

## Global Private Equity Fund Fund Update

### 2017 Q4 Update



#### Fund facts

Term of the Fund	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	AUD2.83 Million (as at 31/12/2017)
Withdrawals	Not Permitted
Management costs	2.35% p.a.

#### Performance as at December 31 2017

	1 mth	3 mth	1 yr	2 yrs	3 yrs	5 yrs	Incept
	%	%	%	%pa	%pa	%pa	%pa
Total returns	-9.5910	-5.1583	-7.1786	-4.5644	3.1690	8.0187	-3.8895
Gross Returns	-9.3287	-4.4440	-4.4199	-1.7350	6.2020	11.1813	-1.0574

#### 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.

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 2017 Fund update

The following is a summary of the DLJMB Update based on the Annual Report of 2017 update in May, 2018. 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 \$31.6 million in proceeds to investors from January 1, 2017 through May 2018. On an NAV (January 1, 2017) of \$244.3 million

In October 2016, the fund completed the sale of **Inspiring Learning Limited**; the fund received \$4.4 million in additional sale proceeds in February 2017 (\$3.6 million) and September 2017 (\$0.9 million)

**Enduring Resources II** was sold to American Energy Partners in July 2014; the fund received \$0.2 million in additional escrow proceeds in March 2017 (\$0.1 million) and April 2018 (\$0.1 million)

**NIBC** completed an initial public offering in March 2018. The fund received IPO sale proceeds of \$10.6 million in May 2018. Additionally, the fund received dividend proceeds in June 2017 (\$0.5 million), October 2017 (\$0.8 million) and March 2018 (\$1.9 million). The fund continue to hold approximately three quarters (3/4) of the investment

**Nuveen Investments** was sold to **TIAA-CREF** in October 2014; the fund received \$8.5 million in escrow proceeds in October 2017 (\$5.9 million) and March 2018 (\$2.6 million)

In March 2018, the fund received \$4.7 million in proceeds from **Fougera S.C.A. SICAR** (formerly **Nycomed S.C.A. SICAR**) following the successful outcome of litigation in the English High Court which resulted in the release of additional escrow funds.

In April 2018, the fund led negotiations and signed an agreement to realize MBP IV's investment in **Guala Closures**. Under the terms of the agreement, Guala Closures will be sold to SPACE4, an Italian SPAC. The transaction values Guala at €1.1 billion, representing 10.1x 2017A EBITDA. Guala is the largest investment in the fund. Due to the nature of the transaction and buyer, this transaction will require several quarters to close but the fund is hopeful to complete it during Q3 or Q4 of 2018.

Four portfolio company write-ups net of three portfolio company write-downs resulted in a \$55.0 million increase in the value of the overall portfolio. As of 12/31/17, the fund has \$291.4 million in remaining value across 8 portfolio companies. The overall value of the fund is 0.85x cost. There is potential upside from this level as the fund seek to realise the remaining investments in the fund (see below)

The fund team continues to work closely with our portfolio company management teams and partners to seek timely exits and to maximise realisation proceeds. For example:

- The fund invested \$3.5million of follow-on capital in **The Service Companies** during Q32017 that was utilized to enable the company to renegotiate terms with its existing lender, allow management to focus on delivery of its growth plan and provide sufficient flexibility to proceed with an exit process (now underway).
- The fund has begun a process with our partners to review strategic options for **Healthmarkets** and **Laramie EnergyII** and hope to have more to report during 2018.
- The fund continues to have discussions with our partner in **NIBC** regarding the optimum approach to maximizing our proceeds given lock-up undertakings, prospects for the company and potential catalysts for share price moves.
- The fund continues to focus on maximizing potential escrow proceeds on our other remaining investments.

Please note that the fund has a potential expiration / liquidation date of 15 September 2018. Given the significant remaining portfolio investments in the fund, the fund intends to extend a further year as set out in the Limited Partnership Agreement. The

extension will provide sufficient time to close out the majority of the Fund's remaining investments in an orderly and efficient manner. The fund anticipates no further extensions beyond this final one year.

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