

August 2023

Variety CKC Credit Opportunity Fund I 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

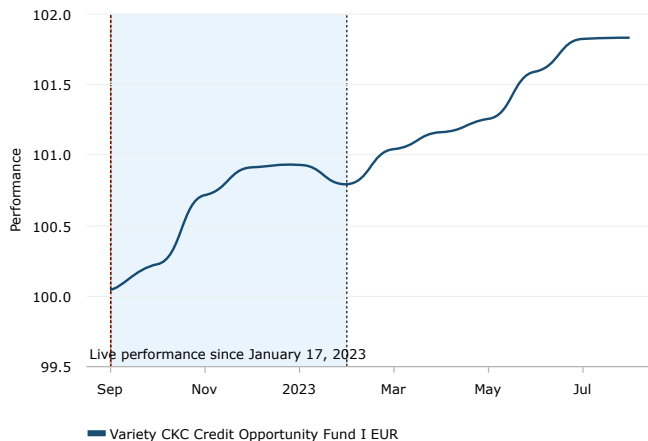
The Investment objective of the Fund is to seek to achieve consistent risk-adjusted total returns while seeking to limit the downside and volatility of investments. The Fund is actively managed and the Investment Manager has the discretion to select the Fund's investments. The Fund is not managed in 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	0.02	-0.14	0.25	0.12	0.09	0.33	0.23	0.01					0.91
2022									0.04*	0.18*	0.49*	0.20*	0.91*

Performance



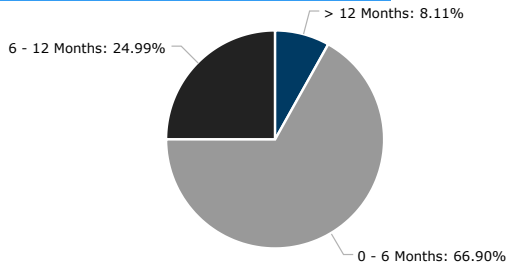
Top 5 Holdings

HCA Healthcare Inc 5 03/15/24	6.70%
T-Mobile US Inc 7 7/8 09/15/23	6.70%
Keurig Dr Pepper Inc 0 3/4 03/15/24	6.56%
Oracle Corp 2.4 09/15/23	6.33%
Broadcom Inc 3 5/8 01/15/24	6.11%

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	\$154 million
Minimum Investment	€1 million
Subscription Settlement Cycle	T+3
Redemption Settlement Cycle	T+3
Inception Date	Jan 2023
Management Fee	1.20%
Performance Fee	15.00%
Subscription / Redemption Fee	0.00%
Bloomberg Ticker	VCKCIEH ID
ISIN	IE000GCOVXJ1

Portfolio Breakdown By Duration



Portfolio Breakdown by Sector

Consumer Staples	33.68%
Consumer Discretionary	19.46%
Technology	17.48%
Communication Services	15.80%
Industrials	7.28%
Energy	4.82%
Materials	1.41%
Utilities	0.07%

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	0.01%
Year To Date	0.91%
3 Month ROR	0.57%
12 Months ROR	1.83%
Total Return since Inception	0.91%
Total Return Annualized	1.83%
Winning Months (%)	91.67%
Average Winning Month	0.18%
Average Losing Month	-0.14%
Standard Deviation Monthly	0.16%

Monthly Investment Update

The Variety CKC Credit Opportunity Fund I EUR was up 0.01% for the month of August and is up 0.91% YTD through August 31, 2023. Our monthly performance surpassed that of the LQD (the iShares investment grade ETF: -1.23%), and was in line with that of the HYG (the iShares High Yield ETF:+0.18%).

Credit markets performed fairly well on a spread basis for most of the month with spreads roughly flat. Counteracting the spread strength was continued mediocrity in rate sensitive instruments. Anything with a final maturity of 10 years or longer performed poorly on an absolute basis as the long end of the treasury curve underperformed shorter maturities. Considering the weakness in rates, the high yield market was surprisingly firm. While the overall mood in markets tilted towards "risk-off", high yield credits traded roughly flat. Seasonal weakness in the August/September period may explain what felt like a general malaise across most markets.

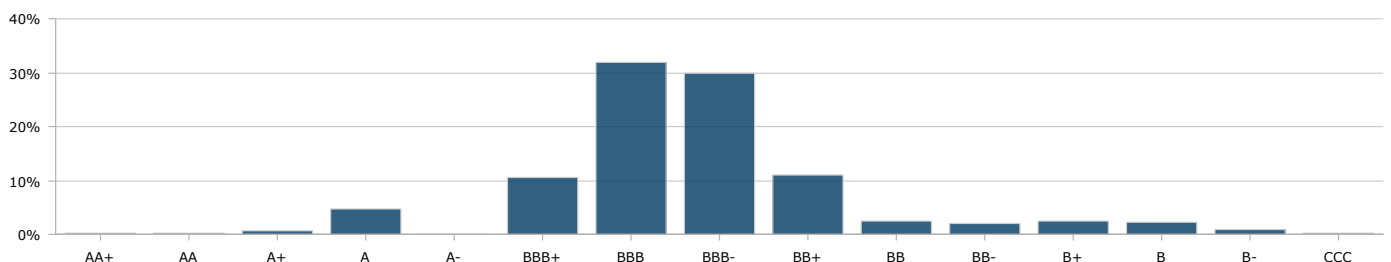
While credit markets were flat, equity markets were weak until the last 3 days of the month. Equity markets finished lower across all major indices but the monthly performance improved significantly after Powell's well received Jackson Hole speech. For the first ¾ of the month, equity markets were sloppy with the IWM Russell 2000 ETF down as much as 8% at one point. Even the NASDAQ and the S&P were weak for most of the month although the strength in the biggest market cap names helped buoy those indices.

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 grind higher amid flat interest rate moves in the front end while our higher beta high yield bonds were slightly lower on the month. The travel space, our biggest overweight, was weaker than it has been during most of the year but it was still well bid at lower levels. Trading continued to add positive alpha but was relatively quiet as is often the case in August.

Looking Ahead

Going forward, we believe that continued higher rates will allow us to capture ever increasing yields for the high quality short duration part of our portfolio. At the same time, we are not as convinced as much of the investing world is of the broad strength in the economy. At this point, it seems that a soft landing is the expected scenario and we believe that any other scenario will cause spread widening and an uptick in the default rate. In a weaker economic scenario, we think that we will be extremely well positioned to capitalize on a broad opportunity set. Even if the economy churns along and we get a relatively soft landing, we think that there will be enough disruption across some sectors that we will be able to find solid high yielding opportunities.

Portfolio Breakdown by Credit Rating



Important Information

Simulated past performance does not represent actual performance and should not be used as a guide to actual or future performance. The currency in which the past performance is displayed may differ from the currency of your country of residence. Due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. All data with an asterisk (*) beside it is simulated past performance, which has been taken from the monthly performance from the CKC Credit Opportunity Master Fund Limited. This performance is net of fees, which are 1% management and 12.5% incentive for the Institutional class. Live Performance for the I EUR Shareclass of the Variety CKC Credit Opportunity Fund began on the 17th of January 2023 and the performance for the month of January 2023 is representative of the actual performance of the Fund but this performance is not for the entire Month.

All other 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.