26 October 2022

Supplementary Product Disclosure Statement
CD Private Equity Fund ARSN 612 132 813 (Fund)

This supplementary product disclosure statement (**SPDS**) updates the information in the Product Disclosure Statement (**PDS**) for the Fund dated 7 October 2022 issued by E&P Investments Limited (ABN 78 152 367 649 AFSL No 410 433), in its capacity as responsible entity of the Fund (**Responsible Entity**) and is to be read together with the PDS.

The purpose of this SPDS is to advise that the Responsible Entity has determined to prioritise further the use of available capital from sale of assets in the underlying funds to meet investor demand for withdrawals from the Fund.

No new investments with funds from asset sales while unmet demand for redemptions

As described in Section 1 under "Liquidity" and "Details of Withdrawal Offers", the Responsible Entity proposes to make Withdrawal Offers every six months commencing in December 2023, targeting an amount of total available withdrawals of 5% of units in the Fund. Under those offers, unitholders will be able to apply to have some or all of their holdings redeemed at net asset value (**NAV**), less a sell spread (normally expected to be 0.5% and not more than 3%) to cover the reasonable estimate of the costs of the Withdrawal Offer, including the cost of selling assets (if required).

Under the revised strategy, where unitholders' requests to withdraw have not been fully satisfied in a Withdrawal Offer, the Responsible Entity will allocate cash received from sales of underlying assets during the following six months to fund the next Withdrawal Offer in priority to using that cash to make new investments. Depending on the demand for withdrawals and the available cash from asset sales, the size of Withdrawal Offers may be more than the 5% target (but could be less in certain market conditions).

The possible sources of cash to fund Withdrawal Offers are sale of assets in the Fund's underlying portfolio via distributions from the limited partnerships in which the Fund invests, new applications for Units, and potentially some borrowing.

This revised strategy potentially increases the size of Withdrawal Offers by prioritising the use of cash from asset sales away from buying further assets and towards Withdrawal Offers where there have been unsatisfied withdrawal requests. Consistently with the revised strategy, the Responsible Entity may only choose to allocate some or all of the cash generated from asset sales and which it holds at the commencement of a withdrawal offer to new investments following the withdrawal offer if withdrawal applications have been fully satisfied under that withdrawal offer. In other words, cash from asset sales may only be committed to new investments if it is "Surplus Capital".

Surplus Capital means Excess Capital minus total acceptances in response to the relevant withdrawal offer (including any that are not met because the offer is scaled back as the Corporations Act requires, or is cancelled). The time for calculating Surplus Capital will be as at the close of the relevant withdrawal offer. If Surplus Capital is negative, then no new investments will be made during the following six months.

Excess Capital means the available cash from underlying asset sales during the prior six months, less the Merged Fund's operating and working capital needs. The time for calculating Excess Capital will be as at 5 business days before the date of dispatch of the relevant withdrawal offer.

To the extent Surplus Capital is not allocated to new investments prior to the next Withdrawal Offer, it is intended that it will be applied to that next Withdrawal Offer (subject to market and operating conditions).

The Responsible Entity must always act in the best interests of members, so there may be circumstances where it needs to vary this general approach. For example, it would not be appropriate to make withdrawal offers in extreme market circumstances where the Responsible Entity is unable to appropriately value the Merged Fund's underlying assets. If at any time the Responsible Entity were to seek to change the general approach as described above, it intends wherever possible to first seek approval of the members by ordinary resolution.

This revised strategy only affects whether cash from asset sales is recycled into new investments. It does not prevent other cash in the Fund (which is not from asset sales during the prior six months) and cash from new applications being invested into new investments. Any such cash is separate from the Excess Capital, and the Responsible Entity may decide to apply it to a particular withdrawal offer to meet the 5% target or any unmet demand for redemptions or, if it is in the best interests of members, to acquire new investments.

Examples*

1. Demand for withdrawals is met

The Responsible Entity determines that the Fund has $30m of Excess Capital, and applies it to a six-monthly Withdrawal Offer. There are withdrawal requests of $20m. The Fund therefore has $10m of Surplus Capital which is able to be allocated to new investments in the next six months.

If only $5m of the $10m of Surplus Capital is allocated to new investments by five business days before the dispatch of the next Withdrawal Offer documents then that remaining $5m will be included in the calculation of Excess Capital for the next Withdrawal Offer.

2. There is unmet Demand

(a) As above, the Fund has $30m of Excess Capital available to be applied to a six-monthly Withdrawal Offer. There are withdrawal requests of $60m. Investors will receive a pro-rata amount of their application of 50% of their requested amount. The Fund will not allocate any capital to new investments as there is unmet demand for redemptions.

(b) Investors are able to participate in the next six-monthly Withdrawal Offer. However if there have not been sufficient asset sales or other inflows during the six months to meet the unsatisfied $30 million of demand for withdrawals and any new demand at that offer, the Merged Fund will still not be able to allocate capital to new investments.

3. There is unmet demand in the previous Withdrawal Offer but inflow from new applications

In the six-month window following example 2(a) above, the Fund receives $30m from asset sales. Because there has been unmet demand from the previous withdrawal offer, those asset sales proceeds will not be used for investment in the current six-month period. At the end of the six-month period, the Responsible Entity will determine the Excess Capital five business days before the date of dispatch of the relevant withdrawal offer materials. Excess Capital at that time is $20m, being the $30m from asset sales less operating and working capital needs of $10m. There have been $20 million in new applications in the past six months. Because of the unmet demand for redemptions, the RE decides to make a withdrawal offer comprising the $20m in Excess Capital and the $20m of the inflows from applications. If there were withdrawal requests of $30m at that withdrawal offer, being the unmet demand from before, then all redemption applications would be fully satisfied and during the following six months the Responsible Entity could devote the other $10m to new investments.

* These examples are hypothetical only and not a forecast or indication of the likely funds available for Withdrawal Offers.

Could the change have any risks or disadvantages?

The proposal that the Fund will only be able to allocate cash from sale of underlying assets to new investments if withdrawal applications are fully satisfied may impact the Fund's ability to deploy capital to new investments and grow. There is no guarantee that the Fund will grow especially during periods where there are unsatisfied withdrawal requests, and this may impact on the return profile of the Fund. For the avoidance of doubt, the Fund will be unable to execute its investment strategy for at least the following six months if there were unsatisfied withdrawal requests during the last withdrawal offer. The time that the Fund will not be able to execute its investment strategy will be longer if there are multiple, consecutive withdrawal offers where investors receive a pro-rata amount of their withdrawal requests as there will be no Surplus Capital for reinvestment, although this may be offset by any ongoing returns from the Fund's existing investments. However, inflows from new application money into the Fund may be used to invest, rather than to facilitate withdrawal offers.

Additionally, cash generated from sales of underlying assets which cannot be deployed is expected to be held in cash which may have significantly lower returns than might be received from an investment in the underlying funds.

The RE will aim not to exceed a cash holding of 10% for the Fund, but there is no specific limitation on the amount of cash that may be held at a particular time.

There are other risks in relation to withdrawals from the Fund that are described in section 3.3 of this PDS (see Withdrawal Risk on page 20). In particular, investors should note that:

- it may take multiple Withdrawal Offer windows for an investor to redeem all of their units;
- the Responsible Entity can cancel a Withdrawal Offer (including during the Withdrawal Offer window) if doing so is in the best interests of members as a whole; and
- market conditions at a particular time may mean that it is not in the members' best interests to make a Withdrawal Offer for that six month period. If a Withdrawal Offer is not made, cash received from sales of underlying assets will continue to be kept aside to fund the next withdrawal offer in priority to using that cash to make new investments.

All statements in the PDS regarding the sources and amount of funding of Withdrawal Offers are to be read subject to this determination, including the statements on pages 7, 8, 20 and 29 of the PDS.

The units in the Fund are able to be traded on ASX from the date of issue until late May 2023. A copy of this SPDS has been lodged with ASIC. ASIC takes no responsibility for the content of this SPDS.