

Chenavari Toro Income Fund Limited

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

Condensed Unaudited Interim Financial Statements

For the period from 1 October 2022 to 31 March 2023

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

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

Chenavari Toro Income Fund Limited

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

Contents

Commodity Exchange Affirmation Statement	3
Highlights for the period from 1 October 2022 to 31 March 2023.....	4
Corporate Summary.....	5
General Information	7
Chairman’s Statement.....	8
Portfolio Manager’s Report	9
Statement of Principal Risks and Uncertainties.....	13
Statement of Directors’ Responsibilities	18
Independent Review Report to Chenavari Toro Income Fund Limited	19
Condensed Unaudited Statement of Comprehensive Income.....	19
Condensed Unaudited Statement of Financial Position.....	22
Condensed Unaudited Statement of Changes in Equity	23
Condensed Unaudited Statement of Cash Flows.....	24
Condensed Unaudited Schedule of Investments, at Fair Value.....	25
Notes to the Condensed Unaudited Financial Statements	29

FORWARD-LOOKING STATEMENTS

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

Chenavari Toro Income Fund Limited

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

Commodity Exchange Affirmation Statement

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

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

Loic Fery

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

28 June 2023

Chenavari Toro Income Fund Limited

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

Highlights for the period from 1 October 2022 to 31 March 2023

The metrics below use both IFRS performance measures and Alternative Performance Measures (“APMs”), chosen to best represent Chenavari Toro Income Fund Limited (the “Company”) performance over the financial period from 1 October 2022 to 31 March 2023 (the “Period”)

- The net asset value (“NAV”) total return for the Period (with dividends reinvested) was 5.07%¹ and the share price total return (with dividends reinvested) was -0.65%² (1 October 2021 to 31 March 2022: 3.34% and 8.34% respectively).
- During the Period, the Company’s NAV per Ordinary Share (“Share”), excluding dividends distributed, increased by 0.01%³ (1 October 2021 to 31 March 2022: 1.69% decrease) to close at 64.06 cents (31 March 2022: 73.30 cents).
- The Company declared two dividends in respect of the Period ended 31 March 2023: 1.59 cents per Share paid on 9 March 2023 for the quarter ended 31 December 2022 and 1.60 cents per Share paid on 9 June for the quarter ended 31 March 2023. The final dividend for the period ending 30 September 2022, of 1.60 cents per Share was paid on 20 December 2022.
- During the Period, 234,723 shares were transferred from treasury as scrip dividends and no shares were transferred from treasury in part settlement of performance fees due to the Investment Manager. The Company repurchased Nil Shares via Share Repurchases. At 31 March 2023 the Company had 306,736,687 shares in issue and 54,713,313 shares held in treasury. (Period to 31 March 2022: 326,949 shares transferred from treasury as scrip dividends, Nil shares transferred from treasury in part settlement of performance fees due to the Investment Manager. Nil Shares via Share Repurchase. 306,501,964 shares in issue and 54,948,036 shares held in treasury at 30 September 2022).
- The Company’s mid-market share price at 31 March 2023 was 49.55 cents (30 September 2022: 53 cents), representing a discount to NAV of 22.65%⁴ (30 September 2022: 17.25%).
- The profit for the Period was €9.8 million (31 March 2022: €7.5 million profit), or 3.20 cents profit per Share (31 March 2022: 2.47 cents profit per Share), taking into account recognition of the following significant items:
 - total income of €11.2million (31 March 2022: income of €10.6 million)
 - total operating expenses of €1.4 million, €Nil performance fee. (31 March 2022: €3.1 million inclusive of €1.3 million performance fees)
- At 31 March 2023, the NAV was €196.5 million (30 September 2022: €196.3 million), and its available cash holdings were €8.6 million (30 September 2022: €4.7 million).

¹31 March NAV per share of 64.06 cents plus 79.98 cents inception to date reinvested distributions (total 144.04 cents) versus 64.05 NAV per share plus 73.04 cents reinvested (total 137.09 cents) at 30 September 2022 $(144.04-137.09)/137.09 = 5.07\%$

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

³ 31 March 2023 NAV per Share of 64.06 cents versus 30 September 2022 NAV per Share of 64.05 cents $(64.06-64.05)/64.05 = 0.01\%$

⁴ Listed mid-market share price per Bloomberg of 49.55 cents versus calculated NAV per share per the Statement of Financial position of 64.06 cents $(64.06-49.55)/64.06 = 22.65\%$

Chenavari Toro Income Fund Limited

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

Corporate Summary

For the Period from 1 October 2022 to 31 March 2023

The Company

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

Investment objective

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

Investment policy

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

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

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

Originated transactions

The Company invests in Originators which establish securitisation vehicles and retain the requisite Retention Securities in such vehicles pursuant to the EU Risk Retention Requirements and/or, in future, the U.S. Risk Retention Regulations. In exchange for its capital and participation facilitating retention compliant origination transactions, the Company expects to receive enhanced returns relative to direct investment in structured credit investments (such as CLOs). Such returns may take the form of additional returns from fees, fee rebates or other financial accommodations agreed by parties who may benefit from the Company’s involvement depending upon the asset class of a securitisation vehicle. The CLO Retention strategy is operated through Taurus Corporate Finance LLP, 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 over three to five years once the Company is fully invested. From May 2017, the Company’s dividend target was increased from 5 cents to 8 cents per annum payable quarterly in March, June, September and December of each year. On 08 June 2020, as part of a series of new initiatives with the intention of narrowing the share price discount to NAV, the Company announced an enhanced dividend policy 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).

As part of the enhanced dividend policy at the end of each calendar quarter until 31 December 2020, the Company maintained a maximum cash balance in its portfolio of 10 per cent. of NAV and distributed all excess cash above this balance arising in the portfolio as special dividends on a quarterly basis. These special dividends were in addition to any quarterly dividends paid pursuant to the Company’s dividend policy outlined above. With effect from 1 January 2021, the maximum cash balance cap can be reduced to a level of no more than 5 per cent. of NAV, unless the investment manager, at its discretion, decides to maintain such cap at a maximum of 10 per cent., should market opportunities in liquid and tradable European ABS/CLO arise. 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.

Chenavari Toro Income Fund Limited

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

Corporate Summary (continued) For the Period from 1 October 2022 to 31 March 2023

Target returns and dividend policy (continued)

The NAV total return for the Period was 5.07%. Dividends totalling 3.19 cents per share were declared with respect to the Period. This represents a return of 4.98% on the NAV per share of 64.05 cents reported in the 30 September 2022 financial statements.

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

Net asset value ("NAV")

At 31 March 2023, the Company's NAV was €196.5 million (30 September 2022: €196.3 million) with the NAV per Share amounting to 64.06 cents (30 September 2022: 64.05 cents). The Company publishes its NAV on a monthly basis. The NAV is calculated as the Company's assets at fair value less liabilities, measured in accordance with International Financial Reporting Standards ("IFRS").

Duration

The Company has an indefinite life.

Website

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

Listing information

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

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

The mid-market closing price quoted on the SFS at 31 March 2023 was 49.55 cents per Share.

The average closing price of the Shares over the Period was 51.06 cents per Share.

Chenavari Toro Income Fund Limited

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

General Information

Directors

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

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

Registered Office

P.O. Box 286
Floor 2
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
GY1 4LY

AIFM

Carne Global AIFM Solutions (C.I.) Limited
Channel House
Green Street
St. Helier
Jersey
JE2 4UH

Registrar

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

Advocates to the Company (as to Guernsey law)

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

Custodian and Principal Bankers

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

Auditor

Deloitte LLP
P.O. Box 137
Regency Court
Glatigny Esplanade
St. Peter Port
Guernsey
GY1 3HW

Chenavari Toro Income Fund Limited

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

Chairman's Statement

Dear Shareholders,

The independent Board of the Company is pleased to present Chenavari Toro Income Fund Limited's Mid-Year Report and Unaudited Financial Statements for the period ending 31 March 2023.

Financial Performance

The Company's NAV generated a total return (with dividend reinvested) of 5.07%⁵ between 1 October 2022 and 31 March 2023. This was above our annualised NAV Return Target of 10%.

The share price's total return was -6.51%⁶ (-0.65%⁷ with dividend reinvested).

The Company's shares closed at mid-price of 49.55 cents per Share as of 31 March 2023, representing a discount to NAV of 22.65%, compared to 17.25% on 30 September 2022. This widening of the discount took place as trading volumes in the stock have dropped. A similar pattern could be observed with our peers and to some extent with the investment trust market in general as investors have refocussed on straightforward mainstream investments following the collapse of three US regional banks and Credit Suisse.

Cashflows and Dividends

During the period, the Company announced dividends per ordinary share of EUR 0.0159 for Q4 2022 and 0.016 EUR for Q1 2023, corresponding to quarterly dividends of 3%.

Investment Portfolio Overview

The direct origination strategy remained our largest and main strategy over the period showing the continuity and stability in this investment strategy.

The first distribution on TCLO 8 Equity paid a 24.1% annualized return on notional during Q4 22 while in the First quarter 2023 Taurus risk retention strategies paid a combined total of EUR 3.4m, which on an annualised NAV basis represented a return of 25.2% over the market value of the positions. Since the beginning of 2022 the team has worked to increase the credit quality of the portfolio of underlying loans. The weighted average rating factor of the CLO portfolios have slowly declined and outperformed the market in the last 12 months, as the CLO managers have focused on reducing the B- bucket of the portfolio.

As for the public ABS/CLO strategy, the team had started to redeploy cash in Q4 2022 into BBB/BB rated securities to capture an improved technical post the Liability-Driven Investment ("LDI") widening. Profit was then taken on these positions to increase the cash level and reposition some of the assets into investment grade /less risky collateral in anticipation of credit stress in the medium term.

On the other hand, the exit from the private asset backed finance strategy was completed and the proceeds were reinvested in Public ABS/CLOs in Q4 2022. This exposure to public ABS/CLOs was reduced during Q1 2023 and allocation to cash increased as the team expected more attractive entry points to materialize during the year. Lastly, the exit from SpRED, Spanish Real Estate developments is being slowly completed.

Frederic Hervouet
Non-executive Chairman
Date: 28 June 2023

⁵ 31 March NAV per share of 64.06 cents plus 79.98 cents inception to date reinvested distributions (total 144.04 cents) versus 64.05 NAV per share plus 73.04 cents reinvested (total 137.09 cents) at 30 September 2022 $(144.04-137.09)/137.09 = 5.07\%$

⁶ 31 March closing share price of 49.55 cents versus 53 cents at 30 September 2022 $(49.55-53)/53 = -6.51\%$

⁷ Bloomberg Share price total return with dividends reinvested at Ex-date.

Chenavari Toro Income Fund Limited

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

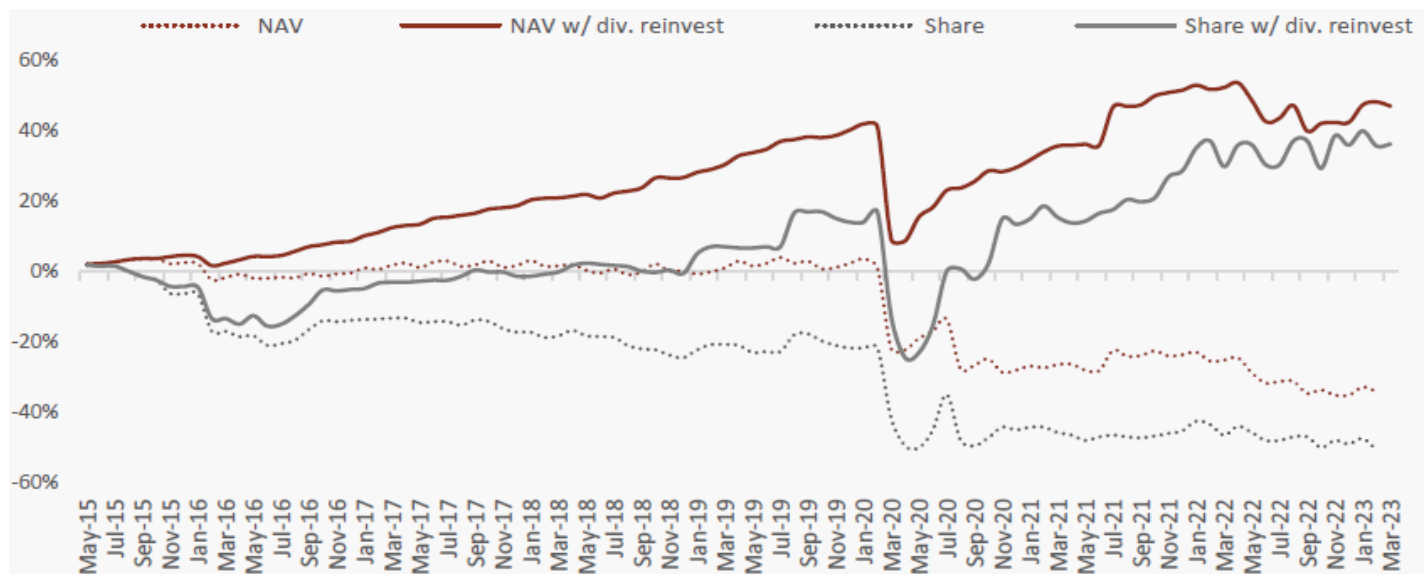
Portfolio Manager's Report

Performance

During the Period, the Company NAV performance was 5.07%⁸ (dividends reinvested).

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

Year	YTD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	4.53%	-	-	-	-	2.06%	0.15%	0.45%	0.64%	0.28%	0.02%	0.52%	0.34%
2016	3.86%	(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	(7.60%)	1.22%	(0.54%)	(22.72%)	(0.37%)	6.28%	2.39%	4.06%	0.53%	1.50%	2.38%	(0.15%)	0.91%
2021	16.99%	1.63%	1.77%	1.24%	0.14%	0.24%	(0.2%)	8.02%	0.12%	0.28%	1.72%	0.64%	0.46%
2022	(6.05%)	0.92%	(0.79%)	0.35%	0.90%	(3.24%)	(4.06%)	0.67%	2.52%	(4.94)%	1.51%	0.22%	0.03%
2023	3.25%	3.46%	0.59%	(0.79%)									



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

Period ending	Dividend (cents per Share)
30 September 2015 (1 dividend)	2.00
30 September 2016 (4 dividends)	6.50
30 September 2017 (4 dividends)	6.75
30 September 2018 (4 dividends)	8.00
30 September 2019 (4 dividends)	8.00
30 September 2020 (4 dividends)	7.33
30 September 2020 (2 special distributions)	13.97
30 September 2021 (4 dividends)	7.18
30 September 2022 (4 dividends)	6.97
31 March 2023 (2 dividends)	3.19

In relation to the Period, the Company declared dividends totalling 3.19 cents per Share. Dividend payments in the Period also totalled 3.19 cents per Share with the dividend for the 3 month period ending 30 September 2022 (relating to the previous financial period) paying in the Period and the dividend for the 3 month period ending 31 March 2023 paying after the end of the Period.

The Company had no share repurchase transactions during the period nor any during the same comparable period of the previous year. At 31 March 2023 the Company had 306,736,687 Shares in issue with 54,713,313 held in treasury (30 September 2022: 306,501,964 Shares in issue with 54,948,036 held in treasury).

⁸ 31 March NAV per share of 64.06 cents plus 79.98 cents inception to date reinvested distributions (total 144.04 cents) versus 64.05 NAV per share plus 73.04 cents reinvested (total 137.09 cents) at 30 September 2022 (144.04-137.09)/137.09 =5.07%.

Chenavari Toro Income Fund Limited

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

Portfolio Manager's Report (continued)

Portfolio breakdown as of 31 March 2023

As of 31 March 2023, the Company's investment, gross of leverage, represented 94.38% of the NAV.

The NAV allocation as of 31 March 2023 was as follows:

Asset class breakdown	31 March 2023	30 September 2022
	% NAV	% NAV
Equity (including Taurus Originator)	57.60%	51.89%
Arbitrage CLO	13.02%	17.54%
Preferred equity	15.35%	16.45%
Reverse repurchase agreement	13.46%	13.46%
Due to/from broker, accruals, other receivables and prepayments	4.99%	5.15%
Cash and cash equivalents	4.39%	2.37%
Derivative financial assets	0.66%	1.55%
Senior loan	1.13%	1.28%
Residential mortgage-backed security	0.94%	0.97%
Non-performing loan	0.35%	0.38%
Balance sheet CLO	0.16%	0.27%
Consumer ABS	0.18%	0.18%
Equity securities	(0.20%)	(0.11%)
Derivative financial liabilities	(0.17%)	(0.81%)
Repurchase agreement	(11.86%)	(10.57%)
Total	100.00%	100.00%

The geographical breakdown of the underlying assets is as follows:

Geographic breakdown	31 March 2023	30 September 2022
Spain	17.73%	19.37%
France	12.53%	13.40%
Luxembourg	11.08%	11.23%
Germany	8.46%	8.70%
Great Britain	9.85%	10.78%
Netherlands	9.16%	9.67%
USA	4.77%	5.01%
Ireland	6.25%	4.01%
Italy	1.92%	2.25%
Other	8.87%	8.06%
Cash and cash equivalents	4.39%	2.37%
Due to/from broker, accruals, other receivables and prepayments	4.99%	5.15%
Total	100.00%	100.00%

Portfolio Manager's Report (continued)

Gearing

The Company may use borrowings from time to time for the purpose of short-term bridging, financing Share buy backs, repurchase agreements with market counterparties or managing working capital requirements, including hedging facilities. Cash borrowings can contribute alongside other forms of leverage to increase the level of gearing of the Company. The Company may also use gearing to increase potential returns to Shareholders. In the past, the Portfolio Manager has employed leverage against senior tranches of ABS to enhance their returns, and expects it will continue to do so, where the economic terms offered by counterparties can increase potential returns to Shareholders. As of 31 March 2023, the gearing of the Company was approximately 94.38%⁹. (30 September 2022: 96.6%).

Overview

The Company's NAV for the six-month period (from 1 October 2022 to 31 March 2022), was up 5.07%, including a €0.0319 per share dividends.

During the fourth quarter of 2022, global inflationary pressures started to show signs of easing from the multi-decade highs reached in Q3. Central banks and policy makers retained a hawkish stance whilst slowing down the rate interest rises, with the Federal Reserve ("Fed"), European Central Bank ("ECB") and Bank of England ("BoE") rising interest rates by 75bps and 50bps in November and December respectively. Global Economic growth slowed but remained positive, supported by the lowest unemployment in decades while in Europe, economic growth was more resilient than expected. The U.S. Treasury Yield Curve remained inverted, a typical sign of bond market pricing recessionary risks, hinting at a potential reversal in the Fed policy.

First signs of below-trend economic growth started to appear during the first quarter of 2023. Global inflationary pressures, just slightly lower than the multi-decade highs reached in late 2022, changed their shape, with food and services becoming current primary contributors. Adding to fundamental economic concerns, failures of financial institutions in the US first, and just after that, in Switzerland, caused growing concerns of global systemic risks. These events triggered mixed views in markets. In February, the ECB and the BOE hiked 50bps while the FED slowed to 25bps, down from 50bps in December. In March, the ECB kept a 50bps hike, while the BOE and the FED went for a 25bps hike. Contrasting were the respective governors' expressions, mentioning prolonged raises but the need for careful monitoring and prompt reactions as the inflationary pressures are not curbed out completely yet.

During the 6 months period to 31 March 2023, the focus continued to be on the core strategies, i.e. the Direct Origination Strategy (i.e. securitisation retention) and the Public ABS Strategy, which have produced the bulk of the return to date since Toro IPO in 2015.

At the end of the period, the Direct Origination Strategy represented 65.8% of NAV, while the Public ABS strategy represented 21.2% of NAV.

In terms of performance attribution, the Direct Origination Strategy contributed +3.21% to the NAV performance, while the Public ABS Strategy contributed +1.79% and the Private Asset Backed Finance Strategy contributed +0.07%.

November saw the reopening of European leveraged loans markets with €3bn in new issuances generated, well above historical monthly averages, giving positive signs on the outlook for the retention strategy. At the end of the period, annualised payments on the retention pieces of TCLO 3, 4 and 5, and Bosphorus 4 and 6, were 24.3%, 15.3%, 38.9%, 13.5% and 16.7%, respectively (21.3% gross annualised return on an aggregate basis).

In the Public ABS Strategy, the Portfolio Manager benefitted from the tightening of CLO spreads during the semester to decrease exposure and deleverage the BB, B bucket of the portfolio, freeing up cash to focus on the more senior part of the capital structure. This bucket was actively managed through the quarter and the portfolio manager has made efforts to optimise the risk reducing exposure to single Bs in particular.

Regarding Spanish Real Estate ("SpRED"), as at 31 March 2023 the development for all the projects within the strategy are now completed. Total sales stand at 76%, a 5% increase from 30 September 2022. During the period, the Company proceeded with the completion of a considerable number of sales in a deposit stage, which will turn the investment cash flow positive following

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

Chenavari Toro Income Fund Limited

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

this period. The gross investment IRR and MOIC is projected to be 7% and 1.30x respectively, on the transaction assuming an exit of the remaining units in the next 24 months.

Portfolio Manager's Report (continued)

Outlook

The Portfolio Manager believes the Direct Origination Strategy, through Taurus, provides for superior risk adjusted returns, be it through vertical or horizontal retentions, and therefore intends to keep Taurus as one of the major components of the Company.

In the Public ABS strategy, having reduced exposure to lower rated positions (BB,B) and with 13% of the portfolio available in cash for investments, the Portfolio Manager stands ready to deploy more capital in the next few quarters in either the primary market or in secondary tactical opportunities, should there be weakness in credit markets and in CLOs in particular.

After a successful exit of the remaining Private Asset Backed Finance Strategy exposure, exiting the SpRED exposure will be one of our key priorities for 2023.

The continuous exit of non-core strategies and rebalancing towards core strategies should allow the Company to generate above 10% annual return on NAV, and maintain distributions of at least the enhanced dividend strategy, i.e. 2.5% of NAV per quarter.

Chenavari Credit Partners LLP
Portfolio Manager

28 June 2023

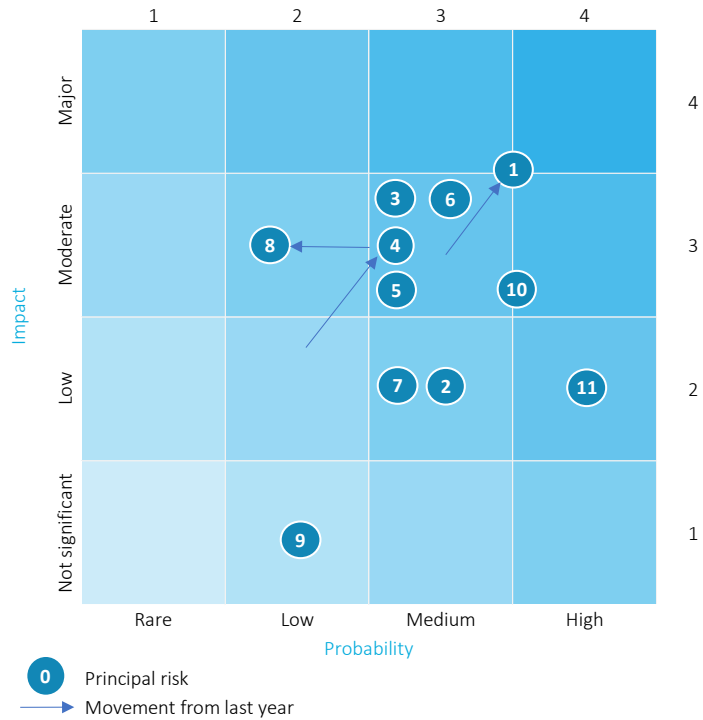
Chenavari Toro Income Fund Limited

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

Statement of Principal Risks and Uncertainties

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

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



Market Conditions

1 Exogenous market shocks Risk profile: Increasing

Probability medium/high	Impact moderate/major	Mitigation
<p>Large and unexpected shocks to the economy can create spikes in defaults. Macroeconomic tensions have increased in the last year (USA/China, war in Ukraine, inflation and recession risks).</p> <p>These shocks can compound some of the principal risks, not least fund performance, collateral risk, product 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 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 Share price discount

Risk profile: **Unchanged**

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

Asset Performance

3 Collateral risk (default, recovery, prepayment)

Risk profile: **Unchanged**

Probability medium	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: **Increasing**

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> <p>The key strategies of the fund can be broadly broken down into CLO equity (risk retention), CLO debt (mostly secondary trading) and private credit. Private credit performance was badly affected by the impact of COVID-19 and the Portfolio Manager suspended the origination of credit portfolios for the fund. CLO equity has been volatile post COVID but has maintained dividends and closed last with moderately healthy implied NAVs. CLO debt has likewise rebounded quite considerably.</p>

5 Concentration/ Correlation Risk profile: **Unchanged**

Probability medium	Impact moderate	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 low	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>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>

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)

8	Risk retention	Risk profile: Decreasing
Probability low	Impact moderate	Mitigation
	<p>Under EU Risk Retention Requirements an Originator will be unable to liquidate, sell, hedge or otherwise mitigate its credit risk under or associated with Retention Securities until such time as the securities of the relevant securitisation vehicle have been redeemed in full (whether at final maturity or early redemption). In the case of the deterioration of general economic conditions affecting the underlying obligors and/or asset pool, the risk of loss of principal will increase unless it can be sold or hedged.</p>	<p>The Risk Retention strategy is core to the fund and constitutes 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	Direct lending	Risk profile: Unchanged
Probability low	Impact not significant	Mitigation
	<p>As part of the private asset backed finance strategy, the Company has historically diversified away from classic secondary corporate loans and residential mortgages into new asset classes. Examples include investment in Spanish real estate. Such investments expose the Company to new types of investment risk, including political and macroeconomic factors.</p> <p>The illiquidity of such investments may make them difficult to dispose of at fair value and there may be a significant period between the date that an investment is made and the date that any capital gain or loss on such investment is realised.</p>	<p>The Company mitigates liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of bank deposits and loans. The Company is closed-ended and not subject to the need to liquidate holdings quickly in order to meet redemptions.</p> <p>During the year there was no origination in direct lending and profit has been taken on existing positions.</p>
10	Default/Downgrade risk	Risk profile: Unchanged
Probability medium/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 is increasing due to a combination of rising interest rates and recession fears.</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.</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>

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)

11 Interest rate risk Risk profile: **Unchanged**

Probability high	Impact low	Mitigation
	<p>The risk that an investment's value will change due to a change in the absolute level of interest rates. This risk is increasing as central banks have raised interest rates this year and are expected to continue to raise rates next year.</p>	<p>The Portfolio Manager has set internal limits on the maximum sensitivity to Interest Rates permitted within the portfolio. These limits are monitored daily.</p>

Other risks that we monitor closely

Risk	Description
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>
Environmental	<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.</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	<p>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.</p>
CLO investments	<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>
Warehouse credit facilities	<p>The risk that any future securitisation of loan assets the subject of a Warehouse Credit Facility will not be consummated or that such loan assets will be ineligible for purchase by the relevant securitisation vehicle. This may result in a need for the Originator to refinance the loan assets, creating the risk that it will not be able to do so. There is also the risk that the value of loan assets subject to a Warehouse Credit Facility falls, resulting in the Originator being unable to securitise the assets without suffering loss.</p>

Chenavari Toro Income Fund Limited

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

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

- These Condensed Unaudited Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.
- The interim management report (comprising the Chairman's Statement and Portfolio Manager's Report) meets the requirements of an interim management report, and includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the period from 1 October 2022 to 31 March 2023 and their impact on the Unaudited Interim Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place during the period from 1 October 2022 to 31 March 2023 and that have materially affected the financial position or performance of the entity during that period.

This responsibility statement was approved by the Board of Directors on 28 June 2023 and is signed on its behalf by:

Frederic Hervouet
Non-executive Chairman

28 June 2023

Chenavari Toro Income Fund Limited

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

Independent Review Report to Chenavari Toro Income Fund Limited

We have been engaged by Chenavari Toro Income Fund Limited (the “Company”) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2023 which comprises the Condensed Unaudited Statement of Comprehensive Income, the Condensed Unaudited Statement of Financial Position, the Condensed Unaudited Statement of Changes in Equity, the Condensed Unaudited Statement of Cash Flows, the Condensed Unaudited Schedule of Investments and related notes 1 to 23.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2023 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

Basis for conclusion

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

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

Conclusion Relating to Going Concern

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

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

Responsibilities of the directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

In preparing the half-yearly financial report, 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.

Chenavari Toro Income Fund Limited

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

Auditor's responsibility for the review of the financial information

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

Use of our report

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

Deloitte LLP

Recognised Auditor
St Peter Port, Guernsey
28 June 2023

Chenavari Toro Income Fund Limited

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

**Condensed Unaudited Statement of Comprehensive Income
For the period ended 31 March 2023**

	Notes	1 October 2022 to 31 March 2023 €	1 October 2021 to 31 March 2022 €
Income			
Net gain on financial assets and financial liabilities held at fair value through profit or loss	12	11,127,423	10,586,629
Interest income		70,950	39,041
Total income		11,198,373	10,625,670
Expenses			
Management fees	4 (c)	784,863	1,093,115
Performance fees	4 (c)	-	1,331,129
Administration fees	5 (b)	40,027	47,631
Sub-administration fees	5 (c)	35,071	38,765
Custodian and brokerage fees	5 (d)	46,591	47,690
Legal fees		17,155	17,814
Directors' fees	4(a)	77,196	80,566
Audit fees		56,753	58,935
AIFM fees	4 (c)	38,312	39,785
Recharge fee	4 (c)	65,046	60,586
Other operating expenses		233,740	282,125
Total operating expenses		1,394,754	3,098,141
Profit for the period		9,803,619	7,527,529
Other comprehensive income		-	-
Total comprehensive income		9,803,619	7,527,529
Earnings per Share			
Basic and diluted	9	3.20 cents	2.47 cents

All items in the above statement derive from continuing operations.

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

Chenavari Toro Income Fund Limited

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

**Condensed Unaudited Statement of Financial Position
As at 31 March 2023**

	Notes	31 March 2023	30 September 2022
Assets		€	€
Financial assets at fair value through profit or loss	8,11	202,414,073	204,836,977
Due from broker	13	12,536,201	10,851,667
Other receivables and prepayments	14	11,560	17,893
Cash and cash equivalents		8,645,711	4,669,126
Total assets		223,607,545	220,375,663
 Equity			
Share capital and share premium	16	354,752,496	354,752,496
Treasury Reserve		(46,696,256)	(46,843,186)
Retained deficits		(111,563,849)	(111,588,289)
Total equity		196,492,391	196,321,021
 Current liabilities			
Financial liabilities at fair value through profit or loss	8,11	24,381,764	23,296,710
Due to broker	13	2,000,000	1,413
Accrued expenses	15	733,390	756,519
Total current liabilities		27,115,154	24,054,642
 Total equity and liabilities		223,607,545	220,375,663
 Shares outstanding	16	306,736,687	306,501,964
NAV per share	10	64.06 cents	64.05 cents

Director: John Whittle
Date: 28 June 2023

Director: Roberto Silvotti
Date: 28 June 2023

The Condensed Unaudited 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 Unaudited Statement of Changes in Equity
For the period ended 31 March 2023**

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

	Notes	Retained earnings/(deficits) €	Share capital and share premium €	Treasury reserve €	Total €
At 30 September 2021		(79,415,943)	354,752,496	(47,827,839)	227,508,714
Profit for the period		7,527,529	-	-	7,527,529
Regular quarterly dividends paid to equity shareholders	18	(11,383,133)	-	238,272	(11,144,861)
At 31 March 2022		(83,271,547)	354,752,496	(47,589,567)	223,891,382

The Condensed Unaudited 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 Unaudited Statement of Cash Flows
For the period ended 31 March 2023

	1 October 2022 to 31 March 2023	1 October 2021 to 31 March 2022
	€	€
Cash flows from operating activities		
Profit for the period	9,803,619	7,527,529
<i>Adjustments for non-cash items and working capital:</i>		
Purchase of investments*	(37,710,851)	(31,124,532)
Disposal and paydowns of investments*	49,800,824	31,205,373
Net gain on financial assets and financial liabilities held at fair value through profit or loss	(11,127,423)	(10,586,629)
(Increase)/decrease in amounts due from brokers	(1,684,534)	2,936,659
Decrease/(increase) in other receivables and prepayments	6,333	(474)
Increase in amounts due to brokers	1,998,587	26,922,064
(Decrease)/increase in accrued expenses	(23,129)	648,259
Net cash inflow from operating activities	11,063,426	27,528,249
Cash flows from financing activities		
Regular quarterly dividends paid to equity shareholders	(9,632,249)	(11,144,861)
Repurchase agreements funding	2,545,408	28,132,408
Repurchase agreements repayments	-	(30,885,066)
Net cash outflow from financing activities	(7,086,841)	(13,897,519)
Net increase in cash and cash equivalents	3,976,585	13,630,730
Cash and cash equivalents at beginning of the period	4,669,126	8,079,258
Cash and cash equivalents at end of the period	8,645,711	21,709,988

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

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

Chenavari Toro Income Fund Limited
a closed-ended investment company limited by shares incorporated under the laws of Guernsey

**Condensed Unaudited Schedule of Investments, at Fair Value
As at 31 March 2023**

	France €	Germany €	Great Britain €	Ireland €	Italy €	Luxembourg €	Netherlands €	Spain €	U.S.A. €	Other €	Total €	NAV %
Financial assets at fair value through profit or loss												
Equity securities												
Mortgage portfolio	-	-	-	361,302	-	-	-	-	-	-	361,302	0.18%
Equities securities total	-	-	-	361,302	-	-	-	-	-	-	361,302	0.18%
Debt securities												
Arbitrage CLO	5,286,469	3,128,348	3,464,108	464,133	687,636	3,427,521	3,495,488	821,861	2,244,215	2,554,309	25,574,088	13.02%
Residential mortgage-backed security	-	-	-	1,853,870	-	-	-	-	-	-	1,853,870	0.94%
Balance sheet CLO	-	-	-	-	-	-	-	314,918	-	-	314,918	0.16%
Consumer ABS	-	-	-	-	-	-	-	355,628	-	-	355,628	0.18%
Senior loan	-	-	-	2,217,410	-	-	-	-	-	-	2,217,410	1.13%
Non-performing loan	-	-	-	-	-	679,488	-	-	-	-	679,488	0.35%
Preferred equity	-	-	-	-	-	-	-	30,158,213	-	-	30,158,213	15.35%
Equity*	18,580,546	12,940,603	15,179,103	7,755,831	2,985,405	17,095,066	13,989,284	2,933,509	6,921,777	14,774,773	113,155,897	57.60%
Debt securities total	23,867,015	16,068,951	18,643,211	12,291,244	3,673,041	21,202,075	17,484,772	34,584,129	9,165,992	17,329,082	174,309,512	88.73%
Reverse repurchase agreement	4,771,134	3,386,698	4,451,333	336,501	493,918	4,233,413	3,317,403	1,468,527	1,813,251	2,179,065	26,451,243	13.46%
Derivative financial assets												
Credit default swap	223,984	189,500	223,933	17,235	68,903	86,139	155,029	86,139	-	241,154	1,292,016	0.66%
Derivative financial assets total	223,984	189,500	223,933	17,235	68,903	86,139	155,029	86,139	-	241,154	1,292,016	0.66%
Financial assets at fair value through profit or loss total	28,862,133	19,645,149	23,318,477	13,006,282	4,235,862	25,521,627	20,957,204	36,138,795	10,979,243	19,749,301	202,414,073	103.03%

*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 Unaudited Schedule of Investments, at Fair Value As at 31 March 2023

	France	Germany	Great Britain	Ireland	Italy	Luxembourg	Netherlands	Spain	U.S.A	Other	Total	NAV
	€	€	€	€	€	€	€	€	€	€	€	%
Financial liabilities at fair value through profit or loss												
Equity securities												
Mortgage portfolio	-	-	-	(439,806)	-	-	-	-	-	(300,234)	(740,040)	(0.38%)
Equities securities total	-	-	-	(439,806)	-	-	-	-	-	(300,234)	(740,040)	(0.38%)
Derivative financial liabilities												
Options	-	-	-	-	-	-	-	-	-	(37,500)	(37,500)	(0.02%)
Credit default swap	(51,506)	(43,576)	(51,494)	(3,963)	(15,844)	(19,808)	(35,649)	(19,808)	-	(55,454)	(297,102)	(0.15%)
Derivative financial liabilities total	(51,506)	(43,576)	(51,494)	(3,963)	(15,844)	(19,808)	(35,649)	(19,808)	-	(92,954)	(334,602)	(0.17%)
Payable on repurchase agreements												
Repurchase agreement	(4,201,712)	(2,987,817)	(3,907,886)	(296,094)	(442,371)	(3,729,970)	(2,929,109)	(1,287,569)	(1,597,702)	(1,926,892)	(23,307,122)	(11.86%)
Financial liabilities at fair value through profit or loss total	(4,253,218)	(3,031,393)	(3,959,380)	(739,863)	(458,215)	(3,749,778)	(2,964,758)	(1,307,377)	(1,597,702)	(2,320,080)	(24,381,764)	(12.41%)
Total net investments	24,608,915	16,613,756	19,359,097	12,266,419	3,777,647	21,771,849	17,992,446	34,831,418	9,381,541	17,429,221	178,032,309	90.62%
Other assets and liabilities											18,460,082	9.38%
Net assets											196,492,391	100.00%

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 2022**

	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	-	-	-	739,474	-	-	-	-	-	-	739,474	0.38%
Equities securities total	-	-	-	739,474	-	-	-	-	-	-	739,474	0.38%
Debt securities												
Arbitrage CLO	7,692,824	4,348,064	4,566,888	827,822	841,928	4,459,068	4,785,195	1,024,945	2,606,505	3,275,221	34,428,460	17.54%
Residential mortgage-backed security	-	-	-	1,901,270	-	-	-	-	-	-	1,901,270	0.97%
Balance sheet CLO	-	-	-	-	-	-	-	539,296	-	-	539,296	0.27%
Consumer ABS	-	-	-	-	-	-	-	345,221	-	-	345,221	0.18%
Senior loan	-	-	-	2,521,827	-	-	-	-	-	-	2,521,827	1.28%
Non-performing loan	-	-	-	-	-	-	-	747,071	-	-	747,071	0.38%
Preferred equity	-	-	-	-	-	-	-	32,289,399	-	-	32,289,399	16.45%
Equity*	17,320,555	11,822,175	15,279,364	2,332,829	3,410,898	16,567,187	13,376,130	2,952,495	6,869,273	11,939,232	101,870,138	51.89%
Debt securities total	25,013,379	16,170,239	19,846,252	7,583,748	4,252,826	21,026,255	18,161,325	37,898,427	9,475,778	15,214,453	174,642,682	88.96%
Reverse repurchase agreement	4,513,681	3,350,835	4,427,439	448,719	681,028	4,181,212	3,138,386	1,649,566	1,738,955	2,286,874	26,416,695	13.46%
Derivative financial assets												
Credit default swap	607,716	405,073	567,066	40,529	202,552	243,050	324,047	202,552	-	445,541	3,038,126	1.55%
Derivative financial assets total	607,716	405,073	567,066	40,529	202,552	243,050	324,047	202,552	-	445,541	3,038,126	1.55%
Financial assets at fair value through profit or loss total	30,134,776	19,926,147	24,840,757	8,812,470	5,136,406	25,450,517	21,623,758	39,750,545	11,214,733	17,946,868	204,836,977	104.35%

*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 2022

	France	Germany	Great Britain	Ireland	Italy	Luxembourg	Netherlands	Spain	U.S.A.	Other	Total	NAV
	€	€	€	€	€	€	€	€	€	€	€	%
Financial liabilities at fair value through profit or loss												
Equity securities												
Mortgage portfolio	-	-	-	(567,129)	-	-	-	(389,852)	-	-	(956,981)	(0.49%)
Equities securities total	-	-	-	(567,129)	-	-	-	(389,852)	-	-	(956,981)	(0.49%)
Repurchase agreement	(3,514,396)	(2,637,851)	(3,394,677)	(362,012)	(611,315)	(3,304,911)	(2,473,032)	(1,223,923)	(1,383,553)	(1,845,926)	(20,751,596)	(10.57%)
Derivative financial liabilities												
Options	-	-	-	-	-	-	-	-	-	(43,750)	(43,750)	(0.02%)
Credit default swap	(308,922)	(205,912)	(288,259)	(20,602)	(102,964)	(123,551)	(164,724)	(102,964)	-	(226,485)	(1,544,383)	(0.79%)
Derivative financial liabilities total	(308,922)	(205,912)	(288,259)	(20,602)	(102,964)	(123,551)	(164,724)	(102,964)	-	(270,235)	(1,588,133)	(0.81%)
Financial liabilities at fair value through profit or loss total	(3,823,318)	(2,843,763)	(3,682,936)	(949,743)	(714,279)	(3,428,462)	(2,637,756)	(1,716,739)	(1,383,553)	(2,116,161)	(23,296,710)	(11.87%)
Total net investments	26,311,458	17,082,384	21,157,821	7,862,727	4,422,127	22,022,055	18,986,002	38,033,806	9,831,180	15,830,707	181,540,267	92.48%
Other assets and liabilities											14,780,754	7.52%
Net assets											196,321,021	100.00%

Notes to the Condensed Unaudited Financial Statements

1. General information

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

2. Summary of significant accounting policies

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

2.1 Basis of preparation

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

The accounting policies adopted are consistent with those adopted in the Audited Annual Financial Statements for the year ended 30 September 2022.

New standards, interpretations and amendments not yet adopted:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. Effective for annual reporting periods beginning on or after 1 January 2023 (applicable effective date for the Company from 1 October 2023).

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. Effective for annual reporting periods beginning on or after 1 January 2023 (applicable effective date for the Company from 1 October 2023).

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

2.2 Going concern

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

-The Company has working Capital of €18.5 million at 31 March 2023, with €8.6million in Cash. 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 a tradable portfolio; therefore, some investments can be sold for cash in most market conditions. At 31 March 2023 the market value of level 1 and 2 securities was €30.3 million (15.4% of the NAV). The Investment Manager continued to reposition the portfolio more defensively for the last year, with the aim to improve credit quality while maintaining yields. The less liquid part of the portfolio (including the assets of the originator) is actively managed with Spanish and Irish real estate deals expected to be realised over the next 12 months and not expected to require any further cash funding.

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.2 Going concern (continued)

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

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

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

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

3. Critical accounting judgements and key sources of estimation uncertainty

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the Company's Audited Annual Financial Statements for the year ended 30 September 2022.

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 how the key input sensitivity of the Level 3 investments impacts on the performance of the Company.

4. Related parties

(a) Directors' remuneration & expenses

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

During the Period ended 31 March 2023, Directors fees of €77,196 (31 March 2022: €80,566) were charged to the Company, of which €Nil (30 September 2022: €Nil) were payable at the end of the Period.

(b) Shares held by related parties

As at 31 March 2023, the Directors held the following Shares in the Company.

Frederic Hervouet	600,000	(30 September 2022: 600,000)
John Whittle	132,546	(30 September 2022: 132,546)
Roberto Silvotti	1,641,632	(30 September 2022: 1,641,632)

Loic Fery is the representative of the managing partner of Chenavari Credit Partners LLP. Chenavari Credit Partners LLP acts as discretionary portfolio manager for Chenavari European Opportunistic Credit Master Fund LP, Chenavari CORE Opportunities Segregated Portfolio and Chenavari Fixed Income Credit Opportunities Fund (the "Managed Accounts"). The Managed Accounts and Loic Fery hold 28.83% of the shares in the Company (30 September 2022: 29.00%)

Roberto Silvotti is a Director of Chenavari Investment Managers (Luxembourg) S.à.r.l (being a member of the Chenavari Financial Group) and Chenavari Multi Strategy Credit Fund SPC (a company under the management of Chenavari Investment Managers (Luxembourg) S.à.r.l). He forms part of the Concert Party which includes Chenavari Credit Partners LLP and related Chenavari Group companies, relevant Chenavari Partners and employees and the Managed Accounts. In total, this Concert Party holds approximately 50.65% of the shares of the Company (30 September 2022: approximately 50.65%) and is therefore deemed to have control over the Company through these shareholdings.

Notes to the Condensed Unaudited Financial Statements (continued)

4. Related parties (continued)

(c) AIFM and Portfolio Manager

The Company has appointed Carne Global AIFM Solutions (C.I.) Limited as the Company's external AIFM (this is not a related party but a service provider). The AIFM has delegated portfolio management to the Portfolio Manager. Under the terms of the AIFM Agreement, the AIFM is entitled to receive from the Company an annual fee, payable out of the assets of the Company, of £66,000. €38,312 (31 March 2022: €39,785) has been charged during the Period.

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

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

Total portfolio management fees for the Period amounted to €784,863 (31 March 2022: €1,093,115) with €329,202 (30 September 2022: €163,737) outstanding at end of the Period.

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

Performance Period

Subject to any regulatory limitations, the Portfolio Manager has agreed that for a given Performance Period (i.e. each twelve month period ending 30 September each year) any performance fee shall be satisfied as to a maximum of 60 per cent in cash and as to a minimum (save as set out below) of 40 per cent by the issuance of new Euro Shares (including the reissue of treasury shares) issued at the latest published NAV per Share as a share based payment. 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 €Nil were charged in the Period. If the performance fee are payable the end of the Performance Period, this would pay as a maximum of 60 percent in cash and a minimum of 40 per cent in shares. (1 October 2021 to 31 March 2022: €1,331,129). As at 31 March 2023, €Nil was payable (30 September 2022: €Nil).

An amount of €65,046 was recharged by the Portfolio Manager during the period (31 March 2022: €60,586) to compensate for the marketing initiatives and time spent to increase the Company's profile and enhance the shares liquidity.

Notes to the Condensed Unaudited Financial Statements (continued)

5. Material agreements

The Company has funded investments with a value of €34,530,243 (30 September 2022: €37,242,060) via hybrid instruments or equity issued by legally segregated compartments of AREO S.à.r.l. (“Areo”), a company incorporated in Luxembourg under the Securitization Law of 2004. Areo is majority owned by funds managed by the Chenavari group and is managed by a Board of Directors composed of a majority of independent directors that consider investment opportunities sourced by the Portfolio Manager. The Company is currently invested in four compartments of Areo, which it fair values in accordance with IFRS 13 as set out in the Company's accounting policies. The Portfolio Manager receives no fees from Areo. Areo are conduit special purpose vehicles sponsored by a member of the Chenavari Financial Group.

(a) Corporate Broker

J.P. Morgan Cazenove services are not based upon a retainer and will be charged accordingly for incremental costs. In the Period J.P. Morgan Cazenove services fees were £Nil (31 March 2022: £Nil).

(b) Administration fee

Ocorian Administration (Guernsey) Limited (the “Administrator”) serves as the Company’s administrator and secretary. The Administrator is entitled to an annual asset-based fee calculated at a rate of 0.017 per cent per annum of NAV and subject to a minimum fee of £70,000 per annum. All fees are payable quarterly in advance. Administration fees for the period amounted to €40,027 (31 March 2022: €47,631) of which €17,476 remained payable (30 September 2022: remained payable €20,358) at the end of the period.

(c) Sub-administration fee

The Administrator has appointed U.S. Bank Global Fund Services (Ireland) Limited (the “Sub-Administrator”) as the Company’s Sub-Administrator. The Sub-Administrator is entitled to receive an annual asset-based fee from the Company of up to 0.073% per annum of NAV, excluding certain expenses. Sub-administration fees for the Period amounted to €35,071 (31 March 2022: €38,765) of which €11,334 (30 September 2022: €6,369) remained payable at the end of the Period.

(d) Custodian fee

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

(e) AIFM and Portfolio Manager

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

6. Financial risk management

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

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

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

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

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

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

6.1 Credit risk

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

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

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

In relation to investments made:

- no more than 20% of NAV shall be exposed to the credit risk of any underlying single transaction or issue;
 - As of 31 March 2023, the largest investment represents 7.87% of the NAV.
- the top five exposures to any transactions or issues shall not, in aggregate, account for more than 50% of NAV;
 - As of 31 March 2023, the top 5 investments represent 30.31% of the NAV.
- no more than 50% of NAV, in aggregate, shall be invested in unlisted investments;
 - As of 31 March 2023, 43.10% of the NAV is invested in unlisted investments.

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

- no more than 20% of NAV, in aggregate, shall be exposed to transactions or issues where the underlying collateral is non-European.
 - As of 31 March 2023, 6.08% of the NAV is exposed to non-European underlying collateral.

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

- The Company has set a borrowing limit such that the Company's gearing shall not exceed 130% at the time of incurrence and deployment of any borrowing.
 - As of 31 March 2023, the gearing of the Company was approximately 94.38%¹⁰.

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

In line with the Company's enhanced dividend policy, the Company has established a maximum cash balance and will distribute all excess cash above this cap as special dividends on a quarterly basis. With effect from 1 January 2021, the maximum cash balance has been reduced to a level of no more than 5 per cent. of NAV, unless the investment manager, at its discretion, decides to maintain such cap at a maximum of 10 per cent., should market opportunities in liquid and tradable European ABS/CLO arise.

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

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.1 Credit risk (continued)

The Company manages the portfolio with appropriate diversification in terms of sectors and geographical breakdowns. As of 31 March 2023, and 30 September 2022, the breakdown of the NAV per asset class and geography was as follows:

	31 March 2023	30 September 2022
Asset class breakdown	% NAV	% NAV
Equity (including Taurus Originator)	57.60%	51.89%
Arbitrage CLO	13.02%	17.54%
Preferred equity	15.35%	16.45%
Reverse repurchase agreement	13.46%	13.46%
Due to/from broker, accruals, other receivables and prepayments	4.99%	5.15%
Cash and cash equivalents	4.39%	2.37%
Derivative financial assets	0.66%	1.55%
Senior loan	1.13%	1.28%
Residential mortgage-backed security	0.94%	0.97%
Non-performing loan	0.35%	0.38%
Balance sheet CLO	0.16%	0.27%
Consumer ABS	0.18%	0.18%
Equity securities	(0.20%)	(0.11%)
Derivative financial liabilities	(0.17%)	(0.81%)
Repurchase agreement	(11.86%)	(10.57%)
Total	100.00%	100.00%
Geographic breakdown	31 March 2023	30 September 2022
Spain	17.73%	19.37%
France	12.53%	13.40%
Luxembourg	11.08%	11.23%
Germany	8.46%	8.70%
Great Britain	9.85%	10.78%
Netherlands	9.16%	9.67%
USA	4.77%	5.01%
Ireland	6.25%	4.01%
Italy	1.92%	2.25%
Other	8.87%	8.06%
Cash and cash equivalents	4.39%	2.37%
Due to/from broker, accruals, other receivables and prepayments	4.99%	5.15%
Total	100.00%	100.00%

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.1 Credit risk (continued)

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

31 March 2023	Barclays	Bank of America	Royal Bank of Scotland	JP Morgan	Morgan Stanley	Total
S&P rating*	A-1	A-1	A-1	A-1	A-1	
	€	€	€	€	€	€
Cash and cash equivalents**	-	-	-	8,645,711	-	8,645,711
Due from broker	1,994,533	160,364	739,836	9,190,552	450,916	12,536,201
Total counterparty exposure	1,994,533	160,364	739,836	17,836,263	450,916	21,181,912
Net asset exposure %	1.02%	0.08%	0.38%	9.08%	0.23%	10.78%

30 September 2022	Bank of America	Royal Bank of Scotland	JP Morgan	Total
S&P rating*	A-1	A-2	A-2	
	€	€	€	€
Cash and cash equivalents**	-	-	4,669,126	4,669,126
Due from broker	160,000	1,433,382	9,258,285	10,851,667
Total counterparty exposure	160,000	1,433,382	13,927,411	15,520,793
Net asset exposure %	0.08%	0.73%	7.10%	7.91%

*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.

Assets		Related amount not offset in the Statement of Financial Position					
As at 31 March 2023		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	
Counterparty	Gross amounts of recognised assets	€	€	€	€	€	
CDS							
JP Morgan	1,292,016	-	1,292,016	(297,102)	-	994,914	
	1,292,016	-	1,292,016	(297,102)	-	994,914	

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.1 Credit risk (continued)

Offsetting financial assets and financial liabilities (continued)

Liabilities				Related amount not offset in the Statement of Financial Position		
As at 31 March 2023						
Counterparty	Gross amounts of recognised liabilities	Gross amounts offset in the Statement of Financial Position	Net amounts of liabilities presented in the Statement of Financial Position	Financial instruments	Cash collateral received/pledged	Net amount
	€	€	€	€	€	€
CDS						
JP Morgan	(297,102)	-	(297,102)	297,102	-	-
Listed options						
JP Morgan	(37,500)	-	(37,500)	-	37,500	-
	(334,602)	-	(334,602)	297,102	37,500	-

There were no financial assets or liabilities subject to offsetting, enforceable master netting agreements as at 31 March 2023.

Liabilities				Related amount not offset in the Statement of Financial Position		
As at 30 September 2022						
Counterparty	Gross amounts of recognised liabilities	Gross amounts offset in the Statement of Financial Position	Net amounts of liabilities presented in the Statement of Financial Position	Financial instruments	Cash collateral received/pledged	Net amount
	€	€	€	€	€	€
CDS						
JP Morgan	(1,544,383)	-	(1,544,383)	1,544,383	-	-
Listed options						
JP Morgan	(43,750)	-	(43,750)	-	43,750	-
	(1,588,133)	-	(1,588,133)	1,544,383	43,750	-

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 base currency of the Company. The Company does not actively take risk in foreign currency, but incurs it as a normal course of business and employs a series of economic hedges to minimise these risks.

The currency exposure as at 31 March 2023 is as follows:

Currency	Cash	Other net liabilities	31 March 2023 Total exposure	31 March 2023 Total exposure	+/- 10% change to P&L and Equity	NAV impact for a +/-10% FX rate move	P&L impact for a +/-10% FX rate move
GBP	398	(158,531)	(158,133)	(0.08%)	+/-15,813	+/-0.01%	+/-0.16%
USD	226	(192,715)	(192,489)	(0.10%)	+/-19,249	+/-0.01%	+/-0.20%
	624	(351,246)	(350,622)	(0.18%)	+/-35,062	+/-0.02%	+/-0.36%

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.2 Foreign currency risk (continued)

The currency exposure as at 30 September 2022 was as follows:

Currency	Cash €	Other net liabilities €	30 September 2022 Total exposure €	30 September 2022 Total exposure % NAV	+/- 10% change to P&L and Equity €	NAV impact for a +/-10% FX rate move %	P&L impact for a +/-10% FX rate move %
GBP	4,821	(403,511)	(398,690)	(0.20%)	+/-39,869	+/-0.02%	+/-0.40%
USD	-	(141,852)	(141,852)	(0.07%)	+/-14,185	+/-0.01%	+/-0.14%
	4,821	(545,363)	(540,542)	(0.27%)	+/-54,054	+/-0.03%	+/-0.54%

6.3 Interest rate risk

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

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

	Fixed rate interest €	Floating rate interest €	Non-interest bearing €
31 March 2023			
Financial assets at fair value through profit or loss	48,852,599	150,666,813	2,894,661
Due from broker	-	12,536,201	-
Other receivables and prepayments	-	-	11,560
Cash and cash equivalents	-	8,645,711	-
Financial liabilities at fair value through profit or loss	(22,821,771)	(819,951)	(740,042)
Due to broker	-	(2,000,000)	-
Accrued expenses	-	-	(733,390)
	26,030,828	169,028,774	1,432,789
30 September 2022			
Financial assets at fair value through profit or loss	52,041,341	149,407,821	3,387,815
Due from broker	-	10,851,667	-
Other receivables	-	-	17,893
Cash and cash equivalents	-	4,669,126	-
Financial liabilities at fair value through profit or loss	(22,339,729)	-	(956,981)
Due to broker	-	(1,413)	-
Accrued expenses	-	-	(756,519)
	29,701,612	164,927,201	1,692,208

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited 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 repurchases agreement ("REPO") transactions, which provide financing and liquidity but also bear some inherent risk in case of margin calls from liquidity provider. As a result, an exposure to liquidity risk exists. This risk is mitigated by the closed-ended nature of the Company.

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

	Less than 3 months €	Between 3 and 12 months €	Greater than 12 months €	Total €
31 March 2023				
Financial liabilities at fair value through profit or loss	(297,103)	(37,500)	(24,047,161)	(24,381,764)
Due to broker	(2,000,000)	-	-	(2,000,000)
Accrued expenses	(733,390)	-	-	(733,390)
	(3,030,493)	(37,500)	(24,047,161)	(27,115,154)
30 September 2022				
Financial liabilities at fair value through profit or loss	-	-	(23,296,710)	(23,296,710)
Due to broker	(1,413)	-	-	(1,413)
Accrued expenses	(756,519)	-	-	(756,519)
	(757,932)	-	(23,296,710)	(24,054,642)

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 31 March 2023 a 15% movement in prices (with all other variables held constant) would have resulted in a change to the total net assets of €26,704,846 (30 September 2022: €27,231,040).

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.

Notes to the Condensed Unaudited Financial Statements (continued)

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

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

8. Fair value of financial instruments

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

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

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

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

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.

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited 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 31 March 2023 based on the hierarchy set out in IFRS 13:

	Level 1 2023 €	Level 2 2023 €	Level 3 2023 €	Total 2023 €
Assets				
Financial assets held for trading				
Equity securities				
Europe: Equity	-	-	361,302	361,302
Debt securities				
Europe: Private bond and equity*	-	-	59,747,867	59,747,867
UK: Private bond and equity*	-	-	15,179,103	15,179,103
USA: Private bond and equity*	-	-	6,921,777	6,921,777
Other: Private bond and equity*	-	-	31,307,150	31,307,150
Europe: ABS	-	14,615,250	1,853,870	16,469,120
USA: ABS	-	2,244,215	-	2,244,215
UK: ABS	-	3,464,108	-	3,464,108
Other: ABS	-	5,921,061	-	5,921,061
Europe: Loan	-	-	32,375,623	32,375,623
Other: Loan	-	-	679,488	679,488
Receivable on reverse repurchase agreements				
Reverse repurchase agreement	-	26,451,244	-	26,451,244
OTC derivatives				
CDS Credit Index	-	1,292,015	-	1,292,015
Total assets	-	53,987,893	148,426,180	202,414,073
Liabilities				
Financial liabilities held for trading				
Equity securities				
Europe: Equity	-	-	(439,806)	(439,806)
Other: Equity	-	-	(300,234)	(300,234)
Payable on repurchase agreements				
Repurchase agreement	-	(23,307,122)	-	(23,307,122)
Listed derivatives				
Listed options	(37,500)	-	-	(37,500)
OTC derivatives				
CDS Credit Index	-	(297,102)	-	(297,102)
Total liabilities	(37,500)	(23,604,224)	(740,040)	(24,381,764)

*This is the fair value of the subsidiary Taurus Corporate Financing LLP, as described in note 21. Taurus invests into 11 risk retention CLOs and 1 CLO Warehouse valued at €174.7m (TCLO 2, 3, 4, 5, 6, 7, 8, TCLO 9 Warehouse, Bosphorus IV, V & VI CLO and OCP Euro 6 CLO), repurchase agreements valued at (€66.6m) and other assets and liabilities of €5.0m.

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

The following tables show the Company's assets and liabilities at 30 September 2022 based on the hierarchy set out in IFRS 13:

	Level 1 2022 €	Level 2 2022 €	Level 3 2022 €	Total 2022 €
Assets				
Financial assets held for trading				
Equity securities				
Europe: Equity	-	-	739,474	739,474
Debt securities				
Europe: Private bond and equity*	-	-	51,589,984	51,589,984
UK: Private bond and equity*	-	-	15,279,364	15,279,364
USA: Private bond and equity*	-	-	6,869,273	6,869,273
Other: Private bond and equity*	-	-	28,131,517	28,131,517
Europe: ABS	-	20,414,981	1,901,270	22,316,251
USA: ABS	-	2,606,505	-	2,606,505
UK: ABS	-	4,566,888	-	4,566,888
Other: ABS	-	7,724,603	-	7,724,603
Europe: Loan	-	-	35,558,297	35,558,297
Receivable on reverse repurchase agreements				
Reverse repurchase agreement	-	26,416,695	-	26,416,695
OTC derivatives				
CDS Option	-	2,265,935	-	2,265,935
CDS Credit Index	-	772,191	-	772,191
Total assets	-	64,767,798	140,069,179	204,836,977
Liabilities				
Financial liabilities held for trading				
Equity securities				
Europe: Equity	-	-	(956,981)	(956,981)
Payable on repurchase agreements				
Repurchase agreement	-	(20,751,596)	-	(20,751,596)
Listed derivatives				
Listed options	(43,750)	-	-	(43,750)
OTC derivatives				
CDS Credit Index	-	(1,544,383)	-	(1,544,383)
Total liabilities	(43,750)	(22,295,979)	(956,981)	(23,296,710)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

Fourteen Level 3 investments were held during the Period.

Product type	Transaction	Fair value at 1 October 2022	Realised	Unrealised & FX	Purchases	Sales & Redemptions	Fair value at 31 March 2023
Non-Performing Loan	16	357,219	132,365	22,035	-	(132,365)	379,254
Equity	46	299,668	-	61,634	-	-	361,302
CONS ABS	44	-	(238)	474	-	(236)	-
Investment in the originator	79	101,870,138	-	11,285,759	-	-	113,155,897
Preferred Equity	68	3,254,326	-	(11,248)	-	(178,000)	3,065,078
Preferred Equity	70	9,103,273	-	126,539	-	(2,000,000)	7,229,812
Preferred Equity	72	1,960,230	-	139,860	89,000	-	2,189,090
Preferred Equity	73	9,544,795	-	60,604	10,000	-	9,615,399
Preferred Equity	74	8,423,775	-	(428,941)	61,000	-	8,055,834
Preferred Equity	75	3,000	-	-	-	-	3,000
Loan	83	2,088,046	-	(443,790)	133,348	-	1,777,604
Loan	84	433,781	-	-	-	(433,781)	-
OTC Bond	85	1,901,270	-	-	-	(47,400)	1,853,870
RMBS	66	(127,323)	-	127,323	-	-	-
		139,112,198	132,127	10,940,249	293,348	(2,791,782)	147,686,140

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

Product type	Transaction	Fair value at 1 October 2021	Realised P&L from exiting trades	Unrealised P&L & FX changes on held investments	Purchases	Sales	Redemptions	Fair value at 30 September 2022
Non-Performing Loan	16	3,284,517	(1,434,228)	(262,501)	-	(1,230,569)	-	357,219
Equity	46	2,812,504	860,514	(1,861,048)	-	(1,512,302)	-	299,668
CONS ABS	44	35,999	(12,216)	(10,755)	-	(13,028)	-	-
Investment in the originator	79	123,295,669	-	(21,425,531)	-	-	-	101,870,138
Preferred Equity	68	6,867,703	-	161,623	30,000	(3,805,000)	-	3,254,326
Preferred Equity	70	8,206,024	-	(183,751)	1,081,000	-	-	9,103,273
Preferred Equity	72	1,891,742	-	(443,512)	512,000	-	-	1,960,230
Preferred Equity	73	9,122,329	-	(183,284)	605,750	-	-	9,544,795
Preferred Equity	74	7,437,342	-	(248,567)	1,235,000	-	-	8,423,775
Preferred Equity	75	-	-	-	3,000	-	-	3,000
Loan	83	-	-	6,937	2,081,109	-	-	2,088,046
Loan	84	-	-	-	921,436	(487,655)	-	433,781
OTC Bond	85	-	-	878,306	1,022,964	-	-	1,901,270
RMBS	60	913,800	409,345	434,781	-	-	(1,757,926)	-
RMBS	61	745,484	780,934	(745,484)	-	-	(780,934)	-
RMBS	66	8,712,262	3,877,301	(3,471,047)	-	(9,245,839)	-	(127,323)
Equity	67	(915,916)	(323,308)	915,916	-	-	323,308	-
Senior Loan	76	3,315,145	1	(52,207)	202,736	(3,465,675)	-	-
RMBS	80	2,555	2,703	(2,553)	-	(2,705)	-	-
		175,727,159	4,161,046	(26,492,677)	7,694,995	(19,762,773)	(2,215,552)	139,112,198

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

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

BS CLO - generally vulnerable to increase in default rate and loss severity of bank loans to SMEs. The default rate and loss severity themselves are affected by interest rates and state of local economy in particular growth. The Company held no BS CLOs at 31 March 2023.

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

CMBS - most of the pre-2008 deals consist of defaulted assets and have high asset concentration. This makes the deals sensitive to recovery rates (market value of commercial real estate) and ability of borrowers to refinance. The Company held no CMBS at 31 March 2023.

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.

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

The details below describe the valuation techniques used to value the investments at 31 March 2023 and present an approximation of the potential effects of events that could have occurred as at the reporting date given reasonably possible alternative assumptions as to the unobservable input parameters.

Transaction	Fair Value €	Investment Type	Valuation technique	Unobservable Input and base value	Alternative assumptions applied to input	Sensitivity Analysis (Market Value Impact) €	Sensitivity Analysis (Company NAV Impact)
Transaction 46	361,302	Equity Holding in Irish Mortgage lender	Book Value	Book value based on Financials 0.5x	0.4x- 0.6x	€(72,258) - €72,264	(0.04%) - 0.04%
Transaction 83* & 85	3,631,474	Irish Mortgage Investment	Non-binding offer	NBO Bid £111,800,000	± 10%	€(504,734) - €423,332	(0.26)% - 0.22%
Transactions [68-75]	30,158,213	Spanish residential asset	Targeted sale value, expected costs and liabilities	<u>Haircut on outstanding sales</u> 10%	0% - 15%	€(1,369,662) - €2,589,878	(0.70)% - 1.32%
				<u>Disposal costs</u> 818,900	± 10%	€(66,800) - €67,000	(0.03)% - 0.03%
Transaction 79	113,155,897	Taurus CLO retention	Mark-to-Model	Originator NAV	± 10%	€(11,315,590) - €11,315,590	(5.8)% - 5.8%

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

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

The details below describe the valuation techniques used to value the investments at 30 September 2022 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	299,668	Equity Holding in Irish Mortgage lender	Book Value	Book value based on Financials 1x	0.9x- 1.1x	€(73,948) - €73,947	(0.04)% - 0.04%
Transaction 83* & 84* & 85	4,423,097	Irish Mortgage Investment	Non-binding offer	NBO Bid £118,000,000	± 10%	€(486,582.40) - €2,536,750.48	(0.25)% - 1.29%
Transactions [68-75]	align="right">32,289,399	Spanish residential asset	Targeted sale value, expected costs and liabilities	Haircut on outstanding sales 10%	0% - 15%	€(1,825,934.05) - €3,663,574.41	(0.93)% - 1.87%
				Disposal costs € 1,061,765	± 10%	€(106,271.45) - €104,065.51	(0.05)% - 0.05%
Transaction 79	101,870,138	Taurus CLO retention	Mark-to-Model	Originator NAV	± 10%	€(10,187,014) - €10,187,014	(5.2)% - 5.2%

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

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

9. Earnings per Share - basic & diluted

The earnings per Share - basic and diluted of 3.20 cents (31 March 2022: 2.47 cents earnings per Share) has been calculated based on the weighted average number of Shares of 306,587,747 (31 March 2022: 305,447,290) and a net profit of €9,803,619 (31 March 2022: profit of €7,527,529) over the Period. There were no dilutive elements to shares issued or repurchased during the Period.

10. NAV per Share

The NAV per share of 64.06 cents (30 September 2022: 64.05 cents) is determined by dividing the net assets of the Company attributed to the Shares of €196,492,391 (30 September 2022: €196,321,021) by the number of Shares in issue at 31 March 2023 of 306,736,687 (30 September 2022: 306,501,964).

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

	31 March 2023	30 September 2022
	€	€
Financial assets at fair value through profit or loss:		
- Debt securities	1,853,870	1,901,270
- ABS	26,924,122	36,060,049
- Equity securities	361,302	739,474
- CDS	1,292,016	3,038,126
- Investment in Taurus Corporate Financing LLP	113,155,897	101,870,138
- Loan	32,375,623	34,811,225
- Reverse repurchase agreement	26,451,243	26,416,695
Total financial assets at fair value through profit or loss	202,414,073	204,836,977
Financial liabilities at fair value through profit or loss		
- Equity securities	(740,040)	(956,981)
- CDS	(297,102)	(1,544,383)
- Listed option	(37,500)	(43,750)
- Repurchase agreement	(23,307,122)	(20,751,596)
Total financial liabilities at fair value through profit or loss	(24,381,764)	(23,296,710)

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

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

	1 October 2022 to 31 March 2023	1 October 2021 to 31 March 2022
Net gain on debt instruments at fair value through profit or loss	€	€
- Debt securities	21,458	2,118,299
- ABS	3,981,838	(1,419,448)
- Equity securities	(161,231)	(375,328)
- Investment in Taurus Corporate Financing LLP	11,285,761	8,990,350
- Listed futures	-	(545,250)
- Listed options	6,250	271,875
- Loan	14,443	306,027
- Repo	-	(2,739)
- CDS	(4,035,097)	1,200,700
Net gain on debt instruments at fair value through profit or loss	11,113,422	10,544,486
Net gain on foreign exchange and forward contracts	€	€
Realised loss on foreign exchange	10,569	(9,271)
Unrealised gain on foreign exchange	3,432	51,414
Net gain on foreign exchange and forward contracts	14,001	42,143
Net gain on financial assets and liabilities at fair value through profit or loss	11,127,423	10,586,629

13. Due from and to brokers

	31 March 2023	30 September 2022
	€	€
Due from:		
Collateral and funding cash	11,541,201	10,851,667
Receivables for securities sold	995,000	-
	12,536,201	10,851,667
Due to:		
Collateral and funding cash	-	(1,413)
Payables for securities purchased	(2,000,000)	-
	(2,000,000)	(1,413)

14. Other receivables and prepayments

	31 March 2023	30 September 2022
	€	€
D&O Insurance Fees	824	6,318
Accrued interest receivable	-	1,087
Other receivables	10,736	10,488
	11,560	17,893

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

15. Accrued expenses

	31 March 2023	30 September 2022
	€	€
Marketing fee	(36,894)	(228,036)
Management fee	(329,202)	(163,737)
Administration fee	(17,476)	(20,358)
Audit fee	(45,118)	(45,737)
Sub-administration fee	(11,334)	(6,369)
Legal fee	(10,710)	(82,349)
Custodian fee	(5,787)	(6,000)
Other fee	(276,869)	(203,933)
	(733,390)	(756,519)

16. Share capital

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

	Shares outstanding	Shares held in treasury	Total
As at 30 September 2022	306,501,964	54,948,036	361,450,000
SCRIP dividends paid out of treasury in period	234,723	(234,723)	-
As at 31 March 2023	306,736,687	54,713,313	361,450,000

Capital management

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

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

17. Segmental reporting

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

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

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

18. Dividend policy

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

On 8 June 2020 the Company announced an enhanced dividend policy. 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. As part of the enhanced dividend policy at the end of each calendar quarter until 31 December 2020, the Company maintained a maximum cash balance in its portfolio of 10 per cent. of NAV and distributed all excess cash above this balance arising in the portfolio as special dividends on a quarterly basis.

These special dividends were in addition to any quarterly dividends paid pursuant to the Company's dividend policy outlined above. With effect from 1 January 2021, the maximum cash balance cap can be reduced to a level of no more than 5 per cent. of NAV, unless the investment manager, at its discretion, decides to maintain such cap at a maximum of 10 per cent., should market opportunities in liquid and tradable European ABS/CLO arise.

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

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

For period ending	Record Date	Pay Date	Dividend per Share		Total Value	Paid in Cash	Taken as Shares
			€			€	Number of Shares
31/03/2023	12/05/2023	09/06/2023	0.0160	Regular quarterly dividend	4,908,146	4,834,744	117,519
31/12/2022	10/02/2023	09/03/2023	0.0159	Regular quarterly dividend	4,875,148	4,810,959	103,548
30/09/2022	25/11/2022	20/12/2022	0.0160	Regular quarterly dividend	4,904,031	4,822,113	131,175

19. Derivative financial instruments

The Company holds the following derivative instruments:

CDS

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

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

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

Forward FX contracts

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

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

19. Derivative financial instruments (continued)

Futures contracts

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

Listed options

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

The following table shows the Company’s derivative position as at 31 March 2023.

	Financial assets at fair value	Financial liabilities at fair value	Notional amount	Maturity
	€	€	€	
CDS option	1,292,016	-	100,000,000	21 June 2023
CDS option	-	(297,102)	(50,000,000)	21 June 2023
Listed index options	-	(12,500)	(240,962,500)	18 September 2023
Listed index options	-	(25,000)	(241,150,000)	18 December 2023
	1,292,016	(334,602)	(432,112,500)	

The following table shows the Company’s derivative position as at 30 September 2022.

	Financial assets at fair value	Financial liabilities at fair value	Notional amount	Maturity
	€	€	€	
CDS buy protection	772,191	-	15,000,000	20 December 2027
CDS sell protection	-	(1,544,383)	(30,000,000)	20 December 2027
CDS option	2,265,935	-	100,000,000	16 November 2022 19 June 2023 –
Listed index options	-	(43,750)	(727,050,000)	18 December 2023
	3,038,126	(1,588,133)	(642,050,000)	

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

As of 31 March 2023, there are six repurchase agreements in place (at 30 September 2022: three).

Main terms of the repurchase agreements in place as of 31 March 2023:

Notional	Rate	Maturity	Counterparty
(4,364,447)	0.02%	12 December 2032	JPM
(5,408,541)	(0.09%)	12 December 2032	JPM
(10,966,824)	(0.05%)	12 December 2032	JPM
(819,099)	EUR003M+0.65%	12 December 2032	JPM
(813,892)	0.7%	12 December 2032	JPM
(912,417)	0.85%	12 December 2032	JPM

The pledged assets under these contracts were valued €25,501,305 as at 31 Mar 2023.

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

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

Main terms of the reverse repurchase agreements in place as of 31 March 2023:

Notional	Rate	Maturity	Counterparty
4,850,000	1.01%	5 March 2024	Taurus Corporate Financing LLP
6,000,000	0.8%	5 March 2024	Taurus Corporate Financing LLP
1,002,472	1.78%	1 August 2023	Taurus Corporate Financing LLP
1,054,083	2.8%	5 August 2023	Taurus Corporate Financing LLP
1,275,950	4.8%	5 August 2023	Taurus Corporate Financing LLP
12,200,000	EUR003M + 0.99%	8 August 2023	Taurus Corporate Financing LLP

The pledged assets under these contracts were valued €25,501,305 as at 31 Mar 2023.

Main terms of the repurchase agreements in place as of 30 September 2022:

Notional	Rate	Maturity	Counterparty
(4,364,447)	0.02%	12 December 2032	JPM
(5,408,541)	(0.09%)	12 December 2032	JPM
(10,966,824)	(0.05%)	12 December 2032	JPM

The pledged assets under these contracts were valued €21,775,426 as at 30 Sep 2022.

Main terms of the reverse repurchase agreements in place as of 30 September 2022:

4,850,000	1.01%	5 March 2023	Taurus Corporate Financing LLP
6,000,000	0.88%	5 March 2023	Taurus Corporate Financing LLP
1,002,472	1.78%	1 August 2023	Taurus Corporate Financing LLP
1,054,083	2.8%	5 August 2023	Taurus Corporate Financing LLP
1,275,950	4.8%	5 August 2023	Taurus Corporate Financing LLP
12,200,000	EUR003M + 0.99%	8 August 2023	Taurus Corporate Financing LLP

The pledged assets under these contracts were valued €24,791,561 as at 30 Sep 2022.

21. Interests in other entities

List of subsidiaries

The Company holds a large ownership percentage of Toro European CLO 8 Designated Activity (“TCLO8”) (a €305m European Leveraged Loan CLO). Due to the market reduced liquidity, the Company heavily participated in owning the subordinated tranche in this structure by holding 80% 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, the Company has no intention of exercising control over TCLO8 and expects to substantially reduce its direct interest in TCLO8 as market conditions and liquidity allow.

Taurus Corporate Financing LLP (the “Originator”) meets the definition of a subsidiary in accordance with IFRS 10. The Originator is a fully owned subsidiary of the Company and is measured at fair value through profit or loss. The Originator carrying value per the financial statements is shown below:

	Carrying value
	€
Taurus Corporate Financing LLP	113,155,897

The Board determined that the Originator meets the definition of an investment entity as set out under IFRS 10 and that therefore the Originator should measure its investments in TCF Loan Warehouse 1 Designated Activity Company and Toro European Clo 9 Designated Activity Company currently held as a warehouse, (the “Warehouses”) at fair value rather than consolidate their results. The Warehouses are fully owned subsidiaries of the Originator and were measured at fair value through profit or loss. TCF Loan Warehouse 1 Designated Activity Company is in liquidation and has a fair value of €Nil at 31 March 2023. Toro European Clo 9 Designated Activity Company is currently held as warehouse in the ramp up phase and will be securitised in the due course. It has a fair value of €5,795,156 at 31 March 2023.

Chenavari Toro Income Fund Limited

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

Notes to the Condensed Unaudited Financial Statements (continued)

21. Interests in other entities (continued)

List of subsidiaries (continued)

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

Name:	Taurus Corporate Financing LLP	Toro European CLO 8 Designated Activity Company
Place of Business:	P.O. Box 286 Floor 2 Trafalgar Court Les Banques St. Peter Port Guernsey	2 nd Floor 1-2 Victoria Buildings Haddington Road Dublin D04 XN32 Ireland
Ownership interests held:	99.99%	72.5%*

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

- (i) The Company provided several repurchase agreements to the Originator with overall principal of €26,382,505 as at 31 March 2023 (30 September 2022: €26,382,505) that are due on demand. In contrast, the Originator pledged assets on these contracts valued of €25,501,305 (30 September 2022: €24,791,561) that are held by the Company as a security on these lending.

The Company is also required to disclose the following additional information for unconsolidated subsidiaries of a subsidiary which is an investment entity:

Name:	TCF Loan Warehouse 1 Designated Activity Company**	Toro European CLO 9 Designated Activity Company***
Place of Business:	3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland	2nd Floor 1-2 Victoria Buildings Haddington Road Dublin 4 D04 XN32 Ireland
Ownership interests held:	100%	60%

** In liquidation with a fair value of €Nil

*** Currently held as a warehouse in the ramp up phase and will be securitised in the due course.

22. Post balance sheet events

On 28 April 2023, the Company announced its regular quarterly dividend of 2.5% (Euro 0.016 per ordinary share) for the period from 1 January 2023 to 31 March 2023. Payment was made on 9 June 2023 to holders of ordinary shares recorded on the register as at close of business on 12 May 2023 with an ex-dividend date of 11 May 2023.

There are no other events subsequent from 31 March 2023 to the date of signing which would require disclosure in these financial statements.

23. Approval of the financial statements

The financial statements were approved for issue to shareholders by the Directors on 28 June 2023.