

## 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.

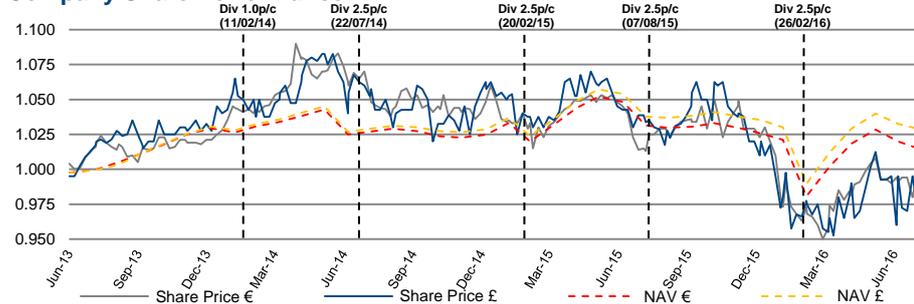
## Company NAV Total Return Performance<sup>4</sup> (since inception)

EUR Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	-0.4%	-1.6%	2.2%	1.6%	1.0%	-0.8%	1.9%						3.9%
2015	0.8%	1.2%	1.2%	1.2%	0.8%	-0.4%	0.8%	-0.2%	0.1%	0.2%	-0.3%	-0.4%	5.1%
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
2016	-0.5%	-1.5%	2.3%	1.7%	1.0%	-0.7%	2.1%						4.3%
2015	0.8%	1.2%	1.2%	1.2%	0.8%	-0.3%	0.8%	-0.1%	0.1%	0.3%	-0.3%	-0.2%	5.6%
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

European markets and the news continued to be dominated by two key issues: Brexit and banks. It appears that the shock to the markets, caused by the referendum result, was absorbed by the end of July. In the coming months, we should start to learn more broadly of the economic impact of the referendum, which follows the Bank of England's decision to hold off changing monetary policy in July. Across the Channel, economic conditions continue to show slow growth and stability. The European purchasing managers' indices (PMIs) held their ground, as strong composite PMIs for Germany and France kept the Eurozone aggregate figure flat on the previous reading, and the European Central Bank's Bank Lending Survey showed continued positive demand for credit in the consumer, housing and corporate spaces. The big issue in the Eurozone through the month was renewed focus on the stability of the Italian banking system. Overall, European financial equities have fallen circa 30%<sup>a</sup> since the start of the year, mostly due to concerns over the balance sheets and profitability of several large and medium-sized banks, on the back of prolonged expectation of low / negative interest rates. Specific names in Italy that have the most non-performing loans to deal with have seen significant volatility and, as we moved into August, no agreement between Italy and the European Union had been reached to recapitalise these banks.

U.S. growth continues its slow, but steady, trajectory. In the last week of July, Q2 2016 GDP numbers of 1.2% were announced versus a 2.6% consensus from economists.<sup>b</sup> On balance, the economic numbers portray the same, now familiar, picture of the U.S. economy: steadily moving forward but at a slow pace. The U.S. Federal Reserve's July meeting saw no change to the interest rate, just as markets and economists expected. The language of the U.S. Federal Reserve's statement keeps a September rate hike possible. At the time of writing this note, many S&P 500 companies have reported Q2 2016 earnings, showing positive growth over the past year. This is a good sign that a dramatically strengthening US dollar and falling oil prices have not dragged earnings down as significantly as before. This should help sentiment for the second half of the year and provide fundamental support for continued cyclical outperformance.

The European leveraged finance market recovered quickly post the June referendum. The average bid for European loan flow names moved to a 12-month high of 100.35 into July month end and bond flow names to 101.44, a 171 bps increase from June month end. Across loans, demand for recently-priced CLOs drove secondary higher and pushed new issue pricing inside clearing levels seen earlier in the year. The single-B rolling 3-month TLB yield to maturity tightened to 5.09%, from 5.5% in Q2 2016 and 5.95% in Q1 2016.<sup>c</sup> Across high yield ("HY"), the 3-month rolling clearing spread for single-B European HY remained well inside 6%, from its peak in Q1 2016 of near 7%, while BB HY issuers on a 3-month rolling basis also priced tighter at 3.5% versus 4% into the end of Q1 2016.<sup>d</sup>

Despite better new-issue volume for the month in both loans and HY at €5.4bn and €3.5bn respectively, YTD volumes remain significantly below 2015 levels, down c. 20% across the loan market and down almost 50% in HY.<sup>e</sup> As discussed in previous monthly reports, the theme of borrowers tapping both the U.S. and European markets continued with \$4.2bn of cross border transactions coming to market in July, split \$3.3bn in the U.S. and €90m in Europe. Total YTD cross border volume is \$39bn, up 5% from this time last year.<sup>d</sup>

The Credit Suisse Western European HY Index was up with a return of 2.21% for the month and 5.77% year to date. The CS Western ELLI was up with a return of 1.16% for the month and 3.46% year to date.

With the positive sentiment across markets in the month, portfolio allocations were focused on remaining relatively fully invested through:

- continuing to actively trade the Performing Credit book into the new issue market to increase underlying income and to take profits into a very strong secondary market; and
- taking small profits within the Credit Opportunities book where many of the event driven positions within the portfolio are beginning to accelerate to exits into year end.

On a relative basis, USD new issue Performing Credit is pricing wider on an all-in yield basis than the European market across similarly rated issuers, with industries as well as cross border transactions offering USD and EUR tranches. In order to take advantage of this yield differential, portfolio management has included some emphasis on increasing exposures to the USD new issue market given the technical and pricing difference. USD Performing Credit allocation has increased from 5.0% at the end of Q1 2016 to 6.7% at the end of July 2016.

Looking across the Credit Opportunities portfolio, there are a number of significant exits anticipated to drive capital gains to this segment of the portfolio going into year end. Much of the focus through the coming months will be on optimising position sizing, trading into events to reduce execution risks, as well as starting to build positions within new investment ideas in order to build on this segment for 2017/18. The weighted average cash yield to the portfolio ended the month at 6.4% versus 6.9% as at the close of Q2 2016. The weighted average market price is 89.8 and the YTM continues to hold firm in the 8.0% region. Gross invested assets at 31st July 2016 were 1.27. As of the end of July, the portfolio market value including cash was €715.6m, including the use of the leverage facility at the investment vehicle level. Floating rate instruments comprised 90.1% of the portfolio. Current yield at month-end was 6.4%.

## July 2016

### Share Price & NAV at 31 July 2016

	EUR	GBP
Share Price <sup>1</sup>	0.9670	0.9750
NAV <sup>2</sup>	1.0144	1.0287
Total Net Assets <sup>3</sup>	138,411,319	261,440,241
Market Capitalisation	131,938,973	247,801,276

<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	90.1%
Percentage of Portfolio in Fixed Rate Assets	9.9%
Weighted Average Price <sup>5</sup>	89.8
Yield to Maturity <sup>8</sup>	8.0%
Current Yield	6.4%
Weighted Average Fixed Rate Coupon <sup>8</sup>	8.0%
Weighted Average Floating Rate plus Margin	5.1%

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

**Richard Boleat, Chairman**  
richard.boleat@CCPEOL.com

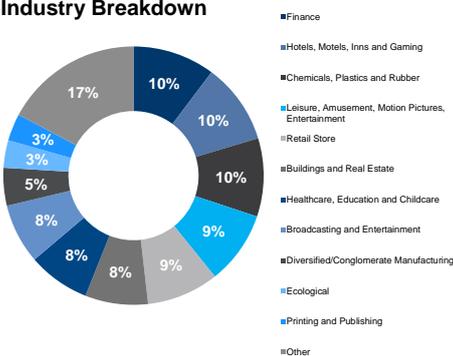
**Investment Vehicle Manager**  
vehiclename@cvc.com

Note: Disclaimer overleaf

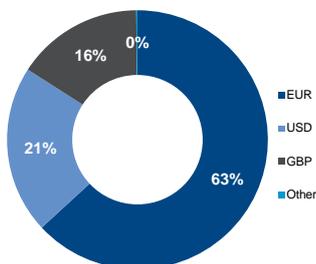
<sup>a</sup> STOXX Europe 600 Banks (Price) Index  
<sup>b</sup> <http://www.cnbc.com/2016/07/29/us-advance-q2-2016-gross-domestic-product.html>  
<sup>c</sup> S&P European Playbook 1 August 2016  
<sup>d</sup> S&P LCD Global View August 2016.

## Investment Vehicle Portfolio Statistics (as at 31 July 2016)<sup>3</sup>

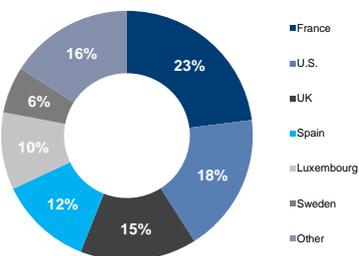
### Industry Breakdown



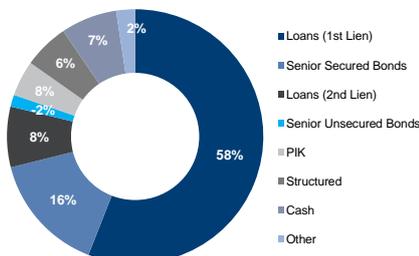
### Currency Breakdown



### 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
Zodiac	4.2	Leisure	France
Euro Garages	3.1	Retail Store	UK
Saur	3.0	Ecological	France
Tipico	2.9	Gaming	Luxembourg
Consolis	2.8	Buildings & Real Estate	France

## Look Through Reporting<sup>6,8</sup>

### Spread Exposure

Rating	Average Spread Duration <sup>7</sup>	Market Value (EUR)	Market Value (%)
BB	4.10	46,008,358	8%
B	4.60	320,838,293	58%
CCC	2.58	18,791,802	3%
NR	3.27	169,253,019	31%

### FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	340,051,476	61%
GBP	82,381,030	15%
USD	131,693,483	24%
Other	765,483	0%

### Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.15	472,228,803	85%
Fixed	5.12	82,603,134	15%
Warrants	0.00	59,535	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.

This Report is issued by the Company to and for the information of its existing shareholders and does not in any jurisdiction constitute investment advice or an invitation to invest in the shares or any other securities of the Company or any other entity (body corporate or otherwise). Any matters contained in this Report relating to CVC Credit Partners, the CVC Group, the Investment Vehicle or the markets in which the Investment Vehicle invests have been prepared by CVC Credit Partners. The Company has relied upon and assumed (without independent verification) the accuracy of such information. This Report is not an offering of, or a solicitation of an offer to buy, securities in any jurisdiction. This Report has not been approved by any supervisory authority and no regulatory approvals have been obtained. The information contained in this Report has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions expressed herein. The Company has, however, taken reasonable steps to ensure that this Report and the information contained herein is not misleading, false or deceptive.

In addition, persons into whose possession this Report has come are deemed to have ensured that their receipt of this Report is in compliance with the laws applicable to them. Nothing contained herein shall be deemed to be binding against, or to create any liability, obligations or commitment on the part of the Company, its directors and officers or CVC Credit Partners. Nothing contained herein is to be construed as investment, legal or tax advice and neither the Company, CVC Credit Partners nor any of their respective directors, officers, employees, partners, members, shareholders, advisers, agents or affiliates make any representation or warranty, express or implied as to the fairness, correctness, accuracy or completeness of this Report, and nothing contained herein shall be relied upon as a promise or representation whether as to past or future performance or otherwise. There is no certainty that the parameters and assumptions used can be duplicated with actual trades or investments. There can be no assurance that the strategy described herein will meet its objectives generally, or avoid losses.

The information and opinions contained in this Report, including any forward-looking statements, do not purport to be comprehensive, are provided as at the date of the document and are subject to change without notice. Neither the Company nor CVC Credit Partners, nor any other person is under any obligation to update or keep current the information contained herein. No part of this Report, nor the fact of its publication, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This Report contains certain "forward-looking statements" regarding the belief or current expectations of the Company, CVC Credit Partners and members of its senior management about the Company's financial condition, results of operations and business. Such forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and are difficult to predict, that may cause the actual results, performance, achievements or developments of the Company or the industry in which it operates to differ materially from any future results, performance, achievements or developments expressed or implied from the forward-looking statements.

This Report is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, South Africa or Japan or to US Persons as defined in Regulation S under the US Securities Act ("US Persons"). The information contained herein does not constitute or form part of any offer or solicitation to purchase or subscribe for securities in the United States, Australia, Canada, South Africa or Japan or any other jurisdiction where to do so might constitute a violation of the relevant laws or regulations of such jurisdiction.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "Investment Company Act") and, as such, holders of the Company's securities will not be entitled to the benefits of the Investment Company Act. The securities discussed herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US persons absent registration or an exemption from registration under the US Securities Act in a manner that would not require the Company to register under the US Investment Company Act of 1940. No public offering of securities will be made in the United States. No securities may be offered or sold, directly or indirectly, into the United States to US persons absent registration or an exemption from registration under the US Securities Act and in a manner that would not require the Company to register under the US Investment Company Act of 1940.

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

<sup>8</sup> Excluding short positions