

## 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 31 July 2024

	GBP	EUR
Share Price <sup>1</sup>	1.1650	0.9925
NAV <sup>2</sup>	1.1674	1.0673
Total Net Assets <sup>3</sup>	141,820,989	97,879,687
Market Capitalisation	141,533,413	91,019,978
Premium/Discount	-0.11	-6.92

## 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 Performance<sup>4</sup>

(since inception)



	1M	3M	YTD	1YR	3YRS	5YRS	ITD
£ Total Return	1.29%	4.72%	10.76%	19.52%	29.98%	47.85%	106.56%
€ Total Return	1.27%	4.52%	10.25%	18.39%	25.71%	40.01%	88.17%

## Company Historical NAV Total Return Performance<sup>4</sup>

	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 <sup>5</sup>	GBP 8.69% EUR 7.68%
Dividend Frequency	Paid Quarterly
Floating Rate Assets	83.7%
Fixed Rate Assets	15.7%
Other Assets	0.6%
Weighted Average Market Price <sup>6</sup>	93.3
Yield to Maturity <sup>7</sup>	GBP 14.5% EUR 13.1%
Current Yield <sup>7</sup>	GBP 13.6% EUR 12.2%

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.

In July, we saw some large moves in the Magnificent 7, which had been a driver for the strength in US equity indices for the majority of 2024. We continue to see signs of weakness creeping into US macro data. ISM manufacturing and services data were both in contractionary territory, while the unemployment rate moved up to 4.1%, the highest level since November 2021. We also had the weakest monthly core CPI number since January 2021. This all led to speculation that the Fed may start cutting soon, and on the last day of the month, Fed Chairman Powell confirmed that a rate cut may be on the table for their next meeting on 18 September. On top of weaker macro data, we also saw some profit warnings from the luxury sector, travel & leisure and retail all pointing towards softening consumer demand in the US. On the other hand, it appears that macro data indicators show that economic malaise in Europe is bottoming out and there are signs of improvement.

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

In the run into the summer, deal activity slowed down materially in July, after a very busy month of June. New loan issuances totaled €3.2bn, down significantly from June 2024 and July 2023 levels of €15.4bn and €4.2bn, respectively. The HY market led much of the activity in July with total issuances of €10bn, compared to €9.6bn in June 2024 and €3.8bn in July 2023. Primary activity in July 2024 was a mix of largely add-on, refinancing and extension supply. Repricing requests stopped in July, following the failure of three repricings as managers pushed back against B flat margins moving through to E+350bps. The demand for loans in Europe continued to be solid fueled by ramping CLOs, which led to secondary market moving tighter amidst a slow run into the summer in primary loans. The average spread for Term Loan Bs stood at +408bps and yield to maturity at 8.27%. From talking to investment bankers and PE professionals, we expect further M&A supply post summer, 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 +0.97% in July 2024 (YTD +5.14%), an increase m-o-m reflecting tighter secondary market as deal activity slowed down into July. Defensives were +0.99% (YTD +4.5%) and cyclicals +0.95% (+5.82%) in July. BBs returned +0.84% (YTD +4.41%), while single Bs return was +0.99% (+5.32%) and CCCs 2.16% (+10.69%). As at the end of July, the 3-year discount margin on the index was 471bps. The Credit Suisse Western European High Yield Index return, hedged to Euro, was +1.27% in July 2024 (YTD +3.91%).

### Portfolio Commentary

As mentioned above, July was a pretty active month for primary new issuance. We added a number of names to the portfolio including an Italian pharma business, a French hospital chain, a US building products manufacturer, a Spanish telco business, an Italian beauty retailer. We also monitored the market closely for secondary opportunities in the performing credit side and bought a position in a luxury watch retailer at 99, a position where we got repaid at par only a few weeks earlier and a US chemicals business where numbers had been soft for a few quarters, but we are starting to see some green shoots.

On the credit opportunities side, we saw two repayments of larger positions. We got fully repaid on our position in a German heat exchange business. We had built a position over the last two years with an average purchase price of 88.8. The second large repayment at par was a US healthcare business. These bonds traded in the low 50s only a year ago. With the proceeds of these repayments, we added a few new names to the portfolio. We initiated a small position in a bioenergy producer where we anticipate an improvement in earnings and deleveraging. We initiated a position in a global leader in the supply and lifecycle management of refrigerants and associated products and services. We also added to our first and second lien position in a global juice and smoothie distributor. One of the ratings agencies downgraded this name to CCC during the month, a downgrade which we believe was not justified based on forward looking KPIs. We put on a new position in the senior secured bonds of a French telecom operator. Finally, just before the UK elections, we added to our position in a UK home builder as we believe a Labour government should boost the sector after a few slower years.

Across the entire portfolio, as of July month end, the weighted average market price was 93.3, trading at a yield to maturity ("YTM") of 14.4% (€ hedged) / 15.7% (£ hedged) and delivering a 13.4% (€ hedged) / 14.7% (£ 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 83.7% of the portfolio while 81.5% 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:

<sup>a</sup> Credit Suisse Western European Leveraged Loan Index and Credit Suisse Western

European High Yield Index – July 2024.

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

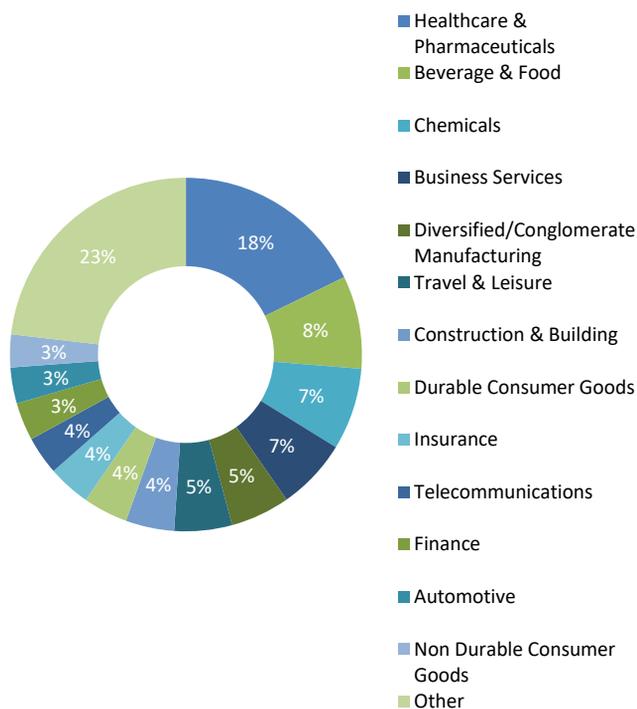
# Investment Vehicle Portfolio Statistics

as at 31 July 2024<sup>6</sup>

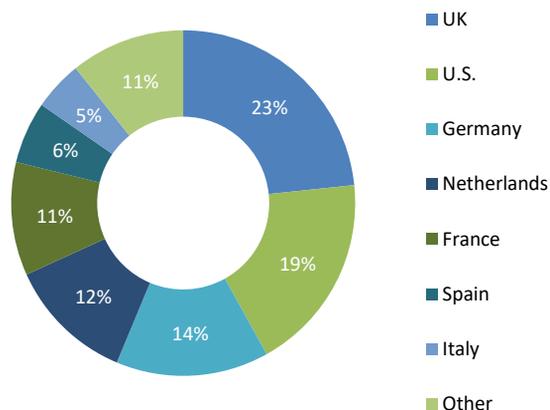
## Top 10 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	4.56%	Diversified / Conglomerate Manufacturing	United Kingdom
Keter	3.46%	Durable Consumer Goods	Netherlands
Ekaterra	3.43%	Beverages & Food	Netherlands
Mangrove	3.06%	Diversified / Conglomerate Manufacturing	Germany
Wella	2.58%	Non-Durable Consumer Goods	United Kingdom
Drive Devilbiss	2.35%	Healthcare	United States
D&G	2.12%	Insurance	United Kingdom
Hotelbeds	2.01%	Travel & Leisure	Spain
Colouroz	1.80%	Chemicals	Germany
Homevi	1.66%	Healthcare	France

## Industry Exposure — MV (%)



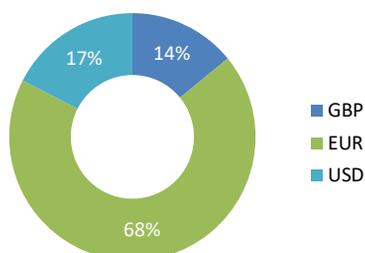
## Geographic Exposure — MV (%)



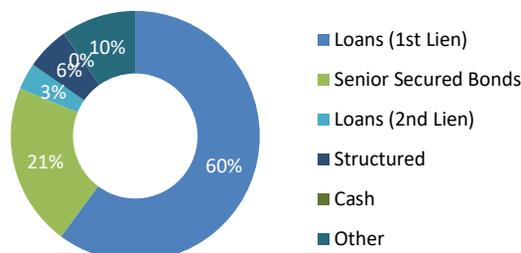
## Investment Vehicle Portfolio Statistics

as at 31 July 2024<sup>6</sup>

### Currency Exposure<sup>8</sup> — MV (%)



### Asset Exposure — MV (%)



### Look Through Reporting<sup>9</sup>

as at 31 July 2024

#### Rating Exposure

Rating	Average Spread Duration <sup>10</sup>	MV (€)	MV (%)
BBB	3.68	1.4m	0%
BB	6.04	27.7m	8%
B	4.10	251.8m	73%
CCC	2.39	50.3m	14%
NR	5.01	15.6m	4%

#### Rate Type Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.20	290.1m	84%
Fixed	3.26	54.4m	16%
Warrants	0.00	2.2m	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

<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> 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

<sup>6</sup> Average market price of the portfolio weighted against the size of each position

<sup>7</sup> Current Yield including Investment Vehicle leverage

<sup>8</sup> Currency is hedged for the respective share class.

<sup>9</sup> Data excludes cash

<sup>10</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.