

# Key Information Document

Chenavari Toro Income Fund Limited  
A sub fund of Chenavari Toro Income Fund Limited  
Ordinary shares of no par value (“Ordinary Shares”)

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## ➤ Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

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## ➤ Product

<b>Name:</b>	Chenavari Toro Income Fund Limited Ordinary shares of no par value (“Ordinary Shares”)
<b>ISIN:</b>	GG00BWBSDM98
<b>PRIP Manufacturer:</b>	Chenavari Credit Partners LLP
<b>PRIP Manufacturer Website:</b>	<a href="https://www.chenavariincomefund.com/">https://www.chenavariincomefund.com/</a>
<b>Telephone:</b>	+44 (0)1481 231100

Guernsey Financial Services Commission is responsible for supervising Chenavari Credit Partners LLP in relation to this Key Information Document. This PRIIP is authorised in Guernsey.

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The key information document is accurate as at 19 February 2024.

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## ➤ What is this product?

**Type:** Ordinary shares in a closed-ended investment company incorporated in Guernsey. Save for payments of dividends or other returns (e.g. on a winding up), the Company is not expecting to pay you and you are expected to generate returns through selling your shares through a bank or stockbroker. Ordinary Shares are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it and brokers may charge additional commissions. The price at which you can sell your shares will vary depending on market conditions and will not necessarily reflect the net asset value of the Company.

**Term:** No fixed term.

**Objectives:** The investment objective of the Company is to generate attractive, risk-adjusted returns, through investing, and in some cases, trading opportunistically, in structured credit markets or asset backed transactions via three sub-strategies: Public Asset Backed Securities (ABS), Private Asset Backed Finance and Direct Origination.

**Intended retail investor:** This product is intended for institutional, highly knowledgeable investors or professionally advised investors who plan to hold their investment for the long term and who have sufficient resources to be able to bear any losses (which may equal the whole amount invested) that may result from such an investment. Potential investors should fully understand the additional risks associated with this particular asset class, the potential risk of capital loss and that there may be limited liquidity in the Ordinary Shares. The Ordinary Shares are suitable for investors as part of a diversified investment portfolio and who are able to take a long-term view of any investment in the Company.

**Depositary:** The Fund's assets are held through its Depositary, which is JPMorgan Chase Bank, National Association, Jersey Branch.

**Distribution type:** The product is distributing.

## ➤ What are the risks and what could I get in return?

### Risk indicator

Lower risk

Higher risk



The risk indicator assumes you keep the product for 5 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

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

This rates the potential losses from future performance at a medium level. Poor market conditions could impact the Fund's capacity to pay you.

### Investment performance information

The main factors affected the performance of the fund can be broadly delineated into 'credit' and 'liquidity' based risks affecting the pricing of the underlying assets. Liquidity is a function of the prevailing macroeconomic conditions and in an environment of tightening money supply we expect that bouts of volatility will persist into the medium term and this will affect pricing of the underlying investment in the Toro fund; this also present opportunities for reinvestment. Credit risk can also be expressed in the pricing of the underlying assets and presents a potential headwind for the performance of the tranches invested in the Toro fund. Ultimately the performance of the underlying credit quality of the collateral invested into the CLOs will be the longer term driver of under/outperformance. The mitigants for this risk are the managed and term funded nature of CLOs and the multi sector and country diversification and obligor concentration.

The most relevant index is the S&P European Leveraged Loan Index for an approximation of the rate of the changes of the underlying price of CLO investments. The Palmer Square CLO BB Price Index is a useful approximation tool for the price dynamics of mezzanine CLO tranches in the US which are correlated to some of the investments in Toro. The Markit iTraxx Europe Crossover is also a tool the market commonly use to hedge credit products and is a useful yardstick by which to measure the prevailing level of risk tolerance in the market.

**What could affect my return positively?** As financial conditions tighten and interest rates increase this pushes up the cost of financing for the types of borrowers that exist in CLOs and related asset classes in which the fund invests. This creates opportunities to purchase assets at a higher yield than in the recent past and this creates the opportunity for the fund to generate higher returns for investors. Similarly a more volatile environment for the pricing of risk enables the investment manager to try and benefit from market dislocations in trading the underlying portfolio; however liquidity for the investments is not always guaranteed and the ability of the manager to buy and sell investments is limited.

**What could affect my return negatively?** The conditions that could cause an investor to face lower returns or a loss of return on their investment include, but are not limited to: - Fundamental Credit Losses in the underlying assets - Market risk - Reinvestment risk - Operational risk - Risks associated with the Investment Manager. It is likely that a macro environment of higher interest rates and constrained money supply will lead to an increase in credit events at a relatively higher level than in the recent past. Whilst it is hard to predict terminal rates and any recessionary impacts it is realistic to assume that higher financing costs for borrowers could impair certain credits as financial conditions tighten. Furthermore recoveries in work-out situations are likely to also be lower in a macro environment of higher interest rates and or a cyclical downturn.

Investors may expect a significant writedown on their investment if the underlying investments are liquidated during a period of significantly heightened volatility or market impairment that either relates directly or indirectly to the underlying investments. Notwithstanding this, the underlying CLO and ABS investments are themselves term financed and can suffer and event of default only in conditions of extreme market stress.

## ➤ What happens if the Chenavari Credit Partners LLP is unable to pay out?

As a shareholder of Chenavari Toro Income Fund Limited you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the Company were unable to pay any dividends or other returns it may elect to pay from time to time, or if it were unable to pay any amounts due to you on a winding-up. If you sell your Ordinary Shares on the London Stock Exchange, your bank or stockbroker will receive cash on delivery of your shares and should pass that to you.

**Be aware of currency risk. You will receive payments in a currency other than your local currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

In some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount invested.**

For other risks materially relevant to the product which are not taken into account in the summary risk indicator, please read the Company's Prospectus available at <http://www.chenavariincomefund.com>.

This product does not include any protection from future market performance, so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

## ➤ What are the costs?

### Costs over time

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, and how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return)
- For the other holding periods we have assumed the product performs as shown in the moderate scenario
- EUR 10,000 per year is invested

Example Investment: EUR 10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	EUR 247	EUR 758	EUR 1,295
Annual cost impact(*)	2.47%	2.27%	2.09%

(\*)This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 0.00% before costs and 0.00% after costs.

### Composition of costs

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

The impact on return per year			
One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.11%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.60%	The impact of the costs that we take each year for managing your investments and the costs associated with running the Company.
Incidental costs	Performance fees	0.69%	The impact of the performance fee. We take these from your investment if the adjusted NAV of Company outperforms.
	Carried interests	0.00%	The impact of carried interests.

## ➤ How long should I hold it and can I take my money out early?

### The recommended minimum holding period: 5 years.

Listed funds are designed to be long term investments and the returns from them can be volatile during their life. You should plan to hold your shares for at least a five year investment horizon.

As the Company's shares are listed on the London Stock Exchange, you can expect to sell them at any time through your bank or stockbroker.

## ➤ How can I complain?

If you have any complaints about the Company, you may lodge your complaint:

- via our website: <http://www.chenavaritoroincomefund.com/>
- in writing to Estera Administration (Guernsey) Limited, PO Box 286, Floor 2, Trafalgar Court, Les Banques, St. Peter Port, GY1 4LY, Guernsey.

## ➤ Other relevant information

We are required to provide you with further documentation, such as the Company's annual and interim reports. These documents and other information relating to the Company are available online at <http://www.chenavaritoroincomefund.com/>.

The past performance of the Company is not a guide to future performance. The price of the Company's shares can go down as well as up.

The cost, performance and risk calculations included in this Key Information Document follow the methodology prescribed by EU rules. In addition, the costs set out in the "composition of costs" table are carried by the Company and dividends paid to investors are net of these costs.