

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.

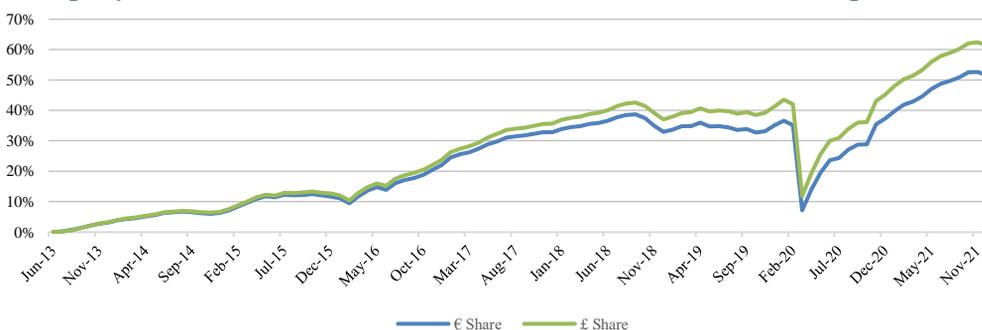
Investment Objectives

- 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.

November 2021

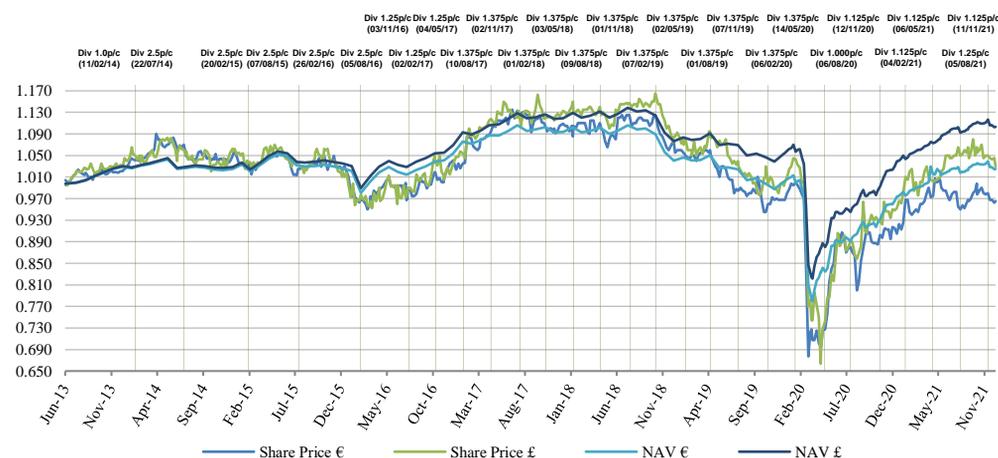
Share Price & NAV at 30 November 2021		
	EUR	GBP
Share Price ¹	0.9650	1.0300
NAV ²	1.0170	1.0958
Total Net Assets ³	122,056,345	157,654,955
Market Capitalisation	115,815,985	148,190,399
Company Information		
Vehicle Type	Closed-ended investment company	
Domicile	Jersey	
Inception Date	25 June 2013	
Market	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	78.8%	
Fixed Rate Assets	20.0%	
Other Assets	1.2%	
Weighted Average Market Price ⁵	96.4	
Yield to Maturity ⁶	8.2%	
Current Yield ⁶	8.0%	
Weighted Average Fixed Rate Coupon	6.55%	
Weighted Average Floating Rate plus Margin	4.9%	
<i>Note: All metrics exclude cash unless otherwise stated</i>		
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<i>Note: Disclaimer & notes located at end of report</i>		

Company NAV Total Return Cumulative Performance⁴ (since inception)



	1M	3M	YTD	1YR	3YRS	5YRS	ITD
€ Share	-0.74%	0.46%	10.37%	11.92%	12.29%	25.78%	51.54%
£ Share	-0.57%	0.74%	11.16%	12.82%	16.07%	32.26%	61.40%

Company Share Performance



Note: Disclaimer & notes located at end of report

CVC Credit Partners European Opportunities Limited

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

November started off on a reasonable strong tone, but sentiment changed quickly in the last few days of the month as concerns arose about the Omicron variant of Covid-19, and how this could impact global growth going forward. The worst performing asset class in the month was WTI Oil which was down around 20%, the worst monthly performance since the initial Covid-19 outbreak in March 2020.^a The travel and leisure came under a lot of pressure in the last few days of the month as investors questioned the recovery path for this industry.

European Sub Investment Grade Highlights

Total European loan issuance during the month of November was €8.8bn, compared to €4.1bn same month last year. The average new issue spread is E+407.32 with 4.35% yield to maturity which compares to tighter levels seen early in the year +376bps and 3.92% in February 2021, respectively. The year-to-date (“YTD”) loan issuance now stands at a record €128.6bn, considerably more than the €64bn issuance we saw in the first eleven months of 2020. On the HY side, we saw €10.7bn of bond issuance during the month, bringing YTD issuance to €122.5bn.^b

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was at +0.15% for the month, which brings YTD returns to +4.20%. Defensives (+0.17%) outperformed cyclicals (+0.12%). CCCs underperformed all other rating categories at -0.56% mainly driven by a cautious approach from investors regarding the Omicron Covid variant. As at the end of November, the 3-year discount margin on the index was 413bps. The Credit Suisse Western European High Yield Index, hedged to Euro, was down -0.43% for the second consecutively month. YTD returns stand at +2.94%.^c

Portfolio Commentary

During the month of November, the performing book remained active across deployment, trading, and risk management in the wake of volatile markets. With a shifting macro backdrop, we sought to capitalize on movement in risk markets while protecting and optimizing the portfolio. Throughout the month, we added four new names to the book, largely within the primary market, in addition to one new name added in secondary. Each new name offered attractive current income relative to issuer risk profiles. On the trading side, we reduced exposure in certain names trading at or near parity, while rotating into names trading at a discount in an effort to pick up convexity. We also added to certain existing positions at opportunistic levels amidst market weakness. Our trading and deployment continue to favour optimization heading into year-end, and the book remains well-positioned for current income. As of November close, performing credit (including cash) was 49.1% of the portfolio, trading at a weighted average price of 99.4 and a YTM of 4.5%, whilst delivering a 4.4% cash yield to the portfolio.

The credit opportunities book saw another active month amidst continued volatility in risk markets. During the month, we added two new names to the book. Both instances of deployment came in the primary market, providing capital to issuers that the global CVC platform has intimate familiarity with. In terms of secondary deployment, we added to an existing position opportunistically as supply in the name emerges infrequently, while also topping up on a core position on the back of market weakness. In order to fund these purchases, we continue to reduce risk in a name that recently underwent a successful amend-to-extend, and also exited an illiquid commodity-exposed position near our view of fair value. Within the structured products book, following our successful auction last month, we re-deployed into the B-rated paper – as well as the equity – of a new-issue CLO backing a familiar manager. We also rolled an existing B-rated position as part of a successful deal reset. As of November close, credit opportunities was 50.9% of the portfolio, trading at a weighted average price of 93.5 and a YTM of 8.6%, whilst delivering a 7.7% cash yield to the portfolio.

Across the entire portfolio, as of November month end, the weighted average market price was 96.4, trading at a YTM of 8.2%, 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 78.8% of the portfolio. Senior Secured 79.6%. The portfolio had a cash position of -1.2% (including leverage) with leverage at 1.3x assets.

The fund underperformed the European loan indices for the month but continues to be well ahead of the indices on a YTD basis. The underperformance was a result of the overweight exposure to CCCs and the exposure to HY bonds and US leveraged loans, both of which underperformed the European loan market. As the macroeconomic outlook remains volatile, and as a new strain of COVID emerges, the performing book remains well-positioned from a risk perspective in light of near-term volatility. The credit opportunities book continues to offer convexity, and we will maintain our diligent investment approach while managing existing risk and screening new names.

Commentary Sources:

^a Deutsche Bank

^b LCD, an offering of S&P Global Market Intelligence – December 2021

^c Credit Suisse

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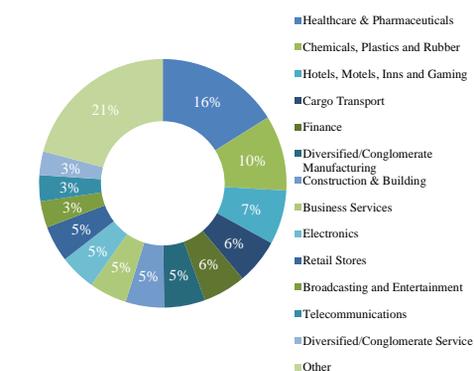
Investment Vehicle Portfolio Statistics as at 30 November 2021⁵

Top 5 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	5.2%	Diversified/Conglomerate Manufacturing	United Kingdom
Colouroz	3.7%	Chemicals, Plastics and Rubber	Germany
Civica	3.3%	Electronics	United Kingdom
D&G	2.4%	Financial Intermediaries	United Kingdom
Syncreon	2.4%	Surface Transport	Netherlands

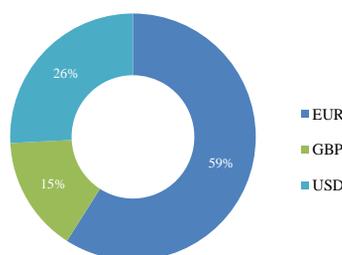
Industry Exposure

MV (%)



Currency Exposure

MV (%)



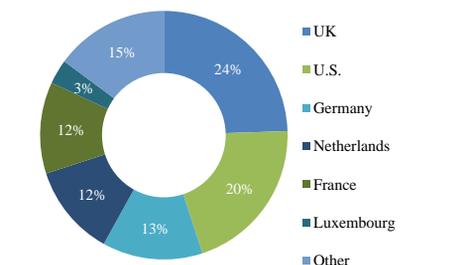
RepRisk ESG Rating⁷

MV (%)

AAA	32.4%
AA	41.9%
A	14.0%
BBB	7.7%
BB	0.0%
B	0.0%
CCC	0.0%
CC	0.0%
C	0.0%
D	0.0%
NR	4.0%
Total	100.0%

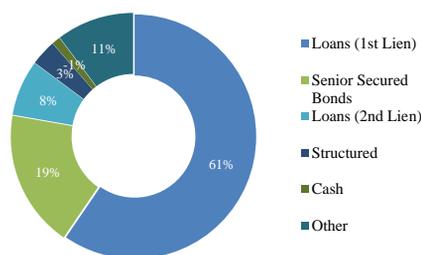
Geographic Exposure

MV (%)



Asset Exposure

MV (%)



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

Rating Exposure

Rating	Average Spread Duration ⁹	MV (€)	MV (%)
BB	6.78	6.7m	2%
B	4.41	271.4m	65%
CCC	2.81	98.4m	24%
NR	4.33	37.9m	9%

Interest Rate Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.14	326.6m	79%
Fixed	3.72	82.8m	20%
Warrants	0.00	4.9m	1%

FX Exposure

Currency	MV (€)	MV (%)
EUR	244.8m	59%
GBP	62.7m	15%
USD	106.8m	26%

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 November 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.