

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).

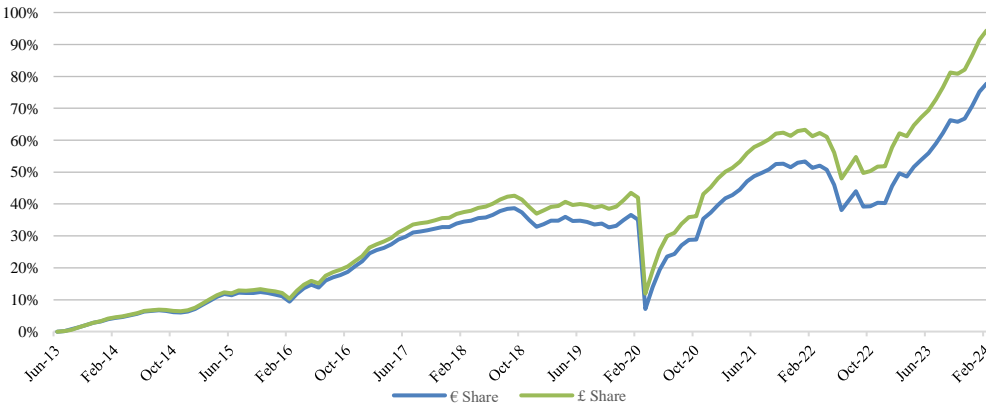
The Company’s investment policy is to invest predominantly in companies domiciled, or with material operations, in Western Europe across various industries. The Company’s investments are focused on Senior Secured Obligations of such companies, but investments are also made across the capital structure 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	1.43%	6.55%	4.13%	18.79%	25.30%	31.88%	77.72%
£ Total Return	1.53%	6.73%	4.24%	19.90%	29.45%	39.71%	94.39%

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%

February 2024

Share Price & NAV at 29 February 2024		
	EUR	GBP
Share Price ¹	0.9650	1.040
NAV ²	1.0258	1.1188
Total Net Assets ³	98,306,087	133,668,631
Market Capitalisation	87,929,942	124,257,469
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		
LTM Dividend Yield ⁵	EUR	8.17%
	GBP	9.38%
Dividend Frequency	Paid Quarterly	
Floating Rate Assets	78.7%	
Fixed Rate Assets	19.1%	
Other Assets	2.2%	
Weighted Average Market Price ⁶	92.1	
Yield to Maturity ⁷	EUR	13.1%
	GBP	14.3%
Current Yield ⁷	EUR	12.4%
	GBP	13.6%

Note: All metrics exclude cash unless otherwise stated

Contact Us

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Note: Disclaimer & notes located at end of report

CVC Income & Growth Limited

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

February was generally a strong month for risk assets with several major equity indices hitting new all time highs. Macro data in the US continues to be robust which led investors to push out their expectations of rate cuts. In Europe, some of the macro data appears to be improving after several weak months. However, it was renewed excitement around AI that caught investors' attention during the month with the Magnificent 7 posting a total return of +12.1% for the month

European Sub Investment Grade Highlights^{a,b}

New issuance activity continued to show some strength in February. New loan issuances totaled €12.21bn, up sequentially from February 2024 and February 2023 levels of €7.93bn and €2.83bn, respectively. European HY issuance reached €3.3bn in February 2024, compared to €8.8bn in January 2023 and €3.99bn in February 2022. Primary activity in February 2024 was dominated by refinancings and extensions but dividends and buy-out financings are bringing much needed new-money supply, which led to some heaviness in the secondary market during the last few weeks. The average spread for Term Loan Bs stood at +425ps and yield to maturity at 8.7%. We still expect M&A activity to pick-up in the near-term as 2024 pipeline is building up and private credit and bank loan refinancings should also continue to support new-money supply in 1H24.

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was +0.51% in February 2024 (YTD +1.84%), a sequential slowdown m-o-m with heavy issuance flow bringing a more balanced market and some softness as a result. Defensives were +0.56% (YTD +1.87%) and cyclicals +0.47% (+1.82%) in February. BBs returned +0.52% (YTD +0.92%), while single Bs return was +0.46% (+2.06%) and CCCs +2.65% (+8.37%). As at the end of February, the 3-year discount margin on the index was 483bps. The Credit Suisse Western European High Yield Index return, hedged to Euro, was +0.38% in February 2024 (YTD +0.97%).

Portfolio Commentary

February was a very active month across performing credit, credit opportunities and the CLO tranches. With new issuance activity picking up, we invested in a number of new names in the fund. During the month, we also took some profit on some High Yield bonds we have in the fund as valuations are starting to look stretched in the European High Yield space and we prefer the higher income that loans offer.

In the credit opportunities part of the fund, we initiated a new position in a German building materials company in the low 80s. The floating rate bonds mature in 2026 and the name offers a good combination of attractive income and capital growth. We also managed to buy a piece of second lien tranche in a US company that we are very familiar with. The loan pays SOFR+875bps and we have seen the company perform through many economic cycles as we've been a lender to the company since 2008. Finally, we have added a number of CLO tranches to the fund through the new issue market. We remain disciplined however and we sold a CLO tranche after having gone through the underlying portfolio and we spotted a number of potential problem loans. We believe we got a very attractive price and rotated the proceeds into some new issues with better underlying collateral.

Across the entire portfolio, as of February month end, the weighted average market price was 92.1, trading at a yield to maturity ("YTM") of 13.1% (€ hedged) / 14.3% (£ hedged) and delivering a 12.4% (€ hedged) / 13.6% (£ 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 78.7% of the portfolio while 81.3% was invested in senior secured assets. The portfolio had a cash position of -1.1% (including leverage) at the end of the month.

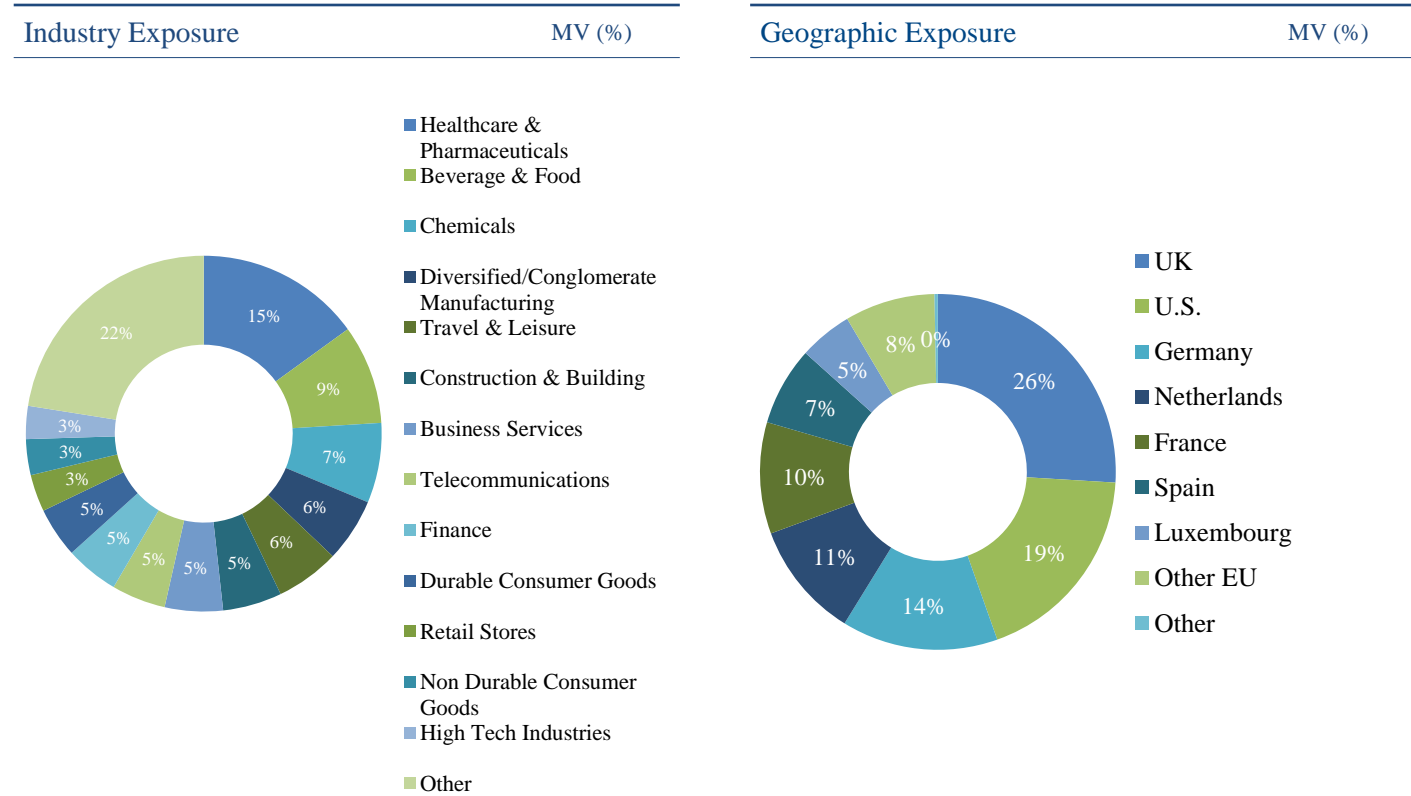
Commentary Sources:

^a Credit Suisse

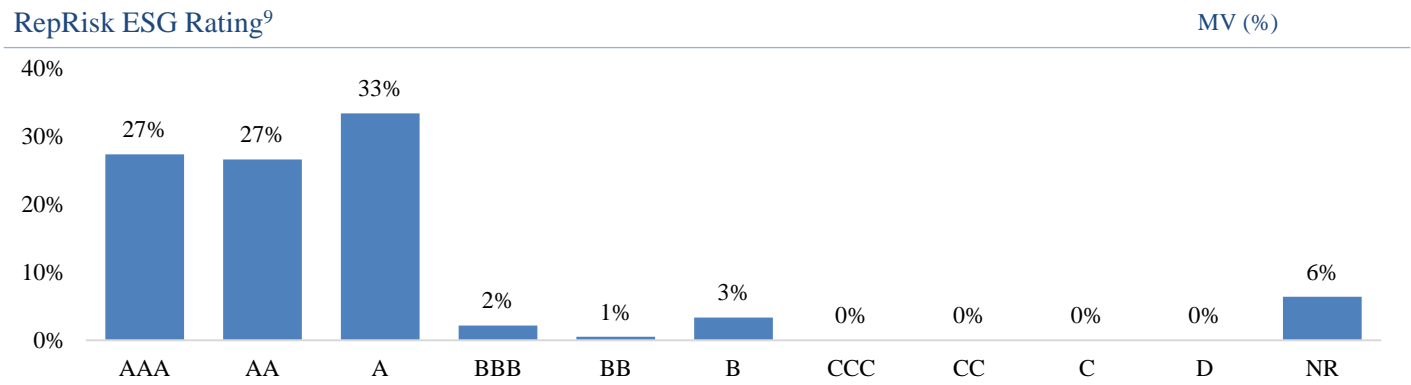
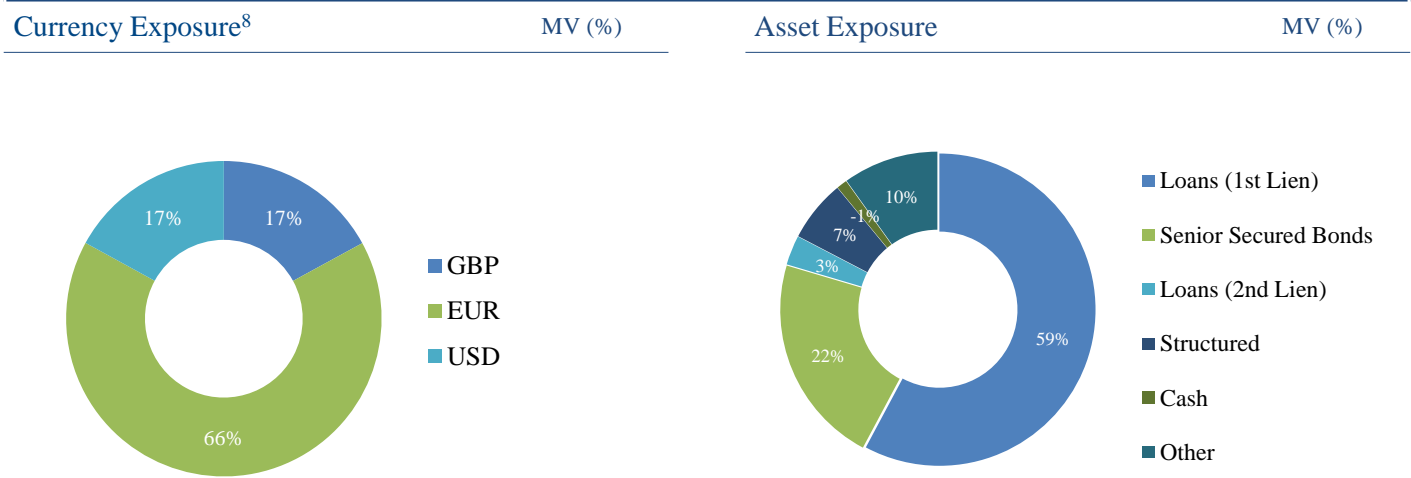
^b Pitchbook LCD – March 2024

Investment Vehicle Portfolio Statistics as at 29 February 2024⁶

Top 10 Issuers			
Issuer	% of Gross Assets	Industry	Country
Doncasters	5.48%	Diversified / Conglomerate Manufacturing	United Kingdom
Ekaterra	3.45%	Beverages & Food	Netherlands
Keter	2.97%	Durable Consumer Goods	Netherlands
Wella	2.79%	Non-Durable Consumer Goods	United Kingdom
Hotelbeds	2.50%	Travel & Leisure	Spain
Colouroz	2.48%	Chemicals	Germany
Together Financial Services	2.31%	Finance	United Kingdom
D&G	2.30%	Insurance	United Kingdom
Drive Devilbiss	2.26%	Healthcare	United States
Kirk Beauty	2.22%	Retail Store	Germany



Investment Vehicle Portfolio Statistics as at 29 February 2024⁶



Look Through Reporting¹⁰ as at 29 February 2024

Rating Exposure				Notes & Assumptions: <ul style="list-style-type: none">• 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 <i>Note: Amounts may not add up to 100% due to rounding.</i>
Rating	Average Spread Duration ¹¹	MV (€)	MV (%)	
BBB	4.10	1.4m	0%	
BB	5.02	26.6m	8%	
B	3.66	207.9m	64%	
CCC	2.16	58.5m	18%	
NR	3.49	29.4m	9%	
Rate Type Exposure				
Type	Duration	MV (€)	MV (%)	
Floating	0.18	254.9m	79%	
Fixed	2.65	61.8m	19%	
Warrants	0.00	7.2m	2%	

CVC Income & Growth Limited

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 29 February 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 29 February 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.