



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).

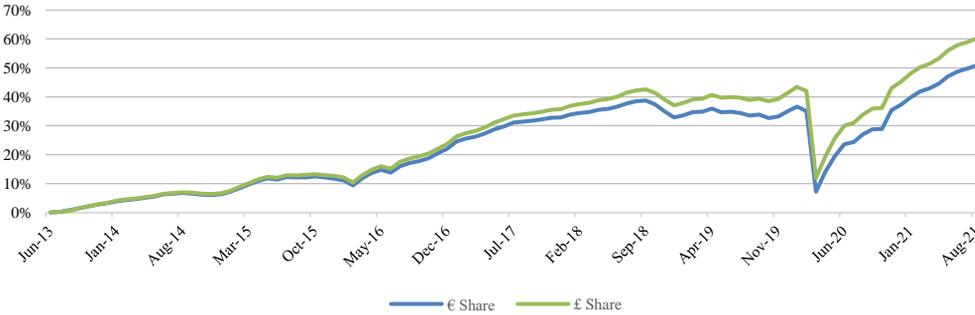
The Company’s investment policy is to invest predominantly in companies domiciled, or with material operations, in Western Europe across various industries. The Company’s investments are focused on Senior Secured Obligations of such companies, but investments are also made across the capital structure 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	0.78%	2.55%	9.86%	18.74%	8.91%	28.87%	50.84%
£ Share	0.81%	2.71%	10.34%	19.71%	12.60%	35.02%	60.21%

Company Share Performance



August 2021

Share Price & NAV at 31 August 2021		
	EUR	GBP
Share Price ¹	0.9675	1.0650
NAV ²	1.0246	1.1000
Total Net Assets ³	119,217,140	172,000,934
Market Capitalisation	112,575,517	166,534,912
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	79.5%	
Fixed Rate Assets	19.3%	
Other Assets	1.2%	
Weighted Average Market Price ⁵	96.6	
Yield to Maturity ⁶	8.3%	
Current Yield ⁶	7.9%	
Weighted Average Fixed Rate Coupon	6.6%	
Weighted Average Floating Rate plus Margin	5.1%	
<i>Note: All metrics exclude cash unless otherwise stated</i>		
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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

August was a fairly steady month in financial markets as US equity markets hit a new all time high at the end of the month. There was some nervousness mid-month ahead of Jackson Hole, and fear around tapering. However, Fed Chairman Powell's dovish tone gave risk assets a boost into month end. We saw some weakness in commodities though and crude was down for the first time since March as the spread of the Delta variant and softening macro data made investors question the pace of the recovery. On the flipside, we saw signs of progress on the Biden administration's economic agenda as the US Senate passed the \$550bn infrastructure package.

European Sub Investment Grade Highlights

Total loan issuance during the month of August was €0.3bn, compared to €2.2bn same month last year. August tends to be a quieter month due to summer holidays however last year saw higher activity as the leverage market caught up on lost ground earlier in the year. The year-to-date ("YTD") loan issuance now stands at €95.6bn, considerably more than the €47.6bn issuance we saw in the first eight months of 2020. On the High Yield side, we saw €1.3bn of bond issuance during the month, bringing YTD issuance to €86.8bn.^a

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was at +0.48% for the month, which brings YTD returns to +3.45%. Defensives (+0.46%) marginally underperformed cyclicals (+0.50%). CCCs underperformed all other rating categories at -0.61% while BBs returned +0.35%, single Bs +0.50% and unrated companies +0.79%. As at the end of August, the 3-year discount margin on the index was 405bps.

The Credit Suisse Western European High Yield Index, hedged to Euro, was up 0.36% for the month bringing YTD returns to +3.98%.^b

In the month of August, the performing book was thematically characterized by optimization. With continued strength in the secondary market, we took advantage of demand across tightly-trading names and rotated into opportunities that offered more attractive current income. We reduced two term loan positions trading at recent tight, and with continued strength in the high yield market, reduced or exited four bond positions throughout the month. With this capital, we added three new names to the performing book in the primary market. The primary market continues to offer attractive pricing relative to where certain names with similar risk profiles trade in secondary, and we took advantage of the opportunity. Additionally, we topped up on an existing position trading at a discount, and also swapped out of a newly-issued healthcare bond into the issuer's pari-passu term loan, capturing an attractive spread differential. As of August close, performing credit (including cash) was 43.9% of the portfolio, trading at a weighted average price of 99.9 and a YTM of 4.4%, whilst delivering a 4.4% cash yield to the portfolio.

The credit opportunities book was similarly active in the month of August despite the late-summer market slowdown. We continue to have success in deploying capital into credit opportunities despite compression in stressed credit markets globally. During the month, we reduced exposure in a bond backing a company that is being acquired, while also taking advantage of liquidity in a less-liquid bond that becomes callable in the near term. We deployed this capital into two new credit opportunities names during the month; one in the primary market, and the other in secondary. Both new names are well-known to the global CVC Credit platform and offer attractive income at comfortable attachment points. We also added to an existing position at an attractive price that resulted from technical market pressure, which has since subsided. As of August close, credit opportunities was 56.1% of the portfolio, trading at a weighted average price of 94.1 and a YTM of 8.6%, whilst delivering a 7.4% cash yield to the portfolio.

Across the entire portfolio, as of August month end, the weighted average market price was 96.6, trading at a YTM of 8.3%, and delivering 7.9% 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 79.5% of the portfolio. Senior Secured 79.8%. The portfolio had a cash position of -1.8% (including leverage) with leverage at 1.3x assets.

The fund continues to build on year-to-date outperformance against relevant benchmarks. Our active trading and primary market pulse have ensured that the performing book is well-positioned to continue to generate strong income, and we continue to have success deploying into credit opportunities while maintaining convexity. With a significant amount of primary market supply anticipated this autumn, we remain diligent in our proven investment approach in an effort to ensure continued outperformance.

Commentary Sources:

^a LCD, an offering of S&P Global Market Intelligence – September 2021

^b Credit Suisse

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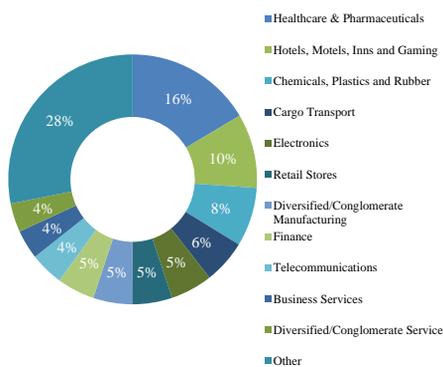
Investment Vehicle Portfolio Statistics³ as at 31 August 2021

Top 5 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	4.9%	Diversified/Conglomerate Manufacturing	United Kingdom
Colouroz	3.6%	Chemicals, Plastics and Rubber	Germany
Civica	3.4%	Electronics	United Kingdom
European Camping Group	2.7%	Leisure	France
D&G	2.4%	Financial Intermediaries	United Kingdom

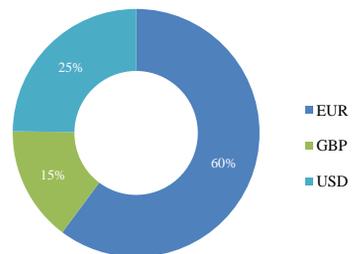
Industry Exposure

MV (%)



Currency Exposure

MV (%)

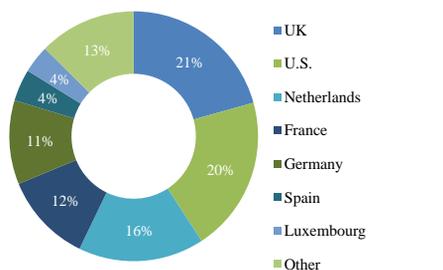
RepRisk ESG Rating⁷

MV (%)

AAA	40.6%
AA	34.9%
A	12.0%
BBB	5.4%
BB	1.6%
B	0.0%
CCC	0.0%
CC	0.0%
C	0.0%
D	0.0%
NR	5.6%
Total	100.0%

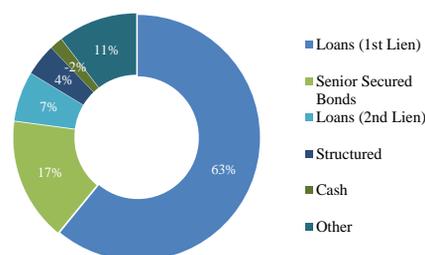
Geographic Exposure

MV (%)



Asset Exposure

MV (%)

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

Rating Exposure

Rating	Average Spread Duration ⁹	MV (€)	MV (%)
BB	7.43	8.9m	2%
B	4.34	260.1m	61%
CCC	2.94	110.1m	26%
NR	4.09	44.4m	10%

Interest Rate Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.16	336.7m	80%
Fixed	3.38	81.7m	19%
Warrants	0.00	5.0m	1%

FX Exposure

Currency	MV (€)	MV (%)
EUR	254.9m	60%
GBP	63.6m	15%
USD	105.0m	25%

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 31 August 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.