

## 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.

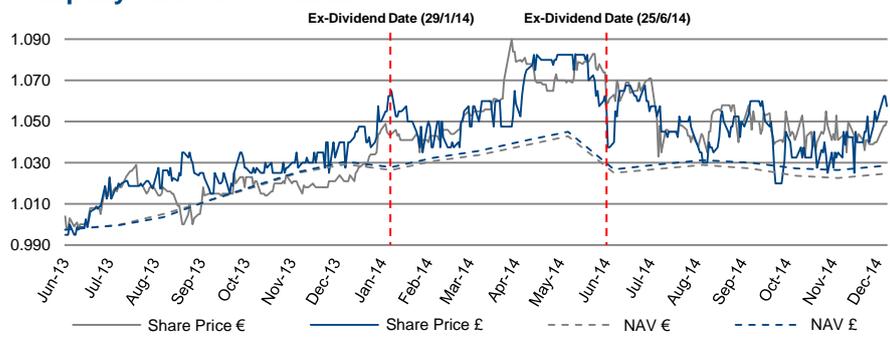
## Company NAV Total Return Performance<sup>4</sup> (since inception)

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

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%	0.5%	0.4%	0.6%	0.2%	0.2%	-0.1%	-0.3%	-0.1%	0.2%	3.3%

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

## Company Share Performance



## Investment Vehicle Manager Market & Portfolio Commentary

The market continued to experience volatility leading into the holiday season, as December provided further oil price declines and eurozone inflation hit a 5-year low (0.3%). Eurozone growth indicators and data were mixed, with the German Ifo Business Climate Index and manufacturing PMI indices higher in contrast to Italian industrial production which disappointed (-3%, strongest yoy decline since August 2013). In addition, demand for loans (€129.8bn) through the ECB's second TLTRO programme was particularly muted, raising investor expectations of potential sovereign bond purchases by the ECB. This, along with comments by Fed Chair Janet Yellen that the Fed will be patient in raising rates, helped stabilise sentiment in the second half of December.

It has been a very strong year for the European leveraged finance with a total of €150.4bn of new issuance coming to market – split €78.4bn leveraged loans and €71.7bn in HY bonds. These figures amount to the best year in leveraged loan finance volume since 2007, and also a record year for European HY bond new issuance. As noted in the Investment Vehicle Manager's November market overview, post the tight spreads of Q1'14, new-issue yields widened through Q4 for both European leveraged loans and HY bonds driven by relative value pricing to the U.S. markets, where continued mutual fund outflows and concerns regarding the impact of the sharp fall in oil prices on the HY bond market, helped to "re-price" European credit.

For 2015, the Investment Vehicle Manager projects that the U.S. economy will remain the principal engine of the global recovery while the eurozone and emerging markets will contribute only modest growth. Energy price declines have accelerated sharply since late November, which has had broad implications for growth, inflation and monetary policy. Falling energy prices should boost consumption and investment given increased purchasing power, but lower inflation should widen the monetary policy divergence of the U.S. compared to the Eurozone. Despite spates of volatility through 2015, it is expected that the new issue European leveraged loan and HY bond markets will remain buoyant, with pricing expected at relatively attractive spreads as investors continue to seek yield assets in a broadly low interest rate and low default rate environment. In addition, the theme of deleveraging across the European financial community will continue to provide attractive investment opportunities.

The Credit Suisse Western European High Yield Index (hedged, in euro) returned -0.58% for the month and 4.31% for the year (vs. the U.S. at 1.86%). The Credit Suisse Western European Leveraged Loan Index (hedged, in euro) returned -0.61% for the month and 1.96% for the year (vs. the U.S. at 2.06%), and the ELLI lost 0.02% for the month, to gain 2.99% overall for 2014, the second weakest annual reading since the financial crisis, behind 0.36% in 2011.

As with previous periods of uncertainty, for December, the portfolio maintained higher than average cash balances to reduce the mark-to-market risk in a volatile and an increasingly illiquid secondary market where investors and brokers reduce activity into the holiday period.

The new issue market through December presented attractive spreads allowing for the continued strategy of rotating out of lower yielding performing names. The portfolio also took advantage of widening spreads in the U.S. market by switching from EURO to USD tranches with higher returns and better liquidity within the same borrower. In addition, there was increased activity in the disposal of bank assets as portfolio managers sought to clean up positions into year-end. The portfolio was able to build on a number of positions within the credit opportunities strategy.

Outside of bank disposals, the number of higher yielding assets has expanded through Q4, on the back of significant moves in spreads associated with a fall in energy prices to 5 year lows, softer market technicals driven by negative loan and bond fund flows as well as continued weakness in the European consumer markets.

As of the end of December, the portfolio was 91.1% invested. Floating rate instruments comprised 79.3% of the portfolio. Current yield at month-end was 6.2%.

## December 2014

Share Price & NAV at 31 December 2014		
	EUR	GBP
Share Price <sup>1</sup>	1.0500	1.0575
NAV <sup>2</sup>	1.0247	1.0287
Total Net Assets <sup>3</sup>	226,691,758	265,696,406
Market Capitalisation	232,292,241	273,146,789

<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	79.3%
Percentage of Portfolio in Fixed Rate Assets	20.7%
Weighted Average Price <sup>5</sup>	93.2
Yield to Maturity	8.2%
Current Yield	6.2%
Weighted Average Fixed Rate Coupon	7.1%
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

## Assets Classification by Pricing Category (as of Q4 2014)

Market Pricing Service	91%
Broker Quotes	9%
Model Price	0%

## Contacts

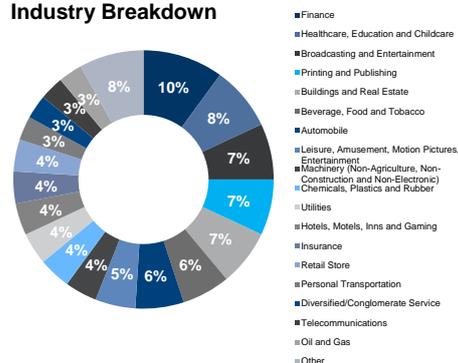
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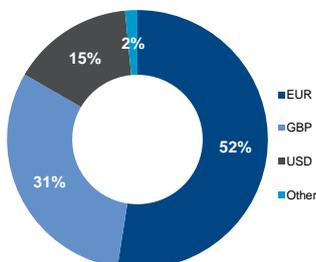
Note: Disclaimer overleaf

## Investment Vehicle Portfolio Statistics (as at 31 December 2014)<sup>3</sup>

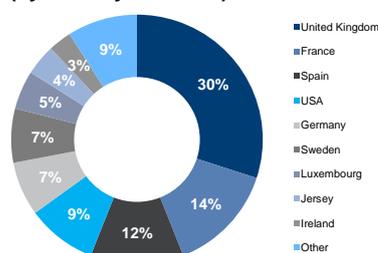
### Industry Breakdown



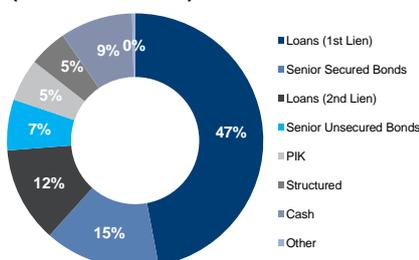
### Currency Breakdown



### 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
FCC	3.5	Buildings/Real Estate	Spain
Viridian	3.3	Utilities	Ireland
Delachaux	3.1	Machinery	France
RAC	2.6	Automobile	UK
United Biscuits	2.6	Beverage, Food, Tobacco	UK

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

### Spread Exposure

Rating	Average Spread Duration <sup>7</sup>	Market Value (EUR)	Market Value (%)
BB	5.66	41,175,433	7%
B	4.92	372,145,023	63%
CCC	3.45	13,761,148	2%
NR	4.64	161,352,798	28%

### FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	308,702,129	52%
GBP	181,915,613	31%
USD	88,825,946	15%
Other	8,990,714	2%

### Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.18	466,513,863	79%
Fixed	5.47	121,785,905	21%
Warrants	0.00	134,634	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