

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.

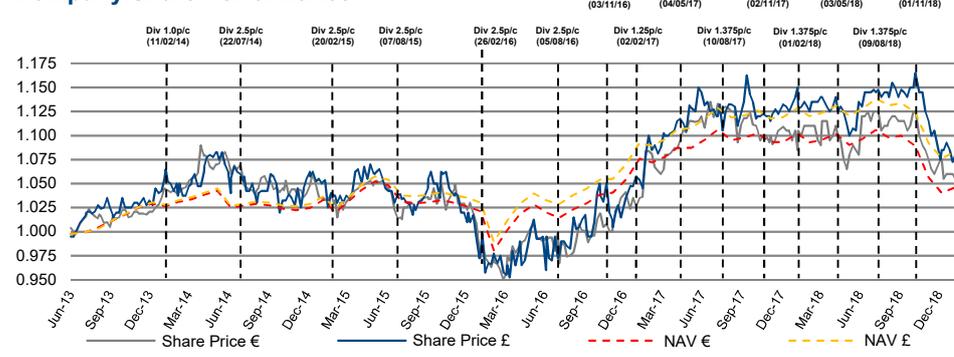
Company NAV Total Return Performance⁴ (since inception)

EUR Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	0.5%												0.5%
2018	0.8%	0.4%	0.2%	0.6%	0.2%	0.6%	0.9%	0.5%	0.2%	-1.0%	-1.8%	-1.5%	0.1%
2017	2.1%	0.8%	0.6%	0.9%	1.2%	0.8%	1.0%	0.2%	0.2%	0.4%	0.4%	0.0%	8.8%
2016	-0.4%	-1.6%	2.2%	1.6%	1.0%	-0.8%	1.9%	0.9%	0.6%	0.9%	1.4%	1.3%	9.3%
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
2019	0.7%												0.7%
2018	0.9%	0.5%	0.3%	0.6%	0.3%	0.6%	1.0%	0.6%	0.2%	-0.8%	-1.6%	-1.5%	1.0%
2017	2.2%	0.8%	0.6%	0.9%	1.3%	0.9%	1.0%	0.3%	0.2%	0.5%	0.5%	0.1%	9.7%
2016	-0.5%	-1.5%	2.3%	1.7%	1.0%	-0.7%	2.1%	0.9%	0.6%	0.9%	1.3%	1.4%	9.8%
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

2019 started on a positive footing as equity markets across both developed and emerging market equities recovered some of the losses experienced in Q4 2018's sharp decline. The recovery was led by signals from the US Federal Reserve (Fed) that it would be more patient with further rate increases and promote a positive rhetoric regarding US-China trade. Markets seemed to sidestep all macroeconomic data releases which continue to send mixed signals about the outlook for the global economy.

Looking more closely into Europe, it clearly remains in the middle of the trade war which has resulted in lower export demand out of China. H2 2018 data indicated a slowdown and January's data did not give much respite with the Purchasing Managers' Index (PMI) for the eurozone remaining below 50 (French flash composite PMI fell further to 47.9).^a In addition, initial estimates of Italian GDP for the fourth quarter of 2018 showed a contraction of 0.2% over the previous quarter putting Italy into a technical recession.^a The European Central Bank (ECB) made reference to the unexpected nature of the persistence of the factors that have contributed to the slowdown in growth and said the risks surrounding the euro area growth outlook have moved to the downside. Despite this, the ECB kept its forward guidance on rates as well as its balance sheet re-investments the same.

Brexit uncertainty continued to dominate the headlines in the UK. The result of the parliamentary vote showed two things: Firstly, that there is a majority in parliament against a no-deal scenario. And secondly, that there is a majority of MPs who would support May's deal if she can re-negotiate the Irish border backstop. Despite the political gridlock the UK labour market remains healthy where the unemployment rate fell to 4.0%, while wage growth picked up to 3.4% year on year.^a

European Sub Investment Grade Highlights

- January leverage issuance picked up a little following a very weak December 2018 (with €1.69bn of loans and no High Yield ("HY")), with €3.75bn of new issue, albeit significantly short of the €0.84bn issued for the month of January 2018, as markets cautiously reopened. Volumes were €1.75bn in loans (€14.8bn Last Year ("LY")) and €2.0bn in HY (€6.04bn LY).^b
- 2019 loan volumes have been 47% acquisition, 50% refinancing with the balance being recaps. Euro denominated issuance comprised 75% of the volumes for the month, and GBP 25%.^b
- 2019 bond volumes have been 29% refinancing, 9% M&A with 62% general corporate purposes. Sources of funding were 17.5% secured, 82.5% unsecured and 0% Subordinated bonds. Composition is 91.4% Euro with the balance GBP.^b
- TL B new issue spreads in January were E394bps, 12bps wider than December's issuance and 30bps wider than the corresponding period LY. Average net leverage was 5.55x, in line with December 2018 and January 2018.^b
- In the HY space, single B new issue YTM on a rolling 3-month basis sits at 6.74%, the highest seen since Q4 2015 (at 6.94%), and compares with 5.45% for Q1 2018. BB new issue is at 3.42%, which is reasonably comparable to where Q1 2018 was, at 3.24% (Q4 2015 was 4.23% for reference). The BB - B spread differential had widened to 332bps compared to its historic 200 - 250bp range.^b

The Credit Suisse Western European HY Index hedged to Euro was up with a return of 2.49% for the month. The Credit Suisse European Leveraged Loan Index hedged to Euro was up 1.15% for the month.

Following the risk on tone returning to the market in January whilst the new supply of primary issuance was expected to be thin, portfolio activity was focused on resetting long positions across performing assets which were trading at attractive levels following the volatility in Q4 2018, as well as allocating to credit opportunities positions where the nearer term catalysts would be supported by more stable market conditions. In addition to deploying available cash on balance sheet there was focus on the short side of the portfolio to reduce exposures as the market strengthened.

The primary markets are expected to open and the pipeline for new issue should see demand as CLOs have started to price. It is expected that this new issue will price favourably to spreads experienced throughout 2018 which will allow the portfolio to increase the current yield in this segment. Across credit opportunities, despite the market recovery, assets trading at significant discounts did not see as much technical support as the performing credit spectrum through the month. The view is that as long as growth is slow, capital markets will remain open and, as such, financing options will remain positive to the event driven thesis across this segment of the portfolio.

As of January close, performing credit (including cash) holds a 64% allocation with a weighted average price of 99.1, trading at a YTM of 4.8%, delivering 4.8% cash interest to the portfolio. Credit opportunities maintained a 36% allocation to the strategy closing the month at a weighted average price of 80.3, trading at a YTM of 8.9%, delivering 7.5% cash interest to the portfolio.

At the end of January, floating rate instruments comprised 85.5% of the portfolio. The current yield is 6.0% (gross) with a weighted average market price of the portfolio of 90.6. Cash position was 11%.

Sources

- ^a JPM
- ^b S&P LCD - February 2019

January 2019

Share Price & NAV at 31 January 2019

	EUR	GBP
Share Price ¹	1.0550	1.0800
NAV ²	1.0461	1.0834
Total Net Assets ³	131,836,383	371,931,311

Market Capitalisation	132,961,796	370,750,570
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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 85.5%

Percentage of Portfolio in Fixed Rate Assets 13.8%

Percentage of Portfolio in Other 0.7%

Weighted Average Price⁵ 90.6

Yield to Maturity^a 7.6%

Current Yield 6.0%

Weighted Average Fixed Rate Coupon^b 7.3%

Weighted Average Floating Rate plus Margin^b 5.0%

Note: All metrics exclude cash unless otherwise stated

⁵ Average market price of the portfolio weighted against the size of each position

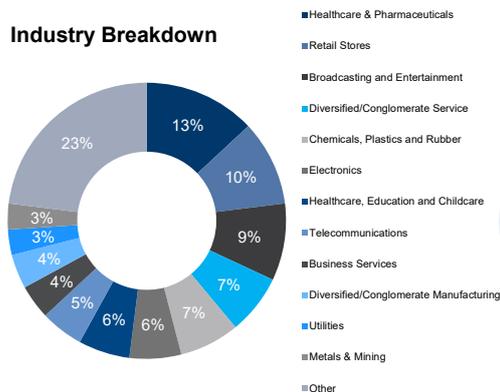
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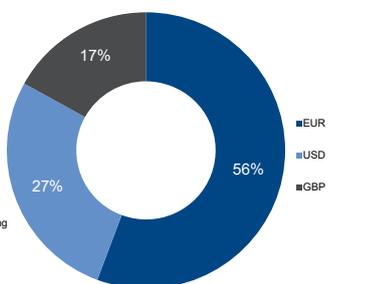
Note: Disclaimer & notes overleaf

Investment Vehicle Portfolio Statistics (as at 31 January 2019)³

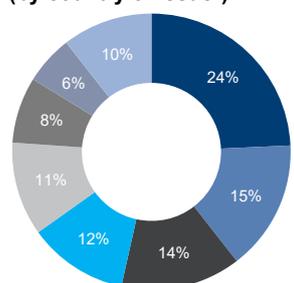
Industry Breakdown



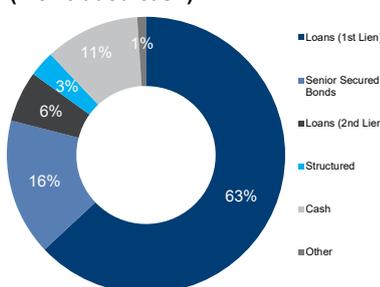
Currency Breakdown



Geographical Breakdown (by country of issuer)



Asset Breakdown (incl. traded cash)



Investment Vehicle Portfolio Statistics³ (as at 31 January 2019)

5 Largest Issuers

Issuer	% of GAV	Industry	Country
Civica	2.8	Electronics	UK
Nidda Healthcare	2.7	Healthcare & Pharmaceuticals	Germany
Celsa	2.6	Metals & Mining	Spain
Altice SA	2.5	Broadcasting & Entertainment	Luxembourg
Dubai World	2.3	Diversified/Conglomerate Service	UAE

Look Through Reporting^{6,8} (as at 31 January 2018)

Spread Exposure

Rating	Average Spread Duration ⁷	Market Value (EUR)	Market Value (%)
BB	5.73	22,648,425	4%
B	4.55	359,222,928	61%
CCC	1.77	62,059,566	10%
NR	4.74	147,053,401	25%

FX Exposure

Currency	Market Value (EUR)	Market Value (%)
EUR	343,597,315	58%
GBP	92,928,765	16%
USD	154,458,240	26%

Interest Rate Exposure

Type	Duration	Market Value (EUR)	Market Value (%)
Floating	0.17	480,871,461	81%
Fixed	4.37	107,253,190	18%
Other	0.00	2,859,669	1%

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.

The Credit Suisse Western European HY Index and The Credit Suisse European Leveraged Loan Index, are monthly return indices designed to be an objective proxy for the investable universe for the Western European High Yield and Leveraged Loan markets. These indices may not necessarily be indicative of the investment strategies for the funds advised by CVC Credit. Assets and securities contained within indices are different than the assets and securities contained in CVC Credit's investment vehicles and will therefore have different risk and reward profiles. The returns of the indices are provided solely as an illustration of the market and economic conditions generally prevailing during the periods shown. Indices are not investments, are not professionally managed and do not reflect deductions for fees or expenses.

⁶ Data excludes cash

⁷ Averages are weighted by market value

⁸ Excluding short positions