

CVC Credit Partners European Opportunities Limited



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.

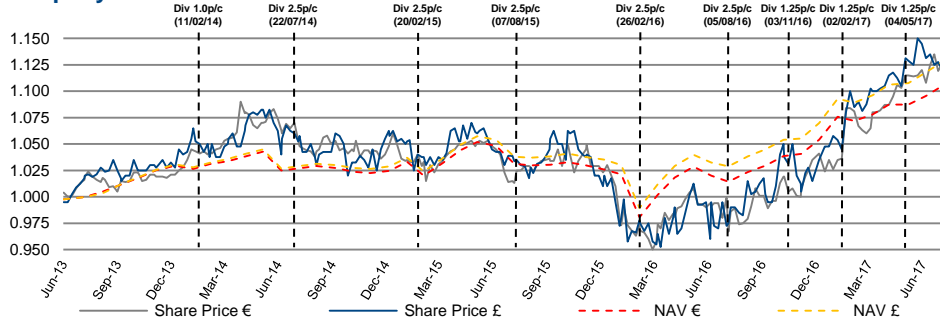
The Company invests through Compartment A of CVC European Credit Opportunities S.à r.l. (the "Investment Vehicle"), a European credit opportunities investment vehicle managed by CVC Credit Partners Investment Management Limited.

Company NAV Total Return Performance⁴ (since inception)

EUR Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	2.1%	0.8%	0.6%	0.9%	1.2%	0.8%	1.0%						7.4%
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
2017	2.2%	0.8%	0.6%	0.9%	1.3%	0.9%	1.0%						8.0%
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 Global macro story continued its positive momentum through July. Purchasing Managers' Indices across the major economic regions maintained high levels and, despite some geo-political headlines and limited pressure on central banks to alter policy trajectory, risk assets performed well through the month.

Eurozone economic data indicated further expansion: French and Spanish Q2 2017 GDP showed solid growth of 0.5% and 0.9% respectively quarter-on-quarter^a, the Eurozone unemployment rate dipped to 9.1% in June, from 9.2% in May^b, and the German Ifo business climate index hit a new all-time high of 116.0 in July^c. Despite the positive headlines, core inflation remained behind the ECB's 2.0% target at 1.3% in June^d, allowing ECB policies to remain supportive. The possibility that the ECB could reduce its stimulus measures continued to be a focus for the market, with discussions around potential changes to its bond-buying programme expected in the autumn.

In the US, GDP figures confirmed that the US economy had bounced back in Q2 2017 with growth of 2.6% annualised^e, while a number of forward-looking activity indicators regained some of their recently-lost momentum. However, the theme of expansion in the manufacturing sector and a strong jobs market continued. While US headline CPI came in at 1.6% year on year, below the Fed's 2% target^f, rates were kept on hold and the Fed noted that plans to reduce its balance sheet would begin "relatively soon", possibly as soon as September.

The European high-yield market saw €7.9bn of issuance over the course of July, of which €4.8bn arose from sponsor-backed transactions; this was the largest proportion and highest volume of monthly sponsor-related activity in 2017. In the European loan market, issuance in advance of the summer break took the volume to €12.5bn, making it the second-busiest month of the year. As the pipeline of large buyout transactions has been headlined to come to market in September, opportunistic repricings, dividend recaps, and refinancings continued to be the theme through the month. This appetite for opportunistic deals has eased helping widen out the average yield to maturity on TLBs to 4.05%, compared to 3.98% in June, and 3.94% in May.^g

The Credit Suisse Western European HY Index hedged to Euro was up with a return of 0.81% for the month and up 4.94% for year to date. The Credit Suisse European Leveraged Loan Index was up with a return of 0.48% for the month and up 2.55% year to date.

July delivered another strong month for the strategy, again driven by events in the Credit Opportunities segment of the portfolio.

Additional capital was raised and deployed in June. This included adding to current positions across Performing Credit and Credit Opportunities as well as trading into the new issue market.

As noted in the market overview, with the sizable volumes flowing through the market, the Performing Credit portfolio has seen a slow down in spread compression, and many of the new transactions which came across the desk have come at wider spreads to those experienced in the prior few months. Through the month, a lot of activity in this segment was to trade the new issue market and to allocate to names already in the portfolio. The current cash yield to the performing portfolio has remained in range at 4.4% in July versus 4.6% & 4.7% as of June and May respectively.

The Credit Opportunities portfolio continues to see positive momentum towards exit events which once again has driven mark to market gains to the overall strategy. Despite a difficult trading environment, through asset selection, one of the outperforming segments of the portfolio has been European retail, where significant gains through June and July have been driven by recovery in underlying performance, allowing for refinancing. Through July, our largest exposure saw very positive momentum towards a par exit event as an equity injection and refinancing was agreed. We continue to see a strong pipeline of Credit Opportunities and will selectively continue to allocate to this segment.

Performing Credit closed the month at 57% of the portfolio (excluding cash), and Credit Opportunities at 43%.

Given our cautious approach to HY fixed rate and the very positive recent performance of the Credit Opportunities segment of the portfolio, the YTM has tightened to 6.4% as of July versus 7.7% as of June. At the end of July, floating rate instruments comprised 90.1% of the portfolio and the portfolio current yield was 5.8% (gross) with a weighted average market price of the portfolio of 96.4. The cash position was 9.0%.

Sources

^a The Guardian – 28 July 2017

^b BBC – 31 July 2017, 28 July 2017 & 11 August 2017

^c CESIFO – 25 July 2017

^d FT – 17 July 2017

^e LCD, an offering of S&P Global Market Intelligence - 1 August 2017

July 2017

Share Price & NAV at 31 July 2017

	EUR	GBP
Share Price ¹	1.1330	1.1200
NAV ²	1.1062	1.1287
Total Net Assets ³	139,101,951	306,777,466
Market Capitalisation	142,466,161	304,425,122

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 90.1%

Percentage of Portfolio in Fixed Rate Assets 9.9%

Weighted Average Price⁵ 96.4

Yield to Maturity⁸ 6.4%

Current Yield 5.8%

Weighted Average Fixed Rate Coupon⁸ 6.5%

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

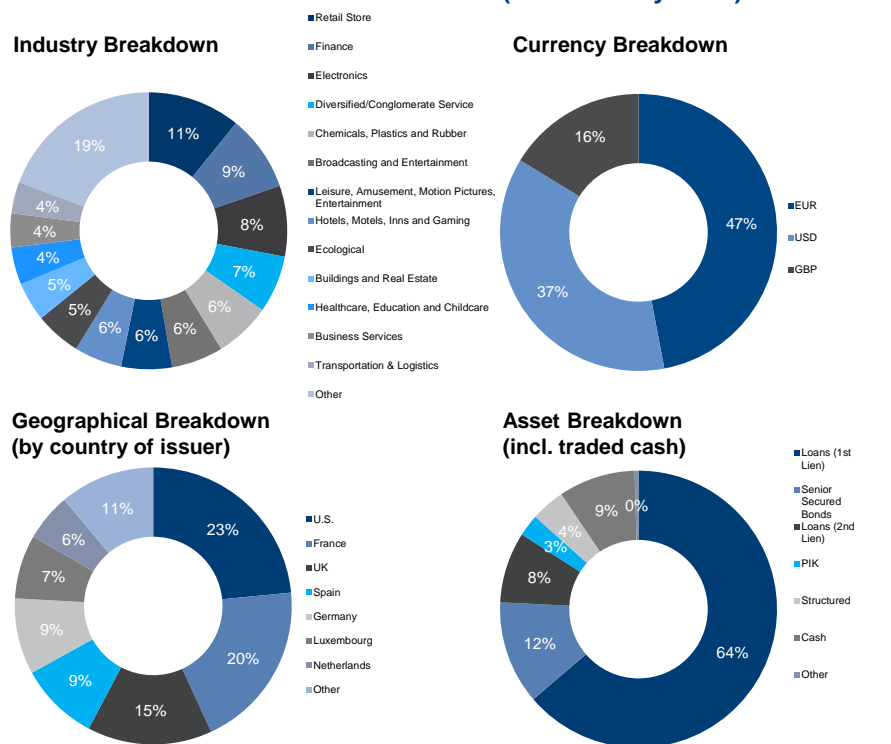
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Note: Disclaimer overleaf

Investment Vehicle Portfolio Statistics (as at 31 July 2017)³



Investment Vehicle Portfolio Statistics³ (as at 31 July 2017)

5 Largest Issuers

Issuer	% of GAV	Industry	Country
Saur	4.6	Ecological	France
Ceva	3.1	Transport & Logistics	UK
Cortefiel	3.0	Retail	Spain
Ambac	3.0	Finance	U.S.
Numericable	2.6	Broadcasting & Entertainment	France

Look Through Reporting^{6,8} (as at 31 July 2017)

Spread Exposure

Rating	Average Spread Duration ⁷	Market Value (EUR)	Market Value (%)
BB	3.79	44,419,041	8%
B	4.98	313,728,627	58%
CCC	2.40	29,143,312	5%
NR	3.34	155,016,964	29%

FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	260,449,336	48%
GBP	85,248,428	16%
USD	196,610,180	36%

Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.17	471,753,708	87%
Fixed	4.97	70,492,916	13%
Other	0.00	61,320	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

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The Company is regulated by the Jersey Financial Services Commission.

The Credit Suisse Western European HY Index and The Credit Suisse European Leveraged Loan Index, are monthly return indices designed to be an objective proxy for the investable universe for the Western European High Yield and Leveraged Loan markets. These indices may not necessarily be indicative of the investment strategies for the funds advised by CVC Credit. Assets and securities contained within indices are different than the assets and securities contained in CVC Credit's investment vehicles and will therefore have different risk and reward profiles. The returns of the indices are provided solely as an illustration of the market and economic conditions generally prevailing during the periods shown. Indices are not investments, are not professionally managed and do not reflect deductions for fees or expenses.

⁶ Data excludes cash

⁷ Averages are weighted by market value

⁸ Excluding short positions