

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.

April 2022

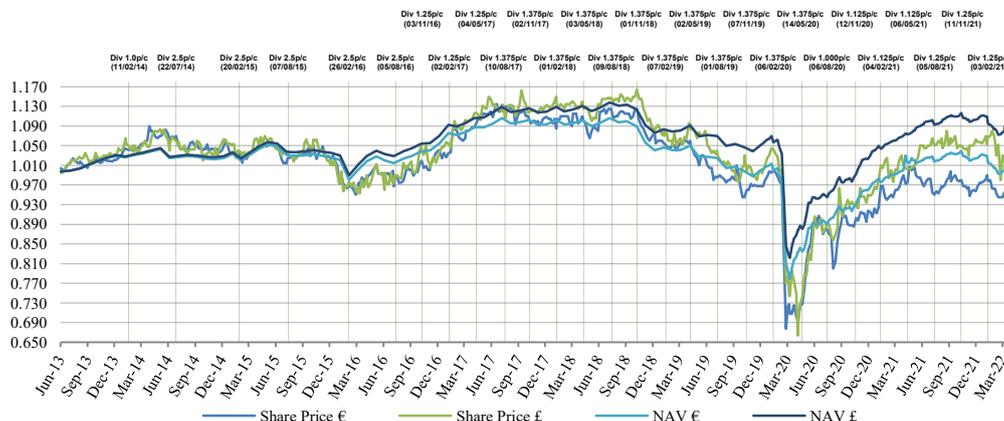
Share Price & NAV at 30 April 2022		
	EUR	GBP
Share Price ¹	0.9375	1.0200
NAV ²	0.9995	1.0810
Total Net Assets ³	107,362,652	144,659,427
Market Capitalisation	100,702,276	136,494,348
Company Information		
Vehicle Type	Closed-ended investment company	
Domicile	Jersey	
Inception Date	25 June 2013	
Market	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	82.6%	
Fixed Rate Assets	15.5%	
Other Assets	1.9%	
Weighted Average Market Price ⁵	93.0	
Yield to Maturity ⁶	EUR	9.2%
	GBP	10.6%
Current Yield ⁶	EUR	8.0%
	GBP	9.4%
Weighted Average Fixed Rate Coupon	6.4%	
Weighted Average Floating Rate plus Margin	5.1%	
<i>Note: All metrics exclude cash unless otherwise stated</i>		
Contact Us		
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CVC Client & Product Solutions cps@cvc.com		
<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	-0.83%	-1.70%	-1.44%	4.31%	10.89%	18.40%	50.77%
£ Share	-0.73%	-1.38%	-1.13%	5.10%	14.44%	24.45%	61.04%

Company Share Performance



CVC Credit Partners European Opportunities Limited

Portfolio Manager



Pieter Staelens

Managing Director
20 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

2022 continues to be volatile and April was no different from previous months. The combination of stubbornly high inflation and a slowdown in economic growth increased concerns around stagflation. There are multiple factors driving these fears: the ongoing Russian invasion of Ukraine, renewed Chinese lockdowns to deal with Covid and fears around central banks hiking rates too quickly. In Europe, the flash PMI reading came out at +7.5%, the highest level since the formation of the single currency.^a Energy was of course a key driver to these high inflation numbers and Russia stopping gas flows to Poland and Bulgaria only increased concerns around the outlook for energy in Europe. As a result, global equities were firmly down for the month with the S&P500 -8.7% for the month, putting in its worst monthly performance since March 2020 when Covid spread around the world.^a Megacap tech stocks were one of the worst performers during the month, with the FANG+ index -18.9% in April.^a

European Sub Investment Grade Highlights

During April we saw €5.8bn total loan issuance in Europe, as the primary market picked up again following a soft €0.4bn issuance in March, but well below the €12bn issued in April 2021. The 10 year average April monthly loan issuance is €6.3bn. Year-to-date (“YTD”) issuance in 2022 is €24.6bn versus €56.9bn last year. We continue to anticipate a gradual increase in new issuance volumes in the coming weeks although it is unlikely to match the record levels seen in 2021. The HY market was closed during March and April in Europe and YTD issuance is now only €10.8bn, down 79% versus last year.^b

The Credit Suisse Western European Leveraged Loan Index return, hedged to Euro, was at -0.13% for the month. Defensives were flat and cyclicals -0.26% in April. CCCs in April were down -2.3%, single Bs -0.13% and BBs +0.16%. As at the end of April, the 3-year discount margin on the index was 477bps. The Credit Suisse Western European High Yield Index, hedged to Euro, was down -2.82% the fourth consecutive negative return month (YTD -8.11%) on the back of investors’ concerns around inflation and central bank policy compounded by the market volatility driven by the Russian-Ukrainian conflict.^c

Portfolio Commentary

April was another active month on the risk management front within the performing book. Volatility remains persistent, while macroeconomic and geopolitical sentiment continue to drive trading activity. This persistently shifting sentiment served as a headwind to primary markets, with a slowdown in new issuance experienced during the month across Europe and the US. We participated in one new deal during the month, backing the buyout of a global industrials business. We also added a second new name to the book within the secondary market, building on a position already held across the CVC Credit platform. To fund this deployment, we reduced one position while exiting another, both offering income profiles that are tighter than where similar risk is pricing in the primary market. As of April close, performing credit (including cash) was 48.6% of the portfolio, trading at a weighted average price of 97.2 and a YTM of 5.3%, whilst delivering a 4.7% cash yield to the portfolio.

The credit opportunities book remains a diligent focus of the team amidst volatile markets. Though the size of the opportunity set has grown slightly as a result of recent volatility, the quality of the opportunity set remains challenged, and we will maintain our proven investment approach in our deployment decisions. During the month, we added one new name to the book in the secondary market, backing a cruise operator that the CVC Credit platform is intimately familiar with. Additionally, we built on two existing positions at attractive levels, further enhancing the convexity profile of the credit opportunities book. To fund this deployment, we took advantage of liquidity and reduced exposure in a position that trades sporadically. Activity within the structured products sleeve was muted during the month of April, as activity within the primary CLO market remains slow. However, we continue to evaluate attractive opportunities, and anticipate an uptick in activity in the near term. As of April close, credit opportunities was 51.4% of the portfolio, trading at a weighted average price of 89.3 and a YTM of 10.2%, whilst delivering an 8.2% cash yield to the portfolio.

Across the entire portfolio, as of April month end, the weighted average market price was 93.0, trading at a YTM of 9.2% (€ hedged) / 10.6% (£ hedged), and delivering 8.0% (€ hedged) / 9.4% (£ hedged) cash yield (on a levered basis) versus a weighted average price of 96.5, YTM of 8.3% and cash yield of 7.9% as of December 2021. Floating rate instruments comprised 82.6% of the portfolio. Senior Secured 74.6%. The portfolio had a cash position of 1.6% (including leverage) with leverage at 1.3x assets.

Despite a challenging start to the year in global credit markets, the fund is performing well against relevant benchmarks. The performing book remains well-positioned for current income, while the credit opportunities book maintains convexity. We will continue to maintain diligence in our risk management amidst macroeconomic and geopolitical uncertainty.

Commentary Sources:

^a Bloomberg

^b LCD, an offering of S&P Global Market Intelligence – May 2022

^c Credit Suisse

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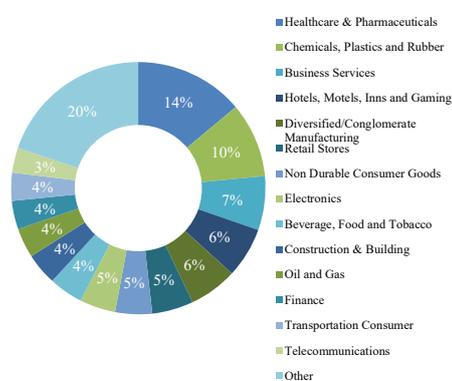
Investment Vehicle Portfolio Statistics as at 30 April 2022⁵

Largest 5 Issuers

Issuer	% of Gross Assets	Industry	Country
Doncasters	5.71%	Diversified/Conglomerate Manufacturing	United Kingdom
Civica	3.39%	Electronics	United Kingdom
Wella	3.10%	Cosmetics / Toiletries	Luxembourg
Colouroz	2.68%	Chemicals, Plastics and Rubber	Germany
Drive DeVilbiss	2.38%	Healthcare & Pharmaceuticals	U.S.

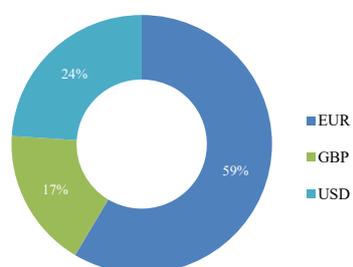
Industry Exposure

MV (%)



Currency Exposure

MV (%)



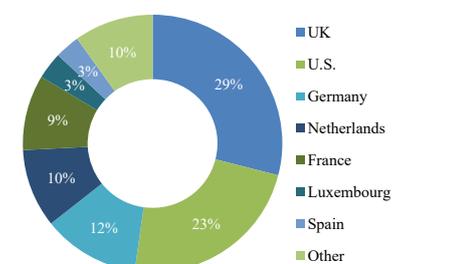
RepRisk ESG Rating⁷

MV (%)

AAA	21.4%
AA	46.2%
A	23.7%
BBB	2.1%
BB	0.7%
B	0.0%
CCC	0.0%
CC	0.0%
C	0.0%
D	0.0%
NR	6.0%
Total	100.0%

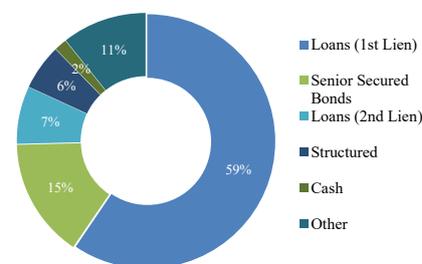
Geographic Exposure

MV (%)



Asset Exposure

MV (%)



Look Through Reporting^{6,8} as at 30 April 2022

Rating Exposure

Rating	Average Spread Duration ⁹	MV (€)	MV (%)
BB	6.77	10.8m	3%
B	4.17	241.6m	66%
CCC	2.58	78.8m	22%
NR	4.53	33.7m	9%

FX Exposure

Currency	MV (€)	MV (%)
EUR	213.7m	59%
GBP	63.6m	17%
USD	87.6m	24%

Interest Rate Exposure

Type	Duration	MV (€)	MV (%)
Floating	0.19	301.5m	83%
Fixed	3.25	56.7m	15%
Warrants	0.00	6.7m	2%

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

Note: Amounts may not add up to 100% due to rounding.

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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 April 2022.

⁸ Data excludes cash

⁹ Averages are weighted by market value

Disclaimers

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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.