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 2021 to 31 March 2022

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 Company, the Portfolio Manager has claimed an exemption pursuant to CFTC Rule 4.7 for relief from certain disclosure, reporting and recordkeeping requirements applicable to a registered CPO. Such exemption provides that certain disclosures specified in section 4.22 (c) and (d) of the regulation are not in its Condensed Unaudited Financial Statements and Interim Report.

Contents

Commodity Exchange Affirmation Statement 3
Highlights for the period from 1 October 2021 to 31 March 2022....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....20
Condensed Unaudited Statement of Financial Position....21
Condensed Unaudited Statement of Changes in Equity 22
Condensed Unaudited Statement of Cash Flows....23
Condensed Unaudited Schedule of Investments, at Fair Value....24
Notes to the Condensed Unaudited Financial Statements 28

FORWARD-LOOKING STATEMENTS

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

Commodity Exchange Affirmation Statement

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

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

_____

Loic Fery

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

15 July 2022

Highlights for the period from 1 October 2021 to 31 March 2022

- The net asset value ("NAV") total return for the period from 1 October 2021 to 31 March 2022 (the "Period") (with dividends reinvested) was 3.34%[1] and the share price total return (with dividends reinvested) was 8.34%[2] (1 October 2020 to 31 March 2021: 12.27% and 17.97% respectively).

- During the Period, the Company's NAV per Ordinary Share ("Share"), excluding dividends distributed, decreased by 1.69%[3] (1 October 2020 to 31 March 2021:4.18% increase) to close at 73.30 cents (31 March 2021: 72.06 cents).

- The Company declared two dividends in respect of the Period ended 31 March 2022: 1.87 cents per Share paid on 11 March 2022 for the quarter ended 31 December 2021 and 1.83 cents per Share paid on 21 June for the quarter ended 31 March 2022. The final dividend for the period ending 30 September 2021, of 1.86 cents per Share was paid on 21 December 2021.

- The Company's mid-market share price at 31 March 2022 was 53.50 cents (30 September 2021: 52.75 cents), representing a discount to NAV of 27.01%[4] (30 September 2021: 29.26%).

- The profit for the Period was €7.5 million (31 March 2021: €25.1 million profit), or 2.47 cents profit per Share (31 March 2021: 8.25 cents profit per Share), taking into account recognition of the following significant items:

    - total income of €10.6 million (31 March 2021: income of €26.9 million)
    - total operating expenses of €3.1 million. (31 March 2021: €1.8 million)

- At 31 March 2022, the NAV was €223.9 million (30 September 2021: €227.5 million), and its available cash holdings were €21.7 million (30 September 2021: €8.1 million).

[1] 31 March NAV per share of 73.30 cents plus 75.89 cents inception to date reinvested distributions (total 149.19 cents) versus 74.56 NAV per share plus 69.81 cents reinvested (total 144.37 cents) at 30 September 2021 (149.19-144.37)/144.37 = 3.34%

[2] Bloomberg.

[3] 31 March 2022 NAV per Share of 73.30 cents versus 30 September 2021 NAV per Share of 74.56 cents (73.30-74.56)/74.56 = (1.69%)

[4] Listed mid-market share price per Bloomberg of 53.50 cents versus calculated NAV per share per the Statement of Financial position of 73.30 cents (53.50-73.30)/73.30= 27.01%

Corporate Summary
For the Period from 1 October 2021 to 31 March 2022

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.

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.

Corporate Summary (continued)
For the Period from 1 October 2021 to 31 March 2022

Net asset value ("NAV")
At 31 March 2022, the Company's NAV was €223.9 million (30 September 2021: €227.5 million) with the NAV per Share amounting to 73.30 cents (30 September 2021: 74.56 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 2022 was 53.5 cents per Share.

The average closing price of the Shares over the Period was 54.91 cents per Share.

General Information

Directors
Frederic Hervouet (Non-executive Chairman)
John Whittle (Non-executive Director)
Roberto Silvotti (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
Glategny Esplanade
St. Peter Port
Guernsey
GY1 3HW

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 2022.

Financial Performance
The Company's NAV generated a total return (with dividend reinvested) of 3.34%[5] between 1 October 2021 and 31 March 2022.

The share price's total return was 1.42%[6] (8.34%[7] with dividend reinvested).

The Company's shares closed at mid-price of 53.50 cents per Share as of 31 March 2022, representing a discount to NAV of 27.01%, compared to 29.26% on 30 September 2021.

Cashflows and Dividends
During the Period, the Company announced and paid dividends per ordinary share of 1.86 cents per Share in the fourth quarter of 2021 and 1.87 cents per Share in the first quarter of 2022, corresponding to quarterly dividends of 2.5 % of the NAV, in line with its enhanced dividend policy announced on 8 June 2020.

Material Events
GBP Quote Introduction

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

ESG Focus
Alongside Chenavari's increased commitment to sustainability, an emphasis has been given to ESG within the Company's core strategies which is quite unique for this kind of high yielding strategies.

Since TCLO 6, the Company, through its Direct Origination strategy, has only invested in CLOs implementing ESG criteria (most recently, TCLO 8). CLOs are monitored for the breach of ESG rules, by not investing in business models which fail to respect Chenavari's ESG Exclusion Principles as stipulated in the Policy of Responsible Investment, and constant monitoring of financial performance and respect of ESG criteria. The Company is constantly reviewing those criteria to put additional pressure on CLO Managers.

In January 2022, Chenavari became a member of the European Leveraged Finance Association (ELFA). ELFA is a trade association comprised of European leveraged finance investors of over 50 institutional fixed income managers. ELFA's diverse forum of investors engages with relevant stakeholders to educate and to promote best practices and transparency in the leveraged finance industry.

Investment Portfolio Overview and Outlook
Please refer to the Investment Overview and Outlook section of the Portfolio Manager's Report on pages 11 and 12.

Frederic Hervouet
Non-executive Chairman
Date: 15 July 2022

[5] 31 March NAV per share of 73.30 cents plus 75.89 cents inception to date reinvested distributions (total 149.19 cents) versus 74.56 NAV per share plus 69.81 cents reinvested (total 144.37 cents) at 30 September 2021 (149.19-144.37)/144.37 = 3.34%
[6] 31 March closing share price of 53.50 cents versus 52.75 cents at 30 September 2021 (53.50 -52.75)/52.75= 1.42 %
[7] 31 March closing share price of 53.50 cents plus 79.10 cents inception to date reinvested distributions (total 132.60 cents) versus 52.75 cents plus 69.64 cents reinvested (total 122.39 cents) at 30 September 2021 (132.60 -122.39)/122.39 = 8.34 %

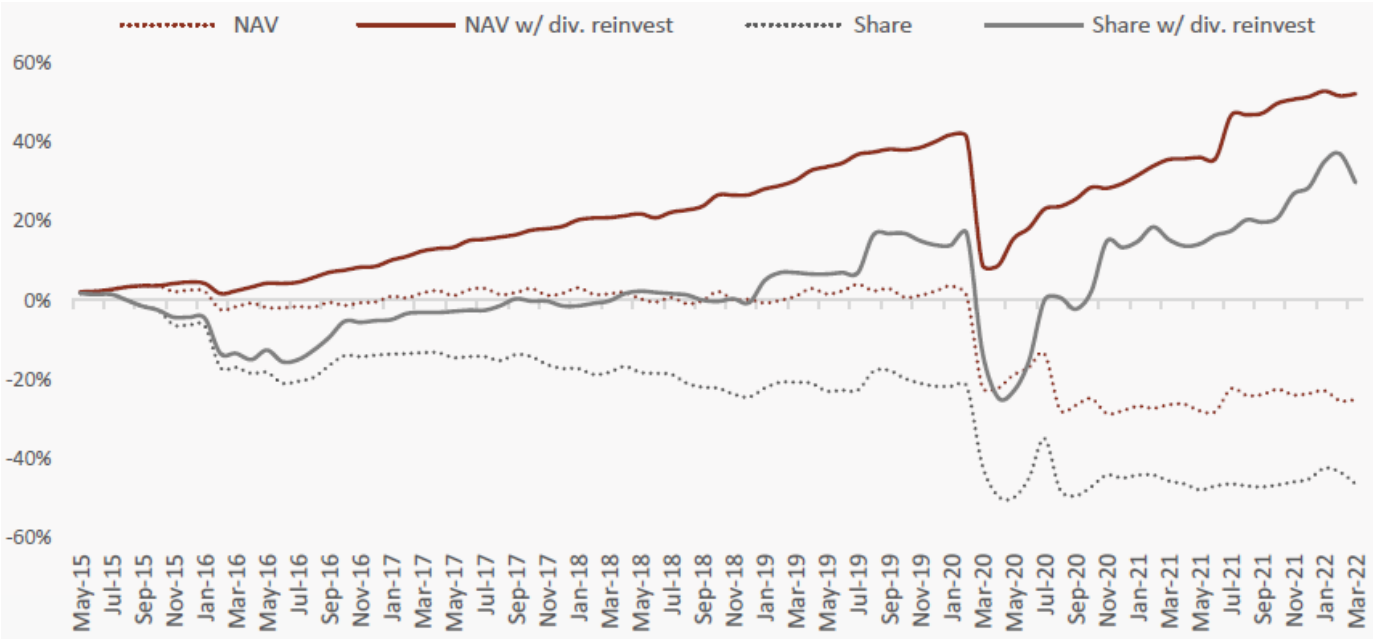
Portfolio Manager's Report

Performance

During the Period, the Company NAV performance was 3.34%[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	**0.48%**	0.92%	(0.79%)	0.35%									



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
31 March 2022 (2 dividends)	3.70

In relation to the Period, the Company declared dividends totalling 3.70 cents per Share. Dividend payments in the Period totalled 3.73 cents per Share as the dividend for the 3 month period ending 30 September 2021 (relating to the previous financial period) was paid in the Period and the dividend for the 3 month period ending 31 March 2022 was declared and paid after the end of the Period.

The Company has not had any share repurchase transactions during the period nor any during the same comparable period of the previous year. At 31 March 2022 the Company had 305,447,290 Shares in issue with 56,002,710 held in treasury (30 September 2021: 305,120,341 Shares in issue with 56,329,659 held in treasury).

[8] 31 March NAV per share of 73.30 cents plus 75.89 cents inception to date reinvested distributions (total 149.19 cents) versus 74.56 NAV per share plus 69.81 cents reinvested (total 144.37 cents) at 30 September 2021 (149.19-144.37)/144.37 = 3.34%.

Portfolio breakdown as of 31 March 2022

As of 31 March 2022, the Company's investment, gross of leverage, represented 96.87% of the NAV.

The NAV allocation as of 31 March 2022 was as follows:

	31 March 2022	30 September 2021
Asset class breakdown	**% NAV**	**% NAV**
Equity (including Taurus Originator)	59.09%	54.19%
Arbitrage CLO	24.98%	18.10%
Preferred equity	15.37%	14.74%
Reverse repurchase agreement	11.80%	11.61%
Cash and cash equivalents	9.70%	3.54%
Senior loan	1.54%	1.46%
Non-performing loan	0.77%	1.44%
Equity securities	0.63%	0.84%
Residential mortgage-backed security	0.45%	4.58%
Balance sheet CLO	0.27%	0.32%
Consumer ABS	0.21%	0.34%
Derivative financial assets	0.10%	-
Derivative financial liabilities	(1.16%)	-
Repurchase agreement	(9.26%)	(10.32%)
Due to/from broker, accruals, other receivables and prepayments	(14.49%)	(0.84%)
Total	**100.00%**	**100.00%**

The geographical breakdown of the underlying assets is as follows:

Geographic breakdown	**31 March 2022**	**30 September 2021**
Spain	19.95%	19.32%
France	17.82%	13.12%
Germany	15.36%	12.79%
Great Britain	10.52%	8.38%
Netherlands	9.95%	7.98%
USA	9.23%	8.64%
Ireland	4.03%	8.38%
Italy	2.99%	2.71%
Portugal	0.12%	0.13%
Other	14.82%	13.47%
Cash and cash equivalents	9.70%	3.54%
Due to/from broker, accruals, other receivables and prepayments	(14.49%)	(0.84%)
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 2022, the gearing of the Company was approximately 95.83%[9]. (30 September 2021: 96.63%)

Overview
During the six months ending 31 March 2022, the Company's NAV was up 3.34%, including a €0.0373 per share dividends.

Q4 2021 was dominated by news of the Omicron Covid-19 variant which sparked a sell-off across the board, with various asset classes retracing through their 200-day moving average. In December, Central Banks continued to shift to a more hawkish stance about inflationary pressures, with the Fed doubling the pace of tapering and the Bank of England increasing rates for the first time since 2018. Despite this, the year ended on a more positive tone, with the markets largely recovering the losses seen in November as fears of Omicron's severity dissipated.

Q1 2022 proved to be a volatile start to the year. The full-scale invasion of Ukraine by Russia in February led to the West imposing swift, severe and co-ordinated economic sanctions on Russia, with concerns over the economic implications of the conflict significantly dampening economic sentiment. The continued upward trajectory of inflation both in Europe and the U.S. during the quarter signalled for further Central Bank intervention, with the Fed raising rates by 25bps to 0.5%. Later in March, a further concern for markets was the inversion of the U.S. 2s/10s[10] Treasury yield curve (the first time since August 2019), which is usually seen as an indicator of doubts regarding long-term economic growth.

During the 6 months to 31 March 2022, 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.

In terms of performance attribution during the period, the Direct Origination Strategy contributed the majority of the returns with +5.1%, while the Private Asset Backed Finance Strategy contributed +0.2%. The Public ABS Strategy detracted -0.4% from performance.

As of end of the period, annualised payments on the retention pieces of TCLO 3, 4 and 5, and Bosphorus 4 and 6, were 10.8%, 33.6%, 30.1%, 27.3% and 18.2%, respectively (21.9% gross annualised return on an aggregate basis).

During Q4 2021, Taurus Corporate Finance ("Taurus"), part of the Direct Origination Strategy, executed a refinancing (refi) of one of its CLOs, TCLO 7, which allowed for a reduction of the weighted average cost of debt from 227bps to 193bps.

Towards the end of the period saw the issuance of TCLO 8, a €305m European Leveraged Loan CLO implementing ESG investment criteria, with a weighted average cost of debt of 232bps, in which Taurus acted as vertical retention provider. In challenging market conditions given the war in Ukraine and the continued rhetoric of the removal of accommodative monetary policy, we managed to source attractive AAA funding (105bps) and across CTIFL (including Taurus), it was decided to keep 80% of all tranches from Equity to BB giving an attractive weighted average cost of debt down to the BBB of 173bps.

Within the Public ABS Strategy, the Portfolio Manager used the widening of credit spreads during Q1 2022 to increase exposure in the primary market, mainly focusing on BB, B and equity tranches. The share of the Public ABS Strategy represented 28.0% of the NAV by the end of March 2022, up from 19.9% at the start of October 2021.

[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).
[10] 2-year US Treasury note yield vs 10-year US Treasury note yield.

Portfolio Manager's Report (continued)

Overview (continued)

In a continuous effort to exit non-core strategies, the sale process of Project Bell finally materialised in Q1 2022, allowing the exposure of the Private Asset Backed Finance Strategy to reach an almost non-material one (0.7% of NAV), mainly consisting of Project Wind.

Regarding Spanish Real Estate ("SpRED") exposure, during Q1 2022 the Company further finalised the development of 3 out of the 4 projects that were not 100% complete. The remaining project is 98% completed and forecasted to be 100% completed by the end of Q2 2022. There was also interest from a single buyer to buy both Girona projects (over 50% of the remaining SpRED exposure) – however the sale did not materialise, and we have moved back to a flat-by-flat sale approach.

The projection is still to finalise the overall sale process within the next 12 to 15 months. The investment has turned cash flow positive during the period and the gross investment IRR is projected to be 8% on the transaction assuming an exit of the remaining units in the next 12 months, at a level 5% below the initial target price.

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.

Having already increased exposure to the Public ABS Strategy during the period, the Portfolio Manager stands ready to deploy more capital in the primary market in the next few quarters, should there be more 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 2022.

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.

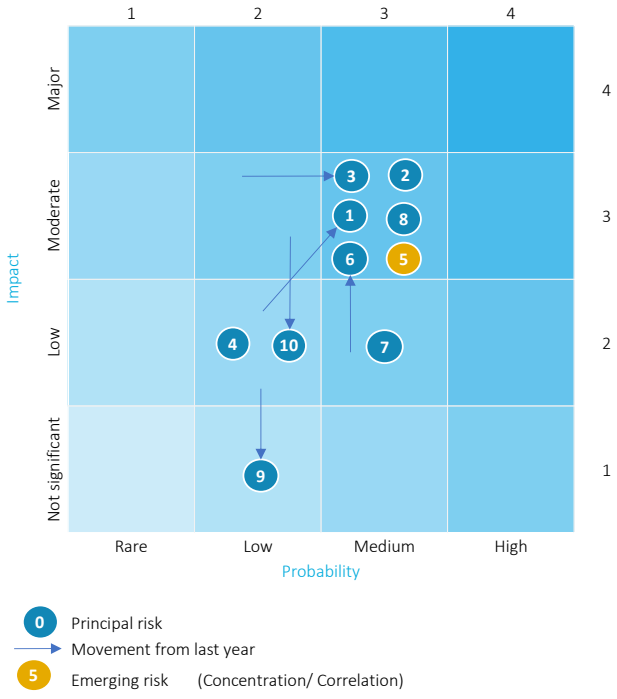
Chenavari Credit Partners LLP
Portfolio Manager

15 July 2022

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 Portfolio Manager risk



Market Conditions

1 Exogenous market shocks Risk profile: Increasing

Probability **medium**	Impact **moderate**	Mitigation
	Large and unexpected shocks to the economy can create spikes in defaults. Examples of recent shocks include the COVID-19 pandemic and the Russian invasion of Ukraine. As the global economy emerges from the pandemic, supply shortages and disruption to distribution networks have led to rising inflation and interest rates. This situation has been exacerbated by the Russian invasion. These shocks can compound some of the principal risks, not least fund performance, collateral risk, product liquidity and operational risk.	Ex-Ante, the Portfolio Manager will analyse stress scenarios and use derivative instruments to try and hedge the tail risk scenario that this type of shock could have. The Portfolio Manager notes that the ABS product tends to be resilient to local market moves but can underperform in these tail scenarios. The Portfolio Manager is well experienced in using derivatives to hedge. The Portfolio Manager will manage leverage cautiously such that there is low risk of an enforced unwind. Ex-Post this cash management will be a focus of the Portfolio Manager. Once the fund leverage and cash has stabilised, the Portfolio Manager will look to deploy capital and take advantage of these situations. The Board will keep investors appraised of the Portfolio Manager's assessment of the impact of the pandemic and the Russian invasion of Ukraine on the Company's assets, including their impact on investment valuations and liquidity management.

Statement of Principal Risks and Uncertainties (continued)

2 Share price discount Risk profile: Unchanged

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

Asset Performance

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

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

Statement of Principal Risks and Uncertainties (continued)

4 Fund performance — Risk profile: Unchanged

Probability **low**	Impact **low**	Mitigation
	The Company is exposed to several market factors, including asset appreciation/depreciation in the underlying collateral (see the "Collateral Risk" section above). Unrealised performance can be affected by the sentiment of the market, supply/demand of asset types, expectations on unemployment, GDP growth, credit cycle and stability of the Eurozone. Because the liquidity of the instruments is relatively low, prices will tend to be sticky, but can be at risk of sudden falls in price when momentum of sentiment is strong enough and certain pools of investors are forced to liquidate. The timing of these technical factors can be quite out of sync with fundamentals.	The Company is closed ended and has a tight limit on leverage. It is well setup to ride out any short-term dislocations in pricing without being forced to liquidate investments at technically distressed prices. This is achieved by employing hedging strategies using liquid instruments. This reduces the beta of the portfolio compared to some of its peers. 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 has been badly affected by the impact of COVID-19 and the Portfolio Manager decided to suspend the origination of credit portfolios for this fund. CLO equity has been volatile post COVID, but has maintained dividends and closes the year with moderately healthy implied NAVs. CLO debt has likewise rebounded quite considerably.

5 Concentration/ Correlation — Risk profile: Emerging

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

6 Credit spread risk — Risk profile: Increasing

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

Statement of Principal Risks and Uncertainties (continued)

7 CLO equity (mark volatility) Risk profile: Unchanged

Probability **medium**	Impact **low**	Mitigation
	As CLO Equity Tranche Securities represent the most junior securities in the leveraged capital structure, and the most subordinated liabilities of the securitisation vehicle, changes in the market value of such CLO Equity Tranche Securities will be greater than changes in the market value of the underlying assets of the CLO issuer in which an Originator holds Retention Securities.	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.

8 Risk retention Risk profile: Unchanged

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

9 Direct lending Risk profile: Decreasing

Probability **low**	Impact **not significant**	Mitigation
	As part of the private asset backed finance strategy, the Company has diversified away from classic secondary corporate loans and residential mortgages into new asset classes. Examples include or have included investment in Spanish real estate and direct investment in marine vessels via a trade finance deal. Such investments expose the Company to new types of investment risk, including political and macroeconomic factors. The illiquidity of such investments may make them difficult to dispose of at fair value and there may be a significant period between the date that an investment is made and the date that any capital gain or loss on such investment is realised.	The Company mitigates liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of bank deposits and loans. The Company is closed-ended and not subject to the need to liquidate holdings quickly in order to meet redemptions. During the year origination in direct lending has been low and profit has been taken on existing positions

Statement of Principal Risks and Uncertainties (continued)

Corporate risk

10 Portfolio Manager risk Risk profile: Decreasing

Probability low	Impact low	Mitigation
	The Company is dependent on the expertise of the Portfolio Manager and their respective key personnel to evaluate investment opportunities and to implement the Company's investment objective and investment policy.	The Board has instructed the Portfolio Manager to conduct the Company's investment related activities in compliance with applicable law, the Company's investment objectives and guidelines and the Company's contractual obligations. The Management Engagement Committee carried out its review of the performance and capabilities of the Portfolio Manager at its meeting on 22 September 2021 and confirmed that the continued appointment of the Portfolio Manager is deemed to be in the best interest of shareholders.

Other risks that we monitor closely

Risk	Description
Environmental	The Company believes that Environmental, Social and Governance ('ESG') considerations will increasingly drive economies and markets and that global issues and cross-cutting societal concerns such as climate change have ushered in a new era for responsible investment and corporate social responsibility. 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.
Cyber security	Inappropriate access to customer or Company data may lead to loss of sensitive information and result in a material adverse effect on the Company's financial condition, reputation and investor confidence.
CLO investments	Performance may be affected by the default or perceived credit impairment of CLO investments made by an Originator and by general or sector specific credit spreads widening. Credit risks associated with such CLO investments include: (i) the possibility that the earnings of an obligor may be insufficient to meet its debt service obligations; (ii) an obligor's assets declining in value; and (iii) the declining creditworthiness, default and potential for insolvency of an obligor during periods of rising interest rates and economic downturn.
Warehouse credit facilities	The risk that any future securitisation of loan assets the subject of a Warehouse Credit Facility will not be consummated or that such loan assets will be ineligible for purchase by the relevant securitisation vehicle. This may result in a need for the Originator to refinance the loan assets, creating the risk that it will not be able to do so. There is also the risk that the value of loan assets subject to a Warehouse Credit Facility falls, resulting in the Originator being unable to securitise the assets without suffering loss.

Statement of Directors' Responsibilities

We confirm that to the best of our knowledge:

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

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

  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the period from 1 October 2021 to 31 March 2022 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 2021 to 31 March 2022 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 15 July 2022 and is signed on its behalf by:

Frederic Hervouet
Non-executive Chairman

15 July 2022

Independent Review Report to Chenavari Toro Income Fund Limited

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 31 March 2022 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. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities
The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with IFRS as adopted by the United Kingdom. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the United Kingdom.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of review
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.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 31 March 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the United Kingdom and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report
This report is made solely to the company 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 Auditing Practices Board. 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
15 July 2022

Condensed Unaudited Statement of Comprehensive Income
For the period ended 31 March 2022

	Notes	1 October 2021 to 31 March 2022 €	1 October 2020 to 31 March 2021 €
Income			
Net gain on financial assets and financial liabilities held at fair value through profit or loss	12	10,586,629	26,927,747
Other income		39,041	17,810
Total income		**10,625,670**	**26,945,557**
Expenses			
Management fees	4 (c)	1,093,115	1,061,802
Performance fees	4 (c)	1,331,129	-
Administration fees	5 (b)	47,631	40,257
Sub-administration fees	5 (c)	38,765	41,296
Custodian and brokerage fees	5 (d)	47,690	74,661
Legal fees		17,814	50,995
Directors' fees	4(a)	80,566	76,493
Audit fees		58,935	83,796
AIFM fees	4 (c)	39,785	38,748
Recharge fee	4 (c)	60,586	70,894
Other operating expenses		282,125	231,205
Total operating expenses		**3,098,141**	**1,770,147**
Financing costs			
Interest expense		-	92,946
Profit for the period		**7,527,529**	**25,082,464**
Other comprehensive income		**-**	**-**
Total comprehensive income		**7,527,529**	**25,082,464**
Earnings per Share			
Basic and diluted	9	2.47 cents	8.25 cents

All items in the above statement derive from continuing operations.

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

Condensed Unaudited Statement of Financial Position
As at 31 March 2022

	Notes	31 March 2022	30 September 2021
Assets		**€**	**€**
Financial assets at fair value through profit or loss	8,11	259,033,468	245,750,711
Due from broker	13	7,322,387	10,259,046
Other receivables and prepayments	14	5,968	5,494
Cash and cash equivalents		21,709,988	8,079,258
Total assets		**288,071,811**	**264,094,509**
Equity			
Share capital and share premium	16	354,752,496	354,752,496
Treasury Reserve		(47,589,567)	(47,827,839)
Retained deficits		(83,271,547)	(79,415,943)
Total equity		**223,891,382**	**227,508,714**
Current liabilities			
Financial liabilities at fair value through profit or loss	8,11	24,429,191	24,404,880
Due to broker	13	37,760,655	10,838,591
Accrued expenses	15	1,990,583	1,342,324
Total current liabilities		**64,180,429**	**36,585,795**
Total equity and liabilities		**288,071,811**	**264,094,509**
Shares outstanding	16	305,447,290	305,120,341
NAV per share	10	73.30 cents	74.56 cents

_____
Non-executive Chairman: Frederic Hervouet
Date: 15 July 2022

_____
Non-executive Director: John Whittle
Date: 15 July 2022

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

Condensed Unaudited Statement of Changes in Equity
For the period ended 31 March 2022

	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**

	Notes	Retained earnings/(deficits) €	Share capital and share premium €	Treasury reserve €	Total €
At 30 September 2020		**(95,852,511)**	**354,752,496**	**(48,844,126)**	**210,055,859**
Profit for the period		25,082,464	-	-	25,082,464
Special distribution paid to equity shareholders	18	(5,467,409)	-	86,489	(5,380,920)
Regular quarterly dividends paid to equity shareholders	18	(10,814,875)	-	198,612	(10,616,263)
At 31 March 2021		**(87,052,331)**	**354,752,496**	**(48,559,025)**	**219,141,140**

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

Condensed Unaudited Statement of Cash Flows
For the period ended 31 March 2022

	1 October 2021 to 31 March 2022	1 October 2020 to 31 March 2021
	€	€
Cash flows from operating activities		
Profit for the period	7,527,529	25,082,464
Adjustments for non-cash items and working capital:		
Purchase of investments*	(31,124,532)	(10,186,703)
Disposal and paydowns of investments*	31,205,373	24,403,871
Net gain on financial assets and financial liabilities held at fair value through profit or loss	(10,586,629)	(26,927,747)
Decrease/(increase) in amounts due from brokers	2,936,659	(2,562,499)
Increase in other receivables and prepayments	(474)	(2,834)
Increase/(decrease) in amounts due to brokers	26,922,064	(7,390,139)
Increase/(decrease) in accrued expenses	648,259	(203,579)
Net cash inflow from operating activities	**27,528,249**	**2,212,834**
Cash flows from financing activities		
Special distribution paid to equity shareholders	-	(5,380,920)
Regular quarterly dividends paid to equity shareholders	(11,144,861)	(10,616,263)
Increase/(decrease) in financing activities for repurchase agreements	(2,752,658)	2,442,914
Net cash outflow from financing activities	**(13,897,519)**	**(13,554,269)**
Net increase/(decrease) in cash and cash equivalents	13,630,730	(11,341,435)
Cash and cash equivalents at beginning of the period	8,079,258	22,339,194
Cash and cash equivalents at end of the period	**21,709,988**	**10,997,759**

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

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

Condensed Unaudited Schedule of Investments, at Fair Value
As at 31 March 2022

	France	Germany	Great Britain	Ireland	Italy	Netherlands	Portugal	Spain	U.S.A.	Other	Total	NAV
	€	€	€	€	€	€	€	€	€	€	€	%
Financial assets at fair value through profit or loss												
Equity securities												
Mortgage portfolio	-	-	-	2,513,716	-	-	-	-	-	-	2,513,716	1.12%
Equities securities total	**-**	**-**	**-**	**2,513,716**	**-**	**-**	**-**	**-**	**-**	**-**	**2,513,716**	**1.12%**
Debt securities												
Arbitrage CLO	13,047,494	9,994,962	5,780,354	516,813	1,571,896	6,356,622	-	2,018,408	6,369,156	10,251,875	55,907,580	24.98%
Residential mortgage-backed security	-	-	-	1,008,290	-	-	-	-	-	5,307	1,013,597	0.45%
Balance sheet CLO	-	-	-	-	-	-	-	614,655	-	-	614,655	0.27%
Consumer ABS	-	-	-	-	-	-	-	472,009	-	-	472,009	0.21%
Senior loan	-	-	-	3,450,574	-	-	-	-	-	-	3,450,574	1.54%
Non-performing loan	-	-	-	-	-	-	-	1,720,150	-	-	1,720,150	0.77%
Preferred equity	-	-	-	-	-	-	-	34,415,740	-	-	34,415,740	15.37%
Equity*	26,525,743	23,781,908	17,242,988	2,596,985	5,161,773	15,356,569	304,089	5,038,801	13,839,379	22,710,784	132,286,019	59.09%
Debt securities total	**39,300,237**	**33,776,870**	**23,023,342**	**7,572,662**	**6,733,669**	**21,713,191**	**304,089**	**44,279,763**	**20,208,535**	**32,967,966**	**229,880,324**	**102.68%**
Derivative financial assets												
Futures	-	-	-	-	-	-	-	-	-	225,000	225,000	0.10%
Derivative financial assets total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**225,000**	**225,000**	**0.10%**
Receivable on reverse repurchase agreements												
Reverse repurchase agreement	**4,502,003**	**4,529,284**	**3,523,722**	**199,255**	**603,822**	**3,092,714**	**-**	**1,969,666**	**2,474,589**	**5,519,373**	**26,414,428**	**11.80%**
Financial assets at fair value through profit or loss total	**43,802,240**	**38,306,154**	**26,547,064**	**10,285,633**	**7,337,491**	**24,805,905**	**304,089**	**46,249,429**	**22,683,124**	**38,712,339**	**259,033,468**	**115.70%**

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

Condensed Unaudited Schedule of Investments, at Fair Value
As at 31 March 2022

	France	Germany	Great Britain	Ireland	Italy	Netherlands	Portugal	Spain	U.S.A	Other	Total	NAV
	€	€	€	€	€	€	€	€	€	€	€	%
Financial liabilities at fair value through profit or loss												
Equity securities												
Mortgage portfolio	-	-	-	(1,104,556)	-	-	-	-	-	-	(1,104,556)	(0.49%)
Equities securities total	**-**	**-**	**-**	**(1,104,556)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,104,556)**	**(0.49%)**
Derivative financial liabilities												
Futures										(180,625)	(180,625)	(0.08%)
Options										(550,001)	(550,001)	(0.25%)
CDS	(396,878)	(248,012)	(347,213)	(24,815)	(99,201)	(198,402)	(24,814)	(124,015)	-	(396,785)	(1,860,135)	(0.83%)
Derivative financial liabilities total	**(396,878)**	**(248,012)**	**(347,213)**	**(24,815)**	**(99,201)**	**(198,402)**	**(24,814)**	**(124,015)**	**-**	**(1,127,411)**	**(2,590,761)**	**(1.16%)**
Payable on repurchase agreements												
Repurchase agreement	**(3,517,957)**	**(3,664,621)**	**(2,650,063)**	**(137,170)**	**(541,658)**	**(2,339,905)**	**-**	**(1,461,901)**	**(2,025,636)**	**(4,394,963)**	**(20,733,874)**	**(9.26%)**
Financial liabilities at fair value through profit or loss total	**(3,914,835)**	**(3,912,633)**	**(2,997,276)**	**(1,266,541)**	**(640,859)**	**(2,538,307)**	**(24,814)**	**(1,585,916)**	**(2,025,636)**	**(5,522,374)**	**(24,429,191)**	**(10.91%)**
Total net investments	**39,887,405**	**34,393,521**	**23,549,788**	**9,019,092**	**6,696,632**	**22,267,598**	**279,275**	**44,663,513**	**20,657,488**	**33,189,965**	**234,604,277**	**104.79%**
Other assets and liabilities											**(10,712,895)**	**(4.79%)**
Net assets											**223,891,382**	**100.00%**

Condensed Schedule of Investments, at Fair Value
As at 30 September 2021

	France	Germany	Great Britain	Ireland	Italy	Netherlands	Portugal	Spain	U.S.A.	Other	Total	NAV
	€	€	€	€	€	€	€	€	€	€	€	%
Financial assets at fair value through profit or loss												
Equity securities												
Mortgage portfolio	-	-	-	2,812,503	-	-	-	-	-	-	2,812,503	1.24%
Equities securities total	**-**	**-**	**-**	**2,812,503**	**-**	**-**	**-**	**-**	**-**	**-**	**2,812,503**	**1.24%**
Debt securities												
Arbitrage CLO	7,436,917	7,622,895	4,141,622	251,834	1,726,014	4,064,747	17,941	1,586,132	5,823,601	8,507,343	41,179,046	18.10%
Residential mortgage-backed security	-	-	35,999	10,374,102	-	-		-	-	-	10,410,101	4.58%
Balance sheet CLO	-	-	-	-	-	-		738,282	-	-	738,282	0.32%
Consumer ABS	-	-	-	-	-	-		768,120	-	-	768,120	0.34%
Senior loan	-	-	-	3,315,145	-	-		-	-	-	3,315,145	1.46%
Non-performing loan	-	-	-	-	-	-		3,284,517	-	-	3,284,517	1.44%
Preferred equity	-	-	-	-	-	-		33,525,141	-	-	33,525,141	14.74%
Equity*	21,904,676	20,956,231	14,493,781	3,217,867	4,366,649	13,773,041	275,928	3,833,412	13,508,347	26,965,737	123,295,669	54.19%
Debt securities total	**29,341,593**	**28,579,126**	**18,671,402**	**17,158,948**	**6,092,663**	**17,837,788**	**293,869**	**43,735,604**	**19,331,948**	**35,473,080**	**216,516,021**	**95.17%**
Receivable on reverse repurchase agreements												
Reverse repurchase agreement	**4,482,014**	**4,832,924**	**3,424,915**	**141,942**	**603,622**	**2,802,586**	**-**	**1,954,016**	**2,858,545**	**5,321,623**	**26,422,187**	**11.61%**
Financial assets at fair value through profit or loss total	**33,823,607**	**33,412,050**	**22,096,317**	**20,113,393**	**6,696,285**	**20,640,374**	**293,869**	**45,689,620**	**22,190,493**	**40,794,703**	**245,750,711**	**108.02%**

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

Condensed Schedule of Investments, at Fair Value (continued)
As at 30 September 2021

	France	Germany	Great Britain	Ireland	Italy	Netherlands	Portugal	Spain	U.S.A.	Other	Total	NAV
	€	€	€	€	€	€	€	€	€	€	€	%
Financial liabilities at fair value through profit or loss												
Equity securities												
Mortgage portfolio	-	-	-	(915,916)	-	-	-	-	-	-	(915,916)	(0.40%)
Equities securities total	**-**	**-**	**-**	**(915,916)**	**-**	**-**	**-**	**-**	**-**	**-**	**(915,916)**	**(0.40%)**
Payable on repurchase agreements												
Repurchase agreement	**(3,983,392)**	**(4,302,541)**	**(3,036,573)**	**(125,136)**	**(541,795)**	**(2,486,898)**	**-**	**(1,730,771)**	**(2,544,746)**	**(4,737,112)**	**(23,488,964)**	**(10.32%)**
Financial liabilities at fair value through profit or loss total	**(3,983,392)**	**(4,302,541)**	**(3,036,573)**	**(1,041,052)**	**(541,795)**	**(2,486,898)**	**-**	**(1,730,771)**	**(2,544,746)**	**(4,737,112)**	**(24,404,880)**	**(10.72%)**
Total net investments	**29,840,215**	**29,109,509**	**19,059,744**	**19,072,341**	**6,154,490**	**18,153,476**	**293,869**	**43,958,849**	**19,645,747**	**36,057,591**	**221,345,831**	**97.30%**
Other assets and liabilities											**6,162,883**	**2.70%**
Net assets											**227,508,714**	**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 2021.

New standards, interpretations and amendments not yet adopted:

Title	**Effective for periods beginning on or after**
IFRS 17 Insurance Contracts	01 January 2023

IBOR reform
IBOR reform refers to the global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates ("IBOR") with alternative benchmark rates. The replacement of some of these rates with alternative benchmark rates is expected to be mostly complete by the end of 2021. To ensure that financial statements best reflect the economic effects of IBOR reform, the International Accounting Standards Board (the "IASB") has issued amendments that focus on the accounting once a new benchmark rate is in place.

The IASB has a two-phase approach.
Phase 1 amended specific hedge accounting requirements where uncertainty could arise in the run-up to transition. The phase 1 amendments were issued to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurement, and IFRS 7 - Financial Instruments: Disclosures. Phase 1 amendments are effective from 1 January 2020. There was no impact from phase 1 amendments to the Company.

Phase 2 will address potential financial reporting issues that may arise when IBORs are either reformed or replaced. The phase 2 amendments will be issued to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurement, IFRS 7 - Financial Instruments: Disclosures, IFRS 4 – Insurance Contracts and IFRS 16 - Leases. Phase 2 amendments are effective for annual periods beginning on or after 1 January 2021. There was no impact from phase 2 amendments to the Company.

The Company does hold investments currently linked to IBOR but with extended decommission dates. The Company was not impacted by the IBORs decommissioned on 1 January 2022.

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.

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.

Notes to the Condensed Unaudited Financial Statements (continued)

2. Summary of significant accounting policies (continued)

2.3 GBP Quote Introduction

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

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 2021.

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

4. Related parties

(a) *Directors' remuneration & expenses*

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

During the Period ended 31 March 2022, Directors fees of €80,566 (31 March 2021: €76,493) were charged to the Company, of which €Nil (30 September 2021: €Nil) were payable at the end of the Period.

(b) Shares held by related parties

As at 31 March 2022, the Directors held the following Shares in the Company.

Frederic Hervouet	600,000	(30 September 2021: 600,000)
John Whittle	132,546	(30 September 2021: 132,546)
Roberto Silvotti	1,641,632	(30 September 2021: 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 29.01% of the shares in the Company (30 September 2021: 35.98%)

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 50.27% of the shares of the Company (30 September 2021: approximately 53.17%) 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. €39,785 (31 March 2021: €38,748) 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 €1,093,115 (31 March 2021: €1,061,802) with €187,842 (30 September 2021: €190,387) 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 €1,331,129 were charged in the Period and remain as an open expense accrual on the Statement of Financial Position. If the performance fee remained unchanged to the end of the Performance Period, this would pay as a maximum of 60 percent in cash: €798,677 and a minimum of 40 per cent in shares: €532,452. (1 October 2020 to 31 March 2021: €Nil). As at 31 March 2022, €1,331,129 was payable (30 September 2021: €765,547).

An amount of €60,586 was recharged by the Portfolio Manager during the period (31 March 2021: €70,894) 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 €42,009,221 (30 September 2021: €52,431,490) 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 2021: £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 €47,631 (31 March 2021: €40,257) of which €27,799 remained payable (30 September 2021: remained payable €27,279) 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 €38,765 (31 March 2021: €41,296) of which €5,997 (30 September 2021: €5,803) 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 2022, the largest investment represents 8.97% 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 2022, the top 5 investments represent 35.41% of the NAV.

- no more than 50% of NAV, in aggregate, shall be invested in unlisted investments;
  - As of 31 March 2022, 19.53% 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 2022, 11.17% 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 2022, the gearing of the Company was approximately 95.83%[11].

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.

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

Notes to the Condensed Unaudited Financial Statements (continued)

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

The Company manages the portfolio with appropriate diversification in terms of sectors and geographical breakdowns. As of 31 March 2022, and 30 September 2021, the breakdown of the NAV per asset class and geography was as follows:

	31 March 2022	30 September 2021
Asset class breakdown	**% NAV**	**% NAV**
Equity (including Taurus Originator)	59.09%	54.19%
Arbitrage CLO	24.98%	18.10%
Preferred equity	15.37%	14.74%
Reverse repurchase agreement	11.80%	11.61%
Cash and cash equivalents	9.70%	3.54%
Senior loan	1.54%	1.46%
Non-performing loan	0.77%	1.44%
Equity securities	0.63%	0.84%
Residential mortgage-backed security	0.45%	4.58%
Balance sheet CLO	0.27%	0.32%
Consumer ABS	0.21%	0.34%
Derivative financial assets	0.10%	-
Derivative financial liabilities	(1.16%)	-
Repurchase agreement	(9.26%)	(10.32%)
Due to/from broker, accruals, other receivables and prepayments	(14.49%)	(0.84%)
Total	**100.00%**	**100.00%**

Geographic breakdown	**31 March 2022**	**30 September 2021**
Spain	19.95%	19.32%
France	17.82%	13.12%
Germany	15.36%	12.79%
Great Britain	10.52%	8.38%
Netherlands	9.95%	7.98%
USA	9.23%	8.64%
Ireland	4.03%	8.38%
Italy	2.99%	2.71%
Portugal	0.12%	0.13%
Other	14.82%	13.47%
Cash and cash equivalents	9.70%	3.54%
Due to/from broker, accruals, other receivables and prepayments	(14.49%)	(0.84%)
Total	**100.00%**	**100.00%**

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.1 Credit risk (continued)

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

31 March 2022	Royal Bank of Scotland	JP Morgan	Total
S&P rating	**A-2**	**A-1**	
	€	**€**	**€**
Cash and cash equivalents*	-	21,709,988	21,709,988
Due from broker	534,986	6,787,401	7,322,387
Total counterparty exposure	**534,986**	**28,497,389**	**29,032,375**
Net asset exposure %	**0.24%**	**12.73%**	**12.97%**

30 September 2021	Barclays	Royal Bank of Scotland	Deutsche Bank	JP Morgan	Total
S&P rating	**A-1**	**A-2**	**A-2**	**A-2**	
	€	**€**	**€**	**€**	**€**
Cash and cash equivalents*	-	-	-	8,079,258	8,079,258
Due from broker	649,737	1,247,012	712,200	7,650,097	10,259,046
Total counterparty exposure	**649,737**	**1,247,012**	**712,200**	**15,729,355**	**18,338,304**
Net asset exposure %	**0.29%**	**0.55%**	**0.31%**	**6.91%**	**8.06%**

* 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.

Liabilities

As at 31 March 2022				Related amount not offset in the Statement of Financial Position		
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	(1,860,135)	-	(1,860,135)	-	1,860,135	-
	(1,860,135)	-	**(1,860,135)**	-	**1,860,135**	-

There were no financials assets or liabilities subject to offsetting, enforceable master netting agreements as at 30 September 2021.

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)

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 2022 is as follows:

Currency	Investments	Cash	Other net liabilities	31 March 2022 Total exposure	31 March 2022 Total exposure	+/- 10% change to P&L and Equity	NAV impact for a +/-10% FX rate move	P&L impact for a +/-10% FX rate move
	€	€	€	€	% NAV	€	%	%
CHF	-	3,879	-	3,879	0.00%	+/-388	0.00%	+/-0.01%
GBP	5,307	36,706	(212,199)	(170,186)	(0.08%)	+/-17,019	+/-0.01%	+/-0.23%
USD	-	116	(123,262)	(123,146)	(0.06%)	+-12,315	+/-0.01%	+/-0.16%
	5,307	**40,701**	**(335,461)**	**(289,453)**	**(0.14%)**	**+/-29,722**	**+/-0.02%**	**+/-0.40%**

The currency exposure as at 30 September 2021 was as follows:

Currency	Investments	Cash	Other net liabilities	30 September 2021 Total exposure	30 September 2021 Total exposure	+/- 10% change to P&L and Equity	NAV impact for a +/-10% FX rate move	P&L impact for a +/-10% FX rate move
	€	€	€	€	% NAV	€	%	%
CHF	-	3,697	-	**3,697**	0.00%	+/-370	0.00%	0.00%
GBP	35,999	16,230	(308,414)	**(256,185)**	(0.11%)	+/-25,619	+/-0.01%	+/-0.06%
USD	-	1,519	(50,267)	**(48,748)**	(0.02%)	+/-4,875	0.00%	+/-0.01%
	35,999	**21,446**	**(358,681)**	**(301,236)**	**(0.13%)**	**+/-30,864**	**+/-0.01%**	**+/-0.07%**

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.3 Interest rate risk

Interest rate risk is the risk of gain or loss resulting from exposure to movements on interest rates. The Company does not actively take interest rate risk, but incurs it as a normal course of business and employs a series of 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. The value of assed 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 2022			
Financial assets at fair value through profit or loss	52,059,271	150,072,348	56,901,849
Due from broker	-	7,322,387	-
Other receivables and prepayments	-	-	5,968
Cash and cash equivalents	-	21,709,988	-
Financial liabilities at fair value through profit or loss	(22,594,010)	-	(1,835,181)
Due to broker	-	(37,760,655)	-
Accrued expenses	-	-	(1,990,583)
	29,465,261	**141,344,068**	**53,082,053**
30 September 2021			
Financial assets at fair value through profit or loss	36,840,286	187,021,899	21,888,526
Due from broker	-	10,259,046	-
Other receivables	-	-	5,494
Cash and cash equivalents	-	8,079,258	-
Financial liabilities at fair value through profit or loss	(23,488,964)	-	(915,916)
Due to broker	-	(10,838,591)	-
Accrued expenses	-	-	(1,342,324)
	13,351,322	**194,521,612**	**19,635,780**

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. As a result, an exposure to liquidity risk exists. This risk is mitigated by the closed-ended nature of the Company.

Notes to the Condensed Unaudited Financial Statements (continued)

6. Financial risk management (continued)

6.4 Liquidity risk (continued)

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 2022				
Financial liabilities at fair value through profit or loss	-		(24,429,191)	(24,429,191)
Due to broker	(37,790,655)		-	(37,790,655)
Accrued expenses	(659,454)	*(1,331,129)	-	(1,990,583)
	(38,420,109)	**(1,331,129)**	**(24,429,191)**	**(64,180,429)**
30 September 2021				
Financial liabilities at fair value through profit or loss	-	-	(24,404,880)	(24,404,880)
Due to broker	(10,838,591)	-	-	(10,838,591)
Accrued expenses	(1,342,324)	-	-	(1,342,324)
	(12,180,915)	**-**	**(24,404,880)**	**(36,585,795)**

*Performance fees not yet crystallised. If still payable at year-end this will pay as a maximum of 60 percent in cash: €798,677 and a minimum of 40 per cent in shares: €532,452.

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 2022 a 10% movement in prices (with all other variables held constant) would have resulted in a change to the total net assets of €23,460,428 (30 September 2021: €22,134,583).

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.

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 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	-	-	2,513,716	2,513,716
Debt securities				
Europe: Private bond and equity*	-	-	78,492,868	78,492,868
UK: Private bond and equity*	-	-	17,242,988	17,242,988
USA: Private bond and equity*	-	-	13,839,379	13,839,379
Other: Private bond and equity*	-	-	22,710,784	22,710,784
Europe: ABS	-	34,592,859	1,008,290	35,601,149
USA: ABS	-	6,369,156	-	6,369,156
UK: ABS	-	5,780,354	-	5,780,354
Other: ABS	-	10,251,875	5,307	10,257,182
Europe: Loan	-	-	39,586,464	39,586,464
Receivable on reverse repurchase agreements				
Reverse repurchase agreement	-	26,414,428	-	26,414,428
Derivatives				
Other: Listed futures	225,000	-	-	225,000
Total assets	**225,000**	**83,408,672**	**175,399,796**	**259,033,468**
Liabilities				
Financial liabilities held for trading				
Equity securities				
Europe: Equity			(1,104,556)	(1,104,556)
Payable on repurchase agreements				
Repurchase agreement	-	(20,733,874)	-	(20,733,874)
Derivatives				
Other: Listed futures	(180,625)	-	-	(180,625)
Other: Listed options	(550,001)	-	-	(550,001)
Europe: CDS	-	(1,116,137)	-	(1,116,137)
UK: CDS	-	(347,213)	-	(347,213)
Other: CDS	-	(396,785)	-	(396,785)
Total liabilities	**(730,626)**	**(22,594,009)**	**(1,104,556)**	**(24,429,191)**

*This is the fair value of the subsidiary Taurus Corporate Financing LLP, as described in note 21. Taurus holds subordinated notes of TCLO 2, 3, 4, 5, 6, 7, 8, BOPHO 4, 5 and 6 CLO and TCLO 9 Warehouse valued at €182.4m, repurchase agreements valued at (€66.4m) and other assets and liabilities of €16.3m.

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 2021 based on the hierarchy set out in IFRS 13:

	Level 1 2021	Level 2 2021	Level 3 2021	Total 2021
Assets	**€**	**€**	**€**	**€**
Financial assets held for trading				
Equity securities				
Europe: Equity		-	2,812,503	2,812,503
Debt securities				
Europe: Private bond and equity*		-	68,327,804	68,327,804
UK: Private bond and equity*		-	14,493,781	14,493,781
USA: Private bond and equity*		-	13,508,347	13,508,347
Other: Private bond and equity*		-	26,965,737	26,965,737
Europe: ABS		24,212,882	10,374,101	34,586,983
USA: ABS		5,823,601	-	5,823,601
UK: ABS		4,141,622	35,999	4,177,621
Other: ABS		8,507,344	-	8,507,344
Europe: Loan		-	40,124,803	40,124,803
Receivable on reverse repurchase agreements				
Reverse repurchase agreement		26,422,187	-	26,422,187
Total assets		**69,107,636**	**176,643,075**	**245,750,711**
Liabilities				
Financial liabilities held for trading				
Equity securities				
Europe: Equity		-	(915,916)	(915,916)
Payable on repurchase agreements				
Repurchase agreement		(23,488,964)	-	(23,488,964)
Total liabilities		**(23,488,964)**	**(915,916)**	**(24,404,880)**

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)

Fifteen Level 3 investments were held during the Period.

Product type	Transaction	Fair value at 1 October 2021	Realised	Unrealised & FX	Purchases	Sales & Redemptions	Fair value at 31 March 2022
Non-Performing Loan	16	3,284,517	-	(1,542,847)		(21,519)	1,720,151
CONS ABS	44	35,999	(11,198)	(7,542)	-	(11,952)	5,307
Equity	46	2,812,504	860,515	352,999	-	(1,512,302)	2,513,716
RMBS	60	913,800	405,933	(643,178)	-	(676,555)	-
RMBS	61	745,484	-	262,806	-	-	1,008,290
RMBS	66	8,712,262	3,877,301	(3,471,047)	-	(9,245,839)	(127,323)
Equity	67	(915,916)	-	(61,317)	-	-	(977,233)
Preferred Equity	68	6,867,703	-	1,508,994	30,000	(1,500,000)	6,906,697
Preferred Equity	70	8,206,024	-	(216,115)	720,000	-	8,709,909
Preferred Equity	72	1,891,742	-	(482,583)	355,000	-	1,764,159
Preferred Equity	73	9,122,329	-	(227,291)	280,000	-	9,175,038
Preferred Equity	74	7,437,342	-	(407,406)	830,000	-	7,859,936
Senior Loan	76	3,315,145	-	647	134,782	-	3,450,574
Investment in the originator	79	123,295,669	-	8,990,350	-	-	132,286,019
RMBS	80	2,555	2,705	(2,555)	-	(2,705)	-
		175,727,159	**5,135,256**	**4,053,915**	**2,349,782**	**(12,970,872)**	**174,295,240**

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

Product type	Transaction	Fair value at 1 October 2020	Realised P&L from exiting trades	Unrealised P&L & FX changes on held investments	Purchases	Sales	Redemptions	Fair value at 30 September 2021
Non-Performing Loan	16	4,643,821	1,502,019	(36,298)	-	(2,825,025)	-	3,284,517
CONS ABS	44	772,960	(547,041)	349,365	-	(539,285)	-	35,999
Equity	46	1,914,853	-	897,651	-	-	-	2,812,504
RMBS	60	1,292,502	156,140	(274,609)	-	-	(260,233)	913,800
RMBS	61	651,296	-	94,188	-	-	-	745,484
RMBS	66	5,470,763	-	3,241,499	-	-	-	8,712,262
Equity	67	(805,861)	-	(110,055)	-	-	-	(915,916)
Preferred Equity	68	8,367,223	(14)	1,428,844	(2,248,350)	(680,000)	-	6,867,703
Preferred Equity	70	5,354,057	-	673,615	2,178,352	-	-	8,206,024
Preferred Equity	71	371,933	15	(35,657)	(145,631)	(190,660)	-	-
Preferred Equity	72	2,349,583	-	744,927	(182,768)	(1,020,000)	-	1,891,742
Preferred Equity	73	5,202,311	-	832,003	3,088,015	-	-	9,122,329
Preferred Equity	74	4,291,187	-	1,564,884	1,581,271	-	-	7,437,342
Preferred Equity	75	19,320	-	(18,317)	(1,003)	-	-	-
Senior Loan	76	3,059,348	-	4,028	251,769	-	-	3,315,145
Investment in the originator	79	106,434,881	673,085	15,487,703	8,000,000	(7,300,000)	-	123,295,669
RMBS	80	1,602	-	953	-	-	-	2,555
		149,391,779	**1,784,204**	**24,844,724**	**12,521,655**	**(12,554,970)**	**(260,233)**	**175,727,159**

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 2022.

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 2022.

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

Notes to the Condensed Unaudited Financial Statements (continued)

8. Fair value of financial instruments (continued)

The details below describe the valuation techniques used to value the investments at 31 March 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)
Transactions 60, 61, 67 & 76	3,481,631	Public securitisation of Irish residual mortgage portfolio	Cash Flow Model	Prepayment Rate (CPR) 12%	N/A	-	0%
				Credit Default Rate (CDR) 0.0%	N/A	-	0%
				Pool Liquidation Price 103%	N/A	-	0%
Transaction 46	2,513,716	Equity Holding in Irish Mortgage lender	NI & P/E Multiplier	P/E Multiplier 10x	8.5x – 10.05x	(377,055) – 125,688	(0.17)% – 0.06%
Transaction 44	5,307	Portfolio of auto loans	Cash Flow Model	Expected Recovery	N/A	(5,307)	0%
Transactions 68-74	34,415,739	Spanish residential asset	Targeted sale value, expected costs and liabilities	Haircut on outstanding sales 10%	0% - 15%	(1,931,118) – 3,517,101	(0.86)% – 1.56%
				Disposal costs €2.38m	± 10%	(223,823) – 243,965	(0.10)% – 0.11%
Transaction 16	1,720,151	Spanish non-performing portfolio	Sale price adjusted for liabilities and costs	Disposal transaction costs €1,414,063	€1,131,240 - €1,696,876	(76,953) – 119,991	(0.03)% - 0.05%
Transaction 66	(127,323)	Irish mortgage portfolio	N/A – Cash holdback on closing deal	N/A	N/A	-	0%
Transaction 79	132,286,019	Taurus CLO retention	Mark-to-Model	Originator NAV	± 10%	(13,228,601) – 13,228,601	(5.91)% – 5.91%

.

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 2021 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)
Transactions 60, 61 & 67	743,368	Public securitisation of Irish residual mortgage portfolio	Discounted Cash Flow Model	Prepayment Rate (CPR) 12%	8% - 15%	(22,524) – 29,821	(0.01)% - 0.02%
				Credit Default Rate (CDR) 0.50%	0% - 1%	(71,374) – 27,691	(0.03)% - 0.01%
				Pool Liquidation Price 103%	102% - 105%	(735,738) – 136,479	(0.32)% - 0.06%
Transactions 66 & 80	8,714,817	Public securitisation of Irish residual performing and non-performing mortgage portfolio	Non-binding offer	Haircut to the Non Binding Offer (NBO) Base assumption: €10m haircut on full portfolio	€10m - €3m haircut on full portfolio	0 - 1,907,959	0% - 0.84%
Transaction 46	2,812,504	Equity Holding in Irish Mortgage lender	Secondary sale and call option agreement	Expected sales price based on Net Income 13.88	13.88 - 16.29	0 - 488,338	0% - 0.22%
Transaction 44	35,999	Portfolio of auto loans	Discounted Cash Flow Model	Expected Recovery £33,000	± 30% recovery	(12,213) - 2,105	(0.01)% - 0%
Transactions 68-75	33,525,140	Spanish residential asset	Targeted sale value, expected costs and liabilities	Haircut on outstanding sales 10%	0% - 15%	(2,118,630) - 3,493,513	(0.93)% - 1.54%
				Disposal costs €3.181m	± 10%	(316,405) - 318,267	(0.14)% - 0.14%
Transaction 16	3,284,517	Spanish non-performing portfolio	Sale price adjusted for liabilities and costs	Disposal transaction costs €1,414,063	€1,131,240 - €1,696,876	(98,473) - 98,471	(0.04)% - 0.04%
Transaction 79	123,295,669	Taurus CLO retention	Mark-to-Model	Originator NAV	± 10%	(12,329,567) - 12,329,567	(5.4)% – 5.4%

Notes to the Condensed Unaudited Financial Statements (continued)

9. Earnings per Share - basic & diluted

The earnings per Share - basic and diluted of 2.47 cents (31 March 2021: 8.25 cents earnings per Share) has been calculated based on the weighted average number of Shares of 305,447,290 (31 March 2021: 304,117,273) and a net profit of €7,527,529 (31 March 2021: profit of €25,082,464) 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 73.30 cents (30 September 2021: 74.56 cents) is determined by dividing the net assets of the Company attributed to the Shares of €223,891,382 (30 September 2021: €227,508,714) by the number of Shares in issue at 31 March 2022 of 305,447,290 (30 September 2021: 305,120,341).

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

	31 March 2022 €	30 September 2021 €
Financial assets at fair value through profit or loss:		
- Debt securities	5,307	8,750,814
- ABS	59,722,684	47,629,252
- Equity securities	2,513,716	2,812,503
- Investment in Taurus Corporate Financing LLP	132,286,019	123,295,669
- Loan	37,866,314	36,840,286
- Listed option	225,000	-
- Reverse repurchase agreement	26,414,428	26,422,187
Total financial assets at fair value through profit or loss	**259,033,468**	**245,750,711**
Financial liabilities at fair value through profit or loss		
- Equity securities	(1,104,556)	(915,916)
- CDS	(1,860,135)	-
- Listed futures	(180,625)	-
- Listed option	(550,001)	-
- Repurchase agreement	(20,733,874)	(23,488,964)
Total financial liabilities at fair value through profit or loss	**(24,429,191)**	**(24,404,880)**

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 2021 to 31 March 2022	1 October 2020 to 31 March 2021
Net gain on debt instruments at fair value through profit or loss	**€**	**€**
- Debt securities	2,118,299	356,898
- ABS	(1,419,448)	4,655,396
- Equity securities	(375,328)	(18,965)
- Investment in Taurus Corporate Financing LLP	8,990,350	20,983,449
- Listed futures	(545,250)	-
- Listed options	271,875	-
- Loan	306,027	831,884
- Repo	(2,739)	(20,874)
- Reverse repo	-	(5,083)
- CDS	1,200,700	(103,525)
Net gain on debt instruments at fair value through profit or loss	**10,554,486**	**26,679,180**
Net gain on foreign exchange and forward contracts	**€**	**€**
Realised loss on forward contracts	-	(92,062)
Unrealised gain on forward contracts	-	358
Realised loss on foreign exchange	(9,271)	(51,300)
Unrealised gain on foreign exchange	51,414	391,571
Net gain on foreign exchange and forward contracts	**42,143**	**248,567**
Net gain on financial assets and liabilities at fair value through profit or loss	**10,586,629**	**26,927,747**

13. Due from and to brokers

	31 March 2022	30 September 2021
	€	**€**
Due from:		
Collateral and funding cash	7,322,387	2,609,971
Receivables for securities sold	-	7,649,075
	7,322,387	**10,259,046**
Due to:		
Collateral and funding cash	(12,405)	(12,406)
Payables for securities purchased	(37,748,250)	(10,826,185)
	(37,760,655)	**(10,838,591)**

14. Other receivables and prepayments

	31 March 2022	30 September 2021
	€	**€**
D&O Insurance Fees	-	5,494
Listing Fee	5,968	-
	5,968	**5,494**

Notes to the Condensed Unaudited Financial Statements (continued)

15. Accrued expenses

	31 March 2022	30 September 2021
	€	€
Management fee	(187,842)	(190,387)
Performance fees*	(1,331,129)	(765,547)
Administration fee	(27,799)	(27,279)
Audit fee	(54,789)	(40,245)
Sub-administration fee	(5,997)	(5,454)
Legal fee	(15,842)	-
Custodian fee	(5,258)	(6,000)
Other fee	(361,927)	(307,412)
	(1,990,583)	**(1,342,324)**

*Performance fees not yet crystallised. If still payable at year-end this will pay as a maximum of 60 percent in cash: €798,677 and a minimum of 40 per cent in shares: €532,452.

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 2021	305,120,341	56,329,659	361,450,000
SCRIP dividends paid out of treasury in period	326,949	(326,949)	-
As at 31 March 2022	305,447,290	56,002,710	361,450,000

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

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

17. Segmental reporting

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

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

Notes to the Condensed Unaudited Financial Statements (continued)

18. Dividend policy

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

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
31/12/2021	04/02/2022	11/03/2022	0.0187	Regular quarterly dividend	5,705,955	5,529,556	241,896
30/09/2021	26/11/2021	20/12/2021	0.0186	Regular quarterly dividend	5,677,138	5,615,305	85,053

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.

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.

Notes to the Condensed Unaudited Financial Statements (continued)

19. Derivative financial instruments (continued)

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

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

The following table shows the Company's derivative position as at 31 March 2022.

	Financial assets at fair value	Financial liabilities at fair value	Notional amount	Maturity
	€	€	€	
CDS	-	(1,860,135)	25,000,000	20 June 2027
Futures	-	(180,625)	150,000,000	19 June 2023
Listed option	225,000	-	8,687,431	19 June 2023
Listed option	-	(131,250)	(247,412.500)	19 June 2023
Listed option	-	(150,000)	(246,912,500)	18 September 2023
Listed option	-	(268,750)	(246,750,000)	18 December 2023
	225,000	**(2,590,760)**	**(557,390,569)**	

The Company had no derivative positions as at 30 September 2021.

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

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

As of 31 March 2022, there are three repurchase agreements in place (at 30 September 2021: six).

Main terms of the repurchase agreements in place as of 31 March 2022:

Notional	Rate	Maturity	Counterparty
(4,365,332)	0.02%	12 December 2032	JPM
(5,408,541)	(0.09%)	12 December 2032	JPM
(10,966,824)	(0.05%)	25 July 2034	JPM

The pledged assets under these contracts were valued €22,842,077 as at 31 Mar 2022.

Main terms of the reverse repurchase agreements in place as of 31 March 2022:

Notional	Rate	Maturity	Counterparty
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 2022	Taurus Corporate Financing LLP
1,054,083	2.80%	5 August 2022	Taurus Corporate Financing LLP
1,275,950	4.80%	5 August 2022	Taurus Corporate Financing LLP
12,200,000	EUR003M + 0.99%	5 August 2022	Taurus Corporate Financing LLP

The pledged assets under these contracts were valued €26,075,372 as at 31 Mar 2022.

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 repurchase agreements in place as of 30 September 2021:

Notional	Rate	Maturity	Counterparty
(4,364,447)	0.02%	12 December 2032	JPM
(5,408,541)	(0.09%)	12 December 2032	JPM
(863,545)	(0.05%)	12 December 2032	JPM
(844,256)	0.06%	12 December 2032	JPM
(1,042,118)	0.16%	12 December 2032	JPM
(10,966,824)	(0.05%)	25 July 2034	JPM

The pledged assets under these contracts were valued €26,450,675 as at 30 Sep 2021.

Main terms of the reverse repurchase agreements in place as of 30 September 2021:

4,850,000	1.01%	5 March 2022	Taurus Corporate Financing LLP
6,000,000	0.88%	5 March 2022	Taurus Corporate Financing LLP
1,002,472	1.78%	1 August 2022	Taurus Corporate Financing LLP
1,054,083	2.8%	5 August 2022	Taurus Corporate Financing LLP
1,275,950	4.8%	5 August 2022	Taurus Corporate Financing LLP
12,200,000	EUR003M + 0.99%	5 August 2022	Taurus Corporate Financing LLP

The pledged assets under these contracts were valued €26,450,675 as at 30 Sep 2021.

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	132,286,019

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 (the "Warehouse") at fair value rather than consolidate their results. The Warehouse is a fully owned subsidiary of the Originator and is measured at fair value through profit or loss.

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	2nd Floor 1-2 Victoria Buildings Haddington Road Dublin D04 XN32 Ireland

Notes to the Condensed Unaudited Financial Statements (continued)

21. Interests in other entities (continued)

List of subsidiaries (continued)

(i) The Company provided several repurchase agreements to the Originator with overall principal of €26,382,505 as at 31 March 2022 (30 September 2021: €26,382,505) that are due on demand. In contrast, the Originator pledged assets on these contracts valued of €26,075,372 (30 September 2021: €26,450,675) that are held by the Company as a security on these lending.

(ii) Ownership interests held; 99.99%

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

	TCF Loan Warehouse 1 Designated Activity Company	TCF Loan Warehouse 3 Designated Activity Company
Name:		
Place of Business:	3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland	3rd Floor Kilmore House Park Lane Spencer Dock Dublin 1 Ireland
Ownership interests held:	100%	100%

22. Post balance sheet events

The Company received an income distribution of €17,723,250 on the 8 April 2022 from Taurus Corporate Financing LLP ("the Originator").

On 26 April 2022, the Company announced its regular quarterly dividend of 2.5% (Euro 0.0183 per ordinary share) for the period from 1 January 2022 to 31 March 2022. Payment was made on 21 June 2022 to holders of ordinary shares recorded on the register as at close of business on 6 May 2022 with an ex-dividend date of 5 May 2022.

In light of recent events regarding Russia's invasion of Ukraine, the Investment Manager confirms that the Company currently has no direct Russian exposure in the portfolio. The Investment Manager continues to monitor the situation closely.

There are no other events subsequent from 31 March 2022 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 15 July 2022.