

## 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)

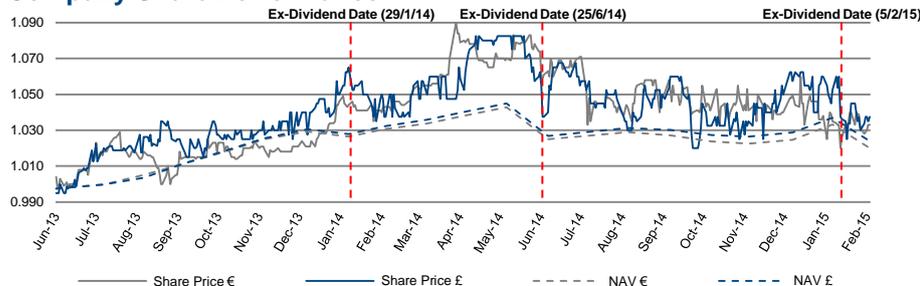
EUR Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2013</b>							0.2%	0.5%	0.6%	0.7%	0.7%	0.4%	<b>3.2%</b>
<b>2014</b>	0.7%	0.4%	0.3%	0.4%	0.4%	0.7%	0.2%	0.2%	-0.2%	-0.3%	-0.1%	0.2%	<b>3.0%</b>
<b>2015</b>	0.8%	1.2%											<b>2.0%</b>

GBP Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2013</b>							0.2%	0.4%	0.8%	0.7%	0.7%	0.5%	<b>3.3%</b>
<b>2014</b>	0.7%	0.4%	0.3%	0.5%	0.4%	0.6%	0.2%	0.2%	-0.1%	-0.3%	-0.1%	0.2%	<b>3.3%</b>
<b>2015</b>	0.8%	1.2%											<b>2.0%</b>

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

## Company Share Performance



## Investment Vehicle Manager Market & Portfolio Commentary

The first half of February was dominated by news of a possible exit of Greece from the Eurozone as well as improved economic data from the region. The second half of the month saw a renewed focus on the divergence in monetary policy between the U.S. and Europe and dissipating fears of deflation as commodity prices firmed up. On the back of this, risk assets performed strongly with developed market equities up almost 6%, while U.S. and European high-yield bonds were up over 2%.

The Eurozone economy expanded by a better-than-expected 0.9% on an annualised basis in the final 3-months of 2014. In addition, the CPI moved to a 7-month high in January, suggesting Q1 data will be strong. The economic indicator also highlighted that employers have growing confidence in the outlook for the region and are seeking to hire new staff to meet rising demand. Meanwhile, Q4 earnings figures released thus far, showed that European companies are already benefiting from a weaker euro, in particular export-orientated companies which have outperformed their domestically oriented peers.

The biggest macro event in February was U.S. Fed Chair Janet Yellen's testimony to Congress where she clarified the Fed's position on the word "patient" in its statements. Following this, market expectations for the first rate move have now been pushed out to September. The outlook for rate policy will drive market sentiment over the coming months.

February's primary new issuance leveraged loan volume slowed considerably after a busy January, with monthly issuance at €2.3bn versus €8.8bn, respectively. The data is also skewed as nearly half of February's supply came from a single deal, namely the €1.1 billion of euro-denominated facilities financing the buyout of Constantia Flexibles. An encouraging theme so far in 2015 has been that the loan supply has not been driven by refinancing, but through M&A transactions. 81% of January and February loan volume financed acquisitions, buyouts, and mergers – up from just 37% and 68% for the same period in 2013 and 2014 respectively.

HY bond new issuance so far in 2015 was €14.6bn – a 52% year-on-year increase with significant BB issuance for repeat issuers. February saw €7.4bn of supply, beating January's record opening month of issuance, and matching the previous February record set in 2013. Falling borrowing costs in Europe driven by the ECB's impending sovereign-bond-buying programme continues to push benchmark yields lower, with the 5- and 7-year German Bunds moving into negative territory for the first time in history.

Consequently, some issuers have seen an opportunity to reduce their funding costs by refinancing in the HY market. As the squeeze on yield continues, this has encouraged investors to look further down the ratings ladder in the search for yield, providing strong demand for the HY bond market. This appetite is evident in the record amount of inflows into the asset class in Europe, according to J.P. Morgan with €3.2bn flowing into market so far in 2015 (77% of the entire inflow for 2014).

The Credit Suisse Western European Leveraged Loan Index (hedged, in euro) was up with a return of 1.06% for the month and 1.48% year to date. The Credit Suisse Western European High Yield Index (hedged, in euro) was up with a return of 2.12% for the month and 2.91% year to date.

HY bond positions across the portfolio traded well into the end of the month as the expectations around the ECB stimulus and accelerated positive fund flows pushed the market higher across the asset class. As described in the January report, positioning through the month continued to maximise opportunities which would benefit from this renewed confidence. The performing portfolio continues to actively participate in the new issue and secondary market as it upgrades its allocation at higher yields. The special situations strategy also remained active during the month by increasing exposures to current positions as well as adding new names to the portfolio. The Investment Vehicle Manager continues to evaluate a number of special situation opportunities through direct and broker-dealer channels. The allocation to structured finance positions (CLO liabilities and equity) has increased in the month as the Investment Vehicle Manager believes that the opportunity continues to be supported by the strong market technical, with attractive relative and stable returns.

The Company raised an additional €27m across the share classes through the placement programme. This will fund in mid-March. As of the end of February, the portfolio was 95.4% invested. Floating rate instruments comprised 79.2% of the portfolio. Current yield at month-end was 6.1%.

## February 2015

### Share Price & NAV at 28 February 2015

	EUR	GBP
Share Price <sup>1</sup>	1.0330	1.0375
NAV <sup>2</sup>	1.0200	1.0239
Total Net Assets <sup>3</sup>	226,185,845	264,035,168
Market Capitalisation	229,065,837	267,546,763

<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	79.2%
Percentage of Portfolio in Fixed Rate Assets	20.8%
Weighted Average Price <sup>5</sup>	93.9
Yield to Maturity	8.0%
Current Yield	6.1%
Weighted Average Fixed Rate Coupon	8.0%
Weighted Average Floating Rate plus Margin	5.5%

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

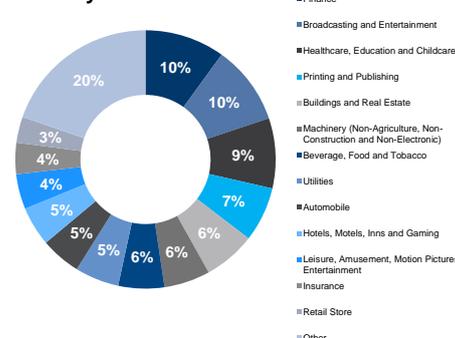
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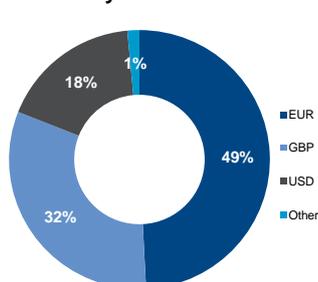
Note: Disclaimer overleaf

## Investment Vehicle Portfolio Statistics (as at 28 February 2015)<sup>3</sup>

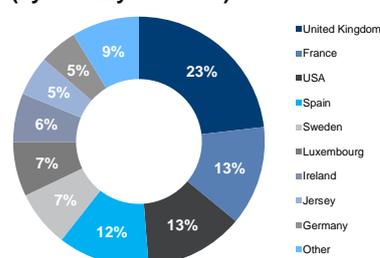
### Industry Breakdown



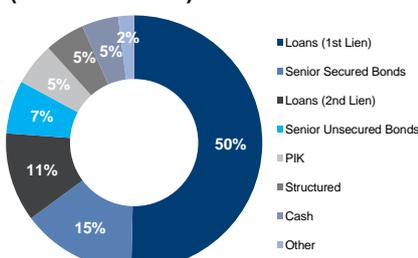
### Currency Breakdown



### 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
Viridian	3.8	Utilities	Ireland
FCC	3.3	Buildings/Real Estate	Spain
Delachaux	3.3	Machinery	France
Clear Channel	2.8	Broadcasting	USA
RAC	2.8	Automobile	UK

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

### Spread Exposure

Rating	Average Spread Duration <sup>7</sup>	Market Value (EUR)	Market Value (%)
BB	5.81	25,656,148	4%
B	4.86	425,398,981	66%
CCC	3.58	18,975,345	3%
NR	4.81	170,825,941	27%

### FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	315,232,195	49%
GBP	203,765,499	32%
USD	112,331,207	18%
Other	9,527,514	1%

### Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.15	507,239,854	79%
Fixed	5.75	133,483,642	21%
Warrants	0.00	132,919	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

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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