

CVC Income & Growth Limited

Summary

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

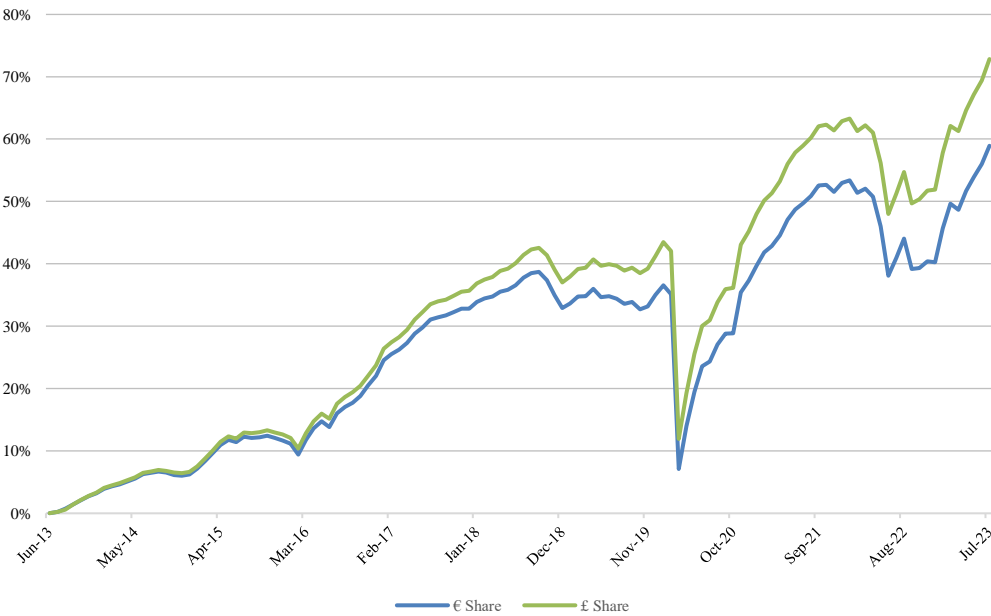
The Company’s shares are traded on the Main Market of the London Stock Exchange (LSE).

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)

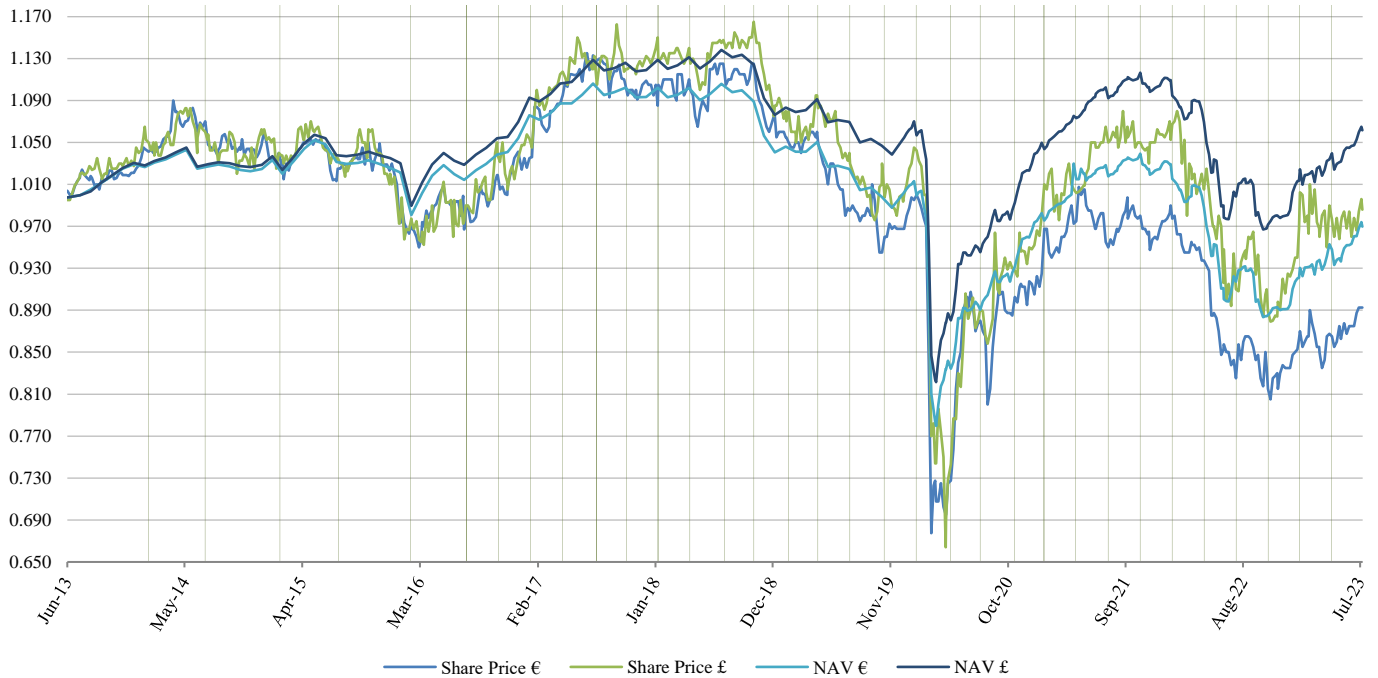
	1M	3M	YTD	1YR	3YRS	5YRS	ITD
€ Share	1.90%	4.80%	13.32%	12.74%	27.83%	15.37%	58.94%
£ Share	2.02%	4.98%	13.79%	14.25%	31.95%	22.19%	72.82%

July 2023

Share Price & NAV at 31 July 2023		
	EUR	GBP
Share Price ¹	0.8925	0.9860
NAV ²	0.9537	1.0470
Total Net Assets ³	101,218,037	135,941,516
Market Capitalisation	92,958,933	125,479,738
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	80.2%	
Fixed Rate Assets	17.2%	
Other Assets	2.5%	
Weighted Average Market Price ⁵	88.6	
Yield to Maturity ⁶	EUR	17.2%
	GBP	18.6%
Current Yield ⁶	EUR	12.9%
	GBP	14.4%
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>		
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	Date	Dividend
11/02/14	1.0 p/c	01/08/19	1.375 p/c
22/07/14	2.5 p/c	07/11/19	1.375 p/c
20/02/15	2.5 p/c	06/02/20	1.375 p/c
07/08/15	2.5 p/c	14/05/20	1.375 p/c
26/02/16	2.5 p/c	06/08/20	1.0 p/c
05/08/16	2.5 p/c	12/11/20	1.125 p/c
03/11/16	1.25 p/c	04/02/21	1.125 p/c
02/02/17	1.25 p/c	06/05/21	1.125 p/c
04/05/17	1.25 p/c	05/08/21	1.25 p/c
10/08/17	1.375 p/c	11/11/21	1.25 p/c
02/11/17	1.375 p/c	03/02/22	1.25 p/c
01/02/18	1.375 p/c	26/05/22	1.25 p/c
03/05/18	1.375 p/c	04/08/22	1.25 p/c
09/08/18	1.375 p/c	03/11/22	1.50 p/c
01/11/18	1.375 p/c	09/02/23	2.5 p/1.75 c
07/02/19	1.375 p/c	11/05/23	1.875 p/1.750c
02/05/19	1.375 p/c		

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

Positive sentiment prevailed in financial markets in July. The S&P 500 and Nasdaq secured their fifth consecutive month of positive returns despite further rate hikes by Central Banks. The positive momentum was underpinned by further signs of easing inflation, better than expected corporate earnings and relatively robust US macro data. Tech stocks in particular were strong during the month as investors continue to warm up to the potential of AI. China also pledged to step up stimulus after some disappointing growth numbers coming out of China. Even sectors that struggled earlier this year participated in the rally: US regional banks were up 19% and WTI crude was up 15.8% in July.

European Sub Investment Grade Highlights

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was at +1.15% in July (Year to date (“YTD”) +7.9%). Defensives were +1.04% and cyclicals +1.25% (YTD +7.14% / +8.65%). Single Bs returned +1.25%, BBs +0.6% and CCCs -2.5% (YTD +8.34% / +5.08% / +8.53%). As at the end of July, the 3-year discount margin on the index was 539bps. The Credit Suisse Western European High Yield Index, hedged to Euro, returned 1.13% in July 2023 (YTD +6.22%). The Yield to Worst on this index is now 7.84%.^a

Primary activity was up slightly in July compared to previous month totaling €3.3bn in the loan market and €3.8bn in the HY market, but below June 2022 levels. Primary activity in 2023 continues to be dominated by amend and extend transactions and refinancings, as new M&A activity remains muted. We have seen strong demand for paper in July, with most transactions reverse flexing vs. initial price talk. The average spread for Term Loan Bs stood at +457ps and yield to maturity at 9.17%.^b

Portfolio Commentary

July was a very active month in terms of trading as we wanted to position the portfolio in good shape ahead of the seasonally slower August. We were active in the performing credit sleeve, the credit opportunities sleeve and in our CLO holdings.

In the performing credit sleeve, we added a number of positions both in the primary market and in the secondary market. In the secondary market, we spotted some names that were still trading below par and where we expect a near term refinancing. The coupons on these names are still lower than what we see in the primary market, but we would expect these to go up once the refinancing has happened, and we would expect to be paid some fees as well to facilitate a refinancing. We also selectively participated in some primary transactions, where the spreads were typically in the 450-500bps range. With Euribor now at approximately 3.7%, this brings the all-in yield on these performing credit names in the mid/high 8% range.

In the credit opportunities sleeve, it was an equally busy month. We continue to screen the market for new opportunities as we see a lot more single name volatility. While we monitor some of these situations closely, we don't think these merit an investment yet as there could be further downside to the prices. We did manage to top up in some existing situations where we have high conviction and where prices still look attractive.

Finally, it was also a busy month on the CLO side where we went through all our CLO holdings during the month and upgraded in quality of the underlying holdings. With an expected increase in default rates in the market, we continue to run stress-tests on our underlying CLO holdings to ensure the risk-reward remains adequate.

Across the entire portfolio, as of July month end, the weighted average market price was 88.6, trading at a yield to maturity (“YTM”) of 17.2% (€ hedged) / 18.6% (£ hedged), and delivering a 12.9% (€ hedged) / 14.4% (£ 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 80.2% of the portfolio while 77.2% was invested in senior secured assets. The portfolio had a cash position of -2.1% (including leverage) at the end of the month.

Commentary Sources:^a Credit Suisse^b Pitchbook LCD – August 2023

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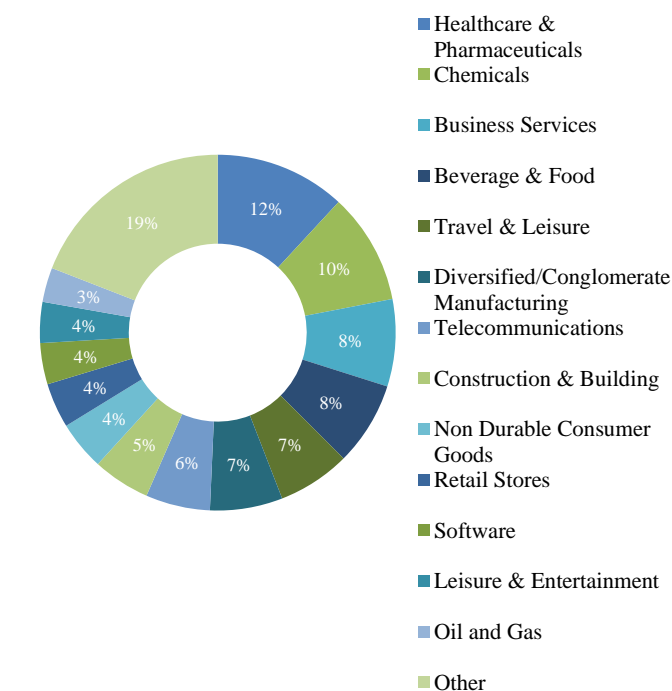
Investment Vehicle Portfolio Statistics as at 31 July 2023⁵

Top 10 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	6.23%	Diversified / Conglomerate Manufacturing	United Kingdom
Civica	3.18%	Software	United Kingdom
Wella	3.17%	Non-Durable Consumer Goods	United Kingdom
Ekaterra	3.11%	Beverages & Food	Netherlands
Keter	2.85%	Durable Consumer Goods	Luxembourg
Hotelbeds	2.53%	Travel & Leisure	Spain
Colouroz	2.36%	Chemicals	Germany
D&G	2.30%	Insurance	United Kingdom
Saphilux	2.24%	Business Services	Luxembourg
Kirk Beauty	2.14%	Retail Store	Germany

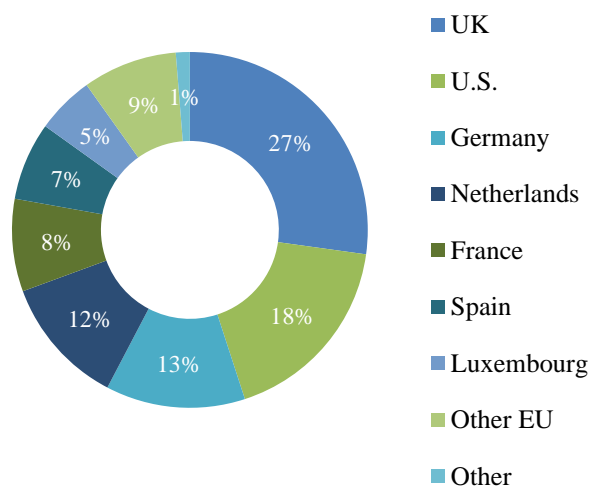
Industry Exposure

MV (%)



Geographic Exposure

MV (%)

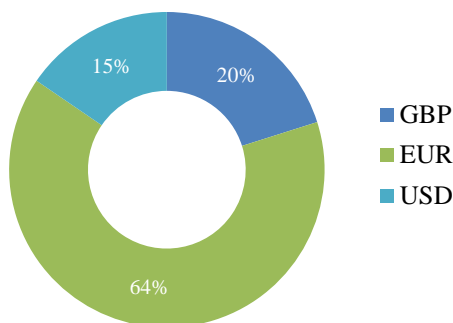


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Investment Vehicle Portfolio Statistics as at 31 July 2023⁵

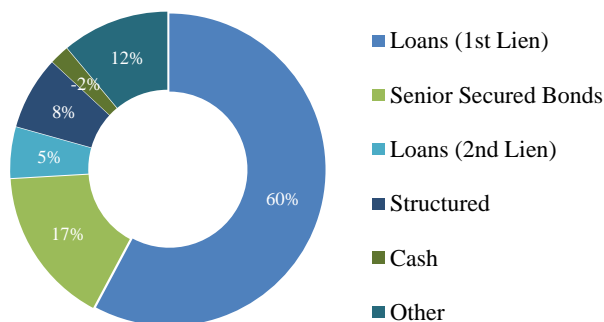
Currency Exposure

MV (%)



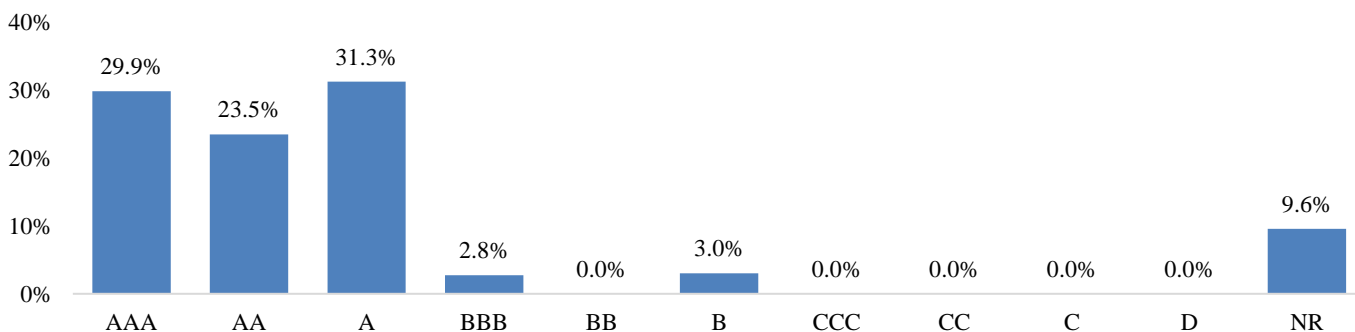
Asset Exposure

MV (%)



RepRisk ESG Rating⁸

MV (%)



Look Through Reporting⁹ as at 31 July 2023

Rating Exposure

Rating	Average Spread Duration ¹⁰	MV (€)	MV (%)
BB	6.23	28.1m	8%
B	3.54	229.3m	64%
CCC	1.65	69.7m	20%
NR	3.65	28.5m	8%

FX Exposure

Currency	MV (€)	MV (%)
EUR	229.1m	64%
GBP	71.5m	20%
USD	55.0m	15%

Rating Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.20	285.3m	80%
Fixed	2.81	61.3m	17%
Warrants	0.00	9.1m	3%

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.

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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 31 July 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.