



**CORDISH  
DIXON**

PRIVATE EQUITY FUND SERIES

Investor update August 2019

# Important Information

This presentation has been prepared by Walsh & Company Investments Limited as Responsible Entity (ACN 152 367 649, AFSL 410 433) of the Cordish Dixon Private Equity Fund Series (Funds or Fund Series) which includes Cordish Dixon Private Equity Fund I (ARSN 158 625 284) (CD1), Cordish Dixon Private Equity Fund II (ARSN 162 057 089) (CD2), Cordish Dixon Private Equity Fund III (ARSN 612 132 813) (CD3), and Cordish Dixon Private Equity Fund IV (ARSN 624 474 531) (CD4). Investment Manager for CD1 is US Select Private Opportunities Fund GP, LLC, and for CD2, CD3, and CD4 is Dixon Asset Management USA Inc.

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# A Unique Joint Venture



Fourth generation family-owned global business with four major areas of expertise

## Real Estate Development

One of the largest and most respected real estate developers in the world

## Gaming and Lodging

Developed several of the most successful resort gaming destinations in the world

## Entertainment/Sports-Anchored Projects

Leading developer of live entertainment districts and sports-anchored developments

## Private Equity Investment

Family investment office, founded in 1998. More than 75 funds and direct investments over 19 years

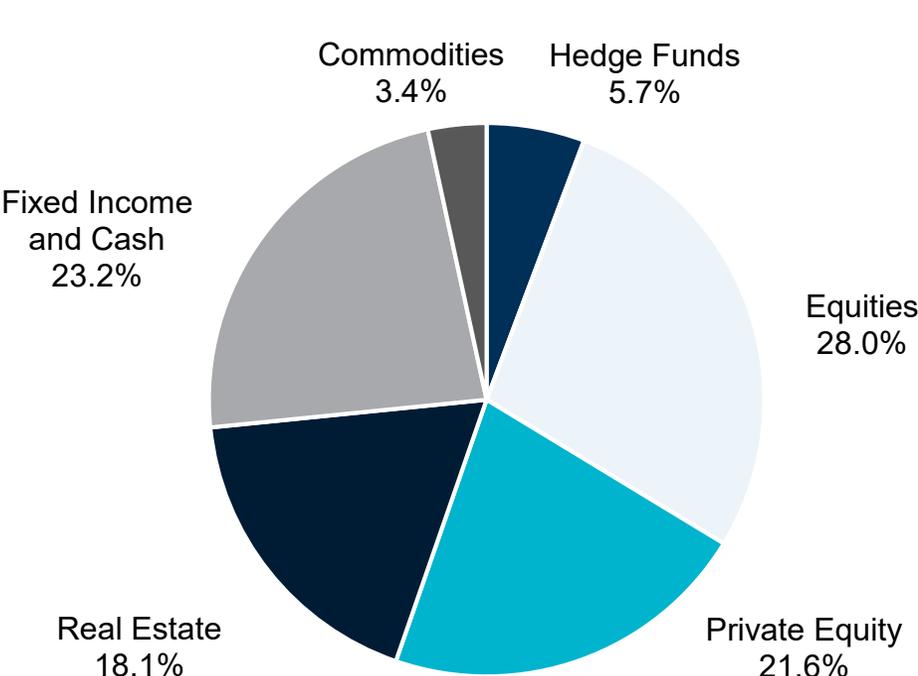
## Cordish Dixon Private Equity Fund Series was established in 2012

- ✓ Joint venture with an experienced US based family office investor: Cordish Private Ventures
- ✓ Provide Australian investors access to attractive US private investments
- ✓ Specifically, exposure to top tier private investment managers typically reserved for institutions and high net worth families
- ✓ Private Equity has historically provided performance and diversification benefits vs. traditional stock and bond markets

# Sophisticated investors – private equity allocations

## Family Office

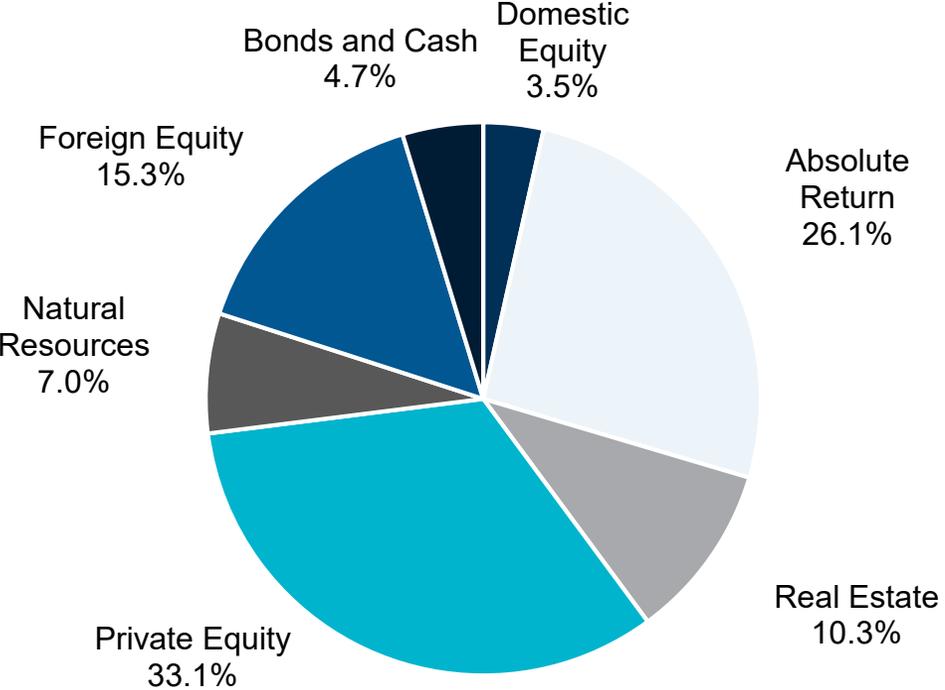
Average Family Office asset allocation



Source: UBS Family Office report 2018

## Yale Endowment – \$32B

Yale University Endowment’s asset allocation for 2018



Source: Yale University Endowment 2018

# Why Private Equity?

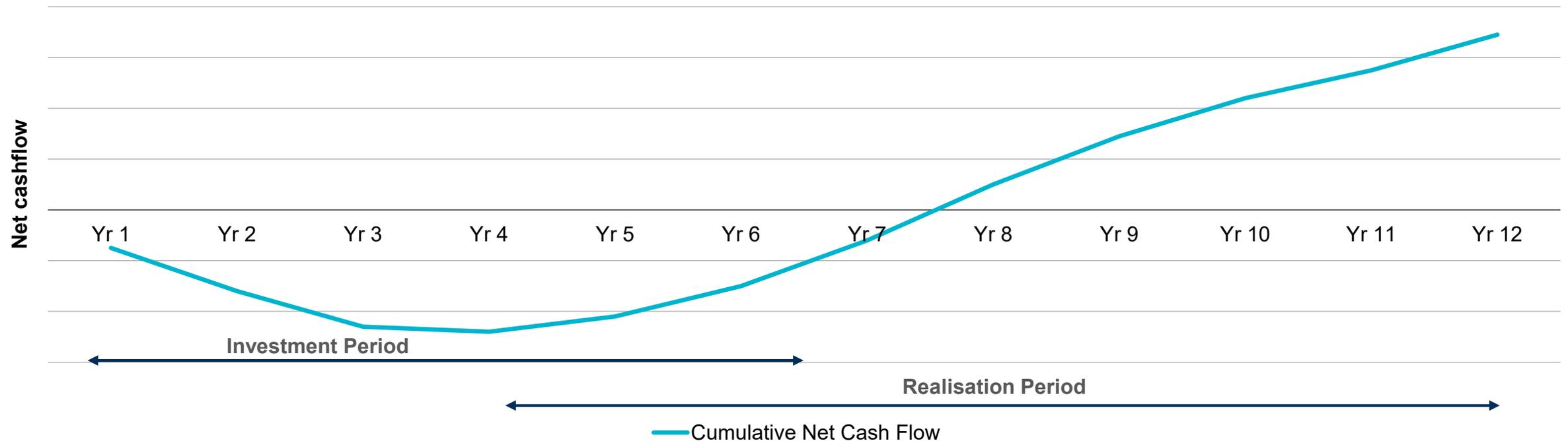
## Consistent “playbook” to create value

- Acquire good businesses that have a proven product or service offering at reasonable valuations
- Upgrade management team
  - Replace controller with real CFO
  - Add additional sales/marketing staff; fix compensation structures to incentivise growth
- Invest/reinvest in new growth opportunities
  - Replace older equipment or upgrade/build facilities
  - Enter complimentary new product category or market
- Selectively pursue add-on acquisitions (buy and build strategies)

**Goal: Double profits in 5 years and sell business to larger private equity firm or strategic buyer**

# Typical private equity fund – investment path

- Private equity funds generally take a number of years before turning cash-flow positive
- The returns in the later years typically reward patient investors

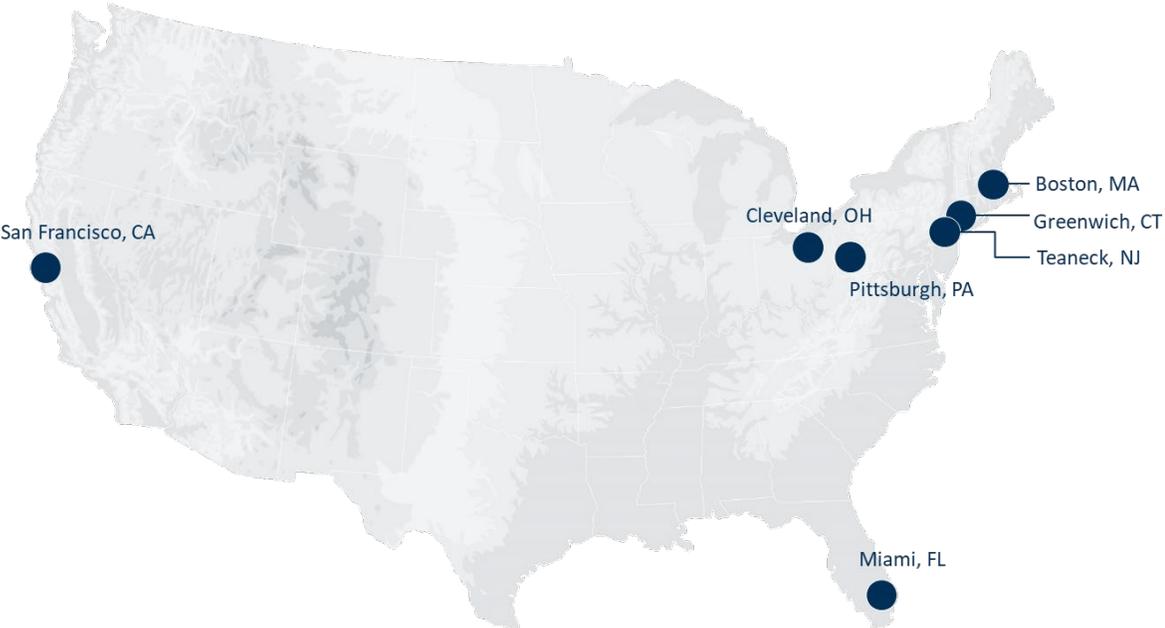


Source: Cordish Dixon. For illustrative purposes only, this graph is not reflective of actual results. Actual results may vary significantly.

Source: Preqin Performance Analyst

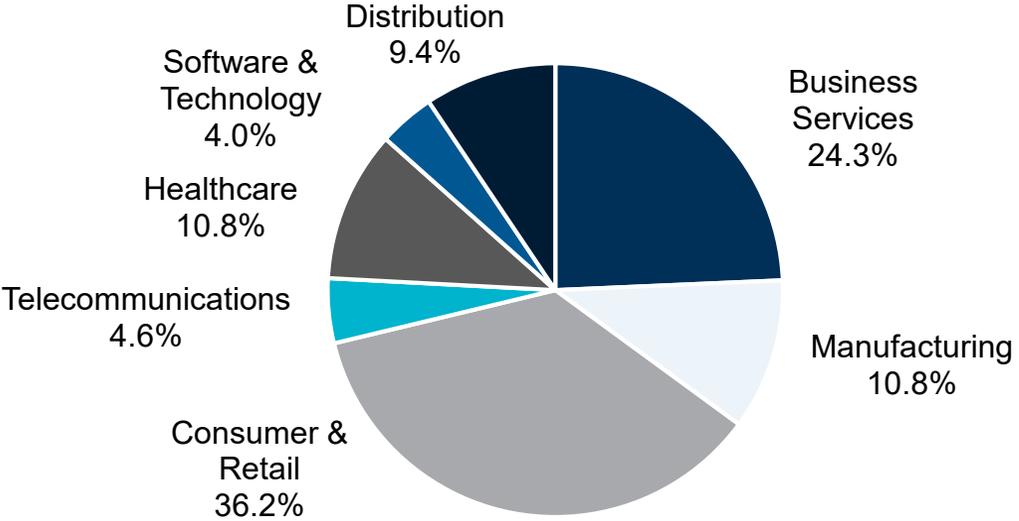
# Cordish Dixon Private Equity Fund I – CD1

## Underlying manager location



Source: Cordish Dixon, as at 31 March 2019

## Sector exposures



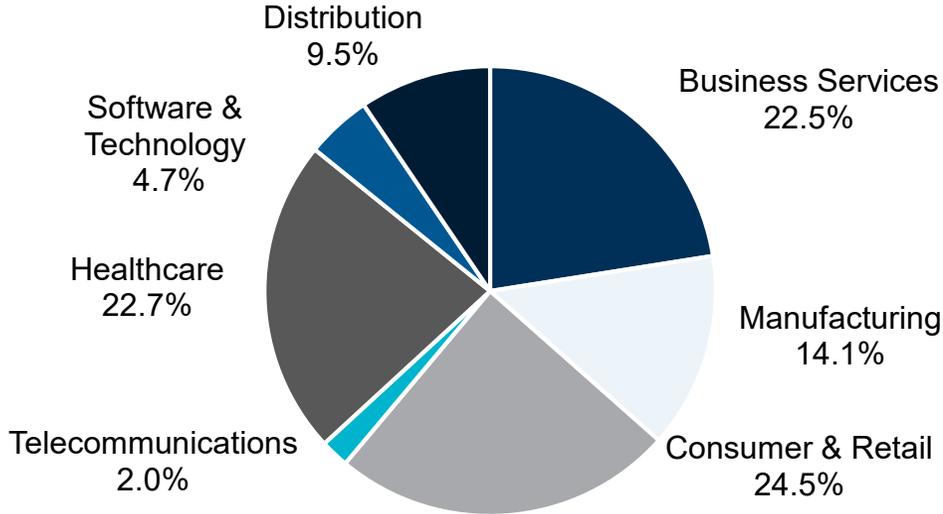
Investments	No of companies
Number of Investments	96
Number of Full Exits	27
Number of Current Investments	69

# Cordish Dixon Private Equity Fund II – CD2

## Underlying manager location



## Sector exposures



Investments	No of companies
Number of Investments	116
Number of Full Exits	19
Number of Current Investments	97

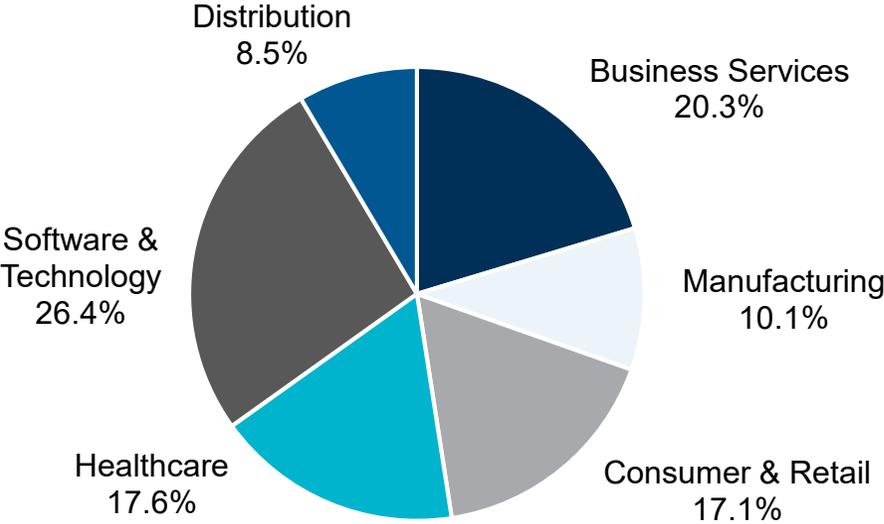
Source: Cordish Dixon, as at 31 March 2019

# Cordish Dixon Private Equity Fund III – CD3

## Underlying manager location



## Sector exposures

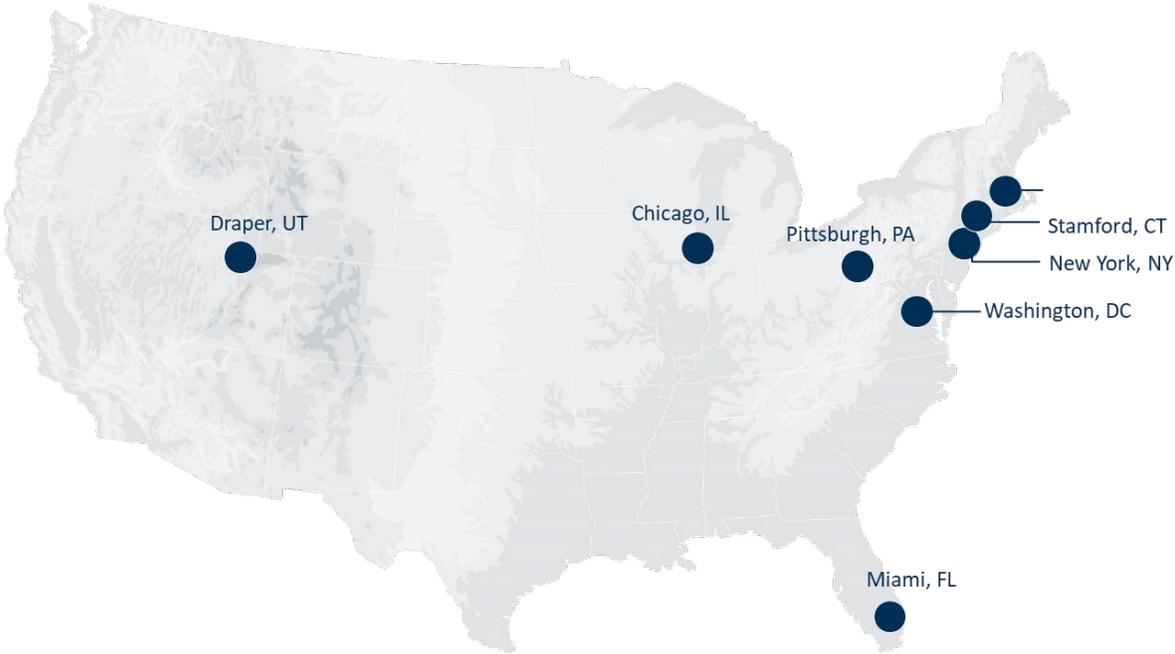


Investments	No of companies
Number of Investments	99
Number of Full Exits	4
Number of Current Investments	95

Source: Cordish Dixon, as at 31 March 2019

# Cordish Dixon Private Equity Fund IV – CD4

## Underlying manager location



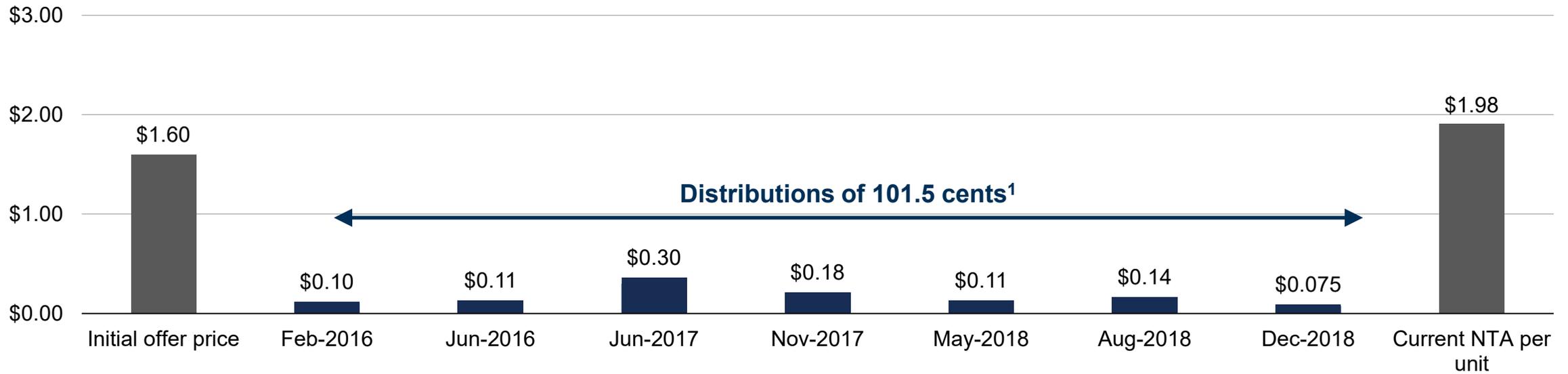
Source: Cordish Dixon, as at 31 March 2019

## Sector exposures

- As CD4 is early in the cycle, we expect a similarly diversified portfolio to the other funds in the series once the capital is drawn down.

Investments	No of companies
Number of Investments	34
Number of Full Exits	1
Number of Current Investments	33

# CD1 Performance

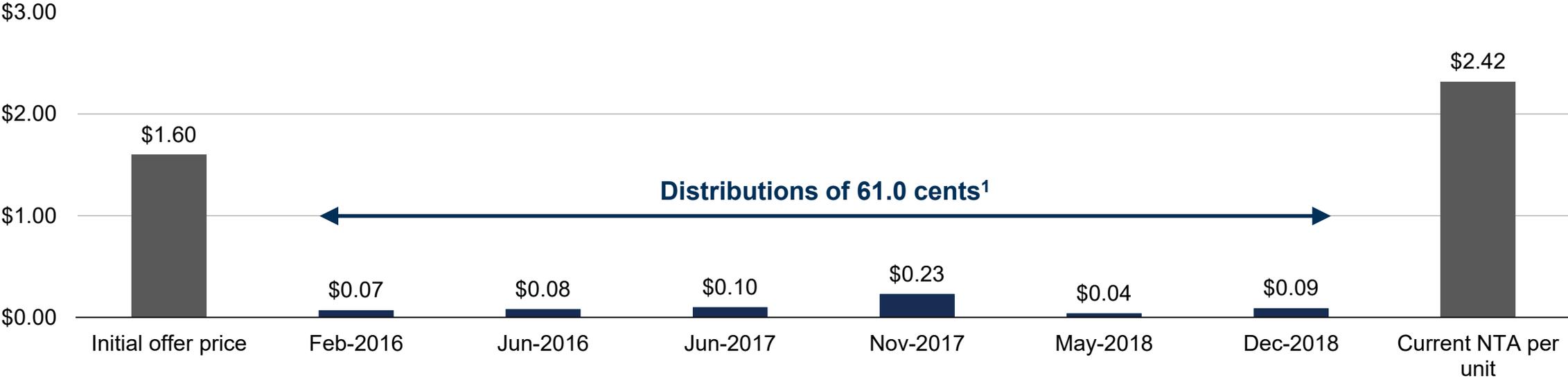


	3 MONTH	6 MONTH	1 YEAR	2 YEAR PA	3 YEAR PA	SINCE INCEPTION PA
NTA Return <sup>2</sup>	1.0%	11.2%	21.6%	18.3%	14.2%	12.0%

Note: Past performance is not a reliable indicator of future performance. 1: The unit price of CD1 was \$1.79 as of 30 June 2019. 2: Total returns are inclusive of distributions. NTA return is based on pre tax NTA and is net of fees and costs. Current NTA per unit (shown above) is pre-tax and unaudited, as at 30 June 2019. Inception date August 2012.

Source: Walsh & Company Investments Limited

# CD2 Performance

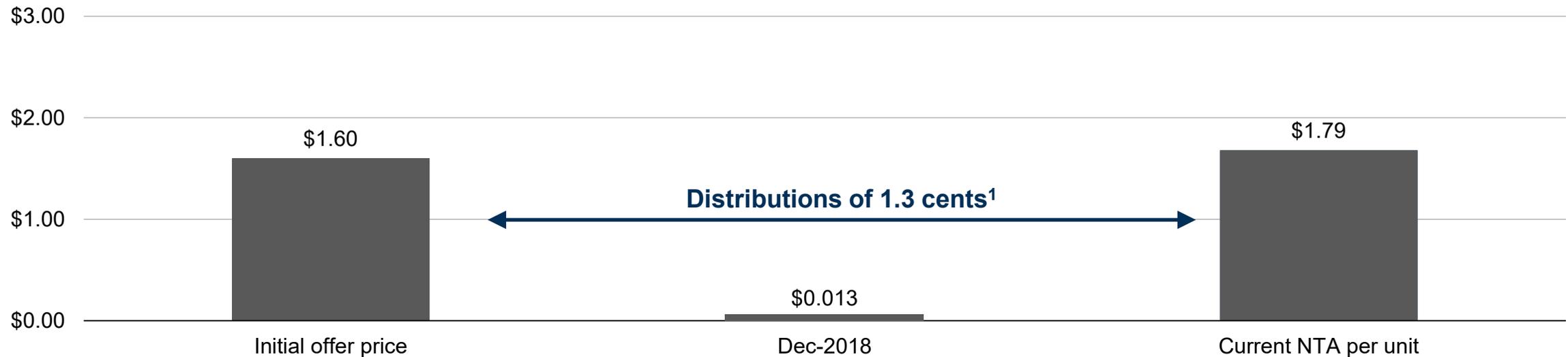


	3 MONTH	6 MONTH	1 YEAR	2 YEAR PA	3 YEAR PA	SINCE INCEPTION PA
NTA Return <sup>2</sup>	0.0%	6.6%	20.4%	18.3%	12.9%	12.7%

Note: Past performance is not a reliable indicator of future performance. 1: The unit price of CD2 was \$2.16 as of 30 June 2019. 2: Total returns are inclusive of distributions. NTA return is based on pre tax NTA and is net of fees and costs. Current NTA per unit (shown above) is pre-tax and unaudited, as at 30 June 2019. Inception date April 2013.

Source: Walsh & Company Investments Limited

# CD3 Performance



	3 MONTH	6 MONTH	1 YEAR	2 YEAR PA	3 YEAR PA	SINCE INCEPTION PA
NTA Return <sup>2</sup>	2.3%	7.2%	15.6%	10.4%	n/a	5.3%

Note: Past performance is not a reliable indicator of future performance. 1: The unit price of CD3 was \$1.50 as of 30 June 2019. 2: Total returns are inclusive of distributions. NTA return is based on pre tax NTA and is net of fees and costs. Current NTA per unit (shown above) is pre-tax and unaudited, as at 30 June 2019. Inception date July 2016.

Source: Walsh & Company Investments Limited

# Key fund details

KEY FUND DETAILS	FUND 1	FUND 2	FUND 3	FUND 4
ASX ticker	CD1	CD2	CD3	-
Inception	August 2012	April 2013	July 2016	April 2018
Pre-tax NTA	\$1.98 <sup>1</sup>	\$2.42 <sup>1</sup>	\$1.79 <sup>1</sup>	\$0.65 <sup>1</sup>
Post-tax NTA	\$1.96 <sup>1</sup>	\$2.28 <sup>1</sup>	\$1.77 <sup>1</sup>	
Number of managers	8	12	13	11
Total underlying investments	96	116	99	34
– Investments during the quarter	0	3	8	4
Full realisations	27	19	4	1
– Realisations during the quarter	2	0	0	0
Current portfolio companies	69	97	95	33
Average age remaining companies	3.6 years	3.4 years	1.3 years	0.8 years

Source: Walsh & Company Investments Limited. As at 31 March 2019. 1. Current NTA per unit (shown above) is pre-tax and unaudited, as at 30 June 2019. Past performance is not a reliable indicator of future performance.