![CVC]

CVC Income & Growth Limited

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).

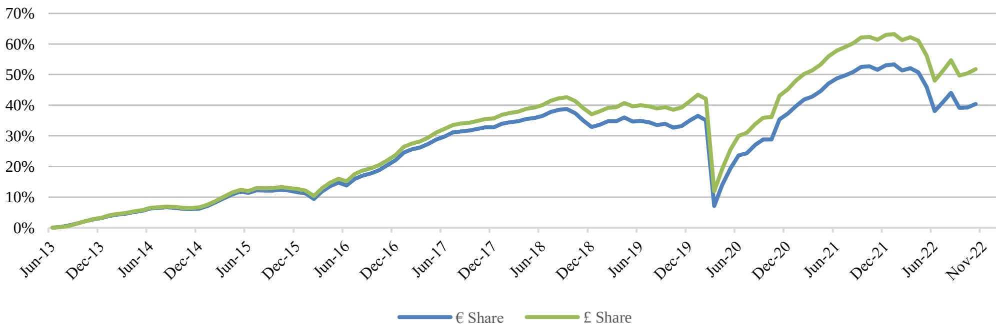
The Company's investment policy is to invest predominantly in companies domiciled, or with material operations, in Western Europe across various industries. The Company's investments are focused on Senior Secured Obligations of such companies, but investments are also made across the capital structure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

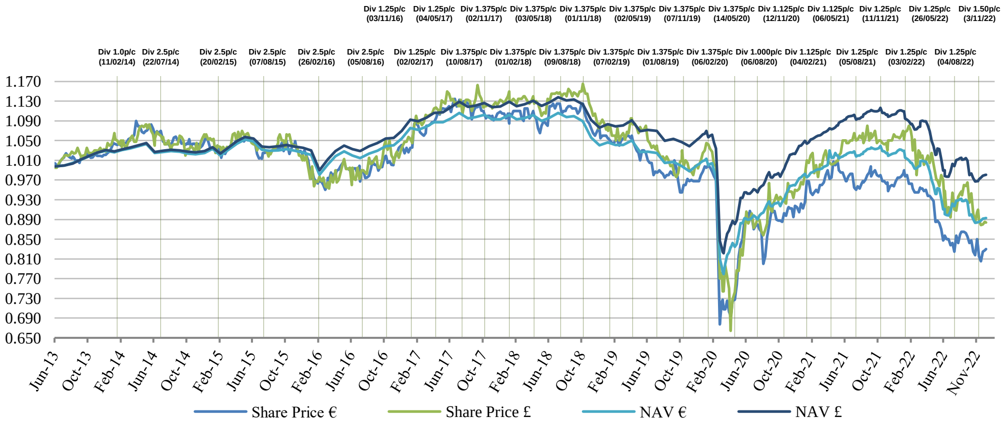
- CVCIG is focused on capital preservation, and it seeks to generate high cash income via a stable and attractive dividend, as well as offer the potential for capital appreciation.
- It aims to provide shareholders with security, low volatility, liquidity, and low correlation with equities by investing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

Company NAV Total Return Cumulative Performance[4] (since inception)



	1M	3M	YTD	1YR	3YRS	5YRS	ITD
€ Share	0.79%	-2.54%	-8.22%	-7.35%	5.43%	5.72%	40.40%
£ Share	0.93%	-1.92%	-6.83%	-5.98%	9.01%	11.97%	51.76%

Company Share Performance



November 2022

Share Price & NAV at 30 November 2022	EUR	GBP
Share Price[1]	0.8300	0.8840
NAV[2]	0.8911	0.9788
Total Net Assets[3]	93,630,993	126,769,367
Market Capitalisation	87,213,359	114,494,449

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		85.0%
Fixed Rate Assets		11.8%
Other Assets		3.2%
Weighted Average Market Price[5]		83.9
Yield to Maturity[6]	EUR	17.2%
	GBP	19.7%
Current Yield[6]	EUR	10.9%
	GBP	13.4%
Weighted Average Fixed Rate Coupon		6.5%
Weighted Average Floating Rate plus Margin		6.6%

Note: All metrics exclude cash unless otherwise stated

Contact Us

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Note: Disclaimer & notes located at end of report

CVC Income & Growth Limited

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

November was overall a strong month for financial markets with broad based gains across equities, credit, sovereign bonds and commodities. There were a number of drivers behind this positive momentum. In particular the downside surprises to inflation data in Europe and the US were well received by the market. There are also signs that China is starting to move away from its zero Covid-policy, which is anticipated to boost global growth and ease some of the pressure on supply chains.

European Sub Investment Grade Highlights

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was at +1.92% for the month (-3.61% year to date ("YTD")). Defensives were +1.80% and cyclicals +2.05% in November. CCCs were up +1.45%, single Bs +2.33% and BBs +1.64%. As at the end of November, the 3-year discount margin on the index was 643bps. The Credit Suisse Western European High Yield Index, hedged to Euro, was up +3.33% (YTD -11.35%).[a]

Primary issuance continues to be slow with €3.0bn term loan ("TL") and €0.7Bn HY Issuance. This includes Nuuday which placed a €500m TL after private syndication, Emeria which priced and upsized a €550m non-fungible loan to fund FirstPort acquisition and Faurecia which completed the issuance of €700m sustainability-linked bonds. Demand was generally strong with both Emeria and Faurecia upsizing deals.[b]

Portfolio Commentary

November was a very active month on the portfolio management side. We exited/reduced a number of positions, while we added a number of new positions across the performing credit, credit opportunities and CLO books. In the performing credit book, we took profit on a healthcare issuer we had bought only a few months ago. The company paid investors 8 points fee and increased its coupon from 3.5% to 7.5%, and bonds traded up on the back of this. Further in the performing credit book, we added a position in a holiday operator at 96.5, where we anticipate a significant repayment in the next few months on the back of an asset sale.

Within the credit opportunities sleeve, we added to a position in the mid-50s as there was a forced bank seller who wanted to exit its position before year end. The company also reported during the month with strong growth at the top line and EBITDA level, and more importantly very strong order intake. We also added to another position in a UK holiday operator. The company has a March 2024 maturity and is in very advanced negotiations with its revolving credit facility ("RCF") providers to extend the RCF maturity which would be a first step to achieve an all-in refinancing of the remainder of the capital structure. At the purchase price of 88, this results in a c. 20% yield to maturity ("YTM") or an even higher internal rate of return ("IRR") if the outstanding loans get refinanced ahead of maturity. We also initiated a position in a chemicals company with a short dated maturity in the low 90s. Finally, we continue to scale into a building material company whose loans look attractively priced in the low 80s. Even though the near term outlook for the business remains challenging, the pricing already reflects this difficult outlook. This remains an underweight position and we have the ability to increase over time if the price of the loans were to drop further. We financed these positions by reducing some other credit opportunities where earnings have disappointed and the upside is probably longer out than we initially anticipated. Specifically highlighting a provider of medical transportation, where underperformance and weakening liquidity is coinciding with a maturity wall in 2024 causing us to take the decision to exit the name over the short term as we manage risk. Furthermore, we continued to add CLO mezzanine paper, with a focus on BB rated tranches, as this market still hasn't fully recovered from the sell-off we saw in late September/early October on the back of the UK's mini-budget. We added around €9m during the month with discount margins around E+10%.

Across the entire portfolio, as of November month end, the weighted average market price was 83.9, trading at a YTM of 17.2% (€ hedged) / 19.7% (GBP hedged), and delivering a 10.9% (€ hedged) / 13.4% (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 85.0% of the portfolio while 72.6% was invested in senior secured assets. With further rate hikes widely anticipated by the market, there is potential for further upside to these yield numbers. The portfolio had a cash position of 0.8% (including leverage) at the end of the month.

Commentary Sources:

[a] Credit Suisse

[b] LCD – December 2022

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November 2022

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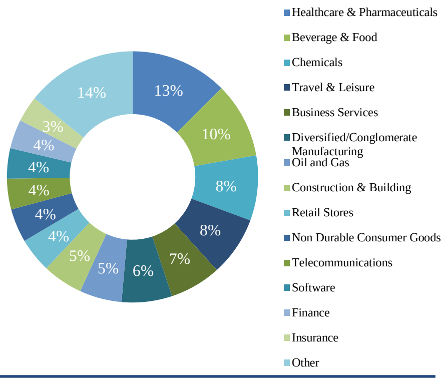
Investment Vehicle Portfolio Statistics as at 30 November 2022[5]

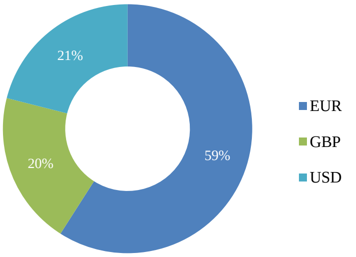
Largest 5 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	5.90%	Diversified/Conglomerate Manufacturing	United Kingdom
Ekaterra	3.44%	Beverages & Food	Netherlands
Civica	3.19%	Software	United Kingdom
Wella	3.17%	Non-Durable Consumer Goods	United Kingdom
Drive DeVilbiss	2.63%	Healthcare & Pharmaceuticals	United States

Industry Exposure MV (%)



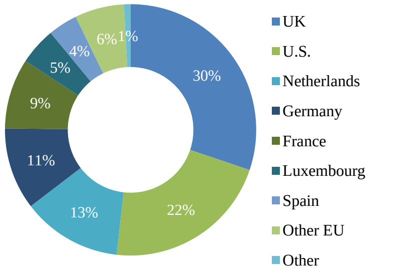
Currency Exposure MV (%)



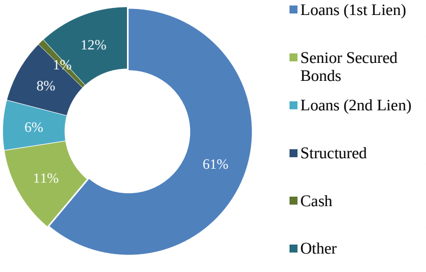
RepRisk ESG Rating[7] MV (%)

AAA	23.3%
AA	40.6%
A	26.0%
BBB	2.1%
BB	0.0%
B	0.0%
CCC	0.0%
CC	0.0%
C	0.0%
D	0.0%
NR	7.9%
Total	100.0%

Geographic Exposure MV (%)



Asset Exposure MV (%)



Look Through Reporting[6,8] as at 30 November 2022

Rating Exposure

Rating	Average Spread Duration[9]	MV (€)	MV (%)
BB	7.75	18.1m	6%
B	3.73	206.9m	65%
CCC	2.07	62.9m	20%
NR	3.19	31.8m	10%

Interest Rate Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.14	271.7m	85%
Fixed	3.06	37.7m	12%
Warrants	0.00	10.4m	3%

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

FX Exposure

Currency	MV (€)	MV (%)
EUR	188.7m	59%
GBP	63.7m	20%
USD	67.3m	21%

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

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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 November 2022.
[8] Data excludes cash
[9] Averages are weighted by market value

Disclaimers

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The Company is regulated by the Jersey Financial Services Commission.

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