

## 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.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>4</sup> (since inception)

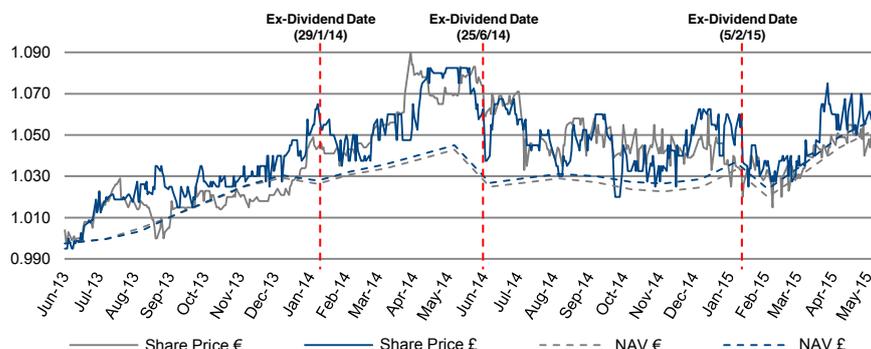
EUR Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	0.8%	1.2%	1.2%	1.2%	0.8%								5.2%
2014	0.7%	0.4%	0.3%	0.4%	0.4%	0.7%	0.2%	0.2%	-0.2%	-0.3%	-0.1%	0.2%	3.0%
2013							0.2%	0.5%	0.6%	0.7%	0.7%	0.4%	3.2%

GBP Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	0.8%	1.2%	1.2%	1.2%	0.8%								5.3%
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%

<sup>4</sup> NAV Total Return includes dividends reinvested

## Company Share Performance



## Investment Vehicle Manager Market & Portfolio Commentary

After three months of unprecedentedly low yields, European rates underwent a correction in the first two weeks of May, rising up to pre-quantitative easing levels. Several factors contributed to this reversal including liquidity concerns, upgraded European inflation expectations with rebounding oil prices and signs of an improving economy. The German 10-year Bund widened to 1.1%, with the equivalent Spanish 10-year to 2.1% and Italian to 2.1%. Nervousness spread across the Atlantic to the U.S. Treasury market where the U.S. 30-year bond yield edged up above 3% for the first time this year as Janet Yellen remarked that the investors' premium for holding bonds with longer maturities would most likely increase as the Fed began raising rates.

The initial sell-off in the bond market from the first half of the month slowed through the end of the period. The rates markets were calmed partly by the European Central Bank's decision to front-load asset purchasing over the summer, during the typically lower issuance period. Concerns regarding Greece eased into month-end as it managed to meet its €750m payment to the IMF, but have subsequently resurfaced.

The leveraged loan market saw an increase in re-pricing activity through May. Over €3.2bn came through the European market driven in part by the accelerated re-pricing seen in the U.S. affecting a number of cross-border transactions. Year-to-date European leveraged loan issuance totalled €30.8bn, down 4% y-o-y. Notably, institutional volume has declined by 22%, to €16.9bn. Technical demand remained strong as May CLO issuance jumped to an 11-month high at €2.4bn (up from c.€1bn in prior months) while at the same time repayments returned €9.5bn. The combination of these forces put pressure on new-issuance yields, which tightened to 4.62% in the three-months to the end of May, the tightest reading in 13-months, from 5.29% in Q1.

The HY bond market experienced a very different dynamic, with the pace of new issuance decelerating with only €2.1bn of bonds pricing, clearly driven by a sell-off in Bund markets. However, given the high volumes through the start of the year, YTD volume to May of €40.2bn was 2% ahead of the comparable period in 2014.

The Credit Suisse Western European High Yield Index (hedged, in euro) was up with a return of 0.31% for the month and 4.02% year to date. The Credit Suisse Western European Leveraged Loan Index (hedged, in euro) was up with a return of 0.50% for the month and 3.64% year to date.

The portfolio in May continued to deliver stable Core Income returns through performing names and positive market value gains, coupled with income attribution across the Credit Opportunities segment of the portfolio.

Due to tighter pricing activity in the new issuance leveraged loan market and with volatility in the HY bond market, much of the month's activity was focused on the Credit Opportunities segment of the portfolio where existing positions were upsized in names with a clear catalyst to create a value event for the portfolio or an improvement in the underlying performance of the asset. As mentioned in previous monthly portfolio reviews, the pipeline and flow of Credit Opportunities and Special Situations is growing and the Investment Vehicle Manager anticipates that this will continue to be a significant source of opportunities for the portfolio through to the end of the year. Credit Opportunities and Special Situations represented 49% of the portfolio NAV as at May.

As of the end of May, the portfolio was 94.9% invested. Floating rate instruments comprised 78.7% of the portfolio. Current yield at month-end was 5.9%.

## May 2015

Share Price & NAV at 31 May 2015		
	EUR	GBP
Share Price <sup>1</sup>	1.0510	1.0600
NAV <sup>2</sup>	1.0520	1.0572
Total Net Assets <sup>3</sup>	242,552,348	285,564,382
Market Capitalisation	242,331,082	286,315,731

<sup>1</sup> Share price provided as at the closing month-end market mid-price

<sup>2</sup> Opening NAV was 0.997, after initial costs

<sup>3</sup> 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	78.7%
Percentage of Portfolio in Fixed Rate Assets	21.3%
Weighted Average Price <sup>5</sup>	94.2
Yield to Maturity	7.2%
Current Yield	5.9%
Weighted Average Fixed Rate Coupon	7.2%
Weighted Average Floating Rate plus Margin	5.4%

Note: All metrics exclude cash unless otherwise stated

<sup>5</sup> Average market price of the portfolio weighted against the size of each position

## Contacts

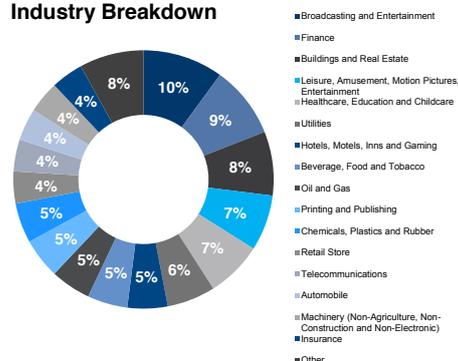
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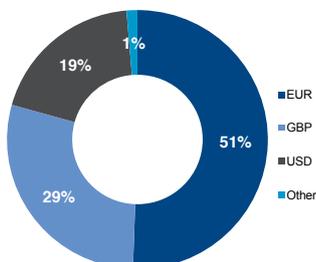
Note: Disclaimer overleaf

## Investment Vehicle Portfolio Statistics (as at 31 May 2015)<sup>3</sup>

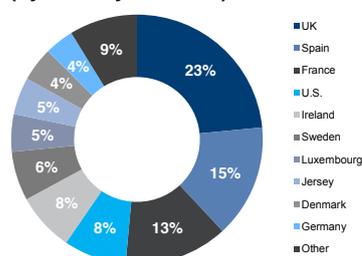
### Industry Breakdown



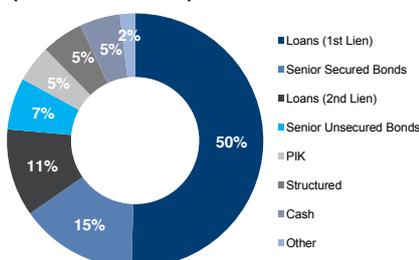
### Currency Breakdown



### Geographical Breakdown (by country of issuer)



### Asset Breakdown (incl. traded cash)



## Investment Vehicle Portfolio Statistics<sup>3</sup>

### 5 Largest Issuers

Issuer	% of GAV	Industry	Country
RAC	3.1	Automobile	UK
FCC	3.1	Buildings / Real Estate	Spain
Icopal	3.1	Buildings / Real Estate	Denmark
Delachaux	3.0	Machinery	France
Viridian	2.7	Utilities	Ireland

## Look Through Reporting<sup>6</sup>

### Spread Exposure

Rating	Average Spread Duration <sup>7</sup>	Market Value (EUR)	Market Value (%)
BB	6.86	26,259,804	4%
B	4.84	462,272,481	64%
CCC	3.51	28,034,704	4%
NR	4.30	206,775,520	28%

### FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	364,621,065	51%
GBP	207,706,355	29%
USD	141,147,370	19%
Other	9,867,719	1%

### Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.13	569,407,443	79%
Fixed	5.57	153,791,143	21%
Warrants	0.00	143,923	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

### Disclaimer

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.

<sup>6</sup> Data excludes cash

<sup>7</sup> Averages are weighted by market value