



CVC Credit Partners European Opportunities Limited

Summary

CVC Credit Partners European Opportunities Limited (the “Company” or “CCPEOL”) 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).

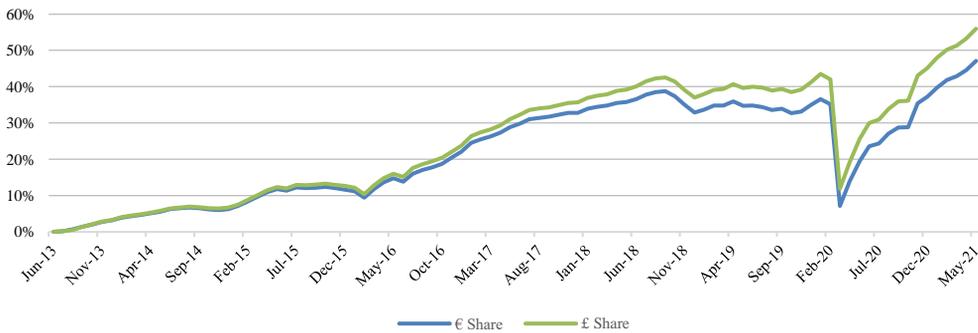
The Company’s investment policy is to invest predominantly in companies domiciled, or with material operations, in Western Europe across various industries. The Company’s investments are focused on Senior Secured Obligations of such companies, but investments are also made across the capital structure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

Investment Objectives

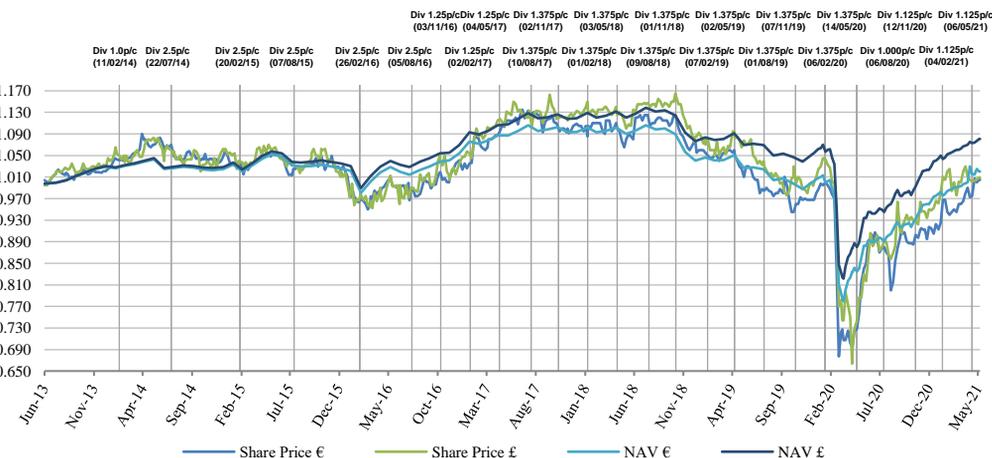
- CCPEOL is focused on capital preservation, and it seeks to generate high cash income via a stable and attractive dividend, as well as offer the potential for capital appreciation.
- It aims to provide shareholders with security, low volatility, liquidity, and low correlation with equities by investing in European sub-investment grade credit.

Company NAV Total Return Cumulative Performance⁴ (since inception)



| | 1M | 3M | YTD | 1YR | 3YRS | 5YRS | ITD |
|---------|-------|-------|-------|--------|--------|--------|--------|
| € Share | 1.77% | 3.71% | 7.13% | 23.13% | 8.31% | 28.17% | 47.09% |
| £ Share | 1.80% | 3.87% | 7.42% | 24.22% | 12.04% | 34.49% | 55.98% |

Company Share Performance



May 2021

| Share Price & NAV at 31 May 2021 | | |
|---|---------------------------------|--------------|
| | EUR | GBP |
| Share Price ¹ | 1.0050 | 1.0200 |
| NAV ² | 1.0114 | 1.0832 |
| Total Net Assets ³ | 119,326,305 | 172,875,888 |
| Market Capitalisation | 118,570,229 | 162,781,887 |
| 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 | | |
| Floating Rate Assets | 79.0% | |
| Fixed Rate Assets | 19.9% | |
| Other Assets | 1.1% | |
| Weighted Average Market Price ⁵ | 96.1 | |
| Yield to Maturity ⁶ | 8.4% | |
| Current Yield ⁶ | 8.0% | |
| Weighted Average Fixed Rate Coupon | 6.7% | |
| Weighted Average Floating Rate plus Margin | 5.0% | |
| <i>Note: All metrics exclude cash unless otherwise stated</i> | | |
| Contact Us | | |
| Richard Boleat, Chairman richard.boleat@CCPEOL.com | | |
| CVC Credit Investor Relations creditinvestorrelations@cvc.com | | |
| <i>Note: Disclaimer & notes located at end of report</i> | | |

Portfolio Manager

**Pieter Staelens**

Managing Director
19 years experience

Pieter joined CVC Credit in 2018. Pieter joined from Janus Henderson Investors in London where he was involved in various High Yield strategies and a credit long/short strategy. Prior to this, Pieter was at James Caird Asset Management, CQS, Remus Partners and Bear Stearns. Pieter is a graduate of the Université Catholique de Louvain in Belgium. He also holds an MSc in Finance, Economics and Econometrics from the Cass Business School and an MBA from the University of Pennsylvania.

Market and Portfolio Commentary

Equity markets showed higher volatility during May, in particular during the first half of the month. This was driven by concerns over inflation and potential tapering by central banks. The April CPI numbers in the US came out well ahead of expectations. The year on year print came out at 4.2%, ahead of every economists' estimate on Bloomberg, and the highest number since September 2008. In parallel PMI data published during the month supported a healthy economic momentum, opening the debate for potential tapering. This dynamic created volatility in the equity markets but also led to investors switching between fixed rate to floating rate debt instruments. For now, central bankers maintained their view that the high inflation data points we're seeing are transitory in nature and hence they don't see the need to change monetary policies in the near term.

European Sub Investment Grade Highlights

Total loan issuance during the month of May was €9.8bn, compared to €3.5bn in May 2020. The average new issue spread was E+378.9 (4.01% yield to maturity), which was broadly in line with last month at E+379.3 (3.97% YTM). The year-to-date ("YTD") issuance now stands at €63.32bn, considerably more than the €30.56bn issuance we saw in the first five months of 2020. On the High Yield side, we saw €9.2bn of bond issuance during the month, bringing YTD issuance to €60.18bn.^a

The Credit Suisse Western European Leveraged Loan Index, hedged to Euro, was at 0.42% for the month, which brings YTD returns to +2.59%. Cyclical (+0.52%) again outperformed defensives (+0.32%). CCCs returned +1.77% while BBs returned 0.21% during the month. As at the end of May, the 3-year discount margin on the index was 408bps. The Credit Suisse Western European High Yield Index, hedged to Euro, was up 0.30% for the month bringing YTD returns to +2.59%.

Within the performing book, the month of May was characterized by robust primary market activity, which resulted in the addition of new names to the book as well as the refinancing of certain existing positions. During the month, across the portfolio, five individual performing names launched and completed successful refinancing transactions. We participated in the new issue component of a number of these deals. However, in some instances we were inclined to accept prepayments, which was generally a function of tight pricing on the new debt. We re-deployed this capital into more attractively priced opportunities. In addition to refinancing transactions, we saw three existing names tap the primary market for incremental financing. Lastly, we added three new names to the performing book in both primary and secondary markets, expanding the funds diversification across accretive opportunities. Our primary market participation was funded partly by paydowns that have either occurred or will occur in the near term, as well as through the right-sizing of certain existing positions at attractive levels. As of May close, performing credit (including cash) was 43.4% of the portfolio, trading at a weighted average price of 100.0 and a YTM of 4.3%, whilst delivering a 4.3% cash yield to the portfolio

The credit opportunities book continues to be a diligent focus of the team, from screening new opportunities to adding new names and managing existing risk. During the month, we added one new name to the book in the unsecured debt of a US-based physician staffing provider. Additionally, we sourced risk in two existing positions; in one instance, we topped up at a discount, while adding risk in the second name ahead of an earnings report. Both names were introduced to the book as new names earlier this year. Away from trading activity, we saw several existing discounted positions experience significant price appreciation throughout the month. This was driven by buying activity in the secondary market, as well as operational outperformance at each of these high-conviction portfolio companies. Within the structured finance book, we participated in the add-on of an existing equity position upon a deal reset, offering attractive risk-adjusted returns at a discount. As of May close, credit opportunities was 56.6% of the portfolio, trading at a weighted average price of 93.2 and a YTM of 8.6%, whilst delivering a 7.3% cash yield to the portfolio

Across the entire portfolio, as of May month end, the weighted average market price was 96.1, trading at a YTM of 8.4%, and delivering 8.0% cash yield (on a levered basis) versus a weighted average price of 93.6, YTM of 7.0% and cash yield of 6.6% as of December 2020. Floating rate instruments comprised 79.0% of the portfolio. Senior Secured 81.2%. The portfolio had a cash position of -1.3% (including leverage) with leverage at 1.3x assets

The fund continues to be well-positioned heading into the summer months. Across both performing and credit opportunities books, Q1 2021 performance at our portfolio companies continued to show operational strength as economic recovery persists. We remain focused on rising input prices and our portfolio companies' pricing power across all applicable industries. The fund continues to significantly outperform relevant benchmarks, and we feel confident in our positioning for both current income and capital appreciation heading into the end of Q2 2021.

^a Source: LCD, an offering of S&P Global Market Intelligence - June 2021

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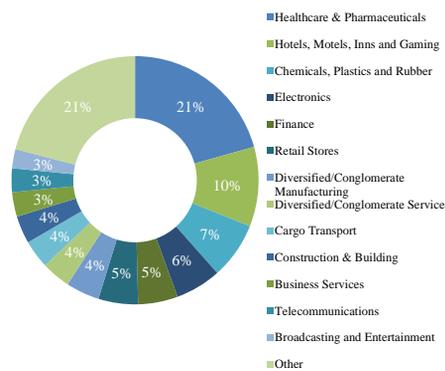
Investment Vehicle Portfolio Statistics³ as at 31 May 2021

Top 5 Issuers

| Issuer | % of Gross Assets | Industry | Country |
|------------|-------------------|--|----------------|
| Doncasters | 4.3% | Diversified/Conglomerate Manufacturing | United Kingdom |
| Concordia | 4.0% | Healthcare & Pharmaceuticals | United Kingdom |
| Colouroz | 3.5% | Chemicals, Plastics and Rubber | Germany |
| Civica | 3.3% | Electronics | United Kingdom |
| ECG | 2.5% | Leisure | France |

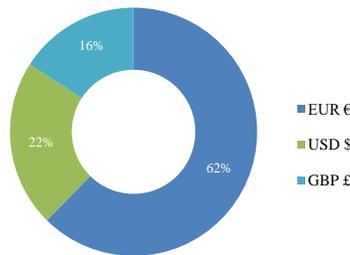
Industry Exposure

MV (%)



Currency Exposure

MV (%)



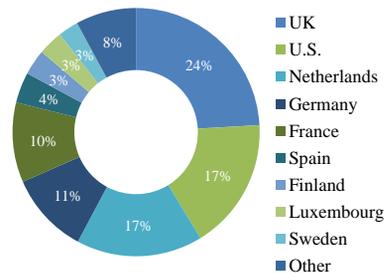
RepRisk ESG Rating⁷

MV (%)

| | |
|--------------|---------------|
| AAA | 40.9% |
| AA | 27.2% |
| A | 9.7% |
| BBB | 3.4% |
| BB | 2.1% |
| B | 0.7% |
| CCC | 0.0% |
| CC | 0.0% |
| C | 0.0% |
| D | 0.0% |
| NR | 16.0% |
| Total | 100.0% |

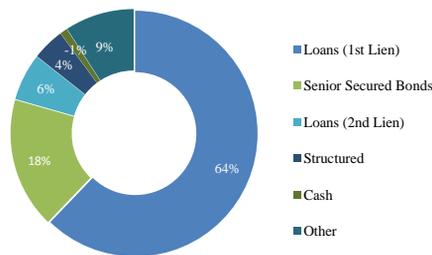
Geographic Exposure

MV (%)



Asset Exposure

MV (%)



Look Through Reporting^{6,8} as at 31 May 2021

Rating Exposure

| Rating | Average Spread Duration ⁹ | MV (€) | MV (%) |
|--------|--------------------------------------|--------|--------|
| BB | 6.51 | 12.8m | 3% |
| B | 4.07 | 270.5m | 64% |
| CCC | 3.05 | 99.3m | 24% |
| NR | 4.53 | 39.1m | 9% |

Interest Rate Exposure

| Type | Duration | MV (€) | MV (%) |
|----------|----------|--------|--------|
| Floating | 0.14 | 333.2m | 79% |
| Fixed | 3.34 | 84.0m | 20% |
| Other | 0.00 | 4.4m | 1% |

FX Exposure

| Currency | MV (€) | MV (%) |
|----------|--------|--------|
| EUR | 263.9m | 63% |
| GBP | 65.9m | 16% |
| USD | 91.8m | 22% |

Notes & Assumptions:

- The sum of the market values may be larger than the NAV due to the effect of the leverage facility
- All duration and yield calculations are based on assets outstanding to maturity (no call or amortisation assumptions)
- Duration is calculated using the DURATION function in Excel, and includes approximations for interest rate duration for floating 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



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Important Information

Footnotes

- 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
- ⁴ NAV Total Return includes dividends reinvested
- ⁵ Average market price of the portfolio weighted against the size of each position
- ⁶ Current Yield including Investment Vehicle leverage

- ⁷ The RepRisk Rating is a letter rating (AAA to D) that facilitates benchmarking and integration of ESG and business conduct risks. NR indicates exposure to issuers not currently monitored by RepRisk. Data as at 31 May 2021.
- ⁸ Data excludes cash
- ⁹ Averages are weighted by market value

Disclaimers

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.

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.