

## 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 Performance<sup>4</sup> (since inception)

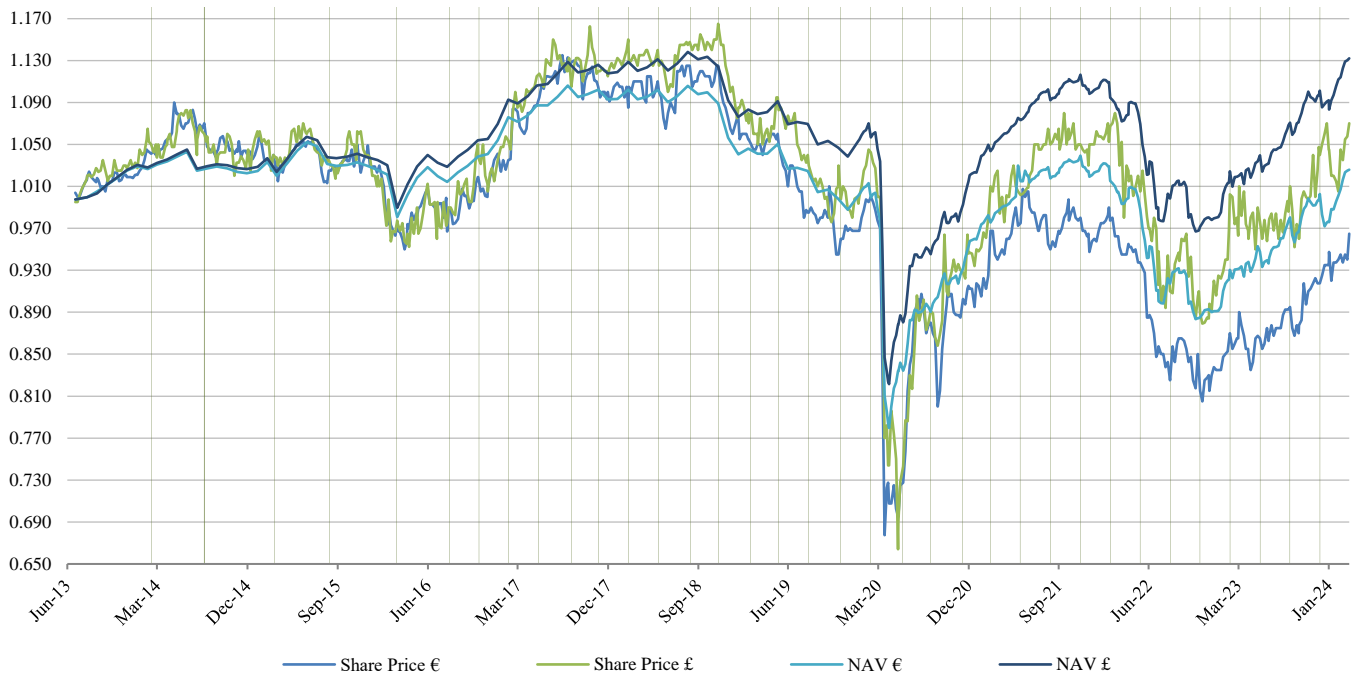
	1M	3M	YTD	1YR	3YRS	5YRS	ITD
€ Share	2.66%	5.72%	2.66%	20.29%	25.42%	31.11%	75.22%
£ Share	2.67%	5.90%	2.67%	21.36%	29.39%	38.79%	91.47%

## January 2024

Share Price & NAV at 31 January 2024		
	EUR	GBP
Share Price <sup>1</sup>	0.9650	1.070
NAV <sup>2</sup>	1.0338	1.1431
Total Net Assets <sup>3</sup>	99,078,923	136,574,264
Market Capitalisation	92,482,173	127,841,820
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	77.0%	
Fixed Rate Assets	20.6%	
Other Assets	2.4%	
Weighted Average Market Price <sup>5</sup>	91.7	
Yield to Maturity <sup>6</sup>	EUR	13.7%
	GBP	15.0%
Current Yield <sup>6</sup>	EUR	12.3%
	GBP	13.6%
Weighted Average Fixed Rate Coupon	7.0%	
Weighted Average Floating Rate plus Margin	8.4%	
<i>Note: All metrics exclude cash unless otherwise stated</i>		
Contact Us		
<b>Richard Boleat, Chairman</b> richard.boleat@ig.cvc.com		
<b>CVC Client &amp; Product Solutions</b> cps@cvc.com		
<i>Note: Disclaimer &amp; notes located at end of report</i>		

## CVC Income & Growth Limited

### 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
01/08/19	1.375 p/c

Date	Dividend
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
10/08/23	1.875 p/1.750c
10/11/23	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

January was a mixed month in financial markets, with fairly divergent performance across asset classes. Economic data surprised to the upside resulting in the S&P 500 reaching new all-time highs. Geopolitical risk persists with Houthi rebels attacking commercial shipping in the Red Sea, which resulted in a spike in shipping rates. Investors also dialed back prospects of near term rate cuts, resulting in negative returns for sovereign bonds

**European Sub Investment Grade Highlights<sup>a,b</sup>**

Primary activity picked up in January 2024, after the seasonal market slowdown in December. New loan issuances totaled €3.53bn, up sequentially from December 2023 and January 2023 levels of €2.1bn and €3.1bn, respectively. European HY issuances reached €5.35bn in January 2024, compared to €1.7bn in December 2023 and €5.59bn in January 2023. Primary activity in January 2024 was dominated by a wave of repricing as sponsors took advantage of subdued new-money supply and tight secondary market to cut margins. The average spread for Term Loan Bs stood at +447ps and yield to maturity at 9.1%. 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. We also expect lower yields to tempt back to syndicated markets some chunky deals lost to private credit in the past two years. As such, this should translate into new primary deals in 1H24.

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was +1.32% in January 2024, with the strong momentum observed late last year continuing into January. Defensives were 1.31% and cyclicals 1.35% in January. BBs returned +0.4%, while single Bs return was 1.59% and CCCs 5.57%. As at the end of January, the 3-year discount margin on the index was 480bps. The Credit Suisse Western European High Yield Index return, hedged to Euro, was 0.59% in January 2024.

**Portfolio Commentary**

January was another active month in terms of portfolio management. We reduced some of our fixed rate high yield exposure early in the month after the rally we had seen in November and December, while Central Banks continue to push back on market expectations of near term rate cuts.

We added a number of names on the performing credit side in January. Even though credit spreads in general aren't as wide any more as in 2022/23, spreads are still highly attractive compared to longer term averages. Most of the loans we invested in during the month had spreads between 375 and 425bps.

On the credit opportunities side, we initiated a position in a Telecom company, in anticipation of a ratings upgrade out of CCC+, which could lead to new buyers coming into the name. We added to a position in a chemicals name, but in the \$ loans which had lagged the EUR loans marginally. We put on a small position in the exit financing for another chemicals name, which pays SOFR + 800bps, a 10% backstop fee and very good downside protection. We took a small position in a healthcare name that sold off on a negative report by a short seller in the equity. We feel comfortable with the credit risk here and saw the sell-off as an opportunity to get involved.

Across the entire portfolio, as of January month end, the weighted average market price was 91.7, trading at a yield to maturity ("YTM") of 13.7% (€ hedged) / 15.0% (£ hedged) and delivering a 12.3% (€ hedged) / 13.6% (£ 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 77.0% of the portfolio while 77.4% was invested in senior secured assets. The portfolio had a cash position of 1.9% (including leverage) at the end of the month.

**Commentary Sources:**

<sup>a</sup> Credit Suisse

<sup>b</sup> Pitchbook LCD – February 2024

## CVC Income & Growth Limited

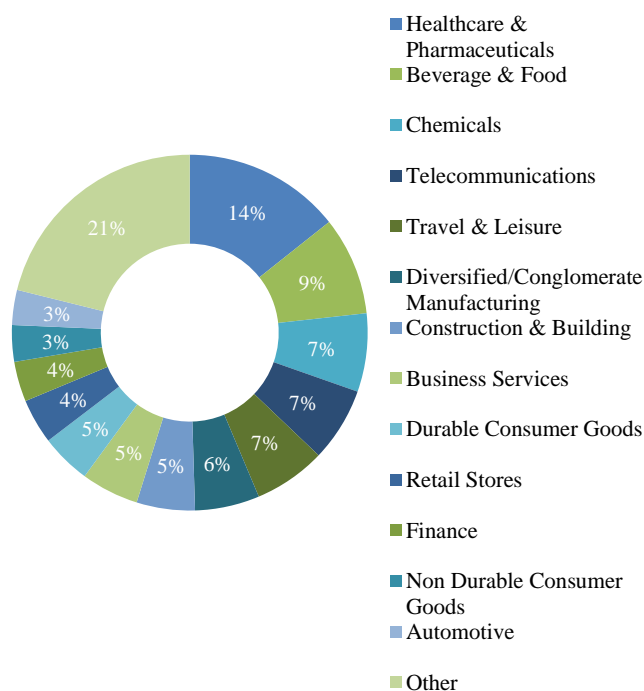
Investment Vehicle Portfolio Statistics as at 31 January 2024<sup>5</sup>

### Top 10 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	5.41%	Diversified / Conglomerate Manufacturing	United Kingdom
Ekaterra	3.32%	Beverages & Food	Netherlands
Keter	2.91%	Durable Consumer Goods	Netherlands
Wella	2.77%	Non-Durable Consumer Goods	United Kingdom
Hotelbeds	2.43%	Travel & Leisure	Spain
Colouroz	2.35%	Chemicals	Germany
D&G	2.22%	Insurance	United Kingdom
Together Financial Services	2.22%	Finance	United Kingdom
Cirsa	2.14%	Travel & Leisure	Spain
Kirk Beauty	2.12%	Retail Store	Germany

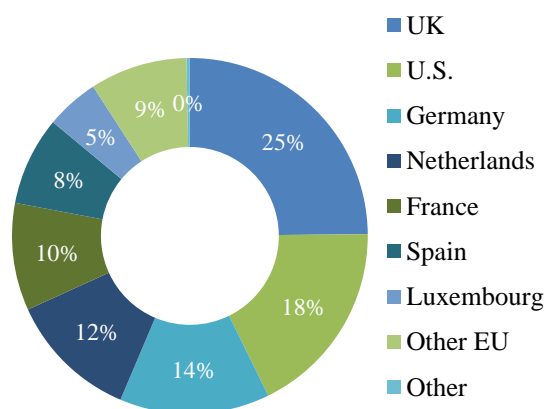
### Industry Exposure

MV (%)



### Geographic Exposure

MV (%)

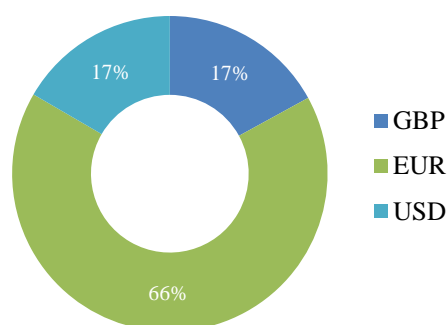


## CVC Income &amp; Growth Limited

Investment Vehicle Portfolio Statistics as at 31 January 2024<sup>5</sup>

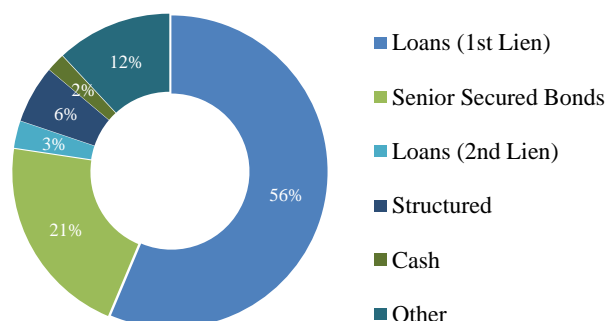
## Currency Exposure

MV (%)

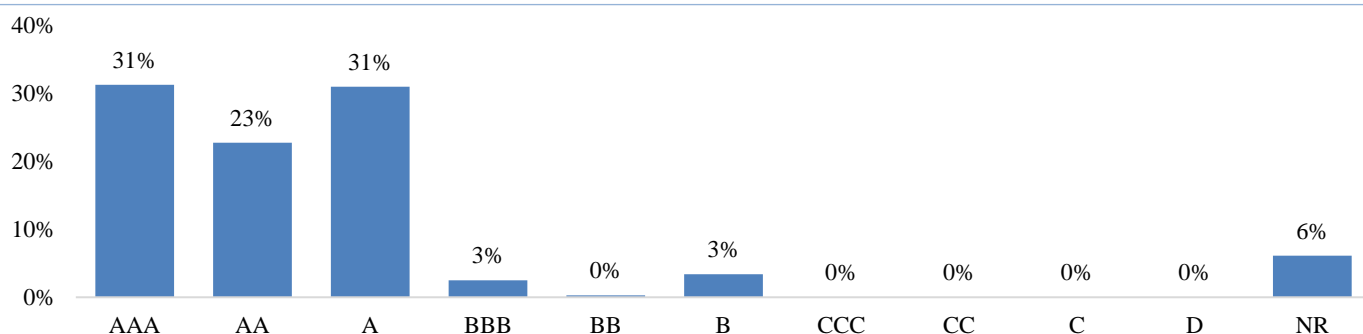


## Asset Exposure

MV (%)

RepRisk ESG Rating<sup>8</sup>

MV (%)

Look Through Reporting<sup>9</sup> as at 31 January 2024

## Rating Exposure

Rating	Average Spread Duration <sup>10</sup>	MV (€)	MV (%)
BBB	4.18	1.6m	0%
BB	4.78	28.2m	8%
B	3.61	225.6m	64%
CCC	1.50	63.3m	18%
NR	3.69	32.9m	9%

## Rating Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.20	270.6m	77%
Fixed	2.76	72.4m	21%
Warrants	0.00	8.5m	2%

## FX Exposure

Currency	MV (€)	MV (%)
EUR	233.3m	66%
GBP	59.8m	17%
USD	58.4m	17%

## Notes &amp; 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 Income & Growth Limited

## Important Information

### Footnotes

- <sup>1</sup> Share price provided as at the closing month-end market mid-price
- <sup>2</sup> Opening NAV was 0.997, after initial costs
- <sup>3</sup> Includes the impact of the utilisation of the Investment Vehicle's leverage facility and its currency hedging strategy in relation to the underlying portfolio
- <sup>4</sup> NAV Total Return includes dividends reinvested
- <sup>5</sup> Average market price of the portfolio weighted against the size of each position
- <sup>6</sup> Current Yield including Investment Vehicle leverage

- <sup>7</sup> 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 January 2024.
- <sup>8</sup> Data excludes cash
- <sup>9</sup> Averages are weighted by market value

### Disclaimers

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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.