

For more information please contact  
 Investor Services 13 35 66  
 Adviser Services 1800 621 009  
 8:30am to 5:30pm Monday to Friday (EST)

www.credit-suisse.com

## Global Private Equity Fund Fund Update

### 2016 Q4 Update



### Investment objective

To seek capital appreciation through global private equity and equity related investments.

The investment Manager of the Underlying Fund is aPriori Capital Partners L.P.<sup>1</sup>.

The Fund is reported in Australian dollars, while both of the underlying investments in the Cash Fund and Underlying Fund are denominated in USD. Therefore, the value in AUD can be significantly affected by fluctuations in the USD that are unrelated to the underlying portfolio investments.

### Fund facts

Suggested investment time frame	Long term – 10 years plus
Volatility/risk level	High
Income distribution frequency	Annually

### Fund details

Inception date	May 2006
APIR code	CSA0042AU
Local fund size	AUD3.37 Million (as at 31/12/2016)
Withdrawals	Not Permitted
Management costs	2.35% p.a.

### Performance as at December 31 2016

	1 mth	3 mth	1 yr	2 yrs	3 yrs	5 yrs	Incept
	%	%	%	% p.a.	% p.a.	% p.a.	% p.a.
Total returns	1.746	4.8296	-1.8577	8.7667	12.7997	7.5551	-3.5703
Gross Returns	1.988	5.5795	1.0326	11.9402	16.0852	10.7702	-0.732

Total Returns are calculated using pre-distribution month end withdrawal unit prices, and assumes all income is reinvested in additional units (and exclude any contribution fees and taxes). Gross returns are calculated by adding back the Management Costs deducted. Distribution returns are the total distribution from the fund. Growth returns is the change in initial capital value for the period. **Past performance is not necessarily indicative of future performance. Returns may be volatile and may vary from year to year.**

<sup>1</sup> aPriori Capital Partners L.P. ("aPriori Capital") replaced DLJ Merchant Banking Partners ("DLJMB") as general partner and Investment Manager effective March 31, 2014

## Credit Suisse Global Private Equity Fund – Q4 2016 Fund update

The following is a summary of the DLJMB Update based on the Annual Report of 2015 update in June, 2016. References to “the Fund” refer to the Underlying Fund in the PDS, DLJ Merchant Banking Partners IV.

All investments are quoted in USD unless otherwise stated. Please note, changes in the AUD/USD impacts the performance of the Global Private Equity Fund in Australia.

### Executive Summary

The fund generated \$25.3 million in proceeds to investors from January 1, 2016 through March 2017.

In October 2016, the fund completed the sale of **Inspiring Learning Limited** (“Inspiring Learning”), the UK headquartered provider of residential activity centres and educational trips for primary and secondary school children, to Bridgepoint Development Capital (“BDC”) valuing the Company at >12.0x LTM EBITDA. MBP IV received sale proceeds in the amount of \$14.2 million during November 2016. In February 2017, the fund received additional sale proceeds of \$3.6 million.

**Nuveen Investments** was sold to **TIAA-CREF** in October 2014; during April 2016 the fund received escrow proceeds of \$5.0 million

**Enduring Resources II** was sold to American Energy Partners in July 2014; the fund received \$2.5 million in escrow proceeds in March 2016 (\$1.6 million), June 2016 (\$0.6 million), November 2016 (\$0.2 million) and March 2017 (\$0.1 million)

The fund team continues to work closely with the portfolio company management teams to execute strategic initiatives that will facilitate growth and profitable exits

- The fund has started to explore exit options for the investment in **Guala Closures** (“Guala”). This is a priority for the fund in 2017/18.
- The fund invested \$5.0 million of follow-on capital in **Laramie Energy II** during Q1 2016 that was utilized to acquire certain properties from Occidental Petroleum in the Piceance Basin.
- The fund invested \$3.0 million of follow-on capital in **Luxury Optical Holdings** during August 2016 to fund growth initiatives to be led by a new CEO who has over 20 years of operational experience in optical and multi-channel consumer products. The Company is currently in negotiations with its lender regarding its existing capital structure. With this investment, MBP IV has funded \$56.4 million to LOH.

Four portfolio company write-downs net of four portfolio company write-ups resulted in a decrease in the value of the overall portfolio. Overall value of MBP IV is 0.82x cost.

As of 12/31/16, the fund has \$244.3 million in remaining value across 11 portfolio companies.

### REALIZATION ACTIVITY

#### **Nuveen Investments Inc.**

In April 2014, TIAA-CREF, a leading financial services provider, announced an agreement to acquire Nuveen for an enterprise value of \$6.25 billion or 13.0x FY13 EBITDA of \$487.0 million; the sale closed on October 1, 2014. The Fund received escrow proceeds of \$5.0 million during April 2016.

#### **Enduring Resources II, LLC**

On June 9th, Enduring Resources II announced the sale of its Wolfcamp assets in South Texas to American Energy Partners for \$2.5 billion. The \$2.5 billion purchase price represents \$154,700 per Boe/d production vs. comparable transaction multiples of \$100,000 - \$150,000 Boe/d. The transaction closed on July 31, 2014. The Fund received escrow proceeds of \$2.4 million during 2016 and \$0.1 million during 2017.

### **Inspiring Learning Limited**

In October, the fund reached an agreement to sell its interest in Inspiring Learning to Bridgepoint Development Capital valuing the Company at >12.0x LTM EBITDA. The Fund received sale proceeds in the amount of \$14.2 million during November 2016 and in February 2017 received additional sale proceeds of \$3.6 million. Potential future proceeds from the sale are expected from the release of certain cash hold-backs and a possible release of funds from an escrow account which was set up in connection with the transaction.

### **INVESTMENT ACTIVITY**

Follow-on Investments

#### **Laramie Energy II, LLC**

During 2016, the fund made a \$5.0 million follow-on investment in Laramie Energy II to facilitate Laramie's acquisition of certain properties from Occidental Petroleum in the Piceance Basin. Following the closing of the acquisition and the resulting increased operating scale, Laramie is now the third largest operator in the Piceance Basin. With this investment, the fund has funded \$60.0 million to Laramie II

#### **Luxury Optical Holdings**

During August 2016, the fund made a \$3.0 million follow-on investment in Luxury Optical Holdings to fund growth initiatives to be led by a new CEO who has over 20 years of operational experience in optical and multi-channel consumer products. The Company is currently in negotiations with its lender regarding its existing capital structure. With this investment, the fund has funded \$56.4 million to Luxury Optical Holdings.

### **Conclusion**

The Fund has returned 67.9% of invested capital, generating approximately \$1.22 billion in proceeds. The Fund has generated approximately \$25.3 million in proceeds from January 1, 2016 through March 2017.

Over the course of 2016 the fund team supported, advised and managed portfolio companies to execute value enhancing growth initiatives, including:

- Exit/realisation processes
- Accretive follow-on M&A
- Product development
- Geographic expansion
- Appointment of new management
- Refinancing/Amendment/Repayment of debt

A key focus for the remainder of 2017 will be the potential realizations of several of the fund's investments.

CREDIT SUISSE INVESTMENT SERVICES (AUSTRALIA) LIMITED  
PO Box R1474 Royal Exchange NSW 1225

Adviser Services 1800 621 009  
8:30am to 5:30pm Monday to Friday (EST)

[www.credit-suisse.com/au](http://www.credit-suisse.com/au)

**Helping Clients Thrive.**

---

Issued by Credit Suisse Investment Services (Australia) Limited (CSISAL), ABN 26 144 592 183, AFSL 370450. CSISAL has used its best endeavours to ensure the accuracy, reliability and completeness of the information contained in this Report. Subject to law, CSISAL, its directors, employees, affiliates and consultants do not provide any warranty or accept any liability for errors or omissions or any losses or damages suffered by the recipient of this Report or any other person. This Report has been prepared for general information only for the use of Advisers, consultants, researchers as well as institutional clients of CSISAL who have been sent this information directly by CSISAL and may not be provided to any other person without written permission from CSISAL. This information does not take into account an individual's objectives, financial situation or needs, which are necessary considerations before making any investment decision. Opinions constitute our judgment at the time of issue and are subject to change. Offers for investments in the Fund are made in, or accompanied by a copy of the relevant current Product Disclosure Statement (PDS). You should consider the PDS in deciding whether to acquire or continue to hold the product. If you wish to invest, you will need to complete an application form contained in, or which accompanies the current PDS. Please contact Institutional Client Services on 13 35 66 or Adviser Services on 1800 621 900 should you have any queries relating to the information in this Report, or to obtain a copy of the PDS. Neither money invested in the Fund nor any particular rate of return on any money invested in the Fund is guaranteed by CSISAL, Credit Suisse AG (The 'bank') (ABN 17 061 700 712 and AFS Licence Number 226896), or by any other member of the Credit Suisse AG, CSISAL is not an authorised deposit-taking institution and your investment does not constitute a deposit with or other liability of the bank nor any other member of the Credit Suisse AG.

Fidante Partners Services Limited ABN 44 119 605 373, AFSL 320505(CISL) is the responsible entity for and issuer of interests in the Credit Suisse Enhanced Commodity Fund ARSN 119 714 297. CISL is a member of the Challenger Financial Services Group. Neither CISL nor any member of the Challenger Financial Services Group was involved in the preparation or distribution of this Report, and are not responsible for the provision of or any information in this Report, other than references to its name. CSISAL provides the Report in its own capacity and not as agent or authorised representative of CISL.

---