

June 2023

# Variety CKC Credit Opportunity Fund S USD

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

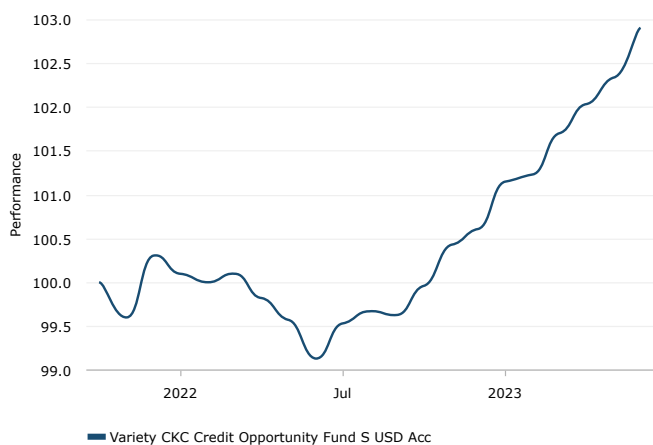
The Investment objective of the Fund is to seek to achieve consistent risk-adjusted total returns while seeking to limit the downside and volatility of investments. The Fund is actively managed and the Investment Manager has the discretion to select the Fund's investments. The Fund is not managed in 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	0.53	0.09	0.46	0.32	0.30	0.55							2.28
2022	-0.21	-0.09	0.10	-0.29	-0.24	-0.44	0.39	0.15	-0.05	0.33	0.47	0.19	0.31
2021											-0.41	0.71	0.30

## Performance



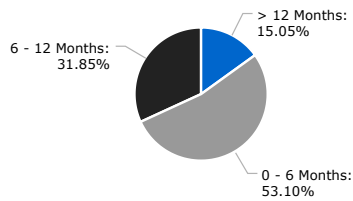
## Fund Features

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	USD
Fund AUM	\$155.3 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	VCKCSUU ID
ISIN	IE000L7H9JCO

## Portfolio Breakdown by Sector

Consumer Staples	32%
Consumer Discretionary	19%
Technology	17%
Communication Services	14%
Industrials	9%
Energy	4%
Materials	2%
Utilities	2%
Financials	1%

## Portfolio Breakdown By Duration



## Top 5 Holdings

T-Mobile US Inc 7 % 09/15/23	7%
HCA Healthcare Inc 5 03/15/24	7%
Keurig Dr Pepper Inc 0 % 03/15/24	6%
Oracle Corp 2.4 09/15/23	6%
Broadcom Inc 3 % 01/15/24	6%

## 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	0.55%
Year To Date	2.28%
3 Month ROR	1.18%
12 Months ROR	3.80%
Total Return since Inception	2.90%
Total Return Annualized	1.73%
Winning Months (%)	65.00%
Average Winning Month	0.35%
Average Losing Month	-0.25%
Standard Deviation Monthly	0.33%

## Monthly Investment Update

The Variety CKC Credit Opportunity Fund S USD finished up +0.55% net for June and is up +2.28% YTD through June 30, 2023. Our monthly performance was solid considering the continued move higher in short and medium term interest rates.

Credit markets performed well in June with significant spread tightening outweighing the weakness from rising rates. As has been the case during past "risk on" months, lower rated credits outperformed stronger credits in virtually every sector. Because higher quality bonds are typically more sensitive to moves in interest rates, the disproportionate effect of the move up in rates exaggerated the performance disparity between higher and lower quality bonds. The travel and leisure spaces were particularly strong with airline and cruise companies reporting strong earnings.

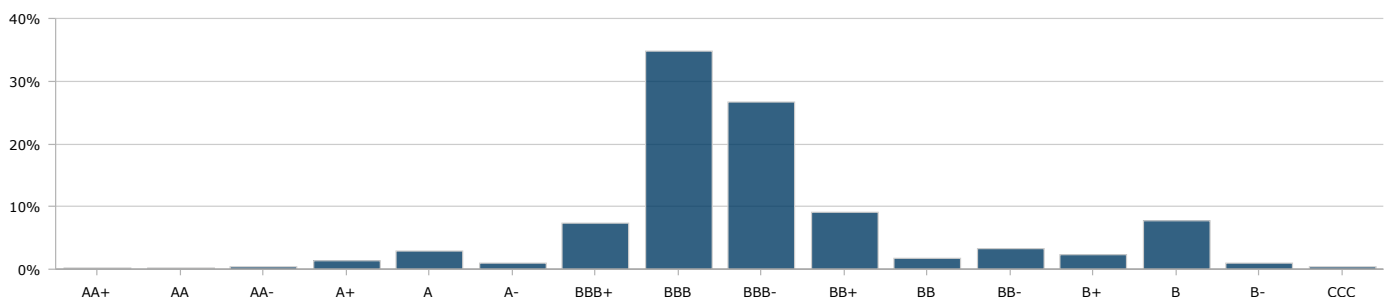
Equity markets were very strong in June with strong performance in the tech space accompanied by improving market breadth. Across almost all sectors, the "risk on" impulse was strong and fear/greed gauges showed a significant tilt toward greed as the dominant market impulse. The equity market's performance was aided by the first Fed pause in more than a year and an investor friendly mix of economic numbers. Many investors seem to believe that equity markets can continue to rise despite the likelihood of more tightening from the Fed.

Our performance was driven by strong moves higher in our higher beta travel sector bonds, the solid performance of our short duration portfolio and some gains from our active trading book. In fact, our portfolio was well positioned for the move in travel related bonds with exposure to cruise and airline bonds composing a significant percentage of our relative value bucket. It was a slightly more active month in the primary markets as some issuers looked to take advantage of the more broadly open issuing window and tighter spreads. New issue performance was unusually weak with dealers pushing most deals to the tight end of price talk and supply hungry investors willing to accept lower yields. As a result, June was a profitable but relatively quiet trading month.

### Looking Ahead

Going forward, we like the opportunities that are coming with the higher rate environment. Higher quality front end credits are starting to yield 6-7% and opportunities across mid and high beta bonds are abounding with the emergence of greater dispersion across sectors and credits.

## 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 RBC Investor Services Ireland Limited. Past performance of this Share Class is calculated in USD. 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>

The graphs, charts and other visual aids are provided for informational purposes only. None of these graphs, charts or visual aids can of themselves be used to make investment decisions. No representation is made that these will assist any person in making investment decisions and no graph, chart or other visual aid can capture all factors and variables required in making such decisions.

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.