

September 2023

Variety CKC Credit Opportunity Fund S EUR

Risk Information



The **Variety CKC Credit Opportunity Fund** is a US Short Duration Credit focused Daily Dealing UCITS Fund, managed by CKC Capital LLC.

CKC Capital LLC is a Corporate Credit focused Investment Manager founded in 2012 by Kevin "KC" Baer & Christopher Yanney.

Kevin "KC" Baer – 31 years of experience. Former Head of High Yield Trading at Barclays and Senior Trader at Bank of America and CitiBank. Graduate of Duke and MBA from Fuqua School of Business.

Christopher Yanney – 26 years of experience. Former Head of High Yield Trading at Barclays, Morgan Stanley & CitiBank. Head of Emerging Markets at Delaware and Senior Trader at Goldman Sachs. Graduate of MIT.

Investment Objective

The Investment objective of the Fund is to seek to achieve consistent risk-adjusted total returns while seeking to limit the downside and volatility of investments. The Fund is actively managed and the Investment Manager has the discretion to select the Fund's investments. The Fund is not managed in accordance with a benchmark.

The Investment Manager will seek to achieve this objective through investment in a diversified portfolio of investment grade and high yield bonds, typically in the United States, and through the active trading of opportunities available from the new issuance of bonds, in the secondary market, and other trading related opportunities.

Monthly Performance

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year |
|-------------|-------|-------|------|-------|-------|-------|------|-------|-------|------|-------|------|--------------|
| 2023 | 0.37 | -0.09 | 0.33 | 0.21 | 0.12 | 0.43 | 0.29 | 0.05 | 0.00 | | | | 1.73 |
| 2022 | -0.29 | -0.14 | 0.02 | -0.35 | -0.38 | -0.62 | 0.20 | -0.06 | -0.22 | 0.08 | 0.30 | 0.01 | -1.44 |
| 2021 | | | | | | | | | | | -0.48 | 0.64 | 0.16 |

Performance



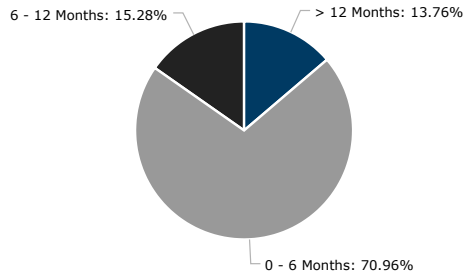
Top 5 Holdings

| | |
|-------------------------------------------|-------|
| HCA Healthcare Inc 5 03/15/24 | 6.92% |
| Ball Corp 4 11/15/23 | 6.88% |
| Keurig Dr Pepper Inc 0 3/4 03/15/24 | 6.79% |
| Broadcom Inc 3 5/8 01/15/24 | 6.31% |
| Charter Communications Inc 4 1/2 02/01/24 | 4.94% |

Fund Features

| | |
|-------------------------------|---------------------------------------------------|
| Fund Manager | CKC Capital LLC |
| Administrator | CACEIS Investor Services Ireland Limited |
| Custodian | CACEIS Investor Services Bank S.A., Dublin Branch |
| Legal Structure | UCITS |
| Dealing | Daily |
| Base Currency | USD |
| Shareclass Currency | EUR |
| Fund AUM | \$149.2 million |
| Minimum Investment | €10 million |
| Subscription Settlement Cycle | T+3 |
| Redemption Settlement Cycle | T+3 |
| Inception Date | Nov 2021 |
| Management Fee | 0.60% |
| Performance Fee | 15.00% |
| Subscription / Redemption Fee | 0.00% |
| Bloomberg Ticker | VCKCSEH ID |
| ISIN | IE000IFR2N08 |

Portfolio Breakdown By Duration



Portfolio Breakdown by Sector

| | |
|------------------------|--------|
| Consumer Staples | 30.55% |
| Consumer Discretionary | 23.10% |
| Industrials | 12.63% |
| Technology | 11.52% |
| Communication Services | 11.15% |
| Energy | 8.64% |
| Materials | 1.86% |
| Utilities | 0.55% |

Distributor Information

| | |
|----------------------------|-----------------------------|
| Distributor | Variety Capital Limited |
| Head of Investor Relations | Antony Juffs |
| Phone | +44 20 7117 2472 (Ext. 201) |
| E-mail | aj@varietycapital.co.uk |

Performance Statistics

| | |
|------------------------------|--------|
| Last Month | 0.00% |
| Year To Date | 1.73% |
| 3 Month ROR | 0.34% |
| 12 Months ROR | 2.14% |
| Total Return since Inception | 0.43% |
| Total Return Annualized | 0.22% |
| Winning Months (%) | 60.87% |
| Average Winning Month | 0.22% |
| Average Losing Month | -0.29% |
| Standard Deviation Monthly | 0.31% |

Monthly Investment Update

The Variety CKC Credit Opportunity Fund S EUR finished up flat for September and is up +1.73% YTD through September 30, 2023. Our monthly performance surpassed that of the LQD, the iShares investment grade ETF: -3.55%, the HYG, the iShares High Yield ETF: -1.61% and the S&P 500: -4.87%.

Credit markets were relatively soft in September due mainly to pressure from the rates markets. Interest rate volatility increased and rates went up across the yield curve. The rate move was particularly pronounced in the intermediate and longer maturity treasuries where we saw rates reach levels they had not reached for 16 years. Considering the weakness in rates, the high yield market was surprisingly firm. Spreads were roughly unchanged in most names with continued buying on weakness, especially in stronger credits. Seasonal weakness in the August/September period may have been a factor in the August/September market performance but, as we have seen in the first week of October, the impact of the move in rates on credit may be more than just a seasonal weakness phenomenon.

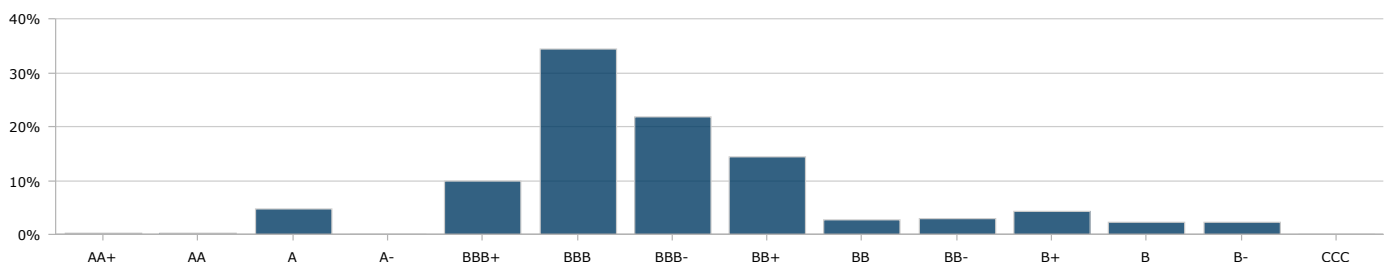
With rates substantially higher, equity markets were weak in September. Equity markets finished lower across all major indices and the S&P was down just under 5%. The Russell 2000 was down nearly 6% and the weakness in the broad market was evident in the performance of a host of stocks that are now down 20-40% from their highs. Even the S&P and NASDAQ leaders struggled, with the big cap names finally showing weakness.

Our performance was driven mainly by the short duration positioning in our core portfolio. Our short duration investment grade and high yield bonds continued to move higher amid flat interest rate moves in the front end while our higher beta high yield bonds were lower on the month. Trading continued to add positive alpha as primary market activity picked up in September.

Looking Ahead

Going forward, we believe that a new era of higher rates will benefit CKC. The opportunity set in short duration investment grade and high yield bonds is the most fertile it has been in a long time. In addition, the opportunity to find value in longer duration securities may be close at hand. At a minimum, the risk/reward in longer duration bonds has improved significantly. While we see an excellent opportunity set, we are not as convinced as much of the investing world is of the broad strength in the economy. We believe that the rapid ascent of interest rates will likely have a significant impact on economic growth and is likely to cause a significant slowdown. In a weaker economic scenario, we think that credit selection will be of paramount importance and that dispersion in the performance of different sectors is likely to become more pronounced.

Portfolio Breakdown by Credit Rating



Important Information

All past Performance data has been taken from the historic NAV's of the Fund, which were published and produced by CACEIS Investor Services Ireland Limited. Past performance of this Share Class is calculated in EUR. Performance is calculated after the deduction of ongoing charges and is inclusive of gross income reinvested. Duration, Credit Rating, Sector Exposure and other Data on the underlying holdings has been sourced from Bloomberg by the Fund Manager, CKC Capital LLC.

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The positions and stocks identified herein do not represent all of the investments made or recommended by CKC Capital LLC. It should not be assumed that other investments made or investments made in the future by CKC Capital LLC are or will be profitable. Past performance does not guarantee future results.

The Fund is an Undertakings for the Collective Investment in Transferable Securities ("UCITS") sub-fund of an Irish Collective Asset-management Vehicle ("ICAV") and is not marketed in the United States. The Investment Manager of the Fund is CKC Capital LLC. The Investment Manager is registered as an investment adviser with the Securities and Exchange Commission in the United States. CKC Capital LLC is the Investment Manager of The Fund pursuant to the Investment Management Agreement signed on the 21st of October 2021.

Warning of the Capital Risk

An investment in funds involves risks, including illiquidity, lack of dividends, loss of investment and dilution, and should only be made as part of a diversified portfolio. The Fund may be registered or otherwise authorised for public distribution in one or more European jurisdiction. Investors should continue to carefully consider the terms and conditions of investment in the Fund (or share class) and seek professional investment advice before making any decision to invest in such Fund (or share class). Past performance is not an indication of future returns, and no representation or warranty is made as to the returns that may be experienced by investors in the Fund.

Currency warning

The price of units may go down as well as up and the past performance is not indicative of future performance. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency.

An investment in the Fund is speculative and involves significant risks, including the potential loss of all or a substantial portion of invested capital, the use of leverage, and the lack of liquidity of an investment. Key Risks include: Credit risk, changes to interest rates and/or issuer defaults will have a significant impact on the performance of fixed income securities. Potential or actual credit rating downgrades may increase the level of risk. Credit Risk: The issuer of a financial asset held within the Fund may not pay income or repay capital to the Fund when due. If a financial institution is unable to meet its financial obligations, its financial assets may be subject to a write down in value or converted (i.e. "bail-in") by relevant authorities to rescue the institution. Liquidity Risk: Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily. Counterparty Risk: The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss. For full information on the Risks associated with this Fund, please find the Prospectus and Supplement at <https://www.varietycapital.co.uk/variety-ckc>

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A decision to invest should take into account all of the objective, characteristics and risks of the Fund as set out in more detail in the fund documents. The relevant instrument of incorporation, prospectus, supplement, key investor information document (UCITS KIID) and Packaged retail investment and insurance products key information document (PRIIPs KID) available in English, French and German and the latest annual/semi-annual report (as applicable) are available free of charge by clicking on <https://www.varietycapital.co.uk/variety-ckc>. Complete information on the risks of investing in the Fund are set out in the Fund's prospectus. A summary of your investor rights is available in English by clicking on <https://www.varietycapital.co.uk>.

The ongoing charges are the fees the Fund charges to investors to cover the costs of running the Fund. Additional costs, including transaction fees, may also be incurred. These costs are paid out by the Fund, which will impact on the overall return of the Fund. For the avoidance of doubt, if you make a decision to invest, you will be buying shares in the Fund and will not be investing directly in the underlying assets of the Fund.