CVC Credit Partners European Opportunities Limited

CVC Credit Partners

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 Compartment A of CVC European Credit Opportunities S.àr.l. (the "Investment Vehicle"), a European credit opportunities investment vehicle managed by CVC Credit Partners Investment Management Limited.

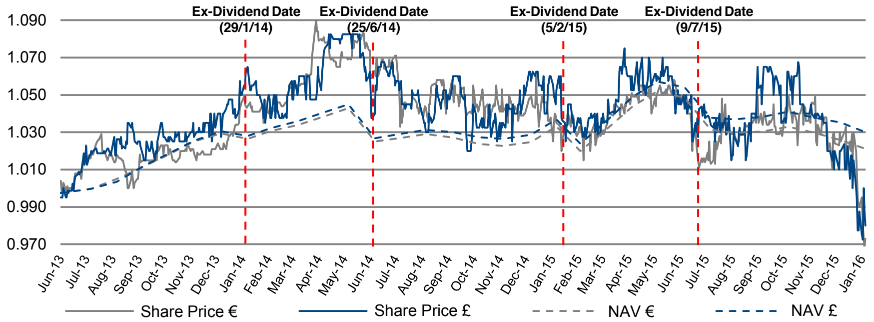
Company NAV Total Return Performance[4] (since inception)

EUR Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	-0.4%												**-0.4%**
2015	0.8%	1.2%	1.2%	1.2%	0.8%	-0.4%	0.8%	-0.2%	0.1%	0.2%	-0.3%	-0.4%	**5.1%**
2014	0.7%	0.4%	0.3%	0.4%	0.4%	0.7%	0.2%	0.2%	-0.2%	-0.3%	-0.1%	0.2%	**3.0%**
2013							0.2%	0.5%	0.6%	0.7%	0.7%	0.4%	**3.2%**

GBP Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	-0.5%												**-0.5%**
2015	0.8%	1.2%	1.2%	1.2%	0.8%	-0.3%	0.8%	-0.1%	0.1%	0.3%	-0.3%	-0.2%	**5.6%**
2014	0.7%	0.4%	0.3%	0.5%	0.4%	0.6%	0.2%	0.2%	-0.1%	-0.3%	-0.1%	0.2%	**3.3%**
2013							0.2%	0.4%	0.8%	0.7%	0.7%	0.5%	**3.3%**

[4] NAV Total Return includes dividends reinvested

Company Share Performance



Investment Vehicle Manager Market & Portfolio Commentary

The year began where 2015 left off; developed market equities fell 5.4%, emerging market equities fell 5.2%, government bonds tightened by 0.9% and HY bond spreads widened in both the U.S. and Europe by 1.7% and 1.2%, respectively. The main factors driving markets during the month were events surrounding China's economy and financial markets, the continued influence of divergent actions of global central bank policies and oil price swings.

Markets entered the year feeling uncertain about the pace of the Fed's tightening and disappointed with the ECB's easing. After the ECB's January meeting, Mario Draghi assured markets that he would consider further action at the next policy announcement in March. The details of said action are yet to be clarified, but such steps could include a further cut in the deposit rate, an increase in the size of the monthly asset purchase programme, an extension of the programme or some combination of all of these. The Fed also put a spotlight on its March meeting by leaving monetary policy unchanged in January whilst it also attempted to reassure investors that rate increases will be gradual and data dependent. As a result, the market moved only slightly as it digested the statement. Unlike the ECB and the Fed, the BoJ ended the month with a surprise move: it cut the deposit rate into negative territory and indicated that there is room to go further if necessary.

Outside of Central Bank policy, markets continued to move with oil prices for most of January, which went as low as $24 per barrel and closed the month at $36. At under $40 per barrel, oil is priced near the long-term average cost of production for many deep-water projects and for much of the U.S. shale industry. Whilst the lifting of Iranian sanctions should provide additional supply, murmurs of Russia-OPEC production cuts have created volatility in the price of oil. Additionally, Chinese growth concerns sparked a period of unease as Q4 GDP came in at 6.8% yoy, versus 6.9% in Q3 - the lowest since 2009. The headline issue is that Chinese industrial production growth slowed from 6.2% in November to 5.9% in December of last year, pointing towards a changing economic outlook. These growth concerns triggered substantial volatility across Chinese equity markets.

Despite the wider market volatility, the buyout market saw the highest reading since July 2008, with 16 new deals launched into syndication in January and €5.9bn of paper pricing (versus €3.2bn from 10 deals in 2015). The average TLB yield to maturity widened to 5.68% from 5.24% in Q4 2015 (including cross-border deals) pushed in part by relative pricing into the U.S. market and the volume of new issue paper hitting the market. The European HY bond market was markedly different, with the lowest volume of transactions since 2009 coming to market at just €900m (versus €7.3bn in 2015). HY bond issuance has been impacted by the wider stress across markets, pulling secondary cash prices down and in turn leading to fund outflows. According to J.P. Morgan's weekly measure, there were six weekly outflows in the last seven weeks to the end of January with the end of the month reading a €1.2bn outflow. The Credit Suisse Western European High Yield Index and the Credit Suisse Western European Leveraged Loan Index returned -1.24% and -0.32%, respectively.

January was a tough start to the year for most risk assets. As discussed in Q4'15, much of the Investment Vehicle Manager's activity was focused on income generation as well as NAV protection in a volatile market through defensive positioning. This theme carried into 2016 as negative fund flows in the U.S. leveraged loan and HY bond market drifted into the European HY bond market and impacted secondary prices as well as that of new issuance. U.S. leveraged loans and HY bonds traded on negative sentiment that energy will bring a period of high defaults and low recoveries as well as fundamental concerns regarding the growth of U.S. corporates. In Europe, the fundamental backdrop remains solid as quarter-on-quarter growth continues to be positive across the majority of the portfolio in a very accommodative fiscal environment.

Against this backdrop, the number of available opportunities considered by the Investment Vehicle Manager continues to increase across strategies. Within Performing Credit, yields on new issuance have widened, relative to 2015, helping the portfolio to increase the stable cash yield element of this segment by rotating out of lower yielding assets. Within Credit Opportunities, as experienced in H1'15, the Investment Vehicle Manager's expectations remain that once financing markets stabilise, opportunistic investments within the portfolio will deliver in 2016, driving NAV performance.

The Investment Vehicle Manager selectively committed to a number of performing new issuances that came through the market at attractive prices, added opportunistically to core positions in the U.S. markets and rotated a number of short positions within the energy sector into higher rated, tighter priced capital structures as oil prices continued to fall. As at the end of January, floating rate instruments comprised 83.5% of the portfolio. Current yield at month-end was 5.9%.

The Company declared a dividend of £0.025 per ordinary Sterling share and €0.025 per ordinary Euro share on 27th January 2016. The dividend will be payable on 26th February 2016 to shareholders on the register at the close of business on 5th February and the corresponding ex-dividend date was 4th February 2016.

January 2016

Share Price & NAV at 31 January 2016

	EUR	GBP
Share Price[1]	0.9730	0.9800
NAV[2]	1.0212	1.0301
Total Net Assets[3]	167,141,649	280,340,829
Market Capitalisation	159,252,212	266,701,410

[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

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	83.5%
Percentage of Portfolio in Fixed Rate Assets	16.5%
Weighted Average Price[5]	88.0
Yield to Maturity[8]	8.8%
Current Yield[8]	5.9%
Weighted Average Fixed Rate Coupon	6.0%
Weighted Average Floating Rate plus Margin	5.0%

Note: All metrics exclude cash unless otherwise stated
[5] Average market price of the portfolio weighted against the size of each position

Contacts

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Investment Vehicle Manager
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Note: Disclaimer overleaf

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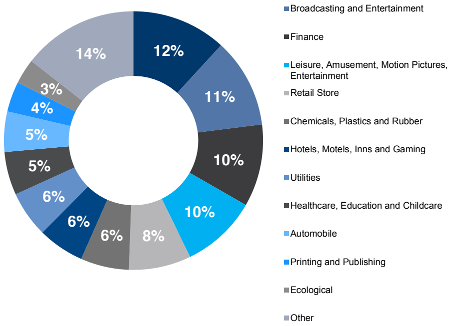
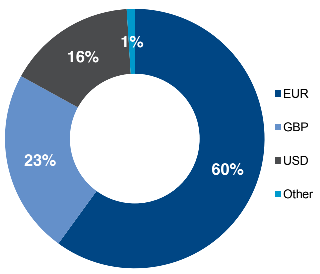
Investment Vehicle Portfolio Statistics (as at 31 January 2016)[3]

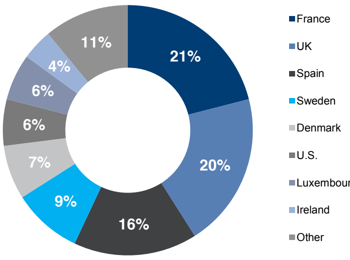
Industry Breakdown



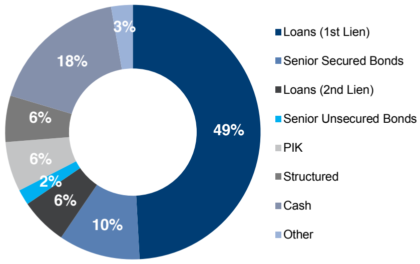
Currency Breakdown



Geographical Breakdown (by country of issuer)



Asset Breakdown (incl. traded cash)



Investment Vehicle Portfolio Statistics[3]

5 Largest Issuers

Issuer	% of GAV	Industry	Country
Icopal	4.3	Buildings / Real Estate	Denmark
Altice	4.2	Broadcasting / Entertainment	France
RAC	3.4	Automobile	UK
Cortefiel	3.4	Retail Store	Spain
Zodiac	3.2	Leisure	France

Look Through Reporting[6,8]

Spread Exposure

Rating	Average Spread Duration[7]	Market Value (EUR)	Market Value (%)
BB	5.41	34,487,421	6%
B	4.52	292,311,927	50%
CCC	2.96	21,933,581	4%
NR	3.62	232,124,939	40%

FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	334,983,531	58%
GBP	128,412,543	22%
USD	111,774,961	19%
Other	5,686,833	1%

Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.17	468,101,985	81%
Fixed	5.30	112,706,508	19%
Warrants	0.00	49,375	0%

Notes & Assumptions:

- The sum of the market values may be larger than the NAV due to the effect of the Investment Vehicle's leverage facility
- All duration and yield calculations are based on assets outstanding to maturity (no call or amortisation 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 5 years after the end of the reinvestment period

[6] Data excludes cash
[7] Averages are weighted by market value
[8] Excluding short positions