CVC

MIFIDPRU 8 Public Disclosure

CVC Credit Partners European CLO Management LLP
31 December 2025

Contents

Introduction

This disclosure report ("report") has been prepared by CVC Credit Partners European CLO Management LLP (the "Firm") to fulfil the regulatory disclosure requirements set out by the Financial Conduct Authority ("FCA") in the Prudential sourcebook for MiFID Investment Firms ("MIFIDPRU").

This report is prepared on an individual basis and is applicable to the following entity:

– CVC Credit Partners European CLO Management LLP (FRN: 740003)

This report has been prepared using the audited financial statements as at 31 December 2025, covering the financial period 1 January 2025 to 31 December 2025.

For the purposes of MIFIDPRU, the Firm has been classified as a "non-SNI" firm and is subject to the standard disclosure requirements of MIFIDPRU 8.

Governance and Risk Management

Governing Body Responsibility and Composition

The governing body of the Firm (the "Members' Committee") maintains management and oversight responsibility and meets regularly to discharge its duties in accordance with SYSC 4.3A.1R.

The table below shows the composition of the Board and number of directorships (executive or non-executive) held by each member of the Members' Committee as at 31 December 2025 in accordance with MIFIDPRU 8.3 and subject to any exemptions permitted under MIFIDPRU 8.3.2R:

Member	External directorships
CVC Credit Partners European CLO Management (Holdings) Limited	n/a – corporate member
Guillaume Tarneaud	0

The Members' Committee, acting through the Firm's Executive Committee where appropriate, is responsible for setting the Firm's business objectives, strategy and annual budgets. The Executive Committee is responsible for oversight of the day-to-day operations of the business. Accordingly, it receives regular reporting and management information on the Firm's operations, enabling the Firm's prudent management.

Risk Management Objectives and Policies

Risk governance – CVC Capital Partners plc
The Board ("PLC Board") of CVC Capital Partners plc (the "PLC") is responsible for the effectiveness of the PLC's risk management and internal control systems. It delegates oversight of the Risk Management Framework ("RMF") to a Risk Committee consisting of Non-Executive Directors. The Risk Committee coordinates with the Audit Committee of the PLC Board to assess the overall effectiveness of the PLC's material controls, with the Audit Committee focusing on financial controls, and the Risk Committee on the broader control environment. Also at the PLC level, a Management Risk Committee (MRC) monitors implementation of the PLC's RMF and Risk Appetite Policy ("RAP") and escalates significant matters to the PLC Board through the Risk Committee.

Risk governance – Firm-level
The Members' Committee, acting through the Firm's Executive Committee where appropriate, has overall responsibility for risk management within the Firm, including establishing the Firm's risk appetite, and for evaluating its risk management policies and practices against its objectives, including ensuring that potential conflicts of interest are identified, assessed and managed, and that appropriate controls have been established. It receives advice from the PLC's Group Risk function and makes use of the PLC's RMF and RAP.

The Firm is not required to establish its own Risk Committee in accordance with MIFIDPRU 7.3.1R.

Investment risk governance
Investment decisions at the credit level (issuer/instrument and associated limits) are approved by the Investment Committee.

A strategy-specific committee reviews portfolio performance. This involves portfolio risk monitoring, including reviewing performance trends and identifying and managing underperforming assets; review of key portfolio metrics and limits as well as other portfolio-related issues. A strategy-specific committee also reviews and challenges proposed valuations, key assumptions and methodology in line with the frequency required per fund/mandate.

Three lines of defence
CVC follows the 'three lines of defence' model to clarify responsibilities and maintain segregation of duties:

- **First Line – Business & Management:** own risks and controls within their processes; identify, assess, manage, and monitor risks.

- **Second Line – Risk, Compliance, and Legal:** set policy and standards; provide oversight, challenge, advice, and monitoring of first-line effectiveness.

- **Third Line – Internal Audit:** provides independent assurance on the adequacy and effectiveness of governance, risk management, and internal control across the first and second lines.

Policy framework
Risk policies and standards set what must be done and who is accountable for managing risks and complying with applicable laws, rules, and regulations. Procedures and processes set how to comply and achieve business objectives in a controlled manner.

Training and awareness
CVC promotes ongoing awareness of risk and compliance, and employees have access to periodic training appropriate to their roles and locations.

Risk appetite
Risk appetite is the level of risk the governing body is willing to accept in pursuit of its objectives. At the PLC level this is communicated through the RAP. MRC reviews the PLC's risk appetite at least annually – or more frequently where material changes are proposed – before the Risk Committee conducts an independent review and recommends revisions to the PLC Board for approval.

The Members' Committee may also establish Risk Appetite statements at a local level.

Risk identification and assessment
The RMF uses complementary tools and techniques to identify and assess risk including 'top-down' assessment of principal risks, 'bottom-up' risk and control self-assessments, risk appetite metrics, scenario analysis, stress testing, risk event management, emerging risk analysis, regulatory capital assessments and specialist assessments.

Material harms assessment
The Firm is required by MIFIDPRU 7.4.9 to have in place appropriate systems and controls to identify, monitor and, if proportionate, reduce all material potential harms (a) that the ongoing operation of the Firm's business may cause to (i) the Firm's clients and counterparties, (ii) the markets in which the Firm operates and (iii) the Firm itself; and (b) that may result from winding down the Firm's business, to ensure that the Firm can be wound down in an orderly manner. This is assessed in the Firm's ICARA process and document.

MIFIDPRU 5.2.1 requires the Firm to monitor and control its concentration risk. Concentration risks in respect of the Firm's revenues, assets, clients, counterparties and suppliers are assessed within the relevant risk categories below, rather than treated as a separate category of their own. Reputational and sustainability considerations are also assessed across all relevant risks, rather than as standalone risks.

Risk categories and risks

Risk category	Description and relevance	Mitigation
Business and strategic risks	The PLC's Principal Risks under this category are *Fundraising*, *Fund performance* and *People*. Given the stage of the Firm's lifecycle and that of the CLOs for which it is collateral manager, fundraising risks and key person risks are materially not relevant. Fund performance risks would affect the Firm in the short-term through a reduction in investment income and potentially revaluation losses. This is considered further under market risk below. Other business and strategic risks included in the risk taxonomy include those relating to governance, corporate strategy, the external environment, shareholder relations and sustainability. The external environment (e.g. geopolitical and macroeconomic) may impact the ability of the Firm to generate fee revenue.	Fund performance risks are mitigated by a long-established, highly selective investment process underpinned by investment committees, and rigorous portfolio monitoring processes. The CLOs for which the Firm is collateral manager are closed-ended vehicles with long-term committed capital. Business and strategic risks, to the extent they are relevant and material to the Firm rather than just the PLC, are monitored (for example by financial analysis and monitoring metrics), and considered in stress tests in the Firm's ICARA.
Financial risks	The PLC's Principal Risks under this category are *Market* and *Liquidity*. The Firm is exposed to an idiosyncratic risk resulting from market risk in relation to its risk retention investments; specifically, if a large revaluation loss causes an overall loss at Firm level, this overall loss is deducted immediately from the Firm's Own Funds, and the Firm would need sufficient capital to absorb this loss. The Firm has limited market risk exposures resulting from assets and liabilities denominated in foreign currency, which may result in lower than expected regulatory capital and liquid assets (denominated in GBP) or lower than expected financial statement profits (denominated in EUR) in the event of adverse exchange rate movements. Other financial risks included in the risk taxonomy include those relating to capital management and credit risk. The Firm has credit risk exposure in relation to its bank deposits and revenue receivables.	As collateral manager, the Firm actively manages the relevant positions and has a clear view of the valuation rationale and trends. The risk of overall loss caused by revaluation loss is considered as a material harm scenario and stress test in the Firm's ICARA. The Firm has liquidity planning processes, largely predictable timing and amounts of management fee cash flow, and typically holds liquid assets considerably above those required by the ICARA. The Firm's cash is primarily held in EUR and GBP reflecting the denomination of its income and expenses. The Firm's financial statements are presented in EUR. The Firm holds its cash with banks assigned high credit ratings, and the probability of bank default is considered extremely remote. Defaults on revenue receivables are also considered a remote possibility as the Firm has a strong understanding of the CLOs' financial positions and performance at all times in its role as collateral manager.

Risk category	Description and relevance	Mitigation
Operational risks	The PLC's Principal Risks under this category are *Legal & regulatory*, *Information security* and *Third-party service providers*. The Firm is required to comply with a wide range of laws and regulations, and failure to do so could result in regulatory penalties, restrictions on activities or loss of reputation. In common with nearly all other businesses, the Firm has inherent exposure to information security risks. The Firm's most significant supplier relationship is its Service Support Agreement with another CVC entity. Other than regulatory compliance or information security matters considered above, failures at other third parties are considered more likely to result in internal business disruption and additional work rather than direct harm. Other operational risks included in the risk taxonomy include external reporting, financial operations, technology and operational resilience. Given the high volume of investment transactions generated by the firm in its Liquid Credit business, there is some potential for harm arising from trade errors. On a residual risk basis, we have not identified any additional material harms relating to these other risks.	The Firm's first-line functions assess their operational risks and implement appropriate controls to mitigate those risks. The Firm's operational risks and controls are subject to review by second-line (Compliance, Risk) and third-line (Internal Audit) functions. Legal and regulatory risks are managed through the use of internal specialists and external advisers, ongoing monitoring and various specific process-level controls. Information security risks are managed through the information security governance framework, specialist information security team and a variety of controls. Legal and regulatory and information security risks are also considered in material harms scenarios in the ICARA. The Firm's ICARA also includes a stress test that considers the potential effects of the CVC Service Support supplier no longer being able to provide support services. A material harm scenario relating to trade errors has been included in the ICARA.

Promoting Diversity and Inclusion

The CVC group (in this section, “CVC”, “we”, “us”), of which the Firm is a part, strives to foster a supportive and inclusive working environment, where everyone feels valued and respected. We are committed to providing an open and inclusive work environment for all, and we value the richness of diverse perspectives and experiences. We believe that a diverse workforce leads to better decision making, stronger innovation and ultimately, improved performance. To do this, we leverage the talents of all of our employees, regardless of their background, identity or experience.

MIFIDPRU requirements
MIFIDPRU 8 requires a summary of the Firm’s policy promoting diversity on its ‘management body’. Due to the purpose, structure, governance arrangements and employment practices of regulated entities established within CVC, ambitions are not set at individual entity level (either for the specific entity’s employees as a whole or for its management body). However, each entity contributes to and adopts CVC’s overall objectives. Further information on CVC’s approach to Diversity and Inclusion can be found on the *Sustainability*[1] and *Inclusion and Diversity*[2] pages of CVC’s website.

CVC’s commitment
CVC’s Inclusion and Diversity Committee, founded in 2016, brings together senior leaders from across the network to champion our inclusive culture and drive diversity of thought and experience, which strengthens teams, decisions, and performance.

We continue to strengthen our inclusive culture through employee-led networks, inclusive leadership training, and dedicated events.

Our commitment to diversity and inclusion extends to our portfolio companies and the industry. CVC has a global network, and we strive for our teams to reflect the societies in which they operate.

We focus on three key areas:

1. Attracting

CVC works with various recruitment partners and organisations including Sponsors for Educational Opportunity, 10,000 Black Interns and Out Investors to find the very best candidates from wide-ranging backgrounds and industries. We believe in hiring the best talent regardless of backgrounds. CVC recognises that a workplace that embraces a range of perspectives leads to innovation and superior investment performance.

2. Developing

We invest time and resources into developing our people. From technical training and industry qualifications to coaching and mentoring, we offer a range of initiatives to help our employees perform at their best. Our Women’s, Pride and Multicultural Networks support these efforts through events, mentoring programmes, recruitment initiatives, and partnerships with external organisations.

3. Retaining

We take pride in offering a wide range of attractive benefits that support both professional growth and personal well-being. Our competitive retention offering includes:

- Six months of fully paid leave for primary caregivers
- Coaching support before and after parental leave
- A comprehensive package of benefits tailored to new parents

[1] https://www.cvc.com/sustainable-value/sustainability/
[2] https://www.cvc.com/sustainable-value/sustainability/inclusion-and-diversity/

Own Funds Requirements

Own Funds Requirement

As a non-SNI firm, the Firm is required under MIFIDPRU 4.3 to maintain an amount of Own Funds that is the higher of the:

- Permanent Minimum Capital Requirement ("PMR")
- K-factor requirement ("KFR")
- Fixed overheads requirement ("FOR")

The Firm's Own Funds Requirements as at 31 December 2025 according to MIFIDPRU 4.3 are as follows:

Requirement	GBP
Permanent Minimum Capital Requirement (PMR)	**75,000**
K-factor Requirement:	
Sum of K-AUM, K-CMH and K-ASA	719,812
Sum of K-COH and K-DTF	0
Sum of K-NPR, K-CMG, K-TCD and K-CON	0
Total K-factor Requirement (KFR)	**719,812**
Fixed Overhead Requirement (FOR)	**594,924**
Own Funds Requirement (OFR)	**719,812**

The Firm further assesses risks within its Internal Capital and Risk Assessment ("ICARA") process under MIFIDPRU 7, and quantifies additional own funds requirements in respect of ongoing operations and wind-down, where applicable, to calculate its Own Funds Threshold Requirement ("OFTR").

Liquid Assets Requirements

The Firm maintains core liquid assets in compliance with the Basic Liquid Asset Requirement ("BLAR") under MIFIDPRU 6.

The Firm further assesses liquid assets required to fund ongoing operations and additional liquid assets required to fund wind-down as part of the ICARA process, and maintains liquid assets in compliance with the Liquid Assets Threshold Requirement ("LATR").

Own Funds

In accordance with MIFIDPRU 8.4, the table below shows a reconciliation of own funds to the balance sheet of the Firm as at 31 December 2025. The balance sheet below is as per the audited financial statements.

Own Funds

#	Composition of regulatory Own Funds	Amount (GBP '000s)	Cross-reference (to Balance Sheet)
1	**Own Funds**	**127,806**	
2	**Tier 1 Capital**	**127,806**	
3	**Common Equity Tier 1 Capital:**	**127,806**	
4	Fully paid up capital instruments	143,813	*5*
5	Share premium	-	
6	Retained earnings	(16,006)	*6*
7	Accumulated other comprehensive income	-	
8	Other reserves	-	
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	**Total deductions from Common Equity Tier 1**	**-**	
19	CET1: Other capital elements, deductions and adjustments	-	
20	**Additional Tier 1 Capital**	**-**	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	**Total deductions from Additional Tier 1**	**-**	
24	AT1: Other capital elements, deductions and adjustments	-	
25	**Tier 2 Capital**	**-**	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	**Total deductions from Tier 2**	**-**	
29	T2: Other capital elements, deductions and adjustments	-	

Balance Sheet

#	Balance sheet item as in audited financial statements	EUR '000s	GBP '000s[3]	Cross-reference (to Own Funds)
	Fixed Assets:			
1	Investment securities at fair value through profit or loss	112,085	97,716	
	Current Assets:			
2	Debtors	2,527	2,203	
3	Cash and cash equivalents	38,151	33,260	
	Liabilities:			
4	Creditors: amounts falling due within one year	(6,163)	(5,373)	
	Net assets	**146,601**	**127,806**	
5	Members' capital	164,961	143,813	*4*
6	Retained (deficit)/earnings	(18,360)	(16,006)	*6*
	Members' equity	**146,601**	**127,806**	

[3] Translated using year-end exchange rate of 0.8718 GBP : 1 EUR

Remuneration Policy and Practices

Introduction

The Firm follows the prescribed FCA guidelines found within Chapter 19G of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC").

The Members' Committee is directly responsible for the overall Remuneration Policy which is reviewed annually. The Members' Committee has considered whether it is necessary to establish a separate Remuneration Committee, as it is exempted from the need to do so under MIFIDPRU 7.1.4R, and has determined that it is adequately skilled and sufficiently informed to carry out the key functions of a Remuneration Committee, as described in MIFIDPRU 7.3.3R. The Executive Committee reviews the remuneration strategy on an annual basis together with the remuneration of particular staff to ensure that the requirements in Chapter 19G of SYSC are adhered to.

Remuneration is designed to ensure that the Firm does not encourage excessive risk taking and staff interests are aligned with those of the Firm's clients. The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all staff. Variable remuneration is considered in line with capital and liquidity requirements as well as the Firm's performance. The Firm monitors the fixed to variable compensation to ensure SYSC 19C is adhered to with respect to Total Compensation where applicable. Total Remuneration is based on balancing both financial and non-financial indicators together with the performance of the Firm and the staff member's business unit.

Material Risk Takers

Senior management and members of staff whose actions have a material impact on the risk profile of the Firm are classified as Material Risk Takers.

In accordance with MIFIDPRU 8.6.8, the Number of Material Risk Takers ("MRT"), including Senior Manager Function holders ("SMF") during the year ended 31 December 2025 was 2.

Remuneration for financial year 2025

Employee category	Total fixed remuneration GBP '000s	Total variable remuneration GBP '000s	Total remuneration GBP '000s
All employees	1,908	2,957	**4,865**

Please note that as there are only two MRTs, in accordance with MIFIDPRU 8.6.8 (7)(b), the Firm is not required to separate the remuneration disclosures for MRTs and Other staff.

The total amount of guaranteed variable remuneration awarded to MRTs during the last financial year was £0 (0 individuals). No MRTs received severance payments during the last financial year.