

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)



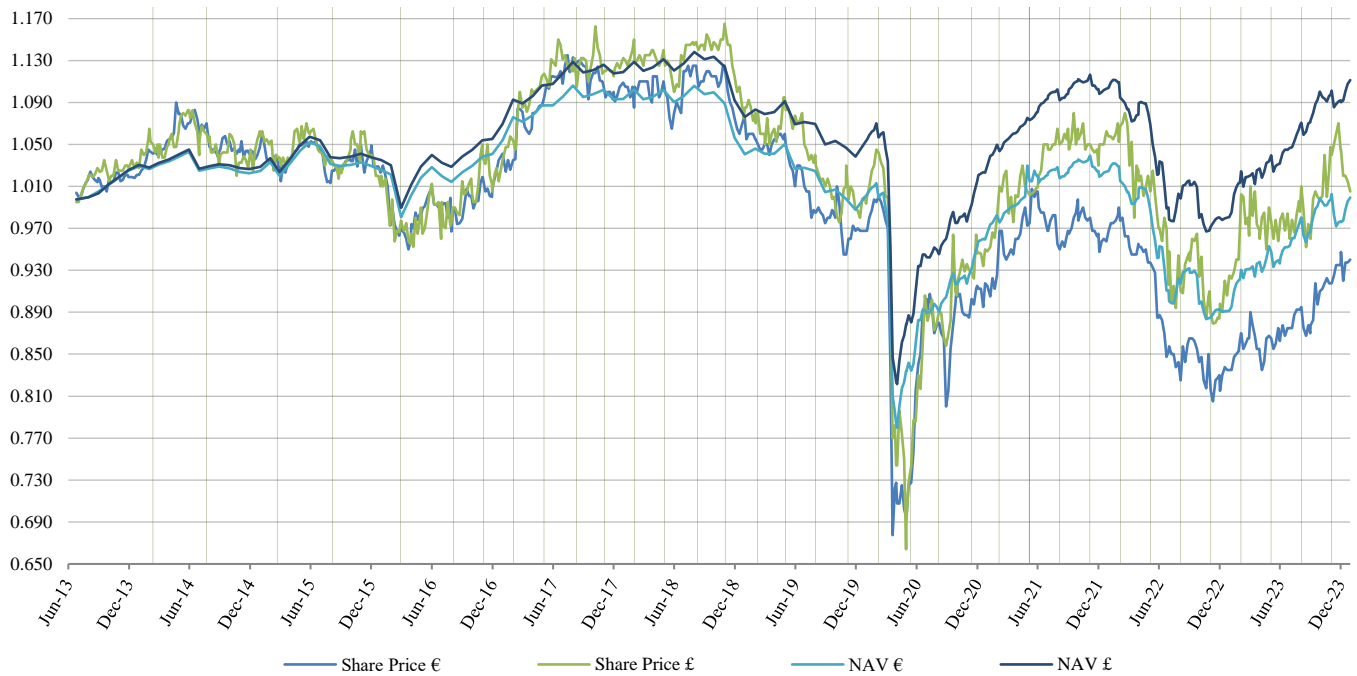
	1M	3M	YTD	1YR	3YRS	5YRS	ITD
€ Share	2.33%	2.66%	21.69%	21.69%	24.31%	28.41%	70.68%
£ Share	2.39%	2.94%	22.79%	22.79%	28.44%	36.09%	86.49%

December 2023

Share Price & NAV at 30 December 2023		
	EUR	GBP
Share Price ¹	0.9400	1.050
NAV ²	1.0070	1.1134
Total Net Assets ³	97,226,934	129,311,600
Market Capitalisation	90,760,528	132,399,129
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	78.2%	
Fixed Rate Assets	19.4%	
Other Assets	2.5%	
Weighted Average Market Price ⁵	90.4	
Yield to Maturity ⁶	EUR	14.1%
	GBP	15.4%
Current Yield ⁶	EUR	12.5%
	GBP	14.8%
Weighted Average Fixed Rate Coupon	7.2%	
Weighted Average Floating Rate plus Margin	8.8%	
<i>Note: All metrics exclude cash unless otherwise stated</i>		
Asset Classification by Pricing Category		
3 rd Party Pricing Service	94%	
Broker Quotes	2%	
Model Price	4%	
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	07/11/19	1.375 p/c
22/07/14	2.5 p/c	06/02/20	1.375 p/c
20/02/15	2.5 p/c	14/05/20	1.375 p/c
07/08/15	2.5 p/c	06/08/20	1.0 p/c
26/02/16	2.5 p/c	12/11/20	1.125 p/c
05/08/16	2.5 p/c	04/02/21	1.125 p/c
03/11/16	1.25 p/c	06/05/21	1.125 p/c
02/02/17	1.25 p/c	05/08/21	1.25 p/c
04/05/17	1.25 p/c	11/11/21	1.25 p/c
10/08/17	1.375 p/c	03/02/22	1.25 p/c
02/11/17	1.375 p/c	26/05/22	1.25 p/c
01/02/18	1.375 p/c	04/08/22	1.25 p/c
03/05/18	1.375 p/c	03/11/22	1.50 p/c
09/08/18	1.375 p/c	09/02/23	2.5 p/1.75 c
01/11/18	1.375 p/c	11/05/23	1.875 p/1.750c
07/02/19	1.375 p/c	10/08/23	1.875 p/1.750c
02/05/19	1.375 p/c	10/11/23	1.875 p/1.750c
01/08/19	1.375 p/c		

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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

The rally across most asset classes that started in late October continued in December. After the +9.1% gain in November, the S&P 500 gained another +4.5% in December, thereby closing the year at an all time high. Further declines in inflation and a range of central banks starting to sound more dovish led to optimism around a soft landing.

European Sub Investment Grade Highlights^{a,b}

Primary activity paused in December 2023 due to the seasonal market slowdown. New loan issuances totaled €2.1bn, down sequentially from December 2023 and December 2022 levels of €6.4bn and €3.6 bn, respectively. European HY issuances reached €2.7bn in December 2023, compared to €4.7bn in December 2023 and €2bn in December 2022. Primary activity in 2023 was dominated by amend and extend transactions and refinancings, as new M&A activity remained muted. The average spread for Term Loan Bs stood at +450ps and yield to maturity at 9.3%. We expect M&A activity to pick-up in the near-term and 2024 pipeline is building up as Sponsors are trying to exit businesses and realise their investments. As such, this should translate into new primary deals in 1H24.

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was +1.19% in December 2023 (Year to date (“YTD”) +12.46%) after a late-year rally. Defensives were 1.2% and cyclicals 1.16% in December (YTD +11.9% / +13.05%). BBs returned +1.13%, while single Bs return was 1.35% and CCCs -1.08% (YTD +9.07% / +13.38% / +7.96%). As at the end of December, the 3-year discount margin on the index was 505bps. The Credit Suisse Western European High Yield Index return, hedged to Euro, was 2.86% in December 2023 following the aforementioned late-year rally (YTD +12.5%).

Portfolio Commentary

December was a seasonally quiet month on the trading side. Within the performing credit sleeve, we started taking some profit on some of the high yield positions that did well in the recent high yield rally. We also added some smaller US positions in primary market as issuance was fairly muted in the European market.

There was also some activity in the credit opportunities sleeve. Early in the month, we initiated a position in a UK homebuilder in the low 80s. Even though the near term outlook for the business is uncertain, the company is asset rich and has considerable liquidity, while it is still free cash flow positive even at these low levels of activity. We added to two existing positions, one in the specialty finance sector and one in the transportation sector. Finally we exited a position in the travel sector. This name continued to underperform our expectations and the prospect of any recovery looks distant while liquidity is very tight.

Across the entire portfolio, as of December month end, the weighted average market price was 90.4, trading at a yield to maturity (“YTM”) of 14.2% (€ hedged) / 15.5% (£ hedged) and delivering a 12.7% (€ hedged) / 14.0% (£ 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 78.2% of the portfolio while 74.9% was invested in senior secured assets. The portfolio had a cash position of 2.9% (including leverage) at the end of the month.

Commentary Sources:

^a Credit Suisse

^b Pitchbook LCD – January 2024

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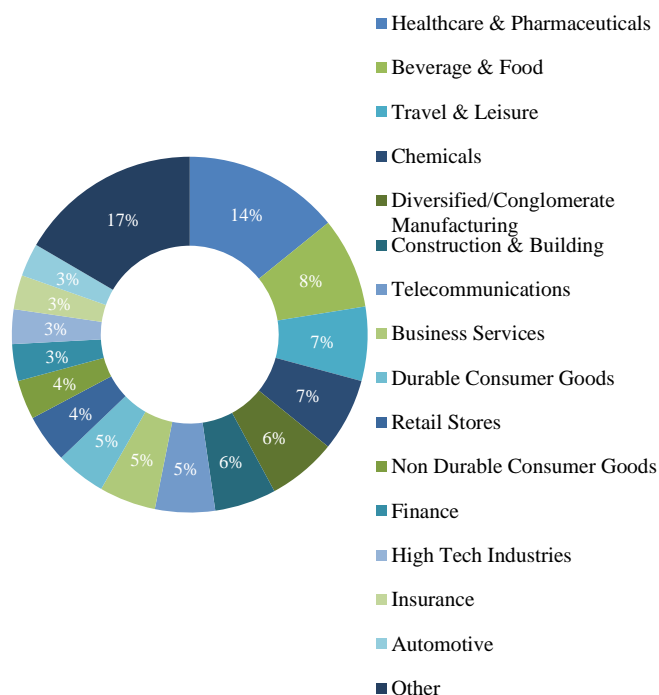
Investment Vehicle Portfolio Statistics as at 31 December 2023⁵

Top 10 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	5.65%	Diversified / Conglomerate Manufacturing	United Kingdom
Ekaterra	3.09%	Beverages & Food	Netherlands
Keter	3.02%	Durable Consumer Goods	Netherlands
Wella	2.91%	Non-Durable Consumer Goods	United Kingdom
Hotelbeds	2.60%	Travel & Leisure	Spain
Colouroz	2.50%	Chemicals	Germany
D&G	2.35%	Insurance	United Kingdom
Kirk Beauty	2.24%	Retail Store	Germany
Drive Devilbiss	2.09%	Healthcare & Pharmaceuticals	United States
Mangrove	2.07%	Diversified / Conglomerate Manufacturing	United States

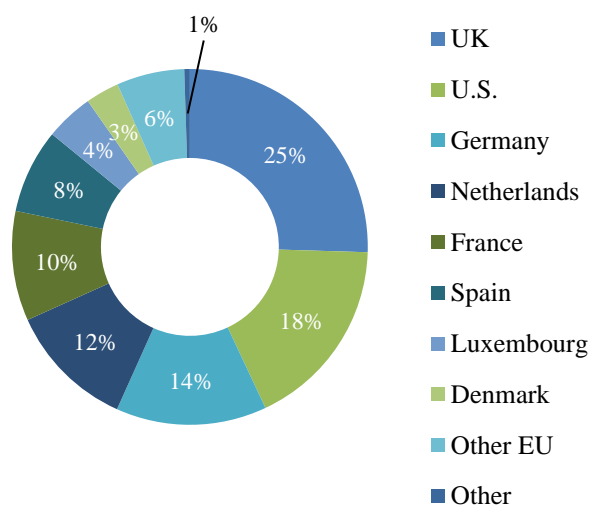
Industry Exposure

MV (%)



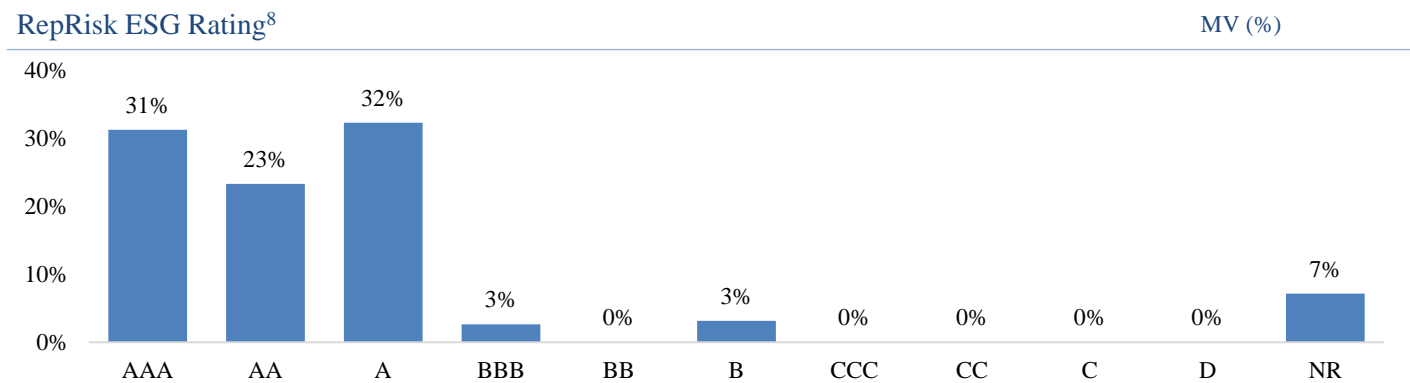
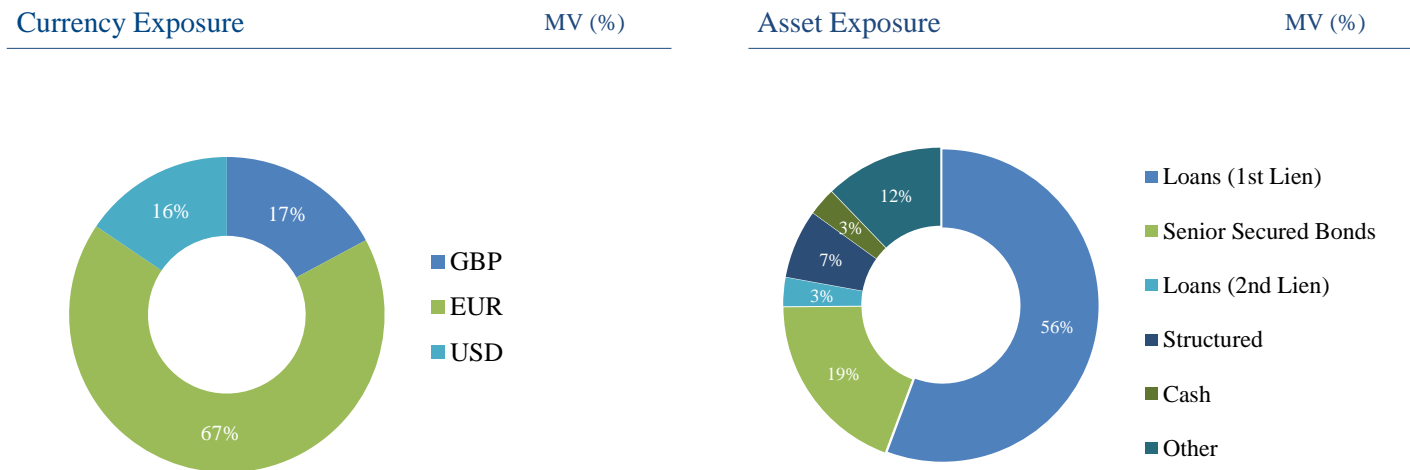
Geographic Exposure

MV (%)



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Investment Vehicle Portfolio Statistics as at 31 December 2023⁵



Look Through Reporting⁹ as at 31 December 2023

Rating Exposure			
Rating	Average Spread Duration ¹⁰	MV (€)	MV (%)
BBB	4.26	1.5m	0%
BB	5.25	27.8m	9%
B	3.62	201.3m	63%
CCC	1.53	58.4m	18%
NR	3.88	31.2m	10%

FX Exposure		
Currency	MV (€)	MV (%)
EUR	215.5m	67%
GBP	55.0m	17%
USD	49.7m	16%

Rating Exposure			
Type	Duration	MV (€)	MV (%)
Floating	0.16	250.3m	78%
Fixed	2.73	62.1m	19%
Warrants	0.00	7.9m	2%

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 December 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.