CVC INCOME & GROWTH

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.

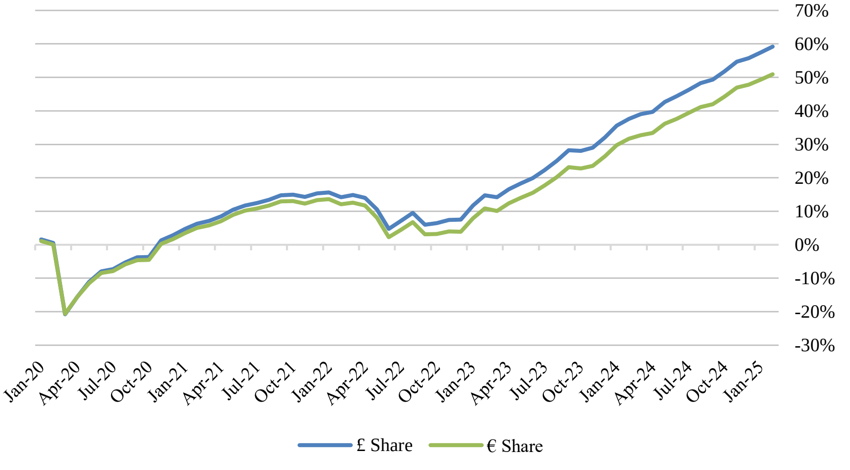
The Company invests through Compartment A of CVC European Credit Opportunities S.à r.l. (the "Investment Vehicle"), a European credit opportunities investment vehicle managed by CVC Credit Partners Investment Management Limited.

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%	2.92%	2.20%	15.67%	39.40%	58.31%	124.85%
€ Total Return	1.05%	2.72%	2.14%	14.65%	34.60%	50.80%	103.75%

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 28 February 2025

	GBP	EUR
Share Price[1]	1.2050	1.0750
NAV[2]	1.1935	1.0966
Total Net Assets[3]	156,210,393	89,707,745
Market Capitalisation	157,715,550	87,938,201
Premium/Discount	0.96	-1.97

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 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	83.2%
Fixed Rate Assets	16.3%
Other Assets	0.6%
Weighted Average Market Price[6]	94.0
Yield to Maturity[7]	GBP 12.3% EUR 10.5%
Current Yield[7]	GBP 12.0% EUR 10.2%

Note: All metrics exclude cash unless otherwise stated

Contact Us

Robert Kirkby, Chairman
robert.kirkby@ig.cvc.com

Cadarn Capital
info@cadarncapital.com

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.

Commentary Sources:

[a] Credit Suisse Western European Leveraged Loan Index and Credit Suisse Western European High Yield Index – February 2025.

[b] Pitchbook LCD – February 2025

Political uncertainty increased materially in February. The extent and the timing of tariffs to be imposed by the US on some of its trading allies remains very difficult to estimate. US CPI data showed the strongest print since August 2023, putting question marks around the Fed's ability to cut interest rates further, which put some pressure on the Magnificent 7. At the same time, there are increased hopes for a cease-fire in Ukraine, even though president Zelensky's visit to the White House at the end of Feb shows there is still a lot of ground to cover. We had elections in Germany in February resulting in the conservative CDU/CSU bloc to open talks with the centre-left SPD to form a new government, which could result in changes to the German debt brake. Given some of these developments, we saw a continued outperformance of European equities versus US equities.

European Sub Investment Grade Highlights[a,b]

New issue markets continued to show strong momentum in February, despite volatility in broader risk assets, driven by global tariff threats, among other. New loan issuances totaled €15.5bn, up from January 2025 level of €14.3bn, and on par with February 2024 level of €15.5bn. HY issuances slowed down m-o-m to €2.6bn from €6.3bn in January 2025, but were broadly in line with previous year level of €3.3bn. Demand is strong with another round of price tightening amid intense repricing wave, resulting in secondary trading bouncing around three-year highs. The average spread for Term Loan Bs stood at +356bps and yield to maturity at 6.46%. 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 is building up and we expect this trend to 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 +0.66% in February 2025 (YTD +1.51%). Defensives were +0.79% (YTD +1.73%) and cyclicals +0.54% (+1.3%) in February. BBs returned +0.37% (YTD +0.96%), while single Bs return was +0.58% (+1.42%) and CCCs +2.56% (+3.41%). As at the end of February, the 3-year discount margin on the index was 462bps. The Credit Suisse Western European High Yield Index return, hedged to Euro, was +1.09% in February 2025 (YTD +1.84%).

Portfolio Commentary

After a very busy January, trading levels remained elevated in February both across performing and opportunistic credit.

A lot of the activity we see in the performing credit side of the business remains related to refinancing, but we also saw some new businesses come to market. We took a position in a pan-European dental business, bought some of the loans in a German classifieds business and increased our position in a global education business. We took some profit in the bonds of a geophysical consulting and contract services business, where we could sell the bonds at 104.25.

We exited a number of smaller positions in the opportunistic sleeve of the portfolio. We sold a PIK position in a telecom operator at 102.5 as we are getting concerned around some of the corporate governance, and hence locking in some profit felt like the right strategy. We also had a small position in another Holdco financing of a US chemicals business where earnings had been soft, and we exited the position we had in a luxury car manufacturer as cash flows continue to disappoint. We managed to exit this position just below par and will continue to monitor it to see if we can re-deploy at more attractive entry levels. We used the proceeds of this to invest in names where we had higher conviction around. We built a position in an Italian telecom business in the high 80s, where we see potential for strong returns given the 2028 maturity of the bond. We also topped up on a chemicals business where we see earnings turn a corner in the near term after some material growth capex was spent in the business. We increased our position in the restructured debt of a garden furniture manufacturer as we continue to see material upside to current trading levels. Finally, we also took a small position in a US healthcare business which had sold off on the back of potential regulatory changes, as we believe the impact on the business should be very manageable. This is a position we may grow over time.

Across the entire portfolio, as of February month end, the weighted average market price was 94.0, trading at a yield to maturity ("YTM") of 10.5% (€ hedged) / 12.3% (£ hedged) and delivering a 10.2% (€ hedged) / 12.0% (£ hedged) running cash yield. This compares to a weighted average price of 94.3 and YTM of 11.1% (€ hedged) / 12.7% (£ hedged) as of December 2024. Floating rate instruments comprised 83.2% of the portfolio while 80.2% was invested in senior secured assets. The portfolio had a cash position of 1.5% (including leverage) at the end of the month.

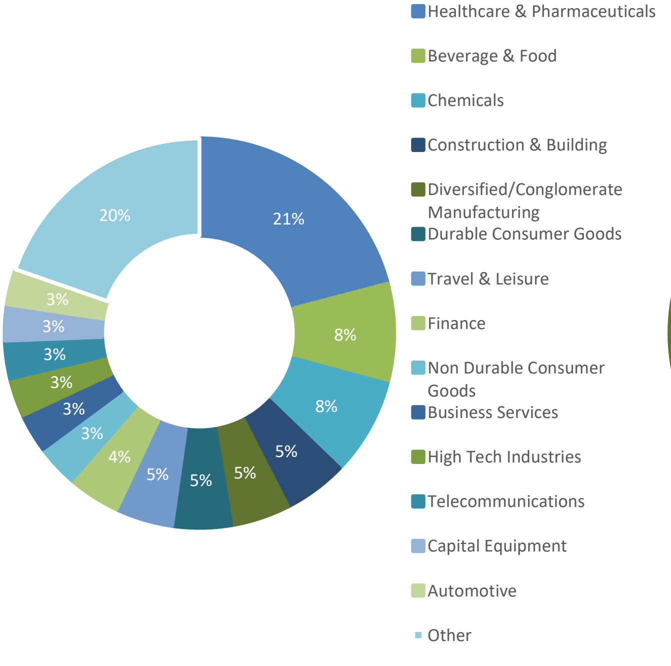
Investment Vehicle Portfolio Statistics

as at 28 February 2025[6]

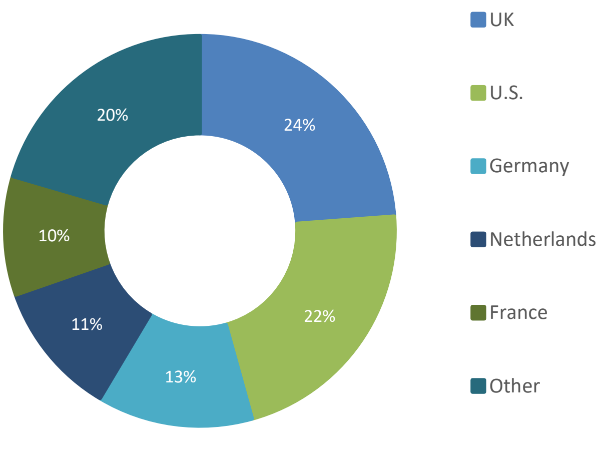
Top 10 Issuers

Issuer	% of Gross Assets	Industry	Country
Keter	3.82%	Durable Consumer Goods	Netherlands
Ekaterra	3.33%	Beverages & Food	Netherlands
Doncasters	2.94%	Diversified / Conglomerate Manufacturing	United Kingdom
Wella	2.35%	Non-Durable Consumer Goods	United Kingdom
Drive Devilbiss	2.22%	Healthcare	United States
Colouroz	2.08%	Chemicals	Germany
Patagonia	1.77%	Construction & Building	United Kingdom
Oxea	1.69%	Chemicals	Germany
Homevi	1.56%	Healthcare	France
Air Medical	1.35%	Healthcare	United States

Industry Exposure — MV (%)



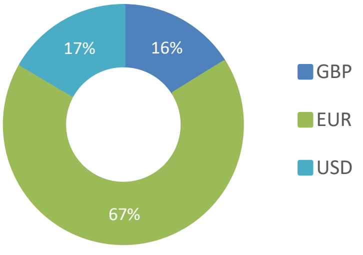
Geographic Exposure — MV (%)



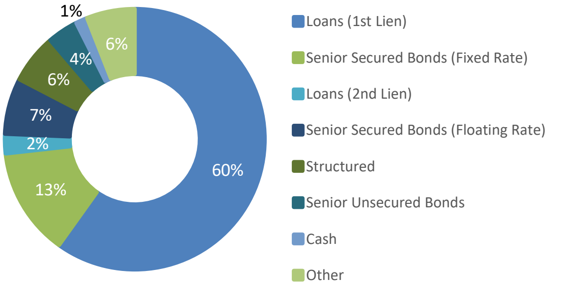
Investment Vehicle Portfolio Statistics

as at 28 February 2025[6]

Currency Exposure[8] — MV (%)



Asset Exposure — MV (%)



Look Through Reporting[9]

as at 28 February 2025

Rating Exposure

Rating	Average Spread Duration[10]	MV (€)	MV (%)
BBB	0.0	0.0m	0%
BB	5.80	26.3m	8%
B	3.93	241.7m	70%
CCC	2.81	60.1m	17%
NR	5.62	19.2m	6%

Rate Type Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.18	288.9m	83%
Fixed	3.17	56.5m	16%
Warrants	0.00	1.9m	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

This Report is directed only at: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and persons who receive this document who do not fall within (i) or (ii) above should not rely on or act upon this document.

This Report is issued by the Company to and for the information of its existing shareholders and does not in any jurisdiction constitute investment advice or an invitation to invest in the shares or any other securities of the Company or any other entity (body corporate or otherwise). Any matters contained in this Report relating to CVC Credit Partners, the CVC Group, the Investment Vehicle or the markets in which the Investment Vehicle invests have been prepared by CVC Credit Partners. The Company has relied upon and assumed (without independent verification) the accuracy of such information. This Report is not an offering of, or a solicitation of an offer to buy, securities in any jurisdiction. This Report has not been approved by any supervisory authority and no regulatory approvals have been obtained. The information contained in this Report, including information from certain third parties, has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions expressed herein. The Company has, however, taken reasonable steps to ensure that this Report and the information contained herein is not misleading, false or deceptive.

In addition, persons into whose possession this Report has come are deemed to have ensured that their receipt of this Report is in compliance with the laws applicable to them. Nothing contained herein shall be deemed to be binding against, or to create any liability, obligations or commitment on the part of the Company, its directors and officers or CVC Credit Partners. Nothing contained herein is to be construed as investment, legal or tax advice and neither the Company, CVC Credit Partners nor any of their respective directors, officers, employees, partners, members, shareholders, advisers, agents or affiliates make any representation or warranty, express or implied as to the fairness, correctness, accuracy or completeness of this Report, and nothing contained herein shall be relied upon as a promise or representation whether as to past or future performance or otherwise. There is no certainty that the parameters and assumptions used can be duplicated with actual trades or investments. There can be no assurance that the strategy described herein will meet its objectives generally, or avoid losses.

The information and opinions contained in this Report, including any forward-looking statements, do not purport to be comprehensive, are provided as at the date of the document and are subject to change without notice. Neither the Company nor CVC Credit Partners, nor any other person is under any obligation to update or keep current the information contained herein. No part of this Report, nor the fact of its publication, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This Report contains certain “forward-looking statements” regarding the belief or current expectations of the Company, CVC Credit Partners and members of its senior management about the Company’s financial condition, results of operations and business. Such forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and are difficult to predict, that may cause the actual results, performance, achievements or developments of the Company or the industry in which it operates to differ materially from any future results, performance, achievements or developments expressed or implied from the forward-looking statements.

This Report is not for release, publication or distribution, directly or indirectly, in or into Australia, Canada, South Africa or Japan or to US Persons as defined in Regulation S under the US Securities Act ("US Persons"). The information contained herein does not constitute or form part of any offer or solicitation to purchase or subscribe for securities in Australia, Canada, South Africa or Japan or any other jurisdiction where to do so might constitute a violation of the relevant laws or regulations of such jurisdiction.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "Investment Company Act") and, as such, holders of the Company's securities will not be entitled to the benefits of the Investment Company Act. The securities discussed herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US persons absent registration or an exemption from registration under the US Securities Act in a manner that would not require the Company to register under the US Investment Company Act 1940. No public offering of securities will be made in the United States. No securities may be offered or sold, directly or indirectly, into the United States to US persons absent registration or an exemption from registration under the US Securities Act and in a manner that would not require the Company to register under the US Investment Company Act of 1940.

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.