

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.

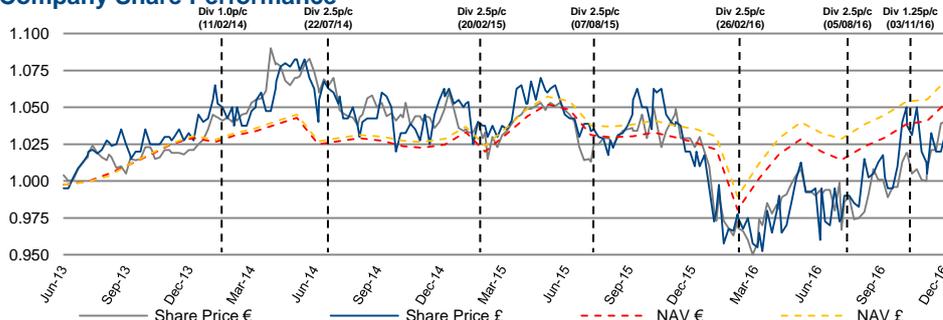
Company NAV Total Return Performance⁴ (since inception)

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%	1.4%	1.3%	9.3%
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%	1.3%	1.4%	9.8%
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%

⁴ NAV Total Return includes dividends reinvested

Company Share Performance



Investment Vehicle Manager Market & Portfolio Commentary

The last quarter of 2016 saw government bond yields in most global benchmarks lifted by the expectation of higher inflation and growth, and the possibility of Central Bank policy tightening in 2017. The result of the U.S. election brought with it an expectation of fiscal stimulus under the new administration, which drove government bond yields higher. The market now expects rate increases by the U.S. Federal Reserve to happen somewhat faster than initially expected, with the forecast for the U.S. policy rate at the end of 2018 to be almost 1% higher than the rate at the end of September 2016.

The impact of the revised forecast initiated a sovereign and investment grade ("IG") bond market sell off through October and November 2016, which slowed into December as the Bund, U.S. Treasuries and UK Gilts stabilised around 0-1% higher for the month. Credit markets for the most part reflected the same trend, with U.S. and European IG Corporate and Financial bonds also finishing 0-1% higher. Notably U.S. High Yield ("HY") (+2%) and European HY (+1%) outperformed the broader market on the back of positive economic growth sentiment.^a

European new-issue loan volume during Q4 reached its highest level in 2 years at €21.3bn, bringing the full-year total to €71bn (2015: €63bn). It was encouraging to see that the European loan market continued to expand as sponsors favoured the flexibility and less-onerous public disclosure requirements of the loan product versus high-yield bonds. This flexibility, and the increase in supply by CLO / institutional managers, allowed for an acceleration in re-pricing activity. By the end of 2016, €29bn of 1st lien paper had been re-priced, equating to 31% of performing 1st lien paper outstanding at the start of the year, as tracked by the S&P European Leveraged Loan Index. This re-pricing activity tightened the single-B average YTM, which was 4.5% at year-end on a rolling 3 month basis, and is the lowest level seen since Q1 2014. As yields continued to slide, senior leverage for all European transactions increased, reaching 4.5x through the 1st lien debt — the highest this measure has been since 2007 when the ratio reached 4.6x. There was also an upward trend for total leverage as total debt-to-EBITDA had been steadily increasing since 2009 from 4.1x to 4.9x at the year end.^b

HY new issue volume continued its underwhelming trend in 2016 with €10.2bn of paper hitting the market in Q4 (c. 50% of the €18.8bn issued in Q3). Full-year volume of €53bn marked a 17% decline on 2015, and was the second consecutive annual decline. The favourable technical, and inflows through the quarter (€1.4bn through Q4^c), tightened single-B YTM to 6.1%, versus 6.3% at the end of Q3 and 6.9% at the end of 2015.^b

Political uncertainty is set to continue in 2017 with the start of Brexit negotiations, elections in France, Germany and the Netherlands, and the potential for early elections in Italy. Investors will also be waiting to see how U.S. economic and foreign policies change under President Trump. Despite the risks, our core scenario is that global growth and inflation pick up over the next year. Within Fixed Income, we expect European leveraged loans and high yield debt to outperform the market, as stronger growth should support corporate earnings if the European Central Bank remains accommodative throughout the year.

The Credit Suisse Western European HY Index hedged to Euro was up with a return of 1.82% for the month and up 9.63% year to date. The Credit Suisse Western European Leveraged Loan Index hedged to Euro was up with a return of 0.63% for the month and up 6.52% year to date.

On the back of the positive sentiment and momentum across markets through December, both the performing credit and opportunistic segments of the portfolio saw gains into year end. On a gross basis and excluding fees, the running yield on the portfolio attributed 0.48% of the return to the portfolio, with the balance of 1.34% from mark to market gains driven predominantly, as in November, by the credit opportunities strategy.

There was an increase in activity across the performing credit segment, which focused on the wave of opportunistic repricings on existing holdings, and allocated to new issue which was anticipated to trade well into year end owing to the strong technical. The all-in spread of the performing portfolio following Q4's repricing activity tightened from 5.3% as at 30 September to 4.9% at 31 December. Despite this compression, the current YTM across the performing segment remained in-line with our target at 4.9% trading at a market price of 100.4%.

The credit opportunities segment focused the month on allocating to existing, as well as new, positions. In addition, the positive momentum in this segment continued as single name, event driven positions moved towards exit (as anticipated in the original investment theses). The current YTM across the credit opportunities segment of the portfolio was 9.7%, trading at a market price of 85.3%.

Gross invested assets ended the month at 1.2x. Performing assets closed the month at 49.6% of the portfolio and credit opportunities at 50.4%. The YTM of the total portfolio of 7.4% remained within our target return range.

At the end of December, floating rate instruments comprised 88.6% of the portfolio and the current yield was 6.7% (gross).

December 2016

Share Price & NAV at 31 December 2016

	EUR	GBP
Share Price ¹	1.0410	1.0350
NAV ²	1.0541	1.0696
Total Net Assets ³	135,941,581	229,805,385
Market Capitalisation	134,249,009	222,369,045

¹ Share price provided as at the closing month-end market mid-price

² Opening NAV was 0.997, after initial costs

³ 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	88.6%
Percentage of Portfolio in Fixed Rate Assets	11.4%
Weighted Average Price ⁵	91.8
Yield to Maturity ⁸	7.4%
Current Yield	6.7%
Weighted Average Fixed Rate Coupon ⁸	7.3%
Weighted Average Floating Rate plus Margin	5.0%

Note: All metrics exclude cash unless otherwise stated

⁵ Average market price of the portfolio weighted against the size of each position

Asset Classification by Pricing Category

Market Pricing Service	89%
Broker Quotes	10%
Model Price	1%

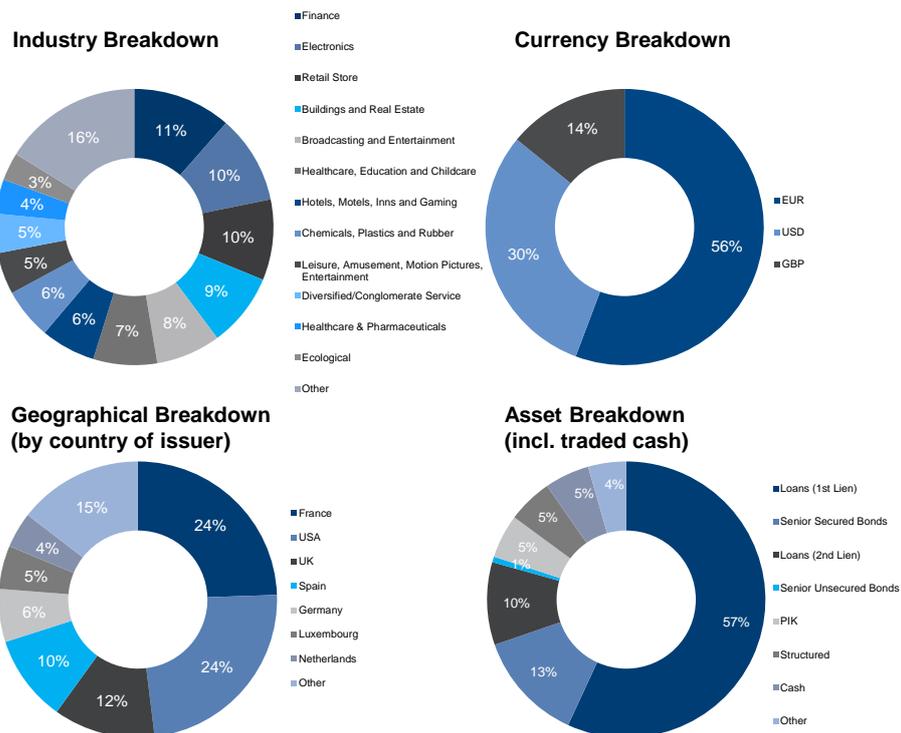
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Note: Disclaimer overleaf

Investment Vehicle Portfolio Statistics (as at 31 December 2016)³



Investment Vehicle Portfolio Statistics³

5 Largest Issuers

Issuer	% of GAV	Industry	Country
Ambac	3.7	Finance	U.S.
Consolis	3.4	Buildings & Real Estate	France
Dell	3.2	Electronics	U.S.
Numericable	3.2	Broadcasting & Entertainment	France
FCC	2.9	Buildings & Real Estate	Spain

Look Through Reporting^{6,8}

Spread Exposure

Rating	Average Spread Duration ⁷	Market Value (EUR)	Market Value (%)
BB	3.80	34,940,553	7%
B	4.67	264,119,954	56%
CCC	2.39	19,385,314	4%
NR	4.13	156,096,708	33%

FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	257,393,440	54%
GBP	64,616,985	14%
USD	152,532,104	32%

Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.19	408,176,727	86%
Fixed	5.76	66,261,692	14%
Other	0.00	104,110	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.

⁶ Data excludes cash
⁷ Averages are weighted by market value
⁸ Excluding short positions