

14 October 2022

CD Private Equity Fund II (CD2.ASX)

Merger Proposal Update

E&P Investments Limited, in its capacity as responsible entity (**Responsible Entity**) of CD Private Equity Fund II (ARSN 162 057 089)(**Fund II**), has received a number of queries from investors in relation to the intended operation of the liquidity mechanism (as outlined in the merger proposal documents released on 7 October 2022 (**Proposal Documents**) which contemplate merging the CD Private Equity Fund Series to create the CD Private Equity Fund (**Merged Fund**)).

Background

As set out in the Proposal Documents, the Responsible Entity will, following the delisting of the Merged Fund, target six-monthly withdrawal offers, where unitholders in the Merged Fund can apply to have some or all of their holdings redeemed at NAV, less a sell spread to cover legal, tax, registry, and accounting costs.

The Proposal Documents note that the withdrawal offer will target facilitating withdrawals of up to approximately 5% of the Merged Fund's units every 6 months.

Prioritising liquidity

The Responsible Entity has determined to prioritise further the use of available capital to meet investor demand for withdrawals.

All cash available from realisations of underlying assets which are in excess of the Merged Fund's operating and working capital needs (**Excess Capital**) will be made available to meet withdrawal requests, irrespective of the quantity of withdrawal requests in response to a withdrawal offer (ie, whether withdrawal requests are above, equal to or below 5%).

Capital allocation policy for new investments

Only if withdrawal applications are fully satisfied under any withdrawal offer may the Responsible Entity choose to allocate some or all of the cash available from realisations for new investments (**Unused Capital**). To the extent this Unused Capital is not allocated prior to the next withdrawal offer, the Unused Capital will be available to meet withdrawal requests.

The Responsible Entity intends to lodge a Supplementary Explanatory Memorandum and Supplementary Product Disclosure Statement with the Australian Securities & Investments Commission (**ASIC**) and the NSW Supreme Court (**Court**). The Supplementary Explanatory Memorandum and Supplementary Product Disclosure Statement will, once finalised, be provided to the unitholders in Fund II.

Authorised for release by E&P Investments Limited (ACN 152 367 649, AFSL 410 433), the responsible entity of CD Private Equity Fund II.