

## 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.

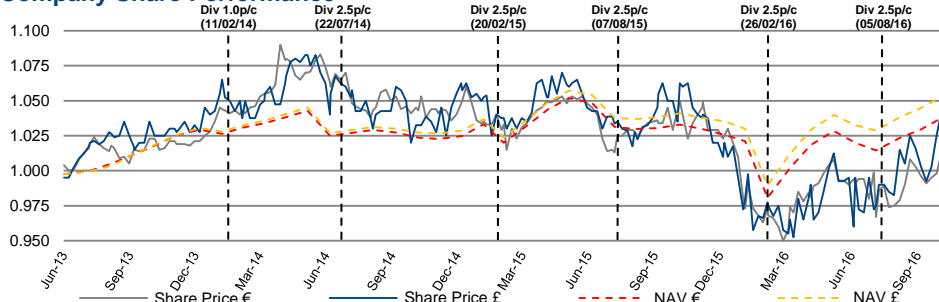
## Company NAV Total Return Performance<sup>4</sup> (since inception)

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%	0.9%	0.6%	0.9%			6.4%
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%	0.9%	0.6%	0.9%			6.9%
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

Headlines through the month were focused on global politics - in particular developments around Brexit and, of course, the U.S. election. Government bonds saw yields move higher as Central Banks indicated policy moves - thoughts of tapering in Europe and interest rate rises in U.S..

In the U.S., the Q3'16 GDP estimates showed that the U.S. economy accelerated to an impressive annual growth rate of 2.9%, led by consumption, increased inventory build up, and exports, and supported the view that the Federal Reserve ("Fed") will feel comfortable in hiking rates in December.

In the Eurozone, GDP growth held steady at 0.3% quarter on quarter. Consumption was the largest contributor to the overall growth rate. Out of the 19 Eurozone nations, some stood out as healthier than others: Spain grew a healthy 0.7% in Q3'16, while Germany's composite PMI impressed, jumping 2.3 points to 55.1<sup>a</sup>. The European Central Bank's ("ECB") Mario Draghi told markets that a "tapering" of quantitative easing ("QE") was not discussed at its October meeting and reiterated that asset purchases would continue as long as they needed to. What exactly a QE extension will look like should be revealed in the ECB's December meeting. Spanish, German and Italian sovereign bonds weakened over the month. At the beginning of October, the UK Prime Minister announced that she would invoke Article 50 by March 2017. Sterling moved to new lows in October, ending the month at 1.2214 against the U.S. Dollar. UK GDP data in the month showed the economy was able to withstand the post-referendum period, with solid services growth of 0.8% quarter on quarter, leading to total economic growth of 0.5% quarter on quarter for the third quarter.

Total volume across the European leveraged loan market fell to €6.4bn in October, down from €9.6bn in September<sup>b</sup>. The majority of transactions coming through the market were opportunistic refinancings, repricings, or recaps. The acceleration in volume and repricing compression in 2016 has been more dramatic than in previous years, with an average cut to the spread and floor standing at 94 bps YTD, compared to 57 bps in 2015<sup>b</sup>. The 3 month rolling new issue loan spreads tightened to 396 in the month, down from 454 in August and 421 in September<sup>c</sup>. Issuance also eased off in European HY, with volume falling from a record-breaking €13bn in September to €5.1bn in October<sup>d</sup>. This was driven by muted risk appetite as the US election moved to its final stages and rate hike expectations became clearer. Yields remained range bound through the month.

On a relative basis, yields on Senior Secured HY European new issue remained relatively stable at 5.99% through the last 3 months<sup>d</sup>, compared to 4.62% in European loans<sup>e</sup>. This is a marked shift from when the European market was pricing at 4.99% in Senior Secured HY in Q2'16<sup>d</sup> and 5.48% in senior secured loans<sup>e</sup>.

The Credit Suisse Western European HY Index hedged to Euro was up with a return of 0.78% for the month and up 8.11% year to date. The Credit Suisse Western ELLI hedged to Euro was up with a return of 0.50% for the month and 5.66% year to date.

October continued the positive market outperformance across the asset class, and inline with expectations. On a gross basis, excluding fees, of the Investment Vehicle portfolio's 1.10% running yield for the month, 0.51% related to coupon income, with the balance of 0.64% relating to mark to market gains driven by the Credit Opportunities assets.

Portfolio activity in the performing segment maintained the theme of trading into a strong secondary market, managing exposures as the volume of refinancing / repricing increased, and seeking relative value in cross border capital structures issued in USD and EUR tranches. In addition, despite the volume of new supply falling in the month, the portfolio participated in a number of new issue primary transactions in both loans and HY. The current YTM across the performing segment of the portfolio is 5.3%, trading at a market price of 99.7%<sup>b</sup>.

The Credit Opportunities segment of the portfolio saw increased activity, in particular across structured finance exposures. As the CLO structured finance market has experienced compression across capital structures, and collateral repricing activity has accelerated, the portfolio opportunistically trimmed exposure with a view to repurchasing or replacing the assets with higher quality issuers when the market backs off in the future. As discussed in previous monthly reviews, this segment of the Investment Vehicle's portfolio continues to drive positive returns into year end as exit events move towards exit. The current YTM across the Credit Opportunities segment of the portfolio is 10.4%, trading at a market price of 81.3%<sup>b</sup>.

Gross invested assets ended the month at 1.3x. Performing Credit closed the month at 52.0% of the portfolio and Credit Opportunities at 48.0%. The YTM of the total portfolio remains within our target return range of 8.1%.

At the end of October floating rate instruments comprised 88.3% of the portfolio and the current yield was 7.0%.

## October 2016

### Share Price & NAV at 31 October 2016

	EUR	GBP
Share Price <sup>1</sup>	1.0190	1.0500
NAV <sup>2</sup>	1.0385	1.0539
Total Net Assets <sup>3</sup>	134,283,412	226,116,477
Market Capitalisation	131,766,587	225,273,273

<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	88.3%
Percentage of Portfolio in Fixed Rate Assets	11.7%
Weighted Average Price <sup>5</sup>	90.4
Yield to Maturity <sup>8</sup>	8.1%
Current Yield	7.0%
Weighted Average Fixed Rate Coupon <sup>8</sup>	8.6%
Weighted Average Floating Rate plus Margin	5.0%

Note: All metrics exclude cash unless otherwise stated

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

### Sources

<sup>a</sup> Markit

<sup>b</sup> S&P LCD European Playbook - November 2016

<sup>c</sup> S&P LCD EuroStats - October 2016

<sup>d</sup> S&P LCD European High Yield Trends - November 2016

<sup>e</sup> S&P LCD Leveraged Loan Data - November 2016

## Contacts

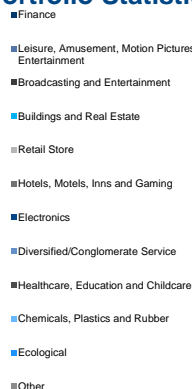
**Richard Boleat, Chairman**  
richard.boleat@CCPEOL.com

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

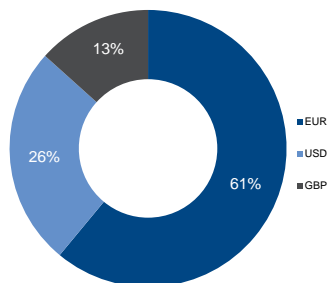
Note: Disclaimer overleaf

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

### Industry Breakdown



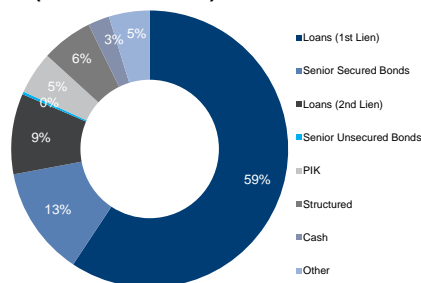
### Currency Breakdown



### 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	5.5	Leisure	France
Consolis	3.3	Buildings & Real Estate	France
Dell	3.2	Electronics	U.S.
Ambac	3.1	Finance	U.S.
FCC	3.0	Buildings & Real Estate	Spain

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

### Spread Exposure

Rating	Average Spread Duration <sup>7</sup>	Market Value (EUR)	Market Value (%)
BB	4.31	38,210,252	8%
B	4.62	264,076,022	55%
CCC	2.46	16,011,902	4%
NR	3.46	159,110,172	33%

### FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	282,246,680	59%
GBP	61,373,944	13%
USD	133,787,724	28%

### Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.14	407,336,422	85%
Fixed	5.37	70,005,541	15%
Warrants	0.00	66,385	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

<sup>6</sup> Data excludes cash  
<sup>7</sup> Averages are weighted by market value  
<sup>8</sup> Excluding short positions

### 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, including information from certain third parties, 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 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.