Fund Insight

CVC Income & Growth (CVCG/CVCE)

Floating-Rate Resilience, Opportunistic Upside

July 2026 | Winterflood Research | researchcontact@winterflood.com

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Dashboard

For relevant definitions, please see our Fixed Income Primer

Team & Strategy

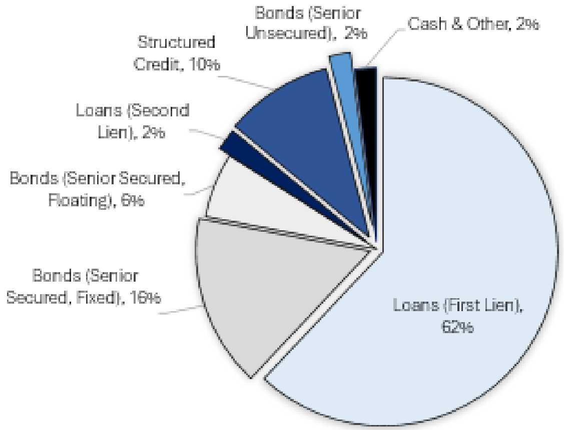
Investment objective: CVC Income & Growth (CVCG/CVCE) aims to provide regular income and capital appreciation from a diversified portfolio of sub-investment grade debt. The fund has a medium-term total return target of 8% p.a.

Team: The fund's underlying strategy is managed by Pieter Staelens, of CVC Credit, which has $51bn of assets under management.

Strategy: The strategy focuses on capital preservation, aiming for low volatility and low correlation with the wider market.

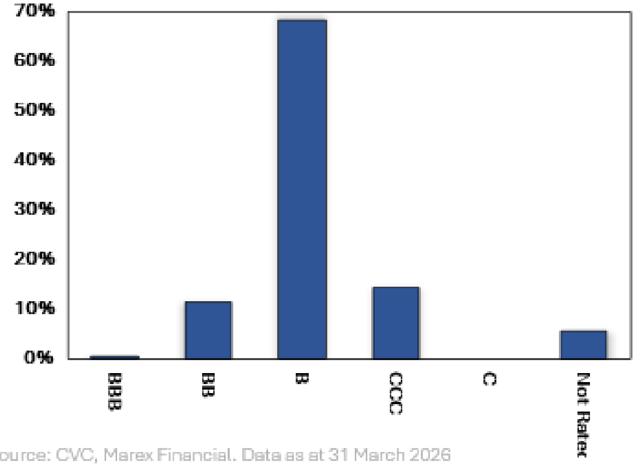
Recent developments: YTD to 31 May 2026, the two share classes have raised a cumulative £15.6m via issuance.

Portfolio: Instrument Breakdown



Source: CVC, Marex Financial. Data as at 31 March 2026

Portfolio: Credit Rating Breakdown (%)



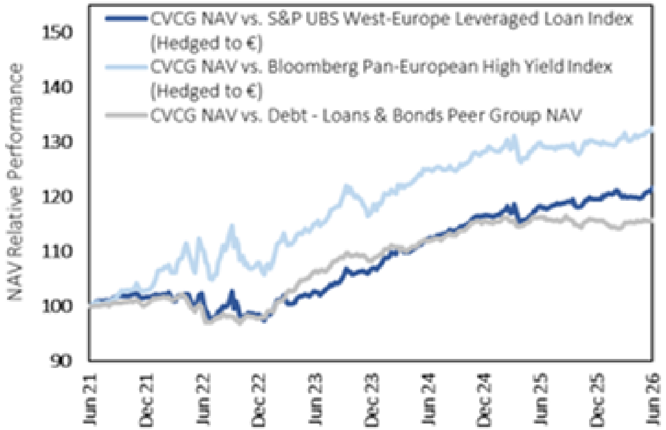
Source: CVC, Marex Financial. Data as at 31 March 2026

Key Figures (CVCG)

£306m	Market Capitalisation[1] (26 June 2026)	8.3%	Dividend Yield (26 June 2026)
0.5%	Premium to NAV (26 June 2026)	14.1%	Portfolio Yield to Maturity (31 March 2026)
1.6%	Ongoing Charges (% of NAV) (31 Dec 2025)	82%	Floating Rate (% of NAV) (31 March 2026)
26%	Net Gearing (% of NAV)^ (31 March 2026)	+54%	5Y NAV Total Return (26 June 2026)

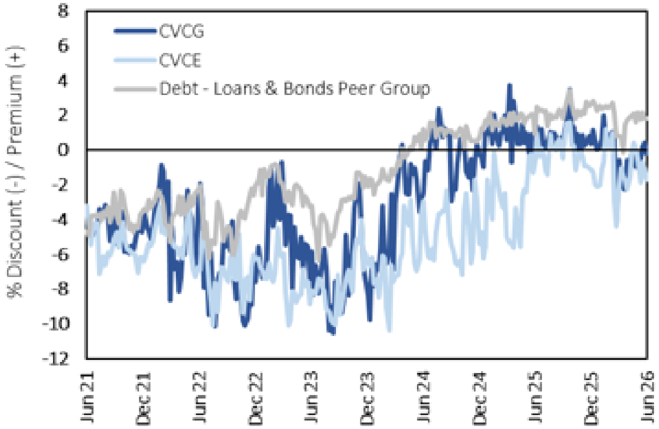
[1]includes CVCG and CVCE share classes ^Look-through Master Fund gearing
Source: CVC, Morningstar, Marex Financial.

Performance (CVCG)



Source: Morningstar, Marex Financial. Data as at 26 June 2026

Discount / Premium (%)



Source: Morningstar, Marex Financial. Data as at 26 June 2026

Note: *Past performance is not a reliable indicator of future results*

Our Insight

Advantages:

Floating Rate Exposure: The fund has a structural weighting towards floating-rate loans, providing inflation protection and supporting investors' real dividends in an environment where geopolitical tensions and elevated prices may keep inflation higher for longer.

Elevated Yields: Coupon income has been at historical highs in recent years. Following investors' reassessment of the ECB's monetary policy trajectory, yields are expected to remain elevated for some time. If this persists, it should provide the managers a cushion to cover the base dividend, while also creating scope for additional 'top-up' dividends.

Restructuring Capability: Should the macroeconomic environment deteriorate, the fund is well positioned to deploy capital through its opportunistic sleeve into stressed credit opportunities. Leveraging the manager's restructuring expertise and experience, this strategy offers potential for capital appreciation through successful turnarounds and workouts.

Team & Network: The wider CVC network (€200bn AUM) offers valuable resources in terms of deal sourcing and due diligence. The 30+ strong Performing Credit team provides credit analysis and monitoring with specialist sector knowledge.

Challenges:

Macro Risk: In the event that inflation eases faster than expectations due to a normalisation of energy supply chains, central banks may reduce rates in the medium term. In this scenario, the fund may underperform strategies with greater exposure to fixed-rate assets.

Cyclical Exposure: Whilst the fund has many defensive characteristics it does have exposure to a number of sectors which can be cyclical in nature including Construction & Building (7%), Manufacturing (6%) and Travel & Leisure (5%). In the event that we see a material slowdown in economic activity these exposures may come under pressure.

Share Price Volatility: During 2026, the share price has experienced periods of volatility, with the fund impacted by indiscriminate market sell-offs and investor positioning that did not fully reflect the underlying composition of the portfolio. This can cause further uncertainty in the event that share price performance de-couples from the fundamentals of the underlying instruments.

Use of Leverage: The Master Fund is permitted to use leverage, which can amplify losses. However, it typically operates within a 25–35% range and has never meaningfully exceeded 40% since its inception in 2009.

Our Insight:

Undisturbed By Rate Reductions: The predominantly floating rate portfolio will naturally see lower yields if benchmark rates decline. However, in a 'higher for longer' environment, this is a slow process, and the fund's 8%+ dividend yield will still be considered attractive by many. Moreover, given the relatively unique nature of this proposition, we view the strategy as offering attractive portfolio diversification.

Unique Access: Leveraged loans, high-yield bonds and CLO strategies are typically difficult for public market investors to access directly. CVCG provides exposure through a liquid vehicle managed by an established institutional credit platform. While the complexity of the underlying assets can occasionally lead to market misperceptions and volatility, the combination of institutional expertise and daily liquidity presents a unique proposition for investors.

Careful Credit Selection: Defaulting borrowers are an inherent concern for any high yield strategy, but over a multi-decade track record, the CVC team has demonstrated their ability to limit defaults through credit selection, and achieve comparatively high recovery rates. This is particularly important in an era of substantial macro risk, and illustrative of the high-quality resources at the team's disposal.

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Team & Strategy

Team & Strategy

For relevant definitions, please see our Fixed Income Primer

Background: CVC Income & Growth (CVCG) was launched in June 2013, alongside a Euro-denominated share class (ticker: CVCE). The trust is a feeder fund for a private 'Master Fund' vehicle[1] managed by CVC Credit. The Master Fund had gross assets of €891m as at 31 March 2026. The trust is the largest shareholder of the Master Fund, alongside institutional investors and senior CVC staff (including the managers).

Team: Pieter Staelens was appointed lead portfolio manager for the trust and the Master Fund in August 2020. Pieter has over 23 years of experience and manages c.€4.5bn of assets for the CVC Performing Credit team across several mandates. The CVC Liquid Credit team has 30+ investment professionals and benefits from the global resources of CVC Credit (c.€51bn of credit AUM as at 31 March 2026) and the wider CVC Group (c.€209bn in AUM as at 31 March 2026). CVC Credit recently promoted Mathieu Rescanieres to assistant portfolio manager and hired Chris Malone (29 years experience) and Seán Golden (15 years experience) as experienced investment professionals.

Objective: To provide regular income returns and capital appreciation from a diversified portfolio of sub-investment grade debt instruments. The focus is on capital preservation, aiming to deliver low volatility and low correlation to the wider market. The fund targets a medium-term total return of 8% p.a., comprised of income and capital growth.

Philosophy & Process: The trust invests in High Yield Loans, Bonds and Structured Credit. The majority of interest rate exposure is floating, and therefore the strategy is more exposed to credit risk than duration risk. The managers emphasise downside protection in their credit research, and due diligence efforts are aided by the global CVC network. Issuers are typically European businesses, with EBITDA of at least €100m. To safeguard the sustainability of the overall portfolio, at least 50% of all investments must be senior secured, and single issuer exposure is generally capped at 7.5%.

Dividend & Tender: The annual dividend target was set at 9.25p/7.25c per share in January 2026, with the possibility of an additional 'top-up' dividend from surplus income (which has been the case in each of the last 3 financial years). A semi-annual tender facility is in place, enabling shareholders to exit at a share price close to NAV, limited to 25% of outstanding shares p.a. and subject to a minimum holding period of 12 months prior to utilisation.

Gearing: Gearing at the investment trust level is 0%, but the underlying Master Fund is permitted leverage of up to 100% of net assets, although this tends to range between 25% and 35% to limit volatility. As at 31 March 2026, Master Fund leverage was 26%.

The Managers Say:
"Our large team of analysts and market insight from the CVC network facilitate higher conviction"

[1] In August 2025 the pre-existing Master Fund vehicle was replaced by a Luxembourg-based Reserved Alternative Investment Fund (RAIF), to attract a wider set of European investors

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Portfolio

Portfolio: Characteristics

For relevant definitions, please see our Fixed Income Primer

Key Metrics: As at 31 March 2026, the portfolio current yield was 10.7% (above the comparator index weighted average, see adjacent table), the portfolio yield to maturity was 14.1%, and the weighted average duration was 0.91 years. The portfolio weighted average price was 90.4, lower than the comparator index. The portfolio had 82% floating rate exposure, while 18% was fixed. *See the following pages for additional detail.*

Concentration: The portfolio tends to be diversified, with exposure across c.100 issuers. As at 31 March 2026, the fund was exposed to 194 issuers (190 excl. CLO positions). Exposure to the top 10 issuers represented 20% of NAV (see adjacent table).

Instruments: The largest instrument allocations in the portfolio as at 31 March 2026 were to First Lien Loans (62% of NAV), Senior Secured Bonds (16%), Structured Credit (CLOs) (10%) and Senior Unsecured Bonds (6%). *See the following pages for additional detail.*

Credit Quality: The portfolio consists primarily of High Yield investments (credit ratings of BB and lower), comprising 94% of NAV as at 31 March, while the fund had only marginal exposure to Investment Grade-rated (BBB and higher) instruments (<0%) and 6% of NAV was unrated. *See the following pages for additional detail.*

Liquidity: The loans and bonds in which the fund is invested are liquid instruments with a sizeable secondary market, with 70% of the underlying portfolio traded in 2025.

Currency Exposure: FX exposure as at 31 March 2026 was 71% Euro, 14% Sterling and 16% US Dollar. The Sterling and Euro share class are each fully hedged back to their denominating currencies, i.e. at both the share class denomination level and at the underlying asset allocation level.

	Fund	Index
Number of Holdings	194	542
Weighted Average Coupon	9.7%	6.0%
Current Yield	10.7%	5.6%
Weighted Average Price	90.4	95.8
Weighted Average Duration	0.91	n/a
Duration (Floating, 82% of NAV)	0.31	n/a
Duration (Fixed, 18% of NAV)	3.63	n/a

Source: CVC. Fund and Index data, as at 31 March 2026

Note: S&P UBS Western Europe Leveraged Loans Index used as comparator index

Top Issuers			
Issuer	Industry	Country	Portfolio%
Colisee	Healthcare & Pharmaceuticals	France	3.1%
Doncasters	Diversified / Manufacturing	UK	3.0%
Ekaterra	Beverages & Food	Netherlands	2.0%
Keter	Durable Consumer Goods	Netherlands	2.0%
Graanul Invest	Forest Products & Paper	Estonia	1.8%
Colouroz	Chemicals	Luxembourg	1.8%
Merlin Entertainments	Travel & Leisure	UK	1.8%
Tropicana	Beverage & Food	US	1.7%
Wella	Non-Durable Consumer Goods	UK	1.6%
WS Audiology / Sivantos	Healthcare & Pharmaceuticals	Luxembourg	1.5%
Total			20.2%

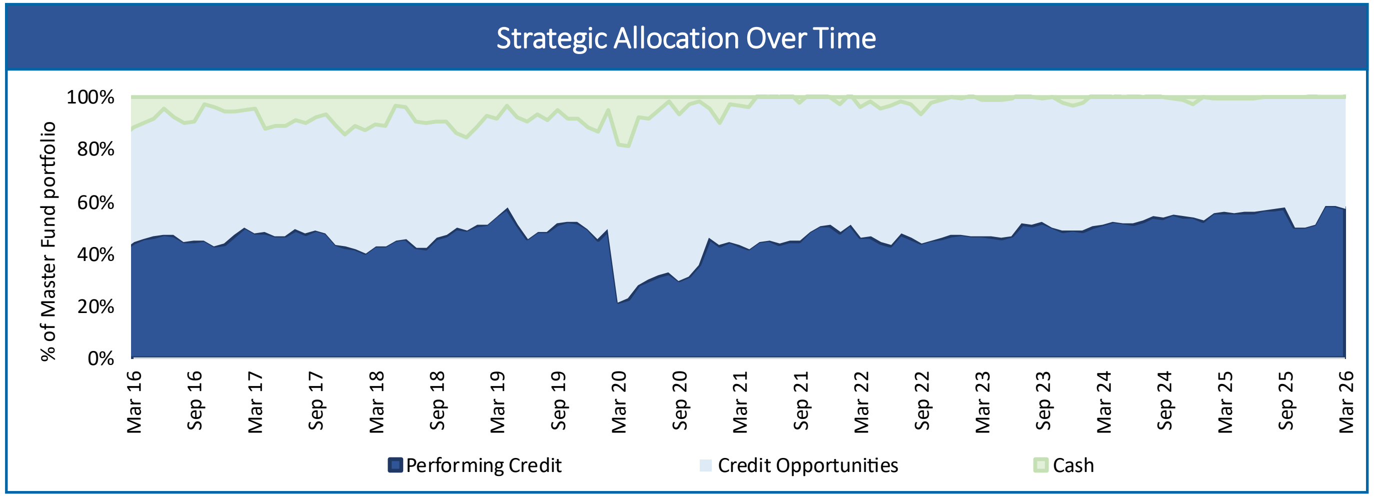
Source: CVC as at 31 March 2026

Portfolio: Strategic Allocation

The portfolio is split between two sub-strategies: **Performing Credit** and **Credit Opportunities**. The allocation to either sub-strategy ranges between 40% and 60% of NAV.

Performing Credit (50% of NAV as at 31 March 2026) are senior secured credits providing stable 'core' income, obtained at issuance or at refinancing. Performing Credit debt tends to trade near par, and the average holding period is c.2 years, ranging between 6 months and 3 years. The credit facility utilised by the Master Fund is secured on the Performing Credit allocation, and therefore in practice look-through gearing is limited to c.50% of NAV (well below the 100% investment policy limit).

Credit Opportunities (50% of NAV) refers to higher-yielding debt that is *"stressed, but not distressed"* at the time of purchase. This allocation also provides coupon income but has greater potential for capital growth. Opportunities may arise when the market de-rates a company's debt, while CVC due diligence indicates a thesis for an eventual re-rating or refinancing. Debt restructuring is never the base case, however the possibility is always considered and strategised, with the team having extensive resources and experience in creditor-led processes. Credit Opportunities are typically bought in the 70-80 price range, with the expectation of a pull to par. Typically, the aim is to gain 15-20pts of capital appreciation through a refinancing. The Credit Opportunities sub-strategy also includes the Structured Credit allocation.



Source: CVC as at 31 March 2026

The Managers Say:
"Credit selection remains crucial in a macro environment where geopolitical risk is high."

Portfolio: Syndicated Loans vs. Private Credit

Summary: It is important to distinguish the portfolio's exposure to syndicated loans from that of private credit strategies, which have received significant media attention, particularly US-listed Business Development Companies (BDCs). As Private Credit funds primarily provide direct lending to companies, they have different liquidity, valuation and risk characteristics compared with broadly syndicated loans.

	CVC Income & Growth / Syndicated Loans	Private Credit
Concentration	No single sector has a weight of more than 23% as at 31 March 2026. Issuer concentration is typically capped at 7.5%	Varies by fund; however, portfolios can often be highly concentrated in sectors and at issuer level
Origination	Underwritten by banks and then institutionally syndicated	Bilateral – typically negotiated directly between the borrower and lender
Valuation	Typically marked daily, based on actual transactions	Typically completed monthly or quarterly, either solely internally or with some external input into the process.
Rating of underlying instruments	Typically rated by major agencies such as S&P, Moody's and Fitch	Typically unrated by major institutions
Liquidity of underlying instruments	Instrument dependent, 70% of CVCG/CVCE portfolio traded in 2025	Liquidity and trading activity in the underlying loans is typically limited

Portfolio: Instruments

For relevant definitions, please see our Fixed Income Primer

The strategy utilises the following instruments:

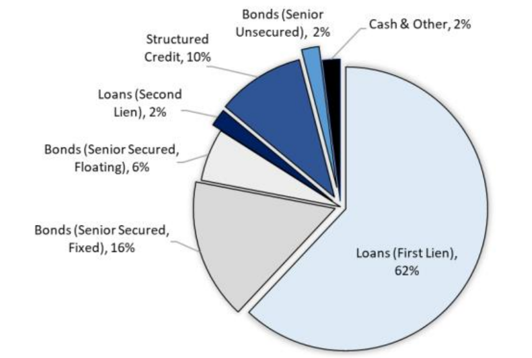
Loans (64% of NAV as at 31 March 2026): Loans to large cap European companies are the fund's largest allocation, with 62% thereof senior secured ('First Lien') and 2% ranking lower in the repayment order ('Second Lien'). These loans are primarily floating rate. They are selected based on bottom-up credit research and market pricing, while the process also takes broader sector views into account. The managers look for predictable cash flows and strong business models and are willing to accept relatively high debt ratios if those conditions are in place, particularly for companies that potentially have access to capital from Private Equity sponsors.

Bonds (24% of NAV): Consisting of senior secured High Yield corporate bonds. This allocation is predominantly fixed rate, and opportunities are sourced from the same type of issuers as the Loans allocation. Decisions on whether to invest in Loans or Bonds depend on market pricing as well as the managers' preference for fixed or floating rate exposure.

Structured Credit (10% of NAV): Consisting of floating rate allocation to CLOs, limited to 20% of NAV. Allocation decisions are made based on market pricing and relative value.

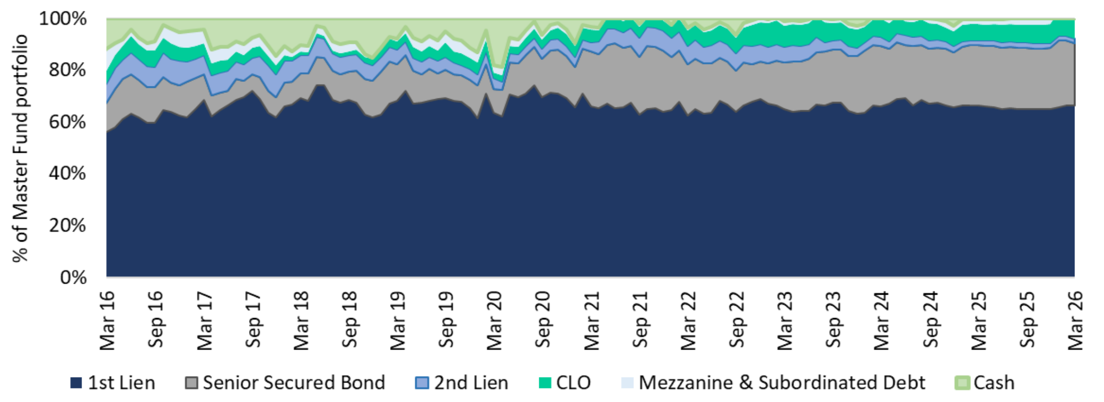
Cash & Other (3% of NAV): Contains 'Paid-in-Kind' (PIK) interest, unsecured Bonds and warrants/equity resulting from debt restructuring.

Instrument Allocation (% of Portfolio)



Source: Marex Financial, CVC as at 31 March 2026

Instrument Allocation Over Time



Source: CVC as at 31 March 2026

The Managers Say:
"Certain sectors, such as automotive and chemicals, are experiencing both cyclical and structural headwinds"

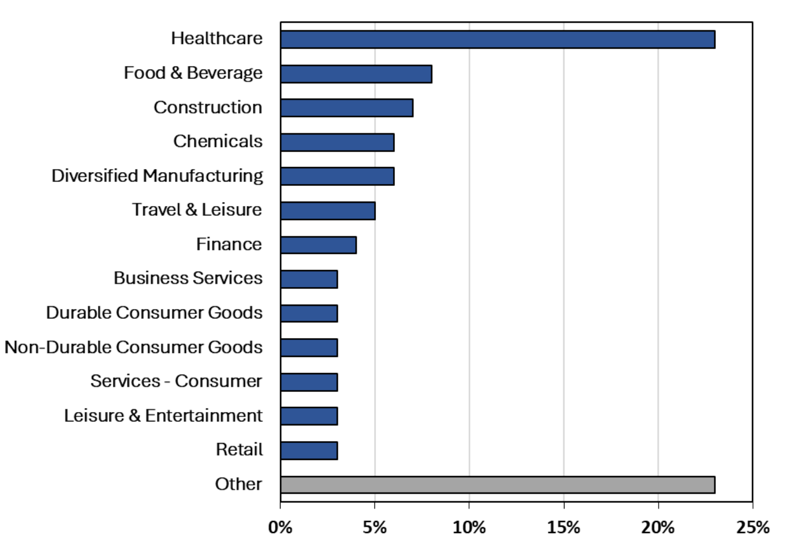
Portfolio: Industry & Geography

Issuers in the portfolio are diversified across both **Industry** and **Geography**.

Industry Weightings: As at 31 March 2026, the largest sector exposures were to Healthcare (23% of NAV), Food & Beverage (8%), Construction & Building (7%), Chemicals (6%) and Diversified Manufacturing (6%).

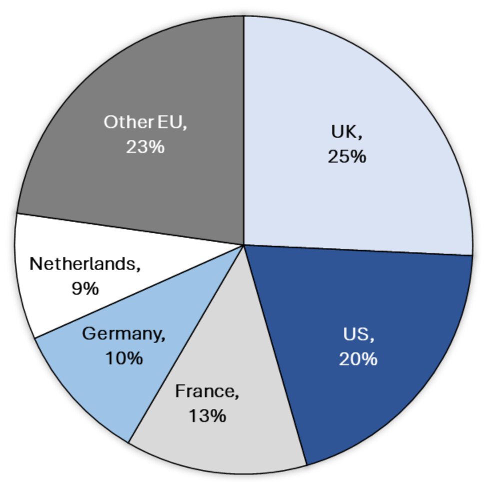
Country Weightings: As at 31 March, the largest country exposures were to the UK (25% of NAV), the US (20%), France (13%), Germany (10%) and the Netherlands (9%). The manager views the US weighting (typically at least 20% of the portfolio) as offering additional diversification from the core European mandate, although the revenues and activities of most borrowers in the portfolio are global. Differences in restructuring regimes across jurisdictions are taken into account during the credit selection process, particularly for the opportunistic sleeve. In countries where restructuring processes are considered inefficient or unpredictable, the managers will most likely initiate exposure only to companies that they have tracked over a long period of time.

Sector Weightings (% of NAV)



Source: CVC as at 31 March 2026

Geographic Weightings (% of NAV)



Source: CVC as at 31 March 2026

Portfolio: Credit Risk

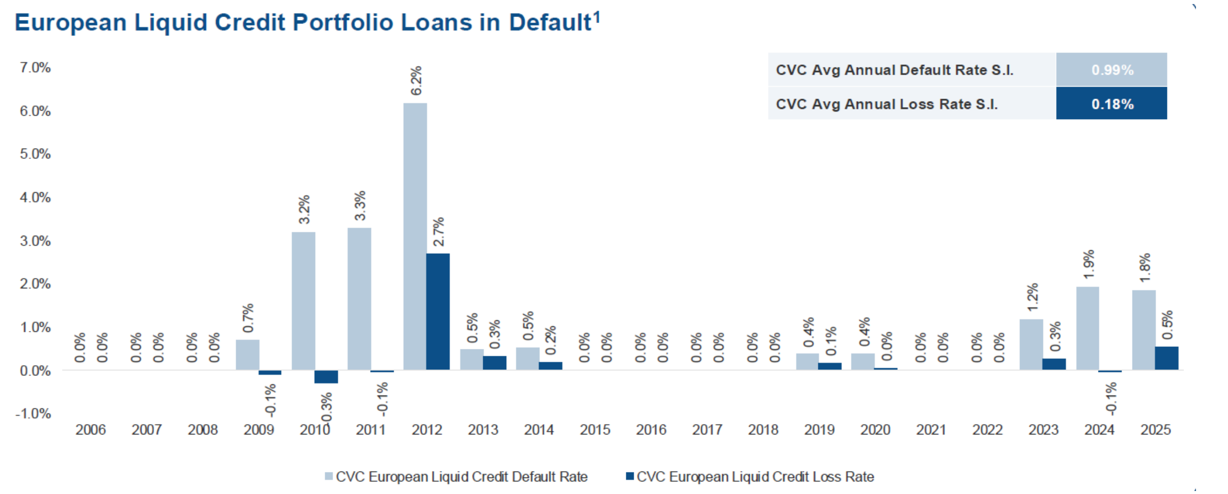
For relevant definitions, please see our Fixed Income Primer

Issuer Characteristics: On a weighted average basis, borrowers had annual revenues of €2.9bn and EBITDA of €492m, and a Loan to Value ratio of 58% as at 31 March 2026. Issuers are often backed by Private Equity owners, offering potential access to additional capital in case of stress.

Credit Ratings: Portfolio holdings tend to be concentrated in the BB-B spectrum, below the Investment Grade mark (BBB). As at 31 March, portfolio credit ratings were BBB (0% of NAV), BB (12%), B (68%), CCC (14%) and 6% of the portfolio was not rated (including restructured equity, CLO equity tranches, unrated bonds and cash). In aggregate, c.86% of the portfolio was senior secured.

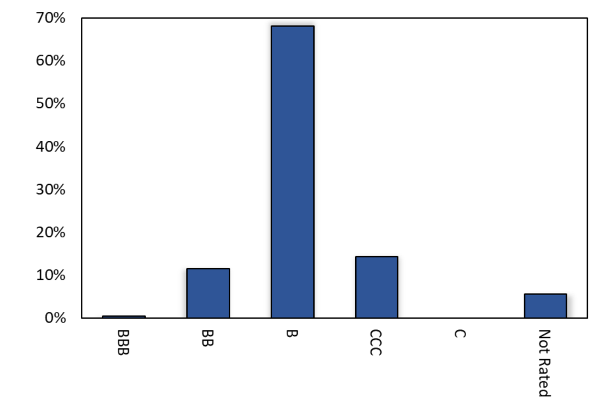
Default Rates: The CVC Performing Credit strategy has managed a default rate below 0.5% in each year since 2006 except 2009-12 and 2023-25, with an annualised default rate of 0.99% since inception. The default rate of the Morningstar European Leveraged Loans Index has averaged 1.11% over the last 10 years. The ‘loss rate’ is important as well, as post-default recovery tends to be effective in limiting losses, occasionally turning negative when restructuring efforts recover more than had been invested. The CVC Performing Credit strategy has an annualised loss rate of 0.18% since inception. The Credit Opportunities allocation saw several defaults over 2025, but this was in line with expectations, and the managers anticipate post-restructuring recovery of investments, with positions typically entered at a price below par.

Default and Recovery Rates Over Time



Source: CVC as at 31 December 2025
1 Defaults are defined as assets missing interest or principal payments or undergoing restructuring

Credit Rating (% of Portfolio)



Source: Marex Financial, CVC as at 31 March 2026

Performance, Dividends & Rating

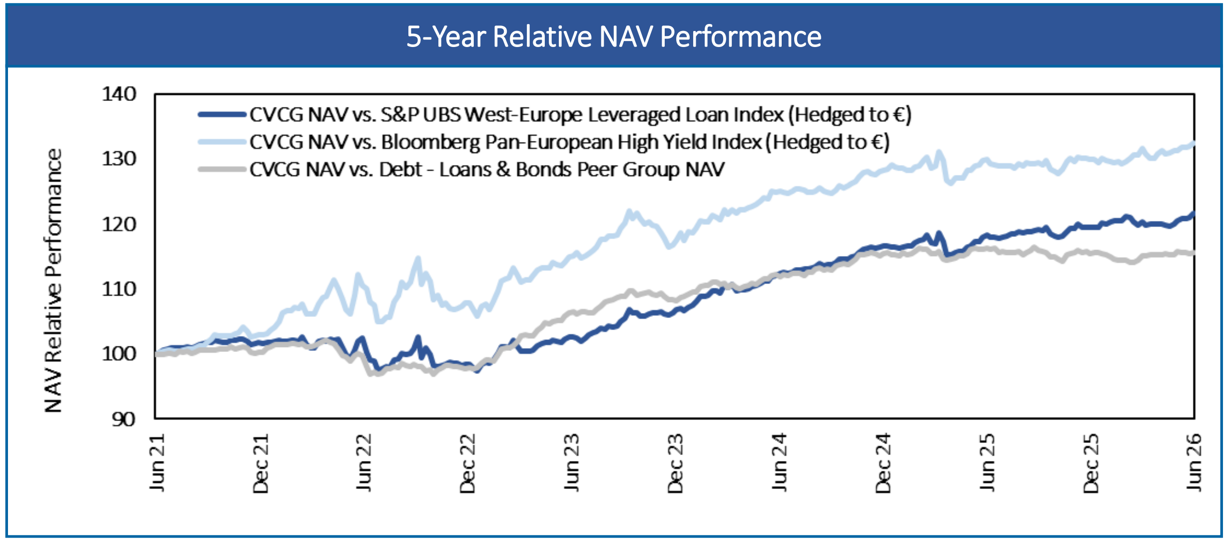
Performance

Note: *Past performance is not a reliable indicator of future results*

Track Record: Over the five years to 26 June 2026, CVCG delivered a NAV total return of +54% and a share price total return of +63% (CVCE: NAV TR +48%; share price TR +55%), compared with +28% for the S&P UBS Western European Leveraged Loan Index, +17% for the Bloomberg Pan-European High Yield Index and +33% for the Debt - Loans & Bonds investment trust peer group.

FY25 Results: NAV total returns over calendar year 2025 were +7% (CVCG) and +5% (CVCE) (in € terms), below the medium-term total return target of 8% per annum. Over the last five years, CVCG has outperformed the S&P UBS West-Europe Leveraged Loan Index in three out of five years on a NAV total return basis (CVCE: four out of five years) and is tracking ahead of the index in 2026.

Drivers: From inception (June 2013) to 31 December 2025, the Credit Opportunities sleeve has contributed +7.1% p.a. at the Master Fund level, versus +3.6% p.a. from the Performing Credit sleeve, highlighting the managers' strong credit selection capabilities, including the ability to identify pricing opportunities and navigate restructuring processes.



Source: Marex Financial, Morningstar as at 26 June 2026

	Total Return (£)					
	1M	3M	6M	1Y	3Y	5Y
CVCG (NAV)	1%	4%	4%	6%	44%	54%
CVCG (Share Price)	2%	5%	3%	6%	54%	63%
S&P UBS West-Europe Leveraged Loan Index (Hedged to €)	0%	2%	1%	5%	22%	28%
Bloomberg Pan-European High Yield Index (Hedged to €)	1%	3%	2%	4%	25%	17%
Debt - Loans & Bonds Peer Group (NAV)	1%	4%	4%	7%	32%	33%

Source: Marex Financial, Bloomberg, Morningstar as at 26 June 2026

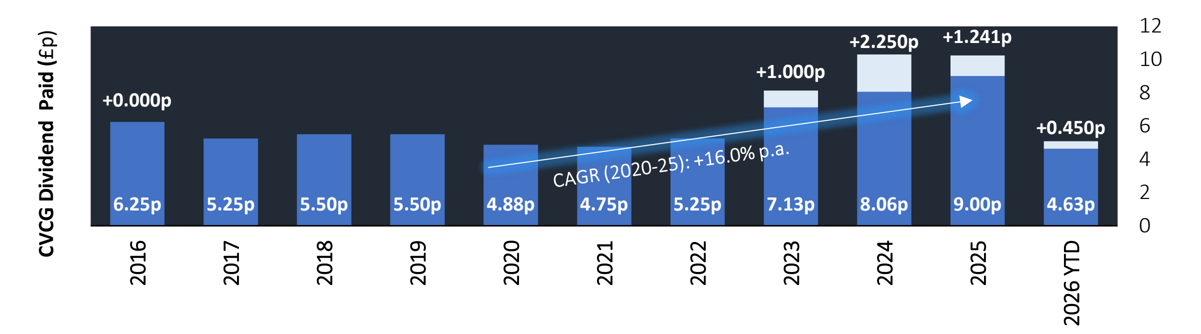
Dividends

Dividends: Over the period 2020 to 2025, CVCG increased its dividends (paid quarterly) at a +16% compound annual growth rate (CAGR). This was driven by large increases in 2023 and 2024, as the predominantly floating rate portfolio generated substantially more income once benchmark rates rose. CVCE grew its dividend at a +9% CAGR over the same period.

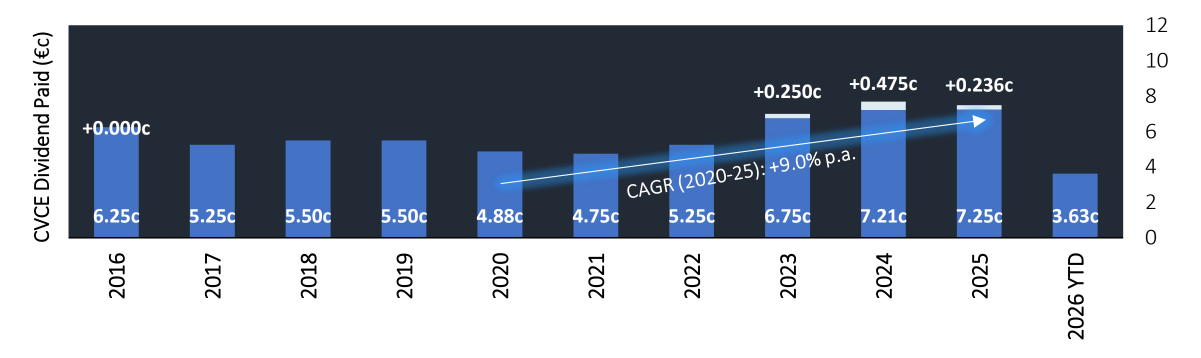
Top-ups: The chart below shows 'top ups' to the annual dividend in white. These were paid in 2023, 2024 and 2025 to reflect substantial income generation in the preceding financial year.

Dividend Outlook: Over calendar year 2025, the dividend was "*comfortably*" covered by coupon income, and this remained the case for H1 2026. The Board maintained the dividend target at 9.25p (CVCG) and 7.25c (CVCE), set in January 2026. As at 26 June 2026, this represented a prospective dividend yield of 8.3% for CVCG and 6.8% for CVCE. The managers note that there is scope for a potential dividend top-up in FY26, as was the case for FY22-25, due to continued strong income generation in the portfolio.

Dividends Paid Per Year (CVCG)



Dividends Paid Per Year (CVCE)



Source: CVC, Bloomberg, Marex Financial as at 26 June 2026

The Managers Say:
"We commit to a dividend level that we are very comfortable generating"

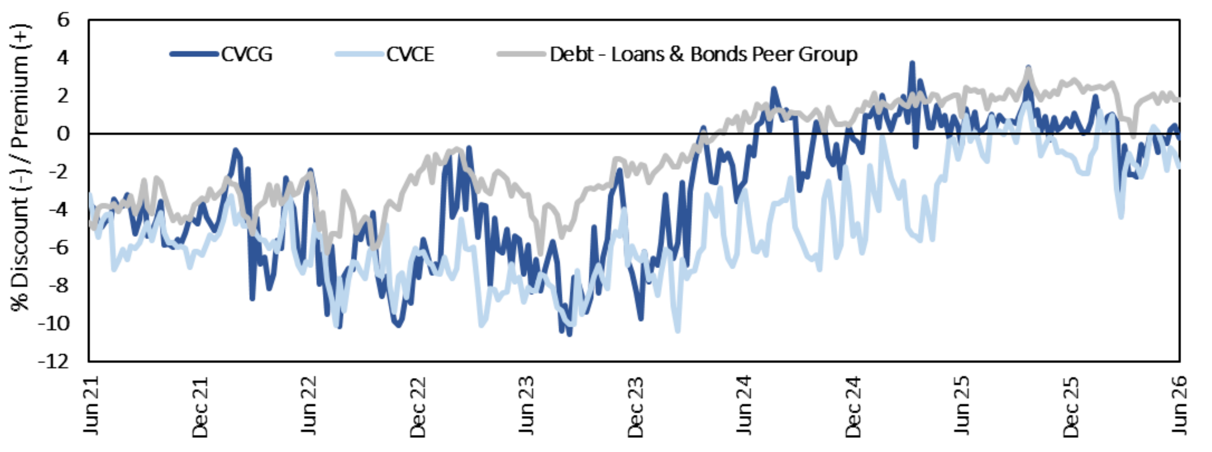
Rating

Rating: CVCG shares traded on a 0.5% premium to NAV as at 26 June 2026, compared with a 1-year average premium of 0.3% and a 5-year average discount of 3.1%. CVCE traded on a discount of 1.8% as at 26 June, compared with a 1-year average discount of 0.6% and a 5-year average discount of 4.9%. This compared to a weighted average premium of 2.4% for the Debt – Loans & Bonds peer group.

Discount Control: The semi-annual 25% tender facility is considered a discount control mechanism. Furthermore, if either share class trades on an average discount exceeding 10% over any rolling 12-month period, a continuation vote is triggered. The Board manages the size of the premium through issuance, but has historically not engaged in share buybacks (beyond the tender facility) while trading on a discount.

Issuance & Buybacks: CVCG has traded on both a discount and a premium to NAV over the year to date, and it has issued £15.6m over the first 5 months to 31 May 2026. CVCE issued £600k at a premium over the year to date. In the semi-annual tender in March 24.8k CVCG shares and 3.4k CVCE shares were redeemed.

5-Year Rating History



Source: Marex Financial, Morningstar as at 26 June 2026

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Peer Group

Peer Group: Composition

In addition to CVCG/CVCE, the adjusted[2] **Debt – Loans & Bonds** peer group consists of mandates with the following investment objectives:

CQS New City High Yield (NCYF): Provide a high dividend yield and the potential for capital growth by mainly investing in high yielding fixed income securities.

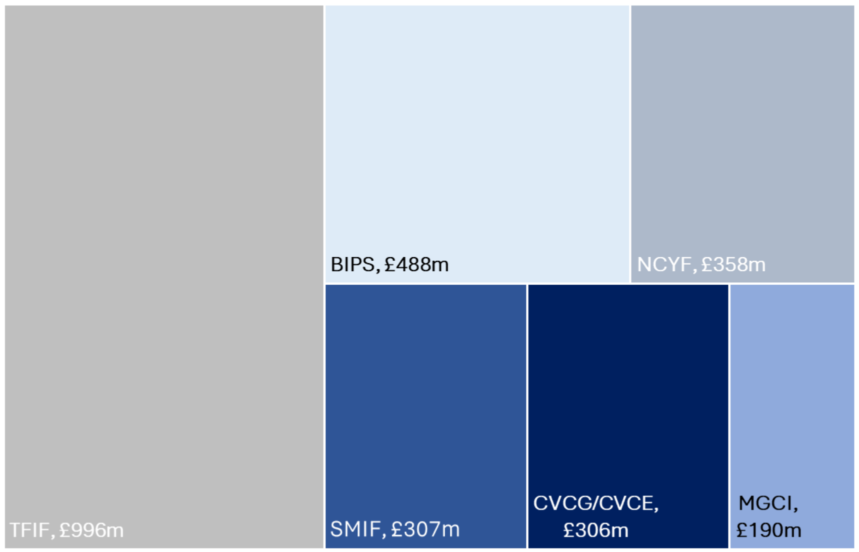
Invesco Bond Income Plus* (BIPS): Seek capital growth and high income by investing predominantly in high yielding fixed income securities.

M&G Credit Income* (MGCI): Generate a regular and attractive level of income with low asset value volatility by investing in a diversified portfolio of public and private debt and debt-like instruments, of which at least 70% will be investment grade.

TwentyFour Income Fund (TFIF): Generate attractive risk-adjusted returns, principally through income distributions, by investing in a diversified portfolio of UK and European asset-backed securities.

TwentyFour Select Monthly Income (SMIF): Generate attractive risk-adjusted returns, principally through income distributions, by investing in a diversified portfolio of fixed income credit products.

Market Cap Visualisation



Source: Marex Financial, Morningstar as at 26 June 2026

* Denotes a corporate client of Marex Financial
[2] Adjusted peer group based on the AIC Debt – Loans & Bonds peer group, adds TwentyFour Income Fund (TFIF), which the CVC Income & Growth Board deems a peer competitor

Peer Group: Performance

Note: *Past performance is not a reliable indicator of future results*

NAV Total Return: As at 26 June 2026, CVCG had the fifth-best NAV total return in the peer group over the last 12 months, the third best NAV total return over the last 3 years and the best return over 5 years.

Share Price Total Return: As at 26 June, CVCG had the fifth-best share price total return in the peer group over the last 12 months, the second-highest over 3 years and the best share price return over 5 years.

			NAV Performance (Total Return)						Price Performance (Total Return)					
Ticker	Name	Sector	1M	3M	6M	1Y	3Y	5Y	1M	3M	6M	1Y	3Y	5Y
NCYF	CQS New City High Yield	Debt: Loans & Bonds	2%	5%	6%	11%	42%	47%	3%	7%	5%	9%	41%	45%
CVCG	CVC Income & Growth*	Debt: Loans & Bonds	1%	4%	4%	6%	44%	54%	2%	5%	3%	6%	54%	63%
CVCE	CVC Income & Growth (€)*	Debt: Loans & Bonds	2%	3%	3%	5%	41%	47%	0%	3%	2%	4%	51%	54%
BIPS	Invesco Bond Income Plus*	Debt: Loans & Bonds	1%	3%	3%	8%	33%	22%	1%	4%	3%	8%	34%	32%
MGCI	M&G Credit Income*	Debt: Loans & Bonds	1%	1%	3%	6%	26%	30%	2%	5%	1%	5%	31%	39%
SMIF	TwentyFour Select Monthly Income	Debt: Loans & Bonds	2%	4%	3%	8%	50%	39%	1%	6%	3%	8%	54%	37%
TFIF	TwentyFour Income Fund	Debt: Structured Finance	1%	3%	3%	8%	44%	50%	1%	5%	2%	8%	48%	61%
	Average		**2%**	**3%**	**3%**	**8%**	**40%**	**41%**	**2%**	**5%**	**3%**	**7%**	**45%**	**47%**
	Weighted Average		**1%**	**4%**	**3%**	**8%**	**41%**	**42%**	**2%**	**5%**	**3%**	**7%**	**45%**	**49%**
	FTSE All-Share Index		1%	6%	8%	23%	55%	66%	1%	6%	8%	23%	55%	66%

Source: Marex Financial, Morningstar as at 26 June 2026
Note: This overview is based on the AIC Debt – Loans & Bonds peer group, adds TwentyFour Income Fund (TFIF), which the CVC Income & Growth Board deems a peer competitor
* Denotes a corporate client of Marex Financial

Peer Group: Metrics

Size: The combined CVCG/CVCE had the fifth-largest market cap in the peer group (£306m as at 26 June 2026).

Rating: As at 26 June, all peer group members excluding CVCE were trading at a premium to NAV.

Yield: As at 26 June, CVCG had the fourth highest 12-month trailing dividend yield in the peer group (8.3%)

Net Issuance[3]: All peer group members including CVCG and CVCE have, on a net basis, raised capital through issuance over the 12 months to 26 June 2026, with CVCG net issuance equivalent to 23% of its prevailing market capitalisation.

Cost: CVCG and CVCE have the highest ongoing charges ratio in the peer group (1.64% and 1.66% of NAV as at 31 December 2025). This is based on a Master Fund management fee of 0.90% on assets up to €500m, 0.85% up to €750m, 0.80% up to €1bn and 0.75% thereafter. *Please note that shareholders do not pay these costs directly*. Performance fees were removed in 2023.

Ticker	Name	Sector	Premium (+) / Discount (-) (NAV)	Average Premium (+) / Discount (-) 12m	Z-Score 12m	Market Capitalisation (£m)	Dividend Yield 12m	Gearing (+) / Net Cash (-) %NAV	Net Issuance 12m	Ongoing Charges %NAV
NCYF	CQS New City High Yield	Debt: Loans & Bonds	6.4%	6.1%	0.3	358	8.7%	10.3%	10.8%	1.2%
CVCG	CVC Income & Growth*	Debt: Loans & Bonds	0.5%	0.3%	0.2	227	8.3%	-0.1%	23.0%	1.6%
CVCE	CVC Income & Growth (€)*	Debt: Loans & Bonds	-1.8%	-0.7%	-0.9	79	6.8%	-0.1%	3.7%	1.7%
BIPS	Invesco Bond Income Plus*	Debt: Loans & Bonds	1.7%	1.5%	0.7	488	7.0%	9.2%	22.4%	0.9%
MGCI	M&G Credit Income*	Debt: Loans & Bonds	0.7%	1.1%	-0.3	190	8.0%	-1.8%	11.9%	1.2%
SMIF	TwentyFour Select Monthly Income	Debt: Loans & Bonds	2.1%	1.8%	0.4	307	8.5%	-2.1%	15.3%	1.1%
TFIF	TwentyFour Income Fund	Debt: Structured Finance	1.9%	1.6%	0.3	996	9.8%	-1.1%	14.2%	0.9%
	Average		1.6%	1.7%	0.1	378	8.2%	2.0%	14.5%	1.2%
	Weighted Average		2.2%	2.0%	0.3		8.7%	2.3%	15.6%	1.1%

Source: Marex Financial, Morningstar as at 26 June 2026
Note: This overview is based on the AIC Debt – Loans & Bonds peer group, but adds TwentyFour Income Fund (TFIF), which the CVC Income & Growth Board deems a peer competitor

* Denotes a corporate client of Marex Financial

[3] Net share issuance (net share buybacks if negative) over the last 12 months as a percentage of prevailing share capital

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Outlook

Managers' Outlook

Geopolitical Uncertainty: The managers are monitoring the impact of the conflict in the Middle East, with supply chains expected to remain under pressure for some time despite commitments to reopen shipping routes. This is particularly relevant for portfolio companies where energy costs (oil, gas and electricity) represent a material component of total costs, including pharmaceutical and manufacturing exposures. As part of this exercise, the managers have engaged with companies to understand existing hedging positions and conducted stress testing on portfolio companies and their input costs. The process has also leveraged CVC's wider network, including internal industry specialists, to assess supply chain implications, the availability of substitutes and other potential mitigants. However, the managers do not currently foresee making material changes to the Performing Credit portion of the portfolio as a result of supply chain pressures, noting that a significant level of analysis is incorporated into the initial due diligence process when investment decisions are made.

Opportunity to Strike: The managers believe that there is significant optimism in markets currently, with some participants potentially overlooking the nuances of how broader economic and financial conditions, including inflationary pressures and a deteriorating growth outlook across Europe and the UK, may impact individual industries and companies. This sentiment is reflected in broader credit spreads, which have largely reverted to pre-war levels. However, the managers sees this as a sign of potential complacency, particularly within the lower-quality credit segment. They anticipate earnings pressure in specific industries to be the first signs of visible deterioration, which could trigger a sell-off. As this unfolds, the managers remain focused on taking advantage of the liquidity rush, seeking to acquire undervalued positions within the opportunistic sleeve at attractive valuations.

Attractive Risk Adjusted Returns: In an environment where companies are facing multiple pressures, alongside the prospect of higher central bank base rates, the managers believe that a deep understanding of credit quality and the underlying health of portfolio companies is imperative. At the same time, they believe that a higher-rate environment can provide attractive risk-adjusted return opportunities, with the portfolio particularly well positioned given its exposure to predominantly senior secured instruments backed by resilient underlying businesses. The managers believe that strong returns and downside protection can be achieved through a focus on high-quality borrowers, with durable competitive advantages, strong business models and the ability to pass through cost pressures.

The Managers Say:
"We feel this strategy is a good place to be in an uncertain world"

Appendix:
Fixed Income Primer

Fixed Income Primer

What are Fixed Income securities?
Fixed Income is a broad asset class containing a range of securities, the most common of which is a traded bond. In essence, they are a form of debt, with borrowers issuing Fixed Income instruments in exchange for cash; the borrower is then usually required to pay periodic interest on known dates to the investor (lender) over the life of the instrument, as well as repaying in full the amount they initially received upon a specified date of maturity. They generally provide returns in the form of regular interest payments (**coupons**) and repayment of **principal** at **maturity** (although there are some exceptions to this, such as **perpetual bonds**, which never repay principal).

Who can issue them?
Bonds and loans are issued by governments, companies, international organisations and other entities to finance their operations. Structured products may aggregate numerous underlying pools of debt into tradeable securities.

What are their key characteristics?
Unlike equities, Fixed Income securities do not provide investors with an ownership interest in a company, but they do offer a **seniority** of claims relative to equities in the event of bankruptcy or **default** (i.e. bondholders will be repaid before shareholders). There are also different levels of seniority across different types of bonds, depending on where they rank in the **capital structure**. They can provide investors with a predictable cashflow and diversification from equities and other asset classes; while there is less potential upside from Fixed Income versus equity investment, there is less downside risk due to the seniority of claim and the commitment to repay **principal** at **maturity**.

Coupon payments
Fixed Income securities usually pay a **coupon** (interest rate), expressed as the percentage of the **principal/par value** on an annual basis. For example, for a bond with a par value of 100p that pays annual coupons of 4p, the coupon rate is 4% (4p/100p = 4%). Coupons may be paid monthly, quarterly, semi-annually or annually. In general, Fixed Income securities pay a higher coupon the longer their maturities as borrowers are willing to pay more interest in return for being able to borrow money for a longer period of time and investors demand higher rates to commit their money for longer.

Most bonds pay fixed rate coupons (as per the previous example) but, despite their name, some Fixed Income securities pay floating, or variable, rate coupons, tied to a benchmark rate, such as SONIA (Sterling Overnight Index Average) or SOFR (Secured Overnight Financing Rate). Some instruments also pay a mix of these types of coupon, starting with fixed payments and switching to floating at some specified date. There also exist zero-coupon bonds, which do not pay any coupons but do repay the principal amount at maturity, and are sold at a discount to par value in replacement of a coupon.

Note: **Highlighted** terms are defined in the Glossary

Fixed Income Primer

Maturity and Duration

The **maturity** of a debt instrument is the length of time until expiry, with the **principal** usually repaid at the end of this term. Maturities commonly range from a month to 30 years. Instruments may also be callable (or redeemable), whereby the issuer can choose to repay the principal and cease **coupon** payments before the maturity date. The commonly used term '**duration**', is not synonymous with maturity, but its calculation often aligns with maturities.

What are the risks?

The risk profile of a Fixed Income instrument depends primarily on the *credit risk* of the underlying issuer(s) and its position in the **capital structure**. Credit risk is the risk of **default**, i.e. when an issuer fails to pay the **coupon** or **principal**. In a 'restructuring' situation, only partial payment recovery is expected. Instruments with greater credit risk tend to pay a higher yield to compensate investors for this risk. Credit rating agencies aim to assess an issuer's creditworthiness, both in general and for a particular debt instrument. Debt securities (or issuers) can be broadly classified as '**Investment Grade**' (less risk) or '**High Yield**' (more risk). Another dimension of risk is *duration risk*, as the market value of a Fixed Income instrument can rise or fall based on changes to benchmark interest rates.

Credit Rating			
S&P Global	Moody's	Fitch Ratings	
AAA	Aaa	AAA	Investment Grade
AA	Aa	AA	
A	A	A	
BBB	Baa	BBB	
BB	Ba	BB	High Yield (Speculative Grade / Junk)
B	B	B	
CCC	Caa	CCC	
Below CCC	Below Caa	Below CCC	

Source: Marex Financial, S&P Global, Moody's, Fitch Ratings

How are they priced?

Fixed Income securities are generally issued at **par value**, but can be bought and sold in the secondary market at any price. Many debt securities are publicly traded on exchanges, but may also be unlisted. The **running yield** is the annual **coupon** expressed as a percentage of the current price of the bond. If a bond is trading at a price below the par value, the yield will be higher than the coupon rate and vice versa; there is an **inverse correlation between price and yield**. For example, a bond with a par value of 100p that pays annual coupons of 4p has a coupon rate of 4%; if this bond trades in the secondary market at a price of 80p, the yield will be 5% (4p/80p = 5%), so a fall in price corresponds to a rise in yield. A bond's **yield to maturity** rises or falls depending on its market value and how many payments remain.

Bond prices may rise or fall for many reasons, including a change in perceived credit risk. Benchmark interest rates set by central banks are another key factor; as they rise, an existing fixed coupon may be rendered comparatively less attractive, causing investors to sell those instruments and reinvest elsewhere. Those sales lower bond prices and therefore increase their yield. The sensitivity of a debt security to a change in market interest rates is referred to as '**duration**'. The duration of a bond is primarily affected by its coupon rate, yield and remaining time to maturity; duration will be higher the lower the coupon, the lower the yield and the longer the maturity.

Another way to assess Fixed Income pricing is by calculating the difference ('spread') between a security's yield and a benchmark interest rate, generally taken to mean 10-year Treasury yields or similar. The higher risk an issuer or instrument is, the higher the spread over the 'risk-free' benchmark rate will be.

Note: **Highlighted** terms are defined in the Glossary

Fixed Income Primer

Examples of Fixed Income instruments

- ✓ **Bonds:** Debt issued by companies or governments, securitised as tradable instruments and usually listed on an exchange.
- ✓ **Convertible Bonds:** Debt securities issued by companies that may be converted into equity. Conversion may be triggered by events or at the discretion of the bondholder or the issuer.
- ✓ **Hybrid Bonds:** Subordinated securities with both debt and equity characteristics. Typically issued by non-Financial companies. These instruments are often perpetual and/or callable. Coupons are generally comparatively high, but could be suspended or deferred.
- ✓ **Loans:** Borrowing agreement between two parties, usually with a fixed repayment date and fixed or floating interest payments. Loan agreements are not usually listed or easily tradeable. Loans are often secured on assets owned by the borrower. ‘First Lien’ loans have the first claim on assets following a default, commonly followed by ‘Second Lien’ loans, which are second in line. A borrower could take out loans with additional seniority ranks (Third Lien, Fourth Lien etc.) with progressively less likely loan recovery prospects.
- ✓ **Money Market Instruments:** Short-term financing instruments that can be easily converted to cash, including certificates of deposit, commercial paper, sovereign debt and repurchase agreements.
- ✓ **Regulatory Capital:** Debt instruments issued by Financial corporates (Banks and Insurers) to satisfy their regulatory requirements. Most prominently these include Additional Tier 1 (AT1) securities, which are perpetual and callable convertible contingent debt instruments (“CoCo’s”), serving to increase loss absorption capacity within the banking system.
- ✓ **Structured Products:** Securitisation of underlying assets, typically offering regular payments derived from underlying cashflows. Examples include:
    - **Asset-Backed Securities (ABS):** Debt securities backed by a collection of financial assets, such as credit card receivables or auto loans. Each ABS security includes only fractions of underlying assets that are pooled as a single instrument, diversifying risk. Securitised instruments are typically split into tranches, structured to present different levels of seniority, credit risk and return profiles.
    - **Residential Mortgage-Backed Securities (RMBS):** ABS securities backed by a pool of residential mortgages or home equity loans.
    - **Collateralised Loan Obligations (CLOs):** ABS securities backed by a pool of corporate loans.

For a series of Fixed Income explainer videos by CVC Income & Growth Board member Esther Gilbert, click here

For more, please refer to the Corporate Finance Institute (CFI) Fixed Income resource page

Glossary & Disclaimer

Glossary

Investment Trust Terminology:

- **Active Share:** The degree to which the composition of the portfolio diverges from its benchmark or reference index, expressed as a percentage of NAV.
- **Discount/Premium to NAV**: The percentage difference between the share price of an investment trust and its NAV per share. A positive difference is a Premium to NAV, while a negative difference is a Discount to NAV.
- **'Enhanced' Dividend:** Term used to describe a dividend (partially) paid from capital reserves, rather than from revenue reserves.
- **FCF Yield**: Free Cash Flow (FCF) Yield is the ratio of forecast free cash flow per share to the current share price.
- **Gearing:** The debts of a fund, used as leverage to increase exposure, expressed as a percentage of NAV.
- **NAV:** Net Asset Value, the difference between a fund's assets and liabilities.
- **Net Issuance:** In the context of this report, the term Net Issuance is used to indicate net share issuance (net share buybacks if negative) over the last 12 months as a percentage of current Market Capitalisation. Excludes issuance/buybacks resulting from IPOs, Tenders, Redemptions, Share Conversions, Consideration Shares and Treasury Share cancellations.
- **Ongoing Charges:** Annual percentage reduction in shareholder returns as a result of a fund's recurring operational expenses, assuming markets remain static and the portfolio is not traded. Please note that shareholders do not pay these costs directly
- **P/E Ratio**: Price to Earnings (P/E) ratio is a company's share price divided by its earnings per share.
- **Total Return:** Investment returns over a given period, assuming any dividends paid over this period have been reinvested.
- **Z Score:** Statistical indicator of current Discount/Premium deviation from 12-month average.

For more, please refer to the Association of Investment Companies (AIC) Glossary page

Glossary

Fixed Income Terminology:

- ✓ **Capital Structure:** The composition of a company's debt and equity.
- ✓ **Coupon:** The annual amount of interest paid on a debt instrument.
- ✓ **Default:** When the issuer of a debt instrument fails to make interest or principal payments within the specified period.
- ✓ **Duration:** A measure of the sensitivity of the price of a Fixed Income security to a change in interest rates.
- ✓ **Maturity:** The date when a debt instrument's principal is repaid.
- ✓ **Modified Duration:** A formula that expresses the change in the value of a bond in response to a 1% change in interest rates.
- ✓ **Paid-In-Kind (PIK) Interest:** An agreement, either at origination or during the life of the loan, where interest cash payments are deferred and instead added to the final principal balance owed by the issuer.
- ✓ **Par Value / Principal / Face Value:** The amount of money that the issuer promises to repay holders of Fixed Income securities at maturity.
- ✓ **Pull to Par:** The movement of a debt instrument's price towards its par value as it approaches its maturity date.
- ✓ **Secured / Unsecured Debt:** Secured debt instruments provide lenders with a direct claim on specific assets in the event of default, while unsecured lenders only receive a general claim on borrowers' assets. Therefore, secured lenders will be paid first in the event of default.
- ✓ **Seniority:** The order of repayment in the event of a borrower's bankruptcy. Debt further down the capital structure has lower payment priority and is therefore higher risk; these instruments will generally have higher coupon payments to compensate for this risk.
- ✓ **(Running) Yield:** The coupon rate expressed as a percentage of a Fixed Income security's current price.
- ✓ **Yield to Maturity (YTM):** The percentage rate of return, assuming that the investor holds the Fixed Income security until its maturity date, receiving all remaining coupon payments and return of principal at maturity.

For more, please refer to the Corporate Finance Institute (CFI) [Fixed Income resource page]

Disclaimer

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Please read this information to help you understand what this material is and how you should use it

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- **Look at the Key Links** (see panel on right) for further information of the risks and explanation of key terms.
- **Investment trusts** can use **gearing** which can offer the chance to boost the trust's profit but also **increases the risk**.

Key Links

→ **Glossary of Key Terms**

→ **AIC Guide to Investment Trusts**

→ **Key Information Document** (CVCG)

→ **Prospectus** (CVCG)

→ **Factsheet** (CVCG)

→ **Homepage** (CVCG)

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