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.

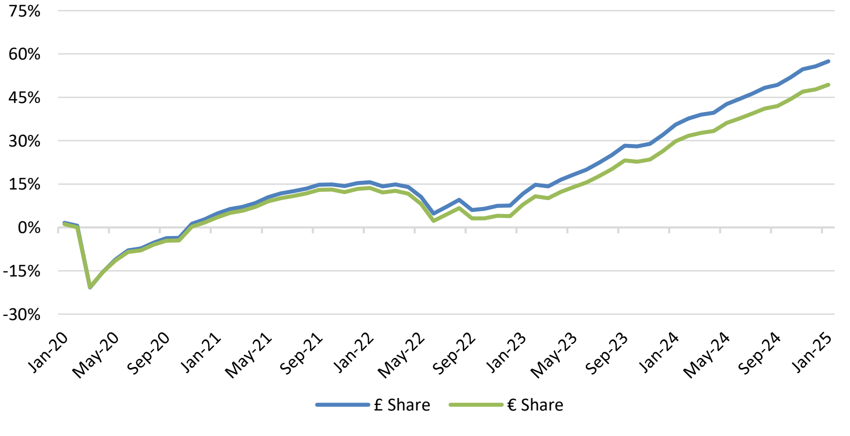
The Company invests through Compartment A of CVC European Credit Opportunities S.à r.l. (the "Investment Vehicle"), a European credit opportunities investment vehicle managed by CVC Credit Partners Investment Management Limited.

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 Performance[4]

(since January 2020 – rebased to 0)



	1M	3M	YTD	1YR	3YRS	5YRS	ITD
£ Total Return	1.09%	3.72%	1.09%	16.16%	36.21%	55.03%	122.41%
€ Total Return	1.08%	3.50%	1.08%	15.08%	31.47%	47.64%	101.64%

Company Historical NAV Total Return Performance[4]

	2017	2018	2019	2020	2021	2022	2023	2024
£ NAV	9.69%	1.00%	3.07%	2.80%	12.17%	-6.75%	22.79%	17.97%
€ NAV	8.84%	0.07%	1.56%	1.71%	11.41%	-8.31%	21.69%	16.88%

Share Price & NAV

at 31 January 2025

	GBP	EUR
Share Price[1]	1.2150	1.0820
NAV[2]	1.2136	1.1057
Total Net Assets[3]	153,380,225	90,335,358
Market Capitalisation	153,556,893	88,647,731
Premium/Discount	0.12	-1.87

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
2024 Ongoing Charges Figure	GBP 0.56% EUR 0.56%

Investment Vehicle Key Portfolio Statistics

LTM Dividend Yield[5]	GBP 7.81% EUR 6.90%
Dividend Frequency	Paid Quarterly
Floating Rate Assets	84.0%
Fixed Rate Assets	15.4%
Other Assets	0.6%
Weighted Average Market Price[6]	93.9
Yield to Maturity[7]	GBP 11.3% EUR 10.9%
Current Yield[7]	GBP 10.9% EUR 12.6%

Note: All metrics exclude cash unless otherwise stated

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Market & Portfolio Commentary

Portfolio Management

Pieter Staelens

Partner
Portfolio Manager
23 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
17 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.

January 2025 was a strong but volatile month for financial risk assets. We saw a wobble in bond markets where a combination about uncertainty around a Trump presidency and strong US macro data pushed 10-year Treasuries up to the highest level since Oct 2023. We saw a similar spike in yields in the UK as the market questioned the debt sustainability of the UK under the Labour government. In the second half of the month, yields backed off but then Tech stocks came under pressure on the back of DeepSeek's new AI model which made investors questions the sustainability of the lofty tech valuations. Finally, towards the end of the month, we saw tariffs being imposed on US imports from goods coming from Canda and Mexico, with President Trump stating that Europe would be next on the list.

European Sub Investment Grade Highlights[a,b]

New issue markets wasted no time in getting going this year, despite some rate volatility mid-January. New loan issuances totaled €11.7bn, up from December 2024 level of €0.3bn, and materially above January 2024 level of €7.4bn. HY issuances increased MoM to €5.3bn from €1.5bn in December 2024 but was below January 2024 level of €8.8bn due to a sharp sell-off in global interest rates in mid-January, followed by a swift recovery towards month-end. Demand remained strong with little impact from ongoing intense repricing wave, resulting in secondary trading at three-year highs and arrangers continuing to take pricing tighter. The average spread for Term Loan Bs stood at +377bps and yield to maturity at 7.01%. We continue to see green shoots in terms of new money issuance with growing M&A volumes and sponsors taking advantage of strong market conditions to refinance more expensive private debt facilities into loans in early 2025. The deal pipeline continues to build-up, and we have been told that this trend will continue to pick up through 2025. This 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 +0.84% in January 2025. Defensives were +0.93% and cyclicals +0.76% in January. BBs returned +0.59%, while single Bs return was +0.83% and CCCs +0.83%. As at the end of January, the 3-year discount margin on the index was 469bps. The Credit Suisse Western European High Yield Index return, hedged to Euro, was +0.74% in January 2025.

Portfolio Commentary

Primary activity in the performing credit sleeve was slow to pick up in January. Most activity we saw were refinancings, resulting in some spread compression. New M&A activity is gradually picking up but is still low compared to historic average. We continue to expect a pick-up in M&A related financing, with some larger transactions in the pipeline for March.

January was extremely busy on the credit opportunities side though. These opportunities are like London buses – sometimes there is very little action for a long time, and sometimes there is a lot of activity in a short time. January was one of these months with elevated levels of activity. The highlight was a sell of about half of our exposure in the alloy manufacturer we have in the fund. This had been a very strong contributor to p&l over the last few years and we saw a good bid during the month. We also grew our position in a US drinks company over the month. We had a small position in the fund already but now we are getting closer to a catalyst which could be a positive for this position. We initiated a new position in the restructured debt of a French technology company, which has both strong income generation and potential for capital appreciation. We also initiated a position in a French real estate services business, where we see potential for capital gains over the medium term. We took a small position in the second lien debt of a global software business. We have been lending to this company since 2018 and have witnessed the resilience of the business through many macro events, which made us comfortable with a small second lien position just below par. We bought a position in a US healthcare business with an average price in the high 80s. This loan had sold off in the market on potential regulatory headwinds, which we believe is overdone. Finally, we took a small CLO equity position in the fund from a well established manager. With CLO liabilities at very tight levels, we believe CLO equity should screen attractive here.

Across the entire portfolio, as of January month end, the weighted average market price was 93.9, trading at a yield to maturity ("YTM") of 11.3% (€ hedged) / 13.0% (£ hedged) and delivering a 10.9% (€ hedged) / 12.6% (£ 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 84.0% of the portfolio while 80.8% was invested in senior secured assets. The portfolio had a cash position of 0.3% (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 – January 2025.

[b] Pitchbook LCD – February 2025

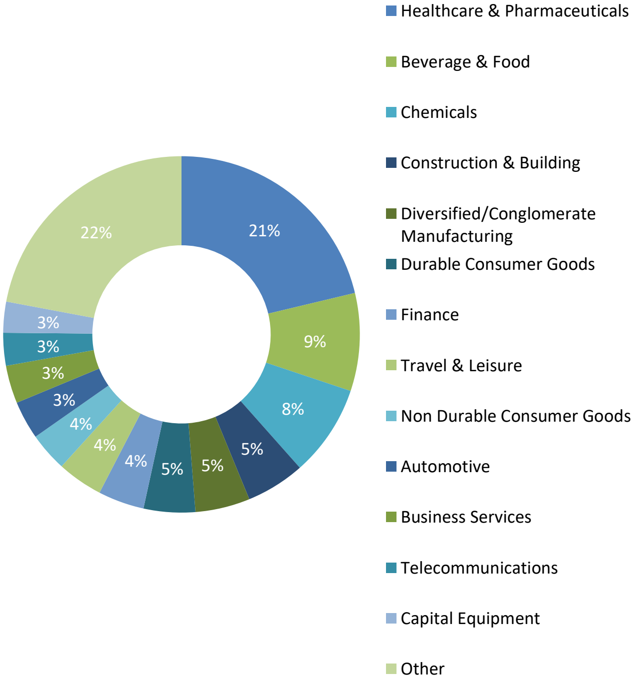
Investment Vehicle Portfolio Statistics

as at 31 January 2025[6]

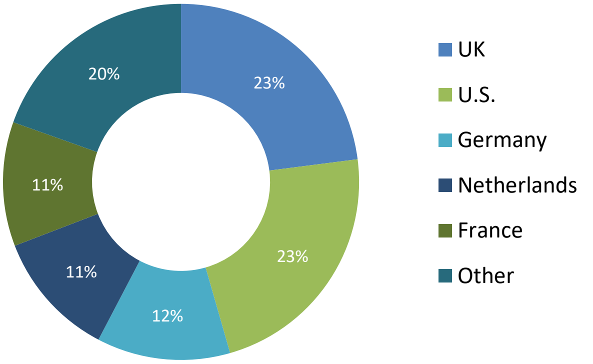
Top 10 Issuers

Issuer	% of Gross Assets	Industry	Country
Keter	3.63%	Durable Consumer Goods	Netherlands
Ekaterra	3.39%	Beverages & Food	Netherlands
Doncasters	2.99%	Diversified / Conglomerate Manufacturing	United Kingdom
Wella	2.43%	Non-Durable Consumer Goods	United Kingdom
Drive Devilbiss	2.32%	Healthcare	United States
Colouroz	2.18%	Chemicals	Germany
Patagonia	1.81%	Construction & Building	United Kingdom
Oxea	1.73%	Chemicals	Germany
Homevi	1.61%	Healthcare	France
Air Medical	1.42%	Healthcare	United States

Industry Exposure — MV (%)



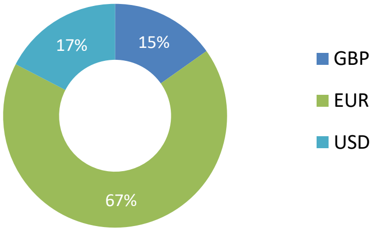
Geographic Exposure — MV (%)



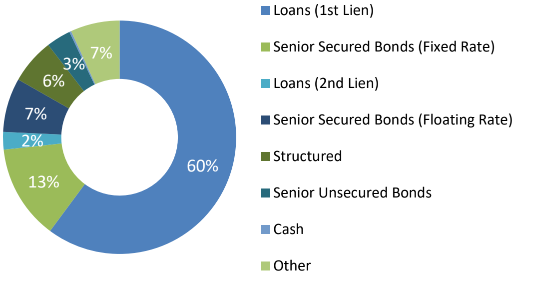
Investment Vehicle Portfolio Statistics

as at 31 January 2025[6]

Currency Exposure[8] — MV (%)



Asset Exposure — MV (%)



Look Through Reporting[9]

as at 31 January 2025

Rating Exposure

Rating	Average Spread Duration[10]	MV (€)	MV (%)
BBB	0.0	0.0m	0%
BB	5.86	24.2m	7%
B	3.96	236.2m	71%
CCC	2.81	56.0m	17%
NR	6.32	18.4m	5%

Rate Type Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.20	281.3m	84%
Fixed	3.27	51.5m	15%
Warrants	0.00	2.0m	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 January 2025. Inclusive of the 3 February 2025 ex-dividend date.
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

Disclaimers

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The Company is regulated by the Jersey Financial Services Commission.

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