

## Summary

CVC Credit Partners European Opportunities Limited (the "Company") 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 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.

## Company NAV Total Return Performance<sup>2</sup> (since inception)

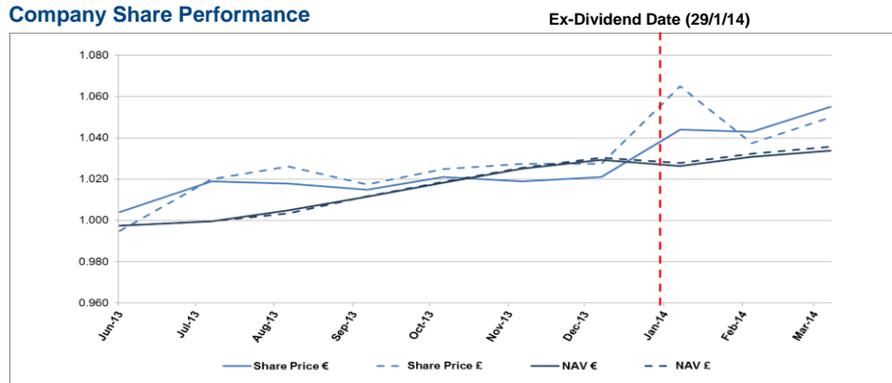
EUR Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013							0.2%	0.5%	0.6%	0.7%	0.7%	0.4%	3.2%
2014	0.7%	0.4%	0.3%										1.4%

GBP Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013							0.2%	0.4%	0.8%	0.7%	0.7%	0.5%	3.3%
2014	0.7%	0.4%	0.3%										1.5%

<sup>2</sup> NAV Total Return includes dividends reinvested

## Company Share Performance



## Investment Vehicle Manager Market & Portfolio Commentary

Although indicators out of the European economy continue to show regional recovery, particularly across Spain, UK, Scandinavia and Germany, the low level of Eurozone inflation is concerning. The ECB expressed their opinion that the weaker inflation environment was due to the temporary effects of a stronger euro and falling energy prices, which it expects to subside. In a bid to show continued support to the Eurozone, the ECB has made it clear that all options are still on the table, including outright quantitative easing, but the trigger of a higher euro or sharper fall in inflation is yet to materialise.

Leveraged loans tracked by the S&P European Leveraged Loan Index (ELLI) lost 0.15% through March (following a 0.2% loss in February). This is the second-consecutive negative monthly return and the weakest performance since June 2013. For Q1'14 the ELLI has gained 0.41% (excluding currency effects), which is the worst y-o-y result since 2008 (having gained 2.52% in Q1'13). The negative performance was driven by specific credit events surrounding Vivarte impacting secondary prices of underperforming names, with other large constituents – such as Autobar, Tunstall and PHS – trading lower in sympathy as accounts adjusted exposures and re-priced "stressed" risk positions. In contrast, due to a continued strong technical background (positive high yield fund inflows, low net new issuance supply) as well as benign default expectations, the European HY bond market had another month of positive performance. Through Q1'14 the European and U.S. HY bond markets have outperformed the European loan market by a significant margin. Total returns in the quarter ended up at 2.5% and 3.5% respectively (vs. 0.4% in European loans).

The pipeline for new issue loans and HY bond market continues to build, with a number of deals launching in the month and through the first week of April. This includes a number of cross-border transactions, refinancings and the large acquisition financing for the cable operator Numericable in the purchase of SFR.

Covenant-lite issuances are beginning to gain market presence in Europe (loans and FRN in structure), while there has been notable friction between the HY market and the loan market, providing sponsors with wider financing options when pricing and structuring new transactions.

In the period, the Company raised a further €111m of new capital through a C-Class issue as the Investment Vehicle Manager and Company seek to take advantage of the on-going market opportunity. Portfolio activity in the month included selectively committing to primary new issuance, adding secondary performing assets to ramp the portfolio following the expectation of new capital allocation, as well as adding to the structured credit strategy to enhance portfolio yield. As noted in the market overview above, the portfolio was impacted by market volatility through the month on the back of increased pressure on stressed and distressed positions. The focus remains on originating and trading new primary floating rate issuance as well as adding further event-driven and special situations positions into the portfolio.

As of the end of March, the portfolio was fully invested. Floating rate instruments comprised 86.4% of the portfolio. Current yield at month-end was 6.0%.

## March 2014

### Share Price & NAV at 31 March 2014

	EUR	GBP
Share Price	1.0550	1.0500
NAV <sup>1</sup>	1.0338	1.0358
Total Net Assets	167,708,571	167,085,571
Market Capitalisation	171,142,744	169,370,076

<sup>1</sup> Opening NAV was 0.997, after initial costs

### 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

Percentage of Portfolio in Floating Rate Assets	86.4%
Percentage of Portfolio in Fixed Rate Assets	13.6%
Weighted Average Price <sup>3</sup>	99.6
Yield to Maturity	5.3%
Current Yield	6.0%
Weighted Average Fixed Rate Coupon	5.8%
Weighted Average Floating Rate plus Margin	5.3%

Note: All metrics exclude cash unless otherwise stated

<sup>3</sup> Average market price of the portfolio weighted against the size of each position

### Assets Classification by Pricing Category (as of Q1 2014)

Market Pricing Service	73%
Broker Quotes	27%
Model Price	0%

### Contacts

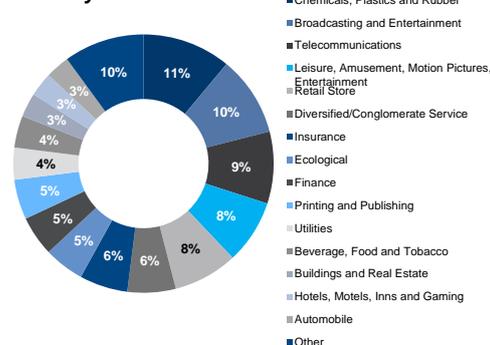
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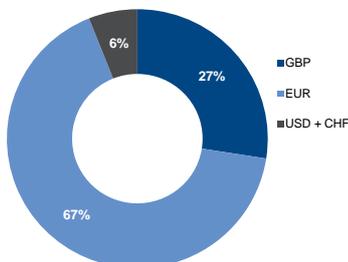
Note: Disclaimer overleaf

## Investment Vehicle Portfolio Statistics (as at 31 March 2014)

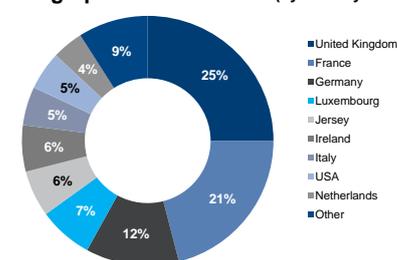
### Industry Breakdown



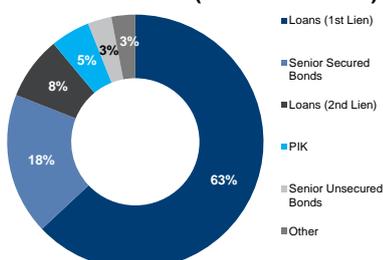
### Currency Breakdown



### Geographical Breakdown (by country of issuer)



### Asset Breakdown (incl. traded cash)



## Investment Vehicle Portfolio Statistics

### 5 Largest Issuers

Issuer	% of NAV	Industry	Country
Boots (AB Acquisitions)	5.5	Retail Store	UK
OGF	4.5	Ecological	France
Viridian Group	4.0	Utilities	Ireland
Flint Group	3.9	Chemicals	Germany
Materis	3.6	Buildings	France

## Look Through Reporting<sup>4</sup>

### Spread Exposure

Rating	Average Spread Duration <sup>5</sup>	Market Value (EUR)	Market Value (%)
BBB	3.18	12,295,360	3%
BB	4.78	51,525,733	14%
B	4.66	219,740,831	60%
CCC	2.99	7,049,436	2%
NR	2.98	76,312,749	21%

### FX Exposure

Currency	Market Value (EUR)	Market Value (%)
USD + CHF	22,156,109	6%
EUR	244,025,794	67%
GBP	100,742,206	27%

### Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.19	316,925,370	86%
Fixed	4.88	49,998,739	14%

#### Notes & Assumptions:

- All duration and yield calculations are based on assets outstanding to maturity (no call or amortization assumptions)
- Duration is calculated using DURATION function in Excel, and includes approximations for floating rate assets using comparable fixed 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 5y years after the end of the reinvestment period

#### Disclaimer

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The Company is regulated by the Jersey Financial Services Commission.

<sup>4</sup> Data excludes cash

<sup>5</sup> Averages are weighted by market value