

### 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).

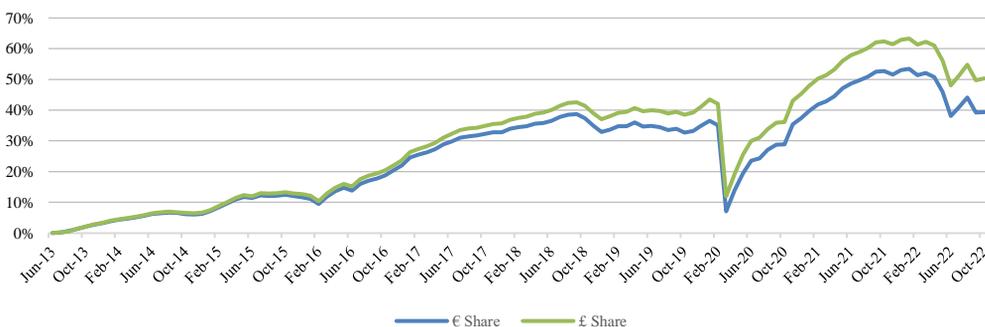
The Company’s investment policy is to invest predominantly in companies domiciled, or with material operations, in Western Europe across various industries. The Company’s investments are focused on Senior Secured Obligations of such companies, but investments are also made across the capital structure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

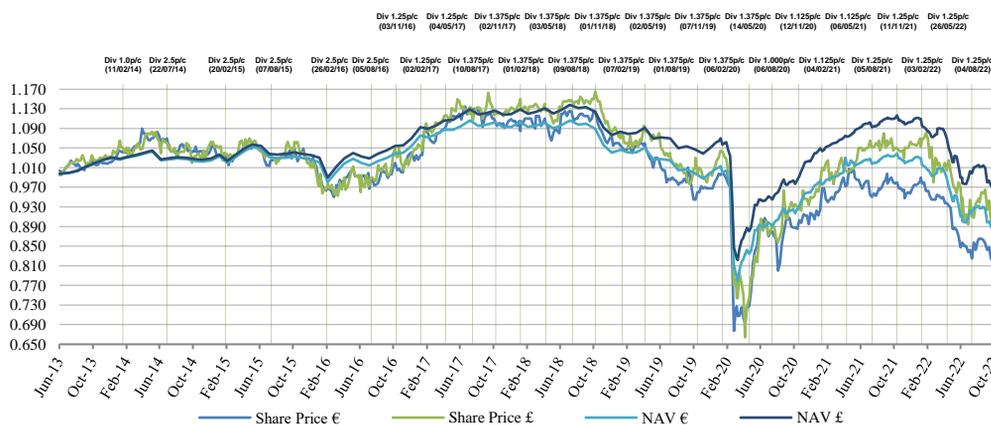
- CVCIG is focused on capital preservation, and it seeks to generate high cash income via a stable and attractive dividend, as well as offer the potential for capital appreciation.
- It aims to provide shareholders with security, low volatility, liquidity, and low correlation with equities by investing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

### Company NAV Total Return Cumulative Performance<sup>4</sup> (since inception)



	1M	3M	YTD	1YR	3YRS	5YRS	ITD
€ Share	0.08%	-1.20%	-8.94%	-8.76%	4.98%	5.33%	39.30%
£ Share	0.44%	-0.60%	-7.68%	-7.37%	8.56%	12.01%	50.36%

### Company Share Performance



### October 2022

Share Price & NAV at 31 October 2022		
	EUR	GBP
Share Price <sup>1</sup>	0.8350	0.9100
NAV <sup>2</sup>	0.8991	0.9848
Total Net Assets <sup>3</sup>	94,477,282	127,546,129
Market Capitalisation	87,738,741	117,861,932
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	82.7%	
Fixed Rate Assets	13.9%	
Other Assets	3.3%	
Weighted Average Market Price <sup>5</sup>	83.7	
Yield to Maturity <sup>6</sup>	EUR	16.9%
	GBP	19.3%
Current Yield <sup>6</sup>	EUR	10.3%
	GBP	12.7%
Weighted Average Fixed Rate Coupon	6.4%	
Weighted Average Floating Rate plus Margin	6.4%	
<i>Note: All metrics exclude cash unless otherwise stated</i>		
Contact Us		
<b>Richard Boleat, Chairman</b> richard.boleat@ig.cvc.com		
<b>CVC Client &amp; Product Solutions</b> cps@cvc.com		
<i>Note: Disclaimer &amp; 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

After a very weak September, October 2022 turned out to be a much stronger month for financial assets. One of the main drivers behind the recovery was speculation that banks might start pivoting away from their campaign of rapid rate hikes. On top of that, we had a mild start to autumn in Western Europe which took pressure off natural gas prices and the political situation in the UK appears to have stabilised after Rishi Sunak was elected prime minister.

**European Sub Investment Grade Highlights**

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was at +0.65% for the month. Defensives outperformed cyclicals with a monthly return of +1.05% vs +0.26% respectively. CCCs lagged the market with a return of -4.8%, while single Bs and BBs returned +0.74% +1.61% respectively. As at the end of October, the 3-year discount margin on the index was 703bps. The Credit Suisse Western European High Yield Index, hedged to Euro, was up +1.88% (Year to Date (“YTD”) -14.2%).<sup>a</sup>

Primary levels slowly came back towards the back end of the month. October saw €1.7bn loan and €1.6bn HY Issuance, mainly driven by two issuers Fedrigoni (€1bn across FRN and fixed rate notes) and Ineos (€800m). In both instances the demand was strong and led to upscaling of the tranches.<sup>b</sup>

**Portfolio Commentary**

The LDI driven sell-off that started in late September on the back of the UK government’s mini-budget continued into the first few weeks of October. In particular, CLO tranches were for sale but there was good two way volume, with large buyers stepping in at these lower levels. We also used this technical-driven sell-off as an opportunity to add some more CLO mezzanine positions to the fund, thereby bringing the total holdings to c.7% of the fund net asset value. To put it into some perspective, we’ve been buying some of these tranches with a cash price in the high 70s with a low/mid 10% yield to maturity. Of course, the all-in returns could be higher if we see some pull-to-par ahead well before maturity. We would need to see 33% cumulative default rates across the CLO portfolio to start incurring losses given the amount of subordination.

Further, in the credit opportunities sleeve, we initiated a position in a more cyclical business, which we expect to do well over the next few quarters. The company has strong liquidity and should be able to withstand a prolonged recession in Europe. The price of these loans had sold off to the high 70s, resulting in >13% yield to maturity. Given the cyclical nature of the business, we have only started to scale into the position as there could be more attractive entry points later on in the cycle. We also monetised an investment in a pharmaceutical company, which launched an exchange offer and paid investors an 8% fee to exchange their bonds into a slightly longer dated bond with a higher coupon. We financed these new investments by taking profits on a long held position in a US financial services company, which announced a settlement with Bank of America and received \$1.8bn, which will be used to reduce debt.

Finally, we also added some exposure to performing credit names which had sold off in September, such as a global theme park operator and a Scandinavian healthcare provider. We also participated in a new high yield issue for a global gaming company. This name is very well known to the CVC Credit platform and came with an all-in yield of 10.875%.

Across the entire portfolio, as of October month end, the weighted average market price was 83.7, trading at a YTM of 16.9% (€ hedged) / 19.3% (GBP hedged), and delivering a 10.3% (€ hedged) / 12.7% (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 82.7% of the portfolio while 72.3% was invested in senior secured assets. The portfolio had a cash position of 1.8% (including leverage) at the end of the month. Base rates continue to move up with 3M Euribor ending the month at c.1.7% and SONIA O/N at c.2.2%. Immediately after month end, the BoE hiked interest rates by a further 75bps, bringing SONIA O/N to c.2.9%.

**Commentary Sources:**

<sup>a</sup> Credit Suisse

<sup>b</sup> LCD – November 2022

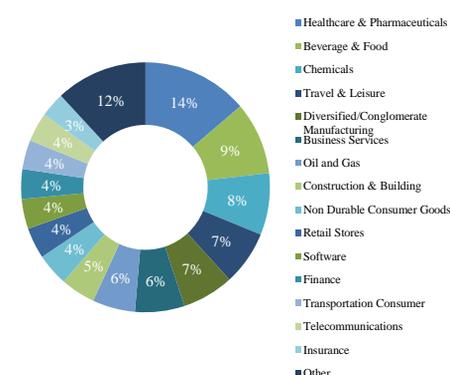
Investment Vehicle Portfolio Statistics as at 31 October 2022<sup>5</sup>

## Largest 5 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	6.14%	Diversified/Conglomerate Manufacturing	United Kingdom
Ekaterra	3.48%	Beverages & Food	Netherlands
Civica	3.20%	Software	United Kingdom
Wella	3.09%	Non-Durable Consumer Goods	United Kingdom
Drive DeVilbiss	2.71%	Healthcare & Pharmaceuticals	United States

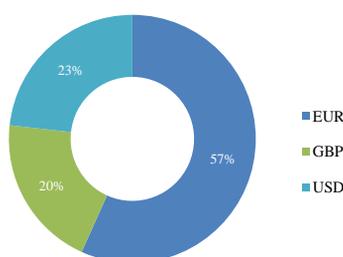
## Industry Exposure

MV (%)



## Currency Exposure

MV (%)

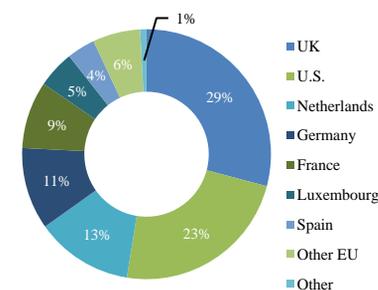
RepRisk ESG Rating<sup>7</sup>

MV (%)

AAA	23.9%
AA	39.8%
A	27.0%
BBB	2.5%
BB	0.0%
B	0.0%
CCC	0.0%
CC	0.0%
C	0.0%
D	0.0%
NR	6.9%
<b>Total</b>	<b>100.0%</b>

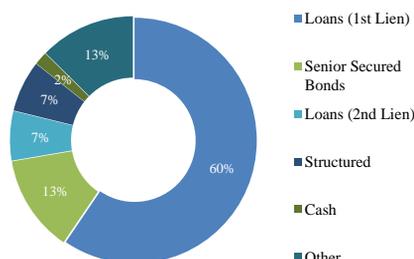
## Geographic Exposure

MV (%)



## Asset Exposure

MV (%)

Look Through Reporting<sup>6,8</sup> as at 31 October 2022

## Rating Exposure

Rating	Average Spread Duration <sup>9</sup>	MV (€)	MV (%)
BB	7.39	14.0m	4%
B	3.78	205.7m	64%
CCC	2.14	68.6m	21%
NR	3.05	31.8m	10%

## Interest Rate Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.18	264.9m	83%
Fixed	3.02	44.6m	14%
Warrants	0.00	10.7m	3%

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

## FX Exposure

Currency	MV (€)	MV (%)
EUR	181.6m	57%
GBP	64.1m	20%
USD	74.4m	23%

## Notes &amp; 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

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

- <sup>7</sup> 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 31 October 2022.
- <sup>8</sup> Data excludes cash
- <sup>9</sup> Averages are weighted by market value

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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.