any obligation under Rule 9 to make a general offer, although individual members of a concert party will not be able to increase their percentage interests in shares through or between a Rule 9 threshold without Panel consent.

Rule 37 of the Takeover Code further provides that when a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9.

Chenavari Toro Income Fund Limited

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Report of the Directors (continued)

The concert party (continued)

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Shares representing more than 50% of the voting rights of the Company are held by a concert party comprising Chenavari Credit Partners LLP (acting as discretionary portfolio manager for Chenavari European Opportunistic Credit Fund Limited, Chenavari CORE Opportunities Segregated Portfolio and Chenavari Fixed Income Credit Opportunities Fund Limited), other group companies in the Chenavari Financial Group, and certain other individuals connected with, or employed by, the Chenavari Financial Group (including Roberto Silvotti, a Director of the Company) (the “Concert Party”).

As of 30 September 2025, the concert party held 59.38% of the Company’s total voting rights. As the Concert Party’s aggregate shareholding is greater than 50 per cent. of the Company’s total voting rights, no obligations would normally arise from acquisitions by any member of the Concert Party. They may accordingly increase their aggregate interests in Shares without incurring any obligation under Rule 9 to make a general offer, although individual members of the Concert Party will not be able to increase their percentage interests in Shares through or between a Rule 9 threshold without Panel consent. For further information see note 4.

The concert party includes for following major interests in Shares:

Name	Number of shares	Percentage of share capital as at 30 September 2025
Fred Scamaroni Trust*	68,931,175	21.91%
Chenavari Fixed Income Credit Opportunities Fund Limited**	54,806,605	17.42%
A2MF SaRL*	31,957,702	10.16%
A2MF Holdings	7,059,422	2.24%

*These investors are included within the Vidacos Nominees Limited significant shareholding total on the prior page.

** This investor is included within the Chase Nominees Limited significant shareholding total on the prior page.

Directors

The Directors of the Company during the Year and at the date of this Report are set out on page 14.

Directors’ and other interests

The Directors’ holdings and interests in the Company are listed in note 4 on page 69.

Mr Silvotti, by virtue of his directorships of entities within the Portfolio Manager’s group, previous roles with the Portfolio Manager and other funds managed within the Chenavari Group is not considered independent of the Portfolio Manager and therefore stands for re-election each year.

Retirement by rotation

Under the terms of their appointment, each Director is required to retire by rotation and be subject to re-election at least every three years. The Directors are required to seek re-election if they have already served for more than nine years. The Company may terminate the appointment of a Director immediately on serving written notice and no compensation is payable upon termination of office as a Director of the Company becoming effective.

Disclosure of information to the Auditor

The Directors who held office at the date of approval of these Financial Statements confirm that, so far as they are each aware, there is no relevant audit information of which the Company’s auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

Independent Auditor

Deloitte LLP (“Deloitte”) was re-appointed as the Company’s Auditor for the 2025 audit following the AGM on 14 March 2025.

A resolution for the re-appointment of Deloitte will be proposed at the next AGM.

Signed on behalf of the Board of Directors by:

Roberto Silvotti,
Non-executive Director
18 December 2025

Colleen McHugh,
Non-executive Director
18 December 2025

Corporate Governance Report

This Corporate Governance Report forms part of the Report of the Directors as further disclosed on pages 16 to 20. The Board operates under a framework for corporate governance which is appropriate for an investment company.

The Company is admitted to trading on the Specialist Fund Segment (“SFS”) of the London Stock Exchange and as such, the UK Listing Rules applicable to closed-ended investment companies which are listed on the premium listing segment of the Official List of the UKLA do not apply to the Company, however as a matter of good corporate governance, the Company shall voluntarily comply with the provisions of the UK Listing Rules applicable to closed-ended investment companies.

The Company became a member of the Association of Investment Companies (“AIC”) with effect from 1 October 2018 and has therefore put in place arrangements to comply with the AIC Code and, in accordance with the AIC Code, complies with the UK Code. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code (July 2018) as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The AIC Code was updated in August 2024, with the updates applying to accounting periods beginning on or after 1 January 2025. This is with the exception of Provision 34 which will apply to accounting periods beginning on or after 1 January 2026. The AIC Code includes an explanation of how it adapts the principles and provisions set out in the UK Corporate Governance Code to make them relevant for investment companies. The AIC Code and the AIC Guide are available on the AIC’s website, www.theaic.co.uk. The UK Code is available on the Financial Reporting Council’s website, www.frc.org.uk.

The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies such as the Company. The Board considers that reporting against the principles and recommendations of the AIC Code, which have been endorsed by the Financial Reporting Council (“FRC”) and Guernsey Financial Services Commission (“GFSC”) and by reference to the AIC Guide, provides better information to Shareholders.

The Board has considered the principles and recommendations of the AIC Code which is available on the AIC’s website, Theaic.co.uk. During the year ended 30 September 2025, the Company has complied with all of the provisions of the AIC Code except as set out below:

Provision A.2.1 of the UK Code requires a chief executive to be appointed; as an investment company, however, the Company has no employees and therefore has no requirement for a chief executive. Due to the size and as all the Directors, including the Chair, are non-executive, the Company has not established a remuneration committee which is not in accordance with provisions B.2.1 and D.2.1 of the UK Code, and Principle 7 of the AIC Code respectively, nor has it established a Senior Independent Director in consideration of the size of the Board and the Company. The Company has not established a nomination committee which is not in accordance with Principle 7 of the AIC Code. The Board considers the process for board appointments to be the Board’s responsibility, in accordance with the principles set out in the UK Code of Corporate Governance.

The Company has no employees or internal operations and has therefore not reported further in respect of these provisions. The need for an internal audit function is discussed in the Audit and Risk Committee Report.

The members of the Audit Committee have been selected for their experience and expertise in relation to the risks, financial reporting and internal controls relating to the Company. The members bring specific experience in relation to the investment sector and externally managed structures which have been found to be invaluable to each Committee in identifying risks and assessing the mitigating controls which have been established. The Board is satisfied that any relevant issues that arise can be properly considered by the Board. The objective of the AIC Code to separate the roles of the Chair, who manages and provides leadership to the Board, and the running of the Company, is achieved due to the Chair being independent from the Manager and any third-party provider.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers that the above provisions are not currently relevant to the position of the Company, being an externally managed investment company, which delegates most day-to-day functions to third parties.

The GFSC Finance Sector Code of Corporate Governance (the “Guernsey Code”) came into force in Guernsey on 1 January 2012 and was amended in February 2016, June 2021 November 2021, and July 2023. The Company is deemed to satisfy the Guernsey Code provided that it continues to conduct its governance in accordance with the requirements of the AIC Code. The introduction to the Guernsey Code states that “Companies which report against the UK Code or the AIC Code of Corporate Governance are also deemed to meet this Code”. Therefore, AIC members which are Guernsey-domiciled and which report against the AIC Code are not required to report separately against the Guernsey Code. The Guernsey code is available from the GFSC’s website (www.gfsc.gg).

Corporate Governance Report (continued)

Board leadership and Company purpose

In accordance with the Code's Principles A, B, C, D & E, the Board has a majority of wholly independent Non-executive Directors for the year. All of the Directors are non-executive and, except for Roberto Silvotti are independent of the Portfolio Manager. The Board however consider his detailed knowledge of the Company a significant asset and are happy for him to continue as a Non-executive Director. The Board assesses the basis on which the Company generates and preserves value over the long-term. Additionally, the Board considers and addresses the opportunities and risks to the future success of the Company, along with the sustainability of the Company's business model and how its governance contributes to the delivery of its strategy.

This is achieved by considering the following matters:

- The Directors are responsible for the determination of the Company's investment objective and investment policy and have overall responsibility for the Company's activities including review of the investment activity and performance and the control and supervision of the Portfolio Manager within an appropriate risk framework in light of market conditions prevailing from time to time;
- the appointment of the Portfolio Manager, Alternative Investment Fund Manager, Administrator and other appropriately skilled service providers and to monitor their effectiveness through regular reports and meetings; and
- the key elements of the Company's performance including NAV growth and the payment of dividends.

The Board values a membership which reflects diversity in its broadest sense. A combination of demographics, culture, skills, experience, race, age, gender, and professional background, combined with other relevant personal skills is considered important in providing the range of perspectives, thought leadership, debates and judgement necessary to support good decision making. The current Board is composed of three members which combine three different nationalities with very diverse skills, experience, age and professional background. The Board is mindful of gender diversity and has recently appointed Colleen McHugh as a Non-Executive Director on 21 May 2025. The Board appoints all Directors on merit. When the Board considers succession planning and recommends appointments, it takes into account a variety of factors. Knowledge, experience, skills, personal qualities, residency and governance credentials play an important part. The Board aims to have a balance of skills, experience, diversity (including gender) and length of service and knowledge of the industry. Two members of the Board, including the Chair, have now served for more than nine years. The Board considers that there is significant benefit to the Company from the continuity and experience of the current Directors and, accordingly, does not intend to introduce restrictions based on age or tenure. The Board undertakes an evaluation of its performance on an annual basis. The performance and independence of each Director is reviewed as part of a formal process led by the Independent Director and the Management and Engagement Committee.

The Company has no direct employees therefore is not required to monitor culture in this respect, however, the Board recognises its wider responsibility to demonstrate to Shareholders that it is operating responsibly, managing its social and environmental impacts for the benefit of all stakeholders. Additionally, the Board is mindful of culture within each of its service providers and stakeholders and where it is not satisfied that policy, practices or behaviours are aligned with the Company's purpose, values and strategy, the Board will seek assurance that management have taken corrective action.

The Board has overall responsibility for maximising success by directing and supervising the affairs of the business and meeting the appropriate interests of Shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring protection of investors.

Within the Annual Report and Financial Statements, the Directors have set out the Company's investment objective and policy and have reported how the Board and its delegated Committees operate and how the Directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, the Board has sought to provide further information to enable Shareholders to understand the Company's business and financial performance better. The Board also maintain a formal schedule of matters specifically reserved solely for their decision.

The Chair shall also be responsible for the promotion of a culture of openness and debate, for ensuring that the Directors receive accurate, timely and clear information and for ensuring that there is adequate time available for the discussion of agenda items at each Board meeting.

The Board believes that the maintenance of good relations with both institutional and professional Shareholders is important for the long-term prospects of the Company. The Board receives feedback on the views of Shareholders from its corporate broker and Portfolio Manager. Through this process the Board seeks to monitor the views of Shareholders and to ensure an effective communication programme. The Board shall seek to utilise stakeholder communication to inform them of the decisions that the Company and Board takes, whether about the products or services it provides, or about its strategic direction, its long-term health and the society in which it operates. The Board agrees that stakeholder engagement will strengthen the business and promote its long-term success to the benefit of stakeholders and Shareholders alike.

Corporate Governance Report (continued)

Board leadership and Company purpose (continued)

The Chair is open to discussions on governance and strategy with major Shareholders and the other Directors shall also be provided the opportunity to attend these meetings. The Board believes that the Annual General Meeting provides an appropriate forum for investors to communicate with the Board and encourages participation.

The Board regularly reviews the Shareholder profile of the Company. Shareholders may contact the Company directly through Chenavari investor relations (e-mail address TLIR@chenavari.com) or by correspondence sent to the Company Secretary (toro@ocorian.com) or the Corporate Broker.

If a Board recommendation for a resolution receives 20% or more of votes cast against it, the Company will explain, when announcing voting results, any actions it intends to take to consult shareholders in order to understand the reasons behind the result. No later than six months after the shareholder meeting, the Company will publish an update on the views received from shareholders and any actions taken. The Board will then provide a final summary in the Annual Report and Financial Statements and, if applicable, in the explanatory notes to resolutions at the next Shareholder meeting, on the impact the feedback has had on the decisions the Board has taken and any actions or resolutions that are to be proposed. At the AGM none of the resolutions received more than 20% or more votes cast against it.

Where Directors have concerns about the operation of the Board or the management of the Company that cannot be resolved, their concerns are recorded in the Board minutes. On resignation, a Non-executive Director will also provide a written statement to the Chair, for circulation to the board, if they have any such concerns in connection with resignation.

Conflicts of Interest

The Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests ('conflict situations'). A Director must inform the Chair as soon as they become aware of the possibility of a conflict situation. In accordance with Provision 9 of the AIC Code, the appointment of any Director has included consideration of the time they have available to the role. The Board consider the external appointments of any Director prior to being appointed.

Where it is deemed appropriate, the Board may approve conflict situations. In deciding whether to approve a conflict situation, the Board will act in a way it considers, in good faith, to be the most likely to promote the Company's long-term success. The Board can impose limits or conditions when giving approval, if it considers this appropriate.

Directors have a duty to keep the Board updated about any changes to their approved conflict situations. In certain circumstances the conflicted Director may be required to absent themselves from discussions or decisions on the matter on which they are conflicted. No such circumstances arose in the year.

Division of responsibilities

In adherence with the Code's Principles F, G, H & I, the Board comprises three Non-executive Directors, one of whom also acts as Chair of the Company. The Chair is Fred Hervouet, who is considered to be independent for the purposes of UK Listing Rule 11.2.12(1)R and Provision 9 of the Code as he has neither current nor historical employment with the Portfolio Manager nor any current directorships in any other investment funds managed by the Portfolio Manager. UK Listing Rule 11.2.12(2)R requires there to be a majority of independent Directors on the Board as a whole.

The Board considers its current Non-executive Directors to be of sufficient calibre and number for their views to be of sufficient weight and that no individual or small group can dominate the Board's decision-making process. Their qualifications and experience are relevant to their directorships and in their appointments to the Committees where applicable.

The Directors believe that the Board has an appropriate balance of skills, experience and independence to discharge its duties and provide effective strategic leadership and proper governance of the Company. The Board shall ensure that it conducts its business at all times with only the interests of the Shareholders in mind and independently of any other associations.

Independence of Non-executive Directors

The Code states that the Board should identify in the Annual Report each Non-executive Director it considers to be independent and should consider whether there are any relationships or circumstances that are likely to affect a Director's independence. The Board has a majority of wholly independent Non-executive Directors for the year. All of the Directors are non-executive and, except for Roberto Silvotti, are independent of the Portfolio Manager. As part of the annual Board evaluation process the Non-executive Directors will meet without the Chair present to appraise the Chair's performance, and on other occasions as necessary.

Corporate Governance Report (continued)

Chenavari Toro Income Fund Limited

a closed-ended investment company limited by shares incorporated under the laws of Guernsey

Non-executive Directors' shareholdings

The Board has assessed that the holdings of the Directors are not significant and believes such levels of investment should not raise questions regarding their independence. The Board considers that Directors owning shares in the Company directly aligns them with the interests of the Shareholders.

The responsibilities of the Chair, Board and Committees are clear and set out in writing, after they are agreed by the Board. They can be found on the Company's website, <http://www.chenavaritoroincomefund.com>.

When considering any new appointments, the Board takes into account any other demands on Directors' time. Prior to appointment, any significant commitments are disclosed along with an indication of the time involved. Additionally, any external appointments are not undertaken without prior approval of the Board. Any reasons for permitting significant appointments will be explained further in this report as and when the time arises.

All Directors have access to the advice of the Company Secretary, who is responsible for advising the Board on significant governance matters. Both the appointment and removal of the Company Secretary would be a matter for the whole Board.

Composition, succession and evaluation

The Board has not established a Nomination or Remuneration Committee. In view of its non-executive nature, the Board considers that it is not appropriate for there to be a separate remuneration and nominee committee.

As part of the recent recruitment process for a new Non-Executive Director, the Board undertook a comprehensive and rigorous selection exercise in accordance with the Company's Succession Plan and Diversity Policy which involved identifying a strong pool of candidates, from which a shortlist was drawn. Shortlisted candidates were interviewed by members of the Board and the Portfolio Manager before a final decision was taken to appoint Colleen McHugh to the Board.

The Board of Directors make all representations regarding Directors' remuneration. The Board as a whole fulfils the functions of the remuneration committee, and a separate Directors' Remuneration Report is set out on page 39 of these Financial Statements.

Diversity policy

The Board acknowledges the importance of diversity for the effective functioning of the Board which helps create an environment for successful and effective decision-making. The Board currently has two third male and one third female representation. The Company does not currently comply with the ethnic diversity target set out in UKLR 6.6.6 (9)(a) contrary to the FCA's target for listed companies. However, the Board continues to keep this under review in the context of planned Board succession opportunities. In view of the nature, scale and complexity of the Company, the Board believes a formal diversity policy for the Company is not necessary at this time. Diversity of the Board is further considered on at least an annual basis through the Board evaluation process. No changes to the Board have occurred between 30 September 2025 – 18 December 2025.

As at the date of this report, the composition of the Board is as follows (for the purposes of UKLR 6.6.6 (10)):

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)*
Men	2	66.67%	1
Women	1	33.33%	1

*The positions of CEO and CFO are not applicable to the Company as an externally managed investment fund. As noted above, the Company has not established a Senior Independent Director in consideration of the size of the Board and the Company.

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)*
White British or other White (including minority-white groups)	3	100%	2
Mixed/Multiple Ethnic Groups	0	0%	0
Asian/Asian British	0	0%	0
Black/African/Caribbean/Black British	0	0%	0
Other ethnic group, including Arab	0	0%	0
Not specified/ prefer not to say	N/A	N/A	N/A

The above information is based on voluntary self-declaration from the Directors in response to questions on gender identification and ethnicity groups (as outlined by the FCA) directors considered themselves to fall within.

Corporate Governance Report (continued)

Board tenure and re-election

All newly appointed Directors shall stand for election by the Shareholders at the next Annual General Meeting following their appointment. There are provisions in the Company's Articles of Association which require Directors to seek re-election on a periodic basis, however, in accordance with the Code all Directors shall also offer themselves for annual re-election. There is no limit on length of service, nor is there any upper age restriction on Directors. The names of all Directors standing for appointment or reappointment shall be accompanied by sufficient biographical details and the specific reasons why their contribution is, and continues to be, important to the Company's long-term sustainable success in order to enable Shareholders to make an informed decision.

Two members of the Board, including the Chair, have now served for more than nine years. As previously outlined the Board considers that there is significant benefit to the Company from the continuity and experience of the current Directors and, accordingly, does not intend to introduce restrictions based on age or tenure. It does, however, believe that shareholders should be given the opportunity to review membership of the Board on a regular basis.

The Board is satisfied that all the Board members standing for re-election should be re-elected as they have the right skills and experience to continue to manage the Company. The Board maintains its right to appoint further Members if deemed necessary and considers succession on a regular basis.

The Company will continue its annual performance evaluations of the Board, the Committees and the processes utilised by each forum. The aim of the evaluation is to recognise the strengths and address any weaknesses and consider improvements to the management process. The evaluation is designed to ensure that the Board meets its objectives and effectiveness is maximised.

The evaluations focus on the following issues:

- the frequency of meetings and the business transacted;
- the workload of each forum;
- diversity and how effectively members work together to achieve objectives;
- the timing, level of detail and appropriateness of information put before meetings;
- the reporting process from Committees to the Board and delegation process itself;
- the levels of expertise available within the membership of the Committees and the need for, selection of and the use of external consultants; and
- the effectiveness of internal controls following the review and report of the Audit Committee.

The process of performance evaluation is designed to consider all elements of performance including any perceived shortcomings, training or development needs and unforeseen tasks and responsibilities that have arisen during the year.

The Chair shall act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the Board. Each Director shall engage with the process and take appropriate action where development needs have been identified.

The Chair and the Board have agreed to regular externally facilitated Board evaluations being undertaken, which shall occur as necessary under the requirements of the Code.

While no KPIs are set for individual Non-executive Directors, the time, effort and application to the performance of their duties for the Board and Committees is taken into account.

Audit Committee

An Audit Committee has been established and is chaired by Colleen McHugh and also has Frederic Hervouet as a member. In line with the FRC Guidance on Audit and Risk Committees, which recommends that such committees be composed exclusively of independent non-executive directors, the Board has reviewed the independence of its members and as outlined in the Audit Committee Report, the Board has concluded that each member of the Audit Committee continues to meet the criteria for independence. The Audit Committee's primary function is to assist the Board in fulfilling its oversight responsibilities and under the Terms of Reference its main duties include financial reporting, risk management systems, compliance, whistle blowing and fraud. It will review the scope, results, cost effectiveness, independence and objectivity of the external auditor and the effectiveness of the audit process. Further details on the Audit Committee can be found in the Audit Committee Report on pages 35 to 38.

Corporate Governance Report (continued)

Audit Committee (continued)

In adherence with the Code's Principles M & N, the Audit Committee is responsible for ensuring that the accounting policies of the Company are appropriate and being followed, disclosures provided are clear and for reviewing the half-year and annual financial statements before their submission to the Board. In addition, the Audit Committee is specifically charged under its terms of reference to advise the Board on the terms and scope of the appointment of the auditors, including their remuneration, independence and objectivity and reviewing with the auditors the results and effectiveness of the audit. The Committee reviews and provides advice on whether the content of the Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

The Company does not currently have an internal audit function, as the Board believes that it can ensure that the Company's risk management, governance and internal control processes are operating effectively without this. This is because the Company's business is conducted by relatively few individuals (through the outsourced service providers) who report to the Board, and its operations are not complex at present.

The Board is satisfied that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Investment management agreement

The Investment Manager has been appointed as the sole investment manager of the Company. Pursuant to the Investment Management Agreement, the Investment Manager has responsibility for and discretion over investing and managing the Company's assets, subject to and in accordance with the Company's investment policy. The Investment Manager is entitled to delegate all or part of its functions under the Investment Management Agreement to one or more of its affiliates. A summary of the fees paid to the Investment Manager are given in note 4 (c) to the financial statements.

The Investment Manager's appointment is terminable by the Investment Manager or the Company on not less than 3 months' notice. The Investment Management Agreement may be terminated with immediate effect and without compensation, by either the Investment Manager or the Company if the other party has gone into liquidation, administration or receivership or has committed a material breach of the Investment Management Agreement.

The Company has delegated the provision of all services to external service providers whose work is overseen by the Management Engagement Committee at its regular scheduled meetings. Each year, a detailed review of performance pursuant to their terms of engagement will be undertaken by the Management Engagement Committee.

The Board as a whole reviewed the Company's compliance with the UK Listing Rules, the Disclosure Guidance and Transparency Rules and the AIC Code (and through compliance with the AIC code, the UK Code). In accordance with UK Listing Rule 11.7.2 (2)R and having formally appraised the performance and resources of the Investment Manager, in the opinion of the Directors the continuing appointment of the Investment Manager on the terms agreed is in the interests of the Shareholders as a whole. The Board is pleased with the performance of the Investment Manager.

Management Engagement Committee

The Board has established a Management Engagement Committee with formal duties and responsibilities. The Management Engagement Committee commits to meeting at least once a year and comprises the entire Board with Colleen McHugh appointed as Chair. Its principal duty is to consider the terms of appointment of the Portfolio Manager, and it will annually review that appointment and the terms of the Portfolio Management Agreement. Its duties and responsibilities also extend to the regular review of the performance of and contractual arrangements with other service providers.

The Management Engagement Committee carried out its review of the performance and capabilities of the Portfolio Manager at its meeting on 15 September 2025 to confirm that the continued appointment of Chenavari Credit Partners LLP as Portfolio Manager is deemed to be in the interest of shareholders.

At the same meeting, the Management Engagement Committee concluded that the Company's other service providers were performing in accordance with the Company's expectations and contractual arrangements in place.

Corporate Governance Report (continued)

Effectiveness

The Company holds a minimum of four Board meetings per year to discuss general management, structure, finance, corporate governance, marketing, risk management, compliance, asset allocation and gearing, contracts and performance. The reports provided by the outsourced providers are the principal source of regular information for the Board enabling it to determine policy and to monitor performance, compliance and controls, which are supplemented by communication and discussions throughout the year. The Board carries out internal evaluations of its effectiveness by considering the balance of skills, experience, independence and knowledge of the Company on the Board, its diversity, how the Board works together as a unit, the allocation of sufficient time to the Company as well as other factors relevant to its effectiveness.

Committees of the Board

The terms of reference for the Board Committees are available on the Company website at <http://www.chenavaritoroincomefund.com>

Board and Committee meetings

The table below sets out the number of Board, Audit Committee and, Management Engagement Committee meetings held during the year ended 30 September 2025 and, where appropriate, the number of such meetings attended by each Director.

Director	Board meetings (Total of 8)		Audit Committee meetings (Total of 4)		Management Engagement Committee meetings (Total of 1)	
	Held	Attended	Held	Attended	Held	Attended
Frederic Hervouet	8	8	4	4	1	1
John Whittle ⁹	5	3	3	3	0	0
Roberto Silvotti	8	8	4	4	1	1
Colleen McHugh ¹⁰	3	3	2	2	1	1

Information and support for Directors

Any new Directors will receive a full, formal and tailored induction on joining the Board in order to further inform them of the Company's activities and structure. Upon appointment new Directors shall be briefed about their responsibilities and duties, together with relevant background information on the Company and assistance and information from representatives of the Portfolio Manager and the Administrators.

New Directors shall also be provided with an opportunity to observe the Board before their appointment and meet representatives of the Portfolio Manager and Administrators to the Company.

All the Directors comply with mandatory continued professional development requirement and are encouraged to attend industry and other seminars covering issues and developments relevant to investment companies, and Board meetings regularly include agenda items on recent developments in governance and industry issues.

The Chair regularly reviews and agrees with each Director their training and development needs.

All Directors are able to take independent professional advice at the Company's expense in the furtherance of their duties, if necessary. The Company purchases appropriate insurance in respect of legal action against its Directors and Officers.

Company Secretary

The Company Secretary is responsible for ensuring that Board procedures are followed. Under the guidance of the Chair, the Company Secretary ensures that appropriate and timely information flows between the Board, the Committees and to/from the Directors. It facilitates inductions to new Directors and the provision of additional information where required and appropriate.

The Company Secretary is responsible for advising the Board on governance matters and is available to all Directors for advice and support as required. The Board deems the AIC Code more relevant with respect to the governance of investment companies.

Environmental, Social and Corporate Governance

The Board fully supports the growing importance placed on Environmental, Social and Corporate Governance ("ESG") factors when asking the Company's Portfolio Manager to deliver against the Company's objectives. The Company and the Portfolio Manager will continue to follow good practice on ESG issues where applicable. Further information can be found on the Portfolio Managers website.

⁹Resigned with effect from 30 June 2025, at which point 5 Board meetings, 3 Audit Committee meetings and no Management Engagement meetings had already taken place.

¹⁰Appointed with effect from 21 May 2025, at which point 5 Board meetings, 2 Audit Committee meetings and no Management Engagement meetings had already taken place.

Corporate Governance Report (continued)

Relations with shareholders

The Board welcomes Shareholders' views and places great importance on communication with its Shareholders. The Company's AGM provides a forum for Shareholders to meet and discuss issues with the Directors of the Company. The Chair and other Directors are also available to meet with Shareholders at the AGM to hear their views and discuss any issues or concerns, including in relation to Board composition, governance and strategy, or at other times, if required.

The Company reports formally to Shareholders in a number of ways; regulatory news releases through the London Stock Exchange's Regulatory News Service, announcements are issued in response to events or routine reporting obligations. Also, an Interim Report will be published each year outlining performance to 31 March and the Annual Report will be published each year for the year ended 30 September, both of which will be made available on the Company's website. In addition, the Company's website contains comprehensive information, including company notifications, share information, financial reports, investment objectives and policy, investor contacts and information on the Board and corporate governance. Shareholders and other interested parties can subscribe to email news updates by registering online on the website. Furthermore, the Company hosts quarterly performance attribution calls to provide an update on performance and outlook. An announcement regarding this is published via the London Stock Exchange's Regulatory News Service and through The International Stock Exchange.

The Board receives comprehensive shareholder reports from the Company's Registrar and regularly monitors the views of shareholders and the shareholder profile of the Company. The Board is also kept fully informed of all relevant market commentary on the Company by the Investment Manager.

The Directors and Investment Manager receive informal feedback from analysts and investors, which is presented to the Board by the Company's Broker. The Company Secretary also receives informal feedback via queries submitted through the Company's website and these are addressed by the Board, the Investment Manager or the Company Secretary, where applicable.

Other stakeholders

The wider stakeholders of the Company comprise its service providers, investee companies and suppliers and the Board recognises and values these stakeholders.

As an investment Company with no employees the Company's relationship with its service providers, including the Investment Manager, is of particular importance. Service providers have been selected and engaged based on due diligence and references including consideration of their internal controls and expertise. The Company has established a Management Engagement Committee, who will review the performance of each service provider annually and provide feedback as appropriate, to maintain good working relationships.

The Company's investment helps to ensure that the investee companies have the resources to perform well, which helps to drive the local economies in which these companies are located. Responsible investing principles have been applied to each of the investments made, which ensures that appropriate due diligence has been conducted and that the terms of the investments are clearly set out and agreed with investee companies in advance.

The Board recognises that relationships with suppliers are enhanced by prompt payment and the Company's Administrator, in conjunction with the Investment Manager, ensures all payments are processed within the contractual terms agreed with the individual suppliers.

Whistleblowing

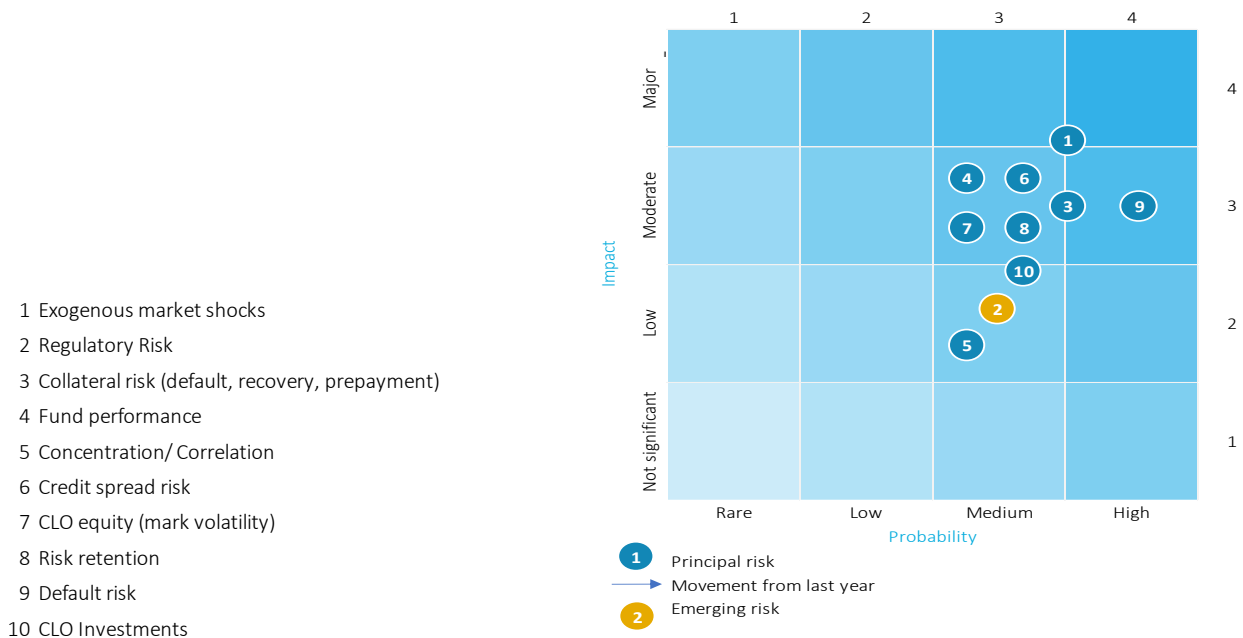
The Board has considered arrangements by which staff of the Investment Manager or Administrator may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters. It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their organisation.

Statement of Principal Risks and Uncertainties

The Board sets the Company's risk appetite, which then guides the Portfolio Manager's actions when implementing its strategy. While the Company's appetite for risk will vary over time, in general the Board aims to maintain a balanced overall level of risk, which is appropriate for achieving its strategic objectives. The Board manages the Company's risk by adhering to strict concentration and borrowing limits. These comprise of hard limits, as set out in the Company's prospectus, and internal limits set by the Portfolio Manager. This informs the Company's decision-making process and allows the risk management process to be placed in context. Above all, it reflects the risk management culture of the organisation so that risks out of tolerance can be quickly identified and dealt with in an efficient manner.

The Board has carried out a robust assessment of the Company's principal risks and uncertainties, including those that would threaten its business model, future performance, solvency and liquidity. The Board has also sought to identify emerging risks that may affect the Company. The Board is satisfied that all of the Company's principal risks are compatible with its risk appetite and that the risk management and internal control systems, including material financial, operational and compliance controls (including those relating to the financial reporting process), are operating effectively.

The table shows the post mitigation principal risks and uncertainties facing the Company and explains how we mitigate them. Information on our risk management framework can be found on pages 72-78.



Market Conditions

1 Exogenous market shocks

Risk profile: **Unchanged**

Probability medium/high	Impact moderate/major	Mitigation
	<p>Large and unexpected shocks to the economy can create spikes in defaults. Geopolitical tensions have continued to increase this year, with the economic impact of tariffs, trade wars and deglobalization adding to the ongoing risks associated with USA/China tensions, the war in Ukraine and conflict in Gaza.</p> <p>These shocks can compound some of the principal risks, not least fund performance, collateral risk, product liquidity and operational risk, liquidity and operational risk.</p>	<p>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 position has stabilised, the Portfolio Manager will look to deploy capital and take advantage of these situations.</p>

Chenavari Toro Income Fund Limited

a closed-ended investment company limited by shares incorporated under the laws of Guernsey

Statement of Principal Risks and Uncertainties (continued)

2 Regulatory Risk

Risk profile: **Emerging**

Probability medium	Impact low	Mitigation
	<p>Non-compliance with regulatory requirements, including the Alternative Investment Fund Managers Directive (AIFMD), UK listing, disclosure and transparency rules, money laundering & financial crime legislation, and General Data Protection Regulations (GDPR) may result in a material adverse effect to the Company's financial position, through fines and penalties, its reputation and operating status.</p> <p>Recent changes to the EU Securitisation Regulation have introduced a "Sole Purpose" Test which requires an originator to ensure that at least 50% of its income comes from sources other than securitisation-related activities. This may have a significant impact on the Company's operating model.</p>	<p>Potential changes to the regulatory, legislative and political environment are notified to the Board or Audit Committee by the compliance function within the Company's Administrator. Additional assistance is provided on request by the Company's legal advisers. There is quarterly compliance monitoring and reporting from the compliance officer.</p> <p>Regulatory compliance forms part of the agenda at the AIFM's risk committee meetings. The potential impact of new regulations on the Company is assessed and, if necessary, additional risk limits are introduced to allow the committee to monitor adherence.</p>

Asset Performance

3 Collateral risk (default, recovery, prepayment)

Risk profile: **Unchanged**

Probability medium/high	Impact moderate	Mitigation
	<p>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.</p>	<p>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.</p> <p>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.</p>

Chenavari Toro Income Fund Limited

a closed-ended investment company limited by shares incorporated under the laws of Guernsey

Statement of Principal Risks and Uncertainties (continued)

4 Fund performance	Risk profile: Unchanged	
Probability medium	Impact moderate	Mitigation
	<p>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.</p>	<p>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.</p>
5 Concentration/ Correlation	Risk profile: Unchanged	
Probability medium	Impact low	Mitigation
	<p>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.</p> <p>A material risk is the exposure that the Company has to Chenavari CLO managed deals.</p>	<p>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.</p>
6 Credit spread risk	Risk profile: Unchanged	
Probability medium	Impact moderate	Mitigation
	<p>The risk that an individual investment's value will change due to a change in credit spreads or yields.</p>	<p>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.</p>
7 CLO equity (mark volatility)	Risk profile: Unchanged	
Probability medium	Impact moderate	Mitigation
	<p>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.</p> <p>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.</p>	<p>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.</p>

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Statement of Principal Risks and Uncertainties (continued)

8 Risk retention		Risk profile: Unchanged
Probability medium	Impact moderate	Mitigation
	<p>Under EU Risk Retention Requirements an Originator will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk 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.</p> <p>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.</p>	<p>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.</p>

9 Default/Downgrade risk		Risk profile: Increasing
Probability high	Impact moderate	Mitigation
	<p>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 sustained high interest rates, recession fears and refinancing challenges for loans originated in low-rate environments.</p> <p>A related risk is Ratings Downgrade, especially on CLO. If more than 7.5% of the underlying loans within the portfolio start to be 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. Credit restructurings can result in a downgrade of an asset or the forced sale of an asset if it no longer meets the CLO's eligibility criteria, resulting in losses to the portfolio.</p>	<p>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.</p>

10 CLO investments		Risk profile: Increasing
Probability medium	Impact low/moderate	Mitigation
	<p>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.</p>	<p>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.</p>

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Statement of Principal Risks and Uncertainties (continued)

Other risks that we monitor closely

Risk	Description
Share price discount	The price of the Company's shares may trade at a discount relative to the underlying net asset value of the shares.
Warehouse credit facilities	The risk that any future securitisation of loan assets that are 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.
Portfolio Manager risk	<p>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.</p> <p>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.</p>
Interest rate risk	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 the hiking cycle is now at an end.
Fraud	The risk that a borrower fraudulently pledges the same collateral to multiple lenders to secure separate financing arrangements. This misrepresentation can lead to multiple claims on the same asset, leading to credit losses due to unenforceable collateral, legal costs from disputes over asset ownership, regulatory scrutiny and potential penalties, damage to institutional reputation and erosion of investor confidence in structured finance products.
Environmental, Social and Governance	<p>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. Investment in certain industry sectors which are considered to be environmentally or socially harmful may have a negative impact on fund performance. Similarly, investing in companies with weak governance structures may expose the Company to the risk of fraud or mismanagement in highly leveraged companies with limited financial flexibility, resulting in defaults or downgrades.</p> <p>We consider ESG as a core enabler for generating long-term, sustainable returns. The portfolio manager is able to apply its investment discretion in analysing issuers on both financial as well as non-financial characteristics, including ESG factors or criteria, to identify material risks or opportunities which may impair or enhance an issuer's ability to service its debt obligations</p>
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.

Audit Committee Report

I am pleased to provide my first report on the activities of the Audit Committee for the year ended 30 September 2025, following the retirement of John Whittle. The following pages setting out the responsibilities of the Audit and Risk Committee and its key activities during the year. As in previous years, the Audit and Risk Committee has reviewed the Company's financial reporting, the independence and effectiveness of the external auditor and the internal control and risk management systems of the Company's service providers. In order to assist the Audit and Risk Committee in discharging these responsibilities, regular reports are received and reviewed from the Investment Manager, Administrator and external auditor.

Responsibilities

The Committee reviews and recommends to the Board the Financial Statements of the Company and is the forum through which the Auditor reports to the Board of Directors. The Board has established terms of reference in respect of the membership of the Audit Committee, its duties, reporting responsibilities, and authority given to its members (the "Terms of Reference").

Terms of reference

The Audit Committee's primary function is to assist the Board in fulfilling its oversight responsibilities and, under the Terms of Reference, its main duties include:

Financial reporting

- monitoring the integrity of the financial statements of the Company, including its annual and half-yearly reports and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgments which they contain.

Risk management systems

- review the adequacy and effectiveness of the Company's risk management systems and review and approve the statements to be included in the annual report concerning risk management.

Compliance, whistle blowing and fraud

- review the adequacy and security of the Company's arrangements to raise concerns, if any, about possible wrongdoing in financial reporting or other matters;
- reviewing the Company's procedures for detecting fraud;
- reviewing the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
- reviewing the adequacy and effectiveness of the Company's anti-money laundering systems and controls; and
- reviewing the adequacy and effectiveness of the Company's compliance function.

External audit

- overseeing the relationship with the external auditor including making recommendations of remuneration, terms of engagement, assessing independence and objectivity, compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company, assessing qualifications, expertise and resources and the effectiveness of the audit process.

In regard to the above duties, I confirm, on behalf of the Audit Committee, that, to the best of our knowledge and belief, we have fulfilled our responsibilities in line with our Terms of Reference and in accordance with the AIC Code.

The Committee's full terms of reference are available on the Company's website at www.chenavaritoroincomefund.com/investors/company-documentation/

Delegation of duties

The Company has no employees and all functions, including the preparation of the financial statements, have been outsourced to various service providers. Ocorian Administration Limited have been appointed as Administrator and Company Secretary, US Bank Global Fund Services (Ireland) Limited as Sub-Administrator, Chenavari Credit Partners LLP as Portfolio Manager, Carne Global AIFM Solutions (C.I.) Limited as AIFM, JPMorgan Chase Bank National Association as Custodian, Depositary and Principal Bankers and Link Asset Services as Registrar (together the "Outsourced Service Providers"). Please see note 5 for further details in relation to these service providers.

Audit Committee Report (continued)

Membership of the committee

The Audit Committee is chaired by Colleen McHugh, and its other member is Mr Hervouet. The FRC Guidance on Audit and Risk Committees recommends that such a committee should comprise solely of independent non-executive directors and as noted in the Corporate Governance Statement, the Board has considered the independence of its members and has concluded that they all remain independent.

The Audit Committee has concluded that its membership meets the requirements of AIC Code and each member is financially literate and has knowledge of the following key areas:

- financial reporting principles and accounting standards;
- the regulatory framework within which the Company operates;
- the Company's internal control and risk management environment; and
- factors impacting the Company's Financial Statements.

The Audit Committee meets at least two times a year. During the Year the Audit Committee has met four times. Personnel from the Company's Outsourced Service Providers along with representatives of the Company's external auditor, Deloitte LLP ("Deloitte"), attend Audit Committee meetings when appropriate. Deloitte were engaged to review the condensed unaudited set of interim financial statements approved by the Audit Committee on 24 June 2025.

In their role as a member of the Audit Committee, each member is available to discuss any particular matter with his fellow Board members and in addition the Audit Committee has the opportunity to meet with Deloitte without the presence of Outsourced Service Providers. In order to ensure that all Directors are kept up to date and informed of the Audit Committee's work, I provide a verbal report to the Board at Board meetings on key matters discussed at the Audit Committee meetings. In addition, the minutes of all Audit Committee meetings are available to the Board.

How the Audit Committee has discharged its responsibilities

In the period under review, the Audit Committee has met four times, attendance at which is set out on page 28. The Audit Committee meetings focused on the following key areas:

Monitoring the integrity of the financial statements including significant judgments

- We reviewed the appropriateness of the Company's significant accounting policies, critical accounting judgments and key sources of uncertainty and monitored changes to, and compliance with, accounting standards on an ongoing basis.
- Prior to making any recommendations to the Board, we reviewed the Annual Report and Audited Financial Statements for the year ended 30 September 2025 (the "Annual Report"). We compared the results with management accounts, budgets and monthly NAVs, focusing on the significant accounting matters set out below.
- In undertaking this review, we discussed with the Administrator, Sub-Administrator and Deloitte the critical accounting policies and judgments that have been applied and at the request of the Audit Committee, the Administrator and Sub-Administrator confirmed that they were not aware of any material misstatements including matters relating to the Annual Report presentation. Deloitte also reported to the Audit Committee on any misstatements that they had found during the course of their work and confirmed no material amounts remained unadjusted.
- At its meeting to review the Annual Report, the Audit Committee received and reviewed a report on the audit from Deloitte. On the basis of its review of the report, the Audit Committee is satisfied Deloitte has fulfilled its responsibilities with diligence and professional scepticism.
- The Audit Committee is satisfied that the Annual Report appropriately addresses the critical judgments and key estimates (both in respect to the amounts reported and the disclosures) and that the significant assumptions used for determining the value of assets and liabilities determined were in compliance with IFRS and were reasonable.
- The Audit Committee is therefore satisfied that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

Audit Committee Report (continued)

Significant accounting matters

During the Period the Audit Committee considered key accounting issues, matters and judgments regarding the Company's financial statements and disclosures including those relating to:

Significant issues considered over Financial Reporting

During the Period the Audit Committee considered key accounting issues, matters and judgments regarding the Company's financial statements and disclosures including those relating to:

Valuation of financial assets at fair value through profit or loss

At 30 September 2025, the Company's investments had a fair value of €206.4 million after the inclusion of financial liabilities at fair value through profit or loss and represented 97.86% of net assets of the Company. As such this is the largest factor in relation to the accuracy of the financial statements and is monitored by the Portfolio Manager, the Administrator, the Sub-Administrator, the Custodian, the Audit Committee, the AIFM and the Board.

Investments are valued in accordance the Company's Valuation Policy and with the Accounting Policies set out in note 2.2 to the financial statements. The Valuation Policy is compiled with reference to key principles comprising; independence, documentation, transparency, consistency and relevance and documents the pricing process and timeline, with particular reference to difficult to value securities, and sets out escalation procedures.

The Audit Committee required the Portfolio Manager to provide detailed analysis of the broker quotes obtained for investments, including the liquidity, the number of quotes received, and the range of quotes. For primary transactions, the Portfolio Manager's own analysis of the fair value of the deal was compared to the quotes obtained and where pricing was obtained from the manager of the transaction, the Portfolio Manager provided an assessment of the manager's independence and reliability. Additionally, the Audit Committee required the Portfolio Manager to provide a reasoned assessment of fair value for each investment held and its classification in the fair value hierarchy including those valued through internal models.

The Portfolio Manager may also engage specialist valuation advisors on behalf of the Company to provide certain limited procedures on Transaction valuations which the Portfolio Manager identifies and requests them to perform. For the avoidance of doubt, notwithstanding the engagement with them, the Board of the Company remains ultimately responsible for the determination of the fair value of each Transaction but may consider their input in making such determinations.

Audit Committee Report (continued)

Significant Issues Considered over Financial Reporting (continued)

Following discussion, we were satisfied that the judgments made, and methodologies applied were fair value and appropriate and that the correct accounting treatment has been adopted. Please see further details outlined in notes 2 and 8 to the financial statements.

Income recognition

For primary and secondary transactions, the Audit Committee considered whether the separate presentation of interest income in the Statement of Comprehensive Income is required or if a net fair value movement is more appropriate.

Due to the nature of the Company's investment strategy resulting in the possibility of investments being sold before maturity and given the consequent inherent uncertainty of using maturity dates to calculate income using the Effective Interest Rate method, for both primary and secondary investments, the Company's accounting policy recognises only a net fair value movement rather than reporting a split between fair value movement and interest income in the Statement of Comprehensive Income. This is explained further in note 2.4 to the financial statements.

Assessment of principal risks and uncertainties

The risks associated with the Company's financial assets, as disclosed in the financial statements, particularly in note 6, represent a key accounting disclosure. The Audit Committee critically reviews, on the basis of input from relevant Outsourced Service Providers, the process of ongoing identification and measurement of these risk disclosures.

Risk management and internal controls

The Board as a whole is responsible for the Company's system of internal control; however, the Audit Committee assists the Board in meeting its obligations in this regard. The daily operational activities of the Company were delegated to the Outsourced Service Providers and as a result the Company has no direct internal audit function and instead places reliance on the external and internal audit controls applicable to the Outsourced Service Providers as regulated entities. The Audit Committee regularly monitors confirmations from the Outsourced Service Providers that no material issues have arisen in respect of the system of internal controls and risk management operated within the Company's Outsourced Service Providers.

The Committee has reviewed the need for an internal audit function. The Committee is satisfied that the systems and procedures employed by the Investment Manager and the Administrator provide sufficient assurance that a sound system of internal control is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

The Audit Committee confirms that this is an ongoing process in order to manage the significant risks faced by the Company. Annually, the Audit Committee reviews the effectiveness of the Company's material controls, including financial, operational and compliance controls. The Board acknowledges the revisions introduced by the FRC to Provision 29 of the UK Corporate Governance Code, published in January 2024, which will apply to accounting periods commencing on or after 1 January 2026, together with the related update to Provision 34 of the AIC Code. These changes require the Board to monitor the Company's risk management and internal control framework and, at least annually, carry out a review of its effectiveness. Beginning with the Company's 30 September 2027 annual report, the Board shall provide a description of how the Board has monitored and reviewed the effectiveness of the framework, a declaration of effectiveness of material controls, and a description of any material controls which have not operated as effectively, the action taken or proposed to improve them and any action taken to address previously reported issues.

In preparation for these requirements, the Board will identify the Company's material controls. It will align - and enhance where necessary - its existing risk management and internal control monitoring processes in order to monitor and manage the effectiveness of these controls.

Audit Committee Report (continued)

External audit

It is the responsibility of the Audit Committee to monitor the performance, independence, objectivity and re-appointment of Deloitte. In 2021 in accordance with the FRC's Audit Committees and the External Audit: Minimum Standard (the Minimum Standard), the Audit Committee entered into an audit tender process, as the incumbent Auditor, Deloitte LLP, had been in post since 2014. Following submission to the Board, the Board determined that Deloitte LLP should be reappointed as the Company's Auditor. The Company intends to conduct a tender process at least every 10 years and to rotate auditors at least every 20 years, as recommended by the Minimum Standard and the UK Statutory Auditors and Third Country Auditors Regulations 2016. Deloitte were re-appointed as the Company's auditor for the 2025 audit following the AGM on 14 March 2025. The lead audit partner, John Clacy was rotated this year, in favour of David Becker, having served five years. Rotating every five years provides for continued independence and objectivity. The Audit Committee continues to be satisfied with the performance of Deloitte and agree that Deloitte continues to be the most suitable choice for the Company. We have therefore recommended to the Board that Deloitte, in accordance with agreed terms of engagement and remuneration, should continue as the Company's auditor until the forthcoming AGM. The appointment will also be recommended to Shareholders for approval at the 2026 AGM.

Independence, objectivity and fees - In advance of the commencement of the annual audit, the Audit Committee reviewed a statement provided by Deloitte confirming their independence within the meaning of the regulations and professional standards. In addition, in order to satisfy itself as to Deloitte's independence, the Audit Committee undertook a review of the auditor compensation and the balance between audit and non-audit fees. During the Year the value of non-audit services provided by Deloitte amounted to €Nil. Deloitte charged a fee for reviewing the interim financial statements of £43,500 (equiv. €51,805). Total audit fees for the year-ended 30 September 2025 amounted to €210,395 (30 September 2024: €178,692).

On 15 September 2025, we met with Deloitte who presented their Audit Strategy and Plan for the Year; we agreed the audit plan for the Year, highlighting the key financial statement and audit risks, to seek to ensure that the audit was appropriately focused. Deloitte attended our Audit Committee meetings throughout the Year, as appropriate, which allows the opportunity to discuss any matters the auditor may wish to raise without the Portfolio Manager or other Outsourced Service Providers being present. Deloitte provides feedback at each Audit Committee meeting on topics such as the key accounting matters, mandatory communications and the control environment.

The Committee is required to assess and report to the Board on the effectiveness of the audit process. During the Year it accomplished this as follows:

- Met with Deloitte and reviewed the audit plan as above;
- Met with Deloitte and reviewed the audit report at the conclusion of the audit;
- In addition the Chair discussed the effectiveness of the audit with staff of the Administrator and Sub-Administrator;
- Completed a comprehensive check list covering all aspects of the audit process; and
- Reviewed the FRC audit quality review.

From its work the Committee concluded that audit process had been effective.

Committee effectiveness

The effectiveness of the Audit Committee was reviewed as part of the annual Board Evaluation process at the meeting held on 15 September 2025. A member of the Audit Committee will be available to shareholders at the forthcoming AGM of the Company to answer any questions relating to the role of the Audit Committee.

Signed on behalf of the Audit Committee by:

Colleen McHugh
Chair, Audit Committee
18 December 2025

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Directors' Remuneration Report

The Directors' remuneration report has been prepared on behalf of the Directors in accordance with the AIC code.

The Directors do not consider it necessary for the Company to establish a separate Remuneration Committee. The Board's remuneration along with the matters recommended by the AIC code that would be delegated to such a committee, are considered by the Board as a whole.

The Company's policy is to ensure that the fees payable to the Directors reflect the time spent by the Directors on the Company's affairs, the responsibilities borne by the Directors and be sufficient to attract, retain and motivate directors of a quality required to run the Company successfully. The Chair of the Board is paid a higher fee in recognition of his additional responsibilities, as is the Chair of the Audit Committee and the Management Engagement Committee. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, account will be taken of fees paid to directors of comparable companies.

No element of the Directors' remuneration is performance related, nor does any Director have any entitlement to pensions, share options or any long-term incentive plans from the Company.

Following a recommendation from the Chair, having regard to the level of fees payable to non-executive Directors that reflects comparable compensation levels of the peer universe for the Company, the role that individual Directors fulfil in respect of Board and Committee responsibilities, it is the responsibility of the Board as a whole to determine and approve the directors' fees.

The Chair's remuneration is decided separately and is approved by the Board as a whole.

The Directors are currently entitled to the following annual remuneration in the form of directors' fees:

Frederic Hervouet (Chair of the Board)	£55,000
Roberto Silvotti	£35,000
Colleen McHugh (Audit Committee Chair)	£45,000
Total	£135,000

The Company's Articles limit the fees payable to Directors in aggregate to £300,000 per annum.

The remuneration policy set out above is the one applied for the year ended 30 September 2025.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

The Directors were appointed as non-executive Directors by letters issued on 20 April 2015. On 21 May 2025, the Board was pleased to announce the appointment of Colleen McHugh as a non-executive director of the Company. Colleen will also serve as the Company's Chair of the Audit and Management Engagement Committees effective as of 1 July 2025. The Board further announced that John Whittle retired from the Board of the Company with effect from 30 June 2025. John Whittle's retirement is part of the Board rotation under AIC guidance after 10 years of dedicated service. The Board would like to extend its gratitude to John for his invaluable contributions and commitment to the Company during his tenure.

Each Director's appointment letter provides that all records received by them during the course of their directorship remain the property of the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (a) written resignation; (b) unauthorised absences from board meetings for a consecutive period of twelve months and the Board resolve that the Director in question's office be vacated; (c) unanimous written request of the other Directors; and (d) the Director in question becomes ineligible to be a Director in accordance with Section 137 of the Law.

Under the terms of their appointment, each Director is required to retire by rotation and be subject to re-election at least every three years. The Directors are required to annually seek re-election if they have already served for more than nine years. The Company may terminate the appointment of a Director immediately on serving written notice and no compensation is payable upon termination of office as a Director of the Company becoming effective.

The amounts payable to Directors shown in note 4 to the Financial Statements were for services as non-executive Directors. No Director has a service contract with the Company, nor are any such contracts proposed.

None of the Directors has any personal financial interest in any of the Company's investments.

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Directors' Remuneration Report (continued)

Quantitative remuneration disclosure

Disclosure in accordance with Article 22(2)(e) and 22(2)(f) of the AIFMD is set out at appendix 1.

Signed on behalf of the Board of Directors by:

Colleen McHugh, Non-executive Director
18 December 2025

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable Guernsey law and regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with United Kingdom adopted international accounting standards and applicable law.

Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standards state that the Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey and the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces;
- the Annual Report and Audited Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy; and
- the Annual Report includes information required by the LSE and the Company complies with the relevant provisions of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority

This responsibility statement was approved by the Board of Directors on 18 December 2025 and is signed on its behalf by:

Colleen McHugh,
Non-executive Director

18 December 2025

Independent Auditor's Report To The Members Of Chenavari Toro Income Fund Limited

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Chenavari Toro Income Fund Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows;
- the condensed schedule of investments, at fair value; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters

The key audit matter that we identified in the current year was:

- Valuation of investments

Materiality

The materiality that we used in the current year was €4.22m which was determined on the basis of 2% of net asset value.

Independent Auditor's Report To The Members Of Chenavari Toro Income Fund Limited (Continued)

Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There have been no significant changes in our audit approach compared with the prior year.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating management's going concern assessment and appropriateness of the assumptions applied, including the effect of current economic environment, implications of the current discount of share price to the net asset value per share and testing the mechanical accuracy of the underlying forecasts;
- Assessing the ability of the company to meet its short-term obligations based on its expected generated cash flows and net working capital balance;
- Understanding the company's current liabilities, in particular its repurchase agreements to evaluate the company's ability for recourse to other assets in the portfolio as well as their repayment strategy;
- Assessing the liquidity of the company's investments, including its level 2 securities; and
- Assessing the appropriateness of the financial statements disclosures in relation to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report To The Members Of Chenavari Toro Income Fund Limited (Continued)

5.1. Valuation of investments

Key audit matter description

Net investments in Financial Assets classified as Fair Value Through Profit or Loss ("FVTPL") held by the company as at 30 September 2025 had a fair value of €291m (2024: €271m) representing 85% (2024: 88%) of total assets of the company. Details of investments are disclosed in note 8 to the financial statements. Valuation is a key area of judgement and has a significant impact on the net asset value ("NAV") which is the most significant key performance indicator ("KPI") for the company. Investment valuation movements also drive the recognition of fair value movements in the statement of comprehensive income.

Most investments are not actively traded and the valuation is reliant on broker quotes, valuation models prepared by the Investment Manager with involvement of third-party specialists or net asset value (NAV) in the case of the investment in Taurus Corporate Finance LLP ("Taurus") and Toro Capital II ("Toro II").

Investments valued using internal models

Investments valued using internal models include investments held directly by the company and held by Taurus. Models are prepared by the Investment Manager with involvement of third-party specialists and include inputs that are judgemental and may include estimation of timings of the cash flows, exercise of call options, interest rates, pre-payment rates, discount rates, credit default rates and disposal costs in line with IFRS 13 *Fair Value Measurement*. Valuations can be sensitive to small changes to the inputs and in certain cases are subjective. As these assumptions involve a degree of directors' judgement and drive the performance of the company, we consider these valuations to represent a key audit matter as a result of the potential risk of fraud.

The valuation of other investments form part of our key audit matter as they are a focus of our audit effort, however we have concluded that these do not represent a risk of potential fraud. These include:

Priced by brokers

Asset backed security investments priced through broker quotes (€60m).

Secured loans

Secured loans funding third party retentions (€67.2m) marked to the total of fair value of the underlying collateral which is determined using broker quotes and the present value of future cash flows of the financing spread.

Valued at cost

Repurchase agreements, reverse repurchase financing agreements and loans. The cost of these investments is considered an approximation of fair value.

Investment in Taurus and Toro II

The company's investment in Taurus and Toro II valued at the NAV of these entities. NAV is considered to be a reasonable measure of fair value. The investment in Taurus includes a mixture of Collateralised Loan Obligation (CLO) tranches valued through broker quotes and regulatory retained CLO tranches valued by independent third-party valuation specialists. The third-party specialists applied assumptions which require significant judgements and as such, we consider these valuations to represent a potential fraud risk. All material financial assets held by Toro II are asset backed securities valued using broker quotes.

Further details of the accounting policy and methodology for the valuation of investments are described in notes 2.2 and 3.1 to the financial statements. This is also highlighted as significant matter in the Audit Committee report on page 11.

Independent Auditor's Report To The Members Of Chenavari Toro Income Fund Limited (Continued)

How the scope of our audit responded to the key audit matter

To test the risk of fraud associated with the valuation of investments valued using internal models, we performed the following procedures:

- Obtained an understanding of and tested the relevant controls over the valuation of investments to assess whether appropriate oversight has been exercised within the valuation process;
- Assessed the valuation policy and methodology adopted by management in comparison to IFRS and industry practice;
- With the involvement of our internal specialists, challenged the methodology adopted by the investment manager by assessing whether this is in line with market practice and the requirements of IFRS 13, including key assumptions made into the models as well as assessing their arithmetical accuracy;
- Assessed whether the relevant inputs of the models were consistent with the source documents;
- For a sample of investments realised during the period, considered the accuracy of management's valuations by comparing the price at which investments were realised to the prior year's recorded fair value of the same investment position, where appropriate; and
- Evaluated the appropriateness of disclosures made in the financial statements in light of relevant IFRS requirements.

We also performed the following procedures in respect of the valuation of the other investments which form part of our key audit matter:

For investments priced by brokers:

- Obtained independent price quotes directly from the brokers which have been compared to the prices used in the valuation; and
- Assessed the objectivity of the brokers, and the reliability of the provided information.

For secured loans:

- Evaluated management's valuation process and whether the valuation and presentation of these investments is in accordance with IFRS 9 and IAS 32, respectively;
- Agreed the secured loans positions to a direct confirmation received from each counterparty;
- Assessed the reasonableness of the inputs and assumptions used in the calculation of the present value of future cash flows of the financing spread; and
- Obtained independent price quotes directly from the brokers which have been compared to the prices used in the valuation as the fair value of the gross secured loan underlying collateral.

Investment in Taurus and Toro II

- For CLO tranches in both Taurus and Toro II that were valued via broker quotes, we applied the procedures previously described for 'investments priced by brokers';
- For Taurus' CLO tranches valued by independent third-party valuation specialists, the procedures outlined under 'internal models investment' were followed in order to address the risk of fraud; and
- Agreed the net asset value recorded to the latest audited financial statements of Taurus

Chenavari Toro Income Fund Limited

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Independent Auditor's Report To The Members Of Chenavari Toro Income Fund Limited (Continued)

How the scope of our audit responded to the key audit matter

For investments valued at cost:

- Challenged the rationale behind cost being representative of fair value by assessing whether this is reasonable in light of available evidence including post year-end trading or performance of underlying collateral as well as the duration of those instruments; and
- Assessed whether the recorded cost was consistent with the supporting documents including investment trade confirmation or paid consideration via bank statement.

Key observations

Based on the work performed, we are satisfied that, overall, the valuation of investments is appropriate.

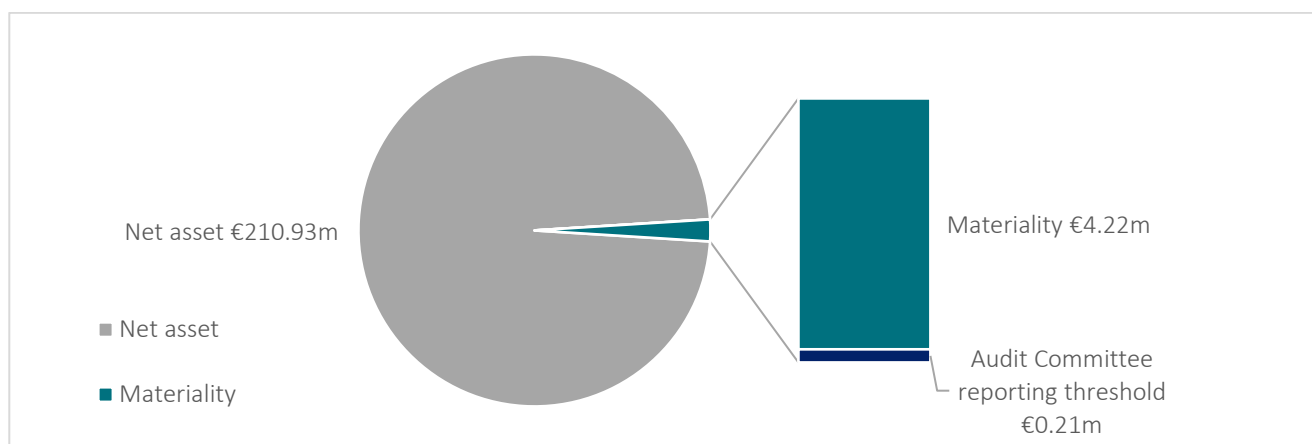
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	€4.22m (2024: €4.10m)
Basis for determining materiality	2% of net asset value (2024: 2% of net asset value).
Rationale for the benchmark applied	We have derived our materiality based on NAV of the company as we consider it to be most important balance upon which the shareholders would judge the performance of the company.



Independent Auditor's Report To The Members Of Chenavari Toro Income Fund Limited (Continued)

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2025 audit (2024: 70%). In determining performance materiality, we considered the following factors:

- Our risk assessment, including our assessment of the company overall control environment and that we consider it appropriate to rely on controls on the valuation of investments process; and
- Our past experience of the audit, which has indicated a low number of uncorrected misstatements identified in prior periods.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of €0.21m (2024: €0.21m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping

Our audit was scoped by obtaining an understanding of the company and its environment, including internal control, and assessing the risks of material misstatement.

Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

The administrator and sub-administrator maintain the books and records of the company. The investment manager maintains detailed documentation pertaining to the investment activities of the company.

As a part of our audit, we obtained an understanding of the control environment at these service organisations (in respect of the administrator and sub-administrator), including obtaining the sub-administrator US Bank internal controls report. We also obtained an understanding of and tested the relevant controls over the valuation of investments, which includes controls activities applied by the investment manager and the directors.

Based on our understanding and consideration of the controls that we considered relevant for the audit, we took an audit approach that relied on controls in our testing of valuation of investments.

Independent Auditor's Report To The Members Of Chenavari Toro Income Fund Limited (Continued)

7.3. Our consideration of climate-related risks

As part of our audit, we made enquiries of management to understand the process they have adopted to assess the potential impact of climate change on the financial statements. Management considers that the impact of climate change does not give rise to a material financial statement impact as described on page 68. We used our knowledge of the company to evaluate management's assessment. We particularly considered how climate change risks could impact the assumptions considered in the valuation of investments. We have also evaluated the appropriateness of disclosures included in the financial statements in Note 3.1.

We also read the annual report to consider whether the disclosures in relation to climate change made in the other information are materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report To The Members Of Chenavari Toro Income Fund Limited (Continued)

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
 - the matters discussed among the audit engagement team and relevant internal specialists, including valuations specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context

Independent Auditor's Report To The Members Of Chenavari Toro Income Fund Limited (Continued)

included the Companies (Guernsey) Law, 2008, the Protection of Investors (Bailiwick of Guernsey) Law, 2020, the Listing Rules and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified valuation of investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the audit committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with the regulators; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' report with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 18;
- the directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 17;
- the directors' statement on fair, balanced and understandable set out on page 41;

Independent Auditor's Report To The Members Of Chenavari Toro Income Fund Limited (Continued)

- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 29 to 33;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 38; and
- the section describing the work of the audit committee set out on pages 25 to 26.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

14. Other matters which we are required to address

14.1. Auditor tenure

Following the recommendation of the audit committee, we were appointed by the Board on 2 March 2015 to audit the financial statements for the year ended 30 September 2015 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 11 years, covering the years ending 30 September 2015 to 30 September 2025.

14.2. Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

15. Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

David Becker, ACA
For and on behalf of Deloitte LLP
Recognised Auditor
Guernsey, Channel Islands
18 December 2025

Chenavari Toro Income Fund Limited

a closed-ended investment company limited by shares incorporated under the laws of Guernsey

Statement of Comprehensive Income
For the year ended 30 September 2025

		Year ended 30 September 2025	Year ended 30 September 2024
	Notes	€	€
Income			
Net gain on financial assets and financial liabilities held at fair value through profit or loss	12	31,431,525	30,281,648
Interest income		1,453,502	1,595,700
Total income		32,885,027	31,877,348
Expenses			
Management fees	4 (c)	1,854,872	1,919,063
Performance fees	4 (c)	4,432,044	4,284,934
Administration fees	5 (b)	95,023	96,387
Sub-administration fees	5 (c)	89,796	71,471
Custodian and brokerage fees	5 (d)	37,927	37,031
Legal fees		63,816	35,251
Directors' fees	4(a)	166,719	158,319
Audit fees		210,395	178,692
AIFM fees	4 (c)	87,332	79,732
Recharge fee	4 (c)	260,030	260,914
Other operating expenses		486,034	413,159
Total operating expenses		7,783,988	7,534,953
Financing costs			
Interest expense		21,037	73,752
Total comprehensive income		25,080,002	24,268,643
Earnings per Share			
Basic and diluted	9	8.05 cents	7.87 cents

All items in the above statement derive from continuing operations.

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

Chenavari Toro Income Fund Limited

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Statement of Financial Position
As at 30 September 2025

	Notes	30 September 2025	30 September 2024
Current Assets		€	€
Financial assets at fair value through profit or loss	2.2,8,11	290,516,302	271,143,314
Due from broker	2.3,13	39,737,820	24,403,660
Other receivables and prepayments	14	5,721	9,304
Cash and cash equivalents	2.5	13,493,640	13,869,742
Total assets		343,753,483	309,426,020
Equity			
Share capital and share premium	16	354,752,496	354,752,496
Treasury reserve	16	(39,757,745)	(43,640,426)
Retained deficits		(104,065,911)	(105,991,720)
Total equity		210,928,840	205,120,350
Current liabilities			
Financial liabilities at fair value through profit or loss	2.2,8,11,2.12	84,093,553	56,753,810
Due to broker	2.3,13	45,186,650	43,976,089
Accrued expenses	2.9,15	3,544,440	3,575,771
Total current liabilities		132,824,643	104,305,670
Total equity and liabilities		343,753,483	309,426,020
Shares outstanding	16	314,673,186	311,438,800
NAV per share	10	67.03 cents	65.86 cents

Director: Colleen McHugh
Date: 18 December 2025

Director: Roberto Silvotti,
Date: 18 December 2025

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

Chenavari Toro Income Fund Limited

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Statement of Changes in Equity
For the year ended 30 September 2025

	Note	Retained earnings/(deficits) €	Share capital and share premium €	Treasury reserve €	Total €
At 30 September 2025		(105,991,720)	354,752,496	(43,640,426)	205,120,350
Profit for the year		25,080,002	-	-	25,080,002
Transfer from treasury reserve on settling of performance fees	4(c)	-	-	1,772,818	1,772,818
Regular quarterly dividends paid to equity shareholders	18	(23,154,193)	-	2,109,863	(21,044,330)
At 30 September 2025		(104,065,911)	354,752,496	(39,757,745)	210,928,840

	Note	Retained earnings/(deficits) €	Share capital and share premium €	Treasury reserve €	Total €
At 30 September 2024		(110,090,855)	354,752,496	(45,713,799)	198,947,842
Profit for the year		24,268,643	-	-	24,268,643
Transfer from treasury reserve on settling of performance fees	4(c)	-	-	1,713,974	1,713,974
Regular quarterly dividends paid to equity shareholders	18	(20,169,508)	-	359,399	(19,810,109)
At 30 September 2024		(105,991,720)	354,752,496	(43,640,426)	205,120,350

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Statement of Cash Flows
For the year ended 30 September 2025

		Year ended 30 September 2025 €	Year ended 30 September 2024 €
Cash flows from operating activities			
Total comprehensive income		25,080,002	24,268,643
<i>Adjustments for non-cash items:</i>			
Non-cash settlement of performance fees	4(c)	1,772,818	1,713,974
Net gain on financial assets and derivatives at fair value	12	<u>(31,431,525)</u>	<u>(30,281,648)</u>
Total Adjustments for non-cash items		<u>(29,658,707)</u>	<u>(28,567,674)</u>
<i>Adjustments for working capital:</i>			
Purchase of investments*		(814,558,649)	(427,064,043)
Disposal and paydowns of investments*		820,944,975	413,270,115
Increase in amounts due from brokers	13	(15,334,160)	(23,037,702)
Decrease in other receivables and prepayments	14	3,583	406,829
Increase in amounts due to brokers	13	1,210,561	38,120,071
(Decrease)/increase in accrued expenses	15	<u>(31,331)</u>	<u>1,431,587</u>
Total Adjustments for working capital		<u>(7,765,021)</u>	<u>3,126,857</u>
Net cash outflow from operating activities		<u>(12,343,726)</u>	<u>(1,172,174)</u>
Cash flows from financing activities			
Regular quarterly dividends paid to equity shareholders	18	(21,044,330)	(19,810,109)
Increase in financing activities from repurchase agreements	21	89,916,262	172,088,231
Repayment of financing activities from repurchase agreements	21	<u>(56,904,308)</u>	<u>(144,163,847)</u>
Net cash inflow from financing activities		<u>11,967,624</u>	<u>8,114,275</u>
Net (decrease)/increase in cash and cash equivalents		(376,102)	6,942,101
Cash and cash equivalents at beginning of the year		<u>13,869,742</u>	<u>6,927,641</u>
Cash and cash equivalents at end of the year		<u>13,493,640</u>	<u>13,869,742</u>

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

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

Chenavari Toro Income Fund Limited

a closed-ended investment company limited by shares incorporated under the laws of Guernsey

Condensed Schedule of Investments, at Fair Value As at 30 September 2025

	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	-	-	-	495,257	-	-	-	-	-	-	495,257	0.23%
Equity securities total	-	-	-	495,257	-	-	-	-	-	-	495,257	0.23%
Debt securities												
Arbitrage CLO	8,473,774	7,731,441	8,720,421	266,706	2,409,056	5,737,292	6,193,636	1,972,336	4,837,705	9,054,942	55,397,309	26.26%
Arbitrage CDO	-	1,429,273	-	-	-	-	1,261,719	-	-	963,770	3,654,762	1.73%
Residential mortgage-backed security	-	-	-	1,284,884	-	-	-	-	-	-	1,284,884	0.61%
Consumer ABS	-	-	-	-	-	-	-	129,535	-	-	129,535	0.06%
Secured loan	12,743,472	6,614,386	13,970,901	854,679	(596,179)	7,627,288	8,564,577	5,898,962	3,350,372	8,211,333	67,239,791	31.88%
Preferred equity	-	-	-	-	-	-	-	9,149,405	-	-	9,149,405	4.34%
Equity*	21,852,247	15,737,381	21,563,404	683,483	5,037,573	15,383,314	16,346,861	5,071,194	11,749,382	14,849,809	128,274,648	60.82%
Debt securities total	43,069,493	31,512,481	44,254,726	3,089,752	6,850,450	28,747,894	32,366,793	22,221,432	19,937,459	33,079,854	265,130,334	125.70%
Receivable on reverse repurchase agreements												
Reverse repurchase agreement	4,532,818	2,933,244	3,985,279	175,955	826,460	3,282,768	3,474,636	1,578,380	2,235,413	1,781,412	24,806,365	11.76%
Derivative financial assets												
Credit default swaps	-	-	-	-	-	-	815	-	51,329	29,330	81,474	0.04%
Forwards	-	-	2,872	-	-	-	-	-	-	-	2,872	0.00%
Derivative financial assets total	-	-	2,872	-	-	-	815	-	51,329	29,330	84,346	0.04%
Financial assets at fair value through profit or loss total	47,602,311	34,445,725	48,242,877	3,760,964	7,676,910	32,030,662	35,842,244	23,799,812	22,224,201	34,890,596	290,516,302	137.73%

*Investment in the originator (Taurus) and Toro II Capital is presented in "Equity".

Chenavari Toro Income Fund Limited

a closed-ended investment company limited by shares incorporated under the laws of Guernsey

Condensed Schedule of Investments, at Fair Value As at 30 September 2025

	France	Germany	Great Britain	Ireland	Italy	Luxembourg	Netherlands	Spain	U.S.A.	Other	Total	NAV
	€	€	€	€	€			€	€	€	€	%
Financial liabilities at fair value through profit or loss												
Payable on repurchase agreements												
Repurchase agreement	(15,739,613)	(8,795,944)	(14,754,291)	(707,960)	(3,646,985)	(10,006,510)	(11,094,108)	(3,758,937)	(6,536,492)	(9,046,950)	(84,087,790)	(39.87)%
Payable on repurchase agreements												
Repurchase agreement												
Derivative financial liabilities												
Credit default swaps	-	-	-	-	-	-	(58)	-	(3,630)	(2,075)	(5,763)	0.00%
Derivative financial liabilities total	-	-	-	-	-	-	(58)	-	(3,630)	(2,075)	(5,763)	0.00%
Financial liabilities at fair value through profit or loss total	(15,739,613)	(8,795,944)	(14,754,291)	(707,960)	(3,646,985)	(10,006,510)	(11,094,166)	(3,758,937)	(6,540,122)	(9,049,025)	(84,093,553)	(39.87)%
Total net investments	31,862,698	25,649,781	33,488,586	3,053,004	4,029,925	22,024,152	24,748,078	20,040,875	15,684,079	25,841,571	206,422,749	97.86%
Other assets and liabilities											4,506,091	2.14%
Net assets											210,928,840	100.00%

Chenavari Toro Income Fund Limited

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Condensed Schedule of Investments, at Fair Value As at 30 September 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	-	-	-	471,408	-	-	-	-	-	-	471,408	0.23%
Equities securities total	-	-	-	471,408	-	-	-	-	-	-	471,408	0.23%
Debt securities												
Arbitrage CLO	12,742,466	6,851,646	12,315,519	544,030	2,740,463	8,952,411	9,554,559	3,112,080	6,762,680	8,586,138	72,161,992	35.18%
Arbitrage CDO	-	2,387,149	-	-	-	-	695,453	-	-	667,896	3,750,498	1.83%
Residential mortgage-backed security	-	-	-	1,188,301	-	-	-	-	-	-	1,188,301	0.58%
Consumer ABS	-	-	-	-	-	-	-	266,892	-	-	266,892	0.13%
Secured loan	5,911,805	2,710,376	5,634,869	1,253,517	1,450,328	3,396,191	4,241,992	1,431,990	3,668,556	27,309,547	57,009,171	27.79%
Preferred equity	-	-	-	-	-	-	-	14,056,866	-	-	14,056,866	6.85%
Equity*	15,658,103	9,340,817	16,439,002	1,015,535	1,323,756	13,015,661	12,833,056	3,541,833	6,315,392	11,961,370	91,444,525	44.59%
Debt securities total	34,312,374	21,289,988	34,389,390	4,001,383	5,514,547	25,364,263	27,325,060	22,409,661	16,746,628	48,524,951	239,878,245	116.95%
Receivable on reverse repurchase agreements												
Reverse repurchase agreement	5,898,742	3,339,613	6,171,116	440,808	397,611	4,325,556	4,297,763	1,577,722	1,984,447	2,360,283	30,793,661	15.01%
Financial assets at fair value through profit or loss total	40,211,116	24,629,601	40,560,506	4,913,599	5,912,158	29,689,819	31,622,823	23,987,383	18,731,075	50,885,234	271,143,314	132.19%

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

Chenavari Toro Income Fund Limited

a closed-ended investment company limited by shares incorporated under the laws of Guernsey

Condensed Schedule of Investments, at Fair Value (continued)

As at 30 September 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												
Payable on repurchase agreements												
Repurchase agreement	(10,691,916)	(5,475,138)	(10,904,437)	(529,434)	(1,221,273)	(6,951,177)	(7,650,534)	(2,693,373)	(4,999,961)	(5,470,108)	(56,587,351)	(27.59%)
Derivative financial liabilities												
Futures	-	-	(166,459)	-	-	-	-	-	-	-	(166,459)	(0.08%)
Derivative financial liabilities total	-	-	(166,459)	-	-	-	-	-	-	-	(166,459)	(0.08%)
Financial liabilities at fair value through profit or loss total	(10,691,916)	(5,475,138)	(11,070,896)	(529,434)	(1,221,273)	(6,951,177)	(7,650,534)	(2,693,373)	(4,999,961)	(5,470,108)	(56,753,810)	(27.67%)
Total net investments	29,519,200	19,154,463	29,489,613	4,384,165	4,690,885	22,738,642	23,972,289	21,294,010	13,731,114	45,415,126	214,389,504	104.52%
Other assets and liabilities											(9,269,154)	(4.52%)
Net assets											205,120,350	100.00%

Notes to the Financial Statements

1. General information

The Company is a closed-ended investment company limited by shares. The Company was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008 (the “Law”) on 2 March 2015 with registered number 59940, to be a Registered Closed-ended Collective Investment Scheme. The principal legislation under which the Company operates is the Law.

The Company has appointed Carne Global AIFM Solutions (C.I.) Limited as the Company’s external AIFM. The AIFM has delegated portfolio management to the Portfolio Manager, Chenavari Credit Partners LLP, a wholly owned member of the Chenavari Financial Group.

The Company’s Shares are admitted to trading on the SFS of the London Stock Exchange. Such Shares were also listed on the Official List of The International Stock Exchange (“TISE”) on 8 May 2015. The Initial Public Offering (IPO) of the Company raised gross proceeds of €331.8 million, with further issues raising €16.4 million (gross of issue) costs on 21 July 2015 and €8.8 million (gross of issue costs) on 3 August 2015.

In the opinion of the Directors, there is no single ultimate controlling party.

Investment objective

The investment objective of the Company is to deliver an absolute return from, investing and trading in 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.

Target returns and dividend policy

On the basis of market conditions, and whilst not forming part of its investment objective or investment policy, the Company will target a net total return on invested capital of 9 to 11 per cent per annum over three to five years. Returns distributed to Shareholders will be predominantly as dividends.

Subject to compliance with the Law and the satisfaction of the solvency test, the Company intends to distribute all of its income from investments, net of expenses, by way of dividends payable quarterly in March, June, September and December of each year. The Company 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). 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 target returns and dividend payments should not be taken as a forecast of the Company’s future performance, profits or results. The target returns and dividend payments are targets only and there is no guarantee that they can or will be achieved and they should not be seen as an indication of the Company’s actual return. Accordingly, investors should not place any reliance on the target returns and dividend payments in deciding whether to invest in the Shares. Dividend payments may fall short of or exceed, the amounts indicated above.

Investment policy

The Company will seek to invest in a diversified portfolio of exposures to predominantly European based obligors. The Company’s investment strategies will be:

The Opportunistic Credit Strategy – the Company will opportunistically invest or trade in primary and secondary market ABS and other structured credit investments including private asset backed finance investments.

The Originated Transactions Strategy – the Company will invest 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.

Notes to the Financial Statements (continued)

1. General information (continued)

Investment policy (continued)

Originated transactions

The Company intends to invest in Originators (Originators or sponsors of originated credit investments- CLO's or securitisations of pools of consumer loans including residential mortgages, credit card receivables or auto loans) 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.

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).

Investment restrictions

Concentration limits

The Company shall comply with the concentration limits set out below, which shall, in relation to each new investment, be tested at the point such new investment is made assessed in accordance with the exposure limit policy.

Where investments are issued by entities with a compartmentalised or cellular legal structure, each compartment or cell shall be considered to be a separate issuer/counterparty provided that the principle of segregation and insolvency remoteness of commitments of the different compartments/cells of such issuer is materially established by law, contract and/or trust.

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

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;
- the top five exposures to any transactions or issues shall not, in aggregate, account for more than 50% of NAV;
- no more than 50% of NAV, in aggregate, shall be invested in unlisted investments;
- no more than 20% of NAV, in aggregate, shall be exposed to transactions or issues where the underlying collateral is non-European;

and in each case, the restrictions set out above shall not apply to the Company's investment in Originators but shall be applied on a look through basis to the investments of such Originators.

The percentages of each of the above as at 30 September 2025 can be found in note 6.1. There were no breaches to report.

For the purposes of interpreting the above provision, Europe shall include Switzerland, the member states of the EU and EEA and the European Common Customs Territory (from time to time) and, for the avoidance of doubt, shall continue to include any members, who being or subsequently joining as members of such groupings, subsequently cease to be members.

Notes to the Financial Statements (continued)

1. General information (continued)

Hedging and derivatives

The Company may implement hedging and derivative strategies designed to protect investment performance against material movements in exchange rates and interest rates and to protect against credit risk. Such strategies may include (but are not limited to) options, forwards and futures and interest rate or credit default swaps (“CDS”) and will only be entered into when they are available in a timely manner and on terms acceptable to the Company. The Company may also bear risks that could otherwise be hedged where it is considered appropriate to the investment objective and investment policy.

The Company may also use hedging or derivatives (both long and short) for investment purposes, for efficient portfolio management, financing or protection of individual or aggregate positions.

In addition, as the Company’s functional currency is Euro, the Company intends to engage in currency hedging in an attempt to reduce the impact on the Sterling Shares (if any) of currency fluctuations.

Borrowing limits

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. The Originator vehicle Taurus also employs leverage.

The Company has set a borrowing limit such that the Company’s gearing shall not exceed 130 per cent at the time of incurrence and deployment of any borrowing. For the purposes of this calculation, gearing will be calculated as the sum of the Company’s exposures to each position directly held, divided by the last published NAV (and for the avoidance of doubt, will include the full exposure held by the Company under any full recourse total return swap (“TRS”), but will exclude any borrowing arrangements that are limited-recourse to the Company, such as borrowings by the Originator Taurus).

Borrowings employed by the Company may be secured on individual assets or portfolios without recourse to the Company or by a charge over some or all of the Company’s assets to take advantage of potentially preferential terms.

The Board will oversee the gearing levels in the Company and will review the position with the AIFM and the Portfolio Manager on a regular basis.

It is anticipated that the gearing level of any Originators will differ from the above restrictions. Any leverage of an Originator shall be nonrecourse to the Company. In particular, such an Originator may enter into Warehouse Credit Facilities to acquire exposure to assets. Where a Warehouse Credit Facility takes the form of a loan facility, an Originator will borrow funds to acquire assets in anticipation of the creation of a securitisation vehicle to securitise such assets, such facilities generally being non-recourse to the assets of such Originator (other than assets acquired with such funding) and repaid following the transfer of such assets to a securitisation vehicle. Originators will be required to give representations, warranties and indemnities to financing providers including confirmations relating to compliance with risk retention requirements.

Cash uses and cash management activities

In accordance with the Company’s investment policy, the Company’s principal use of cash (including the aggregate value of the Shares issued under the initial placing) has been to fund investments sourced by the Portfolio Manager, ongoing operational expenses and payment of dividends and other distributions to Shareholders in accordance with the Company’s dividend policy as set out in the section entitled “Dividend Policy” in Part I of the prospectus.

Notes to the Financial Statements (continued)

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 for the year ended 30 September 2025 have been 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 financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

In applying the Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are disclosed in note 3.

The Directors are of the opinion that the Company is able to meet its liabilities as they fall due for payment because it has and is expected to maintain, adequate cash resources. Given the nature of the Company's business, the Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis with further considerations supporting this basis detailed in the Directors Report on page 18.

a) Basis of consolidation

The Board determined that the Company meets the definition of an investment entity as set out under IFRS 10 as it:

- obtains funds from one or more investors for the purpose of providing those investors with investment management services,
- commits to its investor that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both,
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

Taurus Corporate Financing LLP (the "Originator") also meets the above definition of an investment entity and as such, in accordance with IFRS 10 the Company is required to apply the consolidation exception and instead account for its investment in its subsidiary, the Originator, at fair value through profit or loss.

The Company holds a large ownership percentage of Toro European CLO 9 Designated Activity ("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 Company holds a large ownership percentage of Toro European CLO 10 Designated Activity ("TCLO10") (a €500m European Leveraged Loan CLO). The Company heavily participated in owning the subordinated tranche in this structure by holding 67% 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 or TCLO10.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

b) New standards, interpretations and amendments not yet adopted

At the date of authorisation of the financial statements there were a number of other standards and interpretations which were in issue but not yet effective, including IFRS 18 detailed below. Management anticipates that the adoption of these standards and interpretations in future periods will have no material impact on the aggregated financial statements of the Company.

IFRS 18, Presentation and Disclosure in Financial Statements (effective for annual period beginning on or after 1 January 2027).

The IASB issued the new standard on presentation and disclosure in the financial statements, which replaces IAS 1, with focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- The structure of the statement of profit or loss with defined subtotals;
- The requirement to determine the most useful structured summary for presenting expenses in the statement of profit or loss;
- Required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles in aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company is currently still assessing the effect of the forthcoming standard and amendments.

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

(a) Classification

The Company classifies its investments and derivatives as financial assets or financial liabilities at fair value through profit or loss.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and fair value through profit or loss. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial assets or financial liabilities are those acquired or incurred principally for the purposes of selling or covering for short term gain. The Company considers its assets & liabilities to be held for trading. Derivatives are also categorised as financial assets or financial liabilities. The Company does not classify any derivatives as hedges in a hedging relationship. Financial assets are measured at fair value having assessed the business model of the Company and having assessed that the cash flows arising from its investments do not meet the Solely Payments of Principal and Interest ("SPPI") criteria. Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed, and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Portfolio Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. ABS transactions may be structured in a variety of ways and are highly bespoke to the needs of the bank involved and the investors in the transaction. In all situations, the amount of interest and principal payable on the instrument will be linked to the credit performance of the underlying collateral. The investment characteristics of ABS transactions are such that principal payments are made more frequently than traditional debt securities. The principal may be repaid at any time because the underlying debt or other assets generally may be repaid at any time.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.2 Financial assets and financial liabilities at fair value through profit or loss (continued)

(c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise. The net gain on financial assets and financial liabilities held at fair value through profit or loss consists of coupons and interest received and both realised and unrealised gains and losses on financial assets and financial liabilities at fair value through profit or loss, calculated as described in note 8. For the purposes of the Statement of Cash Flows, the coupon income is considered an operating activity.

(d) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value 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 reporting date.

If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the year-end date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Company's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations.

The fair value of financial assets and liabilities at fair value through profit or loss is measured through a combination of dedicated price feeds from recognised valuation vendors and the application of relevant broker quotations where the broker is a recognised market maker in the respective position. Where broker quotes are not available, investment valuations are based on the Portfolio Manager's internal models.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using counterparty valuations for ABS or Markit for credit derivatives instruments. In the opinion of the Directors, Markit is the benchmark for CDS pricing data. Markit receives data from the official books of market makers, and then subjects it to a rigorous testing process. Loan investments are classified as at fair value through profit or loss, as these financial assets form part of the overall investment portfolio, these assets are managed, and their performance is evaluated on a fair value basis. The loans are not traded in an active market and their fair value is determined using valuation techniques which reference the value of the underlying collateral attaching to the loans. Adjustments to the fair value are considered in light of changes in the credit quality of the borrower, the value of the underlying collateral and any relevant market changes.

Refer Note 3.1 and Note 8 for further disclosure and analysis of valuation of assets and liabilities which contain unobservable inputs.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.3 Due from and to brokers

Amounts due from and to brokers represents receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date, respectively as well as collateral posted to derivatives counterparts. These are on an equal to life time basis.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment for amounts due from brokers.

(a) Impairment

IFRS 9 uses the ‘expected credit loss’ (ECL) model. The impairment requires the Company to record ECLs on all of its financial assets at amortised cost, being cash and cash equivalents, amounts due from brokers, and other receivables, on either a 12-month or lifetime basis. As the Company holds receivables and cash it has exposure to credit risk. An ECL assessment was carried out, based on this ECL assessment; there is an immaterial exposure to default risk.

The Investment Manager is continuously monitoring the ECL of all counterparties related to financial assets at amortised costs across all funds through the appointment of a counterparty committee that meets regularly to discuss and monitor the current credit ratings of all counterparties associated with the funds. The Company avoids entering into any loan agreements and all “receivables” due from brokers are kept to a maximum of 3-month periods giving the Investment Manager comfort that the ECL risk is of minimum concern.

2.4 Interest income

Interest income on transactions is recognised in the Statement of Comprehensive Income in net (loss)/gain on financial assets and financial liabilities held at fair value through profit or loss. Income receivable on cash and cash equivalents is recognised separately through profit or loss in the Statement of Comprehensive Income.

2.5 Cash and cash equivalents

Cash and cash equivalents represent cash in-hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less.

2.6 Share capital and own Shares

Shares are classified as equity. Incremental costs directly attributable to the issue of Shares are shown in equity as a deduction, net of tax, from the proceeds. The costs are those which were necessary for the initial issue of shares. Such costs and expenses were fixed at 2 per cent. of the gross issue proceeds.

Where the Company purchases its own equity share capital, the consideration paid is deducted from total shareholders’ equity and classified as treasury shares until such shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received is included in total shareholders’ equity. No gains or losses are recognised on the purchase, sale, cancellation or issue of treasury shares.

As at 30 September 2025, the Company’s issued share capital amounted to 361,450,000 with 314,673,186 Shares outstanding (inclusive of 2,644,812 shares which have been transferred from the held treasury shares to the investment manager for the partial settlement of the Year End performance fee) and 46,776,814 Shares held in treasury (2024: 361,450,000 issued share capital, 311,438,800 Shares outstanding and 50,011,200 Shares held in treasury).

2.7 Foreign currency

(a) Functional and presentation currency

The functional and presentation currency of the Company is EUR (€) as the majority of investments held are EUR based. The performance of the Company is measured and reported to the investors in EUR.

(b) Foreign currency translation

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Translation differences on non-monetary financial assets and liabilities at fair value through profit or loss are recognised in the Statement of Comprehensive Income within the fair value net gain or loss.

Notes to the Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.7 Foreign currency (continued)

(c) Exchange rates

The foreign currency exchange rates at 30 September 2025 were as follows: GBP 1.1457 per EUR and USD 0.8511 per EUR (2024: GBP 1.2019 and USD 0.8960).

(d) GBP Quote Introduction

On 16 December 2021, the Company introduced an additional market quote for the Ordinary Shares on the London Stock Exchange denominated in GBP (the "GBP Quote"). The GBP Quote will appear alongside the Company's existing EUR market quote (the "EUR Quote") and there will be no changes to the legal form or nature of the Company's shares nor to the functional currency and the reporting currency of the financial statements or the NAV (which will remain in EUR).

2.8 Transaction costs

Transaction costs on financial assets at fair value through profit or loss include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the Statement of Comprehensive Income.

2.9 Accrued expenses

Expenses are accounted for on an accrual basis. Accrued expenses are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.10 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements and disclosed in the Statement of Changes in Equity in the period in which the dividends are approved by the Board. Shareholders can elect to join the Scrip dividend scheme at each quarterly distribution and can take shares at a Scrip reference price in lieu of a cash dividend payment.

2.11 Taxation

The Company is exempt from Guernsey taxation on income derived outside of Guernsey and bank interest earned in Guernsey. No charge to Guernsey taxation arises on capital gains.

2.12 Securities sold under agreements to repurchase and securities purchases under agreements to resell

Securities sold under agreements to repurchase ("repurchase agreements") and securities purchased under agreements to resell ("reverse repurchase agreements") are treated as collateralised financing transactions. The financing is carried at the amount at which the securities were sold or acquired plus accrued interest, which approximates fair value. It is the Company's policy to deliver securities sold under agreements to repurchase and to take possession of securities purchased under agreements to resell.

2.13 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.

2.14 Income recognition

Due to the nature of the Company's investment strategy resulting in the possibility of investments being sold before maturity and given the consequent inherent uncertainty of using maturity dates to calculate income using the Effective Interest Rate method, for both primary and secondary investments, the Company's accounting policy recognises only a net fair value movement rather than reporting a split between fair value movement and interest income in the income statement.

Notes to the Financial Statements (continued)**3. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the Company's Annual Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Key sources of estimation uncertainty*Fair value of financial instruments*

The assets held by the Company are mostly valued through a combination of dedicated price feeds from recognised valuation vendors, valuation techniques, and the application of relevant broker quotations where the broker is a recognised dealer in the respective position or derived from valuation models prepared by the Portfolio Manager.

The monthly NAV is derived from the Company's valuation policy. A documented valuation policy determines the hierarchy of prices to be applied to the fair value. Prices are sourced from third-party broker or dealer quotes for the relevant security. Where no third-party price is available, or where the Portfolio Manager determines that the third-party quote is not an accurate representation of the fair value, the Portfolio Manager will determine the valuation based on the valuation policy. This may include the use of a comparable arm's length transaction, reference to other securities that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Based on the hierarchy set out in IFRS 13, as at 30 September 2025, the market value of transactions classified as Level 1 or 2 was €164 million. These transactions are based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs. The remaining transactions have been classified as Level 3 where broker quotes are unavailable or discounted or cannot be substantiated by market transactions or where the prices used are derived from internal models. These Level 3 investments contain estimation uncertainties as their price is not derived from entirely observable inputs.

The key source of estimation uncertainty for the fair value of financial instruments are disclosed in note 8 which outlines the Level 3 classifications and the analysis of the impacts of Level 3 investments on the performance of the Company. The Directors have assessed that climate change has no material impact on the judgements and estimates in determining the valuation of investments.

The principal sources of uncertainty derive from the following estimates:

Asset	Uncertain estimate	Effect of adverse variation
Spanish residential asset	Residential asset value / sale price / additional 10% haircut applied	Parameters are linked: reduction in the realisable value would directly affect the position fair value.
Interest in CLO originator	Originator NAV	Lower retention interest values would directly affect the value of the Company's interest

These and other potential scenarios are discussed and quantified in Note 8.

3.2 Critical judgements in applying accounting policies*Classification of investments in the fair value hierarchy*

The Board of Directors consider the classification investments in the fair value hierarchy as a critical judgement. The fair value of investments is described in 3.1 above and the judgements associated with the disclosures in the fair value hierarchy are described in Note 8. The Directors monitor the availability of observable inputs and if necessary, reclassify to level 3 where observable trading is not available.

Notes to the Financial Statements (continued)

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 Chair is £55,000 per annum. The fee for Ms. McHugh as Chair of the Audit Committee is £45,000 per annum. The fee for Mr. Silvotti is £35,000 per annum.

(b) Shares held by related parties

As at 30 September 2025, the Directors held the following Shares in the Company.

Frederic Hervouet	600,000	(2024: 600,000)
Roberto Silvotti	1,641,632	(2024: 1,641,632)
Colleen McHugh	15,000	(2024: N/A)

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 30.52% of the shares in the Company.

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 described on page 20 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 59.38% of the shares of the Company 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. €87,332 (30 September 2024: €79,732) has been charged during the Year.

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.

The Company has funded investments with a value of €9.6million (2024: €14.5million) 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. The Portfolio Manager is appointed by Areo to provide advice and assistance in relation to the management of the investments and ongoing operation of the compartment. No fees are charged for this service.

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 year amounted to €1,854,872 (30 September 2024: €1,919,063) with €361,133 (30 September 2024: €343,981) outstanding at end of the year.

Notes to the Financial Statements (continued)**4. Related parties (continued)***(c) AIFM and Portfolio Manager (continued)*

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. 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 €4,432,044 (30 September 2024: €4,284,934) were charged in the Year. As at 30 September 2025, €2,659,227 was payable (2024: €2,570,960) and €1,772,818, or 40% has been paid to the Portfolio Manager in the form of 2,644,812 shares (2024: €1,713,974, or 40%, paid to the Portfolio Manager in the form of 2,602,450 shares).

An amount of €260,030 was recharged (at cost) by the Portfolio Manager for the period from 1 October 2024 to 30 September 2025 to compensate for market data and fund-specific expenses. (2024: €260,914).

5. Material agreements

The Company has funded investments with a value of €9,644,662 (2024: €14,528,274) 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 compartments 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 1 October 2024 to 30 September 2025 J.P. Morgan Cazenove services fees were £Nil (€Nil) (2024: £Nil (€Nil))

Notes to the 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 year amounted to €95,023 (year ended 30 September 2024: €96,387) of which €6,916 (2024: €20,947) remained payable at the end of the year.

(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 year amounted to €89,796 (year ended 30 September 2024: €71,471) of which €14,875 (2024: €12,955) remained payable at the end of the year.

(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.

Notes to the Financial Statements (continued)

6. Financial risk management (continued)

6.1 Credit risk (continued)

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

Although the Company applies the consolidation exception to its subsidiary, Taurus Corporate Financing LLP (as discussed in note 2.1), the following investment restrictions have been considered on the look through basis for both entities. 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 30 September 2025, the largest investment represents 16.69% 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 30 September 2025, the top 5 investments represent 34.62% of the NAV.
- no more than 50% of NAV, in aggregate, shall be invested in unlisted investments;
 - As of 30 September 2025, 14.59% 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 30 September 2025, 9.22% 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 against senior tranches of ABS 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% of the NAV at the time of incurrence and deployment of any borrowing.
 - As of 30 September 2025, the gearing of the Company was approximately 124.81%.

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).

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Notes to the 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 30 September 2025, the breakdown of the NAV per asset class and geography was as follows:

	30 September 2025	30 September 2024
Asset class breakdown	% NAV	% NAV
Equity (including Taurus Originator and Toro II Capital)	60.82%	44.59%
Arbitrage CLO	26.26%	35.18%
Reverse repurchase agreement	11.76%	15.01%
Preferred equity	4.34%	6.85%
Secured loan	31.88%	27.79%
Cash and cash equivalents	6.40%	6.76%
Derivative financial assets	0.04%	0.00%
Residential mortgage-backed security	0.61%	0.58%
Consumer ABS	0.06%	0.13%
Arbitrage CDO	1.73%	1.83%
Derivative financial liabilities	0.00%	0.23%
Equity securities	0.23%	(0.08)%
Due to/from broker, accruals, other receivables and prepayments	(4.26)%	(11.28)%
Repurchase agreement	(39.87)%	(27.59)%
Total	100.00%	100.00%

	30 September 2025	30 September 2024
Geographic breakdown		
France	15.11%	14.38%
Spain	9.50%	10.38%
Netherlands	11.73%	11.69%
Great Britain	15.88%	14.38%
Luxembourg	10.44%	11.09%
Germany	12.16%	9.34%
USA	7.44%	6.69%
Italy	1.91%	2.29%
Ireland	1.45%	2.14%
Other	12.24%	22.14%
Cash and cash equivalents	6.40%	6.76%
Due to/from broker, accruals, other receivables and prepayments	(4.26)%	(11.28)%
Total	100.00%	100.00%

The Company may also be exposed to counterparty credit risk on derivatives, cash and cash equivalents, amounts due from brokers and other receivable balances. The following tables show the relevant exposures for the current and prior year end:

30 September 2025	BNP	Société Générale	JP Morgan	Alpha Bank	Total
S&P rating*	A	A-1	A-1	BB+	
	€		€	€	€
Cash and cash equivalents**	-	-	13,493,640	-	13,493,640
Due from broker	150,251	219,647	38,803,957	563,965	39,737,820
Total counterparty exposure	150,251	219,647	52,297,597	563,965	53,231,460
Net asset exposure %	0.07%	0.10%	24.79%	0.27%	25.24%

* Short term, local currency ratings.

** JP Morgan cash and cash equivalents represents cash held in a custodian account.

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Notes to the Financial Statements (continued)

6. Financial risk management (continued)

6.1 Credit risk (continued)

30 September 2024	BNP	Société Générale	JP Morgan	Alpha Bank	Total
S&P rating*	A-1	A-1	A-2	B	
	€		€	€	€
Cash and cash equivalents**	-	-	13,869,742	-	13,869,742
Due from broker	1,036	201,595	24,063,999	137,030	24,403,660
Total counterparty exposure	1,036	201,595	37,933,741	137,030	38,273,402
Net asset exposure %	0.00%	0.10%	18.49%	0.07%	18.66%

* 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.

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

As at 30 September 2025				Related amount not offset in the Statement of Financial Position		
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	Financial instruments	Cash collateral received/pledged	Net amount
	€	€	€	€	€	€
<i>Secured loans*</i>						
Retention originators	701,454,257	(634,214,469)	67,239,788	-	-	67,239,788
<i>Derivative contracts</i>						
<i>CDS**</i>						
JP Morgan	81,474	-	81,474	(5,763)	-	75,711
<i>Forwards**</i>						
JP Morgan	2,872	-	2,872	-	-	2,872
	701,538,603	(634,214,469)	67,324,134	(5,763)	-	67,318,371

* & ** Footnotes shown on next page.

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Notes to the Financial Statements (continued)

6. Financial risk management (continued)

6.1 Credit risk (continued)

Offsetting financial assets and financial liabilities (continued)

As at 30 September 2024				Related amount not offset in the Statement of Financial Position		
Counterparty	Gross amounts of recognised assets/(liabilities)	Gross amounts offset in the Statement of Financial Position	Net amounts of assets/(liabilities) presented in the Statement of Financial Position	Financial instruments	Cash collateral received/pledged	Net amount
	€	€	€	€	€	€
Secured loans*						
Retention originators	340,779,581	(283,770,410)	57,009,171	-	-	-
Derivative contracts						
Futures**						
JP Morgan	(166,459)	-	(166,459)	-	166,459	-
	340,613,122	(283,770,410)	56,842,712		166,459	-

*Secured loans are presented as financial assets net of onward sold asset backed security investments in the Statement of Financial Position, as there is an enforceable Master Netting Agreement in place and the intention is to settle net.

**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.

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 functional 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 as at 30 September 2025 is as follows:

Currency	Investments	Cash	Other net liabilities	30 September 2025 Total exposure	30 September 2025 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	€	%	%
CHF	-	4,276	-	4,276	-	-	-	-
GBP	(456,784)	18,559	(464,078)	(902,303)	(0.43%)	+/-90,230	+/- 0.04%	+/- 0.36%
USD	75,711	32,080	12,215	120,006	0.06%	+/-12,001	+/-0.01%	+/-0.05%
	(381,073)	54,915	(451,863)	(778,021)	(0.37%)	+/-102,231	+/-0.05%	+/-0.41%

The currency exposure as at 30 September 2024 was as follows:

Currency	Investments	Cash	Other net liabilities	30 September 2024 Total exposure	30 September 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	(166,459)	8,482	(142,513)	(300,490)	(0.15%)	+/-30,049	+/-0.02%	+/-0.12%
USD	-	559,920	144,828	704,748	0.34%	+/-70,475	+/-0.03%	+/-0.29%
	(166,459)	568,402	2,315	404,258	0.19%	+/-100,524	+/-0.05%	+/-0.41%

Notes to the Financial Statements (continued)

6. Financial risk management (continued)

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 economic 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 is operating in markets traditionally trading on par spread, as at 30 September 2025 an increase in credit spread by 250 basis points would decrease the NAV by €16,965,905 (30 September 2024: €31,480,467). An increase in the risk-free rate by 250 basis points would decrease the NAV by €9,772,370 (30 September 2024: €10,414,981). 250 basis points (2024: 250bps) is considered a reasonable stress test given recent and anticipated interest rate movements.

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 €
30 September 2025			
Financial assets at fair value through profit or loss	60,859,291	229,161,095	495,916
Due from broker	-	39,737,820	-
Other receivables	-	-	5,721
Cash and cash equivalents	-	13,493,640	-
Financial liabilities at fair value through profit or loss	(37,633,152)	(46,460,401)	-
Due to broker	-	(45,186,650)	-
Accrued expenses	-	-	(3,544,440)
	23,226,139	190,745,504	(3,042,803)
30 September 2024			
Financial assets at fair value through profit or loss	43,215,620	227,456,286	471,408
Due from broker	-	24,403,660	-
Other receivables	-	-	9,304
Cash and cash equivalents	-	13,869,742	-
Financial liabilities at fair value through profit or loss	(36,535,921)	(20,051,430)	(166,459)
Due to broker	-	(43,976,089)	-
Accrued expenses	-	-	(3,575,771)
	6,679,699	201,702,169	(3,261,518)

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Notes to the Financial Statements (continued)

6. Financial risk management (continued)

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 repurchase agreement ("Repo") transactions, which provide financing and liquidity but also bear some inherent risk in case of margin calls from the 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 current liabilities, as seen on the Statement of Financial Position 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 €
30 September 2025				
Financial liabilities at fair value through profit or loss	(84,093,553)	-	-	(84,093,553)
Due to broker	(45,186,650)	-	-	(45,186,650)
Accrued expenses	(3,544,440)	-	-	(3,544,440)
	(132,824,643)	-	-	(132,824,643)
30 September 2024				
Financial liabilities at fair value through profit or loss	(56,753,810)	-	-	(56,753,810)
Due to broker	(43,976,089)	-	-	(43,976,089)
Accrued expenses	(3,575,771)	-	-	(3,575,771)
	(104,305,670)	-	-	(104,305,670)

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.

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 30 September 2025 a 15% movement in prices (with all other variables held constant) would have resulted in a change to the total net assets of €30,353,120 (2024: €31,716,130).

Notes to the Financial Statements (continued)

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 year-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 year-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.

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.

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Notes to the Financial Statements (continued)

8. Fair value of financial instruments (continued)

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.

The following tables show the Company’s assets and liabilities at 30 September 2025 based on the hierarchy set out in IFRS 13:

	Level 1 2025 €	Level 2 2025 €	Level 3 2025 €	Total 2025 €
Assets				
Financial assets held for trading				
Equity securities				
Europe: Equity	-	660	495,257	495,917
Debt securities				
Europe: Private bond and equity*	-	21,876,654	58,234,739	80,111,393
UK: Private bond and equity*	-	5,156,638	16,406,770	21,563,408
USA: Private bond and equity*	-	2,995,671	8,753,711	11,749,382
Other: Private bond and equity*	-	1,600,700	13,249,109	14,849,809
Europe: ABS	-	35,604,768	1,284,884	36,889,652
USA: ABS	-	4,837,704	-	4,837,704
UK: ABS	-	8,720,421	-	8,720,421
Other: ABS	-	10,018,712	-	10,018,712
Europe: Money market loan	-	-	9,149,405	9,149,405
Europe: Secured loan**	-	41,707,182	-	41,707,182
USA: Secured loan**	-	3,350,372	-	3,350,372
UK: Secured loan**	-	13,970,901	-	13,970,901
Other: Secured loan**	-	8,211,333	-	8,211,333
Receivable on reverse repurchase agreements		24,806,365	-	24,806,365
Reverse repurchase agreement				
Derivative Assets				
Forwards	-	2,872	-	2,872
Credit default swaps	-	81,474	-	81,474
Total assets	-	182,942,427	107,573,875	290,516,302
Liabilities				
Financial liabilities held for trading				
Payable on repurchase agreements				
Repurchase agreement	-	(84,087,790)	-	(84,087,790)
Derivative liabilities				
Credit default swaps	-	(5,763)	-	(5,763)
Total liabilities	-	(84,093,553)	-	(84,093,553)

*This includes the fair value of the subsidiary Taurus Corporate Financing LLP (the “Originator”), as described in note 22 and the Company’s investment in collective investment scheme Toro II. As at 30 September 2025 Taurus invests into 10 risk retention CLOs valued at €170.91m (TCLO 2, 3, 5, 6, 7, 8, 9,10 and Bosphorus V & VI CLO). The Originator also holds €2,109,211m in cash and cash equivalents. Toro II invests in Asset Backed Securities valued at €30.31m and holds €1.31m in cash and cash equivalents.

**Secured loans are shown net of onward sold positions, please see notes 6.1 and 20 for further information.

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Notes to the Financial Statements (continued)

8. Fair value of financial instruments (continued)

The following tables show the Company's assets and liabilities at 30 September 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	-	660	471,408	472,068
Debt securities				
Europe: Private bond and equity*	-	-	56,728,761	56,728,761
UK: Private bond and equity*	-	-	16,439,002	16,439,002
USA: Private bond and equity*	-	-	6,315,392	6,315,392
Other: Private bond and equity*	-	-	11,960,710	11,960,710
Europe: ABS	-	47,847,149	1,188,301	49,035,450
USA: ABS	-	6,762,680	-	6,762,680
UK: ABS	-	12,315,519	-	12,315,519
Other: ABS	-	9,254,034	-	9,254,034
Europe: Money market loan	-	-	14,056,866	14,056,866
Europe: Secured loan	-	20,396,199	-	20,396,199
USA: Secured loan	-	3,668,556	-	3,668,556
UK: Secured loan	-	5,634,869	-	5,634,869
Other: Secured loan**	-	27,309,547	-	27,309,547
Receivable on reverse repurchase agreements				
Reverse repurchase agreement	-	30,793,661	-	30,793,661
Total assets		163,982,874	107,160,440	271,143,314
Liabilities				
Financial liabilities held for trading				
Payable on repurchase agreements				
Repurchase agreement	-	(56,587,351)	-	(56,587,351)
Listed derivatives				
Futures	(166,459)	-	-	(166,459)
Total liabilities	(166,459)	(56,587,351)	-	(56,753,810)

*This includes the fair value of the subsidiary Taurus Corporate Financing LLP (the "Originator"), as described in note 22. As at 30 September 2024 Taurus invests into 11 risk retention CLOs valued at €155.0m (TCLO 2, 3, 4, 5, 6, 7, 8, 9 and Bosphorus IV, V & VI CLO. 2 of which, TCLO4 and Bosphorus IV, are in liquidation). The Originator also holds €3.08m in cash and cash equivalents.

**Secured loans are shown net of onward sold positions, please see notes 6.1 and 20 for further information.

Notes to the Financial Statements (continued)

8. Fair value of financial instruments (continued)

19 Level 3 investments were held at 30 September 2025.

Product type	Transaction	Fair value at 1 October 2024	Realised P&L from exiting trades	Unrealised P&L & FX changes on held investments	Purchases	Sales	Redemptions	Fair value at 30 September 2025
Equity	46	471,408	-	23,849	-	-	-	495,257
Investment in the originator	79	91,443,865	-	10,200,464	-	(5,000,000)	-	96,644,329
Preferred Equity	68	246,840	-	(246,840)	-	-	-	-
Preferred Equity	70	1,709,659	-	(1,438,626)	-	-	-	271,033
Preferred Equity	72	302,647	-	(192,006)	-	-	-	110,641
Preferred Equity	73	5,049,096	-	(2,057,959)	-	(730,055)	-	2,261,082
Preferred Equity	74	6,748,623	-	(263,974)	22,000.00	-	-	6,506,649
RMBS	86	153,819	-	14,779	-	-	(140,927)	27,671
RMBS	87	386,086	-	58,549	-	-	-	444,635
RMBS	88	648,396	(1,859)	166,041	-	-	-	812,578
		107,160,439	(1,859)	6,264,277	22,000	(5,730,055)	(140,927)	107,573,875

Notes to the Financial Statements (continued)

8. Fair value of financial instruments (continued)

Nineteen Level 3 investments were held at 30 September 2024

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 30 September 2024
Equity	46	409,545	-	61,863	-	-	-	471,408
Investment in the originator	79	106,283,008	-	(5,339,143)	-	(9,500,000)	-	91,443,865
Preferred Equity	68	1,458,824	-	(876,984)	-	(335,000)	-	246,840
Preferred Equity	70	4,000,886	-	108,773	-	(2,400,000)	-	1,709,659
Preferred Equity	72	694,437	-	118,210	-	(510,000)	-	302,647
Preferred Equity	73	8,449,285	-	(135,189)	-	(3,265,000)	-	5,049,096
Preferred Equity	74	6,143,889	-	300,734	304,000	-	-	6,748,623
Preferred Equity	75	3,000	-	(2,484)	-	(516)	-	-
RMBS	86	171,133	-	(17,314)	-	-	-	153,819
RMBS	87	404,054	-	(17,844)	(1)	-	(123)	386,086
RMBS	88	390,861	(7,475)	297,093	-	-	(32,083)	648,396
RMBS	66	-	(2,578,704)	2,578,704	-	-	-	-
		128,408,922	(2,586,179)	(2,923,581)	303,999	(16,010,516)	(32,206)	107,160,439

Notes to the 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
ARB CLO	Arbitrage CLO
ARB CDO	Arbitrage Collateralised Debt Obligation

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 30 September 2025.

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.

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.

ARB CLO – generally sensitive to loan default rates, and lost severity of underlying loan book and prepayment risk. Parameters are affected by credit quality of the underlying loans, loan spreads, interest rates, reinvestment conditions as well as manager performance.

ARB CDO – generally sensitive to default risk/credit quality of underlying assets, interest rates risk.

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Notes to the 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 2025 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	495,527	Equity Holding in Irish Mortgage lender	Transaction sales price	Sales Price 5.287	4.76 - 5.82	(€49,526) - € 49,526	(0.02 %) – 0.02 %
Transaction [86-88]	1,284,884	Irish Mortgage Investment	Discounted Cashflow Model	Discount Margin 8.23 - 15 %	6.58 % - 18 %	(€42,492) - € 38,332	(0.06)% - 0.02 %
Transactions [68-75]	9,149,405	Spanish residential asset	Targeted sale value, expected costs and liabilities	Haircut on outstanding sales 10%	0 % - 15 %	(€456,856) - € 914,621	(0.22)% - 0.43 %
				Disposal costs € 1,282,928	± 10 %	(€127,992) - € 128,592	(0.06)% - 0.06 %
Transaction 79	96,644,329	Taurus CLO retention	Mark-to Model	Originator NAV	± 10 %	(€9,664,433) - € 9,664,433	(4.58)% – 4.58%

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Notes to the Financial Statements (continued)

8. Fair value of financial instruments (continued)

30 September 2024:

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	471,408	Equity Holding in Irish Mortgage lender	Book Value	Book value based on Financials 0.5x	0.4x - 1x	€(94,283) - €471,405	(0.05%) - 0.23%
Transaction [86-88]	1,188,301	Irish Mortgage Investment	Discounted Cashflow Model	Discount Margin 15%	12.75% - 17.25%	€(51,525) - €44,883	(0.03)% - 0.02%
Transactions [68-75]	14,156,865	Spanish residential asset	Targeted sale value, expected costs and liabilities	Haircut on outstanding sales 10%	0% - 15%	€(791,190) - €1,588,059	(0.39)% - 0.78%
				Disposal costs € 2,111,784	± 10%	€(211,178) - €211,178	(0.09)% - 0.09%
Transaction 79	91,443,865	Taurus CLO retention	Mark-to-Model	Originator NAV	± 10%	€(9,144,387) - €9,144,387	(4.50)% – 4.50%

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Notes to the Financial Statements (continued)

9. Earnings per Share - basic & diluted

The earnings per Share - basic and diluted of 8.05 cents (2024: 7.87 cents) has been calculated based on the weighted average number of Shares of 311,690,724 (2024: 308,514,922) and a net profit of €25,080,002 (2024: profit of €24,268,643) over the year. There were no dilutive elements to shares issued or repurchased during the year.

10. NAV per Share

The NAV per share of 67.03 cents (2024: 65.86 cents) is determined by dividing the net assets of the Company attributed to the Shares of €210,928,840 (2024: €205,120,350) by the number of Shares in issue (excluding those held in treasury) at 30 September 2025 of 314,673,186 (30 September 2024: 311,438,800).

As at 30 September 2025 46,776,814 Shares were held in treasury (2024: 50,011,200).

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

	30 September 2025	30 September 2024
	€	€
Financial assets at fair value through profit or loss:		
- ABS	60,466,489	77,367,683
- Equity securities	495,917	472,068
- CDS	81,474	-
- Forwards	2,872	-
- Investment in Taurus Corporate Financing LLP	128,273,992	91,443,865
- Money market loan	9,149,405	14,056,866
- Secured loan*	67,239,788	57,009,171
- Reverse repurchase agreement	24,806,365	30,793,661
Total financial assets at fair value through profit or loss	290,516,302	271,143,314
Financial liabilities at fair value through profit or loss:		
-CDS	(5,763)	-
- Futures	-	(166,459)
- Repurchase agreement	(84,087,790)	(56,587,351)
Total financial liabilities at fair value through profit or loss	(84,093,553)	(56,753,810)

*Secured loans are shown net of onward sold positions, please see notes 6.1 and 20 for further information.

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

	Year ended 30 September 2025	Year ended 30 September 2024
	€	€
Net gain on debt instruments at fair value through profit or loss		
- Debt securities	-	176,012
- ABS	(15,576,530)	3,154,769
- Equity securities	91,007	61,863
- Investment in Taurus Corporate Financing LLP and Toro II Capital	25,169,072	18,660,857
-Secured Loan	23,702,995	10,758,893
- Listed options	1,936,584	810,435
- Futures	(1,307,226)	1,218,852
- Money market loan	247,104	199,668
- CDS	(1,128,562)	(3,036,150)
- Repurchase agreement	(1,816,419)	(1,703,249)
- Reverse repurchase agreement	179,404	27,911
Net gain on debt instruments at fair value through profit or loss	31,497,429	30,329,861

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Notes to the Financial Statements (continued)

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

	Year ended 30 September 2025	Year ended 30 September 2024
	€	€
Net loss on foreign exchange and forward contracts	€	€
Realised gain on forward contracts	50,912	-
Unrealised gain on forward contracts	2,872	-
Realised gain on foreign exchange	17,799	(462,340)
Unrealised loss on foreign exchange	(137,487)	414,127
Net loss on foreign exchange and forward contracts	<u>(65,904)</u>	<u>(48,213)</u>
Net gain on financial assets and liabilities at fair value through profit or loss	<u>31,431,525</u>	<u>30,281,648</u>

13. Due from and to brokers

	30 September 2025	30 September 2024
	€	€
Due from*:		
Collateral and funding cash	3,277,582	1,694,460
Receivables for securities sold	36,460,238	22,709,200
	<u>39,737,820</u>	<u>24,403,660</u>
Due to:		
Payables for securities purchased	(45,186,650)	(43,976,089)
	<u>(45,186,650)</u>	<u>(43,976,089)</u>

* Receivables are short-term, with reputable financial institutions and are due for settlement due within a few months of the year end so exposure to expected credit loss is minimal.

14. Other receivables and prepayments

	30 September 2025	30 September 2024
	€	€
Prepaid D&O insurance fees	5,721	7,375
Other receivables	-	1,929
	<u>5,721</u>	<u>9,304</u>

15. Accrued expenses

	30 September 2025	30 September 2024
	€	€
Marketing fee	(190,480)	(207,643)
Management fee	(361,133)	(343,981)
Performance fees	(2,659,227)	(2,570,960)
Administration fee	(6,916)	(20,947)
Audit fee	(69,460)	(66,228)
Sub-administration fee	(14,875)	(12,955)
Legal fee	(3,201)	(51,149)
Custodian fee	(6,500)	(6,000)
Other fees	(232,648)	(295,908)
	<u>(3,544,440)</u>	<u>(3,575,771)</u>

Notes to the Financial Statements (continued)

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.

The rights attaching to the Shares are as follows:

- (a) As to income – subject to the rights of any Shares which may be issued with special rights or privileges, the Shares of each class carry the right to receive all income of the Company attributable to the Shares, and to participate in any distribution of such income by the Company, pro rata to the relative NAV of each of the classes of Shares and, within each such class, income shall be divided *pari passu* amongst the holders of Shares of that class in proportion to the number of Shares of such class held by them.
- (b) As to capital – on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Shares in accordance with the provision of the Articles and the Law), the surplus assets of the Company attributable to the Shares remaining after payment of all creditors shall, subject to the rights of any Shares that may be issued with special rights or privileges, be divided amongst the holders of Shares of each class pro rata to the relative NAV of each of the classes of Shares and, within each such class, such assets shall be divided *pari passu* amongst the holders of Shares of that class in proportion to the number of Shares of that class held by them.
- (c) As to voting – the holders of the Shares shall be entitled to receive notice of and to attend, speak and vote at general meetings of the Company.

The rights attaching to C Shares are as follows:

- (a) subject to the rights of any C Shares which may be issued with special rights or privileges, the C Shares of each class carry the right to receive all income of the Company attributable to the C Shares, and to participate in any distribution of such income by the Company, pro rata to the relevant NAV of any of the issued class of Shares and within each such class income shall be divided *pari passu* amongst the holders of that class in proportion to the number of C Shares of such class held by them;
- (b) the Shares of the relevant class into which C Shares of the relevant class shall convert shall rank *pari passu* with the Existing Shares of the relevant class for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and
- (c) no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Date and the Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

There were no C Shares in issue for either 30 September 2025 or 30 September 2024.

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Notes to the Financial Statements (continued)

16. Share capital (continued)

Movements in share capital

	Shares outstanding	Shares held in treasury	Total
As at 30 September 2024	311,438,800	50,011,200	361,450,000
SCRIP Dividends paid out of Treasury in period	589,574	(589,574)	-
Performance fee shares transferred to Portfolio Manager	2,644,812	(2,644,812)	-
As at 30 September 2025	314,673,186	46,776,814	361,450,000
	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	564,385	(564,385)	-
Performance fee shares transferred to Portfolio Manager	2,602,450	(2,602,450)	-
As at 30 September 2024	311,438,800	50,011,200	361,450,000

Performance fee shares

2,644,812 Shares (with a prevailing NAV at the date of transfer, being 30 September 2025, €1,772,818) were paid to the Portfolio Manager in the Period, in relation to the Performance Fee for the period ended 30 September 2025.

2,602,450 Shares (with a prevailing NAV at the date of transfer, being 30 September 2024, €1,713,974) were paid to the Portfolio Manager in the Period, in relation to the Performance Fee for the period ended 30 September 2024.

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 Asset Backed Securities 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.

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.

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Notes to the Financial Statements (continued)

18. Dividend policy (continued)

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 Year:

For period ending	Record Date	Pay Date	Dividend per Share		Total Value	Paid in Cash	Taken as Shares
			€			€	Number of Shares
30/09/2025	07/11/2025	05/12/2025	0.0166	Regular quarterly dividend	5,223,575	5,116,957	163,098
30/06/2025	08/08/2025	05/09/2025	0.0176	Regular quarterly dividend	5,488,406	5,379,417	146,218
30/03/2025	09/05/2025	06/06/2025	0.0178	Regular quarterly dividend	5,547,663	5,442,662	150,561
31/12/2024	07/02/2025	07/03/2025	0.0169	Regular quarterly dividend	5,264,981	5,168,871	146,218
30/09/2024	08/11/2024	06/12/2024	0.0165	Regular quarterly dividend	5,139,576	5,053,378	134,243

19. Derivative financial instruments

The Company trades 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.

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.

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Notes to the Financial Statements (continued)

19. Derivative financial instruments (continued)

Listed options (equity 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 30 September 2025:

	Financial assets at fair value	Financial liabilities at fair value	Notional amount	Maturity/expiry date
	€	€	€	
CDS Option	81,474	-	127,659,575	15 October 2025
CDS Option	-	(5,763)	(127,659,575)	15 October 2025
Forwards	2,872	-	(479,664)	28 November 2025
	84,346	(5,763)	(479,664)	

The following table shows the Company's derivative position as at 30 September 2024:

	Financial assets at fair value	Financial liabilities at fair value	Notional amount	Maturity/expiry date
	€	€	€	
Futures contracts	-	(166,459)	14,787,541	27 December 2024
	-	(166,459)	14,787,541	

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

As of 30 September 2025, there are twenty-seven repurchase agreement in place (at 30 September 2024: twenty).

Main terms of the repurchase agreements in place as of 30 September 2025:

Notional	Rate	Maturity	Counterparty
(3,922,000)	EUR003M+0.55%	28 November 2025	BNP
(3,069,743)	EUR003M+0.65%	28 November 2025	BNP
(9,018,018)	EUR003M+0.50%	05 December 2025	BNP
(2,396,087)	EUR003M+0.55%	05 December 2025	BNP
(1,632,480)	2.72%	18 December 2025	BNP
(5,705,726)	EUR003M+0.55%	24 December 2025	BNP
(3,689,611)	EUR003M+0.60%	15 October 2025	BNP
(1,961,285)	2.53%	Payable on demand	JPM
(851,805)	3.16%	Payable on demand	JPM
(841,732)	3.21%	Payable on demand	JPM
(2,415,845)	2.73%	Payable on demand	JPM
(11,009,062)	2.78%	Payable on demand	JPM
(1,441,652)	2.48%	Payable on demand	JPM
(1,137,081)	2.58%	Payable on demand	JPM
(2,014,015)	2.63%	Payable on demand	JPM
(1,469,972)	2.58%	Payable on demand	JPM
(669,783)	2.68%	Payable on demand	JPM
(2,059,000)	2.62%	Payable on demand	JPM
(1,090,736)	2.80%	Payable on demand	JPM
(926,422)	EUR003M+0.60%	17 November 2026	SG
(10,291,500)	EUR003M+0.45%	07 November 2025	SG
(4,197,466)	EUR003M+0.55%	17 December 2025	SG
(435,731)	EUR003M+0.55%	17 December 2025	SG
(1,379,970)	EUR003M+0.70%	17 December 2025	SG
(1,336,302)	EUR003M+0.70%	17 December 2025	SG
(9,000,000)	2.48%	22 December 2025	SG

The pledged assets under these contracts were valued €98,331,758 as at 30 September 2025.

Main terms of the reverse repurchase agreements in place as of 30 September 2025:

Notional	Rate	Maturity	Counterparty
1,715,000	EUR003M+2.05%	16 September 2026	Taurus Corporate Financing LLP
800,000	EUR003M+2.50%	16 September 2026	Taurus Corporate Financing LLP
2,173,877	1.01%	16 September 2026	Taurus Corporate Financing LLP
2,689,332	0.88%	16 September 2026	Taurus Corporate Financing LLP
1,002,472	1.78%	16 September 2026	Taurus Corporate Financing LLP
1,054,083	2.80%	16 September 2026	Taurus Corporate Financing LLP
12,200,000	EUR003M+0.99%	16 September 2026	Taurus Corporate Financing LLP
1,668,256	EUR003M+1.85%	16 September 2026	Taurus Corporate Financing LLP
1,355,742	EUR003M+2.45%	16 September 2026	Taurus Corporate Financing LLP

The pledged assets under these contracts were valued €24,654,543 as at 30 September 2025.

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Notes to the Financial Statements (continued)

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

Main terms of the repurchase agreements in place as of 30 September 2024

Notional	Rate	Maturity	Counterparty
(3,675,815)	EUR003M+0.60%	23 December 2024	BNP
(2,110,225)	4.57%	17 December 2024	Barclays
(4,348,759)	4.57%	17 December 2024	Barclays
(431,094)	4.57%	17 December 2024	Barclays
(429,684)	4.57%	17 December 2024	Barclays
(1,472,613)	4.57%	17 December 2024	Barclays
(647,037)	4.77%	17 December 2024	Barclays
(365,500)	4.57%	17 December 2024	Barclays
(4,357,613)	4.03%	Payable on demand	JPM
(851,487)	4.66%	Payable on demand	JPM
(843,420)	4.71%	Payable on demand	JPM
(5,337,108)	4.23%	Payable on demand	JPM
(11,048,909)	4.28%	Payable on demand	JPM
(1,446,553)	3.98%	Payable on demand	JPM
(1,140,051)	4.08%	Payable on demand	JPM
(1,652,178)	3.98%	Payable on demand	JPM
(1,820,047)	EUR003M+0.75%	03 October 2024	Natixis
(4,004,747)	EUR003M+0.65%	17 December 2024	SG
(1,563,530)	EUR003M+0.55%	17 December 2024	SG
(8,944,221)	EUR003+0.45%	17 December 2024	SG

The pledged assets under these contracts were valued €63,492,172 as at 30 September 2024.

Main terms of the reverse repurchase agreements in place as of 30 September 2024

Notional	Rate	Maturity	Counterparty
1,715,000	EUR003M+2.05%	16 September 2025	Taurus Corporate Financing LLP
800,000	EUR003M+2.50%	16 September 2025	Taurus Corporate Financing LLP
4,835,003	1.01%	5 March 2025	Taurus Corporate Financing LLP
5,981,447	0.88%	5 March 2025	Taurus Corporate Financing LLP
1,002,472	1.78%	1 August 2025	Taurus Corporate Financing LLP
1,054,083	2.80%	5 August 2025	Taurus Corporate Financing LLP
12,200,000	EUR003M+0.99%	8 August 2025	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 €30,547,692 as at 30 September 2024.

Secured Loans

During the year the Company has entered into a CLO retention financing transaction. The Company has granted a term financing in the form of a repurchase agreement (Repo) 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. The value of retention repurchase agreements and onward sold asset backed securities is presented on a net basis in the financial statements in accordance with IFRS 9, as there is both an enforceable legal right and intention to settle these positions net, ensuring that only the net exposure is reported and reflecting the true economic substance of the transactions. As at the 30 September 2025 the fair value of secured loans was €701,454,257, with collateral assets pledged under these contracts valued at €634,214,469.

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Notes to the Financial Statements (continued)

21. Changes in financing liabilities

As mentioned previously in note 2.12 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:

	30 September 2025	30 September 2024
	€	€
Opening balance	(25,793,690)	3,825,274
Buy transactions	56,904,308	144,163,850
Sell transactions	(89,916,262)	(172,088,231)
Change in fair value	(413,718)	(1,675,338)
Change in open accrued interest	(62,063)	(19,245)
Closing balance	(59,281,425)	(25,793,690)

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 Company holds a large ownership percentage of Toro European CLO 10 Designated Activity Company (“TCLO10”) (a €500m European Leveraged Loan CLO). The Company heavily participated in owning the subordinated tranche in this structure by holding 100% 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 or TCLO 10.

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	96,644,329

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

Name:	Taurus Corporate Financing LLP	Chenavari Credit Fund S.C.A., SICAV RAIF
Place of Business:	P.O. Box 286 Floor 2 Trafalgar Court Les Banques St. Peter Port Guernsey	Toro Capital II Fund 4 Rue Albert Borschette, K2 Ballade, Floor 3 L-1246 Luxembourg Grand Duchy of Luxembourg
Ownership interests held:	99.99%	100%

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

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Notes to the Financial Statements (continued)

22. Interests in other entities (continued)

	Toro European CLO 9 Designated Activity	Toro European CLO 10 Designated Activity
Name:	Company	Company
Place of Business:	2 nd Floor	2 nd Floor
	1-2 Victoria Buildings	1-2 Victoria Buildings
	Haddington Road	Haddington Road
	Dublin 4	Dublin 4
	D04 XN32	D04 XN32
	Ireland	Ireland
Ownership interests held:	76%*	100%*

- (i) The Company provided several repurchase agreements to the Originator with overall principal of €24,658,762 as at 30 September 2025 (2024: €30,612,002) that are bearing interest and due per the maturity dates disclosed in note 20. In contrast, the Originator pledged assets on these contracts valued of €24,778,459 (2024: €30,748,274) that are held by the Company as a security on these lending.

23. Significant event

On 2 January 2025, the Company made an in-kind subscription to Chenavari Credit Fund S.C.A. SICAV-RAIF – Toro Capital II (“Toro II”), a collective investment scheme advised by the Portfolio Manager. The Company is invested in a non-fee paying class and therefore no additional fees are charged for its investment. The Company transferred investments with a fair market value of €30,664,197 in exchange for 306,614 shares of Toro II. As at 30 September 2025, the shares are valued €31,629,663.

24. Post balance sheet events

On 29 October 2025, the Company announced its regular quarterly dividend of 2.50% (1.66 cent per ordinary share) for the period from 1 July 2025 to 30 September 2025. Payment was made on 5 December 2025 to holders of ordinary shares recorded on the register as at close of business on 7 November 2025 with an ex-dividend date of 6 November 2025.

There are no other events subsequent from 30 September 2025 to the date of signing which would require disclosure in these financial statements.

25. Approval of the financial statements

The Audited Financial Statements were approved for issue to shareholders by the Directors on 18 December 2025.

Appendix 1

AIFMD Disclosures - (unaudited)

Quantitative Remuneration Disclosure for the AIFM

The total fee paid to the AIFM by the Company for the year ended 30 September 2025 is disclosed in note 4.

The AIFM is not subject to the provisions of Article 13 of the AIFM Directive, which require the AIFM to adopt remuneration policies and practices in line with the principles detailed in Annex II of the Directive. However, in accordance with Article 22 of the AIFM Directive and Article 107 of the AIFM Regulations, the AIFM must make certain disclosures in respect of the remuneration paid to its staff.

The AIFM has identified six staff as falling within the scope of the disclosure requirements (the “Identified Staff”). These Identified Staff are senior management, named as Designated Persons of the AIFM’s managerial functions and members of the Board of Directors, risk and investment committees of the AIFM. All Identified Staff of the AIFM are employees of the Carne Group and as such receive no separate remuneration for their role within the AIFM. Instead, they are remunerated as employees of other Carne group companies, with a combination of fixed and variable discretionary remuneration, where the latter is assessed based on their overall individual contribution in their role, with reference to both financial and non-financial criteria and not directly linked to the performance of the staff of specific business units or targets reached. The total remuneration of the Identified Staff, in respect of AIFs under management, for the year ended 31 March 2025 was £189,222. Based on the net asset value of the Company relative to the total assets under management of the AIFM, the portion of this figure attributable to the Company was £18,522. There was no variable component to this remuneration that is based on the performance of the Company and none of the AIFM’s Identified Staff can materially impact the risk profile of the Company. The AIFM manages other funds and has no staff other than the Identified Staff.

Liquidity

Liquidity risk is monitored by the AIFM on an ongoing basis. The Risk Committee for the AIFM monitors the liquidity risk of the Company to ensure that the liquidity profile of the investments of the Fund complies with its underlying obligations.

At the date of this annual report there are no assets held by the Company which are subject to special arrangements arising from their illiquid nature. There has been no change to the liquidity management system and procedures during the period since incorporation. Please refer to the notes in the financial statements for an analysis of the Company’s liabilities and their maturity dates at 30 September 2025.

Risk

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.

Responsibility for day-to-day management of the Company’s risk has been delegated to the Risk Officer, who works together with the transversal risk team at the Portfolio Manager. The Risk Officer reports to the Risk Committee of the AIFM. The Risk Committee has ultimate responsibility for risk management and controls of the Company and for reviewing their effectiveness on a regular basis, including taking appropriate remedial action to correct any deficiencies. The Risk Committee manages the risks of the Company through the Risk Management Framework (the “RMF”). The Risk Committee monitors all risk limits to ensure compliance or that corrective action is taken in the event of breaches. The Risk Committee monitors to see if limit levels are being approached and endeavours to take appropriate steps to avoid limit breaches. The Risk Committee is responsible for the implementation of the RMF. Operational risk is monitored through periodic due diligence of delegates and ongoing monitoring of reporting from delegates.

The Risk Committee has oversight of the risk management framework of the Company and specifically the effectiveness of the risk management function with respect to governance and risk compliance. The Risk Committee ensures that market risk, liquidity risk, credit risk, counterparty risk and operational risk are identified, measured, monitored and managed in line with the AIFM’s RMF and consistent with the Prospectus of the Company. The Risk Committee addresses any risk related issues and escalates to the AIFM Board if necessary. The Risk Committee is appointed by and reports to the AIFM Board.

The AIFM has assessed the current risk profile of the Company to be low.

Appendix 1 (continued)

AIFMD Disclosures - (unaudited) (continued)

Leverage

The leverage limitation provisions of the AIFM Directive do not apply to the Company because the Company is a “non-EEA domiciled AIF” and the AIFM is a “non-EU AIFM”. Consequently, the AIFM (where it undertakes Portfolio Management directly or otherwise the Portfolio Manager as delegate of this function) is not required to set a maximum level of leverage (as calculated pursuant to the AIFM Directive) for the Company. Notwithstanding this, the Company has set a borrowing limit such that the Company’s gearing shall not exceed 130 per cent. at the time of incurrence and deployment of any borrowing. For the purposes of this calculation, gearing will be calculated as the sum of the Company’s exposures to each position directly held, divided by the last published NAV (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).

There has been no change to the maximum level of leverage which the AIFM may employ on behalf of the Company. The actual level of gearing employed by the Company at 30 September 2025 was 124.81%.

Material changes to information

Article 23 of the AIFM Directive requires certain information to be made available to investors before they invest and requires material changes to this information to be disclosed in the annual report. There have been no material changes (other than those already reflected in the Annual Report) to the information requiring disclosure.