

CVC

CVC Credit Partners Annual Best Execution Disclosure 2020

April 2020



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Introduction

CVC Credit Partners (the "Firm") is an investment manager providing portfolio management services, and reception and transmission services to investment vehicles, including collateralized loan obligations and collateral debt obligations, collective investment vehicles and separately managed accounts for institutional investors on a discretionary and non-discretionary basis. During the period of this Report, all clients of CVC Credit Partners were categorised as "professional clients." Additionally, during the period January 2020 – December 2020, we confirm that there were no material close links, common ownership or conflicts of interest between any CVC Credit Partners entity and any execution venues or counterparties used by the Firm.

The second Markets in Financial Instruments Directive (2014/65/EC "MiFID II") requires that the Firm, on an annual basis, publishes:

- Data concerning the top five counterparties with whom (a) it executes client orders and (b) places client orders for execution. This information must be disclosed for each class of financial instrument in which the Firm deals. In addition, the Firm must also publish a summary of the analysis and conclusions drawn as a result of the Firm's monitoring of execution venues over the previous year.

This report sets out information on the quality of execution achieved by the Firm during 2020. For these purposes, it should be noted that the Firm is only permitted to deal with "professional clients" (as defined by MiFID II).

Information regarding execution quality

CVC Credit Partners recognises its duty to act in the best interests of our clients when either executing or placing or transmitting such orders for execution. In trading on behalf of its clients, the Firm considers the relative importance of each execution factor. The Firm uses its experience and expertise to achieve the best balance across the full range of execution factors, including, but not limited to:

- Price;
- Likelihood of execution;
- Size and complexity of the order;
- Likelihood of settlement;
- Costs and fees associate with the transaction;
- Speed of execution;
- Applicable credit rating of the counterparty; and
- Characteristics and nature of the order.

Price is usually the principal execution factor considered, however depending on the circumstances surrounding the transaction, other factors may be prioritized at the Firm's discretion. The prioritisation of execution factors is regularly reviewed to ensure that it is and remains appropriate.

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Counterparty Relationships

CVC Credit deals with its third-party counterparties on an arm's-length basis. The Firm may use external and internal analysis to monitor the quality of execution against the best execution factors. The Firm has established robust processes for admitting new counterparties to the Approved Counterparties list and may, at its discretion, remove any execution venue or counterparty that it determines is no longer offering best execution.

All fees incurred (e.g. transaction costs, commissions and other fees) are disclosed to the Firm upfront as part of the transaction and are industry standard. The Firm has established policies and procedures to monitor and resolve conflicts with respect to any execution venues used to execute client orders.

CVC Credit Partners is confident that, during the period 1 January 2020 to 31 December 2020, the Firm has met its Best Execution obligations to clients. In particular, the Firm considers that:

- taking account of the results of the Firm's trading cost analysis, the Firm regularly achieved the best price available when executing client orders;
- the execution venues included in its order execution policy demonstrated the capabilities necessary to efficiently execute orders across the asset classes traded by the Firm on behalf of its clients;
- the Firm maintains relationships with a sufficient number of execution venues and brokers, given the extent and nature of its trading activities; and
- the Firm is not overly reliant on a single execution venue for the asset classes it trades.

Report Applicability

This report covers trading conducted on behalf of the following CVC Credit Partners entities: CVC Credit Partners European CLO Management LLP and CVC Credit Partners Investment Management Limited.

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Class of Instrument		Debt Instruments - Bonds				
Notification if < 1 average trade per business day in the previous year		N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
CREDIT SUISSE SECURITIES (EUROPE) LIMITED (DL6FFRRLF74S01HE2M14)	12.27%	12.10%	n/a	n/a	0.00%	
JPMorgan Chase Bank, National Association (7H6GLXDRUGQFU57RNE97)	12.00%	3.89%	n/a	n/a	0.00%	
Citibank, National Association (E57ODZWZ7FF32TWEFA76)	9.37%	9.07%	n/a	n/a	0.00%	
GOLDMAN SACHS INTERNATIONAL (W22LROWP2IHZNBB6K528)	9.05%	6.70%	n/a	n/a	0.00%	
BNP PARIBAS (ROMUWSFPU8MPRO8K5P83)	8.58%	3.24%	n/a	n/a	0.00%	

Class of Instrument		Equities - Shares and Depositary Receipts				
Notification if < 1 average trade per business day in the previous year		Y				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
Stifel Bank (JY55GUV9NLVWS4QEU03)	93.05%	16.67%	n/a	n/a	0.00%	
CREDIT SUISSE SECURITIES (EUROPE) LIMITED (DL6FFRRLF74S01HE2M14)	6.68%	75.00%	n/a	n/a	0.00%	
Credit Suisse AG (ANGGYXNX0JLX3X63JN86)	0.27%	8.33%	n/a	n/a	0.00%	

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Class of Instrument		Structured Finance Instruments			
Notification if < 1 average trade per business day in the previous year		y			
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
NATIXIS (KX1WK48MPD4Y2NCUIZ63)	36.10%	6.98%	n/a	n/a	0.00%
DEUTSCHE BANK AKTIENGESELLSCHAFT (7LTWFZYICNSX8D621K86)	23.62%	13.95%	n/a	n/a	0.00%
BNP PARIBAS (R0MUWSFPU8MPRO8K5P83)	8.26%	9.30%	n/a	n/a	0.00%
GOLDMAN SACHS INTERNATIONAL (W22LROWP2IHZNBB6K528)	6.79%	13.95%	n/a	n/a	0.00%
BARCLAYS BANK PLC (G5GSEF7VJP5I7OUK5573)	6.30%	13.95%	n/a	n/a	0.00%



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Important Information

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