

Summary

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

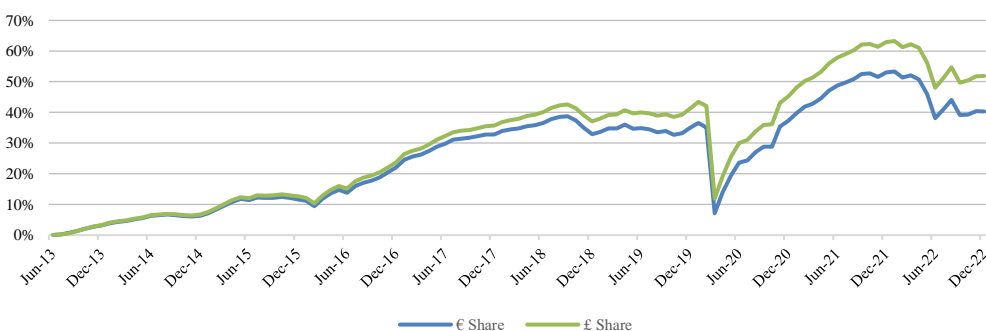
The Company’s shares are traded on the Main Market of the London Stock Exchange (LSE).

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.

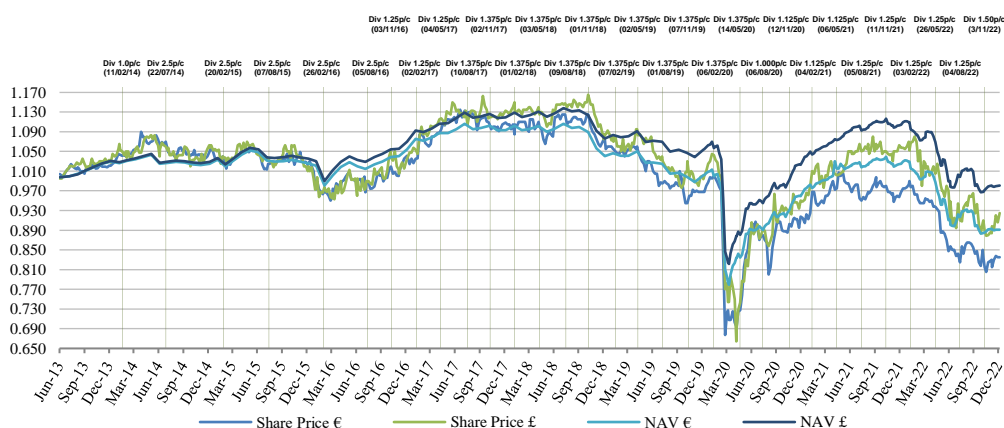
Investment Objectives

- 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	-0.09%	0.78%	-8.30%	-8.30%	3.91%	5.61%	40.27%
£ Share	0.08%	1.45%	-6.75%	-6.75%	7.53%	11.94%	51.88%

Company Share Performance



December 2022

Share Price & NAV at 31 December 2022		
	EUR	GBP
Share Price ¹	0.8350	0.9250
NAV ²	0.8902	0.9796
Total Net Assets ³	93,535,520	126,873,439
Market Capitalisation	87,738,741	119,804,711
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	85.5%	
Fixed Rate Assets	11.3%	
Other Assets	3.1%	
Weighted Average Market Price ⁵	83.6	
Yield to Maturity ⁶	EUR	18.5%
	GBP	20.2%
Current Yield ⁶	EUR	11.5%
	GBP	13.2%
Weighted Average Fixed Rate Coupon	6.6%	
Weighted Average Floating Rate plus Margin	7.1%	
<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		
Richard Boleat, Chairman richard.boleat@ig.cvc.com		
CVC Client & Product Solutions cps@cvc.com		

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

2022 was a very difficult year for most asset classes, with the S&P 500 seeing its worst annual performance since 2008.^a After some relief in October and November, December saw renewed pressure on long duration assets given the hawkish tone that central bankers in the US and in Europe used during the month. The Bank of Japan joined the hawkish action in December – this was the last major central bank that stuck to loose monetary policy throughout the majority of 2022. We did however see signs that inflation may have peaked in most geographies, which should lead to a slower pace of interest hikes in 2023.

European Sub Investment Grade Highlights

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was at +0.34% for the month and -3.28% for 2022. Defensives were +0.21% and cyclicals +0.47% in December, which translated into FY returns of -2.1% and -4.5%, respectively. In December, CCCs were down -0.81%, single Bs up +0.38% and BBs +0.56%. On a full year (“FY”) basis, BBs returned +0.4%, single Bs -3.2% and CCCs -20.9%. As at the end of December, the 3-year discount margin on the index was 661bps (vs. 413bps in 2021). The Credit Suisse Western European High Yield Index, hedged to Euro, was down -0.33%, translating into FY performance of -11.64%.^b

Primary issuance remains at very low levels with €1bn loan and €1.6bn High Yield issuance. On the loan side, we saw Safic Alcan placing a €470m term loan and Parques Reunidos with a €250m non-fungible loan on top of some smaller add-on transactions. On the high yield side Iliad completed the issuance of a €750m 4.5yr unsecured bond (upsized from €500m initially targeted). We have also seen a few successful Amend & Extend transactions in December such as Sebia and Altice International as issuers are increasingly focusing on liability management. Demand was generally strong across the board with most issuers upsizing deals. Overall 2022 loan and HY issuance was considerably below prior year at €55bn and €22bn (vs. €130bn and €124bn in 2021, respectively).^c

Portfolio Commentary

December is seasonally a slow month in terms of portfolio activity as secondary liquidity in the market is usually low with wider bid/offer spreads. We were mainly active on the performing credit side. As mentioned above, there were some liability management exercises that management teams undertook during the month. We had a position in a European healthcare name which wanted to extend its maturities from Dec. 2024 to Dec. 2027. They paid existing lenders a 2% one-off fee and increased the coupon from E+275 to E+475 to achieve this. We would anticipate more of these transactions in 2023 and initiated a position in short dated loan for a global education business, with a view of increased economics once the company approaches lenders to extend debt maturities. Within the credit opportunities sleeve, we exited two small positions where we had lost conviction and where there could be more downside in the near term.

Across the entire portfolio, as of December month end, the weighted average market price was 83.6, trading at a yield of 18.5% (€ hedged) / 20.2% (GBP hedged), and delivering a 11.5% (€ hedged) / 13.2% (GBP hedged) running cash yield. This compares to a weighted average price of 96.5 and yield to maturity of 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 85.5% of the portfolio while 73.7% was invested in senior secured assets. The portfolio had a cash position of -0.3% (including leverage) at the end of the month. Base rates continue to move up with 3M Euribor ending the year at c.2.1% and SONIA O/N at c.3.4%.

Commentary Sources:

^a Bloomberg

^b Credit Suisse

^c LCD – January 2023

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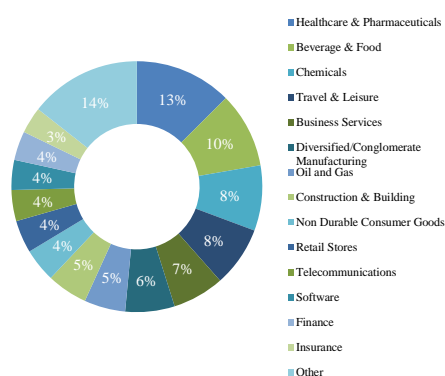
Investment Vehicle Portfolio Statistics as at 31 December 2022⁵

Largest 5 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	5.84%	Diversified/Conglomerate Manufacturing	United Kingdom
Ekaterra	3.38%	Beverages & Food	Netherlands
Civica	3.19%	Software	United Kingdom
Wella	3.17%	Non-Durable Consumer Goods	United Kingdom
Drive DeVilbiss	2.64%	Healthcare & Pharmaceuticals	United States

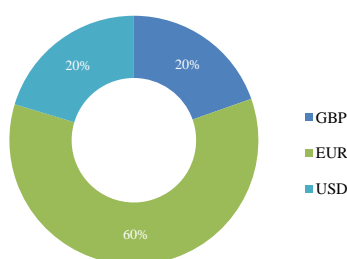
Industry Exposure

MV (%)



Currency Exposure

MV (%)

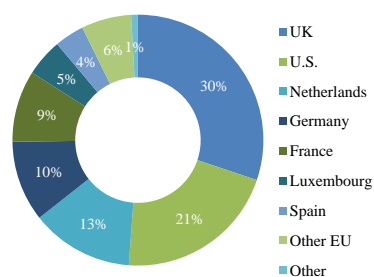
RepRisk ESG Rating⁷

MV (%)

AAA	23.3%
AA	40.6%
A	25.2%
BBB	2.5%
BB	0.0%
B	0.0%
CCC	0.0%
CC	0.0%
C	0.0%
D	0.0%
NR	8.4%
Total	100.0%

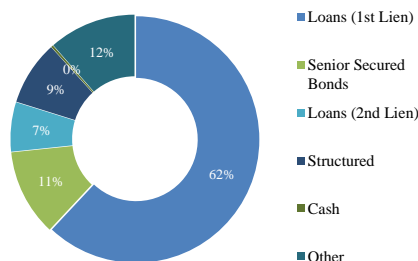
Geographic Exposure

MV (%)



Asset Exposure

MV (%)

Look Through Reporting^{6,8} as at 31 December 2022

Rating Exposure

Rating	Average Spread Duration ⁹	MV (€)	MV (%)
BB	7.30	18.1m	6%
B	3.63	202.7m	65%
CCC	1.99	60.4m	19%
NR	2.89	30.3m	10%

Interest Rate Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.19	512.8m	86%
Fixed	3.00	68.0m	11%
Warrants	0.00	18.6m	3%

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

FX Exposure

Currency	MV (€)	MV (%)
EUR	187.1m	60%
GBP	61.1m	20%
USD	63.3m	20%

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 December 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.