CVC Income & Growth Limited

CVC Income and Growth Limited ("the Fund")
Reporting period end 31 December 2022

Date: 22 June 2023

Dear Shareholder,

Your shareholding in the Fund constitutes an interest in an offshore fund from a United Kingdom ("UK") taxation perspective, with each share class treated as a separate 'offshore fund' for these purposes.

The UK Offshore Funds Regulations came into effect on 1 December 2009 and provide that if an investor resident in the United Kingdom for taxation purposes holds an interest in an offshore fund and that offshore fund is a 'non-reporting fund', any gain accruing to that investor upon the sale, redemption or other disposal of that interest will be charged to United Kingdom tax as income rather than a capital gain. Alternatively, where an investor holds an interest in an offshore fund that has been a 'reporting fund' for all periods of account for which they hold their interest, any gain accruing upon sale, redemption or other disposal of the interest will be subject to tax as a capital gain rather than income.

Reporting funds have an annual requirement to calculate and report to UK investors and HMRC the reportable income per share and distributions made for each share class. Provided the share classes comply with this annual reporting requirement, any gain accruing upon sale or other disposal of the interest by each UK shareholder will be subject to tax as a capital gain rather than income.

What does this mean for investors?

Investors will be required to include in their tax return any distributions received (which does not include sums received on redemption of shares) in respect of the year and their proportionate share of any excess reportable income. The proportionate share of the excess reportable income is calculated as follows:

Total number of shares held by the investor multiplied excess reportable income per share in each class at year end (i.e. 31 December 2022).

The excess reportable income per share must be multiplied by the total number of shares you held in each share class at 31 December 2022 in order to derive the total excess reportable income to be included in your tax return.

The timing of the receipt of income is as follows:

UK corporate investors (including UK fund investors)

The deemed distribution date for excess reportable income over any cash distributions received is 6 months after the end of the accounting period. As the accounting year end of the Fund is 31 December 2022, the deemed distribution date is 30 June 2023. This reportable income must be included in your corporate tax return for the relevant accounting period in which this date falls.

UK individual investors

Excess reportable income for the year ended 31 December 2022 is deemed to arise on 30 June 2023, which falls within the UK fiscal year ended 5 April 2024 for UK individual investors. This should therefore be included in your 2023/2024 personal tax return.

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Reportable income for the year ended 31 December 2022

A: Reporting period
B: Class currency
C: Distributions paid in respect of the period
D: Dates any distributions were made
E: Excess reportable income
F: Fund distribution date
G: Did the share class continue to be a reporting fund as at this date?

CVC Income and Growth Limited:

		A	B	C	D	E	F	G
Euro Class	JE00B9G79F59	01/01/2022 31/12/2022	EUR	0.01250	26/05/2022	0.0159	30/06/2023	Yes
				0.01250	04/08/2022			
				0.01500	03/11/2022			
				0.01750	09/02/2023			
Sterling Class	JE00B9MRHZ51	01/01/2022 31/12/2022	GBP	0.01250	26/05/2022	0.0000	30/06/2023	Yes
				0.01250	04/08/2022			
				0.01500	03/11/2022			
				0.02500	09/02/2023			

Double taxation relief

Per regulation 99 of the Offshore Fund (Tax) Regulations 2009 (S.I.2009/3001), in order to avoid double taxation, any excess reported income deemed to be received by UK investors can be treated as expenditure for the acquisition of their holdings in the fund. In effect, the acquisition cost of your interest in the Fund shall be increased by the amount of excess reportable income in the calculation of capital gains. We set out below how such relief works in principle.

Proceeds	x
Original acquisition cost	(x)
Excess reported income	(x)
Capital gain	x

If you have any queries please contact your tax advisor.