

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.

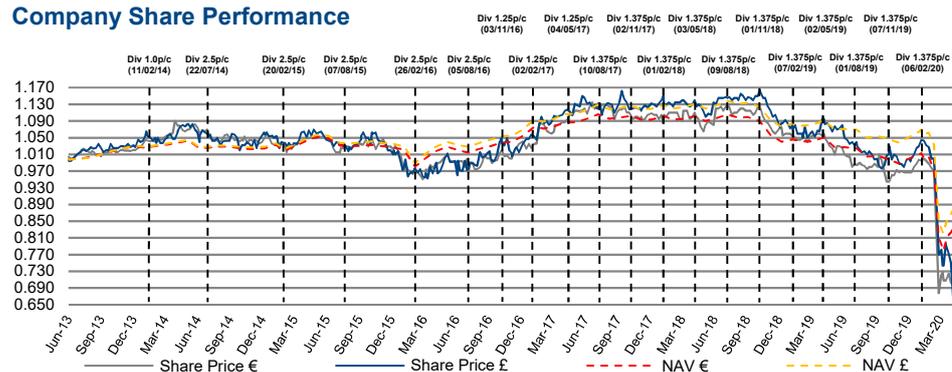
Company NAV Total Return Performance⁴ (since inception)

EUR Share	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	1.2%	-1.1%	-20.7%	6.4%									-15.6%
2019	0.5%	0.8%	0.0%	0.9%	-0.9%	0.1%	-0.3%	-0.6%	0.2%	-0.9%	0.4%	1.4%	1.6%
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%	0.4%	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
2020	1.6%	-1.0%	-21.2%	6.6%									-15.6%
2019	0.7%	0.9%	0.2%	1.0%	-0.7%	0.2%	-0.2%	-0.6%	0.3%	-0.6%	0.5%	1.5%	3.1%
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

There are 3 main drivers of market sentiment today. On the one hand, the number of new Covid-19 cases globally seems to be growing at a slower pace, allowing various countries to discuss or implement exit strategies from the lockdown. In addition, pharmaceutical companies appear to be making progress in creating more reliable mass testing products as well as potentially a vaccine (although very caveated). On the other hand, macro indicators and corporate earnings are some of the worst in history and not showing any signs of improvement yet. The third driver is the significant amount of monetary and fiscal stimulus we're seeing from central banks worldwide. We believe the disconnect between financial markets and earnings is mainly because market participants are willing to look beyond the very negative short term data, hoping for normalisation through the back end of the year.

Euro area GDP numbers for Q1 came out at -3.8% quarter-on-quarter (not annualised) which is the sharpest decline in quarterly GDP since records began in 1995. US Q1 GDP came out at -4.8% which was also below expectations. The range of expectations, however, was very wide. The breakdown of the US GDP number was not encouraging either, as it was flattered by inventory builds, while personal consumption was -7.6%. As the lockdowns only started in March across most European countries and the US, Q2 is likely to be worse. In fact, ECB president Lagarde noted that in a severe scenario, their Q2 forecast pointed to a 15% contraction. With earnings season under way, most corporates are not giving any guidance for Q2 given the limited visibility.

Sub Investment Grade Highlights

There was an insignificant level of institutional loan issuance in Europe in April while there was €1.67bn of High Yield ("HY") issuance across 4 deals.^a

The Credit Suisse Western European Leveraged Loan Index, hedged to Euro, was up 6.66% for the month bringing YTD returns to -8.30%. The average price on the index rose to 88.92, from 83.64 at the end of March. Cyclical (7.80%) outperformed defensives (5.70%) during the month, partially reversing the underperformance seen in March. CCCs returned 13.12% for the month compared to 7.21% for Bs and 5.56% for BBs. The Credit Suisse Western European High Yield Index, hedged to Euro, was up 5.38% in April, bringing YTD returns to -10.53%.

The positive tone from stimulus packages and the potential unlocking of the global economy through April did allow the portfolio to show positive attribution across both the performing credit and credit opportunities segments of the portfolio. Like March, April was a very active period of trading where the book turned over €77m across 37 names across a spectrum of securities.

Within the performing portfolio, we experienced stable price appreciation for the higher quality names in defensive sectors which we had been actively rotating into through February and March. Portfolio management remains as before: (i) taking profit on names that had rallied to levels where the relative value became unattractive; (ii) continuing to rotate out of Covid-19 impacted sectors/geographies to include credits where there is CCC downgrade risk, and; (iii) maintaining exposure to defensive stable issuers in light of our concerns regarding the longer term strength of the market. In addition, we did participate in the new issue HY market which comprised high-quality issuers at attractive pricing and strong security positions. As of April close, performing credit (including cash) was at 41.6% of the portfolio with a weighted average price of 91.7, trading at a YTM of 4.7%, delivering 3.8% cash yield to the portfolio.

Within credit opportunities, the portfolio here remains very focused on exiting exposures which required more proactive engagement and management. The pipeline of opportunities continues to grow and in the month we initiated a new position in a global shipping corporate with access to significant liquidity, and reduced exposure to a logistics operator which we anticipate will struggle to access liquidity. On the small short exposure, as liquidity returned to the market through central bank support and therefore bringing limited portfolio protection, we partially rotated these positions to reset at higher levels. Within the small structured finance portfolio, following a review of portfolios the managers held, plus discussing their activity, the exposure was brought down in specific issuers on the lower tier mezzanine segments of the capital structure. As of April close, credit opportunities current was 58.4% of the portfolio, trading at a weighted average price of 76.1 and a YTM of 14.5%, whilst delivering a 7.5% cash yield to the portfolio.

On a total portfolio basis, as of April month end the weighted average market price was 80.8, trading at a YTM of 11.8%, and delivering 6.8% cash yield versus a weighted average price of 94.7, YTM of 6.6% and cash yield of 5.7% as of December 2019. Floating rate instruments comprised 87.4% of the portfolio. Senior Secured 73.6%. The investment vehicle portfolio had a cash position of 18.7% (including leverage) with investment vehicle leverage at 1.3x assets.

As discussed in March, we remain very positive about the current market opportunity given the portfolio strategy across performing credit and credit opportunities. In the coming quarter we are focused on: (i) the fundamental impact of the lockdown on levered corporate balance sheets potentially driving further market volatility; (ii) segments of the market where dislocations could persist (i.e. higher-rated and lower-rated credit) and; (iii) the opportunity to allocate to the new primary market as it re-opens at attractive yields relative to historic averages.

April 2020

Share Price & NAV at 30 April 2020

	EUR	GBP
Share Price ¹	0.6950	0.6640
NAV ²	0.8341	0.8781
Total Net Assets ³	107,604,428	204,758,987

Market Capitalisation	89,660,078	154,841,232
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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 87.4%

Percentage of Portfolio in Fixed Rate Assets 10.9%

Percentage of Portfolio in Other 1.7%

Weighted Average Price⁵ 80.8

Yield to Maturity⁵ 11.8%

Current Yield 6.8%

Weighted Average Fixed Rate Coupon⁵ 7.7%

Weighted Average Floating Rate plus Margin⁵ 5.0%

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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Note: Disclaimer & notes overleaf

