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.à r.l. (the “Investment Vehicle”), a European credit opportunities investment vehicle managed by CVC Credit Partners Investment Management Limited.

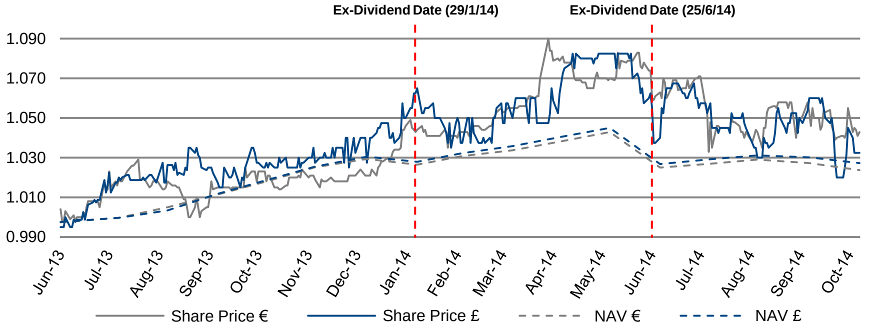
Company NAV Total Return Performance[4] (since inception)

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%			2.9%

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%			3.1%

[4] NAV Total Return includes dividends reinvested

Company Share Performance



Investment Vehicle Manager Market & Portfolio Commentary

Volatility returned at the start of October resulting in markets suffering the heaviest sell-off for 2014. The sharp aversion to risk assets was fuelled by increasing concerns about slowing global growth, particularly in the eurozone, disinflationary pressures from falling oil prices, the end of the quantitative easing (QE) programme in the U.S., and to some extent concerns regarding the spread of the Ebola virus.

Negative sentiment was fuelled by the IMF downgrading global economic growth for 2014 by 0.1% to 3.3%, noting that there was a 40% chance than the Eurozone could fall into recession. Growth fears have been focused on Germany as business confidence declined in both September and October. The ECB announced that it would continue its covered bonds purchase scheme, while calls continued to go further and increase stimulation through the purchase of government bonds despite German policy makers being opposed. In contrast, the Federal Reserve ended its QE programme and now the debate will centre on the timing of the first rate rise.

The ECB announced the results of its year-long Asset Quality Review (AQR). The results showed that 25 out of the 130 banks tested failed the assessment with a total capital shortfall of €25bn, however, many of those organisations had already raised much of this capital throughout the year and the remaining shortfall was only €9.5bn. The completion of the AQR is unlikely to lead to an immediate surge in asset dispositions from European bank balance sheets, however a steady flow of asset sales are expected to come to market over the next 18-36 months, as banks also seek to raise more equity when the markets permit.

Primary loan activity slowed in October as volatile markets pushed secondary loan prices lower and widened new issue loans to the highest point in 13 months. The average new-issue yield to maturity reached 5.3% in October, a quarter point wide of September's level, and 83 bps above February's all-time low of 4.47%. In HY, J.P. Morgan reported its seventh consecutive weekly outflows in the month moving LCD’s bond composite to a 15-month low of 101.03% – almost 6 points below the 2014 high of Q2. The market volatility and mixed macro headlines contributed to limiting primary supply to €945m which is the lowest monthly reading since August 2013. Following reports that the ECB would remain supportive by keeping rates low in the foreseeable future, bond prices did recover.

Across performing credit, the Credit Suisse Western European High Yield Index (hedged, in Euro) was up with a return of 0.02% for the month and 4.35% year to date. The Credit Suisse Western European Leveraged Loan Index (hedged, in Euro) was up with a return of 0.03% for the month and 2.21% year to date. The credit opportunities and special situations landscape experienced significant and heightened levels of volatility causing certain dislocations in the market. CCC and Defaulted names in the S&P European Leveraged Loan Index returned -4.92% through the month of October. The result has been driven by a re-pricing of risk in stressed / distressed levered capital structures, which should create interesting opportunities going forward for the portfolio.

From the start of the month, the portfolio was well positioned to minimise the heightened volatility experienced across the broader markets through the maintenance of a healthy cash balance and solid core assets.

The portfolio (i) took advantage of the volatile conditions where significant moves in the secondary market created interesting entry points; as well as (ii) participating in new issue which was pricing wide to the last 12-months across both loans and HY. As discussed in recent presentations, the portfolio continued to build on the Credit Opportunities segment where we are seeing a market opportunity.

The Investment Vehicle also took the first drawdown on its leverage facility (of €35m) and it is expected that the balance of the facility will be fully drawn before the end of November.

As of the end of October, the portfolio was 93.3% invested. Floating rate instruments comprised 80.2% of the portfolio. Current yield at month-end was 6.1%

October 2014

Share Price & NAV at 31 October 2014

	EUR	GBP
Share Price[1]	1.0430	1.0325
NAV[2]	1.0237	1.0273
Total Net Assets[3]	226,823,599	233,390,889
Market Capitalisation	231,104,090	234,567,504

[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 leverage facility and the hedging strategy in relation to the 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	80.2%
Percentage of Portfolio in Fixed Rate Assets	19.8%
Weighted Average Price[5]	94.7
Yield to Maturity	7.6%
Current Yield	6.1%
Weighted Average Fixed Rate Coupon	6.7%
Weighted Average Floating Rate plus Margin	5.3%

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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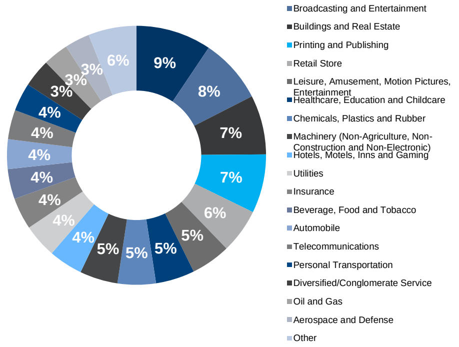
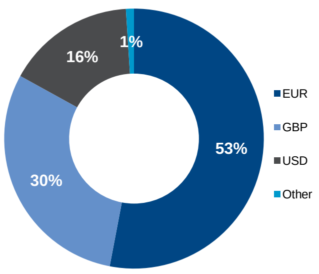
Investment Vehicle Portfolio Statistics (as at 31 October 2014)[3]

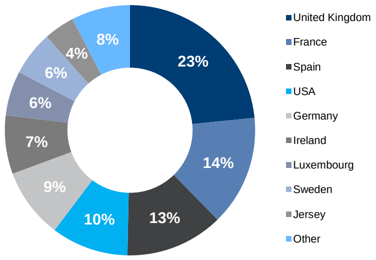
Industry Breakdown



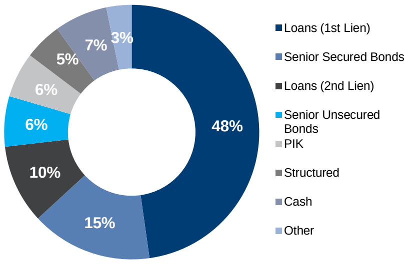
Currency Breakdown



Geographical Breakdown (by country of issuer)



Asset Breakdown (incl. traded cash)



Investment Vehicle Portfolio Statistics[3]

5 Largest Issuers

Issuer	% of NAV	Industry	Country
FCC	4.1	Buildings/Real Estate	Spain
Viridian	4.0	Utilities	Ireland
Delachaux	3.8	Machinery	France
Lee Enterprises	3.0	Printing/Publishing	USA
Firth Rixson	3.0	Aerospace/Defence	UK

Look Through Reporting[6]

Spread Exposure

Rating	Average Spread Duration[7]	Market Value (EUR)	Market Value (%)
BB	5.65	42,261,794	8%
B	4.80	295,363,807	57%
CCC	3.62	13,086,069	2%
NR	4.19	170,098,786	33%

FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	273,965,122	53%
GBP	154,746,481	30%
USD	83,605,265	16%
Other	8,493,588	1%

Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.25	417,472,133	80%
Fixed	5.43	103,214,551	20%
Warrants	0.00	123,772	0%

Notes & Assumptions:

- The sum of the market values may be larger than the NAV due to the effect of the 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 a 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