

CVC Income & Growth Limited

Summary

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

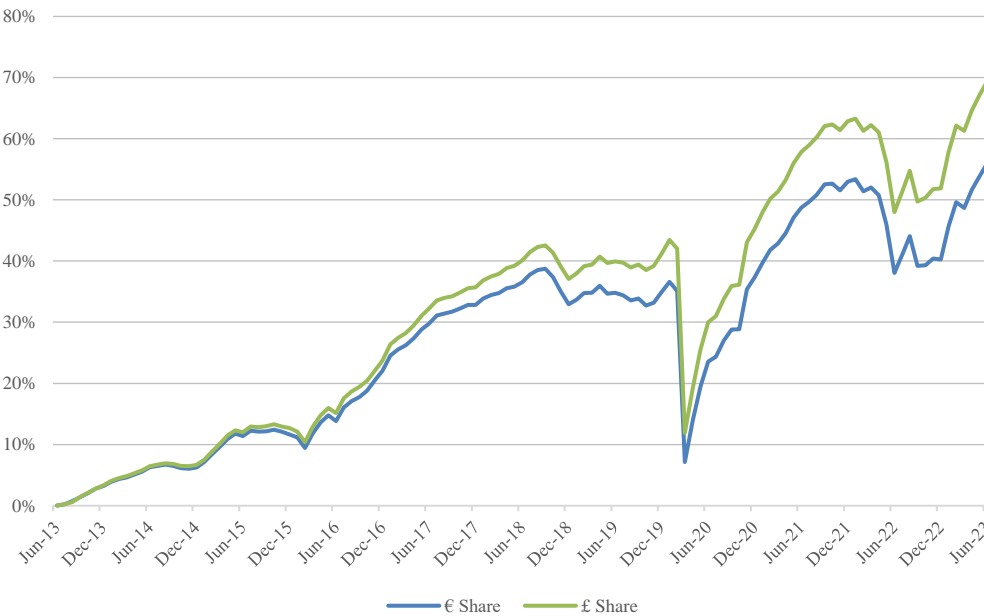
The Company’s shares are traded on the Main Market of the London Stock Exchange (LSE).

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 Performance⁴ (since inception)

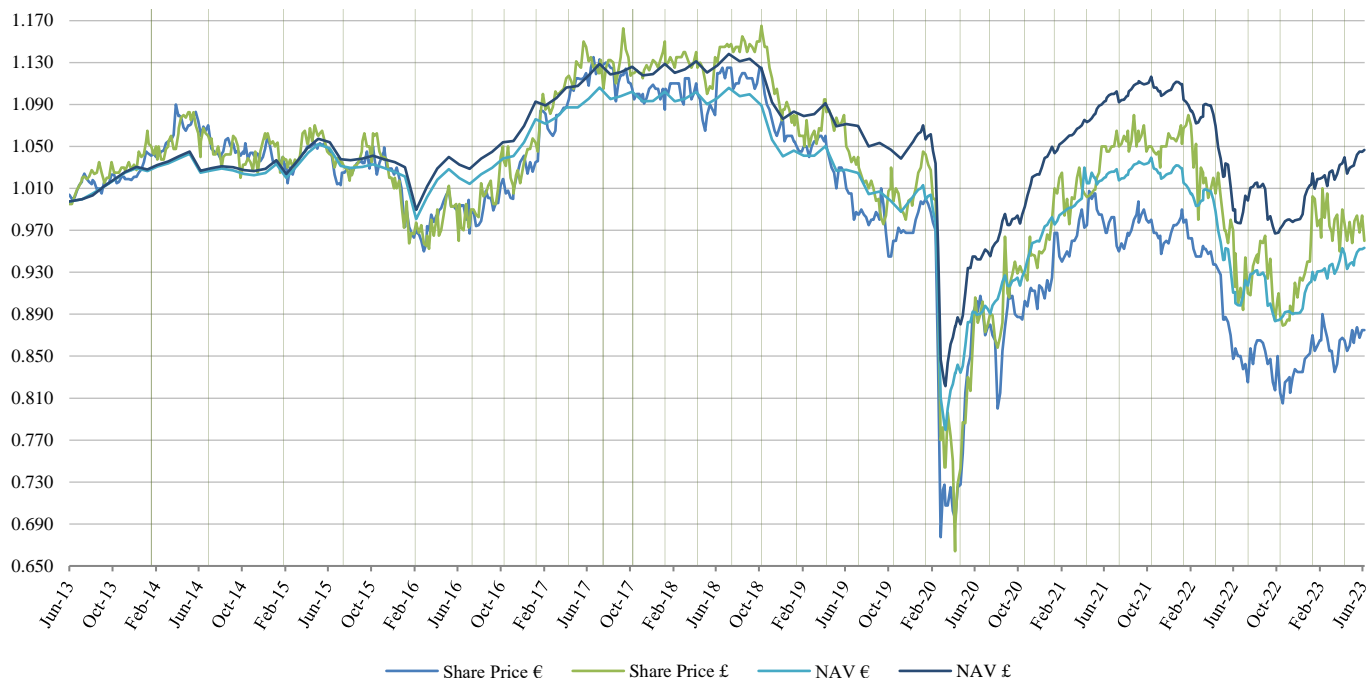
	1M	3M	YTD	1YR	3YRS	5YRS	ITD
€ Share	1.37%	4.93%	11.21%	12.98%	26.21%	14.22%	55.98%
£ Share	1.36%	5.04%	11.53%	14.46%	30.29%	20.93%	69.39%

June 2023

Share Price & NAV at 30 June 2023		
	EUR	GBP
Share Price ¹	0.8750	0.9600
NAV ²	0.9537	1.0470
Total Net Assets ³	99,854,497	132,801,616
Market Capitalisation	91,611,044	121,763,720
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	79.6%	
Fixed Rate Assets	17.8%	
Other Assets	2.6%	
Weighted Average Market Price ⁵	88.2	
Yield to Maturity ⁶	EUR	17.4%
	GBP	18.8%
Current Yield ⁶	EUR	12.6%
	GBP	14.1%
Weighted Average Fixed Rate Coupon	6.7%	
Weighted Average Floating Rate plus Margin	8.6%	
<i>Note: All metrics exclude cash unless otherwise stated</i>		
Asset Classification by Pricing Category		
3 rd Party Pricing Service	92%	
Broker Quotes	2%	
Model Price	6%	
Contact Us		
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CVC Client & Product Solutions cps@cvc.com		
<i>Note: Disclaimer & notes located at end of report</i>		

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Company Share Performance



Vertical lines in chart denote periodical dividend distributions. Please reference the table below for historical distribution information.

Historical Dividend Distribution

Date	Dividend
11/02/14	1.0 p/c
22/07/14	2.5 p/c
20/02/15	2.5 p/c
07/08/15	2.5 p/c
26/02/16	2.5 p/c
05/08/16	2.5 p/c
03/11/16	1.25 p/c
02/02/17	1.25 p/c
04/05/17	1.25 p/c
10/08/17	1.375 p/c
02/11/17	1.375 p/c
01/02/18	1.375 p/c
03/05/18	1.375 p/c
09/08/18	1.375 p/c
01/11/18	1.375 p/c
07/02/19	1.375 p/c
02/05/19	1.375 p/c

Date	Dividend
01/08/19	1.375 p/c
07/11/19	1.375 p/c
06/02/20	1.375 p/c
14/05/20	1.375 p/c
06/08/20	1.0 p/c
12/11/20	1.125 p/c
04/02/21	1.125 p/c
06/05/21	1.125 p/c
05/08/21	1.25 p/c
11/11/21	1.25 p/c
03/02/22	1.25 p/c
26/05/22	1.25 p/c
04/08/22	1.25 p/c
03/11/22	1.50 p/c
09/02/23	2.5 p/1.75 c
11/05/23	1.875 p/1.750c

Portfolio Manager

**Pieter Staelens**

Managing Director
21 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

June was generally a strong month for financial markets and equities saw some strong gains during the month. Tech stocks in particular performed very well as investors are getting increasingly excited about the prospect of AI having a genuine impact on the economy going forward. On the flipside, commodities remained weak during the month, and we saw a number of profit warnings in some more cyclical industries, pointing towards an increased likelihood of a recession. Central banks went into different directions in June as the Fed decided to keep base rates unchanged, while the ECB hiked by 25bps and the BoE by 50bps as inflation in the UK remains stubbornly high.

European Sub Investment Grade Highlights

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was at +0.95% in June (Year to date (“YTD”) +6.68%). Defensives were +1.19% and cyclicals +0.71% in June (YTD +6.04% / +7.31%). Single Bs returned +0.91%, BBs +0.96% and CCCs -3.02% (YTD +7.01% / +4.45% / +5.88%). As at the end of June, the 3-year discount margin on the index was 557bps. The Credit Suisse Western European High Yield Index, hedged to Euro, returned 0.6% in June 2023 (YTD +5.03%).^a

In June, primary levels were in line with previous month totaling €2.9bn in the loan market and €2.9bn in the HY market, down sequentially vs. April 2023 but above June 2022 levels. Primary activity in 2023 continues to be dominated by amend and extend transactions and small add-ons for bolt-on M&A and dividend recaps as new M&A activity remains muted. The average spread for Term Loan Bs stood at +468ps and yield to maturity at 8.9%.^b

Portfolio Commentary

During the month of June, we were active across the performing credit sleeve, credit opportunities sleeve and CLO tranches. On the CLO side, we took profit on some higher coupon tranches and rotated the proceeds into some lower cash tranches with better convexity. Further in the credit opportunities sleeve, we added further to our position in a manufacturer of heat exchangers. Even though the price of the bonds has moved up, in the mid 70s, these bonds still provide expected returns in the low/mid 20% range.

In the performing credit sleeve, activity was dominated by refinancings. One of the larger positions in the fund refinanced their loans well ahead of the 2025 maturity. The company paid lenders a 2.5 points up front fee and increased the coupon from E+400 to E+500 to extend the debt maturities to 2028, thereby giving the sponsor more leeway to work on an exit for their investment, while improving the returns for lenders. We also sold our position in the loans of a beauty retailer and used the proceeds to buy the high yield bonds in the same issuer, but at a much lower cash price, thereby increasing the returns in case the sponsor refinances its debt stack early, or decides to sell the business. We also initiated a position in a producer and distributor of recycled cartonboard. The chemicals space came under some pressure during the month on the back of some profit warnings in the investment grade space, which allowed us to top up a position in an issuer we know well with an expected IRR of around 10%.

Across the entire portfolio, as of June month end, the weighted average market price was 88.2, trading at a yield to maturity (“YTM”) of 17.4% (€ hedged) / 18.8% (£ hedged), and delivering a 12.6% (€ hedged) / 14.1% (£ hedged) running cash yield. This compares to a weighted average price of 83.6 and YTM of 18.5% (€ hedged) / 20.2% (£ hedged) as of December 2022. Floating rate instruments comprised 79.6% of the portfolio while 74.3% was invested in senior secured assets. The portfolio had a cash position of 0.4% (including leverage) at the end of the month

Commentary Sources:

^a Credit Suisse

^b Pitchbook LCD – July 2023

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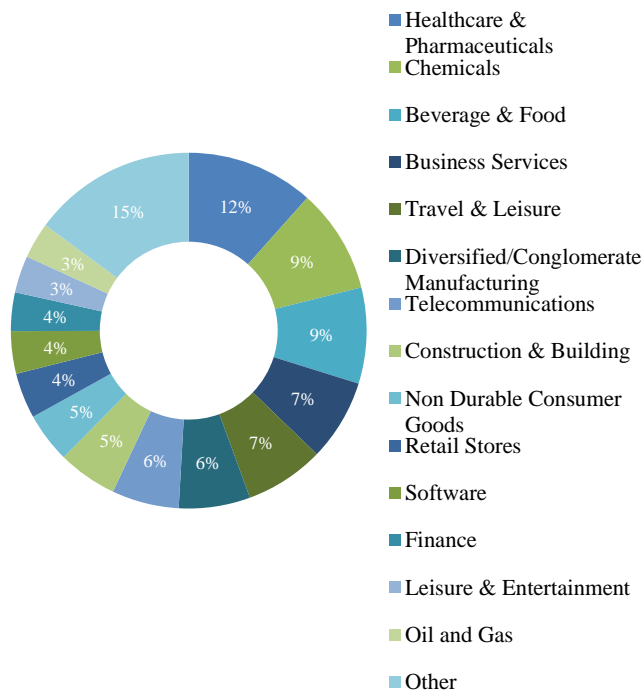
Investment Vehicle Portfolio Statistics as at 30 June 2023⁵

Top 10 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	5.95%	Diversified / Conglomerate Manufacturing	United Kingdom
Civica	3.19%	Software	United Kingdom
Wella	3.13%	Non-Durable Consumer Goods	United Kingdom
Ekaterra	3.06%	Beverages & Food	Netherlands
Hotelbeds	2.60%	Travel & Leisure	Spain
Flora Foods	2.53%	Beverages & Food	Netherlands
Cirsa	2.37%	Travel & Leisure	Spain
Keter	2.32%	Durable Consumer Goods	Luxembourg
Saphilux	2.25%	Business Services	Luxembourg
Drive Devilbiss	2.20%	Healthcare & Pharmaceuticals	United States

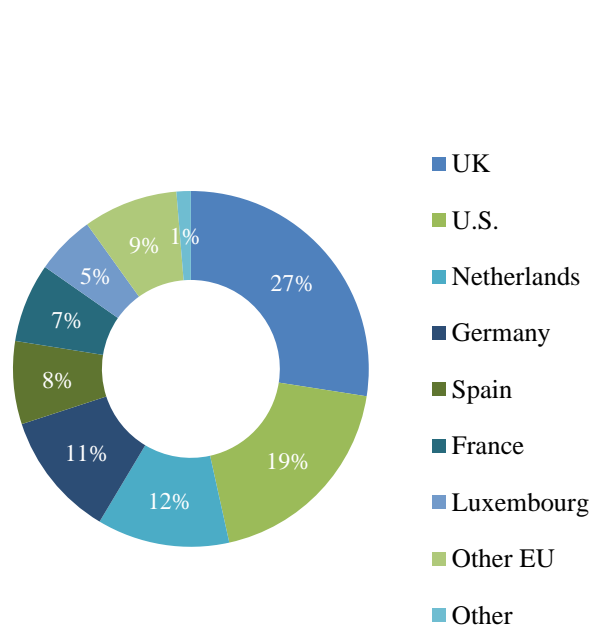
Industry Exposure

MV (%)



Geographic Exposure

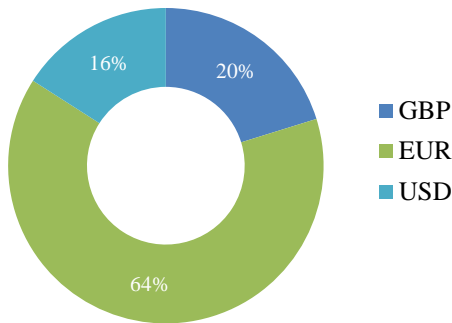
MV (%)



Investment Vehicle Portfolio Statistics as at 30 June 2023⁵

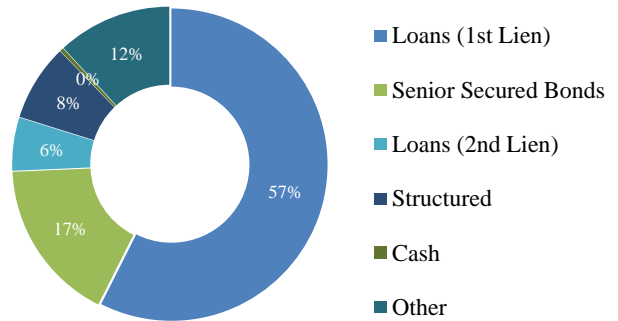
Currency Exposure

MV (%)

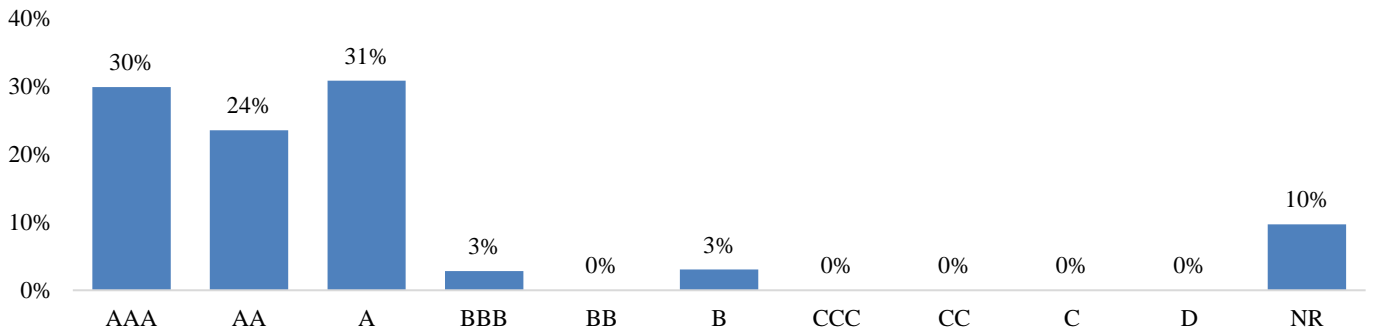


Asset Exposure

MV (%)

RepRisk ESG Rating⁸

MV (%)

Look Through Reporting⁹ as at 30 June 2023

Rating Exposure

Rating	Average Spread Duration ¹⁰	MV (€)	MV (%)
BB	6.62	25.3m	8%
B	3.41	217.3m	66%
CCC	1.67	60.9m	18%
NR	3.60	26.9m	8%

Rating Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.19	262.9m	80%
Fixed	2.89	58.8m	18%
Warrants	0.00	8.8m	3%

FX Exposure

Currency	MV (€)	MV (%)
EUR	211.0m	64%
GBP	66.8m	20%
USD	52.7m	16%

Notes & Assumptions:

- The sum of the market values may be larger than the NAV due to the effect of the 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

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

CVC

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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 June 2023.
- 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.