

Summary

CVC Income & Growth Limited (the “Company” or “CVCIG”) is a Jersey closed-ended investment company limited by shares.

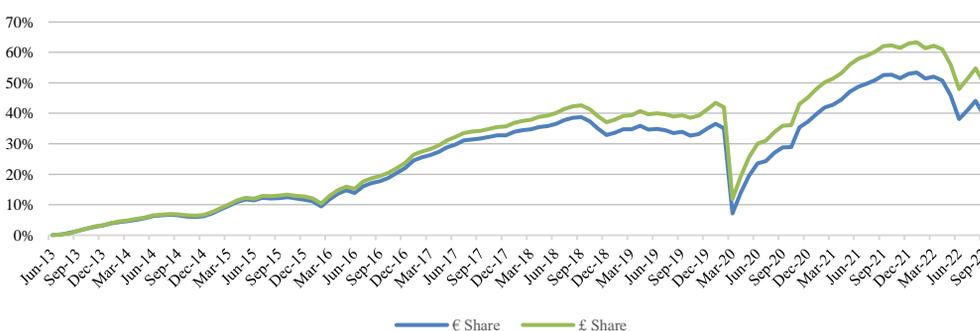
The Company’s shares are traded on the Main Market of the London Stock Exchange (LSE).

The Company’s investment policy is to invest predominantly in companies domiciled, or with material operations, in Western Europe across various industries. The Company’s investments are focused on Senior Secured Obligations of such companies, but investments are also made across the capital structure of such borrowers.

The Company invests through Compartment A of CVC European Credit Opportunities S.à r.l. (the “Investment Vehicle”), a European credit opportunities investment vehicle managed by CVC Credit Partners Investment Management Limited.

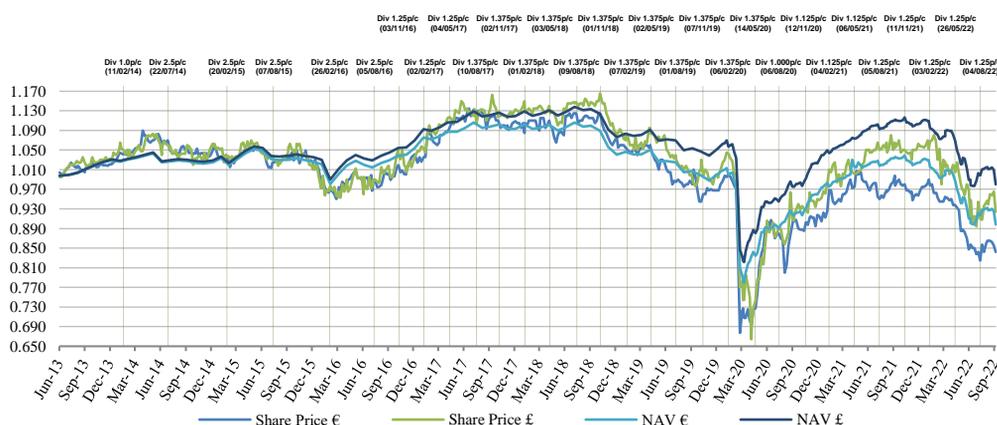
Investment Objectives

- CVCIG is focused on capital preservation, and it seeks to generate high cash income via a stable and attractive dividend, as well as offer the potential for capital appreciation.
- It aims to provide shareholders with security, low volatility, liquidity, and low correlation with equities by investing in European sub-investment grade credit.

Company NAV Total Return Cumulative Performance⁴ (since inception)

	1M	3M	YTD	1YR	3YRS	5YRS	ITD
€ Share	-3.38%	0.81%	-9.01%	-8.75%	3.96%	5.66%	39.19%
£ Share	-3.25%	1.16%	-8.08%	-7.61%	7.40%	11.52%	49.71%

Company Share Performance



September 2022

Share Price & NAV at 30 September 2022		
	EUR	GBP
Share Price ¹	0.8425	0.9240
NAV ²	0.8984	0.9805
Total Net Assets ³	96,788,796	130,963,158
Market Capitalisation	90,766,449	123,416,821
Company Information		
Vehicle Type	Closed-ended investment company	
Domicile	Jersey	
Inception Date	25 June 2013	
Market	London Stock Exchange	
LSE Identifier	EUR	CVCE
	GBP	CVCG
ISIN Code	EUR	JE00B9G79F59
	GBP	JE00B9MRHZ51
Website	ig.cvc.com	
Investment Vehicle Key Portfolio Statistics		
Floating Rate Assets	82.8%	
Fixed Rate Assets	13.8%	
Other Assets	3.4%	
Weighted Average Market Price ⁵	84.2	
Yield to Maturity ⁶	EUR	15.1%
	GBP	17.5%
Current Yield ⁶	EUR	9.2%
	GBP	11.6%
Weighted Average Fixed Rate Coupon	6.1%	
Weighted Average Floating Rate plus Margin	6.0%	
<i>Note: All metrics exclude cash unless otherwise stated</i>		
Asset Classification by Pricing Category		
3 rd Party Pricing Service	93%	
Broker Quotes	2%	
Model Price	5%	
Contact Us		
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CVC Client & Product Solutions cps@cvc.com		
<i>Note: Disclaimer & notes located at end of report</i>		

Portfolio Manager

**Pieter Staelens**

Managing Director
20 years experience

Pieter joined CVC Credit in 2018. Pieter joined from Janus Henderson Investors in London where he was involved in various High Yield strategies and a credit long/short strategy. Prior to this, Pieter was at James Caird Asset Management, CQS, Remus Partners and Bear Stearns. Pieter is a graduate of the Université Catholique de Louvain in Belgium. He also holds an MSc in Finance, Economics and Econometrics from the Cass Business School and an MBA from the University of Pennsylvania.

Market and Portfolio Commentary

September started on a soft tone after Fed Chairman Powell's speech in Jackson Hole at the end of August, where he re-affirmed his hawkish stance. The negative sentiment continued throughout the month as Central Banks globally hiked rates aggressively and forward looking growth indicators are pointing towards a material slowdown ahead. Inflation readings continue to be high but we have seen material weakness in commodity prices, such as oil. Even European gas prices are down around 50% from the August highs,^a which, in combination with government price caps announced in e.g. UK and Germany, should take some pressure off inflation going forward. Turbulence then picked up towards month end as the new UK government announced a new fiscal package, which put considerable pressure on GBP and gilts.

European Sub Investment Grade Highlights

New issuance in both the European leveraged loan market and high yield market continues to be at low levels given the overall uncertain macro outlook. Transactions are getting done however, but at materially wider levels than last year. Total September loan issuance amounted to €6.6bn (Year to Date ("YTD") €44.2bn) while HY issuance continues to lag at €1bn for the month (YTD €17.5bn).^b

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was at -3.4% for the month. Defensives were -3.1% and cyclicals -3.7% in September. CCCs in September were down -7.6%, single Bs -3.7% and BBs -2.3%. As at the end of September, the 3-year discount margin on the index was 728bps. The Credit Suisse Western European High Yield Index, hedged to Euro, was down -4.2% (YTD -15.8%).^c

Portfolio Commentary

The European loan market initially held up reasonably well in the first few weeks of September but then we saw some capitulation during the last few days of the month. In particular, we saw considerable pressure on the CLO marks in the portfolio. On the back of the UK's new fiscal policy and the consequent volatility in the gilts market, LDI pension schemes came under pressure and became forced sellers to cover margin calls. In particular, we saw considerable selling of CLO tranches, mainly some of the higher rated tranches. Due to the large supply, there was a material re-pricing wider of these tranches. Despite considerably lower trading volumes in the BB and B tranches, these re-priced wider on the back of the investment grade tranches repricing.

Trading activity picked up materially in September, after a seasonally slow August. We continued to add slowly to our CLO exposure by averaging into the market in this weakness. Furthermore, we participated in the DIP financing of a leisure chain, which came at SOFR+10%, with a 98 OID. We also rotated some lower conviction names into names that should perform better in the current macroeconomic climate, and at the same time reduced some second lien positions and unsecured positions to move up in the capital structure given the macro uncertainty ahead of us.

Across the entire portfolio, as of September month end, the weighted average market price was 84.2, trading at a YTM of 15.1% (€ hedged) / 17.5% (GBP hedged), and delivering a 9.2% (€ hedged) / 11.6% (GBP hedged) running cash yield. This compares to a weighted average price of 96.5 and YTM 8.3% and 7.9% as of December 2021. The increase in yield is due to a) increase in base rates both in EUR and GBP, b) the lower weighted average cash price on the portfolio due to market weakness and c) the attractive new issue spreads we see both in the primary loan and CLO markets. Floating rate instruments comprised 82.8% of the portfolio while 68.5% was invested in senior secured assets. The portfolio had a cash position of 6.2% (including leverage) at the end of the month. Market consensus is for further increases in base rates both in EUR and GBP, which should lead to a higher yield profile on the portfolio.

Commentary Sources:

^a Bloomberg

^b LCD – October 2022

^c Credit Suisse

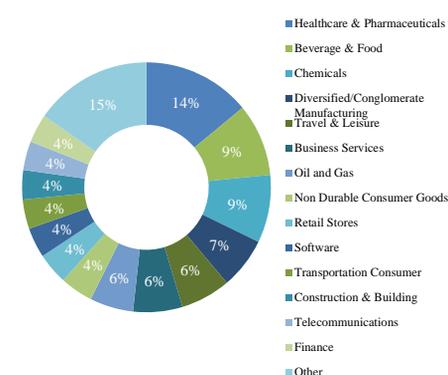
Investment Vehicle Portfolio Statistics as at 30 September 2022⁵

Largest 5 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	5.82%	Diversified/Conglomerate Manufacturing	United Kingdom
Ekaterra	3.30%	Beverages & Food	Netherlands
Civica	3.08%	Software	United Kingdom
Wella	3.02%	Non-Durable Consumer Goods	United Kingdom
Drive DeVilbiss	2.75%	Healthcare & Pharmaceuticals	United States

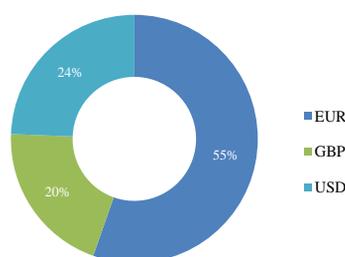
Industry Exposure

MV (%)



Currency Exposure

MV (%)

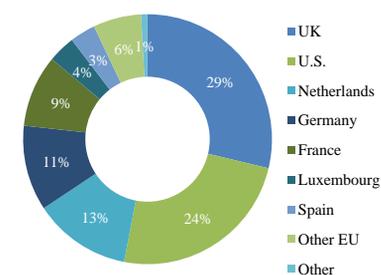
RepRisk ESG Rating⁷

MV (%)

AAA	25.3%
AA	34.7%
A	27.8%
BBB	2.6%
BB	0.3%
B	0.0%
CCC	0.0%
CC	0.0%
C	0.0%
D	0.0%
NR	9.2%
Total	100.0%

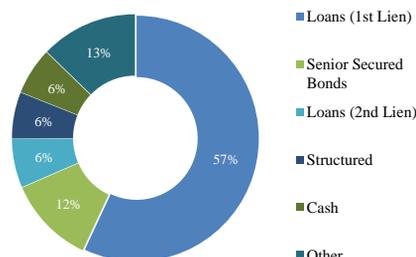
Geographic Exposure

MV (%)



Asset Exposure

MV (%)

Look Through Reporting^{6,8} as at 30 September 2022

Rating Exposure

Rating	Average Spread Duration ⁹	MV (€)	MV (%)
BB	7.66	12.8m	4%
B	3.85	202.5m	63%
CCC	2.22	70.6m	22%
NR	3.04	33.4m	10%

Interest Rate Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.19	264.2m	83%
Fixed	2.94	44.2m	14%
Warrants	0.00	10.9m	3%

Note: Amounts may not add up to 100% due to rounding.

FX Exposure

Currency	MV (€)	MV (%)
EUR	176.9m	55%
GBP	64.5m	20%
USD	77.8m	24%

Notes & Assumptions:

- The sum of the market values may be larger than the NAV due to the effect of the investment vehicle leverage facility
- All duration and yield calculations are based on assets outstanding to maturity (no call or amortisation assumptions)
- Duration is calculated using the DURATION function in Excel, and includes approximations for interest rate duration for floating rate assets
- Rating is based on the average corporate rating from S&P and Moody's
- Certain assets such as CLO equity tranches are assumed to have zero spread and interest rate duration
- The duration for non-equity CLO tranches is based on a WAL of 5 years after the end of the reinvestment period



CVC Income & Growth Limited

Important Information

Footnotes

- ¹ Share price provided as at the closing month-end market mid-price
- ² Opening NAV was 0.997, after initial costs
- ³ Includes the impact of the utilisation of the Investment Vehicle's leverage facility and its currency hedging strategy in relation to the underlying portfolio
- ⁴ NAV Total Return includes dividends reinvested
- ⁵ Average market price of the portfolio weighted against the size of each position
- ⁶ Current Yield including Investment Vehicle leverage

- ⁷ The RepRisk Rating is a letter rating (AAA to D) that facilitates benchmarking and integration of ESG and business conduct risks. NR indicates exposure to issuers not currently monitored by RepRisk. Data as at 30 September 2022.
- ⁸ Data excludes cash
- ⁹ Averages are weighted by market value

Disclaimers

This Report is directed only at: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and persons who receive this document who do not fall within (i) or (ii) above should not rely on or act upon this document.

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The Company is regulated by the Jersey Financial Services Commission.

The Credit Suisse Western European HY Index and The Credit Suisse European Leveraged Loan Index, are monthly return indices designed to be an objective proxy for the investable universe for the Western European High Yield and Leveraged Loan markets. These indices may not necessarily be indicative of the investment strategies for the funds advised by CVC Credit. Assets and securities contained within indices are different than the assets and securities contained in CVC Credit's investment vehicles and will therefore have different risk and reward profiles. The returns of the indices are provided solely as an illustration of the market and economic conditions generally prevailing during the periods shown. Indices are not investments, are not professionally managed and do not reflect deductions for fees or expenses.