

**SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I
DESIGNATED ACTIVITY COMPANY**

**DIRECTORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2025

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

CONTENTS

General Information (Unaudited)	3
Directors' Report and Statement of Directors' Responsibilities in respect of the Financial Statements (Unaudited)	4-10
Independent Auditor's Report to the Members of Sound Point Tactical Loan Opportunity Master Fund I Designated Activity Company	11-16
Statement of Financial Position	17
Statement of Comprehensive Income	18
Statement of Changes in Equity	19
Statement of Cash Flows	20
Notes to the Financial Statements	21-46

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

GENERAL INFORMATION

Directors

Roddy Stafford
Christian Currivan

Investment Manager

Sound Point Capital Management, LP
375 Park Avenue, 33rd Floor
New York, NY 10152

Administrator

SS&C Financial Services (Ireland) Limited
(Formerly GlobeOp Financial Services (Ireland) Limited)
La Touche House
IFSC
Dublin 1, Ireland

Independent Auditors

KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1, D01 F6F5, Ireland

Note Registrar

TMF Administration Services Limited
Ground Floor
Two Dockland Central, Guild Street, North Dock, Dublin 1
D01K2C5 Ireland

Registered Office

TMF Management (Ireland) Limited
Ground Floor
Two Dockland Central, Guild Street, North Dock, Dublin 1
D01K2C5 Ireland

Custodian

The Bank of New York Mellon
601 Travis Street, 16th Floor
Houston, TX 77002

Irish Legal Advisors

Matheson
70 Sir John Rogerson's Quay
Dublin 2, Ireland

Company Secretary

TMF Administration Services Limited
Ground Floor
Two Dockland Central, Guild Street, North Dock, Dublin 1
D01K2C5 Ireland

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

The directors submit the Directors' Report together with the audited financial statements of Sound Point Tactical Loan Opportunity Master Fund I DAC (the "Company") formerly (Sound Point Distressed Loan Opportunity Master Fund I DAC) for the year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The Company is a designated activity company with limited liability, which was incorporated on 20 March 2020 under the laws of Ireland with a company registration number 668903.

The Company is established as a qualifying company under Section 110 of the Taxes Act and is funded by Profit Participating Notes (the "Notes") issued by the Company. The Company is organized as an investment vehicle for Sound Point Tactical Loan Opportunity Fund I, LP (the "U.S. Fund") and Sound Point Tactical Loan Opportunity Offshore Mini-Master, LP (the "Mini-Master; together with the U.S. Fund, the "Feeder Funds"). The Company was organized for the purpose of providing capital to public and private companies.

Pursuant to the Notes dated 2 July 2020, the Company will repay, or pay on request of the Feeder Funds, principal, and coupon (representing the accumulated gains and losses of the Company) on or before the expiration of the Feeder Funds' term in July 2070.

The Company's investment activities are managed by Sound Point Capital Management, LP (the "Investment Manager"), a Delaware limited partnership, which is a registered investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

The Class A and B Notes were issued on 2 July 2020 and the Class C Notes were issued on 10 July 2020. The Class A and Class B Notes are listed on the Cayman Island Stock Exchange. The recourse of the noteholders toward the Company is limited to the Company's secured assets. Should the realisation of the secured assets prove insufficient to pay the noteholders in full, the noteholders will have no legal claim against the company for the shortfall.

The Notes issued are held by the Feeder Funds during the year ended 30 June 2025. The Class A Notes were issued to and are held by the U.S. Fund. The Class B and Class C Notes were issued to and are held by the Mini-Master.

The following table presents principal outstanding for each class of Notes at 30 June 2025.

Class of Notes	Listing	Par Value	Undrawn Par Value	Stated Maturity
Class A Profit Participating Notes	Cayman Islands	\$ 381,137,159	\$ -	2 July 2070
Class B Profit Participating Notes	Cayman Islands	\$ 27,311,601	\$ -	2 July 2070
Class C Profit Participating Notes	Not listed	\$ 1,000	\$ -	10 July 2070

Holders of the Class A, B and C Notes are entitled to profits of the Company less a retention amount of \$2,000. Holders of the Class A, B and C Notes have equal rights and are entitled to a pro-rata share of the profits of the Company.

Class C Noteholders will be entitled to convert the Class C Note into Ordinary Shares by redeeming the Class C Note at par together with accrued interest (if any), and utilizing the proceeds of the redemption by way of subscribing for such Ordinary Shares.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The financial performance of the Company has been discussed in the “Results and Dividends” section of the Directors’ Report. The Directors expect the current level of business activity to continue in the future.

The Directors have no plans to change significantly the activities and operations of the Company in the foreseeable future.

PORTFOLIO MONITORING

Due to fluctuations in the fair value of the assets in the portfolio, there is a risk that certain Notes issued by the Company will not be repaid in full. The Notes are limited recourse obligations of the Company which are payable solely out of the amounts received in respect of the financial assets and other realisable assets held by the Company.

If the net proceeds from the realisations of the financial assets and other realizable assets following an event of default or at the maturity date are insufficient to pay all the amounts due to Noteholders, the Noteholders will have no further claim against the Company in respect of any such unpaid amounts. The Company’s financial assets and liabilities are all carried at fair value through profit or loss (“FVTPL”).

RESULTS AND DIVIDENDS

The results for the financial year and the Company’s financial position at the end of the year are disclosed on pages 18 and 17, respectively. The profit for the financial year is \$1,500. The Directors do not recommend payment of a dividend. The key performance indicators for the Company are as follows:

Key performance indicators	Year ended 30 June 2025
	\$
(a) Net gain (loss) on financial assets at FVTPL	33,712,770
(b) Net gain (loss) on financial liabilities designated at FVTPL	(31,624,319)
(c) Financial assets at FVTPL	308,483,766
(d) Financial liabilities designated at FVTPL	317,306,495

(a) Net gain on financial assets at FVTPL

The Company recognised a net gain on financial assets at FVTPL as part of the Company’s strategy to reduce the risk of certain financial assets, realise gains, decrease larger holdings and generate cash for potential reinvestment.

(b) Net loss on financial liabilities designated at FVTPL

The loss on financial liabilities at FVTPL is the residual fair value available to the Noteholders taking into consideration the fair value of financial assets at FVTPL as well as net current assets at the financial year-end.

(c) Financial assets at FVTPL

Financial assets at FVTPL total \$308,483,766 at the financial year ended 30 June 2025 (30 June 2024: \$307,173,247). The Company recognised a net gain of \$33,712,770 (30 June 2024: \$29,586,796) as part of the Company’s strategy to reduce the risk of certain financial assets, realised gains, decrease larger holdings and generate cash for potential reinvestment.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

RESULTS AND DIVIDENDS (CONTINUED)

(d) Financial liabilities designated at FVTPL

Financial liabilities at FVTPL total \$317,306,495 at the financial year ended 30 June 2025 (30 June 2024: \$322,603,850). The financial liabilities at FVTPL are primarily the Notes issued by the Company. During the year, the Company incurred a net loss of \$31,624,319 (30 June 2024: \$26,389,299) on these Notes. The fair value movement of Notes issued is mainly dependent on the movement in fair value of financial assets at FVTPL.

DIRECTORS, COMPANY SECRETARY AND THEIR INTERESTS

The names of the persons who were directors during the financial year are Roddy Stafford and Christian Currivan. The company secretary is TMF Administration Services Limited. They have served for the entire financial year and they had no material interest in any contract of significance in relation to the business of the Company.

The Directors and company secretary who held office on 30 June 2025 did not hold any shares, share options, deferred shares, loan stock or debentures in the Company or any entities within the Soundpoint group of entities ("Group") on that date or during the financial year, requiring disclosure in the Directors' Report pursuant to Section 329 of the Companies Act 2014.

DIRECTORS' COMPLIANCE STATEMENT

The Directors, in accordance with Section 225(2) (a) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations". "Relevant obligations", in the context of the Company, are the Company's obligations under:

- (i) The Companies Act 2014, where a breach of the obligations would be a category 1 or category 2 offence.
- (ii) The Companies Act 2014, where a breach of the obligation would be a serious Market Abuse or Prospectus offence; and
- (iii) Tax law.

Pursuant to Section 225(2) (b) of the Companies Act 2014, the Directors confirm that:

- (i) A compliance policy statement has been drawn up as required by Section 225(3) (a) of the Companies Act 2014 setting out the Company's policies (that, in the directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;
- (ii) Appropriate arrangements and structures have been put in place that, in their opinion, secure material compliance with the Company's relevant obligations, and
- (iii) A review has been conducted, in the financial period, of the arrangements and structures referred to in paragraph (ii).

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

RELEVANT AUDIT INFORMATION

So far as each of the Directors in office at the date of approval of the financial statements are aware:

- There is no relevant audit information of which the Company's auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 330 of the Companies Act 2014.

ISSUE OF SHARES

Authorised share capital consists of 1,000,000 ordinary shares of \$1 each. The Company has issued 1 Share, which is held by TMF Management (Ireland) Limited on behalf of a charitable trust.

SIGNIFICANT SUBSEQUENT EVENTS

The subsequent events in relation to the Company are dealt with in Note 21.

ACCOUNTING RECORDS

The directors are responsible for ensuring that adequate accounting records, as outlined in Section 281-285 of the Companies Act 2014, are kept by the Company. The measures taken by Directors to ensure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and by ensuring that a competent service provider is responsible for the preparation and maintenance of the accounting records. The accounting records are kept at the offices of SS&C Financial Services (Ireland) Limited, La Touche House IFSC, Dublin 1, Ireland.

SHAREHOLDER MEETINGS

The shareholder's rights and the operations of shareholder meetings are defined in the Company's Constitution and comply with the Companies Act 2014. The Company holds general meetings as and when required.

POLITICAL AND CHARITABLE DONATIONS

There have been no political donations or charitable donations during the financial year ended 30 June 2025.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

GOING CONCERN

The directors are satisfied with the performance of the Company and they believe that the Company will continue to operate in the future on the same basis for a period of at least 12 months from the date of signing of the financial statements. The Class A and B notes are scheduled to mature on 2 July 2070 and Class C notes are scheduled to mature on 10 July 2070. The notes are limited recourse obligations of the Company that are payable solely out of amounts received in respect of the financial assets. Please refer to page 4, note 4 (c) Liquidity Risk and Note 17 for further details of the Notes issued.

The ongoing geopolitical events, including the conflicts between Russia-Ukraine and Israel-Hamas, have disrupted the global economy and financial market. On 26 February 2025, the United States announced plans to impose tariffs on imports from 57 countries. On 27 July 2025, the United States and the European Union agreed a trade deal where a single 15% tariff rate will be applied to most EU exports. The Directors are currently assessing the impact of these tariffs and the broader economic consequence on the financial performance of the Company and will continue to monitor the situation.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is subject to various risks including market risk, credit risk, liquidity risk and operational risk. The key risks facing the Company and the manner in which these risks have been dealt with are disclosed in Note 4 to the Financial Statements.

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All management and administration functions are outsourced to the Administrator. The company's financial return from realising the disposal of investment securities is subject to market conditions. The Directors have outsourced the management of the portfolio to the Investment Manager.

The Directors have considered the current market conditions prevailing at the date of this report and continue to monitor the value of investments held.

AUDIT COMMITTEE

Given the contractual obligations of the administrator and the limited recourse nature of the securities issued by the Company, the board of directors (the "Board") has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Company has availed itself of the exemption under Section 167 of the Companies Act 2014.


INDEPENDENT AUDITOR

KPMG, Chartered Accountants, and Statutory Audit Firm, have indicated their willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014.


This report was approved by the Board on 17 December 2025 at 2:32:38 PM GMT and signed on its behalf by:

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

Signed by:

E3D85261824E4A3...
Roddy Stafford

Director

Signed by:

9A71621DEA1741E...
Christian Currivan

Director

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare Company financial statements for each financial year. The directors have elected to prepare the Company financial statements in accordance with IFRS as adopted by the EU and as applied in accordance with the Companies Act 2014.

Under company law the directors must not approve the Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing the Company financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Company comply with the provisions of the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have a general responsibility for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

Approved by the Board and signed on its behalf by:

Signed by:


E3D05261824E4A3...
Roddy Stafford
Director

Signed by:


9A71621DEA1741E...
Christian Curri van
Director

Date: 17 December 2025 | 2:39:20 PM GMT



KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

Independent Auditor's Report to the Members of Sound Point Tactical Loan Opportunity Master Fund I Designated Activity Company

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sound Point Tactical Loan Opportunity Master Fund I Designated Activity Company ('the Company') for the year ended 30 June 2025 set out on pages 17 to 46, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and related notes, including the material accounting policies set out in note 3.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2025 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We have fulfilled our ethical responsibilities under, and we remained independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

We considered whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including identified risk and dependencies.

We held discussions with management and inspected all board meeting minutes during the period up to the date of approval of the financial statements for evidence of any discussions and/or decisions that could impact the Company's ability to continue as a going concern.

The directors' assessment is consistent with our understanding of the Company. There were no risks identified that we considered were likely to have a material adverse effect on the Company's available financial resources over this period.

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

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



Independent Auditor's Report to the Members of Sound Point Tactical Loan Opportunity Master Fund I Designated Activity Company (continued)

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Company's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors and other management as to the Company's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors and other management regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting Board and Valuation Committee minutes.
- Performing planning analytical procedures to identify any unusual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Assessing significant accounting estimates for bias
- Assessing the disclosures in the financial statements
- Evaluating the appropriateness of the accounting and business rationale for significant transactions that are outside the normal course of business, or are otherwise unusual.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.



Independent Auditor’s Report to the Members of Sound Point Tactical Loan Opportunity Master Fund I Designated Activity Company (continued)

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2024):

Valuation of Financial Assets at Fair Value Through Profit or Loss \$308,483,766 (2024: \$307,173,247)

Refer to pages 24 to 26, Note 3e (accounting policy) and pages 38 to 43, Note 11 (fair value measurements)

The key audit matter	How the matter was addressed in our audit
<p>Valuation of financial assets at fair value through profit or loss is considered to be a key audit matter. The Company’s financial assets at fair value through profit or loss are the main asset owned by the Company (92.71% of the total assets by value).</p> <p>As a part of our risk assessment procedures, we evaluated the key inputs into the operations of the Company and judged that valuation of financial assets at fair value through profit or loss constituted the area of most significance to the audit due to the factors outlined below.</p> <p>There is a significant risk relating to the valuation of financial assets at fair value through profit or loss due to their materiality in the context of the financial statements as a whole and due to the estimation uncertainty in valuing the instruments. The fair value of financial instruments involves subjective judgements or uncertainties in relation to the assumptions used in the valuation. The valuation of investments has therefore been considered as a key audit matter.</p> <p>For the reasons outlined above the engagement team determine this matter to be a key audit matter.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> - Obtaining and documenting our understanding of the valuation process and assessing the design and implementation of key controls relevant to the valuation of investments. - Inspecting the minutes of the Valuation committee meetings held during the year. - Our internal valuation specialists performed independent valuation testing (where possible) of the listed instruments within the portfolio held at 30 June 2025 by comparing the administrator prices to external sources such as Markit, ICE, Bloomberg and Refinitiv or where required performed hand pricing by determining the future cash flows of the securities and then determining an appropriate spread to discount these future cashflows to present value. - For unlisted instruments that were material, our valuation specialist performed an assessment of the reasonableness of management’s pricing with reference to observations based on market quoted pricing information for the period leading up to and after the valuation date. Where this procedure was not able to be performed, our valuation specialist tested and evaluated the entity’s process from the management inputs provided with a combination of market data on comparable companies in combination with company specific data obtained from the underlying issuer financial statements, independently derived assumptions and other qualitative risk factors. - For one material security, we obtained evidence of a recent observable transaction prior to year-end and assessed the price as per the legal agreement against the price used by management at year-end. - For one security where a third-party specialist was used by management to value the



Independent Auditor's Report to the Members of Sound Point Tactical Loan Opportunity Master Fund I Designated Activity Company (continued)

	<p>securities, we assessed the specialist's independence, competency and capabilities, and obtained and reviewed the valuation reports to determine the reasonableness of the models and key inputs used in the valuation of such securities.</p> <ul style="list-style-type: none">- For instruments classified as Level 3 in accordance with IFRS 13, we assessed management's estimate of these instruments as at 30 June 2025 by performing a retrospective review of the prior year end fair value estimate as at 30 June 2024 and comparing to transactions which took place during the period from 30 June 2024 to 30 June 2025.- We inspected the Investments' disclosure in accordance with the fair value hierarchy set out in IFRS 13 where applicable and assessed the appropriateness of the disclosure in the financial statements. <p>Based on evidence obtained, we found that financial assets at fair value through profit or loss was not materially misstated.</p>
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Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at \$3.32m (2024: \$3.51m), determined with reference to a benchmark of Total Assets (of which it represents 1% (2024: 1%).

We consider Total Assets to be the most appropriate benchmark as it is the metric that most reflects the factors considered by the users of the financial statements in making their economic decisions and the assets held by the Company are judged as the most important metric to users of the financial statements. We applied materiality to assist us determine the overall audit strategy.

We applied materiality in planning and performing the audit, in evaluating the effect of identified misstatements, and in forming our audit opinion to assist in determining significant risks and the appropriate audit procedures to be performed.

In applying our judgement in determining the most appropriate benchmark, we considered a number of factors including the elements of financial statements, the items on which the attention of the users of the particular entity's financial statements tends to be focused, the nature of the entity and the industry and economic environment in which the entity operates and the entity's ownership structure and the way it is financed.

Performance materiality for the financial statements as a whole was set at \$2.49m (2024: \$2.63m), determined with reference to a benchmark of materiality (of which it represents 75% (2024: 75%).

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality.

In applying our judgement in determining performance materiality, we considered a number of factors including the number and severity of control deficiencies, level of turnover of senior key management personnel, management's willingness to correct misstatements and the proportion of accounts not identified as significant.

We reported to the Board of Directors any corrected or uncorrected identified misstatements exceeding \$166,000 (2024: \$175,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit was undertaken to the materiality and performance materiality level specified above and was performed by a single engagement team overseen by KPMG Dublin.



Independent Auditor's Report to the Members of Sound Point Tactical Loan Opportunity Master Fund I Designated Activity Company (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the General Information, Directors' Report and Statement of Directors' Responsibilities in respect of the Financial Statements. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.



Independent Auditor's Report to the Members of Sound Point Tactical Loan Opportunity Master Fund I Designated Activity Company (continued)

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Cristian Reyes
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC, Dublin 1
D01 F6F5


18 December 2025

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY


STATEMENT OF FINANCIAL POSITION (Expressed in United States Dollars)

AS AT 30 JUNE 2025

		As at 30 June 2025		As at 30 June 2024
Assets				
Cash and cash equivalents	3(a)	\$ 20,611,337	\$	13,562,065
Due from broker	12	-		2,625,427
Due from Feeder Funds	16	888,000		740,860
Receivable for investments sold	13	131,929		22,920,782
Coupon receivable	4(a)	2,618,993		3,287,980
Financial assets at FVTPL	10	308,483,766		307,173,247
Other assets		-		87,057
Total assets		\$ 332,734,025	\$	350,397,418
Equity				
Called up share capital	15	\$ 1	\$	1
Retained earnings		7,500		6,000
Total equity		\$ 7,501	\$	6,001
Liabilities				
Accrued expenses and other liabilities	4(c)	\$ 513,588	\$	605,932
Payable for investments purchased	13	5,069,028		18,420,097
Coupon expense payable	17	9,836,913		8,761,038
Tax liability	7	500		500
Financial liabilities designated at FVTPL	17	317,306,495		322,603,850
Total liabilities		332,726,524		350,391,417
Total equity and liabilities		\$ 332,734,025	\$	350,397,418

Signed by:


 Roddy Stafford
 Director

Signed by:


 Christian Currivan
 Director

Date: 17 December 2025 | 2:32:38 PM GMT

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

STATEMENT OF COMPREHENSIVE INCOME

(Expressed in United States Dollars)

FOR THE YEAR ENDED 30 JUNE 2025

		For the year ended 30 June 2025	For the year ended 30 June 2024
Net income	Notes		
Net gain on financial assets at FVTPL	5	\$ 33,712,770	\$ 29,586,796
Net loss on financial liabilities designated at FVTPL	6	(31,624,319)	(26,389,299)
Total income		2,088,451	3,197,497
Operating expenses			
Administrative fee	19	(450,048)	(331,937)
Management fee	16	(1,110,157)	(1,125,002)
Professional fees and other expenses	8	(526,246)	(1,738,558)
Total operating expenses		(2,086,451)	(3,195,497)
Profit before taxation		\$ 2,000	\$ 2,000
Taxation	7	(500)	(500)
Results for the period after taxation		\$ 1,500	\$ 1,500
Other comprehensive income		-	-
Total comprehensive income for the period		\$ 1,500	\$ 1,500

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

STATEMENT OF CHANGES IN EQUITY

(Expressed in United States Dollars)

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Called up share capital	Retained earnings	Total Equity
Balance at 1 July 2023		\$ 1	\$ 4,500	\$ 4,501
Share capital	15	-	-	-
Total comprehensive income		-	1,500	1,500
Balance at 30 June 2024		<u>\$ 1</u>	<u>\$ 6,000</u>	<u>\$ 6,001</u>

	Notes	Called up share capital	Retained earnings	Total Equity
Balance at 1 July 2024		\$ 1	\$ 6,000	\$ 6,001
Share capital	15	-	-	-
Total comprehensive income		-	1,500	1,500
Balance at 30 June 2025		<u>\$ 1</u>	<u>\$ 7,500</u>	<u>\$ 7,501</u>

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

STATEMENT OF CASH FLOWS

(Expressed in United States Dollars)

FOR THE YEAR ENDED 30 JUNE 2025

	For the year ended 30 June 2025	For the year ended 30 June 2024
Cash flows from operating activities		
Profit after taxation	\$ 1,500	\$ 1,500
Adjustments for		
Net gain on financial assets at FVTPL	(33,712,770)	(29,586,796)
Net loss on financial liabilities designated at FVTPL	31,624,319	26,389,299
Movements in working capital		
Decrease/ (Increase) in due from broker	2,625,427	(2,351,219)
Increase in due from Feeder Funds	(147,140)	(178,192)
Decrease in other assets	87,057	130,587
Decrease in accrued expenses and other liabilities	(92,344)	(36,898)
Purchases of investments	(107,991,698)	(194,214,191)
Proceeds from repayments of investments	119,754,227	166,824,677
Coupon interest received	30,746,995	29,845,525
Net cash from / (used) in operating activities	<u>42,895,573</u>	<u>(3,175,707)</u>
Cash flows from financing activities		
Payments for financial liabilities designated at FVTPL	\$ (823,653)	\$ -
Coupon payments made on profit participating notes	(35,022,648)	(11,471,735)
Principal repayments during the year	\$ -	(5,216,970)
Net cash from financing activities	<u>\$ (35,846,301)</u>	<u>\$ (16,688,705)</u>
Net increase in cash and cash equivalents	\$ 7,049,272	\$ (19,864,412)
Cash and cash equivalents at beginning of period	13,562,065	33,426,477
Cash and cash equivalents at end of the period	<u>\$ 20,611,337</u>	<u>\$ 13,562,065</u>

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

1. General information

Nature of Operations

Sound Point Tactical Loan Opportunity Master Fund I Designated Activity Company (the “Company”) (formerly Sound Point Distressed Loan Opportunity Master Fund I Designated Activity Company) was incorporated on 20 March 2020 under the Companies Act 2014 as a private limited company with registration number 668903 and commenced operations on 2 July 2020. The Company is established as a qualifying company under Section 110 of the Taxes Act and is funded by Profit Participating Notes (the “Notes”) issued by the Company. The Company is organized as an investment vehicle for Sound Point Tactical Loan Opportunity Fund I, LP (the “U.S. Fund”) and Sound Point Tactical Loan Opportunity Offshore Mini-Master, LP (the “Mini-Master” together with the U.S. Fund, the “Feeder Funds”). The Company was organized for the purpose of providing capital to public and private companies.

Pursuant to the Notes dated 2 July 2020, the Company will repay, or pay on request of the Feeder Funds, principal and interest (representing the accumulated gains and losses of the Company) on or before the expiration of the Feeder Funds’ term. The term commenced on the initial closing date, and continues until the third anniversary of the termination of the Investment Period; provided, that unless the Feeder Funds are sooner wound up, the term of the Feeder Funds may be extended by the general partners of the Feeder Funds with the consent of a majority-in-interest of the unaffiliated limited partners of the Feeder Funds for up to one year following such third anniversary; provided further, that notwithstanding the foregoing, the general partner may wind up the Feeder Funds at any time, in its sole discretion. “Investment Period” means that period commencing on the initial closing date and ending on the second anniversary of the final closing date, subject to extension for an additional one-year period by the general partners of the Feeder Funds with the consent of majority-in-interest of the unaffiliated limited partners. The final closing date is defined as July 1, 2021. The general partners of the Feeder Funds elected to extend the final closing date for an additional six months to January 1, 2022. The general partner of the feeder funds elected to extend the investment period to end on January 1, 2025.

The Company’s investment activities are managed by Sound Point Capital Management, LP (the “Investment Manager”), a Delaware limited partnership.

The Notes issued are held by the Feeder Funds. The Class A Notes were issued to and are held by the US Fund. The Class B and Class C Notes were issued to and are held by the Mini-Master.

The Notes were issued on 2 July 2020 by the company and the Class A and Class B notes are listed on the Cayman Islands Stock Exchange. The recourse of the noteholders toward the Company is limited to the Company’s secured assets. Should the realisation of the secured assets prove insufficient to pay the noteholders in full, the noteholders will have no legal claim against the company for the shortfall.

2. Basis of Presentation

The directors are satisfied with the performance of the Company and they believe that the Company will continue to operate in the future on the same basis for a period of at least 12 months from the date of signing of the financial statements. The Class A and B notes are scheduled to mature on 2 July 2070 and Class C notes are scheduled to mature on 10 July 2070. The notes are limited recourse obligations of the Company that are payable solely out of amounts received in respect of the financial assets. Please refer to page 4, note 4 (c) Liquidity Risk and Note 17 for further details of the Notes issued. The expiration of the Feeder Funds is due to take place January 1, 2028. The funding of the Company is entirely from the Feeders Funds, the expiration will have a significant impact upon the Company. There are no known plans to wind up the Feeder Funds at an earlier date.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

The accounting policies set out in the Note 3 have been applied consistently in preparing the financial statements for the year ended 30 June 2025.

The financial statements have been prepared on the historical cost basis except for the following, which have been classified at fair value through profit or loss under IFRS 9:

- Financial assets at fair value through profit or loss ('FVTPL') are measured at fair value; and
- Financial liabilities designated at FVTPL are measured at fair value

The method used to measure fair values is discussed further in Note 11. In order to avoid the accounting mismatch that would otherwise arise, the Company has designated the financial liabilities issued to be at fair value through profit or loss as the financial assets are monitored, managed and reported, on a fair value basis based on the business model of the Company.

Functional & presentation currency and foreign currency transactions

The financial statements are presented in United States Dollars, which is the currency of the primary economic environment in which the Company operates (the "functional currency"). It is also the Company's presentation currency. The Company receives financing in United States Dollars from United States sources. Additionally, 82% of the Company's financial assets are located in the United States (30 June 2024: 73%).

Assets and liabilities denominated in foreign currencies are translated into United States Dollar amounts at the year-end exchange rates. Transactions denominated in foreign currencies, including purchases and sales of investments, and income and expenses, are translated into United States Dollar amounts on the transaction date. Adjustments arising from foreign currency transactions are reflected in the statement of comprehensive income.

The Company does not isolate that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of investments held. Such fluctuations are included in net realized and unrealized gain or loss on investments and foreign currency in the statement of comprehensive income.

3. Material accounting policies

a. Cash, Cash Equivalents and Restricted Cash

Cash represents cash deposits held at financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) limitations. For the year ended 30 June 2025, the Company held \$20,611,337 and \$13,562,065 as of 30 June 2024 in Cash and cash equivalents.

Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held for the purpose of meeting short-term liquidity requirements, rather than for investment purposes.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

Restricted cash is subject to a legal or contractual restriction by third parties as well as restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used. At 30 June 2025 and at June 30 2024, the Company did not hold any restricted cash.

While cash and cash equivalents are subject to the impairment provisions of IFRS 9, the Company concluded expected credit losses to not be material on cash and cash equivalents or due from broker balances.

b. Investment Transactions and Related Investment Income

Investment transactions are accounted for on a trade-date basis. Realized gains and losses on investment transactions are determined using cost calculated on the specific identification basis. Discounts to the face amount of high-yield debt investments and other debt investments are not accreted to the extent that coupon income is not expected to be realized.

c. New standards and interpretations not yet adopted

In preparing the financial statements, the Company has adopted all relevant accounting standards applicable for accounting periods beginning on or after 1 January 2024. The Company has applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

A number of new standards and amendments are effective for annual period beginning after 1 July 2024 and earlier application is permitted; however, the Company has not early applied these new or amended standards in preparing the financial statements. Of those standards that are not yet effective, the Directors do not expect these to have a material impact on the financial statements of the Company.

d. Significant estimates and judgements

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience of the Investment Manager with other similar structures and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key estimate is fair value of financial instruments. The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 11 of the financial statements. A key source of estimation uncertainty is the measurement of the PPNs fair value being based on the limited recourse nature of the instruments and are as such driven by the fair value of the financial assets.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

Significant judgments

The key judgements are the levelling of financial instruments and valuation technique used for determining fair value. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in Note 11.

For certain Level 2 and Level 3 financial assets, the fair values may have been determined by the directors based on values obtained from the Investment Manager as outlined in the fair values note to the financial statements. The determination of what inputs are "observable" requires judgement by the directors. Information about assumptions is included in the fair value note to the financial statements.

e. Financial instruments

The financial instruments held by the Company include the following:

- Financial assets at FVTPL;
- Financial liabilities at FVTPL;
- Financial assets at amortised cost; and
- Financial liabilities at amortised cost.

Recognition

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the statement of comprehensive income.

Initial measurement

Financial assets and financial liabilities at FVTPL are initially recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in comprehensive income. Financial assets and liabilities (other than those classified as at FVTPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

Financial assets measured at amortised cost

A financial instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category due from broker, due from Feeder Funds, receivable for investments sold, coupon receivable and other assets.

Financial assets measured at fair value through profit or loss (FVTPL)

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- The documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual coupon income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

The Company includes in this category debt and equity instruments that are held under a business model to manage them on a fair value basis for investment income and fair value gains. The Investment Manager reviews the performance of the underlying loans and equities in the portfolio regularly on a fair value basis and uses market values to assess if selling any underlying loans would maximise the return to the noteholders. The Investment Manager actively trades the portfolio.

Financial liabilities

Financial liabilities measured at fair value through profit or loss (FVTPL)

The Company includes in this category financial liabilities which are designated at FVTPL at initial recognition to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. This category includes profit participating notes ("PPNs") issued by the Company and financial guarantee contracts.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category: payable for investment purchased, redemptions payable, accrued expenses and other liabilities.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

Subsequent measurement of financial assets and liabilities

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at their fair value. Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the statement of comprehensive income.

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method. The Company includes in this category: due from broker, due from feeder funds, receivable for investments sold, coupon receivable and other assets.

Financial liabilities at FVTPL are measured at fair value and net gains and losses are recognised in the statement of comprehensive income. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. The Company includes in this category: payable for investments purchased, redemptions payable, accrued expenses and other liabilities.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of a financial instrument is based on their quoted market prices on a recognised exchange, or in the case of non-exchange traded instruments, sourced from a reputable broker/counterparty at the reporting date without any deduction for estimated future selling costs.

If a quoted market price is not available on a recognised stock exchange or from a reputable broker or counterparty, the fair value of the financial instrument is determined by the Directors using estimates provided by the Investment Manager. The Investment Manager estimates may be based on quotations from specialist pricing vendors, use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The fair value of financial liabilities designated at fair value through profit or loss is determined by reference to the fair value of the associated financial assets at fair value through profit or loss and the sundry receivables and payables held by the Company.

Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The Company recognises loss allowances for ECLs ("expected credit losses") on financial assets measured at amortised cost. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Under IFRS 9, loss allowances are measured on either of the following basis: 12-month ECLs that result from possible default events within the 12 months after the reporting date; and lifetime ECLs that result from all possible default events over the expected life of a financial instrument. For other assets, the Company measures loss allowances applying a simplified approach at an amount equal to lifetime ECLs.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

For the financial year ended 30 June 2025 and the financial year ended 30 June 2024, there were no financial assets or liabilities subject to enforceable, master netting arrangements or similar agreements which would require disclosure.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

Financial liability and equity

The financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that these conditions are not met, the proceeds of issue are classified as a financial liability.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

Finance payments associated with financial liabilities are dealt with as part of the ongoing remeasurement of debt securities to fair value. Finance payments associated with financial instruments that are classified in equity are distributions from the net income attributable to equity holders and are recorded directly in equity. The Company's notes issued are classified as liabilities.

Interest is payable quarterly in arrears, with the first payment date on 15 October 2020. Interest shall be paid on the notes on each payment date to the extent funds are available in accordance with the priority of payments.

f. Fee income on financial assets at FVTPL and expenses

Fee income on financial asset at FVTPL and expenses are recognised in the statement of comprehensive income on an accrual basis. The Company earns fee income in respect of financial assets at fair value through profit or loss and financial guarantee contracts designated at fair value through profit or loss which is recognised in the statement of comprehensive income in accordance with the terms of the contractual arrangements.

g. Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax comprises the expected tax payable on the taxable income for the period, using the tax rates applicable to the Company's activities enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years. Deferred taxation is accounted for, without discounting, in respect of all temporary differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by IAS 12 'Income Tax'. Provision is made at the tax rates which are expected to apply in the periods in which the timing differences reverse. Deferred tax assets are recognised only to the extent that it is considered more likely than not that they will be recovered. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that related tax benefit will be realized. At the end of the period, the Company had no deferred tax assets.

h. Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Ordinary shares are not redeemable and are classified as equity, as per the Company's Constitution. Share Capital is issued in United States Dollars.

i. Segmental reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Makers and for which discrete financial information is available. The Chief Operating Decision Makers for the Company are the Investment Manager and the Board. In considering the segments of the Company, the Company has considered the information reviewed by the Company's Chief Operating Decision Makers and determined that there is one operating segment. The Company's business involves the investments in financial assets. The Chief Operating Decision Makers review information from the portfolio of investments as a whole.

The Company has only one business unit and all administration and operating functions are carried out and reviewed by the administrator and secretary.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

j. Due from broker

Due from broker represents a legal or contractual restriction by third parties as well as restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used.

k. Net Gain/Loss on financial assets at FVTPL

Net gain/loss on financial assets at FVTPL includes realized and unrealized fair value changes, foreign exchange differences (if applicable), and coupon income on the Portfolio.

l. Net Gain/Loss on financial liabilities designated at FVTPL

Net gain/loss on financial liabilities designated at FVTPL comprises of coupon payments, and realized and unrealized fair value changes arising on the Notes.

4. Financial instruments and associated risks

The Company invests in financial assets such as term loans, corporate bonds, equities, warrants, and financial guarantee contracts, which bear most of the financial risks. The Company's liquidity risk is a consideration in portfolio construction and the Investment Manager uses its best endeavours to manage the liquidity risk of the Company. The nature and extent of the financial instruments outstanding at the statement of financial position date and the risk management policies employed by the Company are discussed below.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge a financial obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk mainly through its investment in financial assets. The table below analyses the Company's maximum exposure to credit risk in relation to the components of the statement of financial position.

	As at 30 June 2025	As at 30 June 2024
Undrawn commitments to financial assets	\$ 3,956,405	\$ 8,606,659
Undrawn commitments to financial liabilities	\$ -	\$ 3,167,897
Cash and cash equivalents	\$ 20,611,337	\$ 13,562,065
Due from broker	-	2,625,427
Due from Feeder Funds	888,000	740,860
Receivable for investments sold	131,929	22,920,782
Coupon receivable	2,618,993	3,287,980
Financial assets at fair value through profit or loss (debt instruments)	205,490,445	229,072,304
Other assets	-	87,057
	<u>\$ 229,740,704</u>	<u>\$ 272,296,475</u>

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

The credit characteristics of the financial assets in the portfolio are measured, updated and analysed every quarter, and in some cases every month, to determine the current credit status of each financial asset.

- (i) Credit risk for coupon receivable, due from broker, and due from feeder funds is minimal.
- (ii) At 30 June 2025, the cash and cash equivalent balance of the Company is held with The Bank of New York Mellon which has a Moody's credit rating of Aa2 (At 30 June 2024: A1).
- (iii) At 30 June 2025 and 30 June 2024, the due from broker balance of the Company is held with Barclays which has a Moody's credit rating of A1.
- (iv) The Moody's and S&P's credit rating profile of the financial assets at FVTPL at security level is as follows:

Credit Rating	As at 30	As at 30
	June 2025	June 2024
B-	0%	7%
B1	1%	0%
B2	3%	5%
B3	9%	11%
C	0%	1%
Ca	1%	3%
Caa1	21%	24%
Caa2	13%	1%
Caa3	8%	8%
NR	44%	40%
CCC+	0%	0%
	<u>100%</u>	<u>100%</u>

(b) Concentration risk

Concentration risk can arise from the type of investments held in the portfolio, the maturity of assets, the concentration of sources of funding, concentration of counterparties or geographical locations. Prudent risk management implies maintaining the exposure to various risks at a reasonable level.

The Investment Manager monitors the exposure of the Company to various risks including country/geographical, industry categories/segments and asset type.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

(i) The Company's exposure to geographical locations is detailed below.

Location	As at 30 June 2025		As at 30 June 2024	
	Fair value	% of total assets	Fair value	% of total assets
Canada	12,503,207	3.76%	8,328,964	2.37%
Cayman Islands	641,703	0.19%	-	0.00%
France	7,706,863	2.32%	2,206,927	0.63%
Jersey (Channel Islands)	959,191	0.29%	783,651	0.22%
Luxembourg	11,756,031	3.53%	15,264,797	4.35%
Netherlands	2,061,990	0.62%	2,614,602	0.75%
United Kingdom	262,279	0.08%	15,878,896	4.53%
United States	272,592,502	81.93%	262,095,410	74.72%
	<u>308,483,766</u>	<u>92.72%</u>	<u>307,173,247</u>	<u>87.57%</u>

(ii) The Company's exposure to asset classes is detailed below.

Financial Assets measured at FVTPL split by class	As at 30 June 2025	As at 30 June 2024
Loans	\$ 204,912,053	\$ 223,551,318
Bonds	578,392	5,520,986
Equities	102,993,321	78,100,943
	<u>\$ 308,483,766</u>	<u>\$ 307,173,247</u>

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

Industry	As at 30 June 2025		As at 30 June 2024	
	Fair value	% of total assets	Fair value	% of total assets
Advertising & Marketing	4,592,297	1.38%	3,180,022	0.91%
Automobiles	4,110,104	1.24%	-	0.00%
Business equipment & services	389,486	0.12%	-	0.00%
Cable & Satellite	18,935,647	5.69%	6,853,897	1.95%
Chemicals	4,357,759	1.31%	8,069,390	2.30%
Clothing/textiles	26,335,052	7.91%	21,105,136	6.02%
Commercial Services	1,283,238	0.39%	3,826,817	1.09%
Communications Equipment	2,038,586	0.61%	9,146,846	2.61%
Consumer Discretionary	1,591,854	0.48%	757,260	0.22%
Consumer Discretionary Services	1,277,486	0.38%	901,151	0.26%
Consumer Services	11,606,846	3.49%	12,430,533	3.54%
Diversified Telecommunication Services	9,789,690	2.94%	-	0.00%
Entertainment Content	1,295,792	0.39%	15,779,417	4.50%
Entertainment Resources	63,823,578	19.18%	89,178,490	25.42%
Financial Services	14,127,882	4.25%	15,912,004	4.54%
Food & Beverage	892,664	0.27%	2,885,836	0.82%
Forest & Paper Products Manufacturing	-	0.00%	4,191,380	1.19%
Health Care Facilities & Services	23,058,806	6.93%	21,925,761	6.25%
Healthcare Providers and Services	1,608,597	0.48%	-	0.00%
Home & Office Products Manufacturing	8,680,238	2.61%	12,282,742	3.50%
Home Improvement	2,651,301	0.80%	1,683,475	0.48%
Interactive Media & Services	4,134,846	1.24%	-	0.00%
Internet Media	-	0.00%	1,571,980	0.45%
Media	713,870	0.21%	4,896,875	1.40%
Metals & Mining	4,675,650	1.41%	4,197,500	1.20%
Oil & Gas Services & Equipment	341,678	0.10%	4,023,197	1.15%
Pipeline	22,875	0.01%	22,875	0.01%
Publishing & Broadcasting	17,503,992	5.26%	12,463,360	3.55%
Restaurants	-	0.00%	196,765	0.06%
Retail - Consumer Discretionary	14,590,635	4.39%	12,092,019	3.45%
Semiconductors	2,160,217	0.65%	2,899,087	0.83%
Software & Services	38,667,870	11.62%	21,636,233	6.17%
Software & Tech Services	101,683	0.03%	-	0.00%
Specialty Retail	2,669,699	0.80%	-	0.00%
Telecom	14,787,984	4.44%	10,856,272	3.09%
Textiles, Apparel and Luxury Goods	262,371	0.08%	-	0.00%
Wireless Telecommunications Services	5,403,493	1.62%	2,206,927	0.63%
Total	\$ 308,483,766	92.71%	\$ 307,173,247	87.59%

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. Prudent liquidity risk management means that the Company maintains sufficient cash and liquid investments. The ability of the Company to meet its ongoing obligations towards the Noteholders is dependent on the receipt of interest and principal from the portfolio of financial assets. Coupons to noteholders are made on a quarterly basis within 45 days after the last day of the fiscal quarter of current income for amounts received in connection with the disposition of investments if in aggregate exceeds \$1,000,000. The obligations of the Company are limited recourse to the financial assets, hence any shortfall in receipt will have an equal effect on the repayment obligations on the Notes.

The table below represents the expected cash flows of the financial liabilities payable by the Company based on expected maturity at the end of the financial reporting period. The Noteholders and the Investment Manager have an early redemption option for the Notes such that the full carrying value of the Notes would be contractually payable by the Company within one year. The earliest redemption date of the Notes and the related liquidity risk associated with the Notes is considered to be within one year. The liquidity related to the Notes of the Company have been presented below on the basis of the expected maturity of the financial assets of the Company.

As at 30 June 2025	<u>Up to one year</u>	<u>One to two years</u>	<u>Two to five years</u>	<u>Over five years</u>	<u>Gross contractual cash flow total</u>	<u>Carrying value</u>
Liabilities						
Financial liabilities - Profit Participating Notes	\$ 86,252,321	\$ 48,909,879	\$ 234,938,834	\$ 14,482,570	\$ 384,583,604	\$ 317,306,495
Undrawn commitments on financial assets at fair value through profit or loss	3,956,405	-	-	-	3,956,405	-
Accrued expenses and other liabilities	513,588	-	-	-	513,588	513,588
Total Liabilities	<u>\$ 90,722,314</u>	<u>\$ 48,909,879</u>	<u>\$ 234,938,834</u>	<u>\$ 14,482,570</u>	<u>\$ 389,053,597</u>	<u>\$ 317,820,083</u>

As at 30 June 2024	<u>Up to one year</u>	<u>One to two years</u>	<u>Two to five years</u>	<u>Over five years</u>	<u>Gross contractual cash flow total</u>	<u>Carrying value</u>
Liabilities						
Financial liabilities - Profit Participating Notes	\$ 50,417,084	\$ 118,064,518	\$ 258,511,236	\$ 49,505,036	\$ 476,497,872	\$ 321,818,528
Financial liabilities - undrawn commitments on financial guarantee contracts	-	-	3,167,897	-	3,167,897	785,322
Undrawn commitments on financial assets at fair value through profit or loss	8,606,659	-	-	-	8,606,659	-
Accrued expenses and other liabilities	605,932	-	-	-	605,932	605,932
Total Liabilities	<u>\$ 59,629,675</u>	<u>\$ 118,064,518</u>	<u>\$ 261,679,133</u>	<u>\$ 49,505,036</u>	<u>\$ 488,878,360</u>	<u>\$ 323,209,782</u>

Contractual cash flows are comprised of future principal repayments on debt securities and projected future interest payments on the financial liabilities issued, undrawn loan commitments, financial guarantee contract and trade and other payables. Contractual cash flows owed to the Noteholders are only contractually due if monies are received from the investment securities.

(d) Market risk

Market risk is the potential adverse change in value caused by unfavourable movements in interest rates, foreign exchange rates or market prices of financial instruments. The Company's main investment is a portfolio of senior secured floating rate loans and first lien senior secured floating rate notes. The market risks associated with these activities are outlined below.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The table below summarises the Company's exposure to interest rate risk. It includes the Company's financial instruments at carrying amounts categorised by maturity dates.

There may be timing mismatches between payments of the interest on the debt securities issued and payment of interest on the loans, and the rates at which they bear interest may adjust more or less frequently and on different dates and based on different indices than the interest rates of the debt securities issued.

The interest rates applicable to financial liabilities and assets are based on a minimum floor all in rate of the SOFR and the initial interest rate risk. The interest rate risk is managed through a defined waterfall.

As at 30 June 2025	Floating rate	Fixed rate	Non-Interest Bearing	Total
Assets				
Financial assets at fair value through profit or loss	\$ 204,912,053	\$ 578,392	\$ 102,993,321	\$ 308,483,766
Cash and cash equivalents	20,611,337	-	-	20,611,337
Receivable for investments sold	-	-	131,929	131,929
Due from broker	-	-	-	-
Coupon receivable	-	-	2,618,993	2,618,993
Due from Feeder Funds	-	-	888,000	888,000
Other assets	-	-	-	-
Total assets	\$ 225,523,390	\$ 578,392	\$ 106,632,243	\$ 332,734,025
Liabilities				
Payable for investments purchased	\$ -	\$ -	\$ 5,069,028	\$ 5,069,028
Financial liabilities designated at fair value through profit or loss	317,306,495	-	-	317,306,495
Coupon expense payable	-	-	9,836,913	9,836,913
Tax Liability	-	-	500	500
Accrued expenses and other liabilities	-	-	513,588	513,588
Total liabilities	\$ 317,306,495	\$ -	\$ 15,420,029	\$ 332,726,524
Total interest sensitivity gap	\$ (91,783,105)	\$ 578,392	\$ 91,212,214	\$ 7,501

As at 30 June 2024	Floating rate	Fixed rate	Non-Interest Bearing	Total
Assets				
Financial assets at fair value through profit or loss	\$ 216,962,443	\$ 12,086,986	\$ 78,123,818	\$ 307,173,247
Cash and cash equivalents	13,562,065	-	-	13,562,065
Receivable for investments sold	-	-	22,920,782	22,920,782
Due from broker	-	-	2,625,427	2,625,427
Coupon receivable	-	-	3,287,980	3,287,980
Due from Feeder Funds	-	-	740,860	740,860
Other assets	-	-	87,057	87,057
Total assets	\$ 230,524,508	\$ 12,086,986	\$ 107,785,924	\$ 350,397,418
Liabilities				
Payable for investments purchased	\$ -	\$ -	\$ 18,420,097	\$ 18,420,097
Financial liabilities designated at fair value through profit or loss	321,818,528	-	785,322	322,603,850
Capital withdrawals payable	-	-	8,761,038	8,761,038
Tax Liability	-	-	500	500
Accrued expenses and other liabilities	-	-	605,932	605,932
Total liabilities	\$ 321,818,528	\$ -	\$ 28,572,889	\$ 350,391,417
Total interest sensitivity gap	\$ (91,294,020)	\$ 12,086,986	\$ 79,213,035	\$ 6,001

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

The sensitivity analysis below has been determined based on the Company's exposure to interest rates for interest bearing assets and liabilities (included in the interest rate exposure tables above) at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting financial period in the case of instruments that have floating rates. For variable instruments, this analysis assumes that all other variables, in particular foreign currency rates, remain constant.

At 30 June 2025 and at 30 June 2024, had interest rates increased or decreased by 0.50% with all other variables held constant, the total assets would have increased or decreased accordingly by approximately 0.34% or \$1,127,617 (2024: 0.33% or \$1,152,623).

As the Company has limited recourse Notes issued, all gains and losses are passed on to the Noteholders with no residual risk remaining. The sensitivity analysis has been determined based on the Company's exposure to variable interest rates for interest bearing assets (included in the interest rate exposure tables above) at the reporting date and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting financial year in the case of instruments that have floating rates.

The interest rate risk of the financial assets is borne by the Noteholders and thus changes in interest rates have no net impact on the equity or the results of the Company.

As of 30 June 2025, all of the Company's floating rate exposure is based on SOFR.

(iii) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company limits its exposure by operating bank accounts in other currencies than its functional currency for receipts and payments in other currencies. At 30 June 2025, predominantly all assets and liabilities are denominated in USD, making the expected impact of currency risk minimal.

(iv) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. Price risk is a significant risk to the Company, however the risk of fluctuation in the value of the investments held by the Company will be borne by the Noteholders due to the limited recourse nature of the Notes.

The Notes issued by the Company are limited recourse obligations and the future cash flows for the Notes depends on the future cash flows of the investment securities at FVTPL after deducting the cash outflows and other liabilities.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

Any changes in the prices of the financial assets at fair value through profit or loss would not have any effect on the equity or comprehensive income of the Company as any fair value fluctuations in prices are ultimately borne by the noteholders. The impact of a 5% movement in the market prices of the financial assets at FVTPL with all other variables held constant at the reporting date on the statement of comprehensive income is shown as follows:

	Change in market price %	Effect on noteholders and total comprehensive income for the year
		as at 30 June 2025
Financial assets at FVTPL	5%	15,424,188
		as at 30 June 2024
Financial assets at FVTPL	5%	15,358,662

A decrease of 5% would result in an equal but opposite effect on the statement of comprehensive income for the period to the figures shown above, on the basis that all other variables remain constant.

(e) Capital risk management

The capital managed by the Company is comprised of the notes issued and outstanding at the financial period end. The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to the Noteholders through optimisation of the Notes issued balance. The Company is not subject to externally imposed capital requirements.

(f) Segment risk and reporting

The Company is structured in a way that the assets and liabilities are managed as a whole and there are no distinct identifiable segments. The reporting, risk management and administration are performed on a collective basis rather than based on segments. The Company's revenue is generated from the Portfolio held during the financial period. The Company has no other product or revenue generating source. The Company has no major customer generating significant revenue. As per Note 2, it is noted that the 2 Feeder Funds provide the full funding to the entity through the PPN.

As required by IFRS 8 Operating Segments ("IFRS 8"), the information provided to the Board and the Investment Manager, who are the Chief Operating Decision Makers, can be classified into one segment. Note 4 (b) provides further details of the geographical and industry concentration for the period ended 30 June 2025.

5. Net gain on financial assets at FVTPL

	For the year ended 30 June 2025	For the year ended 30 June 2024
Unrealised gain (loss) on financial assets at fair value through profit or loss	\$ 13,974,417	\$ (14,500,467)
Coupon income on financial assets at fair value through profit or loss	30,096,633	30,523,659
Net realised gain (loss) on disposal of financial assets at fair value through profit or loss	(10,358,280)	13,563,604
	<u>\$ 33,712,770</u>	<u>\$ 29,586,796</u>

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

6. Net loss on financial liabilities at FVTPL

	For the year ended 30 June 2025	For the year ended 30 June 2024
Unrealised gain (loss) on financial liabilities - profit participating notes	\$ 5,297,858	\$ (749,733)
Coupon expense for profit participating notes	(36,098,524)	(20,232,774)
Realised loss on financial liabilities - profit participating notes	-	(5,216,970)
Unrealised loss on financial liabilities - financial guarantee contract	(5,468)	(189,822)
Realised loss on financial liabilities - financial guarantee contract	(818,185)	-
	<u>\$ (31,624,319)</u>	<u>\$ (26,389,299)</u>

7. Taxation

The Company is a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997. As such the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25% and are computed in accordance with the provisions applicable to Case I of Schedule D.

<i>Factors affecting tax charge for the year/period</i>	For the year ended 30 June 2025	For the year ended 30 June 2024
Profit on ordinary activities before tax	\$ 2,000	\$ 2,000
Profit on ordinary activities multiplied by standard rate of Irish corporation tax (12.5%)	250	250
Effect of 25% rate applicable to Section 110 companies	250	250
Taxation charge	<u>\$ 500</u>	<u>\$ 500</u>

8. Professional fees and other expenses

	For the year ended 30 June 2025	For the year ended 30 June 2024
Auditor's remuneration	\$ 247,828	\$ 228,008
Professional fees	250,737	1,370,670
Custodian fees	4,124	119,880
Directors' fees	23,557	20,000
	<u>\$ 526,246</u>	<u>\$ 1,738,558</u>

9. Auditor's remuneration (excluding VAT)

	For the year ended 30 June 2025	For the year ended 30 June 2024
Audit of statutory financial statements	\$ 110,820	\$ 91,000
Audit of US GAAP financial statements	91,000	91,000
Tax advisory services	46,008	46,008
	<u>\$ 247,828</u>	<u>\$ 228,008</u>

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

10. Financial assets at FVTPL

	As at 30 June 2025	As at 30 June 2024
Balance at the beginning of the financial period	\$ 307,173,247	\$ 290,084,509
Purchases of financial assets at FVTPL through profit or loss in period	94,659,756	201,309,728
Disposal of financial assets at fair value through profit or loss in period	(96,965,374)	(183,284,127)
Net gain/ (loss) recognised in the period	3,616,137	(936,863)
Balance at the end of the financial period	<u>\$ 308,483,766</u>	<u>\$ 307,173,247</u>

Maturity profile of financial assets at fair value through profit or loss		
Amounts due within 1 year	\$ 39,014,044	\$ 20,792,938
Amounts due after more than 1 year	13,428,318	51,705,805
Amounts due within 2-5 years	151,184,448	141,895,968
Greater than 5 years	104,856,956	92,778,536
Balance at the end of the financial period	<u>\$ 308,483,766</u>	<u>\$ 307,173,247</u>

11. Fair value measurements

Fair Value - Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company’s assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments are not applied to Level 1 investments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these investments does not entail a significant degree of judgement.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

The availability of valuation techniques and observable inputs can vary from investment to investment and are affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgement. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgement exercised by the Company in determining fair value is greatest for investments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many investments. This condition could cause an investment to be reclassified to a lower level within the fair value hierarchy.

Most financial assets were priced under the Market Approach and were substantially obtained from vendor pricing services based on executable trades. They are classified as Level 2 instruments provided that more than one price is obtained independently. If the depth of prices is insufficient the assets are classified as level 3 instruments. Financial assets are classified as Level 3 using depths of one or less prices provided by pricing vendors and adjusted for liquidity risk (if needed).

During the reporting period, the Company engaged independent third-party valuation specialists to assist in determining the fair value of a number of investments held within the portfolio. The specialists employed financial modeling techniques consistent with the Company's valuation policies and applicable accounting guidance. Management evaluates the work performed by the third-party valuation specialists and assesses whether the assumptions and conclusions are consistent with market conditions and the Company's valuation policies.

The carrying value of all other financial assets and liabilities (that are not at fair value through profit or loss) closely approximate fair value and are classified as Level 2 financial instruments within the fair value hierarchy.

Fair Value – Valuation Techniques and Inputs

Debt investments and financial guarantee contract

The fair value of debt investments is determined by recently executed transactions or market price quotations (where observable) using the mid price between bid and ask, and are generally categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable or when multiple quotations are unavailable, the investments may be fair valued based on criteria such as the transaction price on entry, price of comparable securities or a discounted cash flow model to reflect expected exit values in the investment's principal market under current market conditions; under such circumstances, these investments will be categorized in Level 3 of the fair value hierarchy.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

In such cases where significant inputs are unobservable and no active market or recent transaction price is observed, whereby a discounted cash flow model or another valuation method is taken, the investment will typically be valued by a third-party valuation agent.

The fair value of the financial guarantee was determined using a price derived from a combination of broker-dealer quote and comparable bond approach, weighted between each source in order to determine a fair value for the instrument as at year end.

Investments in Equity

The Company may invest in equities of public companies through common stock. The Company values investments in equity that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last reported closing price as of the valuation date.

Many over-the-counter (“OTC”) investments have bid and ask prices that can be observed in the marketplace. Bid prices reflect the highest price that the marketplace participants are willing to pay for an asset. Ask prices represent the lowest price that the marketplace participants are willing to accept for an asset. The Company values investments in equity whose inputs are based on bid-ask prices at the “mean” price, the average of bid and ask prices.

When an OTC or reorganization (re-org) equity is acquired through a liability management exercise (LME), restructuring, or a bankruptcy exit process from debt that we previously held, there is often no active market or brokers providing indicative pricing levels in the initial period following the exit. In such cases, we derive a valuation for the new equity based on the value/price of the debt prior to the restructuring, ensuring that the transition to the new structure does not have a P&L impact. This approach maintains a consistent valuation during the interim period until a reliable market price emerges for the equity.

To the extent these equity investments are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Investments in equity that are traded on inactive markets or valued by reference to similar instruments are generally categorized in Level 2 of the fair value hierarchy. In instances where an investment’s significant inputs to valuation are unobservable or quotations are unavailable, they are generally categorized in Level 3 of the fair value hierarchy.

Derivative Contracts

The Company records its derivative activities at fair value. Gains and losses from derivative contracts are included in net gain on financial assets at fair value through profit or loss in the statement of comprehensive income.

Warrants

Warrants which are listed on major securities exchanges are valued at their last reported sales price as of the valuation date. The fair value of OTC warrants is determined by using broker quotes or Black-Scholes option pricing model. This pricing model takes into account the contract terms (including maturity) as well as multiple inputs, including time value, implied volatility, equity prices, interest rates and currency rates. Warrants are generally classified in Level 2 or 3 of the fair value hierarchy.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

Profit Participating Note Agreements

The Company finances its investment activities through drawdowns on profit participation note agreements provided by the Feeders. Under the terms of these agreements the return payable on the loans are equal to the profits of the Company less a profit of \$2,000 per annum for each of the Class A, B and C Notes reserved to the Company. The Notes are limited recourse such that in the event of losses the amounts repayable to the lenders are limited to the value of the proceeds realized from the investment activities. Holders of the Class A, B, and C notes have equal rights and are entitled to a pro-rata share of the profits of the Company.

The Notes are financial liabilities at fair value through profit or loss. A liability may be designated at fair value through profit or loss when it eliminates or significantly reduces a measurement or recognition inconsistency, “an accounting mismatch” that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis. Where an accounting mismatch would otherwise exist, financial liabilities are measured at fair value through profit or loss. The Directors consider that adoption of the IFRS 9 option to fair value liabilities is required to give a true and fair view of the financial performance of the Company. Where there is no accounting mismatch financial liabilities are measured at amortised cost. The fair value of the PPN is derived by the underlying assets and other liabilities of the Company. The Notes are generally classified in Level 2 or 3 of the fair value hierarchy.

Fair Value - Valuation Processes

The Investment Manager establishes valuation processes and procedures to ensure that the valuation techniques for investments are fair, consistent, and verifiable. The Investment Manager designates a Valuation Committee (the “Committee”) to oversee the entire valuation process of the Company’s investments. The Committee is responsible for developing the Company’s written valuation processes and procedures, conducting periodic reviews of the valuation policies, and evaluating the overall fairness and consistent application of the valuation policies.

The Committee meets on a monthly basis, or more frequently as needed, to determine the valuations of the Company’s investments. Valuations determined by the Committee are required to be supported by market data, third-party pricing sources, industry accepted pricing models, counterparty prices, or other methods the Committee deems to be appropriate, including the use of internal proprietary pricing models.

The Company’s assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy as described in the Company’s material accounting policies in Note 3. The following table presents information about the Company’s assets and liabilities measured at fair value as of 30 June 2025 and 2024

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

As at 30 June 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL	\$ 11,156,220	272,531,787	\$ 24,795,759	\$ 308,483,766
Financial liabilities				
Profit participating notes	\$ -	\$ -	\$ 317,306,495	\$ 317,306,495
Financial guarantee contract	-	-	-	-
As at 30 June 2024				
Financial assets				
Financial assets at FVTPL	\$ 1,090,756	\$ 279,686,563	\$ 26,395,927	\$ 307,173,247
Financial liabilities				
Profit participating notes	\$ -	\$ -	\$ 321,818,528	\$ 321,818,528
Financial guarantee contract	-	-	785,322	785,322

The following table presents the changes in assets and liabilities in Level 3 of the fair value hierarchy for the attributable to the following:

	Balance 01 July 2024	Fair value movement	Purchases	Sales/Settlements	Transfers in/out Level 3	Balance 30 June 2025
Financial assets						
Financial assets at FVTPL	\$ 26,395,927	\$ (1,758,476)	\$ 7,226,435	\$ (14,214,521)	\$ 7,146,393	\$ 24,795,759
Financial liabilities						
Profit participating notes	321,818,528	(4,512,033)	-	-	-	317,306,495
Financial guarantee contract	785,322	38,331	-	(823,653)	-	-
Balance 01 July 2023						
Financial assets						
Financial assets at FVTPL	\$ 4,154,444	\$ (614,917)	\$ 29,465,821	\$ (7,453,393)	\$ 843,972	\$ 26,395,927
Financial liabilities						
Profit participating notes	320,721,201	1,097,327	-	-	-	321,818,528
Financial guarantee contract	595,500	189,822	-	-	-	785,322

The unrealized loss portion of the fair value movement during the year was \$(14,252,588) for 2025 and \$(1,480,911) for 2024.

Transfers into and out of Level 3 generally relate to whether significant unobservable inputs are used for the fair value measurements. Transfers into Level 3 during the period are outlined in the table above. The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred. See Note 3 for additional information related to the fair value hierarchy and valuation techniques and inputs. The impact of a 1% movement in the unobservable inputs of the Level 3 financial assets with all other variables held constant at the reporting date on the statement of comprehensive income is shown as follows:

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

	Change in unobservable input %	Effect on Level 3 assets attributable to holders of participating profit notes and total comprehensive income for the year
		As at 30 June 2025
Financial assets at FVTPL	1%	\$247,958
Financial guarantee contract	1%	\$0
		As at 30 June 2024
Financial assets at FVTPL	1%	\$263,959
Financial guarantee contract	1%	\$7,853

The following table summarizes the valuation techniques and significant unobservable inputs used for the Company's investments that are categorized within Level 3 of the fair value hierarchy as of 30 June 2025 and 2024:

<i>(USD in thousands)</i>	Fair Value at 30 June, 2025	Fair Value at 30 June, 2024	Valuation Technique	Unobservable Inputs	Range of Inputs
Financial assets					
Loans	\$ 12,616	\$ 16,196	Market Approach	Yield Broker Quote	12.6% - 13.85% 2.00-70.00
Equities	12,180	10,200	Market Approach	EV/EBITDA EV/LTM Revenue Broker Quote	4.0x - 5.5x 0.27x - 0.40x 3.00-21.00
Total	<u>\$ 24,796</u>	<u>\$ 26,396</u>			

Because of their limited recourse nature, the fair value of the Notes issued by the Company are determined by reference to the fair value of associated financial assets less all other liabilities of the Company. Any future change in the fair value of financial assets will have an equal but opposite impact on the fair value of financial liabilities.

12. Due from broker

Due from broker represents a legal or contractual restriction by third parties as well as restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used. As of 30 June 2025, the Company held \$0 (30 June 2024: \$2,625,427) in due from broker.

13. Receivable for investments sold and payable for investments purchased

Receivable for investments sold represents the amount of proceeds due to the Company for investments sold as of 30 June 2025. Payable for investments purchased represents the amount due to counterparties for investments purchased as of 30 June 2025. As of 30 June 2025, the Company had \$131,929 (30 June 2024: \$22,920,782) in receivables for investments sold and \$5,069,028 (30 June 2024: \$18,420,097) in payables for investments purchased.

14. Risk factors

In the normal course of business, the Company maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

The ongoing geopolitical events, including the conflicts between Russia-Ukraine and Israel-Hamas, have disrupted the global economy and financial market. On 26 February 2025, the United States announced plans to impose tariffs on imports from 57 countries. On 27 July 2025, the United States and the European Union agreed a trade deal where a single 15% tariff rate will be applied to most EU exports. The Directors are currently assessing the impact of these tariffs and the broader economic consequence on the financial performance of the Company and will continue to monitor the situation.

15. Called up share capital presented as equity

	As at 30 June 2025	As at 30 June 2024
Authorised		
1,000,000 ordinary shares at \$1 each	\$ 1,000,000	\$ 1,000,000
Allotted, called up and unpaid		
1 ordinary shares at \$1 each	\$ 1	\$ 1

The principal shareholders in the Company are TMF Management (Ireland) Limited. All shares are held under the terms of declarations of trust dated under which the relevant share trustee holds the issued shares of the Company in trust for a charity.

16. Related party transactions

The Board is considered the key management personnel of the Company for the period ended 30 June 2025. Although the Investment Manager and the Company have entered into an investment management agreement, the Board is still considered to have authority and responsibility for planning and directing activities of the Company being the purchase and sale of the Portfolio. TMF Management (Ireland) Limited was paid \$21,859 in 2025 and 2024 for administrative services and directorial services. The directors remuneration was \$23,557 in 2025 and \$21,422 in 2024.

The Company pays the Investment Manager a management fee, calculated and payable quarterly in arrears, equal to the sum of ¼ of 1.50% of the net invested capital in respect of each Feeder Fund as of the last business day of the quarter. For the period from 1 July 2024 to 30 June 2025, the Investment Manager earned management fees of \$1,110,157 in 2025 and \$1,125,002 in 2024 of which, \$276,182 was payable as of 30 June 2025 and \$279,838 as of 30 June 2024. The Company may waive or reduce the Management Fee corresponding to certain Feeder Fund investors.

As the US Fund holds greater than 50% of the Notes and has the ability to call the notes, the US Fund has been identified as the immediate controlling party. As of 30 June 2025 the US fund held 93.31% of the notes and the Mini-Master held 6.69% of the notes.

Due from Feeder Funds in the amount of \$888,000 represents amounts due from Feeder Funds for expenses paid by the Company on behalf of the Feeder Funds. During the period, the Company paid \$888,000 of expenses on behalf of the Feeder Funds.

Transactions between the Company and the Feeder Funds are considered related party transactions and are discussed further in Note 17.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

17. Financial liabilities designated at FVTPL

	As at 30 June 2025	As at 30 June 2024
Profit participation notes	\$ 317,306,495	\$ 321,818,528
Financial guarantee contract	-	785,322
Total financial liabilities designated at FVTPL	<u>\$ 317,306,495</u>	<u>\$ 322,603,850</u>

The Company entered into a financial guarantee contract with commitments to fund the issuer up to \$5,000,000. The Company held financial guarantee contracts with a fair value in the amount of \$0 (30 June 2024: \$785,322) included in financial liabilities designated at FVTPL on the statement of financial position. The Company purchased a letter of credit facility via a participation agreement with Barclays, the letter of credit facility's fronting bank. The participation agreement included a two-way collateral support agreement such that the Company was required to post collateral to the fronting bank based on the market value changes of the facility. Should the letters of credit be drawn upon, the Company was required to fund its obligations to the fronting bank. As of 30 June 2025 no letters of credit were drawn, no letter of credit obligations were funded by the Company.

The Company finances its investment activities through drawdowns on profit participating note agreements provided by the Feeders. The agreements for Class A and B were entered into on 2 July 2020 and Class C on 10 July 2020.

The following table presents the movement under the profit participating notes for the year ended 30 June 2025 and the financial period ending 30 June 2024:

	For the year ended 30 June 2025	For the year ended 30 June 2024
At beginning of year	\$ 321,818,528	\$ 320,721,201
<i>Cash transactions:</i>		
Notes issued during the year in cash	-	-
Coupon payments during the year in cash	(26,261,610)	(11,471,735)
Principal paydown during the year in cash	-	(5,216,970)
<i>Non-cash transactions:</i>		
Fair value movement	31,586,490	26,547,070
Coupon expense payable	(9,836,913)	(8,761,038)
At end of year	<u>\$ 317,306,495</u>	<u>\$ 321,818,528</u>

The following table shows the par value of notes at 30 June 2025 and 2024:

Class of Notes	Listing	As at 30 June 2025	As at 30 June 2024	As at 30 June 2025	As at 30 June 2024	Interest	Stated Maturity
		Drawn Par Value	Drawn Par Value	Undrawn Par Value	Undrawn Par Value		
Class A Profit Participating Notes	Cayman Islands	\$ 381,137,159	\$ 381,137,159	\$ -	\$ -	Profit participating	2 July 2070
Class B Profit Participating Notes	Cayman Islands	\$ 27,311,601	\$ 27,311,601	\$ -	\$ -	Profit participating	2 July 2070
Class C Profit Participating Notes	Not listed	\$ 1,000	\$ 1,000	\$ -	\$ -	Profit participating	10 July 2070

Holders of the Class A, B, and C notes are entitled to profits of the Company less \$2,000 per annum.

SOUND POINT TACTICAL LOAN OPPORTUNITY MASTER FUND I DESIGNATED ACTIVITY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in United States Dollars)

18. Commitments and contingent liabilities

The Company has total commitments from the PPN noteholders in the amount of \$413,433,106 of which \$0 is undrawn at 30 June 2025 (2024: \$0). In addition, the Company has commitments to fund financial assets in the amount of \$4,639,489 (2024: \$16,706,659) with \$3,956,405 (2024: \$8,606,659) undrawn and no commitments to fund a financial guarantee contract. \$0 has not been drawn as of 30 June 2025 (2024: \$3,167,897).

There were no contingent liabilities as at 30 June 2025 and 2024. Contingent liabilities are assessed continually to determine whether transfers of economic benefits have become probable. Where future transfers of economic benefits change from previously disclosed contingent liabilities, provisions are recognised in the period in which the changes in probability occur.

19. Administrative fee

SS&C Financial Services (Ireland) Limited has been appointed to act as administrator to the Company. During the period, the Company accrued \$450,048 (2024: \$331,937).

20. Company secretary

TMF Administration Services Limited has continued to complete corporate secretarial services for the Company.

21. Subsequent events

From 1 July 2025 through 17 December 2025, the date the financial statements were available to be issued, the Company did not issue additional profit participating notes and made no repayments.

22. Approval of the financial statements

The Board approved and authorised for issue these financial statements on 17 December 2025.