

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.

Share Price & NAV

at 30 September 2024

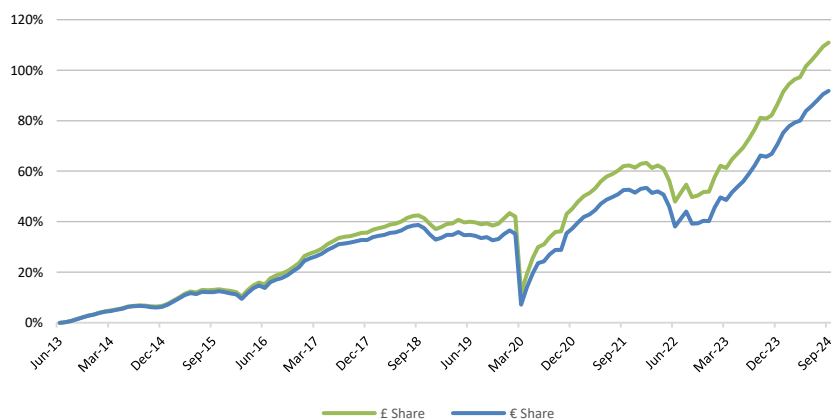
	GBP	EUR
Share Price ¹	1.1500	1.0050
NAV ²	1.1710	1.0691
Total Net Assets ³	142,267,968	98,045,554
Market Capitalisation	139,711,094	92,166,325
Premium/Discount	-1.43	-5.63

Company Information

Vehicle Type	Closed-ended investment company
Domicile	Jersey
Inception Date	25 June 2013
Market	London Stock Exchange
LSE Identifier	GBP CVCG EUR CVCE
ISIN Code	GBP JE00B9MRHZ51 EUR JE00B9G79F59
Website	ig.cvc.com
2023 Ongoing Charges Figure	GBP 1.77% EUR 1.82%

Company NAV Total Return Cumulative Performance⁴

(since inception)



	1M	3M	YTD	1YR	3YRS	5YRS	ITD
£ Total Return	0.71%	3.43%	13.10%	16.42%	30.16%	51.31%	110.92%
€ Total Return	0.64%	3.19%	12.34%	15.32%	25.70%	43.20%	91.73%

Company Historical NAV Total Return Performance⁴

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

Investment Vehicle Key Portfolio Statistics

LTM Dividend Yield ⁵	GBP 8.69% EUR 7.68%
Dividend Frequency	Paid Quarterly
Floating Rate Assets	85.6%
Fixed Rate Assets	13.9%
Other Assets	0.6%
Weighted Average Market Price ⁶	92.9
Yield to Maturity ⁷	GBP 12.8% EUR 11.4%
Current Yield ⁷	GBP 13.1% EUR 11.8%

Note: All metrics exclude cash unless otherwise stated

Contact Us

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Market & Portfolio Commentary

Portfolio Management



Pieter Staelens

**Managing Director
Portfolio Manager**
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.



Mitchell Glynn

**Managing Director
Assistant Portfolio Manager**
16 years' experience

Mitchell joined CVC in 2013. Mitchell joined from Neuberger Berman, where he worked as an Associate from 2008 in the Non-Investment Grade team responsible for evaluating investments across a wide range of industries.

After the growth scare we saw in August, markets resumed their rally in September. The Fed did not disappoint and the 50bps cut gave risk assets another boost during the month. The decision to cut more than 25bps gave investors confidence that the Fed would do the right thing if macro data were to deteriorate from here. The Chinese government announced a major stimulus plan during the month and Chinese stock markets were up about 25% in 5 days on the back of it. Macro indicators in Europe continue to be sluggish though and the ECB cut base rates by 25bps in September, while the BoE held its policy unchanged given the stickiness of inflation.

European Sub Investment Grade Highlights^{a,b}

After a slow start to autumn primary activity, leveraged loan and HY issuances picked up through September. New loan issuances totaled €8.5bn, up from August 2024 and September 2023 levels of €0.1bn and €5.4bn, respectively. HY total issuance volume was €6.3bn, compared to €0.5bn in August 2024 and €5.2bn in September 2023. Demand remains strong with most new issues pricing at the tight end of guidance, which helped to power repricing activity that is fast turning into the third wave of repricing this year. The average spread for Term Loan Bs stood at +398bps and yield to maturity at 8.15%. From talking to investment bankers and PE professionals, we expect further new money & M&A supply in 2H24, 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 +0.41% in September 2024 (YTD +6.18%), a sequential decline m-o-m reflecting a more balanced market in the face of the third repricing wave of the year. Defensives were +0.35% (YTD +5.56%) and cyclicals +0.46% (+6.83%) in September. BBs returned +0.55% (YTD +5.55%), while single Bs return was +0.32% (+6.17%) and CCCs 1.38% (+13.67%). As at the end of September, the 3-year discount margin on the index was 480bps. The Credit Suisse Western European High Yield Index return, hedged to Euro, was +0.93% in September 2024 (YTD +6.13%).

Portfolio Commentary

After the seasonally slow August, we saw activity pick up in September both in performing credit and credit opportunities.

With M&A markets slowly starting to unfreeze, we saw some nice opportunities to add some new positions in the performing credit portfolio. We added positions in the pharma sector, the capital goods sector and automotive sector.

We also exited one name just below par in the software sector. This company could be materially impacted by AI over time, and at the current trading levels, we don't feel we're being compensated to take that risk, so we preferred to exit the position.

We also did two cross-currency trades in the portfolio as the flexibility of our mandate allows us to invest across currencies, which a lot of buyers of loans don't have. We sold our position in an GBP denominated loan at 96.75 while buying the EUR loan of the same issuer at 92. We also sold a position in a EUR term loan at 85 while buying the \$ term loans of the same issuer at 80.25. In both cases, this allowed us to lock in 4.75 points from switching across the loan stack of the same issuer.

In the credit opportunities sleeve, we reshuffled some of our construction exposure. We reduced exposure to a name which is mainly exposed to the German end market but increased our exposure to a name which is mainly exposed to the UK end market. We had entered the German business at an average price of around 79c back in Q4'22. We could now take some partial profit at 92.75 while recycling that capital in a more UK focused name at 88.62. We're not expecting a major pick up in German construction markets in the near term, but we could see UK construction get a major boost from the new Labour government. We also initiated a new position in US company that produces highway de-icing rock salt. We saw an opportunity to participate in a rescue financing for the company at attractive terms, with the new loans paying SOFR+6.5%+0.5% PIK and a 4% backstop fee. We reduced our exposure to a European chemicals business which is going through a sales process. Even though we feel comfortable the debt is covered, risks are skewed to the downside if the sales process doesn't result in anything. This is more of a risk management exercise than a change in our view given the large position we have in this credit. Finally, we also participated in the reset of one of our CLO equity positions given the convexity in the underlying portfolio.

Across the entire portfolio, as of September month end, the weighted average market price was 92.9, trading at a yield to maturity ("YTM") of 11.4% (€ hedged) / 12.8% (£ hedged) and delivering a 11.8% (€ hedged) / 13.1% (£ 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 85.6% of the portfolio while 79.9% was invested in senior secured assets. The portfolio had a cash position of -0.1% (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 – September 2024.

^b Pitchbook LCD – October 2024

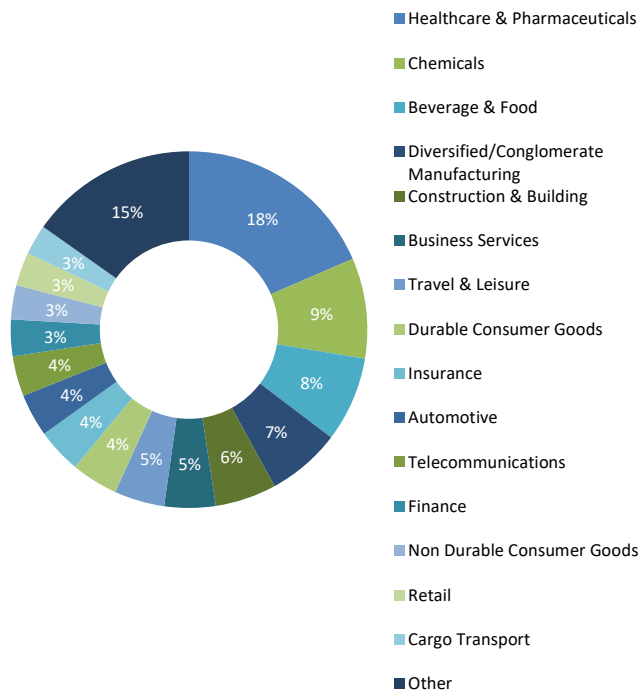
Investment Vehicle Portfolio Statistics

as at 30 September 2024⁶

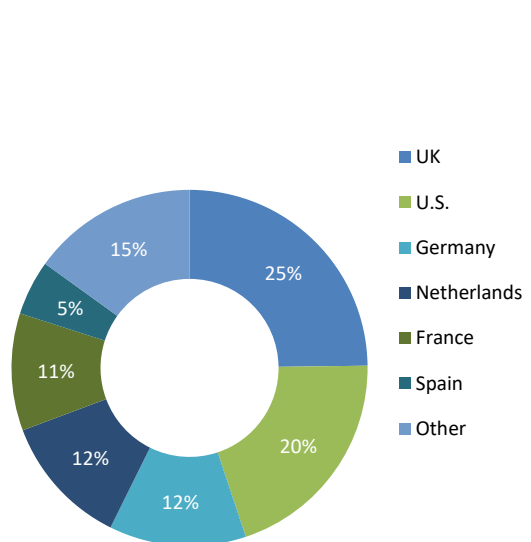
Top 10 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	4.92%	Diversified / Conglomerate Manufacturing	United Kingdom
Keter	3.53%	Durable Consumer Goods	Netherlands
Ekaterra	3.25%	Beverages & Food	Netherlands
Wella	2.63%	Non-Durable Consumer Goods	United Kingdom
Drive Devilbiss	2.31%	Healthcare	United States
D&G	2.16%	Insurance	United Kingdom
Colouroz	2.05%	Chemicals	Germany
Huws Gray	1.94%	Diversified/Conglomerate Manufacturing	United Kingdom
Homevi	1.70%	Healthcare	France
Auris LuxCo	1.49%	Healthcare	Luxembourg

Industry Exposure — MV (%)



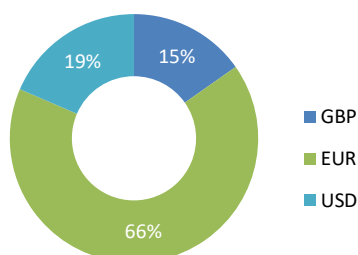
Geographic Exposure — MV (%)



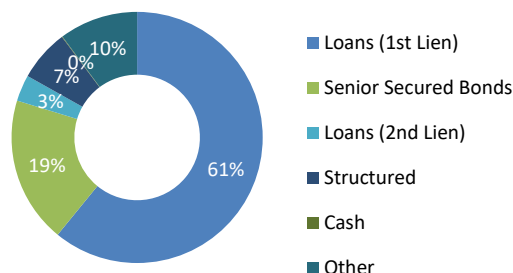
Investment Vehicle Portfolio Statistics

as at 30 September 2024⁶

Currency Exposure⁸ — MV (%)



Asset Exposure — MV (%)



Look Through Reporting⁹

as at 30 September 2024

Rating Exposure

Rating	Average Spread Duration ¹⁰	MV (€)	MV (%)
BBB	3.52	0.7m	0%
BB	5.77	27.0m	8%
B	3.99	215.0m	65%
CCC	3.18	70.1m	21%
NR	5.84	18.2m	6%

Rate Type Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.17	283.2m	86%
Fixed	3.35	46.0m	14%
Warrants	0.00	1.8m	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.

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 31 July 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 Data excludes cash

¹⁰ 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.