



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).

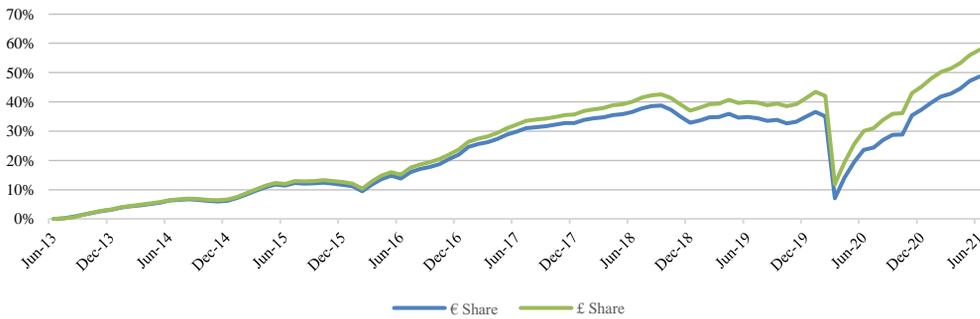
The Company’s investment policy is to invest predominantly in companies domiciled, or with material operations, in Western Europe across various industries. The Company’s investments are focused on Senior Secured Obligations of such companies, but investments are also made across the capital structure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

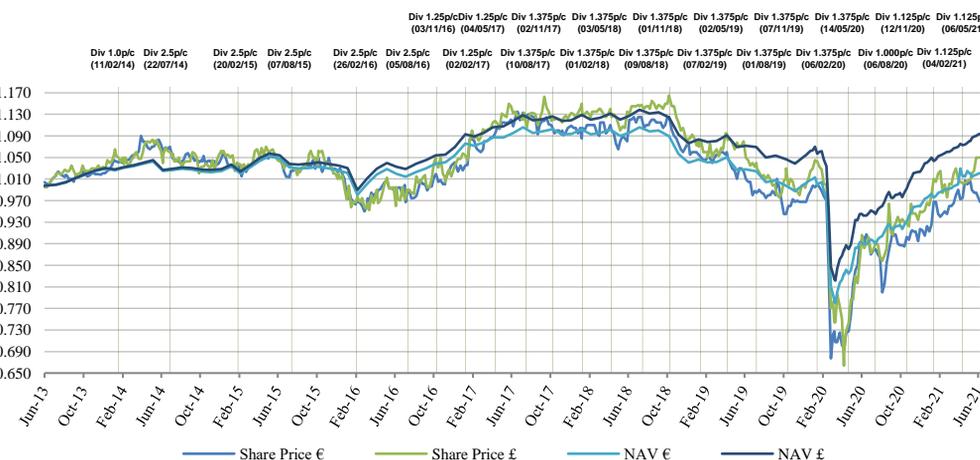
- CCPEOL is focused on capital preservation, and it seeks to generate high cash income via a stable and attractive dividend, as well as offer the potential for capital appreciation.
- It aims to provide shareholders with security, low volatility, liquidity, and low correlation with equities by investing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

Company NAV Total Return Cumulative Performance⁴ (since inception)



	1M	3M	YTD	1YR	3YRS	5YRS	ITD
€ Share	1.10%	4.11%	8.31%	20.33%	8.90%	30.66%	48.71%
£ Share	1.19%	4.28%	8.70%	21.40%	12.68%	37.06%	57.84%

Company Share Performance



June 2021

Share Price & NAV at 30 June 2021		
	EUR	GBP
Share Price ¹	0.9675	1.0500
NAV ²	1.0225	1.0961
Total Net Assets ³	123,548,338	172,430,414
Market Capitalisation	116,899,393	165,172,439
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	76.7%	
Fixed Rate Assets	22.2%	
Other Assets	1.1%	
Weighted Average Market Price ⁵	96.5	
Yield to Maturity ⁶	8.4%	
Current Yield ⁶	8.0%	
Weighted Average Fixed Rate Coupon	6.4%	
Weighted Average Floating Rate plus Margin	5.0%	
<i>Note: All metrics exclude cash unless otherwise stated</i>		
Asset Classification by Pricing Category		
3 rd Party Pricing Service	94%	
Broker Quotes	2%	
Model Price	4%	
Contact Us		
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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

As we come to an end of the first half of 2021, financial markets have been fairly robust overall, despite some COVID and inflation induced volatility. US equity markets seem to be finding new all time highs on a regular basis, and commodities continue to go higher. Oil was one of the best performing asset classes in the month due to progress on vaccination programs and delays in Iran's re-entry into crude markets.^a However, not all commodities performed well in June and we saw weakness in gold, silver and copper.^b Despite the general optimism, there is some rising concern around the delta variant and how that could trip up the reopening trade.

European Sub Investment Grade Highlights

The Credit Suisse Western European Leveraged Loan Index, hedged to Euro, was at 0.31% for the month, which brings year-to-date ("YTD") returns to +2.91%. Cyclical (+0.41%) again outperformed defensives (+0.19%). CCCs returned +0.73% while BBs returned +0.17% during the month. As at the end of June, the 3-year discount margin on the index was 409bps. The Credit Suisse Western European High Yield Index, hedged to Euro, was up 0.65% for the month bringing YTD returns to +3.26%.^c

Total loan issuance during the month of June was €12.1bn, compared to €7.5bn in June 2020. The average new issue spread was E+377.1, 3.97% yield to maturity; which compares with E+416.67 and 4.93% last year, respectively. The YTD loan issuance now stands at €76.0bn, just about double the €38.1bn issuance we saw in the first six months of 2020. On the High Yield side, we saw €10.4bn of bond issuance during the month, bringing YTD issuance to €70.57bn.^d

During the month of June, our focus and activity within the performing book was thematically dominated by a robust primary market. As credit spreads remain firm in secondary markets, M&A and refinancing activity remain elevated heading into summer months. We selectively participated in a number of these transactions that exhibited attractive risk profiles, pricing, and relative value. This culminated in the addition of five new names to the book in the European market, further enhancing our diversification at compelling price points. We also participated in two primary transactions backing existing portfolio companies that came to market – in one instance to refinance following an IPO, and in the other instance to raise incremental financing. Finally, we added a sixth new name to the book in the secondary market after a US-based issuer that we previously owned tapped the European market for new debt. Our robust 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 a performing name trading above par. As of June close, performing credit (including cash) was 44.1% of the portfolio, trading at a weighted average price of 99.8 and a YTM of 4.4%, whilst delivering a 4.4% cash yield to the portfolio

The credit opportunities book continues to drive fund capital appreciation as the first half of the year comes to a close. We continue to see compression in stressed credit markets, and a number of our conviction credit opportunities positions experienced significant price appreciation driven by buying activity that began in prior months. In the month of June, we added one new name to the credit opportunities book in a European manufacturer of heat exchangers and cooling equipment. We also topped up on two existing positions at a discount – both were introduced to the book as new names earlier this year. In order to fund those purchases, we took advantage of liquidity and reduced a small portion of an existing credit opportunities position trading at recent highs. In the structured finance book, we funded a new position of BB CLO paper in the primary market. This deal reset backed a manager we are intimately familiar with, and we saw accretive value in the BBs despite a small amount of tightening. As of June close, credit opportunities was 55.9% of the portfolio, trading at a weighted average price of 93.9 and a YTM of 8.5%, whilst delivering a 7.3% cash yield to the portfolio

Across the entire portfolio, as of June month end, the weighted average market price was 96.5, 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 76.7% of the portfolio. Senior Secured 81.3%. The portfolio had a cash position of -1.9% (including leverage) with leverage at 1.3x assets

As the first half of the year comes to a close, the fund continues to significantly outperform relevant benchmarks. With a number of markets trading at high valuations, we remain focused on fundamental performance at our portfolio companies. Idea generation and positioning remain a key focus, and the team continues to screen opportunities across European and US markets. The fund is well-positioned for both current income and capital appreciation heading into the summer months.

Commentary Sources:^a Deutsche Bank^b Bloomberg^c Credit Suisse^d LCD, an offering of S&P Global Market Intelligence – July 2021

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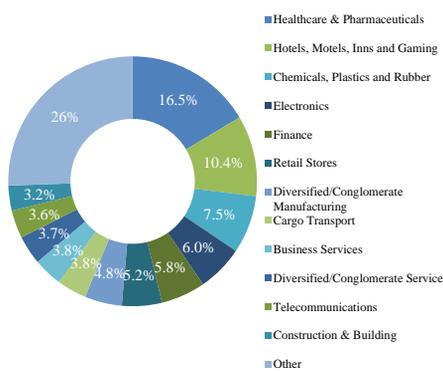
Investment Vehicle Portfolio Statistics³ as at 30 June 2021

Top 5 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	4.7%	Diversified/Conglomerate Manufacturing	United Kingdom
Colouroz	3.6%	Chemicals, Plastics and Rubber	Germany
Civica	3.3%	Electronics	United Kingdom
European Camping Group	2.5%	Leisure	France
D&G	2.4%	Financial Intermediaries	United Kingdom

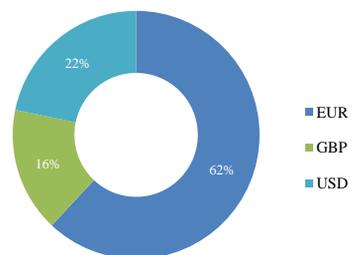
Industry Exposure

MV (%)



Currency Exposure

MV (%)

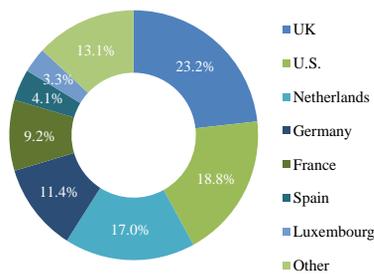
RepRisk ESG Rating⁷

MV (%)

AAA	44.5%
AA	31.7%
A	9.6%
BBB	6.4%
BB	1.9%
B	1.5%
CCC	0.1%
CC	0.0%
C	0.0%
D	0.0%
NR	4.3%
Total	100.0%

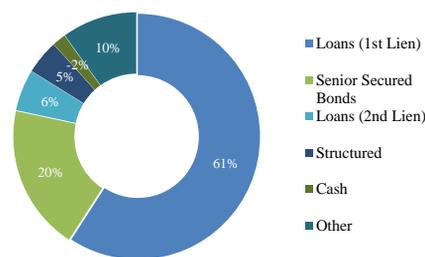
Geographic Exposure

MV (%)



Asset Exposure

MV (%)

Look Through Reporting^{6,8} as at 30 June 2021

Rating Exposure

Rating	Average Spread Duration ⁹	MV (€)	MV (%)
BB	7.62	11.9m	3%
B	4.24	264.8m	62%
CCC	2.95	103.6m	24%
NR	4.10	45.4m	11%

Interest Rate Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.17	326.5m	77%
Fixed	3.42	94.3m	22%
Other	0.00	4.8m	1%

FX Exposure

Currency	MV (€)	MV (%)
EUR	263.8m	62%
GBP	69.2m	16%
USD	92.7m	22%

Notes & Assumptions:

- The sum of the market values may be larger than the NAV due to the effect of the investment vehicle 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 30 June 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.