

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 offering 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
€ Total Return	1.11%	3.69%	8.86%	19.12%	24.95%	37.82%	85.80%
£ Total Return	1.19%	3.86%	9.34%	20.38%	29.20%	45.71%	103.92%

Company Historical NAV Total Return Performance⁴

	2017	2018	2019	2020	2021	2022	2023
€ NAV	8.84%	0.07%	1.56%	1.71%	11.41%	-8.31%	21.69%
£ NAV	9.69%	1.00%	3.07%	2.80%	12.17%	-6.75%	22.79%

June 2024

Share Price & NAV at 30 June 2024		
	EUR	GBP
Share Price ¹	1.0050	1.1450
NAV ²	1.0539	1.1525
Total Net Assets ³	98,632,432	135,453,139
Market Capitalisation	94,052,853	134,574,756
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	
2023 Ongoing Charges Figure	EUR 1.82% GBP 1.77%	
Investment Vehicle Key Portfolio Statistics		
LTM Dividend Yield ⁵	EUR	7.6%
	GBP	9.0%
Dividend Frequency	Paid Quarterly	
Floating Rate Assets	83.7%	
Fixed Rate Assets	15.6%	
Other Assets	0.7%	
Weighted Average Market Price ⁶	92.9	
Yield to Maturity ⁷	EUR	12.5%
	GBP	13.9%
Current Yield ⁷	EUR	11.8%
	GBP	13.1%
<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		
Robert Kirkby, Chairman robert.kirkby@ig.cvc.com		
Cadarn Capital info@cadarncapital.com		
<i>Note: Disclaimer & notes located at end of report</i>		

Portfolio Manager



Pieter Staelens
Managing Director
22 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 a reminder that geopolitical risk is still an important driver for financial markets, and outcomes are difficult to predict. On the back of the European Parliamentary elections, French president Macron called snap elections which led to a notable sell-off in French risk assets. We also saw the ECB deliver its first rate cut of this cycle, whilst also flagging that it would need to see further improvement on inflation data before getting more confidence on further rate cuts. The Fed and Bank of England kept rates unchanged though as inflation in the US and UK is stickier than in the Eurozone. The S&P500 hit a new all-time-high in June, driven by the Magnificent Seven as equity investors continue to reprice the opportunity for AI. On the other hand, the equal weight S&P500 is actually down in the second quarter of 2024 as the US economy is starting to show some signs of weakness.

European Sub Investment Grade Highlights^{a,b}

Deal activity picked up significantly in June, making it one of the busiest months since 2021. New loan issuances totaled €16.3bn, up from May 2024 and June 2023 levels of €7.1bn and €3.3bn, respectively. HY issuances halved m-o-m to €7.2bn in June 2024, compared to €13.6bn in May 2024 but were above June 2023 level of €2.9bn. Primary activity in June 2024 was a mix of new-money buyout, extension and refinancing supply as well as repricing. While we continued to see a pick-up in new money, including two long awaited large new money deals, it still remains limited. The repricing wave also continued, albeit there are signs that spreads may be finding their levels, with two repricings being pulled due to investors reluctance to go as tight as E+350bps. The demand for loans in Europe continued to be robust fueled by ramping CLOs, pushing back loan margins towards levels last seen before Russia's invasion of Ukraine. The average spread for Term Loan Bs stood at +421bps and yield to maturity at 8.51%. From talking to investment bankers and PE professionals, we expect further M&A supply in the near future, which should lead to a healthy supply of new issuance and continued growth of our market, and hence more investment opportunities.

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was +0.09% in June 2024 (YTD +4.13%), a decline MoM reflecting softness in secondary driven by frenzied deal activity. Defensives were +0.02% (YTD +3.47%) and cyclicals +0.16% (+4.82%) in June. BBs returned +0.16% (YTD +3.53%), while single Bs return was +0.11% (+4.29%) and CCCs -0.17% (+8.35%). As at the end of June, the 3-year discount margin on the index was 490bps. The Credit Suisse Western European High Yield Index return, hedged to Euro, was 0.46% in June 2024 (YTD +2.61%) and the Yield to Worst on this index is now 7.23%.

Portfolio Commentary

June was a pretty high-volume month, in particular as we saw a lot of primary issuance. We repositioned the performing credit portfolio as we trimmed or sold out of a few names above par that were starting to look expensive, and we could re-deploy that cash in new primary names. However, we also passed on a number of opportunities in the primary market as we weren't comfortable with either the size or the loan documentation of some of these transactions. We continue to focus on larger, more liquid names that provide downside protection through the loan documentation.

In the credit opportunities sleeve, we reduced our exposure to structured finance, a combination of profit taking and risk management from some tranches where we are getting concerned about some of the underlying line items. We were able to deploy some of that capital in three new super senior opportunities that came with attractive coupons. We feel that these tranches provide an excellent risk-reward profile for the fund at this point in the cycle. Two of these tranches were in the chemicals space and one in the healthcare space. We also added a small second lien position in a claims software business, where the wider CVC Credit business has been a lender for over 10 years. Finally, we also added to our position in a German construction-related business where we expect a near term refinancing.

Across the entire portfolio, as of June month end, the weighted average market price was 92.9, trading at a yield to maturity ("YTM") of 12.5% (€ hedged) / 13.9% (£ hedged) and delivering a 12.5% (€ hedged) / 13.9% (£ hedged) running cash yield. This compares to a weighted average price of 90.4 and YTM of 14.1% (€ hedged) / 15.4% (£ hedged) as of December 2023. Floating rate instruments comprised 82.7% of the portfolio while 82.1% was invested in senior secured assets. The portfolio had a cash position of -1.0% (including leverage) at the end of the month.

Commentary Sources:

^a Credit Suisse Western European Leveraged Loan Index and Credit Suisse Western European High Yield Index – June 2024.

^b Pitchbook LCD – July 2024

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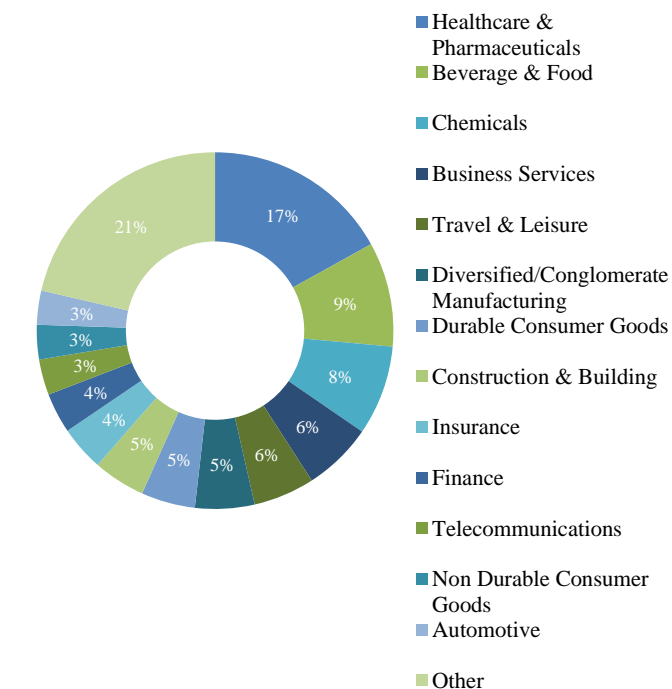
Investment Vehicle Portfolio Statistics as at 30 June 2024⁶

Top 10 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	4.51%	Diversified / Conglomerate Manufacturing	United Kingdom
Ekaterra	4.19%	Beverages & Food	Netherlands
Keter	3.37%	Durable Consumer Goods	Netherlands
Wella	2.70%	Non-Durable Consumer Goods	United Kingdom
Colouroz	2.54%	Chemicals	Germany
Drive Devilbiss	2.41%	Healthcare	United States
D&G	2.21%	Insurance	United Kingdom
Hotelbeds	2.11%	Travel & Leisure	Spain
Mangrove	1.89%	Diversified / Conglomerate Manufacturing	Germany
HomeVi	1.77%	Healthcare	France

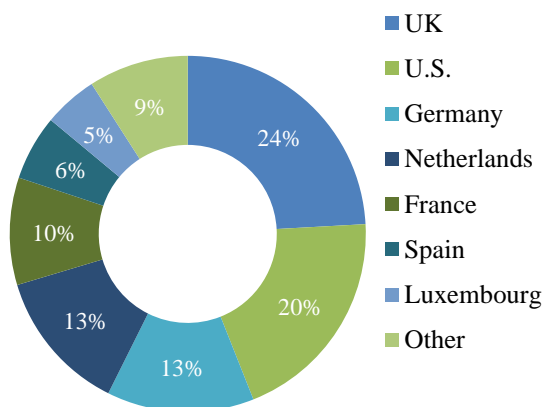
Industry Exposure

MV (%)

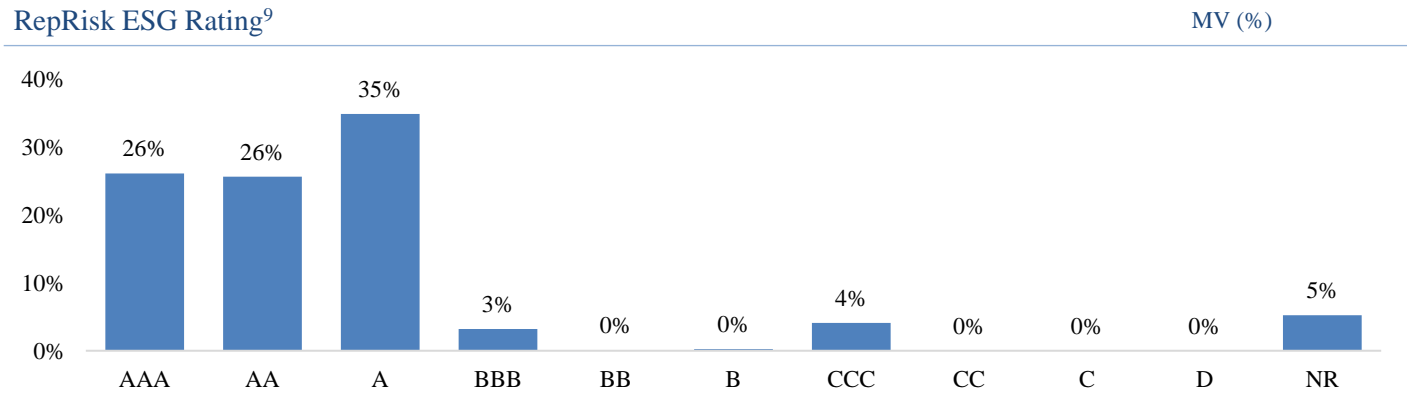
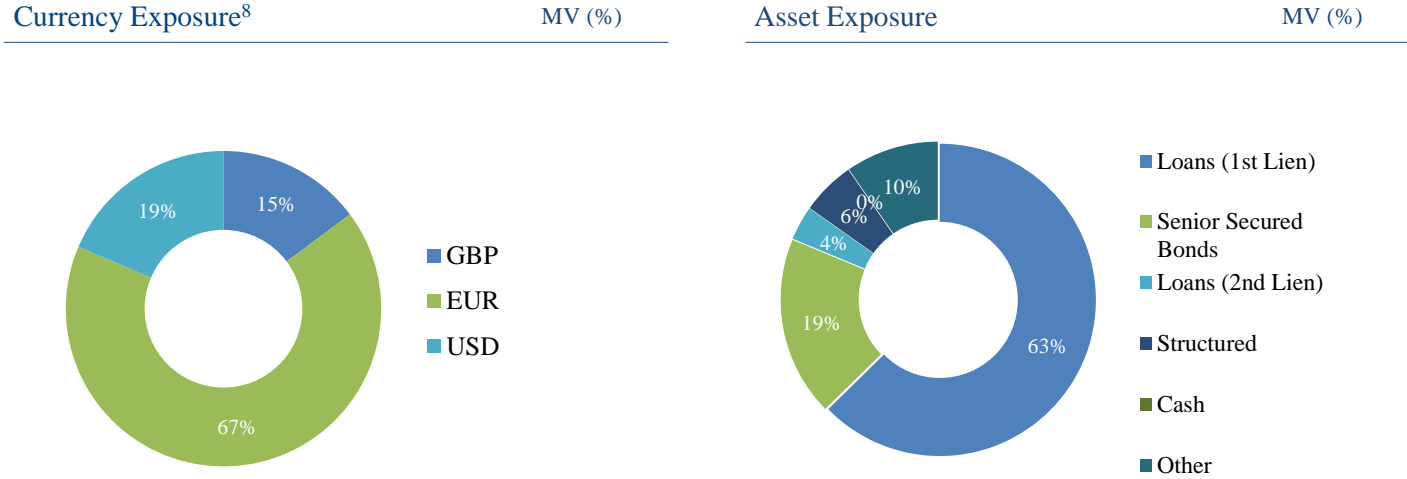


Geographic Exposure

MV (%)



Investment Vehicle Portfolio Statistics as at 30 June 2024⁶



Look Through Reporting¹⁰ as at 30 June 2024

Rating	Average Spread Duration ¹¹	MV (€)	MV (%)
BBB	3.77	1.4m	0%
BB	6.25	24.2m	7%
B	3.90	237.5m	72%
CCC	2.26	52.2m	16%
NR	4.32	14.5m	4%

Type	Duration	MV (€)	MV (%)
Floating	0.18	276.0m	84%
Fixed	3.00	51.5m	16%
Warrants	0.00	2.3m	1%

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.

Past performance is not indicative of future results or a guarantee of future returns.



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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 LTM dividend yield is calculated by adding the LTM dividend payments and divided by the share price of the respective share class as at 30 April 2024
- ⁶ Average market price of the portfolio weighted against the size of each position
- ⁷ Current Yield including Investment Vehicle leverage

- ⁸ Currency is hedged for the respective share class.
- ⁹ 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 2024.
- ¹⁰ Data excludes cash
- ¹¹ Averages are weighted by market value

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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.