

July 2023

Variety CKC Credit Opportunity Fund S EUR

VARIETY CAPITAL
Transparency Breeds Trust

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

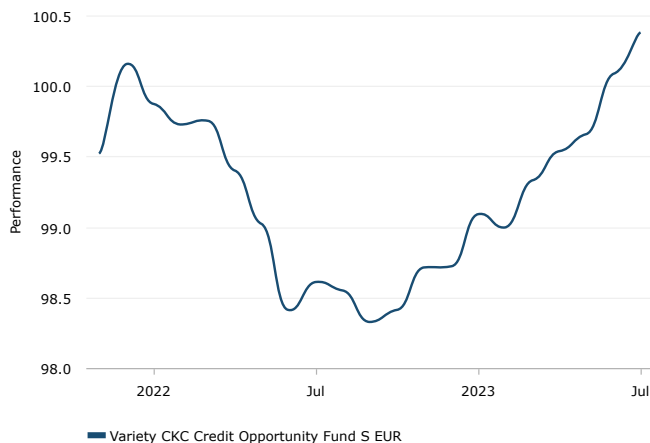
The Investment objective of the Fund is to seek to achieve consistent risk-adjusted total returns while seeking to limit the downside and volatility of investments. The Fund is actively managed and the Investment Manager has the discretion to select the Fund's investments. The Fund is not managed in 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 | | | | | | 1.68 |
| 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



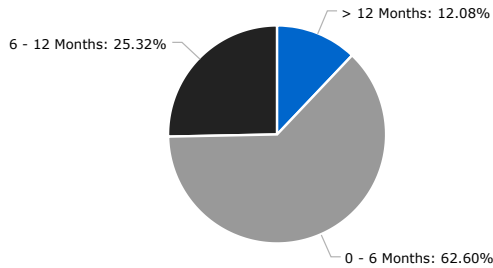
Top 5 Holdings

| | |
|-----------------------------------|-------|
| T-Mobile US Inc 7 % 09/15/23 | 6.72% |
| HCA Healthcare Inc 5 03/15/24 | 6.72% |
| Keurig Dr Pepper Inc 0 % 03/15/24 | 6.56% |
| Oracle Corp 2.4 09/15/23 | 6.33% |
| Broadcom Inc 3 % 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 | \$154.6 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 | 29.65% |
| Consumer Discretionary | 19.25% |
| Technology | 17.89% |
| Communication Services | 16.85% |
| Industrials | 7.84% |
| Energy | 4.46% |
| Utilities | 2.05% |
| Materials | 1.66% |
| Financials | 0.35% |

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 | 0.29% |
| Year To Date* | 1.68% |
| 3 Month ROR | 0.84% |
| 12 Months ROR* | 1.79% |
| Total Return since Inception | 0.38% |
| Total Return Annualized* | 0.22% |
| Winning Months (%)* | 57.14% |
| Average Winning Month* | 0.25% |
| Average Losing Month* | -0.29% |
| Standard Deviation Monthly* | 0.32% |

Monthly Investment Update

The Variety CKC Credit Opportunity Fund S EUR finished up +0.29% net for July and is up +1.68% YTD through July 31, 2023. Our monthly performance was solid considering the continued lackluster performance of interest rate sensitive instruments.

Credit markets performed well in July with spreads moving tighter across every rating class. Counteracting the spread strength was continued mediocrity of rate sensitive instruments. In high yield, the best performers were those that lacked sensitivity to interest rate moves. In fact, significant spread compression occurred in the lowest rated and weakest credits. At the same time, higher rated credits tightened somewhat but underperformed their weaker counterparts as a result of having little room to tighten and slightly higher interest rates.

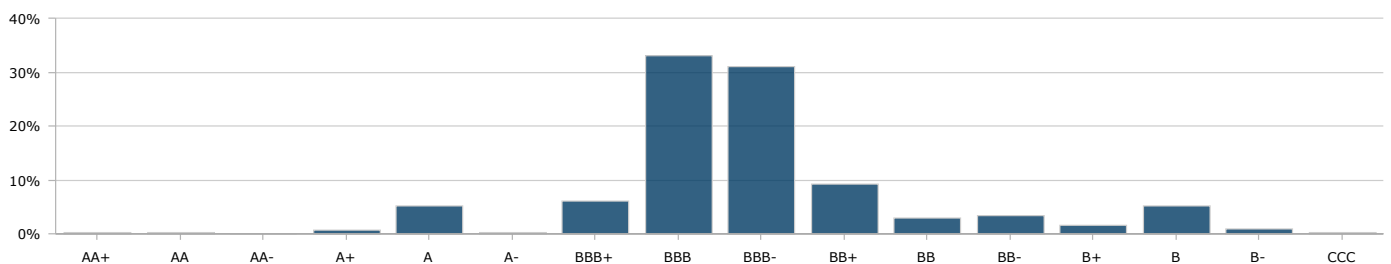
While credit markets were firm and somewhat higher, equity markets were outright euphoric. For the second straight month, equity markets rocketed higher with tech leading improved market breadth. By month's end, most technical indicators were indicating greed overwhelmed fear with investors far more concerned with missing a powerful equity rally than they were with suffering losses. In fact, most investors welcomed the much anticipated 25 basis point hike from the Federal Reserve and the general theme was that this hike was likely the last or second to last hike of this cycle.

Our performance was driven mainly by the strength in our core portfolio. Our higher beta high yield bonds performed very well while our short duration investment grade and high yield bonds continued to grind higher. The travel space, our biggest overweight, stayed strong and allowed us to generate solid yields with a low duration, defensive portfolio. Trading continued to add positive alpha but was slower than we had hoped. We did see a slight pickup in the new issue calendar but we expected it would be more significant with a typically slow August ahead. Fortunately, August is off to a more robust start than we expected on the new issue front.

Looking Ahead

Going forward, we believe that continued higher rates will allow us to capture ever increasing yields for the portfolio. In addition, we believe that we will see the inverted yield curve continue to "uninvert" and create a broader opportunity set outside of the short duration bonds on which we have so heavily relied over the last 2+ years. While we think rates are going higher in the short run, we think the rate peak may finally be in sight within the next 6 months. As a result, we are beginning to look more broadly at the opportunity set across all maturities in corporate credit and we expect that we will be able to complement the short duration portfolio with an interesting group of longer duration opportunities before the end of the year.

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>

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.