

## Summary

CVC Credit Partners European Opportunities Limited (the "Company") is a Jersey closed-ended investment company limited by shares. The Company's shares are traded on the Main Market of the London Stock Exchange (LSE).

The Company's investment policy is to invest predominantly in companies domiciled, or with material operations, in Western Europe across various industries. The Company's investments are focused on Senior Secured Obligations of such companies, but investments are also made across the capital structure of such borrowers.

The Company invests through Compartment A of CVC European Credit Opportunities S.à r.l. (the "Investment Vehicle"), a European credit opportunities investment vehicle managed by CVC Credit Partners Investment Management Limited.

## Company NAV Total Return Performance<sup>4</sup> (since inception)

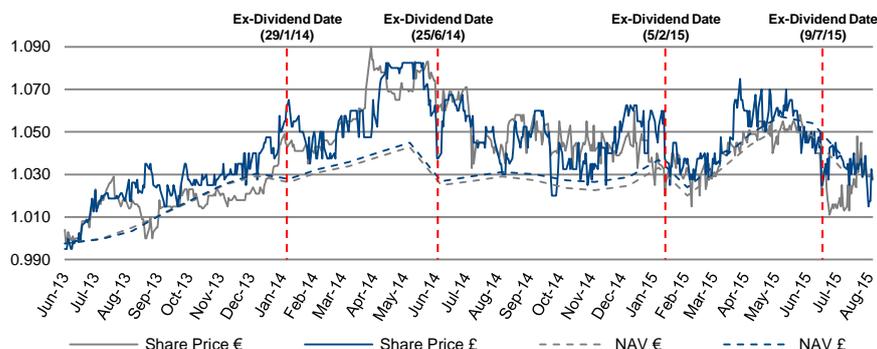
EUR Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	0.8%	1.2%	1.2%	1.2%	0.8%	-0.4%	0.8%	-0.2%					5.5%
2014	0.7%	0.4%	0.3%	0.4%	0.4%	0.7%	0.2%	0.2%	-0.2%	-0.3%	-0.1%	0.2%	3.0%
2013							0.2%	0.5%	0.6%	0.7%	0.7%	0.4%	3.2%

GBP Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	0.8%	1.2%	1.2%	1.2%	0.8%	-0.3%	0.8%	-0.1%					5.8%
2014	0.7%	0.4%	0.3%	0.5%	0.4%	0.6%	0.2%	0.2%	-0.1%	-0.3%	-0.1%	0.2%	3.3%
2013							0.2%	0.4%	0.8%	0.7%	0.7%	0.5%	3.3%

<sup>4</sup> NAV Total Return includes dividends reinvested

## Company Share Performance



## Investment Vehicle Manager Market & Portfolio Commentary

In the last two weeks of August, global markets descended into turmoil. Market turbulence was driven by a combination of the devaluation in the Renminbi and poor Chinese manufacturing data which triggered fears of an impending hard landing of the Chinese economy. The MSCI World Equity Index finished the month down by 6.6% in local currency terms and while credit markets showed negative returns across the board, losses were relatively modest in comparison to equity markets. HY markets were down by about 2% in the U.S. and just over 1% in Europe over the period.

Divergent central bank policy continues to be widespread. This was highlighted by the ECB's decision to revise down its inflation forecast to 0.1% for 2015 (from 0.3%) and 1.1% for 2016 (from 1.5%), together with a trim in its 2015 GDP forecast to 1.4%. These are clear signs that the central bank will carry on with quantitative easing measures until deflationary pressures are reversed; it is expected that the ECB safety net of liquidity will remain in place deep into 2016. In contrast, the Fed is expected to signal a 0.25% increase in U.S. rates by year-end 2015 – with original timing of a September rate increase under question.

Given the market backdrop and summer slowdown, primary issuance in August was quiet after a busy period in June and July. At the start of September YTD volume was €45bn, almost 25% down on the same time last year. In the HY bond market, volume hit €54.9bn to the end of August, down 13% yoy. Influenced by very low volume and broader credit markets, primary new issuance unsurprisingly priced wider than in previous months with European leveraged loans coming in at E+4.88% and single B credit at 6.79% (almost 50bps higher than Q2).

As reported by J.P. Morgan, European HY bond market saw the largest monthly outflow since the summer taper tantrum in 2013 with over 2.5% of AUM (c. €1.4bn) moving out of the market. The market technicals continue to remain difficult, particularly in the U.S. The U.S. leveraged loan market witnessed four consecutive weeks of outflows from loan funds and registered the highest monthly outflow of the year at \$2.9bn.

The Credit Suisse Western European High Yield Index (hedged, in euro) was down with a return of -1.01% for the month and is 2.12% YTD. The Credit Suisse Western European Leveraged Loan Index (hedged, in euro) was down with a return of -0.17% for the month and is 3.74% YTD.

As noted in previous monthly reports, the portfolio was well positioned into the summer to deal with an anticipated period of lower liquidity and potentially higher volatility as the market digested the Fed rate considerations, Chinese growth concerns and energy markets.

The focus through August was to continue managing NAV volatility across the liquid performing segment of the portfolio as well as positions held across the subordinated parts of the capital structure. The theme of reducing higher beta HY bond exposures and liquid U.S. 2nd lien loans has been one of the major drivers of reducing the overall volatility of the NAV versus the broader market.

Simultaneously, the portfolio participated in selective performing credit new issuance that priced at attractive levels owing to market stress. In addition to this, the Investment Vehicle Manager selectively traded in Credit Opportunities and Special Situations positions at lower levels than those seen in previous months, where the investment thesis remains, despite current market levels.

As of the end of August, floating rate instruments comprised 78.8% of the portfolio. Current yield at month-end was 6.0%.

## August 2015

### Share Price & NAV at 31 August 2015

	EUR	GBP
Share Price <sup>1</sup>	1.0280	1.0275
NAV <sup>2</sup>	1.0297	1.0369
Total Net Assets <sup>3</sup>	236,703,214	280,210,749
Market Capitalisation	236,317,629	277,680,302

<sup>1</sup> Share price provided as at the closing month-end market mid-price

<sup>2</sup> Opening NAV was 0.997, after initial costs

<sup>3</sup> Includes the impact of the utilisation of the Investment Vehicle's leverage facility and its currency hedging strategy in relation to the underlying portfolio

### Company Information

Vehicle Type	Closed-ended investment company
Domicile	Jersey
Inception Date	25 June 2013
Market	London Stock Exchange
LSE Identifier	EUR CCPE GBP CCPG
ISIN Code	EUR JE00B9G79F59 GBP JE00B9MRHZ51
Website	www.ccpeol.com

### Investment Vehicle Key Portfolio Statistics

Percentage of Portfolio in Floating Rate Assets	78.8%
Percentage of Portfolio in Fixed Rate Assets	21.2%
Weighted Average Price <sup>5</sup>	92.0
Yield to Maturity	8.1%
Current Yield	6.0%
Weighted Average Fixed Rate Coupon	8.0%
Weighted Average Floating Rate plus Margin	5.4%

Note: All metrics exclude cash unless otherwise stated

<sup>5</sup> Average market price of the portfolio weighted against the size of each position

## Contacts

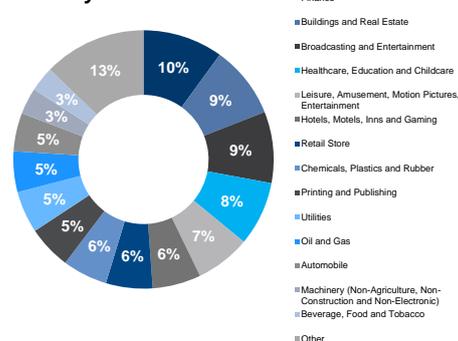
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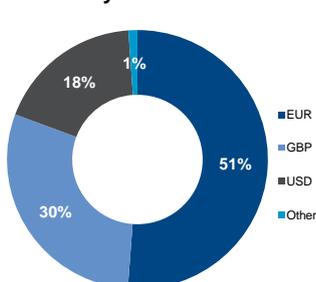
Note: Disclaimer overleaf

## Investment Vehicle Portfolio Statistics (as at 31 August 2015)<sup>3</sup>

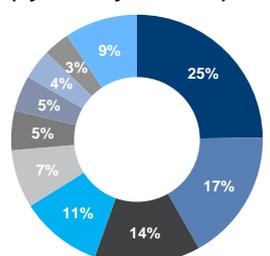
### Industry Breakdown



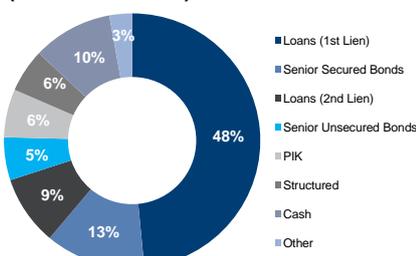
### Currency Breakdown



### Geographical Breakdown (by country of issuer)



### Asset Breakdown (incl. traded cash)



## Investment Vehicle Portfolio Statistics<sup>3</sup>

### 5 Largest Issuers

Issuer	% of GAV	Industry	Country
RAC	3.3	Automobile	UK
Icopal	3.2	Buildings / Real Estate	Denmark
Zodiac	2.8	Leisure	France
Viridian	2.7	Utilities	Ireland
Cortefiel	2.7	Retail	Spain

## Look Through Reporting<sup>6</sup>

### Spread Exposure

Rating	Average Spread Duration <sup>7</sup>	Market Value (EUR)	Market Value (%)
BB	7.30	16,507,976	3%
B	4.60	374,292,540	58%
CCC	3.17	26,684,542	4%
NR	4.11	224,580,792	35%

### FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	328,611,685	51%
GBP	189,338,289	30%
USD	116,979,751	18%
Other	7,136,125	1%

### Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.15	506,024,277	79%
Fixed	5.21	135,950,402	21%
Warrants	0.00	91,171	0%

#### Notes & Assumptions:

- The sum of the market values may be larger than the NAV due to the effect of the Investment Vehicle's leverage facility
- All duration and yield calculations are based on assets outstanding to maturity (no call or amortisation assumptions)
- Duration is calculated using DURATION function in Excel, and includes approximations for floating rate assets using comparable fixed rate assets
- Rating is based on the average corporate rating from S&P and Moody's
- Certain assets such as CLO equity tranches are assumed to have zero spread and interest rate duration
- The duration for non-equity CLO tranches is based on a WAL of 5 years after the end of the reinvestment period

#### Disclaimer

This Report is directed only at: (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and persons who receive this document who do not fall within (i) or (ii) above should not rely on or act upon this document.

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The Company is regulated by the Jersey Financial Services Commission.

<sup>6</sup> Data excludes cash

<sup>7</sup> Averages are weighted by market value