

CD PRIVATE
EQUITY
FUND SERIES

SERIES UPDATE – February 2023

CD Private Equity Fund I (ASX:CD1)

CD Private Equity Fund II (ASX:CD2)

CD Private Equity Fund III (ASX:CD3)

CD Private Equity Fund IV (CD4)

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Summary overview

- Recent meetings with our underlying managers are cautiously positive, despite macro economic headwinds. Underlying managers continue to be active in looking for opportunities for both realisation and investment.
 - There were 24 realisations across the Fund series over the 12 months to 31 December 2022 ,with two investments written down to zero.
 - Average hold period for the realisations was 5.4 years
 - 16 of the 22 were realised at or above the last reported value, and 18 of 24 returned positive Multiples on Invested Capital (MOIC)
 - On average, investments were realised at a MOIC of 1.4x greater than the previously reported MOIC implied by the holding value of those assets, the median was 0.3x greater
 - On the whole underlying managers are aware of the risks associated with a possible recession and have been preparing accordingly

Note: Past performance is not a reliable indicator of future performance

Performance summary at 31 December 2022

FUND		3 MONTHS	6 MONTHS	1 YEAR	3 YEARS P.A.	5 YEARS P.A.	INCEPTION P.A.
CD Private Equity Fund I (CD1)	NTA	-6.2%	-4.2%	3.6%	15.8%	18.5%	13.4%
CD Private Equity Fund II (CD2)	NTA	-5.1%	-3.3%	8.4%	12.9%	15.0%	12.2%
CD Private Equity Fund III (CD3)	NTA	-5.2%	4.8%	26.0%	29.1%	22.2%	16.1%
CD Private Equity Fund IV (CD4)	NTA	-7.8%	-5.8%	10.1%	21.6%	-	15.4%

Note: All figures as of 31/12/2022. NTA figures are post-tax NTA and are net of fees and costs. Total returns are inclusive of distributions. Past performance is not a reliable indicator of future performance. CD1 inception date August 2012. CD2 inception date April 2013. CD3 inception date July 2016. CD4 inception date April 2018.

CD1 Highlights

- CD1 had five portfolio sales in the 12 months to 31 December 2022. The realisations were in Peppertree Capital Fund IV, Fort Point Capital I, Encore Consumer Capital Fund II and US Select Direct Private Equity Fund I.
 - The average realised gross MOIC across the realisations was 2.6x
 - Fort Point Capital I sold portfolio company Sullivans, a home décor retail and wholesale provider
 - Encore Consumer Capital Fund II portfolio company Brownie Brittle to Second Nature Brands in early December 2022.
- CD1 has 30 portfolio companies remaining.

Note: All figures as of 31/12/2022, data provided 10/01/2023. Performance data is at the LP level, not the Australian Unit Trust. Past performance is not a reliable indicator of future performance. Returns are in USD.

CD1 LP Performance summary

CD1 invests in U.S. Select Private Opportunities Fund, L.P. (LP1)

	TOTAL VALUE TO PAID IN	DISTRIBUTION TO PAID IN	NET IRR – LP1		
Fund A*	2.9x	2.9x	35.0%	Third party funds	8
Fund B	1.5x	0.9x	8.6%	Underlying Investments (excl. USD ¹¹)	81
Fund C	2.8x	2.2x	25.5%	Co-Investments I (USD1)	15
Fund D	2.6x	2.6x	35.1%	Exits to date (incl. USD1)	66
Fund E	1.4x	0.8x	6.2%	Remaining Investments	30
Fund F	1.7x	1.4x	11.5%	Avg. Age of Remaining Investments (Years)	6.9
Fund G*	0.8x	0.8x	(7.9%)	Median Gross MOIC (realised deals)	2.6x
Fund H	2.9x	2.1x	33.8%		
Fund I	1.9x	1.2x	18.5%		

¹ US Select Direct Private Equity Fund (US), L.P.

Note: All figures as of 31/12/2022, data provided 10/01/2023. Return figures are net of all underlying fees and expenses of the individual managers, but before fees and expenses of the LP and Australian Unit Trust. Past performance is not a reliable indicator of future performance. Returns are in USD. *Zero remaining investments.

CD2 Highlights

- CD2 had 8 realisations in the 12 months to 31 December 2022, these realisations were across 4 of the 11 managers: High Road Capital Partners Fund II, Chicago Pacific Founders Fund, RFE Investment Partners VIII and US Select Direct Private Equity Fund I in the portfolio:
 - The average realised gross MOIC across the realisations was 3.6x.
 - High Road Capital Partners has sold Radix Wire & Cable, manufacturer of specialty wires and cables serving numerous demanding and rugged applications, to Windjammer Capital
 - Chicago Pacific Founders sold SAGE Veterinary Centers, a specialty and emergency medicine provider to National Veterinary Associates (NVA). The transaction was announced in 2021 and closed in mid-2022.
- CD2 has 47 portfolio companies remaining.

Note: All figures as of 31/12/2022, data provided 10/01/2023. Performance data is at the LP level, not the Australian Unit Trust. Past performance is not a reliable indicator of future performance. Returns are in USD.

CD2 LP Performance summary

CD2 invests in U.S. Select Private Opportunities Fund II, L.P. (LP2)

	TOTAL VALUE TO PAID IN	DISTRIBUTION TO PAID IN	NET IRR – LP2
Fund A	1.7x	1.3x	17.5%
Fund B	4.0x	0.6x	34.9%
Fund C*	2.9x	2.9x	36.6%
Fund D	1.7x	1.0x	15.0%
Fund E	1.8x	0.8x	16.4%
Fund F	1.5x	0.9x	9.8%
Fund G*	1.5x	1.5x	8.2%
Fund H	1.5x	0.7x	20.6%
Fund I	1.5x	1.0x	9.2%
Fund J	2.4x	2.1x	30.0%
Fund K	2.7x	2.6x	37.2%
Fund L	1.9x	1.2x	18.8%

Third party funds	11
Underlying Investments (excl. USD1 ¹)	107
Co-Investments I (USD1)	15
Exits to date (incl. USD1)	75
Remaining Investments	47
Avg. Age of Remaining Investments (Years)	5.7
Median Gross MOIC (realised deals)	2.7x
<small>¹ US Select Direct Private Equity Fund (US), L.P.</small>	

Note: All figures as of 31/12/2022, data provided 10/01/2023. Return figures are net of all underlying fees and expenses of the individual managers, but before fees and expenses of the LP and Australian Unit Trust. Past performance is not a reliable indicator of future performance. Returns are in USD. * Zero remaining investments.

CD3 Highlights

- CD3 had 7 realisations in the 12 months to 31 December 2022, these realisations were across 5 of the 11 managers in the portfolio: Encore Consumer Capital Fund III, Growth Street Partners I , Gemspring Capital Fund I, Elephant Partners Fund I and Trive Capital Fund II, L.P.;
 - The average realised gross MOIC across the 7 realisations was 5.8x
 - Gemspring Capital Fund I sold down part of its holding in portfolio company Radancy, an enterprise software and services solutions for end-to-end talent sourcing. Gemspring Capital remain a minority investor in the company.
- CD3 has 93 remaining portfolio companies

Note: All figures as of 31/12/2022, data provided 10/01/2023. Performance data is at the LP level, not the Australian Unit Trust. Past performance is not a reliable indicator of future performance. Returns are in USD.

CD3 LP Performance summary

CD3 invests in U.S. Select Private Opportunities Fund III, L.P. (LP3)

	TOTAL VALUE TO PAID IN	DISTRIBUTION TO PAID IN	NET IRR – LP3
Fund A	2.5x	1.8x	36.9%
Fund B	1.7x	1.1x	15.4%
Fund C	6.2x	2.5x	49.2%
Fund D	1.8x	0.8x	19.3%
Fund E	2.9x	1.1x	69.4%
Fund F	2.7x	0.9x	52.1%
Fund G	1.7x	0.8x	26.8%
Fund H	3.0x	2.3x	38.6%
Fund I	1.8x	0.2x	33.5%
Fund J	2.7x	1.0x	28.7%
Fund K	3.4x	0.7x	65.3%
Fund L	2.3x	1.8x	30.4%
Fund M	2.6x	0.5x	30.4%

Third party funds

12

Underlying Investments (excl. USD2²)

119

Co-Investments II (USD2)

23

Exits to date (incl. USD2)

49

Remaining Investments

93

Avg. Age of Remaining Investments (Years)

3.7

Median Gross MOIC (realised deals)

2.9x

² US Select Direct Private Equity Fund II (US), L.P.

Notes: All figures as of 31/12/2022, data provided 10/01/2023. Return figures are net of all underlying fees and expenses of the individual managers, but before fees and expenses of the LP and Australian Unit Trust. Past performance is not a reliable indicator of future performance. Returns are in USD.

CD4 Highlights

- CD4 had 5 realisations in the 12 months to 31 December 2022, these realisations were in Gainline Fund I, Quad Partners Fund V, Nosara Capital Fund I, and CORE Industrial Partners Fund I.
 - The average realised gross MOIC across the 5 realisations was 2.2x
 - CORE Industrial Partners sold portfolio company MedLit Solutions, a full-service provider of pharmaceutical packaging, labeling and printing solutions to Resource Label Group.
 - Underlying fund's portfolios are now largely invested, with only Incline Elevate Fund and U.S. Select Direct Private Equity II, LP adding to their portfolios in the six months to 31 December 2022.
 - CD4 has 109 remaining portfolio companies.

Note: All figures as of 31/12/2022, data provided 10/01/2023. Performance data is at the LP level, not the Australian Unit Trust. Past performance is not a reliable indicator of future performance. Returns are in USD.

CD4 Performance summary

CD4 invests in U.S. Select Private Opportunities Fund IV, L.P. (LP4)

	TOTAL VALUE TO PAID IN	DISTRIBUTION TO PAID IN	NET IRR – LP4
Fund A	1.0x	0.0x	(1.6%)
Fund B	3.1x	0.3x	102.1%
Fund C	2.7x	0.4x	49.1%
Fund D	2.2x	0.2x	43.7%
Fund E	2.6x	1.7x	152.9%
Fund F	2.8x	0.0x	52.1%
Fund G	1.4x	0.5x	20.0%
Fund H	1.1x	0.0x	5.7%
Fund I	1.9x	0.5x	76.9%
Fund J	1.7x	0.0x	36.4%
Fund K	1.8x	0.2x	33.3%
Fund L	2.6x	0.5x	32.6%

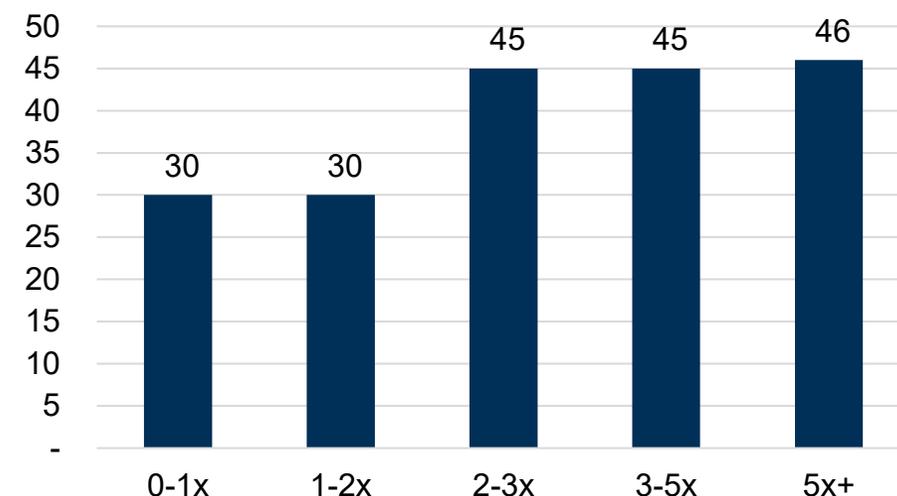
Third party funds	11
Underlying Investments (excl. USD2 ²)	103
Co-Investments II (USD2)	23
Exits to date (incl. USD2)	17
Remaining Investments	109
Avg. Age of Remaining Investments (Years)	2.7
Median Gross MOIC (realised deals)	3.0x
<small>² US Select Direct Private Equity Fund II (US), L.P.</small>	

Note: All figures as of 31/12/2022, data provided 10/01/2023. Return figures are net of all underlying fees and expenses of the individual managers, but before fees and expenses of the LP and Australian Unit Trust. Past performance is not a reliable indicator of future performance. Returns are in USD.

All exits since inception to 31 December 2022

	TOTAL INVESTMENTS	# OF REALISATIONS	% REALISED	AVERAGE REPORTED GROSS MOIC	MEDIAN REPORTED GROSS MOIC	AVERAGE HOLD PERIOD
Fund I*	96	66	69%	3.8x	2.6x	4.7
Fund II*	122	75	61%	3.4x	2.9x	4.9
Fund III*	142	49	35%	4.4x	2.9x	3.6
Fund IV*	126	17	13%	4.1x	3.0x	2.5
Total	486	207	43%	4.0x	2.9x	4.2
USD1	15	9	60%	3.0x	2.0x	4.7
USD2	21	2	10%	3.6x	3.6x	3.6

All exits since inception – Return distribution[^]



- Since inception there have been 207 realisations at a median reported gross MOIC of 2.9x with an average hold period of around four years.

Note: All figures as of 31/12/2022, data provided 10/01/2023. MOIC figures are on realisations. Return figures are net of all underlying fees and expenses of the individual managers, but before fees and expenses of the LP and Australian Unit Trust. Returns are in USD. Past performance is not a reliable indicator of future performance. * Includes exposure to US Select Direct Private Equity (US) L.P. (Fund I and Fund II) and US Select Direct Private Equity II (US) L.P. (Fund III and Fund IV). [^]Holdings in USD1 and USD2 are only counted once, not per Fund.

Distributions

CD Private Equity Fund IV units are now fully paid. All Funds announced distributions on 1 February 2023.

FUND	FEBRUARY 2023 DISTRIBUTION	TOTAL DISTRIBUTIONS* (SINCE INCEPTION)	APPLICATION PRICE	TOTAL DISTRIBUTIONS (SINCE INCEPTION) AS A % OF APPLICATION PRICE	ESTIMATED POST TAX NTA AFTER FEBRUARY DISTRIBUTION^
CD Private Equity Fund I (CD1)	\$0.08	\$2.660	\$1.60	166.3%	\$1.17
CD Private Equity Fund II (CD2)	\$0.06	\$2.065	\$1.60	129.1%	\$1.72
CD Private Equity Fund III (CD3)	\$0.11	\$1.469	\$1.60	91.8%	\$2.06
CD Private Equity Fund IV (CDIV)	\$0.07	\$0.230	\$1.60	14.4%	\$2.31

Note: All figures as of 31/12/2022. NTA figures are post-tax NTA and is net of fees and costs. Total returns are inclusive of distributions. Past performance is not a reliable indicator of future performance. The February distributions are due to be paid on approximately 3 March 2023. During July 2022 the Responsible Entity made the fifth and final capital call of 32 cents per unit, with payment (offset by the initial 16 cent per unit distribution) due 2 August 2022. CD1 inception date August 2012. CD2 inception date April 2013. CD3 inception date July 2016. CD4 inception date April 2018. *includes distributions announced 1 February 2023, due to be paid early March. ^Estimated post tax NTA after February distribution is based on the 31 December 2022 NTAs.

Glossary

ACRONYM	DEFINITION
DPI	Distribution to Paid In Capital
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
IRR	Internal Rate of Return
MOIC	Multiple of Invested Capital
TVPI	Total Value to Paid In Capital
TTM	Trailing Twelve Months
USD1	Co-Investment I - US Select Direct Private Equity Fund (US), L.P.
USD2	Co-Investment II - US Select Direct Private Equity Fund II (US), L.P.

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