



# Product Disclosure Statement

## CD Private Equity Fund

Dated 7 October 2022

FINANCIAL ADVISER

MA Moelis Australia

RESPONSIBLE ENTITY



E&P Investments Limited  
(ABN 78 152 367 649) (AFSL 410 433)

# Important Information

This product disclosure statement (“PDS”) was prepared and issued by E&P Investments Limited (ABN 78 152 367 649, ACN 152 367 649, AFS Licence No. 410 433) (referred to in this PDS as “E&P Investments Limited”, “we”, “our” and “us”). E&P Investments Limited is the responsible entity (“Responsible Entity”) of the CD Private Equity Fund (ARSN 612 132 813) (“Fund”).

## Offers of Units under this PDS

This PDS is intended to serve two purposes:

- as a product disclosure statement for the issue of units in the Fund to members of CD Private Equity Fund I (ARSN 158 625 284), CD Private Equity Fund II (ARSN 162 057 089) and CD Private Equity Fund IV (ARSN 624 474 531) who are participants in a trust scheme of arrangement proposed to be implemented on or about 21 November 2022 (“Merger”); and
  - following the Merger, as the product disclosure statement for the issue of units in the Fund to new applicants.

**NO UNITS WILL BE ISSUED UNDER THIS PDS UNLESS AND UNTIL THE MERGER IS IMPLEMENTED.**

## Your investment decision

This document is important and requires your immediate attention. This PDS contains general financial and other information. It has not been prepared having regard to your investment objectives, financial situation or specific needs. It is important that you carefully read this PDS in its entirety before deciding to invest in the Fund and, in particular, in considering this PDS, that you consider the risk factors that could affect the financial performance of the Fund and your investment in the Fund. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest.

Before deciding to apply for Units, you should consider whether this is a suitable investment for you.

A Target Market Determination (“TMD”) has been prepared for the Fund. A copy of the TMD can be obtained free of charge upon request by contacting the Responsible Entity or visiting [www.cdpefund.com](http://www.cdpefund.com). You should consider this PDS before making a decision to invest in the Fund.

## Indirect Investors

This PDS is authorised as disclosure for both investors investing directly in the Fund and Indirect Investors who

wish to access the Fund through an investor direct portfolio service (“IDPS”), IDPS-like scheme, a nominee or custody service or any other trading platform authorised by the Responsible Entity (collectively, “Service”).

If you are an Indirect Investor gaining access to the Fund through a Service, the operator of the relevant Service (“Service Operator”) will invest for you and have the rights of an investor in the Fund. Certain provisions of the Fund’s constitution are not relevant to Indirect Investors. For example, Indirect Investors cannot attend investor meetings or transfer units in the Fund. You can request reports on your investments in the Fund from the Service Operator and you should direct any inquiries to them.

## Information in this PDS

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this PDS. Any information or representation not so contained or taken to be contained may not be relied on as having been authorised by us in connection with the Offer.

Information relating to the Fund may change from time to time. Where changes are not materially adverse, information may be updated and made available to you on the ASX announcements platform (while the Fund remains listed to around May 2023) and on the Fund’s website at [www.cdpefund.com](http://www.cdpefund.com). A paper copy of any updated information is available free on request from E&P Investments Limited.

## Date of PDS and quotation of Units

This PDS is dated 7 October 2022 and a copy was lodged with ASIC on that date. Units in the Funds are currently able to be traded on ASX, and the Responsible Entity will apply within seven days of the lodgement date to ASX for the quotation of the additional Units issued in connection with the Merger.

None of ASIC, the ASX or their respective officers take any responsibility for the contents of this PDS or for the merits of the investment to which this PDS relates. Admission to the official list of the ASX is in no way an indication of the merits of the Trust.

Unless otherwise stated, information in this PDS is current as at the date of this PDS.

## Continuous disclosure

While the Fund remains listed, material updated information regarding the Fund will be available on the ASX announcements platform. Following delisting of

the Fund, which is proposed to occur in around May 2023, copies of the following will be available for on the website at [www.cdpefund.com](http://www.cdpefund.com), by contacting the Responsible Entity or may be obtained from, or inspected at, an ASIC office (as applicable):

- the annual financial reports most recently lodged with ASIC;
- any half-yearly financial reports lodged with ASIC after the lodgement of the annual report;
- any continuous disclosure notices given by the Fund after the date of lodgement of the annual report; and
- any ongoing disclosure of material changes and significant events.

### **Currency and rounding**

Unless otherwise indicated, references to \$ are references to the lawful currency of Australia. Any discrepancies between totals and the sum of all the individual components in the tables contained in this PDS are due to rounding.

### **No cooling off rights**

For the listed period between 21 November 2022 and a date around May 2023, cooling off rights do not apply, because the Fund is listed.

For the unlisted period after delisting in around May 2023, cooling off rights do not apply, because the Fund is illiquid (Corporations Regulation 7.9.64).

### **No guarantee**

Neither we nor our respective subsidiaries nor any other party makes any representation or gives any guarantee or assurance as to the performance or success of the Fund, the rate of income or capital return from the Fund, the repayment of an investment in the Fund or that there will be no capital loss or particular taxation consequence of investing in the Fund. An investment in the Fund is subject to various risks. These risks are discussed in Section 3.

### **Restrictions on the distribution of this PDS**

This PDS does not constitute an offer of Units in any place in which, or to any person to whom, it would not be lawful to do so. The distribution of this PDS in jurisdictions outside Australia and New Zealand may be restricted by law and any person into whose possession this PDS comes (including nominees, trustees or custodians) should seek advice on and observe those restrictions.

The Offer to which this PDS relates is available to persons receiving this PDS (electronically or otherwise) in Australia and New Zealand. It is not available to persons receiving it in any other jurisdiction.

In particular, this document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States of America (“US”) or to, or for the account or benefit of, any “US person”, as defined in Regulation S under the US Securities Act of 1933 (Securities Act) (“US Person”).

This document may not be released or distributed in the US or to any US Person. Any securities described in this PDS have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the US, and may not be offered or sold in the US, or to, or for the account or benefit of, any US Person, except in a transaction exempt from, or not subject to, the registration requirements under the Securities Act.

### **Electronic PDS**

An electronic version of this PDS is available from the Fund’s website at [www.cdpefund.com](http://www.cdpefund.com)

### **Copy of this PDS**

The Responsible Entity will provide you with a copy of this PDS free of charge if you request one during the Offer period, within five days after receiving such a request.

### **Forward looking statements**

This PDS may contain forward looking statements which are subject to known and unknown risks, uncertainties and other important factors that could cause the actual results, events, performance or achievements of the Fund to be materially different from those expressed or implied in such statements. Past performance is not a reliable indicator of future performance.

### **Enquiries**

Applicants with enquiries concerning the Application Form or relating to this PDS and the Offer should contact the Responsible Entity on 1300 454 801, or via email at [info@cdfunds.com.au](mailto:info@cdfunds.com.au).

### **Glossary of terms**

Defined terms and abbreviations included in the text of this PDS are set out in the Glossary in Section 9.

# Table of Contents

IMPORTANT INFORMATION	ii
1. INVESTMENT OVERVIEW	1
2. ABOUT CD PRIVATE EQUITY FUND, CORDISH EQUITY PARTNERS AND SECTOR OVERVIEW	11
3. KEY BENEFITS AND RISKS	18
4. HOW THE FUND WORKS	27
5. FEES AND COSTS	38
6. TAX INFORMATION	48
7. MATERIAL CONTRACTS	60
8. ADDITIONAL INFORMATION	64
9. GLOSSARY	69
10. DIRECTORY	74

# 1

## Investment Overview

# 1. Investment Overview

## 1.1 Key Features of the CD Private Equity Fund

FEATURE	DESCRIPTIONS	SEE SECTION
<b>Fund Name</b>	CD Private Equity Fund ARSN 612 132 813 (known up to the date of the Merger as CD Private Equity Fund III – see “The Merger” below).	
<b>Fund Structure</b>	Australian registered managed investment scheme investing in US private equity investments through Caymans limited partnerships (“LPs”) either directly or via other Australian unit trusts.	Section 2, 4.4 and 4.5
<b>Investment Objective</b>	To provide Unitholders with: a) exposure to a portfolio of investments in small-to-mid sized private investment funds predominantly focused in the US; and b) capital growth over a 10-year investment horizon.	
<b>Investment Strategy</b>	To target US small-to-mid sized private investment funds, seeking to replicate Cordish Equity Partners’ investment strategy of focusing on this attractive investment niche.	Section 2, 4.2 and 4.3
<b>The Merger</b>	At the date of this PDS, the Fund is a listed trust that invests through a single Caymans LP in a portfolio of US private equity investments. The Merger, which is proposed to be implemented on or about 21 November 2022, involves the acquisition by the Fund of three other trusts that have similar investment portfolios in different stages of maturity, resulting in a much larger investment vehicle with a more diverse portfolio.	
<b>Investments</b>	The Fund will retain and manage the existing portfolios of the four Funds and also invest in a new limited partnership that will be established in the Cayman Islands.  The Fund will continue to employ a multi-manager style of investment where capital contributed will be applied to acquire interests in investment vehicles managed by third party fund managers (“ <b>Underlying Funds</b> ”). The Fund will also be able to acquire ownership in underlying private investments through co-investments with various limited partnerships or invest directly in underlying companies.	

FEATURE	DESCRIPTIONS	SEE SECTION
<b>Evergreen LP</b>	<p>The Evergreen LP is likely not to be established until after the Fund delists in approximately May 2023 as the Fund will want clarity on the amount available for investment before making any commitment to the Evergreen LP. Such clarity, in turn, will not be evident while the Fund is trading on the ASX, and the Fund is potentially undertaking a buyback (subject to the passing of the Fund III resolution).</p> <p>Further investments of the Fund, through the Evergreen LP, will depend on prevailing market conditions and available investment opportunities. The investments will be consistent with the investment objectives and guidelines of the Evergreen LP and, subject to the investment restrictions, the underlying investments may be in any sector or region. However, the focus is expected to be on funds investing in US based operating businesses.</p> <p>It is proposed that the proceeds of monthly subscriptions for new Units and cash generated within the Fund which is not used to fund withdrawal offers will be invested into the Evergreen LP and applied to acquire new investments.</p>	Section 2.1
<b>General Partner of Evergreen LP</b>	The general partner of the Evergreen LP, with responsibility for selecting and managing investments of the Evergreen LP, is expected to be a Delaware LLC.	Section 4.4
<b>Investment Manager to the Evergreen LP</b>	<p>US Select Asset Management Inc. is expected to be appointed as Investment Manager by the GP of the Evergreen LP.</p> <p>US Select Asset Management Inc. is the current investment manager for the Cayman LPs (II, III and IV), and there will be no change to the investment adviser of Cayman LP I.</p>	Section 4.4
<b>Fund Term</b>	The Fund does not have a set investment term; however, because of the nature of the underlying investments in private investment funds, investors are cautioned that an investment in the Fund should be viewed as long-term.	

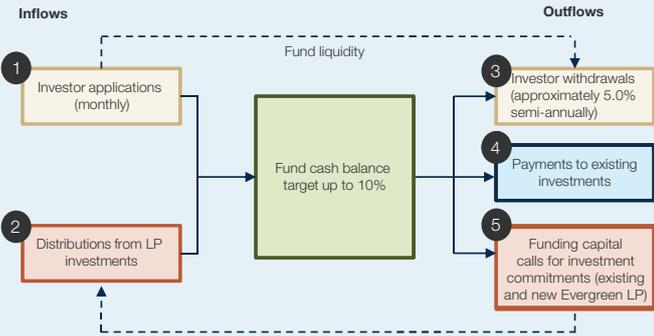
## 1. Investment Overview continued

FEATURE	DESCRIPTIONS	SEE SECTION
<b>Investment Management Structure</b>	<p>The general partner of each of the LPs in the series has engaged either E&amp;P Funds Management Pty Limited (ACN 159 902 708) (“<b>E&amp;PFM</b>”) or the Investment Manager (LPs II,III,IV and Evergreen LP) to act as investment manager and/or investment advisor for each respective underlying LP. E&amp;PFM and the Investment Manager provide investment advisory services to each Fund under the relevant Investment Advisory Agreement (“<b>IAA</b>”) in return for the payment of a fee by the GP.</p> <p>The Evergreen GP is expected to engage the Investment Manager to act as the investment manager for the Evergreen LP on similar terms to previous engagements.</p> <p>Jonathan Sinex, a Managing Director of Cordish Equity Partners, has been seconded to the Investment Manager and its related entities and focuses on private equity investments for the Investment Manager and Cordish Equity Partners.</p> <p>Jonathan Cordish and Alex MacLachlan, existing Directors of the GPs will continue as Directors of the GPs. The GPs owe fiduciary duties to all limited partners of the LPs.</p>	<p>Section 4.4</p>
<b>Portfolio Manager</b>	<p><b>Jonathan Sinex</b></p> <p>BA (ECON) (Middlebury), MBA (Darden)</p> <p><b>Managing Director, Cordish Equity Partners</b></p> <p>Jonathan is currently the Managing Director at Cordish Equity Partners, where he is responsible for managing all private equity opportunities in his role with the Investment Manager for Fund I, Fund II, Fund III, Fund IV, and related entities.</p> <p>Prior to joining Cordish, Jonathan was a private equity investor at Goldman Sachs and Devonwood Investors, and during business school served as the interim CFO at a private equity backed consumer products company.</p> <p>Jonathan began his career in 2004 as an investment banker at Bear Stearns providing M&amp;A, capital raising and advisory services to public and private companies. Jonathan received his Bachelor of Arts in Economics from Middlebury College and a Master of Business Administration (with highest honors) from the University of Virginia’s Darden School of Business.</p> <p>Further information about Cordish Equity Partners, can be found at this link: <a href="https://www.cordishequitypartners.com/">https://www.cordishequitypartners.com/</a></p> <p>Jonathan Cordish and Alex MacLachlan, existing Directors of the GPs will continue as Directors of the GPs.</p>	<p>Section 2.2</p>
<b>Fees</b>		

FEATURE	DESCRIPTIONS	SEE SECTION							
<b>Investment Management Fee (GP Fee)</b>	<p><u>Evergreen LP</u></p> <p>Investment Management fee: 1% p.a. (charged by the GP to the Evergreen LP on committed capital on a per investment basis) for each PE investment.</p> <p>The management fee will commence on the acquisition of each portfolio investment made by the Evergreen LP and continue until the earlier of 10 years from commencement or the time at which all capital contributions for the investment have been returned at which point the management fee will cease for that particular portfolio investment.</p> <p><u>Existing LPs</u></p>								
	<table border="1"> <thead> <tr> <th data-bbox="496 844 719 898">Fund</th> <th data-bbox="719 844 943 898">Amount (%)</th> <th data-bbox="943 844 1158 898">Expiry</th> </tr> </thead> <tbody> <tr> <td data-bbox="496 898 719 1144">LPI</td> <td data-bbox="719 898 943 1144">GPI is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPI.</td> <td data-bbox="943 898 1158 1144">Expired</td> </tr> </tbody> </table>		Fund	Amount (%)	Expiry	LPI	GPI is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPI.	Expired	Section 5
	Fund		Amount (%)	Expiry					
	LPI		GPI is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPI.	Expired					
	<table border="1"> <tbody> <tr> <td data-bbox="496 1158 719 1391">LPII</td> <td data-bbox="719 1158 943 1391">GP II is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPII.</td> <td data-bbox="943 1158 1158 1391">Feb-23</td> </tr> </tbody> </table>		LPII	GP II is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPII.	Feb-23				
	LPII		GP II is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPII.	Feb-23					
<table border="1"> <tbody> <tr> <td data-bbox="496 1408 719 1641">LPIII</td> <td data-bbox="719 1408 943 1641">GP III is entitled to receive a management fee equal to 1% per annum of the total capital committed by the limited partners to LPIII.</td> <td data-bbox="943 1408 1158 1641">July-26</td> </tr> </tbody> </table>	LPIII	GP III is entitled to receive a management fee equal to 1% per annum of the total capital committed by the limited partners to LPIII.	July-26						
LPIII	GP III is entitled to receive a management fee equal to 1% per annum of the total capital committed by the limited partners to LPIII.	July-26							
<table border="1"> <tbody> <tr> <td data-bbox="496 1659 719 1892">LPIV</td> <td data-bbox="719 1659 943 1892">GP IV is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPIV.</td> <td data-bbox="943 1659 1158 1892">April-28</td> </tr> </tbody> </table>	LPIV	GP IV is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPIV.	April-28						
LPIV	GP IV is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPIV.	April-28							
<p>The blended GP fee across the series is estimated to be 0.68% of the NAV of the Fund (inclusive of the net effect of GST).</p>									

## 1. Investment Overview continued

FEATURE	DESCRIPTIONS	SEE SECTION
<b>Responsible Entity &amp; Administration Fee and Expense Recovery</b>	<p><u>Responsible Entity fee</u></p> <p>0.08% p.a. excluding GST (payable to the RE) on the gross assets of the Fund. This is estimated to be 0.09% of the NAV of the Fund (inclusive of the net effect of GST).</p> <p><u>Admin fee</u></p> <p>0.25% p.a. excluding GST (payable to the RE) on the gross assets of the Fund. This is estimated to be 0.28% p.a. of the NAV of the Fund (inclusive of the net effect of GST).</p> <p>Expenses are also recovered from the Fund, Cayman LPs and Underlying US Private Equity Funds.</p>	Section 5
<b>Performance Fee</b>	<p>The Evergreen GP will be entitled to a performance fee of 10% of the return achieved by the Evergreen LP above a hurdle rate equal to a cumulative, non-compounded pre-tax return of 8% per annum on a per investment basis. Investors should note that the Hurdle Rate references to the Evergreen LP and is denominated in US dollars.</p> <p>The existing performance fees for LPIII and LPIV will remain and the underlying US PE Funds also have existing performance fees in place.</p>	Section 5
<b>Risks</b>	<p>In addition to the usual market and investment risks and illiquidity associated with private equity portfolios, there are some additional risks of investing in this Fund of which investors should be aware, including that the amount and timing of redemption of capital via withdrawal offers is not guaranteed, exit through sale on the ASX (while listed) may be at a significant discount to NAV, distributions of income are required to be reinvested, and there are foreign exchange, tax and other risks associated with investing in United States assets through the Cayman Islands structures.</p>	Section 3.2, 3.3
<b>Applications to Invest</b>	<p>Following delisting of the Fund, around May 2023, applications for Units will be accepted monthly, starting July 2023</p> <ul style="list-style-type: none"> <li>• Minimum initial investment \$5,000</li> <li>• Minimum additional investment \$2,000</li> <li>• The application price for Units is based on the net asset value of the Fund divided by the number of Units on issue adjusted for estimated transaction costs. For this purpose, the Fund's assets are valued monthly</li> <li>• There is not expected to be a buy spread on new investments into the Fund. However there may be in the range of 0.0% - 0.2% depending on whether new investments are to be acquired, and the associated costs</li> <li>• Indirect Investors should refer to their Service Operator's disclosure documents for minimum investment requirements</li> </ul>	Section 4.1

FEATURE	DESCRIPTIONS	SEE SECTION
<p><b>Liquidity</b></p>	<p><b>During the approximately six months following the Merger</b></p> <ul style="list-style-type: none"> <li>The Fund will be listed on the ASX for approximately six-months following implementation of the Proposal. The Responsible Entity will also look to conduct on-market buybacks during this period. The buybacks will be for up to 10% of the number of Units, if this level of buyback is approved by Fund III investors, on issue following the Merger. It is expected that the maximum number of Units which can be bought back is approximately 26.8 million Units.</li> </ul> <p><b>Ongoing from around May 2023:</b></p> <ul style="list-style-type: none"> <li><u>Six monthly Withdrawal Offers</u></li> </ul> <p>Six monthly withdrawal offers will target facilitating withdrawals of up to approximately 5% of the Fund’s Units on issue every six-months (subject to market conditions, cash availability and the RE’s discretion)(“<b>Withdrawal Offer</b>”). See <i>Details of Withdrawal Offers</i> in the next row of the table below.</p>  <ul style="list-style-type: none"> <li><u>Liquidity Review Event</u></li> </ul> <p>At the seven year anniversary of the Proposal’s implementation the Fund will put to investors a vote for whether the Fund is wound down, if acceptances of withdrawal offers have exceeded by 25% or more the total amounts of withdrawal offers made in the Fund in the twelve months leading up to the date of consideration or if no withdrawal offers have been made in that time.</p> <ul style="list-style-type: none"> <li><u>Sub-Portfolio Asset Sales</u></li> </ul> <p>Targeted asset sales of parts of the Fund’s portfolio are anticipated to be easier than in the separate closed-ended Funds as the Investment Manager is able to take advantage of market conditions. The Investment Manager would not be a forced seller of assets but look to take advantage of disposal opportunities.</p>	

## 1. Investment Overview continued

FEATURE	DESCRIPTIONS	SEE SECTION
<p><b>Detail of Withdrawal Offers</b></p>	<p>Semi-annual Withdrawal Offers</p> <ul style="list-style-type: none"> <li>Amount available for withdrawal will be a target of approximately 5% of Units on issue every six months. Final amount for each withdrawal will be subject to market conditions, and is at the discretion of the Responsible Entity.</li> <li>Funded via distributions received from the existing LPs, proceeds from any asset sales, any inflows from new subscriptions, potentially borrowings and available cash reserves.</li> <li>First withdrawal window expected in December 2023 and each withdrawal offer will remain open for at least a 3 week window.</li> <li>If acceptance of a withdrawal offer exceeds 5% of the Units on issue in the Fund in a six monthly window and the Fund has excess liquidity, the Responsible Entity may elect to increase the withdrawal amount at the next window if it determines this is in the best interests of members, or offer interim withdrawal offers.</li> <li>If acceptances of the withdrawal offer exceed the amount of liquidity available under the offer for a six month window, withdrawals will be scaled back pro-rata and Unitholders can resubmit their acceptance at the next six month withdrawal window (there is no ability for investors to submit a withdrawal request outside of a withdrawal window and investors will not have any priority over other investors if they have previously partaken in a withdrawal offer). Investors will need to resubmit their acceptance for each six month withdrawal. Investors should note that it may take multiple windows to access their investment in full.</li> <li>If Fund liquidity exceeds acceptances of the withdrawal offer in a six month window, the intention is to reinvest the excess through the Evergreen LP.</li> </ul> <p>Full details of each withdrawal window will be made available on the Fund's website (<a href="http://www.cdpefund.com">www.cdpefund.com</a>) at each six month window.</p> <p>Notice of the opening or closing of the withdrawal windows is not expected to be provided to investors directly and they will need to monitor the Fund's website.</p> <p>The terms and conditions, including pricing and timing, of the withdrawal window will also be made available via the website.</p> <p><b>The Responsible Entity can cancel a Withdrawal Offer (including during the Withdrawal Offer window).</b></p>	<p>Section 4.1</p>

FEATURE	DESCRIPTIONS	SEE SECTION
<b>Withdrawal Price - Sell Spread</b>	<p>The withdrawal price for a Unit is expected to be its NAV per Unit as at the last valuation before the withdrawal offer closes, less the Sell Spread ("<b>Withdrawal Price</b>").</p> <p>Under the Constitution, the Responsible Entity may determine a sell spread to be applied to the withdrawal price of Units based on the reasonable estimate of transaction costs incurred to facilitate each withdrawal offer ("<b>Sell Spread</b>"). In the ordinary course, the Responsible Entity is expecting that a Sell Spread of 0.5% of the NAV per unit will be payable to cover the expected legal, tax, registry and accounting costs of facilitating the withdrawal offers.</p> <p>The maximum amount that is likely to be payable could be up to 3.0% of NAV. This would occur in the event that part of the underlying portfolio needs to be sold to meet withdrawal requests and larger costs are required to be paid to legal and tax advisers as well as any potential selling fee that may be payable. The Sell Spread for each withdrawal offer will be specified in the notice of the particular offer on the Fund's website.</p> <p>The Sell Spread is not a fee charged by the Responsible Entity but remains an asset of the Fund and is expected to offset the cost of facilitating the withdrawal offers.</p>	Section 4.1
<b>Cash</b>	<p>The Responsible Entity will target a cash holding of up to 10% for the Fund but there is no specific limitation on the amount of cash that may be retained by the Fund.</p> <p>A higher cash balance may have an impact on the Fund's returns.</p>	Section 4.12
<b>Distributions</b>	<p><b>The Fund will not pay regular cash distributions.</b> While distributions from the Fund will be determined for Australian tax purposes prior to 30 June each year, following delisting distributions will not be paid out in cash, but will instead be reinvested, via the compulsory DRP and Unitholders will receive additional Units in approximately August of each year (see "Compulsory Distribution Reinvestment Plan" below).</p> <p>Reinvested income of the Fund will generally be used to fund the withdrawal facility or be reinvested into the Evergreen LP for further portfolio acquisitions.</p>	

## 1. Investment Overview continued

FEATURE	DESCRIPTIONS	SEE SECTION
<p><b>Compulsory Distribution Reinvestment Plan</b></p>	<p>The Fund will implement a compulsory distribution reinvestment plan (“<b>DRP</b>”) after it is delisted to ensure the Fund’s taxable income for each Financial year is distributed. Investors who choose to participate their entire holding in a Withdrawal Offer and who have their withdrawal request scaled back will be issued new Units via the Fund’s compulsory DRP in respect of Units that were not redeemed via the Withdrawal Offer.</p> <p>Investors will be issued Units around August of each year and are unable to opt out of the compulsory DRP.</p> <p>When there is such a reinvested distribution, investors will receive a tax statement around August of each year setting out the amounts that may need to be included in the unitholders Australian tax return such as foreign assessable income and any foreign tax offsets for the year. For more details on the Australian taxation implications of the compulsory DRP see Section 6.</p> <p>Investors who would like to receive cash from the Fund to pay any tax on the income that is distributed and reinvested may seek to do so through acceptance of the withdrawal offers which are proposed to be made each six months (although there is no guarantee investors will be able to generate as much cash through these withdrawal offers as they require to meet their tax liabilities).</p>	<p>Section 4.1 and 6</p>
<p><b>Gearing</b></p>	<p>The Responsible Entity does not intend for the Fund to directly undertake borrowings, however it may borrow in certain circumstances, including to fund withdrawal offers. The Responsible Entity intends that any borrowings will be limited to 10% of the total gross assets of the Fund.</p> <p>The LP may take on borrowings, as determined to be appropriate by the GP in its sole discretion, in order to acquire private investments.</p> <p>The GP may cause an LP to borrow not more than 15% of the LP’s aggregate capital commitments.</p>	<p>Section 4.7</p>
<p><b>Ethical Considerations</b></p>	<p>The Investment Manager’s investment decisions in respect of the Evergreen LP (in which the Fund is to have an interest as a limited partner) and the management of the Fund’s other assets are primarily based on economic factors, and they do not specifically take into account labour standards or environmental, social or ethical considerations in the selection, retention, or realisation of investments.</p>	

# 2

## About the CD Private Equity Fund, Cordish Equity Partners and Sector Overview

## 2. About the CD Private Equity Fund, Cordish Equity Partners and Sector Overview

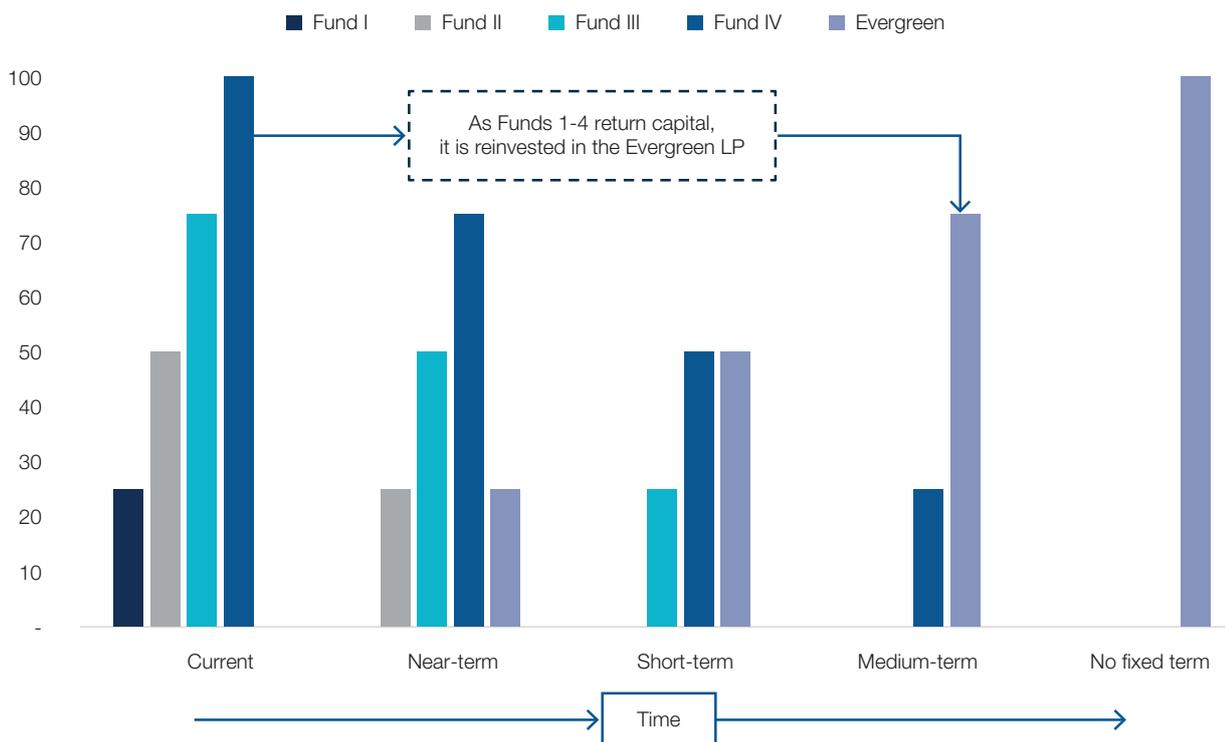
### 2.1 Evergreen Fund

The Fund is an open-ended fund without a fixed term. This type of Fund is known as an evergreen fund (“**Evergreen Fund**”).

An evergreen fund gives investors the ability to maintain their exposure to an asset class such as private equity more easily without having to assume reinvestment risk or being able to find a suitable investment manager or fund when their original invested capital is returned to them.

An evergreen fund has benefits for the Investment Manager where the Investment Manager is able to target certain investment thematic or misvalued opportunities within the market as it has a more flexible investment approach and can reinvest more easily.

The diagram below illustrates how capital returned from the Fund I, Fund II, Fund III and Fund IV LPs (the four Australian registered schemes that combined under the Merger) is reinvested into the Evergreen LP. As time goes on, Fund I, Fund II, Fund III and Fund IV LPs are wound down and only one LP is left – the Evergreen LP – which continues to grow indefinitely.



The RE is unable to define specifically the length of time it will take to transition entirely to the Evergreen structure as the underlying US PE funds will return proceeds to their investors as underlying companies are sold and this is dependent on market conditions and the RE has no control over those decisions.

## 2.2 Overview of the Cordish Companies and Cordish Equity Partners

The Cordish Companies is a Baltimore, Maryland US-based fourth generation family business that has grown into a conglomerate of businesses since it was founded in 1910. The group's core business is a large and well-respected real estate development business that is widely recognised as a leading developer of large-scale urban revitalisation projects and entertainment districts. Many of the group's developments involve public-private partnerships and are of unique significance to the cities in which they are located. Other divisions of The Cordish Companies include a highly successful casino and resort development company, an operating division that owns and operates leading entertainment venues throughout the US, a media division, and a private investment division.

Cordish Equity Partners is part of the non-real estate investment arm of The Cordish Companies. Cordish Equity Partners has been investing in private equity funds and directly in operating companies since 1998 and has demonstrated their ability to source, identify, and gain access to top private investments in the US, a market that is difficult to access for most investors. In particular, it has significant experience successfully investing the Cordish family's capital in small-to-mid sized private investment opportunities. Cordish Equity Partners has focused on seeking superior investment opportunities in emerging growth areas, with a long-term investment horizon. Cordish Equity Partners has sought to invest with private investment fund managers that have not only delivered outstanding financial returns, but have also exhibited high levels of business integrity, and with whom it can develop lasting relationships.

The Fund presents an opportunity to invest alongside Cordish Equity Partners. Access to the experience and networks of Cordish Equity Partners is of great benefit to the Fund given the importance of manager selection in the US private equity market.

The Fund expects to leverage this experience to access top performing private fund managers. Additionally, Jonathan Sinex, a Managing Director of Cordish Equity Partners, has been seconded to the Investment Manager and its related entities and focuses on private equity investments for the Investment Manager and Cordish Equity Partners. Since 2018, Cordish Equity Partners, separately to the CD Private Equity Fund Series, has continued to grow and invest capital into the US private equity market. As they have grown, Cordish Equity Partners have moved to more regular commitments of capital, and hence there are expected to be more opportunities for the Fund to invest alongside Cordish Equity Partner's ongoing investment program as opposed to making one-off, large commitments of capital. Cordish Equity Partners will not be a limited partner in the Evergreen LP.

Through Cordish Equity Partners, the experience and relationships developed across Fund I, Fund II, Fund III and Fund IV, and through executives of the Responsible Entity, the Investment Manager believes it has accrued the track record, in-house experience, due diligence capabilities and credibility to source, analyse, invest in, and monitor these private investment funds. It is anticipated that a significant portion of the underlying investments the Fund will make, through the LPs, are targeted to be with managers with whom Cordish Equity Partners has previously successfully invested with or with whom the Investment Manager has an established relationship and already engaged in active due diligence. It should be noted that performance of Cordish Equity Partners is not necessarily an indicator of the future performance of the Fund.

## 2.3 Investment Process

The Responsible Entity believes the key to achieving superior returns in private investment funds lies in the capabilities and performance of the management teams of these funds. The selection of these managers is of critical importance and the in-depth analysis of each potential investment opportunity involves a series of steps that evolve into a judgement about the manager. Similar to the previous Funds in the CD Private Equity Fund Series, the Investment Manager will employ a six-stage investment process when investing the Evergreen LP's capital in private investment opportunities as illustrated below.

### **Step 1: Market review**

The investment process begins with a review of the market, involving identification of small-to-mid market private investment fund managers that are raising money and the timing of their fund raising.

### **Step 2: Preliminary evaluation**

During the preliminary screening, the Investment Manager will apply its four broad investment criteria: a) fit with the Fund's investment strategy and target investment characteristics (that is, focused investment strategy on niche opportunities, operating businesses with existing cash flows, appropriate fund size, limited use of leverage and a hands-on approach by senior fund executives); b) performance record of the private investment fund manager and any previous experience of the Investment Manager or Cordish Equity Partners with them; c) strength of the management team of the fund including skills and experience in executing their strategy, and motivation and commitment of key people; and d) structure of the private investment fund and fit with the Fund's desire to maximise after-tax returns. This step is designed to provide a shortlist of investment opportunities, so the focus is only on high quality, smaller niche funds. Despite a smaller universe of shortlisted funds, the opportunity set in the US remains sufficiently large.

## 2. About the CD Private Equity Fund, Cordish Equity Partners and Sector Overview continued

### **Step 3: Due diligence**

Once a private investment opportunity is shortlisted, comprehensive due diligence is undertaken on the potential investment. As part of the process, particular attention is given to: a) management team expertise, including their track record in private equity investments and experience as business operators; b) quality of the fund's business model, including business plans, financial analysis and appropriateness of proposed management fees; c) ability to support future investments and provide assistance in company growth – value-adding strategies; d) investment sourcing and structuring experience; e) reporting and investment validation processes; and f) exit experience and strategy. The Investment Manager's focus on the track record of the private investment fund manager means that a large amount of time will be spent discussing the sourcing of their investment opportunities and understanding their individual investee company experience and the role of the manager in the growth of the business.

### **Step 4: Deliberation and decision**

When the due diligence review has been completed and the investment opportunity has passed all the relevant criteria, the investment opportunity is considered in the context of the Evergreen LP's portfolio and investment strategy, and a decision to invest is made subject to final negotiation of investment documentation.

### **Step 5: Investment**

As part of the investment process, the Investment Manager may negotiate specific terms with the private investment fund manager and structure its holding in the opportunity accordingly.

### **Step 6: Monitor investments**

Part of the ongoing investment process is to monitor all investments and foster a close involvement with the private investment fund managers through regular visits and investment updates throughout the term of the investment. Once a commitment is made, the Investment Manager will remain apprised of the fund's investment activities, the overall risk levels of the fund, ongoing integrity of the fund manager's investment strategy, staff turnover and market environment.

## **2.4 US small and mid-market private investments**

Private investments are primarily in unlisted companies at various stages of their development. Depending on the stage of the business and its individual needs, the different types of private investments can be broken down into different types, including: venture capital, expansion capital, management buy-outs, distressed/turnaround and mezzanine financing. All of these private investment types share an opportunistic character, seeking to exploit inefficiencies in the capital markets.

Private investments may be made either directly into individual private companies or through pooled investment vehicles (private investment funds) managed by professional investment teams.

### **2.4.1 Small and mid-market private investments**

The CD Private Equity Fund Series has targeted the small and mid-market private investments market in the US through a multi-manager style of investment where capital contributed was applied to acquire interests in investment vehicles managed by third party fund managers (underlying funds). By adopting this investment style, the CD Private Equity Fund Series has held indirect rather than direct investments.

The US small and mid-market private investment market has the following characteristics:

#### **(a) Size and growth of US middle market**

The US middle market, defined as firms with annual revenue from US\$10 million to \$US1 billion, is one of the world's largest equity markets. Not only is the US middle market substantial, but it has also traditionally been the fastest growing US market segment.

#### **(b) Private equity can further enhance growth in middle market companies**

Whilst the US middle market has traditionally sustained a higher growth rate with respect to jobs growth and sales than other segments, there is a significant difference between the performance of firms that are backed by private fund investment and those that are not.

### (c) Sources of returns in middle market investing

In the private investment space, exceptional returns can stem from investing in overlooked companies with superior growth prospects and investing in them at compelling valuations. The Investment Manager believes that the small and mid-market segment has a rich pool of target investment opportunities which tend to exhibit less competitive pricing than investments in larger companies. This creates opportunities for funds in the small and mid-market segment to acquire companies at reasonable or low valuations.

Importantly, companies in the small and mid-market segment, by virtue of their size, are typically nimble and have significant growth opportunities. They have potential to benefit from private investment fund managers' ability to drive operational changes that improve margins and drive revenue growth.

### (d) Performance of US middle market private equity funds

US private investment funds range in size from tens of millions of dollars in total capital to tens of billions of dollars. The US small and mid-market private investment segment consists of funds that manage less than US\$1 billion of capital and generally target investments in companies with total values of less than US\$300 million. Funds focused on the small and mid-market segment have historically tended to outperform their larger peers.

Given the superior performance of small and mid-market private investment funds, these funds tend to experience high demand and have strict access limitations. Access to these funds is typically confined to smaller endowment funds and family offices.

## 2.5 Fund Asset Allocation

The Fund's investment objectives are to provide Unitholders with exposure to a portfolio of investments in small and mid-market private investment funds and privately held companies, predominantly in the US, to achieve capital growth over a ten-year investment horizon.

At the time of the Merger:

- through its investment in the LPs, the Fund will have capital commitments across 43 US private investment funds all focused on small-to-mid-market private investment opportunities; and
- the fund will have exposure to more than 280 underlying business investment opportunities, some of which are now well progressed in utilising the capital or have been realised through sale, recapitalisation or another form of investment realisation.

The information below is a snapshot of the Fund's portfolio at the time of the Merger. The Fund's assets will change over time. Updated information about the portfolio will be available from time to time on the Fund's website at [www.cdpefund.com](http://www.cdpefund.com), and in regular reports to Unitholders.

### (a) Snapshot as at the date of the Merger

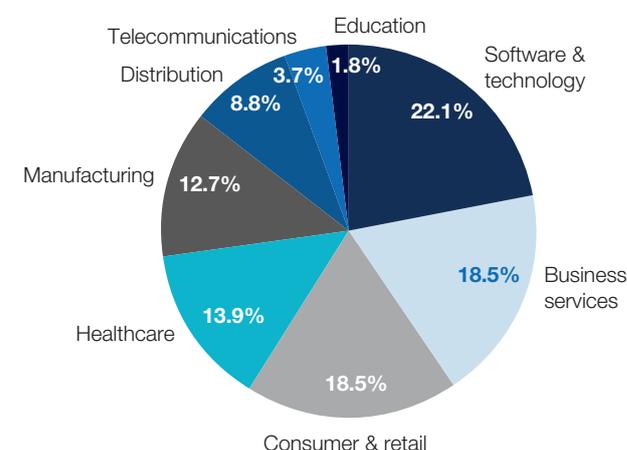
<b>Gross Assets<sup>^</sup></b>	\$650 m
<b>Number of underlying funds (#)<sup>^</sup></b>	43
<b>Number of underlying investments (#)</b>	284
<b>Average age of companies invested in (yrs)<sup>^^</sup></b>	3.9

<sup>^</sup> Gross assets as at 30 June 2022, inclusive of Fund IV capital call and post-Merger transaction costs. Includes Prometheus Partners IV, L.P. from which the LP received a final distributions in 2016.

<sup>^^</sup> Average age of companies is since the start of each Fund's investment as at 31 August 2022. Data provided 31 August 2022.

### (b) Sector Overview as at the date of the Merger

The following chart describes the various sectors in which the Fund will be invested as at the date of the Merger, based on committed capital.



## 2. About the CD Private Equity Fund, Cordish Equity Partners and Sector Overview continued

### (c) Manager Overview as at the date of the Merger

The below table shows the total US\$ commitments to the underlying US PE managers by the LPs in the Fund (figures as at 30 June 2022).

MANAGER	US\$ COMMITMENT	MANAGER	US\$ COMMITMENT
<b>US Select Direct</b>	88	<b>Nosara</b>	10
<b>Incline</b>	30	<b>RFE</b>	8
<b>Trivest</b>	20	<b>Staple Street</b>	8
<b>Trive</b>	20	<b>CPF</b>	7.5
<b>Tower Arch</b>	18	<b>High Road</b>	7.5
<b>DFW</b>	17.5	<b>Main Post</b>	7.5
<b>Encore</b>	17.5	<b>Luminate</b>	7.5
<b>NMS</b>	16.5	<b>Quad V</b>	7.5
<b>Elephant</b>	15	<b>Blue Point</b>	5
<b>Gainline</b>	12.5	<b>Growth Street</b>	5
<b>Core Industrial</b>	12.5	<b>PeakSpan</b>	5
<b>Wavecrest</b>	12.5	<b>Telescope</b>	5
<b>KarpReilly</b>	10	<b>Rucker Park</b>	5
<b>Tengram</b>	10	<b>Prometheus</b>	4.8
<b>Bertram</b>	10	<b>FPC</b>	4
<b>Gemspring</b>	10	<b>Peppertree</b>	3
<b>Astra I</b>	10		

Note: the LPs received final distributions from DFW Capital Partners IV and RFE Investment Partners VIII and these underlying funds are included in the above table. The table includes the Fund's commitment to Prometheus Partners, LPI received a final distribution in 2016 from Prometheus Partners IV, L.P.

#### (d) List of Funds

The following table highlights the different underlying US PE funds to which the Fund will have committed capital via the LPs, as at the date of the Merger.

Encore Consumer Capital Fund II	Tengram Gen2 Fund	U.S. Select Direct Private Equity (US) II
FPC Small Cap Fund I	Tower Arch Partners I	Astra Partners I
Incline Equity Partners III	Trive Capital Fund I	Core Industrial Partners Fund I
KarpReilly Capital Partners II	Bertram Growth Capital III	Elephant Partners II
Peppertree Capital Fund IV QP	DFW Capital Partners V	Gainline Equity Fund
Trivest Fund V	Elephant Partners I	Incline Elevate
U.S. Select Direct Private Equity (US)	Encore Consumer Capital III	Nosara Capital Fund I
Blue Point Capital Partners III	Gemspring Capital I	Quad Partners V
Chicago Pacific Founders Fund	Growth Street I	Rucker Park I
DFW Capital Partners IV	Incline Equity Partners IV	Tower Arch Partners II
High Road Capital Partners II	Luminate Capital Partners I	Trivest Fund VI
Main Post Growth Capital	New Mainstream Capital III	Wavecrest Growth Partners I
New Mainstream Capital II	PeakSpan Growth Capital I	Trive Capital Fund II
RFE Investment Partners VIII	Telescope Partners I	Staple Street Capital II

Note: the LPs received final distributions from DFW Capital Partners IV and RFE Investment Partners VIII and these underlying funds are included in the above table. The table excludes the Fund's investment in Prometheus Partners as LPI received a final distribution in 2016 from Prometheus Partners IV, L.P.

# 3

## Key Benefits and Risks

## 3. Key Benefits and Risks

An investment in the Fund has a number of investment benefits and risks. Key investment benefits and risks are summarised below.

### 3.1 Key Investment Benefits

<b>Access to family office style of investing alongside the highly successful Cordish Family</b>	The Fund provides an opportunity to invest alongside the Cordish Family Office, which has significant experience and expertise investing in private markets. Typically, family offices have access to many private ventures and investment opportunities that are beyond the reach of most individual investors.
<b>Potential for superior long-term returns in small-to-mid sized private investments</b>	Historically, US private equity has generally outperformed US public equity over the long term. Furthermore, within private equity, small-cap private equity has generally generated superior performance to its larger counterparts over the long term. However, historical performance is not a reliable indicator of future performance.
<b>Diversification benefits</b>	<p>The Responsible Entity believes the Fund offers investors the opportunity to diversify their investment portfolio beyond real estate, public equities and fixed income while increasing their return potential.</p> <p>Private investment returns have historically demonstrated low correlation with public equities and fixed income and have on average tended to outperform listed equities.</p>
<b>High quality and experienced management</b>	The Responsible Entity believes that manager selection is critical to success in investing in private equity. The Investment Manager has demonstrated strong expertise in selecting top performing managers within small-to-mid sized private investment funds.
<b>Convenient investment platform</b>	<p>Private investment funds are typically illiquid and have minimum investment requirements ranging from \$1 million to \$5 million, and often higher, putting the best performing private investment funds out of reach of most investors.</p> <p>The Fund provides an opportunity to invest in private investment opportunities. The Evergreen structure is expected to align better with the sporadic nature of private investments where committed capital is drawn down and invested over time as investments are identified.</p>

### 3.2 Key Investment Risks

Prior to investing, you should consider the risks involved in investing in the Fund and whether the Fund is appropriate for your objectives and financial circumstances. You should read this PDS in its entirety to gain an understanding of the risks associated with an investment in the Fund.

This PDS contains forward-looking statements based on certain assumptions that are inherently uncertain. Actual events and results of the Fund's operations could differ materially from those anticipated. Some of the risks may be mitigated by the use of safeguards and appropriate systems and actions, but some are outside the control of the Responsible Entity and cannot be mitigated.

The Responsible Entity does not forecast or guarantee any rate of return in terms of income or capital or investment performance of the Fund. The value of the Units will reflect the performance of the investments made by the Fund and current market conditions. There can be no certainty that the Fund will generate returns or distributions to the satisfaction of the investor.

The Fund should not be seen as a predictable, low risk investment. The Fund's investments are expected to be in unlisted securities, and the Fund is therefore considered to have a higher risk profile than cash assets.

Investors can undertake several steps to help minimise the impact of risk. First, seek professional advice suited to your personal investment objectives, financial situation and particular needs. Second, only make investments with a risk level and

### 3. Key Benefits and Risks *continued*

time frame recommended by your professional advisor.

This section describes the areas the Responsible Entity believes to be the major risks associated with an investment in the Fund. These risks have been separated into specific investment risks and general investment risks.

It is not possible to identify every risk associated with investing in the Fund. Listed below are specific investment risks to the Fund and prospective investors should note that this is not an exhaustive list of the risks associated with the Fund.

#### 3.3 Specific Investment Risks to the Fund

<b>Investment Performance Risk</b>	<p>There is a risk that underlying investment managers may be unable to secure appropriate investments or realise existing investments in a manner that will generate acceptable returns for investors.</p> <p>None of the Responsible Entity, GPs, Investment Managers or any other person gives a guarantee regarding the amount of income, distribution or capital return of Units or the performance of the Fund, nor do they guarantee the repayment of capital.</p>
<b>No Cash Distributions</b>	<p>It is a term of investments in CD Private Equity Fund that distributions of income will not be paid in cash, but must be reinvested in the Fund, with additional units issued to represent the reinvestment. Unitholders may, however, be required to include amounts such as foreign assessable income in their Australian tax returns.</p> <p>If a Unitholder needs cash to meet any tax liability, they may consider accepting the six-monthly withdrawal offers in respect of some of their units to receive cash from the Fund for this purpose (noting that there is no guarantee that withdrawal requests will be met in part or in full).</p>
<b>Private Investments Risk</b>	<p>The Fund's private investments provide exposure to small-to-mid-sized companies where business activities, systems and processes may be less developed and/or diversified than at larger companies and so present higher risks. Leverage may be utilised which increases financial risk. The underlying fund managers, when actively managing their fund's investments, may utilise financial and operational strategies (including making and integrating acquisitions) to more rapidly drive growth. These investment strategies may increase the potential for loss of capital and may result in greater operational and financial variability. Private investments may also take a relatively long time to become profitable. Given these characteristics, the private investments asset class should be considered a higher risk asset class than traditional equities. Investments in this asset class should be considered a long-term investment.</p>
<b>Withdrawal Risk</b>	<p>It is intended that the Fund will have 6 monthly Withdrawal Offers, with the first withdrawal window in December 2023. Investors will not be able to withdraw from the Fund other than through these withdrawal windows. The size of each 6 monthly withdrawal offer is expected to be approximately 5% of the Units on issue in the Fund (that is, approximately 10% of Units each year) but may be higher or lower. The Responsible Entity currently expects that the Fund will be able to source sufficient liquid assets at each six-monthly interval for a withdrawal offer of that size, with cash being sourced from reinvested income and potentially from new subscriptions for Units, asset sales, possibly borrowings and cash reserves. The Responsible Entity may cancel a Withdrawal Offer and investors are not guaranteed that they will be able to exit in full at each Withdrawal Offer. Investors may require multiple Withdrawal Offers to be able to exit in full.</p> <p>The Fund does not have a fixed term. It is important that investors understand that if they invest in Fund Units they have limited rights to exit the Fund, and to receive the proceeds of withdrawal or a return of capital, at any time.</p>

<p><b>Unlisted Underlying Investments Risk</b></p>	<p>The underlying investments of private investment funds are typically in unlisted investments, and are not commonly traded amongst investors. As a result, there may be no open market to establish an independent value for certain investments and no assurance that a determination of fair value will be obtainable in the market or that there will be a market for the sale of unlisted investments.</p> <p>Individual investments made by private investment funds are typically held for a duration of three to five years, but some investments can be held for up to 10 years. The majority of any gains from these investments will typically only be realised when they are sold. There can be no certainty that any gain on an investment will be realised by the investment fund.</p> <p>It is generally the responsibility of the underlying fund managers to determine the value of each underlying investment in their portfolios. In the absence of any liquid trading market for these types of investments it may take longer to liquidate these investments than would be the case for marketable securities. Accordingly, the value obtained on realisation may differ materially to the estimated values determined by the underlying fund managers. Should the realisable value of the underlying investments differ materially to the underlying fund manager's valuation, or should there be a material change in the underlying fund manager's valuation, this may affect the Fund's performance and may result in increased Unit NAV volatility.</p>
<p><b>Investment Exit Risk</b></p>	<p>Interests in private investment funds are typically not frequently traded among investors. Such investments usually carry no entitlement for investors to withdraw from or otherwise realise their investment in underlying funds except at the discretion of the relevant fund manager. The Responsible Entity, GPs, and the Investment Managers can exercise no control over the decisions of the underlying fund managers. Accordingly, the Fund may not be able to readily realise its investment in underlying funds. Any difficulties in realising underlying investments may affect the ability of the Responsible Entity to satisfy withdrawal requests at the Fund level.</p>
<p><b>Foreign Exchange Risk</b></p>	<p>The Fund's investments are focused on the US small-to-mid-sized private investment segment through the Fund's investments in the LPs. The assets and liabilities of the LPs and their controlled entities are denominated in US dollars. The value of the Units will be affected by increases and decreases in the value of the US dollar relative to the Australian dollar. This will affect the value, in Australian dollars, whenever any of LPs' income or capital is distributed to the Fund or the value of the Fund's net assets is calculated. An increase in the value of the US dollar against the Australian dollar will mean the distributions from the LPs and the value of the LPs' investments less any liabilities will be worth more when converted into Australian dollars, but if the value of the US dollar falls those distributions and investments will be worth less in Australian dollar terms.</p> <p>The performance fee calculations under the LP Agreements for LPIII, LPIV and the Evergreen LP are, or will be, in US dollars. The impact on Unitholders may be affected by a positive or negative movement in the prevailing Australian Dollar/US Dollar exchange rate.</p> <p>The value of the Australian dollar has been subject to significant fluctuations with respect to the US dollar in the past and may be subject to significant fluctuations in the future.</p>

### 3. Key Benefits and Risks *continued*

<p><b>Investment Horizon and Default Risk</b></p>	<p>Investing in private investments requires a longer term commitment to the asset class, typically five to 10 years, and this will mean that realisation of value through capital growth may be similarly timed. The ability for the Fund to exit the current LPs and the Evergreen LP is extremely limited during its life. The Evergreen LP Agreement will permit the Evergreen GP to require any limited partner to withdraw from the Evergreen LP if the Evergreen GP determines that the continued participation of that limited partner would adversely affect the Evergreen LP or the Evergreen GP. Related bodies corporate of E&amp;P Investments Limited hold varying interests in the GPs and have the capacity to veto major decisions to be undertaken by the GPs. The GPs may cease to be related bodies corporate of the Responsible Entity in the future. If a limited partner defaults on its obligation to pay capital contributions, the GPs may exercise a range of remedies under the various LP Agreements and at law, including charging a default fee of at least 25% of the limited partner's capital account, charging interest, and not allocating income to that limited partner. The Evergreen GP may also require the limited partner to sell their interest.</p> <p>In addition, a longer time horizon increases the risk of exposure to market volatility.</p>
<p><b>Key Personnel Risk</b></p>	<p>The skill and performance of the Investment Manager can have a significant impact (both directly and indirectly) on the investment returns and performance of the Fund.</p> <p>The departure of other key staff that have particular expertise in funds and private equity investments, whether they are the staff of the Responsible Entity, the GPs, Cordish Equity Partners, Investment Manager or the underlying fund managers, may also have an adverse effect on the earnings and value of the Fund.</p>
<p><b>No Direct Supervision of Investments Risk</b></p>	<p>The GPs act as general partners for the LPs.</p> <p>As general partners, the GPs are responsible for managing the business of the LPs on behalf of all limited partners. The relationship between the GPs and the limited partners of the LPs (including the Fund) is regulated by LP Agreements. The Evergreen GP is expected to engage the Investment Manager to act as investment manager with discretion to undertake and realise investments for the benefit of the Evergreen LP as a delegate of the GP. While the GPs are owned in various percentages by DGP Inc. (a member of the same group as E&amp;P Investments Limited) and two affiliates of Cordish Private Ventures, under Cayman Islands law, a limited partner will lose the benefit of limited liability if it becomes actively involved in management of the limited partnership. Accordingly, while the Responsible Entity may be consulted on investments that are inconsistent with the investment strategy agreed with the GPs and Investment Manager, it does not have the ability to give directions regarding investments. This will continue irrespective of whether there is a change in the responsible entity of the Fund.</p> <p>It is expected that the Evergreen LP Agreement can be amended with written consent from limited partners holding more than 50% of the capital contributions to the Evergreen LP and the Evergreen GP will not make any material changes to the Evergreen LP's objectives or purposes without the approval of at least 75% of the capital contributions held by the limited partners. It is anticipated that the Fund will hold a 99% interest in the Evergreen LP. Any such changes may be adverse to the interests of the Fund, for example, a change to allow further Additional Limited Partners (resulting in dilution of the Fund's interest in the Evergreen LP). Consent of limited partners is required for amendments to increase capital commitment beyond the amount agreed in writing by the partner or increase fee arrangements with respect to a limited partner without the prior written consent of the affected limited partner. There are also other provisions expected in the Evergreen LP Agreement that require unanimous approval of the limited partners before the Evergreen LP Agreement can be amended. Any amendments would also require the Evergreen GP's approval. A related body corporate of E&amp;P Investments Limited is expected to hold a 42.5% interest in the Evergreen GP and has the capacity to veto major decisions to be undertaken by the Evergreen GP. The GPs may cease to be a related bodies corporate of the Responsible Entity in the future. The Evergreen LP's specific investment methodologies may be altered by the Evergreen GP without prior approval of the limited partners, if the Evergreen GP determines that such change is in the best interest of the Evergreen LP and is consistent with the Evergreen LP's objectives or purposes.</p>

<p><b>Taxation Risk</b></p>	<p>At any given time, the Fund may have realised and unrealised US and Australian tax positions. Estimates of the current and deferred US taxes payable or receivable are provided in the accounts.</p> <p>Unitholders receiving income distributions in relation to an income year ending 30 June (e.g. embedded in the withdrawal offer or as part of the DRP) will receive tax statements around August of each year setting out such things as the assessable foreign income and foreign tax offsets for US taxes paid that may need to be included in the unitholder's Australian income tax return.</p> <p>Any tax liability incurred by the Fund generally could reduce the Fund's overall economic returns and materially reduce the amount available for ultimate distribution to Investors. Similarly, any Australian tax payable by the unitholders could reduce the overall economic returns.</p> <p>A general summary of certain Australian and US taxation consequences for certain investors is provided at Section 6. It is a general summary only and is not intended to provide specific tax advice to any particular Investor. Investors should seek their own independent tax advice based on their specific circumstances before making a decision to invest in the Fund.</p> <p>Any changes to the taxation laws or any changes in the administration practices of the relevant authorities in Australia, the Cayman Islands and/or the US, may affect the tax treatment of the Fund and / or investors and reduce the overall economic returns.</p>
<p><b>Distributions Risk</b></p>	<p>Distributions to the Fund from the underlying private investment funds, and in-turn the LP, are expected to be primarily funded from the realisation of underlying investments, as opposed to being income based.</p> <p>The Fund will not pay regular cash distributions. Any income of the Fund will be used to fund the withdrawal offers or be reinvested into the Evergreen LP for further portfolio acquisitions.</p> <p>The Fund will implement a compulsory distribution reinvestment plan (DRP). See Section 4.1.5.</p>
<p><b>Capital Deployment</b></p>	<p>The Fund may receive new funds which at the time may be uncommitted to any specific private investment fund. The rate at which this occurs will depend on market conditions and the availability of suitable investments on sufficiently attractive terms at the time. There is a risk that the Evergreen GP may not be able to make these investments in a timely fashion or at all, which will affect the future performance of the Fund.</p> <p>Proceeds may be retained in cash until appropriate investment opportunities arise. While US inflation concerns have put upward pressure on US risk free rates, the current relatively low interest rate environment, means any likely income to be generated by the Fund from cash investments may be significantly lower than that which might be received from investment in equities.</p> <p>Investment returns may also be affected by the time it takes the underlying funds to identify attractive investments and deploy capital. The evergreen nature of the Fund is expected to alleviate risks associated with the deployment of capital to some extent.</p>

### 3. Key Benefits and Risks *continued*

<p><b>Potential for Increased Costs</b></p>	<p>The Evergreen GP is entitled to receive a management fee equal to 1.00% per annum on a per investment basis of the aggregate capital commitments made by the limited partners to the Evergreen LP.</p> <p>Underlying fund managers are also entitled to receive fees associated with performance of their management function. These fees may include entry fees, transaction fees, exit fees, ongoing management fees, and performance fees. The Fund is directly or indirectly responsible for payment of those fees. The multi-manager style of investment may result in the Fund paying a higher level of fees than if the Fund could invest directly in the assets held by the underlying funds because fees are payable at two separate levels of management.</p> <p>The Fund considers that the benefits associated with a multi-manager style of investment to outweigh the potential for higher fees. These benefits include access to the underlying funds specialist investment expertise and diversification. In addition, the Fund considers the scale of investment to be undertaken by the Evergreen LP in underlying funds may provide the Investment Manager with an opportunity to negotiate with individual fund managers to reduce such fees.</p>
<p><b>Counterparty Risk</b></p>	<p>There is a risk that counterparties to agreements with the Fund or the GPs (including the Investment Manager or affiliates of Cordish Private Ventures) and underlying managers in whom the Fund has invested do not perform their obligations, which may affect the value of, and returns from, an investment in the Fund. The Fund seeks to reduce these risks by engaging only with reputable parties.</p> <p>The Fund will be operated as a multi-manager fund, and positions in underlying funds will be minority positions only.</p> <p>The Fund will not be in a position to disclose information to investors regarding such underlying investments until that investment has been made and the information provided to Investors will depend on the nature of the underlying fund and its reporting structure.</p>
<p><b>Borrowing Interest Rate and Deposit Risk</b></p>	<p>The Fund's policy is not to undertake borrowings, however, circumstances may occur whereby borrowing by the Fund is deemed beneficial and, should this eventuate, the Fund may borrow. The Responsible Entity intends that any borrowings will be limited to 10% of the total gross assets of the Fund. There is a risk that any loan will need to be repaid at short notice or cannot be replaced post expiry. The main reason for this would be if the Fund breached its obligations to the lender or a new facility was not made available in a timely way. The Fund may need to sell holdings in its Investments if a new facility could not be secured.</p> <p>This could be at a less than favourable time and/or terms. The Fund would explore obtaining replacement loans, but this may prove more difficult in some circumstances. There is also a risk that the provider of any loan may not meet its obligations or may suffer financial difficulty. The Fund will endeavour to borrow only from reputable large financial institutions to minimise this risk.</p> <p>Should the Fund obtain borrowings, changes in interest rates may have a positive or negative impact directly on the Fund's income. Changes in interest rates may also affect the market more broadly and positively or negatively affect the value of the Fund's underlying assets.</p> <p>The Fund will manage these borrowing risks by following strict investment and risk guidelines and dealing with respected lenders. It is important to note that borrowing may increase the potential return of the Fund but may also increase its potential losses.</p> <p>The Fund and LPs may also have US dollar-denominated cash deposits. These cash deposits will not be insured and in the event of bank failure, the Fund's deposits may not be recoverable in full, which will have an adverse effect on the value and investment activity of the Fund. The Fund manages this deposit risk by only dealing with financial institutions that pass its rigorous due diligence process and credit risk analysis.</p>

### 3.4 Specific Investment Risks to the Limited Partnership

<p><b>Failure to meet capital calls</b></p>	<p>A limited partner may fail to meet capital calls of any of the existing limited partnerships or the new Evergreen LP. Where any limited partner fails to meet a capital call of an existing limited partnership or the new Evergreen LP, that limited partner will be subject to the terms of the relevant LP Agreement that lead to, among other things, dilution of the relevant limited partners' interest in the relevant LP.</p> <p>If the any of the existing limited partnerships or the new Evergreen LP were to fail to meet capital calls from the underlying funds in a timely manner, the LPs may be subject to penalties.</p>
<p><b>Cordish ability to assist in securing investments</b></p>	<p>The Investment Manager receives the services of Jonathan Sinex, a Principal of Cordish Equity Partners, and other members of the team, who have experience in investing in private investment funds using a style similar to that proposed for the Fund.</p> <p>Additionally, Cordish Services has entered into, or is expected to enter, administrative services agreements with the GPs, but the services to be provided do not include investment management services.</p> <p>While it is anticipated the involvement of Cordish Equity Partners, its affiliates and staff will assist the Investment Manager in securing access to private investment funds for investment, there can be no certainty that this will eventuate.</p> <p>Unlike previous funds in the CD Private Equity Fund Series, Cordish Private Ventures will not be a limited partner in the Evergreen LP and there is a risk that the investment decisions made and outcomes of the Fund are different to the previous funds in the CD Private Equity Fund Series. As an example, this may include underlying US PE funds not facilitating the Merged Fund's investment as CEP or Cordish Private Ventures are not a limited partner in the Evergreen LP.</p>
<p><b>Interests of members of GPs and LPs may not align</b></p>	<p>Two US companies that are affiliates of Cordish Private Ventures are shareholders in the GPs and Cordish Private Ventures is also one of the limited partners in LPI, LPII, LPIII and LPIV. An entity in the same group as E&amp;P Investments Limited is also, or is expected to be, a member of the GPs. Though the GPs will manage and promote the LPs' purpose and business on behalf of all limited partners, there is the potential for a conflict to arise between the interests of the Fund (as a limited partner) and Cordish Private Ventures and its affiliates and/or E&amp;P Investments Limited and its related entities. There are processes in place to address any such conflicts of interest.</p>

### 3. Key Benefits and Risks continued

#### 3.5 General Investment Risks

<b>Macroeconomic Risks</b>	<p>The US private investments industry is sensitive to factors including macroeconomic changes and credit market and equity market conditions. Additionally changes in, but not limited to, the US or international technological, political or regulatory environment can have a negative or positive impact on asset values.</p> <p>A number of US economic risks regarding an investment in the US private investments market, without limitation, include:</p> <ul style="list-style-type: none"><li>• a downturn in the US economy that may place downward pressure on investment returns achievable in the marketplace and future capital growth prospects;</li><li>• US interest rate fluctuations, which may impact on performance of underlying investments; and</li><li>• any other factor which may impede the recovery of the US, and specifically, the US private investments market.</li></ul> <p>As a result, no guarantee can be given in respect of the future earnings of the Fund or the earnings and capital appreciation of the Fund's portfolio.</p>
<b>Fund Risk</b>	<p>This is the risk that the Fund could terminate, the fees and expenses of the Fund could change, the Responsible Entity could retire or be removed, or the Investment Manager may change.</p> <p>There is also a risk that investing in funds may give different results from holding the underlying investments directly.</p>
<b>Regulatory Risk</b>	<p>Changes in government legislation, regulation and policy may affect future earnings and values of investments. Changes in accounting standards may affect the reported earnings and financial position of the Fund in future financial periods.</p> <p>Changes to US specific regulations governing the private investment sector may also impact the Fund and or its asset values.</p> <p>The GPs and Cordish Services are not registered as investment advisors and so are not subject to regulatory supervision in relation to the business activities they undertake for the benefit of the limited partners.</p> <p>The Investment Manager is currently a registered investment advisor with the US Securities and Exchange Commission but may not continue to indefinitely be registered with the US Securities and Exchange Commission.</p>
<b>Litigation Risk</b>	<p>In the course of its operations, the Fund, the Investment Manager, the GPs, Cordish Equity Partners, and/or the LPs may be involved in disputes and litigation. The extent of such disputes and litigation cannot be ascertained at this time, but there are risks that costly disputes or litigation may adversely affect the profitability of the Fund, value of its assets or of the NAV of Units.</p>
<b>Force Majeure</b>	<p>Force majeure is the term generally used to refer to an event beyond the control of any party, including acts of God, fire, floods, earthquakes, wars, strikes and pandemics. These events may affect returns to investors.</p>

# 4

## How the Fund Works

## 4. How the Fund Works

### 4.1 Overview

#### 4.1.1 Applications – “How to Apply”

- **While the Fund is ASX listed**

For the six-month listing window, the Fund is expected to trade under the code ‘CD3’. Investors will be able to purchase units in the Fund on the ASX.

Investors should contact their professional adviser or broker about purchasing units in the Fund.

- **While the Fund is unlisted (around May 2023)**

##### Direct Investors

Units in the Fund are available for issue under this PDS from the time the fund ceases to be listed on ASX, and applications are ordinarily processed monthly. To make an initial investment in the Fund you need to complete the application form and submit it to E&PIL in accordance with the instructions in the application form available on the Fund’s website, at [www.cdpefund.com](http://www.cdpefund.com) or the online application form available at the same link (together, “**Application Form**”).

The Application Form contains detailed instructions and will ask you to provide the identification documents required under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) (AML CTF Act).

The minimum initial investment is \$5,000. The Responsible Entity has a discretion whether to accept applications. Online Applications are preferred.

If the Fund’s Unit Registry receives a completed Application Form, including all related documents and application monies by the last Business Day of the Month (or such time as we may determine), we will process the application using the Application Price at the end of that month.

Application Forms received after the relevant date will generally be processed for the following month. Incomplete applications will be processed once we have received documentation and application monies (at the RE’s discretion). We may from time to time allow additional dates for accepting applications.

Investors should read this PDS before investing in the Fund and refer to the Key Application Details table below.

##### Additional Investments

You can make additional investments on a monthly basis. The minimum additional investment amount is \$2,000. Simply send the Unit Registry your completed Additional Investment Form, available from [www.cdpefund.com](http://www.cdpefund.com), along with your payment as per the instructions on the Additional Investment Form.

##### Indirect Investors

An investment in the Fund through a Service does not entitle you to a direct interest in the Fund and you may be subject to different terms and conditions from those referred to in this PDS. When you invest via a Service, you are investing indirectly in the Fund and as such you do not become a unitholder in the Fund. The Service Operator is the unitholder and the term ‘Unitholder’ as used in this PDS refers to those entities. Some information in this PDS may be relevant only for direct investors. If you invest via a Service you will not receive reports or other documentation from the Responsible Entity in respect of the Fund. Instead, these will be provided to you by your Service Operator, who is the unitholder in the Fund. This includes information in relation to applications and withdrawals, cooling-off periods, processing times, fees and expenses and taxation. You should contact the Service Operator for details on how to invest in or request a withdrawal from the Fund.

You can transact on your account by completing the relevant documents which your Service Operator requires. You will not need to complete any of the Responsible Entity’s forms. You can increase your units by making an additional investment in the Fund, or decrease your units by accepting a withdrawal offer from the Fund, through your Service Operator.

### Key Application Details:

<b>Frequency</b>	Monthly The first application date is expected to be in July 2023.
<b>Minimum Investment</b>	\$5,000 (initial) \$2,000 (additional) These minimums may be waived.
<b>Application Price</b>	The Net Asset Value (NAV) per Unit as at the last business day of the Month, plus the Buy Spread. The monthly NAV and Application Price are expected to be released on or around the 12th Business Day following the end of the month. Under the Constitution, the Responsible Entity may determine a buy spread to be applied to the Application Price of Units based on the reasonable estimate of transaction costs incurred to facilitate the application. In the ordinary course, the Responsible Entity is expecting that a buy spread of 0.0% of the NAV per unit will be payable. The Buy Spread could be up to 0.2% in the near-term. Refer to Section 4.1.6 Unit Prices and NAV for further pricing information.
<b>Issue of Units</b>	The number of Units issued will be equal to the application amount divided by the Application Price and rounded to two decimal places.
<b>Acceptance</b>	The Responsible Entity may in its absolute discretion reject or decline to accept applications (in part or in full) and may close the Fund to further investment at any time.
<b>Interest</b>	Any interest payable on application amounts will accrue to the benefit of the Fund. Application amounts paid in respect of rejected or any scaled back portion of applications will be returned to applicants without interest.
<b>Indirect/Platform Investors</b>	Indirect Investors should invest through the method provided by their Platform operator.

#### 4.1.2 Withdrawals – “How to Withdraw”

- **While the Fund is ASX listed**

For the six-month listing window, the Fund is expected to trade under the code ‘CD3’. Investors are able to sell units in the Fund on the ASX. Investors should contact their professional adviser or broker about selling units in the Fund.

**Investors may not be able to exit the Fund during this window due to market dynamics, and the Fund may trade at a material discount to NAV during this six month window.**

- **While the Fund is unlisted (around May 2023)**

From December 2023, we will aim to facilitate withdrawal of approximately 5% of Units on issue by making Withdrawal Offers every six months commencing in December 2023 (subject to market conditions and the RE’s discretion) (**Withdrawal Offer**). Subsequent Withdrawal Offers are expected to close by 30 June and 31 December.

Investors should note that the Fund is an illiquid investment and they may not be able to liquidate their investment in the Fund. If an Investor has not provided the information and documentation necessary to verify their identity it may impact their ability to participate in Withdrawal Offers.

Notice of the opening or closing of the withdrawal windows is not expected to be provided to investors directly and they will need to monitor the Fund’s website. Full details of each withdrawal window will be made available on the Fund’s website ([www.cdpefund.com](http://www.cdpefund.com)) at each six month window. The terms and conditions, including pricing and timing, of the withdrawal window will also be made available via the website.

Investors may request withdrawal of part or all of their Units by lodging valid acceptances of a withdrawal offer that must be received on the last Business Day of the Offer Period. As required by the Corporations Act the acceptances must be satisfied within 21 days of the end of the offer period, on a pro rata basis if acceptance exceed the size of the offer.

For Indirect Investors, you should contact your Service Operator if you wish to withdraw Units.

## 4. How the Fund Works continued

### Key Withdrawal Offer Details:

<b>Withdrawal Price</b>	The withdrawal price for a Unit is expected to be its NAV per Unit as at the last valuation before the withdrawal offer closes, less the Sell Spread.
<b>Scaling</b>	<p>If acceptances of the withdrawal offer exceed the amount of liquidity available under the offer for a six month window, withdrawals will be scaled back pro-rata and Unitholders can resubmit their acceptance at the next six month withdrawal window (there is no ability for investors to submit a withdrawal request outside of a withdrawal window and investors will not have any priority over other investors if they have previously partaken in a withdrawal offer). Investors should note that it may take multiple windows to access their investment in full.</p> <p>If acceptance of a withdrawal offer exceeds 5% of the Fund's Units on issue in a six month window and the Fund has excess liquidity, the Responsible Entity may elect to increase the withdrawal amount at the next window if it determines this is in the best interests of members.</p>
<b>Cancellation</b>	<p>The Responsible Entity may be unsuccessful in maintaining sufficient liquidity to provide the withdrawal offers and to meet demand for investors to redeem from the Fund. The Responsible Entity cannot guarantee the size of the offer at any particular time.</p> <p>The Responsible Entity will have the right to cancel a withdrawal offer (including during the withdrawal offer window)</p>

#### 4.1.3 Liquidity Review Event

At the seven year anniversary of the Merger, if withdrawal requests for the withdrawal offers made in the 12 months leading up to the date of consideration have exceeded the size of the offer by at least 25% (or if no withdrawal offers have been made), the Responsible Entity is required to put to investors a vote on whether the Fund should be wound up, or no action taken.

If investors vote to wind up the Fund, the Responsible Entity will be able to complete the sale of Fund assets in an orderly manner with a view to maximising the value realised from Asset sales in the circumstances at the time, and this may take up to 2 years, or longer if reasonably necessary.

Notice will be provided to investors at that time.

#### 4.1.4 Transferring your Units

You can generally transfer some or all of your investment to another person in such a manner and subject to such conditions as required by law and the Constitution that the Responsible Entity, from time to time, prescribes. The Responsible Entity is not obligated to register a transfer that does not meet these criteria or give any reason for the refusal.

The Responsible Entity recommends that you obtain your own personal advice regarding your position before transferring some or all of your investment, as tax and social security laws are complex and subject to change, and investors' individual circumstances vary. Please contact the Responsible Entity for further information about transferring units.

For indirect investors, you should contact your Service Operator if you wish to transfer your units.

#### 4.1.5 Compulsory DRP (Distributions)

No cash distributions are expected to be paid although the Responsible Entity will retain the right to pay a distribution at its discretion.

The Fund will implement a compulsory distribution reinvestment plan (DRP). The DRP will operate to distribute the Fund's taxable income for each Financial year. Investors who choose to participate in a Withdrawal Offer and who have their withdrawal request scaled back will be issued new units via the Fund's compulsory DRP in relation to the units that were not redeemed via the Withdrawal Offer.

If there is such a reinvested income distribution, investors will receive a tax statement around August of each year setting out the amounts that may need to be included in the unitholder's Australian tax return such as foreign assessable income and any foreign tax offsets for the year. For more details on the Australian taxation implications of the compulsory DRP, please refer to Section 6 – Taxation.

Units are expected to be issued to investors in August each year.

#### 4.1.6 Unit Prices, NAV and pricing policy

The NAV of the Fund is a reflection of the value of the Fund. The NAV is calculated by deducting the liabilities from the aggregate value of the assets. The NAV per unit is derived by dividing the NAV by the number of units on issue in the Fund. The NAV and NAV per unit will ordinarily be calculated monthly and typically will be available within 12 Business Days after month end.

The price of units will vary as the market value of the assets in the Fund rises or falls. Unit prices are generally determined monthly based on the NAV of the Fund, divided by the number of units on issue in accordance with the Constitution. The Constitution of the Fund allows unit prices to include an allowance for transaction costs (Buy/Sell spread). In the case of an application price, the price is increased by an allowance for the estimated costs of the purchase of assets in the Fund. In the case of a withdrawal price, the price is reduced by an allowance for the estimated cost of the sale of assets in the Fund. We may exercise any discretion we have under the Constitution for the Fund in relation to unit pricing. In unusual circumstances, we may calculate unit prices more than once monthly, or less frequently as permitted by the Fund's Constitution. You can obtain a copy of our Constitution at any time on request, at no charge by contacting the Investment Manager on 1300 454 801. Once the Fund is delisted, you will be able to find the most recent unit prices and Monthly NAV for the Fund at [www.cdpefund.com](http://www.cdpefund.com), and request a copy of our unit pricing policy for the Fund.

When the Responsible Entity issues Units, it will exercise any discretion it has under the Constitution.

## 4.2 Investment Strategy

The Investment Manager will employ a multi-manager style of investment where capital contributed will be applied to acquire interests in multiple investment vehicles managed by third party fund managers (**Underlying Funds**). Additionally, the Investment Manager will have the ability to invest in a portfolio of select private companies alongside leading, specialist private investment funds, a strategy commonly referred to as co-investing (and currently employed by the CD Private Equity Fund Series through US Select Direct I, LP and US Select Direct II, LP).

The LP will invest in a discrete number of underlying private investment funds, a significant portion of which are targeted to be with investment managers with whom either Cordish Equity Partners has previously successfully invested or with whom the Investment Manager or its related entities have an established relationship and have already engaged in active due diligence. The Investment Manager believes that selecting private investment fund managers that have a sustainable strategy for adding value to their investments is critical to achieving a successful investment strategy.

Within the universe of small-to-mid market private investment funds, the Investment Manager will generally seek to apply the investment strategy common to the strategy employed for Fund I, Fund II, Fund III, Fund IV and Cordish Equity Partners, which involves focus on funds that exhibit the following characteristics:

#### a) Consistent focus on niche investment opportunities

Funds that have expertise in specific industries, geographic region(s) and/or investment strategies typically overlooked by larger funds. This consistency in the Fund's investment strategy allows for specialised expertise to grow over time, enhancing long-term performance.

#### b) Operating businesses with existing cash flows

Core focus on assets with existing proven cash flow and potential for growth.

#### c) Appropriate size

Funds that only seek to manage pools of capital sized appropriately for the opportunities on which they focus.

#### d) Judicious and limited use of leverage

Funds that seek to generate returns through investments in high quality private businesses with limited debt rather than financial engineering through the use of leverage.

#### e) A hands-on approach

Funds where all aspects of the fund's investment process is managed directly by senior fund executives who are intricately involved in the operations of the underlying businesses in which they invest.

## 4. How the Fund Works continued

### 4.3 Permitted Investments

The Evergreen LP will primarily make investments by acquiring limited partnership interests in private investment funds although it is permitted to acquire a broad range of investments and has the ability to invest in companies directly.

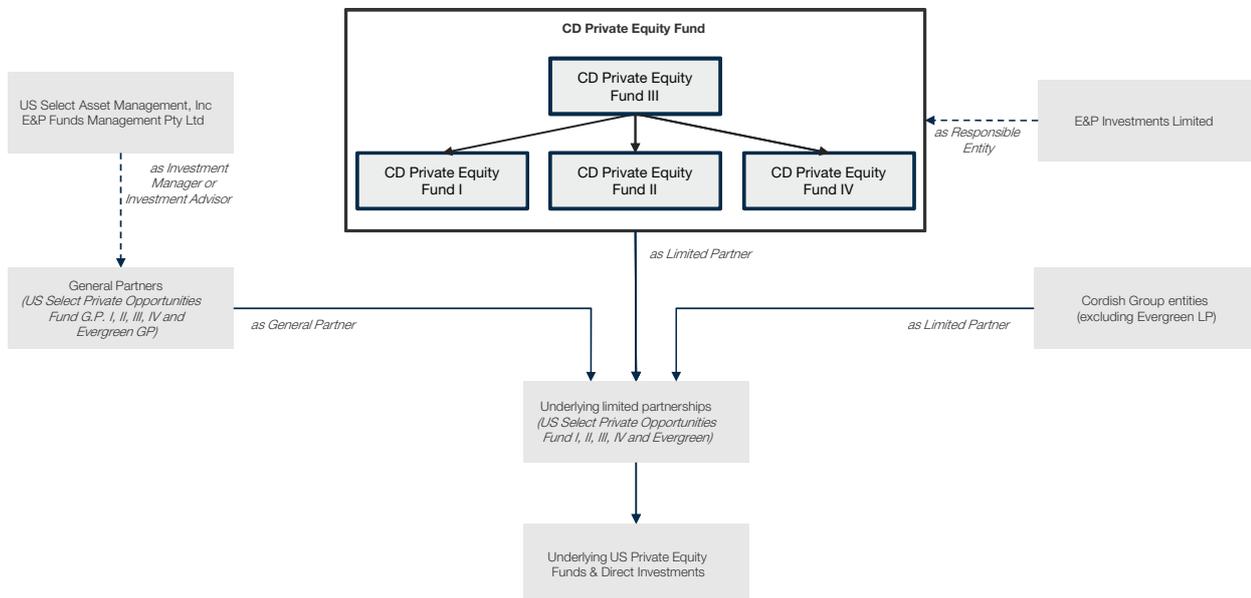
In addition, the Evergreen LP may not:

- invest more than 33% of the aggregate capital commitment of the Evergreen LP in any one private investment fund or an investment in a company directly;
- invest more than 15% of the aggregate capital commitment of the Evergreen LP in any private investment fund whose primary investment objective is to invest in companies located or that conduct their principal business outside of the US; and
- invest in any private investment funds whose primary investment objective is to invest in companies located in, or that conduct their principal business in, emerging markets.

While the Investment Manager is identifying suitable investments, or until capital calls are made by the Underlying Funds, the Responsible Entity may elect to hold cash, term deposits and cash equivalents and interests in cash management trusts. Apart from direct investments in a company, the Fund's investments will be made in its capacity as limited partner in the Evergreen LP. The Evergreen LP's specific investment methodologies may be altered, however, without prior approval by the Fund, if the GP determines that such change is in the best interest of the Evergreen LP and is consistent with the Evergreen LP's objectives or purposes. The GPs may modify the LPs' specific investment methodologies without prior approval if the GPs determine that the modification is in the LPs' best interest and remains consistent with its objectives and purposes.

### 4.4 Fund Structure

The Merged Fund is registered with ASIC as a managed investment scheme. The below sets out the ownership structure and management arrangements for the Fund.



#### Responsible Entity

As Responsible Entity, E&PIL will be responsible for the operation and administration of the Merged Fund, including providing fund management and administrative services to the Fund, such as company secretarial, administrative and operational support services, and investor relations services. E&PIL has undertaken this work for each of the Funds in the CD Private Equity Fund Series.

#### General Partners, Investment Managers and Administrative Services

## a. General Partners

The General Partners are sole general partners of each of the Limited Partnerships (“LPs”), and are predominantly responsible for investing and disposing of investments to be made by the LPs and hiring external advisors, agents and employees. The GPs owe fiduciary duties to all limited partners of each respective limited partnership.

All material decisions regarding the operations of the GP require the approval of at least 85% of all members.

The General Partners, and their ownership is as follows.

FUND	GENERAL PARTNER	OWNERSHIP/MEMBERS
U.S. Select Private Opportunities, L.P	U.S. Select Private Opportunities Fund GP, LLC	100% owned by DGP, Inc (a wholly owned subsidiary of E&P Financial Group Limited (EP1))
U.S. Select Private Opportunities Fund II, L.P	U.S. Select Private Opportunities Fund II GP, LLC	Jointly owned by DGP Inc. and Pratt Street Private Ventures, LLC (an affiliate of Cordish Private Ventures)
U.S. Select Private Opportunities Fund III, L.P	U.S. Select Private Opportunities Fund III GP, LLC	Owned by DGP Inc. (42.5%) and two affiliates of Cordish Private Ventures as to 57.5%
U.S. Select Private Opportunities Fund IV, L.P	U.S. Select Private Opportunities Fund IV GP, LLC	Owned by DGP Inc (42.5%) and two affiliates of Cordish Private Ventures as to 57.5%
U.S. Select Private Opportunities Evergreen, L.P	Expected to be a Delaware LLC	The GP is expected to be owned by DGP Inc. (42.5%) and two affiliates of Cordish Private Ventures as to 57.5%

Jonathan Cordish and Alex MacLachlan, existing Directors of the GPs will continue as Directors of the GPs.

Each of the GPs, currently have Advisory Boards in place. As part of the Proposal, the Advisory Boards for each of the GPs will be disbanded.

The GPs, are responsible for:

- investing and disposing of investments to be made by LPs;
- opening, having, maintaining and closing bank and brokerage accounts;
- bringing and defending actions and proceedings;
- hiring external advisors, agents and employees as required;
- making all elections, investigations, evaluations and decisions binding the LPs that may be needed for acquiring, holding or disposing of investments;
- entering into, performing and carrying out contracts and agreements for the offer and sale of interests in the LPs or to accomplish the LPs’ purposes; and
- carrying on any other activities, as required, in connection with the LPs’ businesses.

As general partners, the GPs must manage and promote the LPs’ purpose and business on behalf of all limited partners. The relationship between the GPs and the limited partners of the LPs (including the Fund) is regulated by LP Agreements.

The Responsible Entity has no ability to direct the GPs regarding the acquisition or divestment of investments. This will continue irrespective of whether there is a change in the responsible entity of the Fund.

The GPs will continue to exercise their discretion as general partners of the LPs which make up the Fund to make investments consistent with the investment strategy of the Fund outlined in this PDS.

## 4. How the Fund Works continued

### b. Investment Managers

For LP II, LP III and LP IV, the GPs have engaged the Investment Manager to act as Investment Manager for the LPs. For LP I, the Investment Manager is GPI and GPI has engaged E&P Funds Management Pty Limited as an Investment Advisor. The Investment Managers and Investment Advisor are members of the same group as the Responsible Entity.

The Investment Managers have discretion to undertake and realise investments for the benefit of the LPs as delegates of the GPs (LP II, LP III and LP IV) or as the GP (LP I). All investments are subject to the Investment Manager's review and approval. The Investment Manager will have day-to-day portfolio oversight and will provide risk management.

The Investment Manager receives the services of Jonathan Sinex, Managing Director of Cordish Private Ventures.

FUND	INVESTMENT ADVISER/INVESTMENT MANAGER
U.S. Select Private Opportunities Fund, LP	E&P Funds Management Pty Limited
U.S. Select Private Opportunities Fund II LP, U.S. Select Private Opportunities Fund III, LP, U.S. Select Private Opportunities Fund IV, LP and the Evergreen LP	US Select Asset Management, Inc.

### c. Administrative Services

The GPs have engaged Cordish Services (Pratt Street Services Corporation, LLC) to provide office space, utilities and administrative services to it and leverage the expertise of other key Cordish executives to assist in administration of the Fund. The Evergreen GP is expected to engage Cordish Services. Cordish Services is an affiliated entity of Cordish Private Ventures.

### Limited Partnership

The Merged Fund, either directly or via CD1, CD2 and CD4, has made capital contributions towards the acquisition of investments by Cayman Island domiciled Limited Partnerships, as directed by each LPs respective GP.

AUSTRALIAN FUND	CAYMAN LP	COMMITMENT TO CAYMAN LP BY AUSTRALIAN FUND*	INTEREST IN THE LP	AUSTRALIAN FUND'S PROPORTIONATE SHARE OF CAPITAL CALLED BY THE CAYMAN LP*	LP COMMITMENT TO US PE FUNDS
<b>Fund I</b>	U.S. Select Private Opportunities Fund, LP, a Cayman Islands exempted limited partnership	US\$59.5m	85.5%	US\$59.5m	US\$69.8m
<b>Fund II</b>	U.S. Select Private Opportunities Fund II, LP, a Cayman Islands exempted limited partnership	\$US74.6m	87.3%	US\$71.1m	US\$98.0m
<b>Fund III</b>	U.S. Select Private Opportunities Fund III, LP, a Cayman Islands exempted limited partnership	US\$75.5m	71.2%	US\$70.2m	US\$117.5m
<b>Fund IV</b>	U.S. Select Private Opportunities Fund IV, LP, a Cayman Islands exempted limited partnership	US\$115 million	88.4%	US\$93.3m	US\$145.0m

\* As at 30 June 2022.

As a Merged Fund, the Merged Fund would have the following commitments

AUSTRALIAN FUND	CAYMAN LP	COMMITMENT TO CAYMAN LPs BY AUSTRALIAN FUND*	INTEREST IN THE LP	CALLED CAPITAL BY THE CAYMAN LP	LP COMMITMENT TO US PE FUNDS
<b>CD Private Equity Fund</b>	LPI, LPII, LPIII, LPIV and Evergreen LP	LPI, LPII, LPIII, LPIV – as per above table  Evergreen LP – no current capital commitment.  Capital commitment to grow over time as the Merged Fund makes investments	LPI, LPII, LPIII, LPIV – as per above table  Evergreen LP – expected to be 99.9%	LPI, LPII, LPIII, LPIV – as per above table  Evergreen LP – Not yet established	LPI, LPII, LPIII, LPIV – as per above table  Evergreen LP – Not yet established

## 4.5 Constitution

The Fund is governed by a constitution (“**Constitution**”). The Fund is registered by ASIC as a managed investment scheme under Chapter 5C of the Corporations Act. The provisions of the Corporations Act can affect the terms of the Constitution and the obligations of the Responsible Entity.

E&P Investments Limited is the responsible entity of the Fund. The respective rights and obligations of the Responsible Entity and the Unitholders are determined by the Constitution and the Corporations Act, together with any exemption and declaration issued by ASIC and the general law relating to trusts. Neither the provision of these laws and rules, nor their effect on the Constitution have been summarised below.

The Constitution is a lengthy and complex document. The following is a summary of the Constitution. Because the summary is brief, Investors should confirm all information by reference to the Constitution itself. If you are unsure about anything, you should seek advice from a financial advisor and examine a copy of the Constitution.

The Constitution deals with a wide range of matters, including:

- applications for Units and the nature of a Unitholder’s interest in the Fund;
- the term of the Fund and Unitholders’ entitlements on winding up;
- distributions;
- further issues of Units;
- transferability of Units;
- powers of the Responsible Entity;
- Unitholders’ meetings;
- Unitholders’ liability; and
- the Responsible Entity’s fees (see Section 5).

## 4. How the Fund Works continued

### 4.5.1 Units

The beneficial interest in the Fund is divided into Units.

A Unit confers an interest in the Fund's property as a whole – it does not confer an interest in any particular asset. Each Unit confers on its holder the rights to vote at a general meeting and the rights to receive copies of the Fund's financial statements, notices and documents required to be sent to them under the Constitution and the Corporations Act. The Responsible Entity can issue Units in accordance with the Constitution. The Constitution contains provisions regarding the Responsible Entity's ability to issue different classes of Units.

The Constitution contains provision for calculating the application price of Units, for the first and any future issues.

The Constitution also provides for the Responsible Entity to determine a different Application Price in relation to some Units, a class of Units or all Units to the extent it is permitted to do so by applicable ASIC relief.

### 4.5.2 Responsible Entity's Indemnities

The Responsible Entity has a right of indemnity out of the Fund property for any liability incurred by it in the proper performance of its duties. This indemnity continues after the Responsible Entity retires or is removed as responsible entity of the Fund and is subject to the Corporations Act (which in certain circumstances may impose limits on the Responsible Entity's right of indemnity).

### 4.5.3 Responsible Entity's Limitation of Liability

The Constitution provides that except where the Corporations Act expressly provides otherwise, the Responsible Entity and each director and officer of the Responsible Entity are not personally liable to a Unitholder or any other person in connection with the office of the Responsible Entity, and that the Responsible Entity will not be liable to any Unitholder to any greater extent than the extent to which it is entitled to be and is in fact indemnified out of the assets of the Fund actually vested in the Responsible Entity in respect of the Fund.

The Responsible Entity may amend the Constitution from time to time, subject to the Corporations Act. Unitholder approval is required where changes to the Constitution adversely affect Unitholders' rights.

## 4.6 Interested Dealings by the Responsible Entity

Subject to the Corporations Act, the Responsible Entity must act in the best interests of the members, and if there is a conflict between the members' interests and its own interests, give priority to the members' interests.

The Responsible Entity has procedures in place to identify actual or potential conflicts of interest and to implement measures to address such conflicts, including certain monitoring and reporting obligations. These include (among others) internal procedures to identify, assess and evaluate potential and actual conflict of interest, maintaining a schedule of all potential and actual conflicts on a register of conflicts of interest and putting into place intra-firm barriers or walls where required. Where a conflict is assessed as being likely to have a material impact, it will be disclosed to the parties concerned in a timely fashion.

Subject to the Corporations Act, the Responsible Entity (and any of its associates) may:

- deal with itself (as trustee of the Fund or in another capacity), its associates or with any Unitholder;
- have an interest in, or enter into, any contract or transaction with itself (as trustee of the Fund or in another capacity), a Unitholder of the Fund or any other person or retain for its own benefit any profits or benefits derived from any such contract or transaction; and
- act in the same or similar capacity in relation to any other managed investment scheme or trust or retain for its own benefit any profits or benefits derived from any such contract or transaction.

## 4.7 Borrowings Policy

The Responsible Entity does not intend for the Fund to directly undertake borrowings, however may borrow in certain circumstances, including to fund withdrawal offers. The Responsible Entity intends that any borrowings will be limited to 10% of the total gross assets of the Merged Fund.

The LP may take on borrowings, as determined to be appropriate by the GP in its sole discretion, in order to acquire private investments.

The GP may cause the LP to borrow not more than 15% of the LP's aggregate capital commitments.

Underlying funds in which the Fund has invested as limited partner may borrow from time to time. As the Fund will not hold a majority interest in these funds, it will not be in a position to exercise any control over such borrowings.

## 4.8 Compliance Framework

The Responsible Entity has a compliance framework in place that includes maintaining a compliance plan and a compliance committee.

The compliance plan sets out how the Responsible Entity will ensure compliance with both the Corporations Act and the Constitution when operating the Fund. The compliance committee, comprising a majority of external members, will monitor the Responsible Entity's compliance with the compliance plan. The Responsible Entity's compliance with the compliance plan is audited externally on an annual basis.

The compliance framework also addresses risk management, borrowings, valuation, related party transactions, conflicts, continuous disclosure, training, disaster recovery and other elements.

## 4.9 Foreign Exchange Hedging Policy

The Fund will receive income streams and may directly or indirectly hold assets which are denominated in US dollars. The Fund's current policy is not to hedge these for currency risk. The Fund may re-evaluate the hedging policy in the event of changes to prevailing exchange rates and economic conditions.

As the majority of the underlying assets of the Fund will be denominated in US dollars and will continue to be denominated in US dollars, the value of the assets held by the Fund expressed in Australian dollars will fluctuate with changes in the exchange rate between the Australian dollar and the US dollar.

## 4.10 Cash Policy

The Fund's policy is to hold funds in cash, cash equivalents and interests in cash management trusts pending a call for a capital contribution to be made by the Investment Manager. The Responsible Entity will target a cash holding of up to 10% for the Fund but there is no specific limitation on the amount of cash that may be retained by the Fund.

## 4.11 Distribution Policy

The LPs focus on investments with the potential to deliver capital growth rather than delivering income. Nevertheless, it is the Fund's policy to distribute 100% of its taxable income for each income year that it receives.

A compulsory distribution reinvestment plan (DRP) will be implemented for the Fund. See Section 4.1.5 for more details.

The Responsible Entity is unable to give specific assurances to investors concerning the amount of future distributions because the timing of realisation of private investments is uncertain.

## 4.12 Valuation Policy

The current LPs and the Evergreen LP will value its interests in underlying private investments based on the valuations and financial reports provided by the underlying fund managers (in accordance with industry practice), unless the Investment Managers reasonably believe that those amounts should be adjusted. Regular third party valuations of investments of the LP will not be undertaken unless the Investment Managers consider it appropriate.

# 5

## Fees and Costs

## 5. Fees and Costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the Fund or your financial adviser.

### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC) MoneySmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au))** has a managed funds fee calculator to help you check out different fee options.

This section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Taxes applicable to fees and costs associated with your investment are set out in another part of this document.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Unless otherwise stated, all fees and costs are quoted inclusive of goods and services tax (“**GST**”) and net of any input tax credits (“**ITCs**”) or reduced input tax credits (“**RITCs**”) as applicable.

## 5. Fees and Costs continued

### 5.1 Fees and costs summary

CD Private Equity Fund		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Management fees and costs<sup>1,2</sup></b>		
The fees and costs of managing your investment, comprised of the following:		
1. Responsible Entity Fee The fee for operating the Fund	0.08% per annum of the gross asset value of the Fund plus the net amount of GST. This fee is estimated to be 0.09% per annum of the NAV of the Fund.	The Responsible Entity Fee is calculated and paid monthly to the Responsible Entity out of the Fund.
2. Admin Fee The fee for the administration of the Fund	0.25% per annum of the gross asset value of the Fund plus the net amount of GST. This fee is estimated to be 0.28% per annum of the NAV of the Fund.	The Admin Fee is calculated and paid monthly to the Responsible Entity out of the Fund.
3. GP Fee* The fee for management of the LPs	This fee is estimated to be 0.68% per annum of the NAV of the Fund as at 30 June 2022.	Different GP fees are paid to the different GPs of LP II, III, IV and the Evergreen LP.  This fee is charged on the capital committed to each respective LP, except for LPI (expired), or in the case of the Evergreen LP on a per investment basis.  The fee is payable quarterly to the GPs out of the LPs.
<b>Management fees and costs<sup>1,2</sup></b>		
The fees and costs of managing your investment, comprised of the following:		
4. US Management Fees and Expenses* The fee and expenses for management of the underlying funds	Estimated US Management fees and expenses of the underlying US PE funds of 0.77% of the NAV of the Fund. <sup>3,4</sup>	The fees and expenses are charged directly out of the assets of the LPs or indirectly from the underlying funds. This will depend on the fee structure of the underlying funds.
5. Other Expenses of the Fund* The fees and costs associated with the operation and administration of the Fund and its investments that are paid by the Responsible Entity including, but not limited to, registry, tax, custodian and audit fees.	Estimated to be 0.26% per annum of the NAV of the Fund.	These expenses are payable out of the Fund as incurred.

CD Private Equity Fund		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
6. Other Expenses of the LPs* The fees and costs associated with the operation and administration of the LPs	Estimated to be 0.24% per annum of the NAV of the Fund. <sup>3,4</sup>	These expenses are payable out of the LPs as incurred.
<b>Performance fees<sup>3</sup></b>		
Amounts deducted from your investment in relation to the performance of the product	<p>a. An estimated performance fee for the Fund's investments in LPIII, LPIV and the Evergreen LP of 0.93% per annum of the NAV of the Fund.<sup>4,5</sup></p> <p>b. Estimated interposed vehicle performance fees of 3.64% per annum of the NAV of the Fund.<sup>3,4</sup></p>	<p>a. This fee is paid to the GPs of LPIII,IV and Evergreen LP based on the performance of the respective LP. The performance fees will only be paid following LPIII, LPIV and the Evergreen LP's actual receipt of invested capital and once a cumulative, non-compounded investment return equal to the Hurdle Rate is achieved per LP, through distribution of income and capital by the respective LP.</p> <p>b. These fees are paid to the underlying US PE Funds in which the Fund invests via the LPs.</p> <p>The performance fees payable by the Fund are a reflection of the performance that the CD Private Equity Fund Series has achieved over the past five years. The returns of the Fund are available to be seen on the Fund's website, available here: <a href="http://www.cdpefund.com">www.cdpefund.com</a></p>
<b>Transaction costs*</b>		
The costs incurred by the scheme when buying or selling assets		
The costs incurred by the scheme when buying or selling assets	Estimated to be 0%.	Transaction costs generally arise when the value of the assets of the Fund are affected by the day-to-day trading of the Fund and are deducted from the assets of the Fund as and when incurred.

## 5. Fees and Costs continued

MEMBER ACTIVITY RELATED FEES AND COSTS – FEES FOR SERVICES OR WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	Buy spread: In the ordinary course this is expected to be 0.0% of the NAV per Unit.  Sell spread: In the ordinary course this is expected to be 0.5% of the NAV per Unit.	The buy-sell spread is deducted from the application amount received from, or the withdrawal amount to be paid to, applicants and withdrawing unitholders respectively at the time of the relevant application or withdrawal.  See Section 5.3 (i & j) for further information
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

1. Unless otherwise stated, all fees and costs are expressed as a percentage of net asset value of the Fund and include GST net of reduced input tax credits. It is anticipated that the Fund is expected to be entitled to RITCs generally, whether under the reduced credit acquisition provisions of the GST Act or otherwise. (See “GST and tax” under the heading “Additional Explanation of Fees and Costs”).

2. The amount of these fees may be different if agreed with a wholesale client.

3. Estimate based on the actual incurred management fees, expenses and performance fees of the underlying US PE funds as at 31 December 2021. 31 December 2021 is the typical financial year end for the underlying US PE funds.

4. LP III and LP IV performance fees are based on accrued performance fees for each respective LP as at 30 June 2022. No performance fee is accrued for the Evergreen LP as it has not yet been established.

\* This is an estimate only. Management costs on gross assets are slightly lower as while the Fund does not currently borrow or otherwise leverage their investments, there are some timing differences between liabilities and payments, which means the gross assets of the Funds are typically higher than the net assets of the Funds.

## 5.2 Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs in the Fund can affect your investment over a 1-year period. You should use this table to compare this Fund with other products offered by managed investment schemes.

EXAMPLE – CD Private Equity Fund		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR <sup>1</sup>
Contribution fee	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management fees and costs	2.32% p.a.	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment <b>\$1,160.00</b> each year.
<b>PLUS</b> Performance fees	4.57% p.a. <sup>2</sup>	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment <b>\$2,285.00</b> in performance fees each year.
<b>PLUS</b> Transaction costs	0.00% p.a.	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged or have deducted from your investment <b>\$0.00</b> in transaction costs.
<b>EQUALS</b>		
Cost of CD Private Equity Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of: <b>\$3,445.00</b> .  <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

1. The example above is illustrative only and assumes the additional \$5,000 is invested at the end of the year and the value of the investment is constant over the year. Therefore the management fees and costs are calculated using the \$50,000 balance only.
2. The estimated performance fee has been determined using an estimation methodology, based on the existing fees paid by the LPs to the Underlying US PE Funds for the five years to 31 December 2021 and based on the accrued performance fee as at 30 June 2022 for the accrued performance fee payable to GP III and GP IV by LP III and LP IV, respectively. The Responsible Entity reasonably considers this appropriately represents what the performance fee may be for the current financial year (adjusted to reflect a 12 month period) and is not a forecast of any future performance fees. The Fund in its current form has no actual applicable performance history and past performance is not a reliable indicator of the Fund's future performance. The actual performance fee payable will be based on the Fund's actual performance over the relevant period. Please refer to 'Performance fees' below for more information.

## 5.3 Additional explanation of fees and costs

Unless otherwise stated, all estimates of fees and costs in this PDS are based on information as at the date of this PDS and reflect E&PIL's reasonable estimate of the typical ongoing amounts for the year from 30 June 2022.

Investors in the Fund typically will not bear any establishment fees, contribution fees, withdrawal fees, exit fees or switching fees.

### (a) Responsible Entity Fee

The Responsible Entity will charge a responsible entity fee for the operation of the Fund of 0.08% plus the net amount of GST in accordance with the Constitution of the Fund. This fee is estimated to be 0.09% (inclusive of the net effect of GST) per annum of the net asset value of the Fund.

### (b) Administration Fee

The Responsible Entity will charge an administration fee for the administration of the Fund of 0.25% plus the net amount of GST of the gross asset value of the Fund in accordance with the Constitution of the Fund. This fee is estimated to be 0.28% (inclusive of the net effect of GST) of the net asset value of the Fund.

## 5. Fees and Costs continued

### (c) GP Fee

The General Partners of the LPs are responsible for selecting and managing investments to be made by the LPs, including investments to be made by the Fund. The GPs are entitled to receive a management fee equal to the following:

Fund	Amount (%)	Expiry
U.S. Select Private Opportunities Fund LP (LPI)	GPI is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPI.	Expired
U.S. Select Private Opportunities Fund II LP (LPII)	GPII is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPII.	Feb-23
U.S. Select Private Opportunities Fund III LP (LPIII)	GPIII is entitled to receive a management fee equal to 1% per annum of the total capital committed by the limited partners to LPIII.	July-26
U.S. Select Private Opportunities Fund IV LP (LPIV)	GPIV is entitled to receive a management fee equal to 2% per annum of the total capital committed by the limited partners to LPIV.	Apr-28
U.S. Select Private Opportunities Fund Evergreen LP (Evergreen LP)	The GP of the Evergreen LP is entitled to receive a management fee equal to 1% per annum on a per investment basis.	The management fee will commence on the acquisition of each portfolio investment made by the Evergreen LP and continue for 10 years from commencement unless all capital contributions for the investment have been returned at which point the management fee will cease for that particular portfolio investment.

As at 30 June 2022, the blended GP fee is estimated to be 0.68% per annum of the NAV of the Fund.

The amount is charged on committed capital, rather than gross or net asset value which is why the amount is lower than the percentages depicted in the table above.

This GP fees in relation to the Fund, Cordish Private Ventures, and any additional limited partners are payable irrespective of whether the capital committed by the partners has in fact been drawn by the GPs and applied to investments for the limited partners through the LPs.

### (d) Underlying Fund Management Fees and Expenses

The GPs are entitled to be reimbursed, out of the assets of the LPs, for all out-of-pocket expenses they properly incur in operating and administering the LPs. This includes the fees charged by underlying fund managers associated with the performance of their management functions. These fees may include entry fees, transaction fees, exit fees and ongoing management fees.

The underlying fund managers in which the Fund, through the LPs, invest are entitled to be reimbursed, out of the assets of the Fund, for all out-of-pocket expenses they properly incur in connection with the investment and management of the underlying funds. This includes expenses such as transaction fees, duties, taxes, commissions, and brokerage.

The effect of these expenses on your investment will be dependent on the costs and size of the Fund.

## **(e) Performance Fee**

### **LPIII, LPIV and Evergreen LP**

GPIII and GPIV are entitled to a performance fee of 10% of the return achieved by the respective LP above a hurdle rate equal to a cumulative, non-compounded pre-tax return of 8% per annum on all capital contributed to the LP (and not yet returned by distribution to limited partners).

The GP of the Evergreen LP will be entitled to a performance fee of 10% of the return achieved by each portfolio investment made by the Evergreen LP above a hurdle rate equal to a cumulative, non-compounded pre-tax return of 8% per annum on all capital contributed to the portfolio investment (and not yet returned by distribution to the limited partner). Investors should note that the Hurdle Rate references to the LP, not the Fund level, and is denominated in US dollars.

LPI and LPII do not charge a performance fee.

### **Performance fees charged by interposed vehicles (US Underlying PE Funds)**

The LPs may also be required to pay performance fees to the underlying fund managers. These management fees may be reduced by rebates paid by entities in which the underlying funds invest. The exact quantum of these fees will depend on the composition of underlying funds, the size of the LP's investment, and time of investment with each constituent fund.

The amount depicted in the table above reflects the total performance fees payable by the respective LPs for the last five years to 31 December 2021, except in the case of Fund IV which was only established in 2018 and so are based on the performance fees paid since the inception of Fund IV.

The level of performance fee charged reflect the strong performance of the Funds since inception. Previous performance is not indicative of the future returns of the Fund.

## **(f) Expenses Relating to Management of the Fund**

The Responsible Entity is entitled to be reimbursed, out of the assets of the Fund, for all out-of-pocket expenses it properly incurs in operating and administering the Fund. This includes expenses such as taxes and bank fees, preparation of financial statements and tax returns and compliance costs.

## **(g) Other Expenses of the LP**

The GPs are entitled to be reimbursed, out of the assets of the LPs, for all out-of-pocket expenses they properly incur in connection with the investment and management of the LPs. This includes expenses such as transaction fees, duties, taxes, commissions, and brokerage.

The effect of these expenses on your investment will be dependent on the costs and size of the Fund.

## **(h) Transaction Costs**

Transaction costs are the costs incurred when assets are bought or sold by the Fund and include brokerage, buy-sell spreads, settlement costs (including custody costs), clearing costs and stamp duty. Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by the Fund and certain costs in relation to derivative financial products.

Transaction costs are reflected in the Fund's unit price. As these costs are factored into the value of the Fund's assets and reflected in the unit price, they are an additional cost to you but are not a fee paid to E&PIL as the responsible entity.

The estimated transaction costs figure disclosed in the fees and costs summary of this PDS is the amount actually incurred by the Fund for the previous financial year, including E&PIL's reasonable estimates where E&P was unable to determine the exact amount or information was unavailable at the date of this PDS.

Historically, the Fund's estimated transaction costs have been nil. The Fund generally does not incur transaction costs itself, and as such the estimated transaction costs reflect the transaction costs incurred in the Fund's interposed vehicles.

## 5. Fees and Costs *continued*

### **(i) Buy spread**

A buy Spread is an amount deducted from the value of a unitholder's application money or withdrawal proceeds that represents the estimated costs incurred in transactions by the Fund as a result of the application. It is not a service fee and, if charged, would be retained in the assets of the Fund to mitigate the impact to ongoing investors from the costs of transaction activity driven by applications and withdrawals.

Under the Constitution, the Responsible Entity may determine a buy spread to be applied to the Application Price of Units based on the reasonable estimate of transaction costs incurred to facilitate the application. In the ordinary course, the Responsible Entity is expecting a nil buy spread in the near term, but may be in the range of 0.0% to 0.2%. The buy spread will be specified on the Fund's website.

### **(j) Sell Spread**

In the ordinary course, the Responsible Entity is expecting that a sell spread of 0.5% of the NAV per unit will be payable to cover the expected legal, tax, registry and accounting costs of facilitating the withdrawal offers.

Under the Constitution, the Responsible Entity may determine a sell spread to be applied to the withdrawal price of Units based on the reasonable estimate of transaction costs incurred to facilitate each withdrawal offer. In the ordinary course, the Responsible Entity is expecting that a sell spread of 0.5% of the NAV per unit will be payable to cover the expected legal, tax, registry and accounting costs of facilitating the withdrawal offers.

The maximum amount that is likely to be payable could be up to 3.0%. This would occur in the event that part of the underlying portfolio needs to be sold to meet withdrawal requests and larger costs are required to be paid to legal and tax advisers as well as any potential selling fee that may be payable. The sell spread for each withdrawal offer will be specified in the notice of the particular offer on the Fund's website.

The Sell Spread is not a fee charged by the Responsible Entity but remains an asset of the Fund.

### **(k) Sell spread charged by Underlying Fund**

Sell spread may be levied by underlying US PE Funds. We note that these amounts are not expected to be charged and the Fund is not expected to be able to exit these positions. The Fee however may be paid should the Fund need to make asset sales in the secondary market at a spread to meet withdrawal requests. These spreads are unknown. If this sell spread is levied on the Fund, such costs may result in a reduction to the amount we pay you in connection with your withdrawal (see '(j) Sell – Spread' above)

### **(l) Waiver, Deferral or Increase in Fees**

E&P Investments Limited, in its capacity as Responsible Entity, and the GPs, in their capacity as GPs, may waive or defer the payment of their fees or accept payment of lower fees in any amount and for any period they determine. They may also reinstate the payment of fees up to the previous levels on a prospective basis only. They may also increase a fee beyond the amounts stated in the PDS up to the prescribed maximum amount in the Fund's Constitution and the LP Agreements, as applicable (see paragraph (M) below), but if this occurs, we will give you at least 30 days' notice by an announcement.

### **(m) Investor Administration**

If the Responsible Entity is requested by a Unitholder to perform a role outside its normal administration function as contemplated by the Constitution and this PDS, there may be a fee payable for such role. The fee will vary depending on the request by the Unitholder and will be disclosed to the Unitholder before any work is commenced.

### **(n) Benefits to the Responsible Entity**

Except for the interest, fees and remuneration disclosed in this PDS, the Responsible Entity and its Directors and employees have not received, and are not entitled to, any benefit in relation to this Offer.

Subject to applicable law, Directors may receive a salary as employees of the Responsible Entity or an affiliate, consulting fees or directors' fees, and may from time to time hold interests (directly or indirectly) in the Units in the Fund.

#### **(o) Maximum Fee Entitlements**

Certain fees are charged at a lower rate than the maximum rate contemplated by the relevant agreement. It is not currently intended that these fees will increase, and no increase will be made without 30 days' prior notice to Unitholders.

The Responsible Entity is entitled to charge 2.0% (plus GST) per annum of the gross asset value of the Fund for the administration and operation of the Fund.

#### **(p) GST and Tax**

Where a fee is disclosed as inclusive of the net effect of GST (that is, taking into account input tax credits or RITCs), the amount has been calculated on the basis that a RITC of the GST component is available. Whilst this entitlement is dependent on the individual circumstances, as a general proposition, it is anticipated that the Fund is expected to be entitled to RITCs generally whether under the reduced credit acquisition provisions of the GST Act or otherwise. There are circumstances where the GST recovery rate could vary.

#### **(q) In-specie Transfers**

On investing in the Fund, any costs associated with an 'in specie' transfer will be paid by the investor.

Where a withdrawal is satisfied by an 'in specie' transfer, the investor will bear all costs, including any applicable stamp duty, payable as a result of the transfer.

#### **(r) Financial Advisers**

Additional fees may be paid to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

# 6

## Tax Information

## 6. Tax Information

### 6.1 Australian Taxation Summary

Outlined below is a general summary of the key Australian income tax, goods and services tax (GST) and stamp duty (collectively, Australian tax) consequences for Australian resident individuals, companies and complying superannuation entities who subscribe for the Units and hold the Units on capital account for Australian income tax purposes (“**Investors**”). Investors should be aware that the actual Australian tax and stamp duty implications of investing in the Fund may differ from those summarised, depending on the individual circumstances of each Investor. For example, complying superannuation funds with pension liabilities may be exempt from income tax on some or all of the income derived and thus some of the income tax commentary below may not be relevant to these Investors. Investors should seek advice from their own professional taxation adviser regarding the Australian tax consequences of acquiring, holding and selling the Units in the Fund, having regard to their particular circumstances. Investors should also be aware that the tax laws can change with either prospective or retrospective effect.

## 6. Tax Information continued

### 6.2 Taxation treatment of the Fund

# Deloitte.

Deloitte Tax Services Pty Ltd  
ACN 092 223 240  
Grosvenor Place  
225 George Street  
Sydney, NSW, 2000  
Australia

Phone: +61 2 9322 7000  
www.deloitte.com.au

7 October 2022

The Directors  
E&P Investments Limited  
As responsible entity for  
CD Private Equity Fund I  
CD Private Equity Fund II  
CD Private Equity Fund III and  
CD Private Equity Fund IV  
Level 15  
100 Pacific Highway  
North Sydney, NSW 2060

Dear Directors

#### **Australian Taxation Report**

This letter has been prepared for inclusion in the PDS dated 7 October 2022. Unless otherwise stated, capitalised terms used in this report have the same meaning as the PDS.

This letter provides a general summary of the key Australian income tax, Capital Gains Tax (**CGT**) and Goods and Services Tax (**GST**) implications for Unitholders that are Australian residents and hold their Units in the Fund on capital account for Australian income tax purposes.

This general summary does not take into account the Australian tax consequences for Unitholders who are non-residents of Australia, Unitholders who hold their Units in the course of trading or dealing in securities or otherwise hold the Units on revenue account or as trading stock, Unitholders who may be subject to special rules, such as banks, insurance companies, tax exempt organisations, trusts, superannuation funds (unless otherwise stated) or dealers in securities, Unitholders subject to the Taxation of Financial Arrangements regime in Division 230 of the *Income Tax Assessment Act 1997* or Unitholders that are exempt from Australian income tax. Unitholders that are non-Australian tax residents should seek their own independent tax advice as to the tax implications of the Scheme, including tax implications in their country of residence.

This is a general summary only and is not intended to be and should not be taken as definitive or comprehensive analysis of the taxation laws of Australia or Australian tax advice to a Unitholder and does not consider all possible circumstances that may affect the position of each Unitholder. The tax consequences for Unitholders will depend on the specific facts or circumstances that apply to the particular Unitholder. All Unitholders are advised to seek independent professional advice regarding the Australian and (if applicable) foreign tax consequences of the Proposal.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500 companies. Learn how Deloitte's approximately 286,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte Network.

CONFIDENTIAL



This summary is based on the facts set out in the PDS that have not been independently reviewed or verified by Deloitte Tax Services Pty Ltd. The representatives of Deloitte Tax Services Pty Ltd involved in preparing this letter are not licensed to provide financial product advice as defined by the *Corporations Act 2001*. Unitholders may consider seeking advice from an Australian financial services licence holder before making any decision in relation to a financial product. Unitholders should also note that taxation is only one of the matters that need to be considered when making a decision on a financial product.

This summary is based on the Australian tax laws, regulations and administrative practices in effect as at the date of this letter. Unitholders should be aware that any changes (with either prospective or retrospective effect) to the Australian tax laws and their interpretation by the Courts and the ATO may affect the taxation treatment of the Funds and the Unitholders as described in this summary. We have no obligation to provide an updated tax letter to reflect such changes.

Unless otherwise stated, all legislative references in this letter are to the *Income Tax Assessment Act 1936* and *Income Tax Assessment Act 1997* (together, the **Tax Act**) and the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the regulations issued thereto.

## 1 Tax treatment of the Fund

### 1.1 Income tax status of the Fund

Generally, unit trusts such as the Fund should be treated as “flow through” vehicles for Australian income tax purposes. That is, trustees or Responsible Entity of such trusts should not be liable to pay income tax on the net (i.e. taxable) income of the trust for an income year, provided that the unitholders are presently entitled to the distributable income of each trust for the income year.

For income tax purposes, a unit trust may be taxed as a company if it is a “public trading trust” as defined in Division 6C of the Tax Act. A unit trust should be treated as a “public trading trust” if at any time during an income year it is a “public unit trust” and carries on or controls a “trading business”.

A unit trust should be a “public unit trust” for an income year if at any time during the income year units in the unit trust were offered to the public or the units in the unit trust were held by not fewer than 50 persons (where ownership is not concentrated and less than 20% of the units in the trust is held by tax exempt entities). We understand that currently the Funds satisfy the definition of a “public unit trust” and the Fund is expected to continue to do so after the implementation of the Proposal.

We understand that since inception, the activities of the Funds have comprised of investing in small to mid-sized private investment funds and privately held companies predominantly in the US to achieve capital growth over the long-term in accordance with their respective investment strategies. We understand that the Responsible Entity has managed the activities of each Fund such that the Funds do not directly or indirectly control (or have ability to control) a trading business and the activities of the Funds following the Proposal will not change. We further understand that the Responsible Entity will continue to manage the activities of each Fund such that it does not directly or indirectly control or have the ability to control a trading business. Accordingly, it is expected that the Fund should not be treated as a “public trading trust”.

We note that the “public trading trust” test is an annual test. As such, it will be necessary to monitor the activities of the Responsible Entity and the Fund in each income year.

### 1.2 Managed Investment Trust

The Fund may also meet the requirements of a managed investment trust (**MIT**). Whether it qualifies as a MIT will depend on it meeting certain requirements for each income year including certain licensing requirements, the “widely held” ownership requirements, certain “closely held” restrictions and other



conditions. A trust that qualifies as a MIT may make an irrevocable election (**MIT capital election**) to apply the CGT rules as the primary code for the taxation of gains and losses on the disposal of "covered assets" (being primarily shares, units and real property). Where the MIT capital election is made, capital gains made from the realisation of investments covered by the MIT capital election that have been held for at least 12 months may qualify for discount CGT treatment.

We understand that the Fund currently qualifies as a MIT and has made the MIT capital election. Based on the information available to us, we would expect that the implementation of the Proposal of itself should not have an adverse impact on the ability of the Fund to satisfy the requirements to qualify as a MIT.

As the requirements to qualify as a MIT must be satisfied in each income year, the Responsible Entity should ensure that the Fund continues to satisfy the requirements to qualify as a MIT for each income year.

### 1.3 Net income of the Fund

The net income of the Fund may include:

- Distributions paid or credited by the LP, LP III, Fund I, Fund II and Fund IV;
- Interest income on term deposits and cash equivalent investments;
- Foreign exchange gains and losses; and
- Net capital gains.

The net income of the Fund may also include an amount of income that is calculated under Australia's controlled foreign company (**CFC**) rules. Where the central management and control of the LPs is outside of Australia, the LPs do not carry on business in Australia and the Fund holds a limited partnership interest of at least 40% in any of the LPs or sufficient Australian investors have control of the LPs for income tax purposes at a particular point in time, the CFC rules are expected to apply as those LPs will be CFCs of the Fund for Australian income tax purposes.

The CFC rules will require the Fund to include in its net income for an income year, certain income and gains derived by the LPs ("attributable income") even if such income or gains are not distributed by the LPs in that year. However, where the LPs make current year distributions which are otherwise included in the assessable income of the Fund and can reasonably be regarded as having been paid out of the attributable income of the LPs, the attributable income of the LPs required to be included in the net income of the Fund may be reduced.

The Fund may also receive distributions from the LPs that represent a return of capital from the LPs. In our view, the income tax laws should operate such that the returns of capital should not be included in the Fund's net income. Rather, it is expected cost base of the Fund's limited partnership interest in the relevant LP should be reduced by the amount of the capital returned. If the return of capital, including any previous returns of capital exceeds the cost base of the interest in the relevant LP (which broadly should be calculated by reference to the original capital contributed), a capital gain equal to the excess may arise. Such capital gains should be included in the net income of the Fund. The capital gain may be eligible for discount CGT treatment provided the limited partnership in the relevant LP has been held for at least 12 months.

If the Fund makes a tax loss in any income year, the tax loss cannot be distributed to Unitholders. However, the tax loss may be able to be carried forward and utilised by the Fund to offset assessable income in future years provided that the Fund satisfies the applicable trust loss rules. Similarly, any net capital losses may be carried forward by the Fund to be utilised to offset future net capital gains.

## 2 Tax implications of holding units in the Fund

### 2.1 Acquisition of Units

Each Unit in the Fund will be a CGT asset. For CGT purposes, the cost base and reduced cost base of each Unit should generally include the amount each Unitholder paid to acquire the Unit plus any incidental costs of acquisition and disposal.

However, Unitholders that acquired Units in the Fund under the Merger may have a different cost base and reduced cost base if the Unitholder was eligible and chose to apply scrip-for-scrip roll-over.

### 2.2 Distributions from the Fund

Provided Unitholders are presently entitled to the distributable income of the Fund they should be required to include in their assessable income, a proportionate share of the Fund's net (i.e. taxable) income in each income year.

A Unitholder's proportionate share of the net income of the Fund should be determined by their proportionate entitlement to the distributable income of the Fund. There may be circumstances where the calculation of a Fund's net income and the distributable income vary.

Broadly, the Unitholders should be assessed in the same year in which the Unitholder becomes presently entitled to the distributable income (even if the distribution is reinvested), including any distributable income reflected in the redemption price paid to the Unitholder on redemption.

Each component of the Fund's net income should retain its tax character in the hands of the Unitholders for income tax purposes. As the income of the Fund should primarily include dividends and returns of capital from a foreign source, distributions should also be characterised for tax purposes as foreign sourced income.

In the event that US withholding tax is imposed on distributions made by the LPs or US income tax is imposed on the Fund, Fund I, Fund II or Fund IV, Unitholders may, subject to meeting certain conditions, be entitled to a foreign income tax offset (**FITO**) in respect of such US taxes. A FITO that may be claimed by a Unitholder in an income year is broadly calculated as the greater of:

1. \$1,000 and
2. Broadly, the Australian income tax that would be payable on a Unitholder's foreign sourced income on which foreign tax has been incurred and other foreign sourced income.

To the extent that a FITO cannot be used by a Unitholder in an income year because the Unitholder's share of foreign taxes paid exceeds the offset limit, the excess is lost such that it cannot be carried forward to a later year. We recommend Investors seek their own advice in this regard.

The Fund may also make cash distributions to Unitholders in excess of its net income. Such distributions may arise as a result of:

- "Tax deferred" distributions (e.g. return of capital or income sheltered by tax losses); and
- "CGT concession" amounts (i.e. the discount component of net capital gains derived by the Fund).

Tax deferred distributions should not be assessable to the Unitholder but, for CGT purposes, should reduce the cost base of the Units in the Fund in respect of which tax deferred distributions are received but not below nil. Once the cost base is reduced to nil, any further tax deferred distributions should give rise to a taxable capital gain. Such capital gains may be eligible for discount CGT treatment where the Units in respect of which the capital gain arises have been held for at least 12 months prior to the gain arising (please refer to Section 2.3.2 on CGT discount).

Distributions of CGT concessions should not be assessable to the Unitholder and should not affect the cost base (or reduced cost base) of the Units for CGT purposes.

# Deloitte.

The Responsible Entity will provide annual tax distribution statements to Unitholders setting out the details of trust distributions.

### **2.3 Sale or Redemption of units in the Fund**

#### *2.3.1 CGT on disposal of units in the Fund*

The sale or redemption of Units in the Fund should be treated as the disposal of the Units and should give rise to a CGT event for Australian income tax purposes.

On disposal of Units in the Fund, a Unitholder should realise a capital gain if the capital proceeds received in respect of the disposal of the Fund Units exceeds the Unitholder's cost base of the Fund Units.

A Unitholder should realise a capital loss if the capital proceeds received for the Fund Units is less than the Unitholder's reduced cost base of the Fund Units.

Any capital gain on redemption may be reduced (but not below nil) to the extent that an amount is included in the Unitholder's assessable income because of the redemption.

The cost base and reduced cost base of a Unit should generally be the amount that a Unitholder paid to acquire the Unit plus any incidental costs of acquisition and disposal, reduced by any tax deferred distributions received. The initial cost bases of the Fund Units may also be impacted as a consequence of the Scheme, as outlined above.

The Australian income tax consequences of realising capital gains and losses should be as outlined above.

#### *2.3.2 CGT Discount*

Discount CGT treatment may be available for non-corporate Unitholders to reduce capital gains realised by the Unitholder (after offsetting capital losses) on the disposal of a unit in the Fund if the relevant Unit in respect of which the gain arises has been held for at least 12 months. The CGT discount is one half in the case of an individual or trust, or one third in the case of a complying superannuation entity. Companies are not entitled to discount CGT treatment.

Integrity rules exist which can prevent the CGT discount being applied to capital gains arising from the disposal of a Unit in a Fund where a majority of the underlying CGT assets of the Fund, by value, have not been held for at least 12 months. These integrity rules should not apply if:

- A Unitholder (together with associates) beneficially owns less than 10% of the voting interests, issued units or other fixed interests in the Fund just prior to the disposal; or
- The Fund has at least 300 Unitholders and the ownership is not concentrated (ownership should be concentrated if 20 or fewer individuals own, directly or indirectly, at least 75% of the income, capital or voting interests in the Fund).

Unitholders who dispose of their Units within 12 months of acquiring them or dispose of them under an agreement entered into within 12 months of acquiring the Units should not be eligible for discount CGT treatment.

The acquisition date of Units held in Fund III from prior to the implementation of the Scheme may be different to any Fund Units acquired under the Scheme. Accordingly, it will be important for Unitholders to separately track the acquisition date of each Unit in order to assess eligibility for discount CGT treatment.



### 3 Withholding of tax from distributions

The Responsible Entity should be required to deduct Pay-As-You-Go withholding tax from distributions paid to Unitholders at the highest marginal tax rate, including Medicare Levy (currently 47%) if the Unitholder has not quoted either their Tax File Number or Australian Business Number and none of the relevant exemptions apply. Unitholders should generally be entitled to an income tax credit for any such tax withheld.

### 4 GST

No GST should be payable in relation to the distributions received by Unitholders from the Fund, nor in relation to the transfer or disposal of Fund Units.

Unitholders will generally incur GST of 10% on costs relating to brokerage and other professional advisory services acquired by the Unitholders in their own right in relation to the Proposal. Unitholders should determine whether they will be entitled to claim an input tax credit or reduced input tax credit for any GST incurred on costs associated with the acquisition, transfer or disposal of any Units in the Fund.

### 5 Stamp Duty

For any future acquisition or disposal of the Units, a stamp duty liability may arise depending on a number of factors such as the location of any investment properties held directly or indirectly by the Fund and whether or not the Fund is regarded as a public unit trust scheme as defined in the various State and Territory stamp duty acts. Unitholders should seek advice from their own professional taxation adviser regarding stamp duty.

\* \* \* \* \*

Yours faithfully,

**Nari Kye**  
Partner, Deloitte Tax Services Pty Ltd

## 6. Tax Information continued

### 6.3 US Taxation Summary

The following is a summary of certain material US federal income taxation consequences that are likely to apply to an investor in the Fund that is not treated as a US Investor, as defined below (a “**Non-US Investor**”).

For purposes of this discussion, a Non-US Investor means a beneficial owner of Units that is not any of the following for US federal income tax purposes:

- a) a citizen or resident of the US or someone treated as a US citizen or resident for US federal income tax purposes;
- b) a corporation (or another entity taxable as a corporation for US federal income tax purposes) created or organized in or under the laws of the US, any state thereof, or the District of Columbia;
- c) an estate, the income of which is subject to US federal income taxation regardless of its source; or
- d) a trust if:
  - i) it is subject to the supervision of a court within the US and one or more US persons are authorized to control all substantial decisions of the trust; or
  - ii) it has a valid election in effect under applicable US Treasury Regulations (as defined below) to be treated as a US person.

This summary is for general information purposes only and is not exhaustive of all of the US federal income tax considerations that may be relevant to a decision to purchase, hold or dispose of Units. In addition, the possible application of US federal estate or gift taxes or any aspect of state, local or non-US tax laws is not considered. This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (“**Code**”), Treasury Regulations promulgated under the Code by the US Treasury Department (including proposed and temporary regulations) (“**Treasury Regulations**”), rulings, current administrative interpretations and official pronouncements by the Internal Revenue Service (“**IRS**”), and judicial decisions, all as currently in effect on the date hereof and all of which are subject to differing interpretations or to change, including possibly with retroactive effect. Such changes could materially and adversely affect the tax consequences to Non-US Investors described below. No assurance can be given that the IRS would not assert, or that a court would not sustain a position contrary to any of the tax consequences described below. The Fund has not obtained, nor does it intend to obtain, a ruling from the IRS or any other federal, state or local agency with respect to any of the tax issues affecting the Fund or its Non-US Investors.

If a partnership (including for this purpose any entity treated as a partnership for US federal income tax purposes) is a beneficial owner of Units, the US federal income tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership.

This discussion does not address all aspects of US federal income taxation that may be important to any particular Non-US Investor in light of its investment or tax circumstances or to any Non-US Investor subject to special tax rules including, but not limited to, those Non-US Investors that: (i) have an office or fixed place of business in the US, (ii) are former citizens of the US, or (iii) are “controlled foreign-corporations” or “passive foreign investment companies” with accumulated earnings to avoid US federal income tax. This discussion also assumes that a Non-US Investor is not engaged in a US trade or business apart from its investment in the Units. Each prospective Non-US Investor is urged to consult its US tax advisor before investing in the Fund.

The foregoing summary of US federal income tax considerations is for general information only and is not tax advice. It does not discuss all aspects of US federal income taxation that may be relevant to a Non-US investor in light of its particular circumstances and income tax situation. Prospective Non-US Investors should consult their own tax advisors as to the specific tax consequences that would result from the purchase, ownership and disposition of the Units, including the application and effect of federal, state, local, foreign and other tax laws (including estate and gift tax rules) and the possible effects of changes in federal or other tax laws, as well as the application under any applicable tax treaty.

#### 6.3.1 US Tax Status

The Fund intends to be classified and operate as an association taxable as a corporation for US federal income tax purposes. It is intended that the LPs will be treated as partnerships (that is, a flow-through or transparent entity) for US federal income tax purposes. As a result, the Fund will be treated for these purposes as having engaged in any activities conducted by the LPs and, in turn, any partnerships (including any entity treated as a partnership for US federal income tax purposes) in which the LPs invest. The following discussion assumes that the Fund is classified as a corporation and the LPs are classified as partnerships for US federal income tax purposes.

### 6.3.2 Taxation of the Fund

#### i) US Trade or Business

The US federal income tax consequences of the Fund (and, as a result, the Non-US Investors) will generally depend on whether the Fund is engaged in a trade or business in the US by reason of the LPs' investing activities. It is currently anticipated that the LPs will be treated as engaged in a trade or business in the US. As a result, the Fund's investment in the LPs will likely generate income that is effectively connected with the US, which, as described below, will cause the Fund to be required to file US federal income tax returns and be subject to US withholding tax.

Based on the investment strategies of the LPs (and, therefore, the Fund), the Fund does not anticipate being able to take the position that it is not directly or indirectly through one or more partnerships engaged in a US trade or business for US federal income tax purposes. Treatment of the Fund as not engaged in a US trade or business is based on all of the facts and circumstances and is subject to challenge by the IRS.

The Fund does not anticipate qualifying for a specific exemption provided for in the Code and Treasury Regulations for non-US persons (other than dealers in securities including, without limitation, corporations) that restrict their activities in the US to investing or trading in stock and securities (and any other activity closely related thereto) for their own account, pursuant to which such non-US persons will not be treated as engaged in a US trade or business. No assurance can be given that the LPs will structure their direct and indirect investments so that it can comply with such an exemption.

If, as anticipated, the Fund was treated as directly or indirectly engaged in a trade or business in the US, the Fund generally would be required to file a US federal corporate income tax return and to pay US federal income tax on a net basis (at the same rates that are generally applicable to US corporations, currently 21%) in respect of its share of effectively connected income derived from that trade or business. In certain circumstances, the partnerships engaged in these activities, such as the LPs or partnerships in which the LPs invest, may have a tax withholding obligation – see discussion below.

In addition, if, as anticipated, the Fund were treated as being engaged in a US trade or business, the Fund may also be required to pay an additional tax equal to 30% of the "dividend equivalent amount" for the taxable year (**Branch Profits Tax**), subject to reduction pursuant to the Double Tax Treaty for certain qualified tax residents (to a rate of 5%). For these purposes, the "dividend equivalent amount" is generally the amount of the Fund's earnings and profits effectively connected with a US trade or business for the taxable year, subject to certain adjustments. As

noted above, even if the investing activities of the LPs (and, therefore, the Fund) do not give rise to a US trade or business, the Fund may be deemed to be engaged in a US trade or business as a result of directly or indirectly owning an interest in certain partnerships (or entities treated as partnerships for US federal income tax purposes) which are engaged in a US trade or business. Consequently, income and gain realised from that investment would give rise to income effectively connected with a US trade or business and be subject to US income and potentially Branch Profits Tax, as described above. If an entity in which the LPs (and, therefore, indirectly, the Fund) is invested is treated as a partnership for US federal income tax purposes, the character of the income or loss generally flows through to the upper-tier entities (such as the Fund) for these purposes.

Even if the Fund's activities do not constitute a US trade or business for these purposes, gains realised from the sale or disposition of certain stock or securities of US real property holding corporations (as defined in Section 897 of the Code, "**USRPHCs**"), will be generally subject to US income tax on a net basis, subject to certain exceptions. For these purposes, a USRPHC includes certain interests in US corporations holding US real estate assets having a market value in excess of 50% of the market value of all their real estate assets and other business related assets, subject to certain exceptions. In addition, sales of partnership interests in partnerships owning interests in US real property will also generally be subject to these rules.

#### ii) US Withholding Tax

Although not currently anticipated, if the Fund is not directly or indirectly engaged in a US trade or business, certain types of periodic income (such as dividends, certain "dividend equivalent payments" and certain interest income) received by the Fund from sources inside the US may be subject to US withholding tax at a maximum rate of 30%, subject to certain exceptions. Certain types of income are specifically exempt from the 30% withholding tax. The 30% tax generally does not apply to US source capital gains (whether long or short-term) or to interest paid to a non-US corporation on its deposits with US banks, except to the extent that such income is effectively connected with the conduct of a US trade or business or such non-US person is present in the US for 183 days or more during the year. The 30% tax generally does not apply to interest which qualifies as "portfolio interest." The term "portfolio interest" generally includes interest (including original issue discount) on certain obligations with respect to which the person who would otherwise be required to deduct and withhold the 30% tax receives certain required statements that the beneficial owner of the obligation is not a US person within the meaning of the Code, subject to certain exceptions. For example, the portfolio interest exemption is not available for interest

## 6. Tax Information continued

paid to a direct or indirect 10% investor of the issuer of the indebtedness and is subject to certain other limitations. In addition, among other items, certain types of “contingent interest” (generally, interest that is determined by the receipts, sales, cash flow, income or profits of the debtor or a related person, or by dividends or partnership distributions made by the debtor or a related person) are excluded from the definition of portfolio interest.

To obtain the benefit of the portfolio interest exemption and in certain other cases to reduce or eliminate withholding, the LPs and/or the Fund may be required to deliver certain certifications to the portfolio funds (or their designees) and/or the IRS.

If the LPs have income effectively connected with a US trade or business, the LPs may be required to withhold US income tax at a tax rate equal to the highest US income tax rate applicable to the LPs’ foreign partners, including the Fund, on all or a portion of the income allocated to such foreign partners of the LPs by the LPs. In addition, to the extent that the LPs directly or indirectly invests in partnerships (including entities treated as partnerships for US federal income tax purposes) having income effectively connected with a US trade or business, such partnerships the LPs invest in may be required to withhold US income tax at a tax rate equal to the highest US income tax rate applicable to the LPs partners on all or a portion of the income allocated to the LPs by such partnership.

Additionally, as a result of the Tax Cuts and Jobs Act of 2017, any partnership engaged in a US trade or business with a foreign partner may be subject to withholding tax at a 10% rate (which may be reduced or eliminated) in the event of a disposition of partnership interests by a foreign partner. Any such withholding tax would be required to be withheld by the transferee of such partnership interests, however, if the transferee does not withhold, the partnership would be required to withhold, but only on distributions to the transferee. Any tax liability or penalties attributable to such withholding payable by the partnership may reduce amounts available for distribution to partners directly, and to investors in the Fund indirectly.

There can be no assurance that income derived by the Fund would not be subject to US withholding tax. Any tax liability incurred by the Fund generally could reduce the Fund’s overall economic returns and materially reduce amounts available for ultimate distribution to Non-US Investors.

### iii) Tax considerations of The Merger

Following the Merger, CD Private Equity Fund I, CD Private Equity Fund II, and CD Private Equity Fund IV would become wholly owned subsidiaries of the Fund. Each of CD Private Equity Fund I, CD Private Equity Fund II, and CD Private Equity Fund IV, is currently treated as an association taxable as a corporation for US federal income tax purposes, and it is anticipated that they will be taxable as corporations for US federal income tax purposes immediately after the Merger. Additionally, it is anticipated that following the Merger each of CD Private Equity Fund I, CD Private Equity Fund II, and CD Private Equity Fund IV will be engaged in a trade or business in the US. Accordingly, each of CD Private Equity Fund I, CD Private Equity Fund II, and CD Private Equity Fund IV will generally be required to file US federal corporate income tax returns and pay US federal income tax on a net basis (currently, at a 21% rate) in respect of its effectively connected income derived from that trade or business, and may also be required to pay Branch Profits, subject to reduction pursuant to the Double Tax Treaty for certain qualified tax residents (to a rate of 5%). The resulting U.S. federal income taxes and Branch Profits Tax imposed on CD Private Equity Fund I, CD Private Equity Fund II, and CD Private Equity Fund IV could, following the Merger, result in a reduction in the Fund’s net assets and the amount available for distribution to Unitholders.

If, following the Merger, an election is made to treat each of CD Private Equity Fund I, CD Private Equity Fund II, and CD Private Equity Fund IV as a disregarded entity for US federal income tax purposes, all of the income of CD Private Equity Fund I, CD Private Equity Fund II, and CD Private Equity Fund IV would be treated as derived by the Fund directly, and to the extent such income is effectively connected with a US trade or business, would be subject to US tax at the Fund level and reportable on the Fund’s US federal income tax returns.

### 6.3.3 Tax considerations for non-US Investors

A Non-US Investor generally will not be subject to US federal income taxation on distributions from the Fund or on gains recognised on the sale, exchange or redemption of its Units in the Fund where such Non-US Investor’s nexus with the US is solely as a result of an investment in the Units. Similarly, Non-US Investors that otherwise are not subject to US federal income tax filing obligations should not become subject to any such filing obligations as a result of their investment in the Fund.

#### **6.3.4 Withholding on certain payments**

Under Sections 1471 through 1474 of the Code and Treasury Regulations thereunder (**FATCA**), US federal withholding tax at a rate of 30% will apply to dividends paid to (1) a “foreign financial institution” (as defined for this purpose) unless such institution is exempt from FATCA withholding pursuant to an applicable intergovernmental agreement between the jurisdiction in which it is located and the US, enters into an agreement with the US government to collect and provide to the US tax authorities information regarding US account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with US owners) or meets other exemptions or (2) a foreign entity that is not a financial institution, unless such entity is exempt from FATCA withholding pursuant to an applicable intergovernmental agreement between the jurisdiction in which it is located and the US, provides the withholding agent with a certification identifying any substantial US owners of the entity (as defined for this purpose) or meets other exemptions. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the US governing these withholding and reporting requirements may be subject to different rules. While withholding under FATCA would have also on payments of the gross proceeds from the sale or other disposition of any property occurring after December 31, 2018 that could produce US-source interest or dividends, the US Treasury Department has indicated in proposed Treasury Regulations its intent to eliminate this requirement. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. If FATCA withholding is imposed, an investor that is not a foreign financial institution may under certain circumstances be eligible for a refund or credit of any amounts withheld by filing certain information with the IRS.

#### **6.3.5 Future changes in applicable law**

The foregoing description of US income tax consequences of an investment in the Fund and the operations of the Fund is based on laws and regulations that are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject the Fund to income taxes or subject Non-US Investors to increased income taxes.

Non-US Investors should consult their own tax advisors regarding the US federal income tax consequences of investing in, holding and disposing of Units in the Fund.

# 7

## Material Contracts

## 7. Material Contracts

The below sections describe the details of the Evergreen LP which is expected to be established following the implementation of the Proposal and the general partner of the Evergreen LP. The terms of the existing limited partnerships are available via the Product Disclosure Statements available on the Fund's website, available here: [www.cdpefund.com](http://www.cdpefund.com)

### 7.1 Limited Partnership – Key Terms

#### 7.1.1 Evergreen LP

An exempted limited partnership ("**Evergreen LP**") is intended to be established in the Cayman Islands for the purpose of acquiring, directly or indirectly, and dealing with, interests in private investments and private investment funds.

At inception it is not intended there will be any additional Limited Partners in the Evergreen LP. The Evergreen LP is expected to be owned 99.9% by the Fund and 0.1% by the general partner ("**Evergreen GP**"). The Evergreen GP is expected to be a Delaware LLC (see Section 7.2 General Partnership below).

#### 7.1.2 Withdrawing

Limited partners in the Evergreen LP will be prohibited from withdrawing from the Evergreen LP or otherwise disposing of their interest in the Evergreen LP in any circumstances without the consent of the Evergreen GP.

#### 7.1.3 Permitted Investments

The Evergreen LP will have a broad range of permitted investments, including direct investment in underlying companies, subject to certain restrictions. The Evergreen LP Agreement will state that the Evergreen LP may not:

- a) invest more than 33% of the aggregate capital commitment of the Evergreen LP in any one private investment fund (Private Investment Fund) or securities of a portfolio company (Portfolio Company Securities).
- b) invest, by way of primary market transactions, more than 15% of the aggregate capital commitment of the Evergreen LP in any private investment fund whose primary investment objective is to invest in companies located or that conduct their principal business outside of the US; and
- c) invest in any private investment funds whose primary investment objective is to invest in companies located in or that conduct their principal business in emerging markets.

#### 7.1.4 Event of Default

Under the Evergreen LP Agreement ("**Evergreen LPA**"), it will be an event of default to fail to make a capital contribution when due and different consequences may result from an event of default, including (among others) interest being payable on overdue amounts, forcing the sale of the defaulting partners' interests in the Evergreen LP or, at the discretion of the Evergreen GP, forfeiture of distributions and a 25% reduction in the defaulting partner's capital account.

#### 7.1.5 LPA Amendments

The Evergreen LPA can generally be amended with approval from 50% of the capital contributions to the Evergreen LP.

The Evergreen GP can amend the Evergreen LPA to satisfy the requirements of any federal or state entity applicable to the Evergreen LP or the Evergreen GP, as long as that change minimises any adverse effect on the limited partner(s).

If the Evergreen GP seeks consent or approval from the limited partner(s) (including with respect to an amendment to the Evergreen LPA), each limited partner will be deemed to have consented to the amendment unless they respond in writing to the Evergreen GP that they do not consent, within the time set in the notice.

Consent of limited partner(s) is required for amendments to increase capital commitment, increase fee arrangements, and there are other provisions of the Evergreen LPA that require unanimous approval for amendment. Any amendments would also require the Evergreen GP's approval.

Upon the occurrence of an insolvency event for the Evergreen GP or withdrawal of the Evergreen GP, limited partners holding 75% of contributed capital at that time can agree to continue the LP and select a new general partner.

The Fund will not have the ability to petition for the wind up of the LP. The Evergreen LP shall continue until the earliest to occur of: (i) a determination by the Evergreen GP at any time to wind up the Evergreen LP following the sale or disposition of all portfolio investments and distribution of any remaining distributable cash flow; (ii) the bankruptcy, liquidation, dissolution or insolvency of the Evergreen GP; or (iii) the withdrawal of the Evergreen GP from its duties as general partner of the Evergreen LP. Upon the occurrence of an event specified above, the Merged Fund may agree to continue the Evergreen LP and a new general partner shall be selected by the Merged Fund.

## 7. Material Contracts continued

### 7.2 General Partnership – Key Terms

The Evergreen GP is expected to be a Delaware incorporated Limited Liability Company (“**LLC**”).

#### 7.2.1 Commitments

The Evergreen GP may elect to close further commitments at any time.

#### 7.2.2 Investment Methodologies

The Evergreen LP’s specific investment methodologies may be altered by the Evergreen GP without prior approval of the limited partners, if the GP determines that such change is in the best interest of the Evergreen LP and is consistent with the Evergreen LP’s objectives or purposes.

#### 7.2.3 Borrowing

While the Evergreen GP is not expected to borrow funds for investment purposes, the Evergreen LP Agreement permits the GP to borrow up to 15% of the Evergreen LP’s aggregate capital commitments.

#### 7.2.4 GP Withdrawal

The Evergreen GP may not withdraw from the Evergreen LP, resign as general partner or otherwise dispose of its interest in the Evergreen LP in any circumstances without the approval of limited partners holding more than 50% of contributed capital, unless it is to a related entity, or an entity controlled by one of the members of the Evergreen GP.

### 7.3 Ownership

Limited Partnership:

The Fund is expected to have a 99.9% interest in the Evergreen LP, the remaining 0.1% interest will be held by the Evergreen General Partner.

Evergreen General Partner:

The Evergreen GP is expected to be owned by DGP Inc. (42.5%) and two affiliates of Cordish Private Ventures as to 57.5%.

DGP Inc. is not expected to control the Evergreen GP.

### 7.4 Term

The Evergreen LP will continue until the date that it is wound up and dissolved, which will be the earlier of: a determination by the Evergreen GP to wind up the Evergreen LP following the disposal of all assets and distribution of proceeds; the withdrawal of the Evergreen GP from its duties as general partner; or the occurrence of an insolvency event in relation to the Evergreen GP.

Removal of the Evergreen GP will not terminate the LP itself.

Upon the occurrence of an event relating to the insolvency of the Evergreen GP or the withdrawal of the Evergreen GP, the limited partners representing at least 75% of the interests in the partnership may select a new general partner. On the occurrence of such an event, the Evergreen LP will be wound up and its surplus assets will be distributed to the limited partners. The LP will then be dissolved.

### 7.5 Documentation

#### 7.5.1 Administrative Services Agreement

The Evergreen GP will engage Cordish Services to provide office space, utilities and administrative services to it and leverage the expertise of other key Cordish Equity Partners executives to assist in administration of the Fund.

The Evergreen GP will enter into an Administrative Services Agreement with Cordish Services. Cordish Services is an affiliated entity of Cordish Private Ventures.

Under the terms of the Administrative Services Agreement, Cordish Services will, in return for a fee, provide office space, utilities and administrative services to the Evergreen GP and the Evergreen LP and leverage the expertise of other key Cordish Equity Partners executives to assist in administration of the Evergreen LP.

Key services, include, amongst others:

- a) providing administrative, clerical or other personnel;
- b) providing investors in the Evergreen LP with information concerning their investments, including capital account balances;
- c) maintaining accounting records and financial reports of the Evergreen GP and the Evergreen LP; and
- d) assisting with preparing and lodging tax returns.

The initial term of the Administrative Services Agreement will be 10 years, and thereafter the term will continue in effect from year to year subject to the Evergreen GP approving its continuance at least annually.

### 7.5.2 Investment Advisory Agreement

The Evergreen GP is expected to engage US Select Asset Management, Inc. to act as Investment Manager for the Evergreen LP under an Investment Advisory Agreement.

The Investment Manager is expected to have the discretion to undertake and realise investments for the benefit of the Evergreen LP as a delegate of the Evergreen GP but must ensure the fiduciary duty owed by the Evergreen GP to the Evergreen LP is not breached. The Evergreen GP can replace the Investment Manager in its sole discretion.

All investments are subject to the Investment Manager's review and approval. The Investment Manager will have day-to-day portfolio oversight and will provide risk management.

Under the terms of the investment advisory agreement, the Investment Manager, in return for a fee, is expected to be appointed as sole investment manager to render investment advisory and management services to the Evergreen GP and the Evergreen LP. The Investment Manager will, among other things:

- a) obtain information and advice in relation to the economy, securities markets or securities;
- b) manage the assets of the Evergreen LP in a manner consistent with the investment objective, policies and restrictions of the Evergreen GP and the Evergreen LP as may be adopted from time to time by the Evergreen GP, and applicable laws and regulations;
- c) advise on investments to be undertaken or disposed of by the Evergreen LP;
- d) advise on, and assist with, compliance with Australian laws and regulations; and
- e) advise upon the valuation of the assets of the Fund on a periodic basis.

The initial term of the Investment Advisory Agreement is 10 years, and thereafter the term will continue in effect from year to year subject to the Evergreen GP approving its continuance at least annually.

The Evergreen GP may terminate the Investment Advisory Agreement at any time, at its sole discretion, with 30 days' prior written notice and correspondingly, the Investment Manager may terminate the Investment Advisory Agreement at any time with 60 days' prior written notice.

In addition, the Investment Manager may terminate the agreement if an insolvency event occurs in relation to the GP. In the event that the Investment Advisory Agreement is terminated, the GP will either appoint a new investment manager or manage the LP's investments internally, at its absolute discretion.

Nothing in the Investment Advisory Agreement will restrict the Investment Manager from providing management services to any other person.

Additionally, the Investment Advisory Agreement provides no rights to the Investment Manager to be issued Units in the Fund.

As between Cordish Services and the Investment Manager, the GP may pay each party fees for services proportionate to the contribution of resources and services to the GP.

### 7.5.3 LLC Agreement

The LLC Agreement between the Evergreen GP and its members is expected to govern the relationship between the parties with respect to the operations of the Evergreen GP.

All material decisions regarding the operations of the Evergreen GP will require the approval of at least 85% of all members. No member in the GP may transfer any interest in its membership in the Evergreen GP without the prior consent of the other members.

The Evergreen GP agreement continues until terminated by agreement between the members or upon termination of the LP.

Amendment to the LLC Agreement requires the unanimous agreement of all parties other than amendments necessary to reflect transfers of membership, amendments required to form, qualify or continue the Evergreen GP as a limited liability company in all jurisdictions in which the Evergreen GP carries on business or to correct any typographic errors.

# 8

## **Additional Information**

## 8. Additional Information

### 8.1 Anti-Money Laundering and Counter-Terrorism Financing Act 2006

The Responsible Entity may be required under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) or any other law to obtain identification information and supporting documents, and disclose information about the products provided under this PDS to regulators. If you fail to provide information that we request to comply with these laws, the Responsible Entity reserves the right to reject any Application from an Applicant (or any transfer request) where there is a failure to provide the required identification information upon request or where it is unable to verify it, and may suspend or cease your product or service. The Responsible Entity will not be liable for any resulting loss.

### 8.2 Foreign Account Tax Compliance

The Foreign Account Tax Compliance Act ("**FATCA**") is US tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and other US tax residents through use of non-US investments or accounts.

Australia signed an intergovernmental agreement ("**IGA**") with the US to implement FATCA in Australia. The FATCA provisions are in Division 396 in Schedule 1 of the *Taxation Administration Act 1953* (Cth), which is administered by the Australian Taxation Office ("**ATO**"). Under the IGA and FATCA provisions, Reporting Australian Financial Institutions have due diligence and reporting obligations.

The Responsible Entity, on behalf of the Fund, is a reporting Australian Financial Institution under the IGA.

The Responsible Entity intends to fully comply with the Fund's FATCA obligations as determined by the FATCA provisions, the IGA, and any associated guidance from the ATO. These obligations include (but are not limited to) the Responsible Entity identifying and documenting the status of an investor in the Fund as a US person, US controlled entity or a non-complying FATCA financial institution. The Responsible Entity, on behalf of the Fund, is then obligated by law to report certain information on applicable investors to the ATO which will in turn report this information to the US Internal Revenue Service.

In order for the Fund to comply with its FATCA obligations, the Responsible Entity is obligated to request certain information from investors. Certain information collected will be reported to the ATO which will in turn report this information to the US Internal Revenue Service.

The Fund and the Responsible Entity are not liable for any loss an investor may suffer as a result of the Fund's compliance with FATCA.

The Responsible Entity will also provide information about the Fund's FATCA status when required so that FATCA withholding is not applied to payments received on its investments (for example dividends paid on US securities). If the Responsible Entity (on behalf of the Fund) suffers any amount of FATCA withholding and is unable to obtain a refund for such withholding, the Responsible Entity (on behalf of the Fund) will not be required to compensate investors for any such withholding and the effects of these amounts will be reflected in the returns of the Fund.

This information is of a general nature only. Please consult your tax advisor should you wish to understand the implications of FATCA to your particular circumstances.

### 8.3 Common Reporting Standard

The Common Reporting Standard ("**CRS**") is a global reporting standard for the Automatic Exchange of Financial Information developed by the Organisation for Economic Co-operation and Development ("**OECD**"). Australia has signed the multilateral convention and legislation to implement CRS in Australia, which has been enacted through Division 396 in Schedule 1 of the *Taxation Administration Act 1953* (Cth), to be administered by the ATO. CRS commenced for Australian financial institutions from 1 July 2017, with the first reporting of information in 2018. Under CRS, Reporting Financial Institutions have due diligence and reporting obligations.

The Responsible Entity, on behalf of the Fund is an Australian Financial Institution under CRS. The Responsible Entity, on behalf of the Fund, intends to fully comply with the CRS obligations and any associated guidance from the ATO.

These obligations include (but are not limited to) the Responsible Entity documenting the status of Investors that are non-residents of Australia and certain entities controlled by non-residents of Australia. The Responsible Entity is then obligated by law to report on certain information for applicable investors to the ATO which may in turn report this information to the tax authority in the applicable jurisdictions.

In order to comply with its CRS obligations, the Responsible Entity is obligated to request certain information from investors. Certain information collected will be reported to the ATO which may in turn report this information to the tax authority in applicable jurisdictions. Penalties can apply if investors fail to provide the information or provide false information.

## 8. Additional Information continued

Neither the Fund nor the Responsible Entity are liable for any loss an investor may suffer as a result of its compliance with CRS.

This information is of a general nature only. Please consult your tax advisor should you wish to understand the implications of CRS to your particular circumstances.

### 8.4 Privacy

When you apply to invest in the Fund, you acknowledge and agree that:

**(a) You are required to provide the Responsible Entity with certain personal information to:**

- facilitate the assessment of an Application;
- enable the Responsible Entity to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and
- carry out appropriate administration.

**(b) The Responsible Entity may be required to disclose this information to:**

- third parties who carry out functions on behalf of the Fund;
- third parties if that disclosure is required by law; and
- related bodies corporate (as that term is defined in the Corporations Act) which carry out functions on behalf of the Fund.

We are unlikely to disclose personal information to overseas recipients. In some circumstances, we may need to obtain your consent before this occurs. Our policy is to only use cloud or other types of networked or electronic storage where infrastructure is physically located in Australia. We have carried out our due diligence regarding our cloud service providers and have entered into suitable contractual arrangements with them.

Under the *Privacy Act 1988* (as amended), Applicants may request access to their personal information held by (or on behalf of) the Fund. Applicants may request access to personal information by telephoning or writing to E&P Investments Limited.

We collect personal information from you or your appointed representative in order to administer your investment. If you think that our records are wrong or out of date – particularly your address and email address – please contact the Unit Registry and we will correct this information immediately. You can always access the personal information that we hold about you. For more information, please refer to the privacy policy of the Responsible Entity, available at <https://www.eap.com.au/ep-funds-privacy-policy/>.

You may choose not to provide certain personal information. However, if you choose not to provide information requested for the purposes of fulfilling your request for a specific product or service, we may not be able to provide you with the requested product or service, or the product or service which we do provide might not fully meet your needs.

The Responsible Entity's privacy policy applies to all Applicants under the terms of this offer. A copy of the privacy policy of the Responsible Entity is available to Applicants on the website and on request. The privacy policy includes the contact details of the Privacy Officer in the event that an Applicant has a complaint about the handling, use or disclosure of personal information.

If you invest indirectly through a Service, the Responsible Entity does not collect or hold your personal information in connection with your investment in the Fund. Please contact your Service Operator for more information about their privacy policy.

### 8.5 Reports to Unitholders

The Responsible Entity intends to provide Unitholders with:

- periodic reports setting out Unitholder account details;
- quarterly updates on key information about the Fund including performance updates;
- half-yearly auditor reviewed reports;
- annual audited reports;
- annual distribution advice, including details about the compulsory DRP, statements (as applicable);
- regular income tax statements; and
- monthly Net Asset Value updates.

The Responsible Entity will also comply with all laws as they relate to reports to be provided to Unitholders. For further information, please visit [www.cdpefund.com](http://www.cdpefund.com).

## 8.6 Complaints

The Responsible Entity has established procedures for dealing with complaints. If you have a complaint, you can contact Responsible Entity and/or the Investment Manager directly during business hours or at any time via email using the details at the end of this PDS. It helps us if you have your investor number handy when you contact us.

We will endeavour to resolve your complaint fairly and as quickly as we can. We will respond with acknowledgement of your complaint within 24 hours. We target to resolve any complaint. If we are unable to respond within the first 5 business days, however, if we are unable to attempt to resolve your complaint by then as we have not had a reasonable opportunity to do so, we will let you know within writing before a maximum response timeframe of 30 days.

All investors (regardless of whether you hold units in the Fund directly or hold units indirectly via an IDPS) can access our complaints procedures outlined above. If you are investing via an IDPS or other Service and your complaint concerns the operation of the Service then you should contact the Service Operator directly.

If you are not satisfied with the final complaint outcome proposed, any aspect of the complaints handling process or a delay in responding by the maximum response time, the Australian Financial Complaints Authority (AFCA) may be able to assist. AFCA operates the external dispute resolution scheme of which the Responsible Entity is a member. If you seek assistance from AFCA, their services are provided at no cost to you. You can contact AFCA on the following details:

Australian Financial Complaints Authority

GPO Box 3, Melbourne VIC 3001

Phone 1800 931 678 (free call)

Email: [info@afca.org.au](mailto:info@afca.org.au) Website: [www.afca.org.au](http://www.afca.org.au)

## 8.7 Warning Statement for New Zealand Investors

### Warning Statement

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the PDS are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

### Currency exchange risk

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

### Trading on financial product market

## 8. Additional Information continued

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

### 8.8 Consents

Each of the following parties (each a Consenting Party) has given their written consent to the inclusion of the statements made by them, or based on statements made by them, in the form and context in which they are included, and have not withdrawn that consent at the date of this PDS:

US Select Asset Management, Inc. in relation to Sections 1.1 and 3; and

Deloitte Tax Services Pty Ltd (ACN 092 223 240) in relation to Section 6.2.

No Consenting Party makes any representation or warranty as to the completeness or appropriateness of any information contained in this PDS, or takes any responsibility for statements in this PDS, other than as noted above.

None of the Consenting Parties has authorised or caused the issue of this PDS or makes any offer of Units. References are also made in this PDS to entities that have certain dealings with the Responsible Entity in respect of the Fund.

These entities have been referred to for information purposes only. They did not authorise or cause the issue of this PDS and have had no involvement in the preparation of any part of this PDS.

None of these named firms, companies or entities makes any offer of Units. They include:

- King & Wood Mallesons; and
- Boardroom Pty Limited

# 9

## Glossary

## 9. Glossary

<b>A\$ or \$</b>	Australian dollars
<b>Administrative Services Agreement</b>	The agreement between the GP and Cordish Services in relation to the provision of administrative services and back office infrastructure
<b>Advisory Board</b>	The Advisory Board of the Investment Manager
<b>AFSL</b>	Australian Financial Services Licence
<b>AML CTF Act</b>	Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth)
<b>Applicant</b>	An applicant for Units under this PDS
<b>Application</b>	An application for Units pursuant to this PDS
<b>Application Form</b>	An application form in the form that accompanies this PDS and the online Application Form available at <a href="http://www.cdpefund.com">www.cdpefund.com</a> (from the Delisting Date)
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange
<b>ATO</b>	The Australian Taxation Office (the principal revenue collection agency for the Australian Government in charge of administering the Australian taxation system)
<b>Branch Profits Tax</b>	Treatment of a US branch of a foreign corporation as if it were a US subsidiary of a foreign corporation for purposes of taxing profit repatriations
<b>Business Day</b>	Business Day means a day other than a Saturday or a Sunday on which registered banks are open for business in Sydney, New South Wales
<b>Buy Spread</b>	The Responsible Entity's reasonable estimate of the costs of buying assets of the Fund in connection with an issue of Units, which may be zero
<b>Code</b>	The US Internal Revenue Code of 1986, as amended
<b>Constitution</b>	The constitution of the Fund
<b>Cordish Companies</b>	The Cordish Companies and its subsidiaries
<b>Cordish Equity Partners</b>	Cordish Private Ventures, LLC or Cordish Equity Partners
<b>Cordish Services</b>	Pratt Street Services Corporation, LLC
<b>Corporations Act</b>	<i>Corporations Act 2001 (Cth)</i>
<b>CRS or Common Reporting Standard</b>	A set of standardised rules developed by the OECD that requires financial institutions resident in a participating jurisdiction to implement due diligence procedures to document and identify reportable accounts, as well as report information on those accounts to their local tax authority
<b>Delisting Date</b>	The date on which Fund III (or CD Private Equity Fund) ceases to be listed on the ASX
<b>Directors</b>	The board of directors of the Responsible Entity

<b>Double Tax Treaty</b>	The US protocol signed in Canberra on 27 September 2001, which amends the Convention of 6 August 1982 between Australia and the US of America for the Avoidance of Double Taxation
<b>DRP</b>	Distribution Reinvestment Plan
<b>E&amp;P Investments Limited</b>	E&P Investments Limited (ACN 152 367 649) (AFSL 410 433)
<b>E&amp;P Financial Group</b>	E&P Financial Group Limited (ACN 609 913 457) and its subsidiaries
<b>Evergreen GP</b>	The general partner of the Evergreen LP
<b>Evergreen LP</b>	The new Evergreen limited partnership to be established in the Cayman Islands
<b>Evergreen LPA</b>	Evergreen Limited Partnership Agreement
<b>FATCA</b>	Foreign Account Tax Compliance Act, a US tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and other United States tax residents through use of non-US investments and accounts
<b>Fund</b>	CD Private Equity Fund (ARSN 612 132 813) (or Fund III)
<b>Fund I</b>	CD Private Equity Fund (ARSN 158 625 284)
<b>Fund II</b>	CD Private Equity Fund II (ARSN 162 057 089)
<b>Fund III</b>	CD Private Equity Fund III (ARSN 612 132 813)
<b>Fund IV</b>	CD Private Equity Fund IV (ARSN 624 474 531)
<b>General Partner I or GPI</b>	U.S. Select Private Opportunities Fund GP, LLC
<b>General Partner II or GPII</b>	U.S. Select Private Opportunities Fund II GP, LLC
<b>General Partner III or GPIII</b>	U.S. Select Private Opportunities Fund III GP, LLC
<b>General Partner IV or GPIV</b>	U.S. Select Private Opportunities Fund IV GP, LLC
<b>General Partners or GPs</b>	GPI, GPII, GPIII, GPIV and Evergreen GP together
<b>GST</b>	The value added tax, if any, on goods and services and other things payable in accordance with the GST Act or another relevant and applicable legislation or law in Australia
<b>GST Act</b>	<i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>
<b>Hurdle Rate</b>	<p>LPIII and LPIV</p> <p>Minimum rate of return for the GPs' entitlement to the performance fee equal to a cumulative, non- compounded, pre-tax return of 8% per annum on all capital contributed to the respective LP (and not yet returned by distribution to limited partners)</p> <p>Evergreen LP</p> <p>Minimum rate of return for the Evergreen GP's entitlement to the performance fee equal to a cumulative, non- compounded, pre-tax return of 8% per annum on a per investment basis.</p>
<b>IGA</b>	Intergovernmental Agreement

## 9. Glossary continued

<b>Investment Advisory Agreement</b>	The proposed investment advisory agreement expected to be in place between the Evergreen GP and the Investment Manager (see Section 7.5.2)
<b>Investment Manager</b>	US Select Asset Management Inc. is the investment manager of LPII, LPIII and LPIV and is expected to be the Investment Manager of Evergreen LP
<b>Investor</b>	An investor in Units
<b>IRS</b>	Internal Revenue Service
<b>LLC Agreement</b>	The expected agreement between the Evergreen GP and its shareholders
<b>LP</b>	U.S. Select Private Opportunities Evergreen, LP, a to be established Cayman Islands exempted limited partnership
<b>LP Agreement</b>	The amended and restated limited partnership agreement governing the Evergreen LP which will be signed upon establishment of the Evergreen LP or LP
<b>LPI</b>	U.S. Select Private Opportunities Fund, LP, a Cayman Islands exempted limited partnership
<b>LPII</b>	U.S. Select Private Opportunities Fund II, LP, a Cayman Islands exempted limited partnership
<b>LPIII</b>	U.S. Select Private Opportunities Fund III, LP, a Cayman Islands exempted limited partnership
<b>LPIV</b>	U.S. Select Private Opportunities Fund IV, LP, a Cayman Islands exempted limited partnership
<b>Limited Partnerships or LPs</b>	LPI, LPII, LPIII, LPIV and Evergreen LP together
<b>NAV</b>	Net asset value
<b>Merger</b>	A transaction involving the issue of units in CD Private Equity Fund III to members of CD Private Equity Fund I (ARSN 158 625 284), CD Private Equity Fund II (ARSN 162 057 089) and CD Private Equity Fund IV (ARSN 624 474 531) being the participants in a trust scheme of arrangement proposed to be implemented on or about 21 November 2022
<b>Merged Fund</b>	CD Private Equity Fund ARSN 612 132 813 (known up to the date of the Merger as CD Private Equity Fund III)
<b>Non-US Investor</b>	A Non-US Investor means a beneficial owner of Units that is not, for US federal income tax purposes, (i) a citizen or resident of the US or someone treated as a US citizen or resident for US federal income tax purposes; (ii) a corporation (or another entity taxable as a corporation for US federal income tax purposes) created or organised in or under the laws of the US, any state thereof, or the District of Columbia; (iii) an estate, the income of which is subject to US federal income taxation regardless of its source; or (iv) a trust if it is subject to the supervision of a court within the US and one or more US persons are authorised to control all substantial decisions of the trust or it has valid election in effect under applicable US Treasury Regulations to be treated as a US person
<b>OECD</b>	The Organisation for Economic Co-operation and Development
<b>Offer</b>	The offer of Units under this PDS
<b>Our</b>	E&P Investments Limited
<b>PDS</b>	This product disclosure statement dated 7 October 2022
<b>Responsible Entity</b>	E&P Investments Limited (ACN 152 367 649) (AFSL 410 433) (ABN 78 152 367 649)
<b>RITC</b>	Reduced Input Tax Credit arising under the GST Act

<b>Securities Act</b>	US Securities Act of 1933
<b>Transition Period</b>	Approximately six month liquidity window where the Fund will remain listed on the ASX
<b>Treasury Regulations</b>	Treasury Regulations promulgated under the Code by the US Treasury Department (including proposed and temporary regulations)
<b>Unit</b>	A unit in the Fund
<b>Unit Registry</b>	Boardroom Pty Limited (ACN 003 209 836)
<b>Unitholder</b>	A holder of a Unit
<b>US</b>	<i>The United States of America</i>
<b>US dollars</b>	US\$
<b>US Person</b>	Any "US Person" as defined in Regulation S under the <i>US Securities Act of 1933</i>
<b>Withdrawal Offer</b>	An offer to Unitholders to redeem a specific total value of Units, with acceptances to be met pro rata in accordance with the Corporations Act and the Fund constitution.
<b>Withdrawal Price</b>	The withdrawal price for a Unit

# 10

## Directory

## 10. Directory

<b>Fund</b>	<b>Responsible Entity &amp; Administrator</b>	<b>Unit Registry</b>
CD Private Equity Fund (ARSN 612 132 813)  Level 32, 1 O'Connell St Sydney NSW 2000  T: 1300 454 801 info@cdfunds.com.au	E&P Investments Limited (ACN 152 367 649) (AFSL 410 433) (ABN 78 152 367 649)  Level 32, 1 O'Connell St Sydney NSW 2000  T: 1300 454 801 info@cdfunds.com.au	Boardroom Pty Limited  Level 12, 225 George Street Sydney NSW 2000 T: 1300 737 760  www.investorserve.com.au enquiries@boardroomlimited.com.au

