



CD

PRIVATE
EQUITY
FUND SERIES

Unitholder Presentation

ASX Release: 31 January 2024



CD

PRIVATE
EQUITY
FUND SERIES



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DISCLAIMER

This CD Fund Series Update (Update) has been prepared by K2 Asset Management Ltd as Responsible Entity (ACN 085 445 094, AFSL 244 393) of the CD Private Equity Fund Series (Funds or Fund Series) which includes CD Private Equity Fund I (ARSN 158 625 284) (ASX: CD1), CD Private Equity Fund II (ARSN 162 057 089) (ASX: CD2), CD Private Equity Fund III (ARSN 612 132 813) (ASX: CD3), and CD Private Equity Fund IV (ARSN 624 474 531) (CD4).

An investment in any of the Funds is subject to various risks, many of which are beyond the control of the Investment Manager and the Funds. The past performance of the Funds is not a guarantee of the future performance of the Funds. This Update may contain statements, opinions, projections, forecasts and other material (forward looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. The Responsible Entity and its advisers (including all of their respective directors, consultants and/or employees, related bodies corporate and the directors, shareholders, managers, employees or agents of them) (Parties) do not make any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. You are cautioned not to place undue reliance on forward-looking statements and the Parties assume no obligation to update that information.

This Update may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs, and consider obtaining advice from a financial advisor. You should obtain a copy of the relevant PDS or offer document before making any decisions to purchase a product.

All performance figures, unit prices and distributions are in Australian Dollars, unless otherwise stated.

The General Partner (GP) of each of the Limited Partnerships (LPs) in the series has engaged either E&P Funds Management Pty Limited (ACN 159 902 708)(LPI)(“E&PFM”) or the Investment Manager (LPs II,III,IV) to act as investment manager and/or investment advisor for each respective underlying LP.



CD PRIVATE
EQUITY
FUND SERIES

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**CORDISH
EQUITY
PARTNERS**

2012
INCEPTION

US\$700M+
CAPITAL AT WORK

22.1%
AGGREGATE NET IRR

2.0x
PLATFORM-WIDE TVPI

Total value to paid-in capital (TVPI)

Investing in Small-Cap private U.S. businesses, through funds and direct investments



SMALL CAP

- Large opportunity set with 100ks of companies with US\$10-250M in revenues
- Significantly more attractive upfront valuation multiples compared to public markets
- Multiple ways to create value, not reliant on financial engineering

SOURCING & ACCESS



- 12-year track record of evaluating managers and refining diligence process
- Entrenched relationships with high-quality, access constrained managers

EXPERTISE



- Deep domain operational experience among Cordish management team
- Stable and consistent team and proven investment track record
- Leveraging a trusted network of business relationships to bolster growth of direct investments

RETURNS SINCE INCEPTION

 CD1  CD2  CD3  CD4

	August 2012	April 2013	July 2016	April 2018
Inception Date	August 2012	April 2013	July 2016	April 2018
Original Unit Price	\$1.60	\$1.60	\$1.60	\$1.60
Total Distributions since Inception (per unit) ¹	\$2.82	\$2.31	\$1.839	\$0.575
Total Distribution Return per unit (DPI)¹	1.76x	1.44x	1.15x	0.36x
31 December 2023 Net Tangible Asset (NTA) Value (per unit) ²	\$1.02	\$1.54	\$1.87	\$2.20
Total Return on Original Invested Capital³	2.37x	2.38x	2.22x	1.62x

¹Distribution amount includes the January 2024 declared but not yet paid distribution.

²NTA as of 31 December 2023 does not consider the distribution which was declared in January 2024.

³TVPI calculation is based on total distributions declared, including January 2024, and reduces the 31 December 2023 NTA by the declared but unpaid distribution.

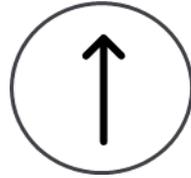
Source: K2 Asset Management Ltd. Data as at 23 January 2024. Past performance is not a reliable indicator of future performance.

STATE OF THE MARKET

Higher for longer interest rates have put pressure on valuations, though deal activity remains healthy

Continuation funds & Secondaries sales continue to see a pick-up in deal activity

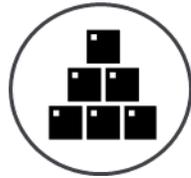
Potential for pent-up deal activity going into 2024



Overall, PE markets recorded positive results across 2023 (compared to 2022) however deal activity did have to adjust to the higher interest rate market and the year proved difficult for exits.



The industry has begun utilising alternate liquidity solutions for funds and portfolio companies, namely continuation and secondary funds. It is expected that 2024 will see PE volumes rebound.



PE returns lagged public markets; a combination of quarterly reporting versus real-time valuations, as well as the “Magnificent Seven” dominating public market performance.



Long term performance of US PE has still outperformed relative to public markets on a 3, 5 and 10-year basis.



Long term growth opportunities in AI, digitization, growing healthcare needs and the transition to the green economy.

FUND SERIES EXITS: 2023

20

PORTFOLIO COMPANY
REALISATIONS

+30% uplift
ON 6-MONTH PRIOR
VALUATION

Multiple on Invested Capital (MOIC)

2023 Exits & Valuation Uplift

Fund	Number of Realisations	Median Gross MOIC on Exit	Median Valuation 6 months prior	6 month to Exit Uplift
CD1	2	2.5x	2.0x	+28%
CD2	3	1.2x	1.0x	+19%
USD1	1	0.2x	0.2x	0%
CD3	7	3.8x	2.8x	+36%
CD4	6	3.3x	2.6x	+25%
USD2	1	3.4x	2.6x	+32%
Total	20	3.2x	2.4x	+30%

The median **30% uplift** on realisations, compared to the valuation 6-months prior, demonstrates the potential inherent value in unrealised Fund positions.

Source: Cordish Private Ventures. Note: All figures as of 31/12/2023. Return figures are in USD and are gross of fees and expenses of the individual Fund Managers, the LP and Australian Unit Trust. Past performance is not a reliable indicator of future performance.

FUND SERIES EXITS: 2023

20

PORTFOLIO COMPANY
REALISATIONS IN 2023

219

PORTFOLIO COMPANY
REALISATIONS SINCE
INCEPTION

Representative current portfolio companies can be found on the "Portfolio Companies" section of the Fund's website [here](#).

2023: Portfolio Company Exits

Fund 1



Fund 3



Fund 4



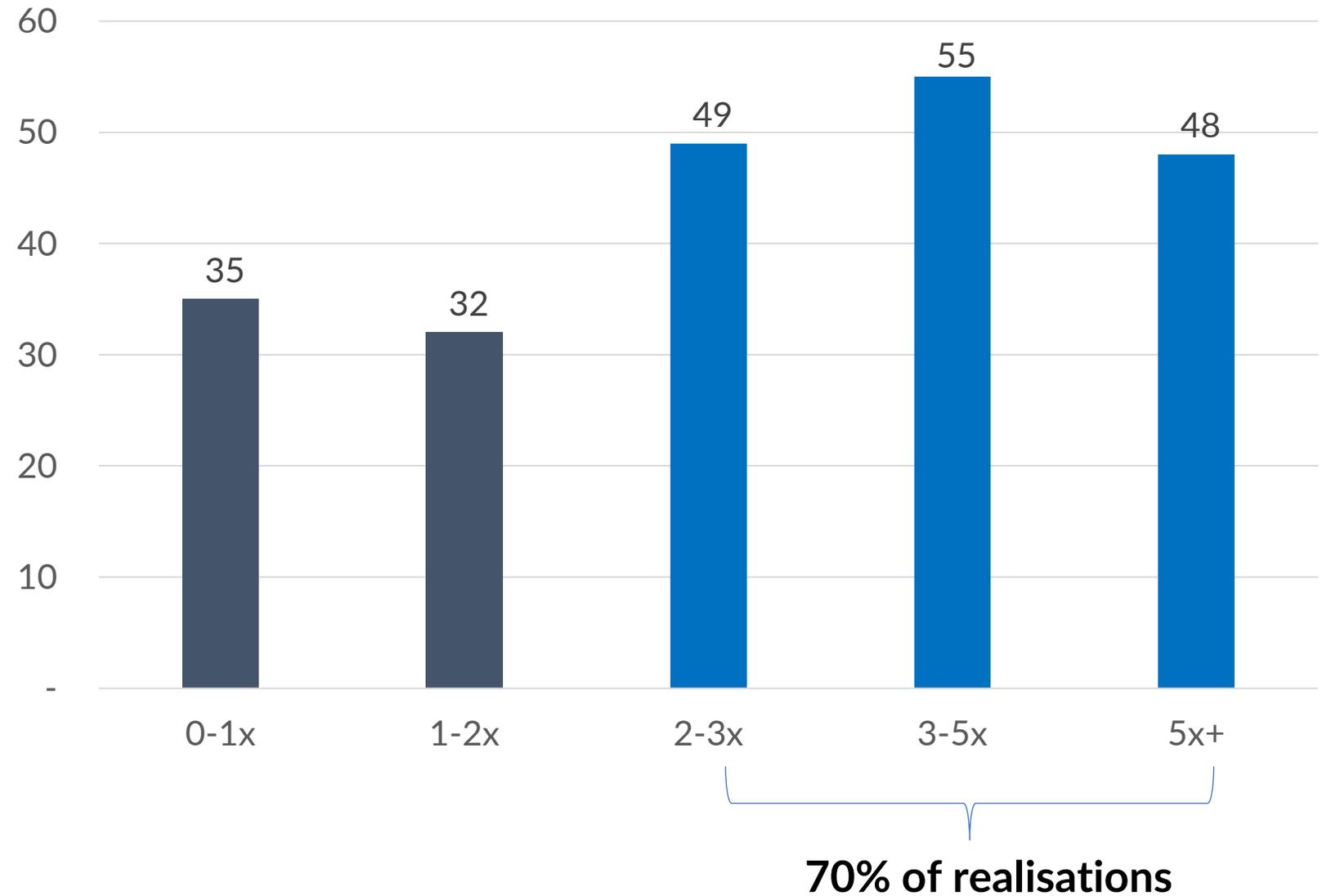
FUND SERIES EXITS: SINCE INCEPTION

Cordish investment philosophy is focused on **growth**: growth buyouts and growth equity

70% of all realisations from the portfolio have a resulted in a MOIC of 2x or higher

Focusing on small-cap in order to **extend the distribution curve** out to the right

All Exits Since Inception – Return Distribution



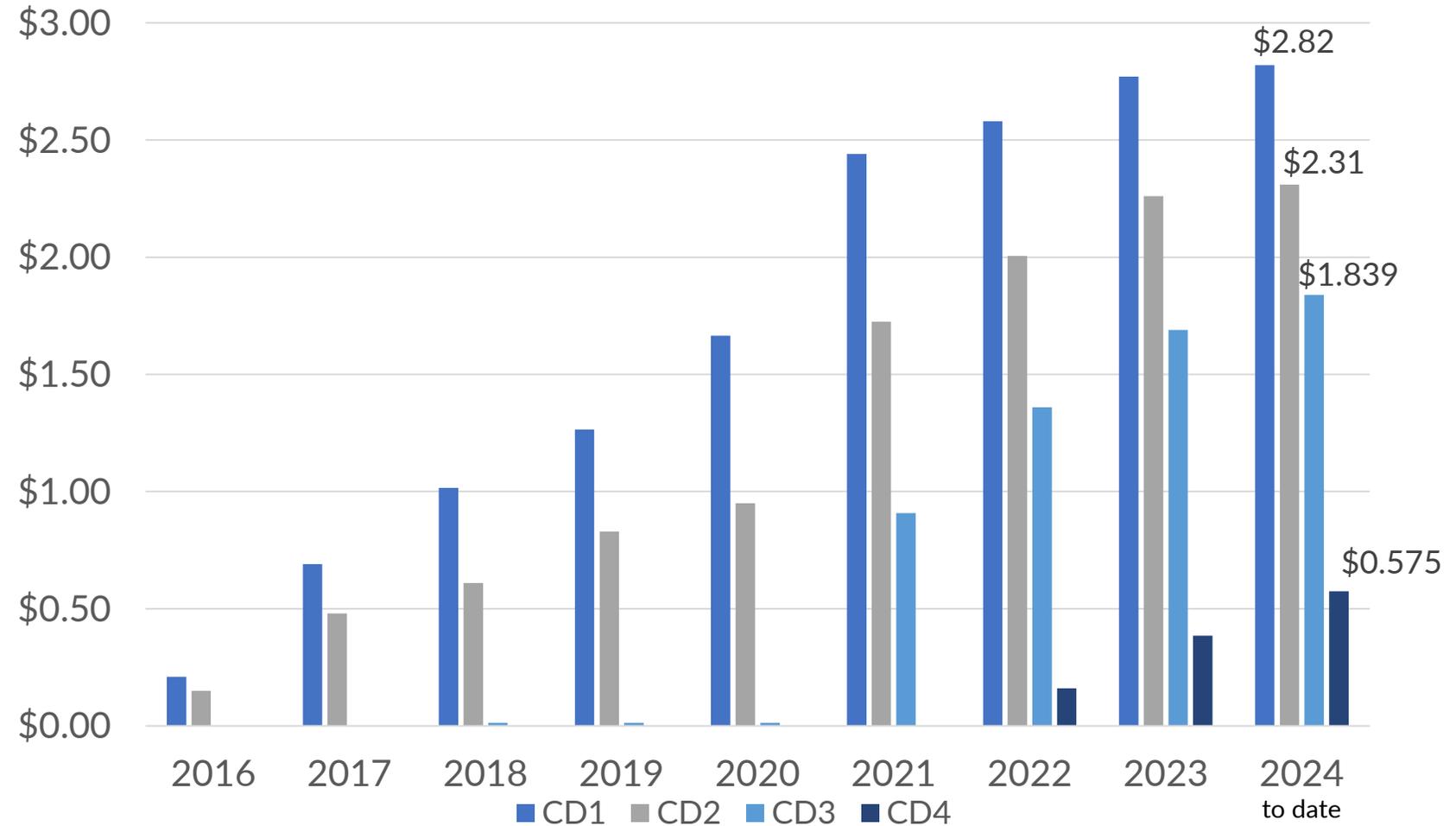
Source: Cordish Private Ventures. Note: All figures as of 31/12/2023. Return figures are in USD and are gross of fees and expenses of the individual Fund Managers, the LP and Australian Unit Trust. Past performance is not a reliable indicator of future performance.

FUND SERIES DISTRIBUTIONS

Fund (inception)	Full Year 2023 Distributions
CD1 (2012)	\$0.19 per unit
CD2 (2013)	\$0.255 per unit
CD3 (2016)	\$0.33 per unit
CD4 (2018)	\$0.225 per unit

Fund	2024 to date Distributions
CD1	\$0.05 per unit
CD2	\$0.05 per unit
CD3	\$0.15 per unit
CD4	\$0.19 per unit

Fund Series Distributions (per unit) Since Inception



A\$108m in distributions declared since 1 January 2023

FUND SERIES PERFORMANCE

Fund	31 December 2023 NTA
CD1	\$1.02 per unit
CD2	\$1.54 per unit
CD3	\$1.87 per unit
CD4	\$2.20 per unit

Post-tax NTA Return, including Distributions

Fund	Inception Date	3m	6m	1 year	3 years p.a.	5 years p.a.	Inception p.a.
CD1	August 2012	-6.4%	-3.0%	-3.9%	13.6%	12.5%	11.7%
CD2	April 2013	-6.1%	9.5%	-0.1%	15.4%	10.0%	11.0%
CD3	July 2016	-6.5%	-0.6%	1.3%	29.3%	19.6%	13.9%
CD4	April 2018	-5.6%	-1.9%	1.6%	23.5%	13.8%	12.8%

Each of the Funds have achieved **10%+ p.a.** NTA returns since inception.

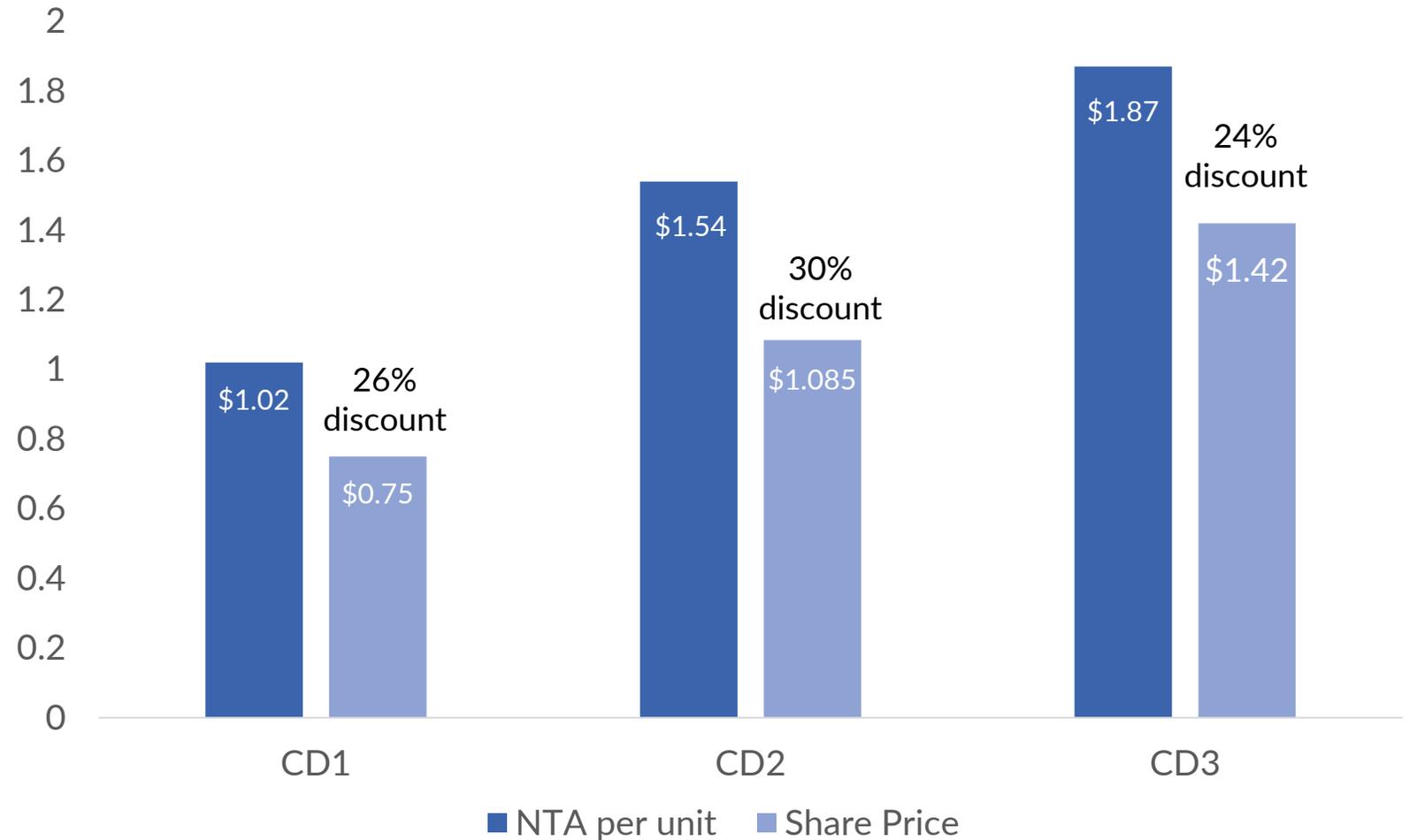
DISCOUNT TO NTA

The Fund series is unique for Australian markets, being listed and *not* evergreen.

The Funds are designed to be **self-liquidating**, returning capital to Unitholders as the underlying assets are realised.

Financial information on the underlying investments is limited due to Fund Series **confidentiality agreements** with the managers however we will continue to prioritise communications to Unitholders.

NTA Per Unit & Share Price: 31 December 2023



It is common for secondary trades to be at a discount to NTA, in both the listed PE space as well as in larger secondaries Funds¹.

¹Jefferies H1 2023 Global Secondary Market Review ([here](#)).

Source: K2 Asset Management Ltd. NTA data is unaudited as at 31 December 2023. Unit Price as of the last trading day of 2023.

LIQUIDITY

As the Fund enters the end of the 11th year, we appreciate the length of time Unitholders have been invested in the Fund.

The Manager believes it is the right time to explore alternate liquidity options which may include a portfolio sale.

Considerations will include any potential discount to NAV on a portfolio sale, the potential remaining upside in the Fund as well as the length of time expected for a natural completion.

CD1 – Fund History

Inception Date	August 2012
Original Unit Price	\$1.60
Total Distributions since Inception (per unit) ¹	\$2.82
Total Distribution Return on Original Invested Capital (%)	176%
31 December 2023 Net Tangible Asset (NTA) Value (per unit)²	\$1.02

Source: K2 Asset Management Ltd, Cordish Private Ventures. Past performance is not a reliable indicator of future performance.

¹Distribution amount includes the declared but not yet paid distribution of \$0.05 per unit (January 2024).

²NTA as of 31 December 2023 is not inclusive of the distribution which was declared in January 2024 of \$0.05 per unit.

LIQUIDITY

The Fund is approaching the end of the fifth year of operation, having returned **36%¹ of the total called capital to Unitholders to date.**

The RE and Investment Manager believe that the Fund is in a **fantastic position to continue to return capital to Unitholders** as the underlying assets are sold.

However, we acknowledge there is desire for a **liquidity solution** for some Unitholders in the Fund.

CD4 – Fund History

Inception Date	April 2018
Original Unit Price	\$1.60
Total Distributions since Inception (per unit) ¹	\$0.575
Total Distribution Return on Called Capital (%)	36%
31 December 2023 Net Tangible Asset (NTA) Value (per unit)²	\$2.20

Source: K2 Asset Management Ltd, Cordish Private Ventures. Past performance is not a reliable indicator of future performance.

¹Distribution amount includes the declared but not yet paid distribution of \$0.19 per unit (January 2024).

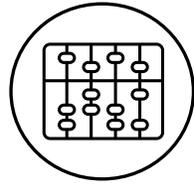
²NTA as of 31 December 2023 is not inclusive of the distribution which was declared in January 2024 of \$0.19 per unit.

CD4 LIQUIDITY

K2 is seeking feedback from CD4 Unitholders who would like to sell, as well as any interested parties looking to increase their exposure to the Fund.

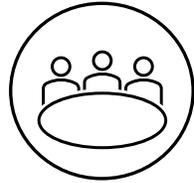
Assuming a positive response, further detail will be available in a memorandum expected to be released by the end of Q1 2024.

*Email: cdfunds@k2am.com.au
Phone: (03) 9691 6110*

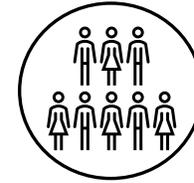


Off Market Liquidity Event

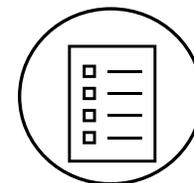
Following a review of the CD1-3 ASX Listed Funds, it has been determined that the listing of CD4 will likely result in a similar **persistent discount** to NTA coupled with **modest trading volume**.



K2 have engaged an external party to assist in the creation of discrete liquidity events for CD4 Unitholders who wish to participate. **K2 is seeking feedback from CD4 Unitholders who would like to sell, as well as any interested parties looking to increase their exposure to the Fund.**



In order to facilitate this liquidity event, we anticipate the Fund's constitution would need to be amended to allow for Unitholders to sell their units at a discount to NTA; up to 25%. **This proposal would require a Unitholder vote, with 75% of votes cast needing to be in favour in order to be adopted.**



Participation in any liquidity event is on an **OPT-IN** basis and any liquidity event is **not** expected to be **dilutionary** to remaining Unitholders.

2024: FUND SPECIFIC FOCUS

CD1

- Continued realisation of portfolio companies is expected to continue through to 2027, with proceeds being returned to Unitholders by way of distributions.
- The Manager expects to explore alternate liquidity options, including a portfolio sale.
- 26 portfolio companies remain in the portfolio.

CD2

- Continued realisation of portfolio companies is expected to continue through to 2027, with proceeds being returned to Unitholders by way of distributions.
- 43 portfolio companies remain in the portfolio.

CD3

- Follow-on investments in existing companies will continue to be made, whilst early investments continue to be assessed for realisation.
- Longest tenured investment is through to 2029 (with permitted extensions), however it is too early to comment on full realisation timeline.
- 85 portfolio companies remain in the portfolio.

CD4

- Follow-on investments in existing companies will continue to be made, with potential for new investments (though unlikely).
- Early investments continue to be assessed for realisation.
- Potential off-market liquidity event for Unitholders in 2024.
- 111 portfolio companies remain in the portfolio.

Q&A

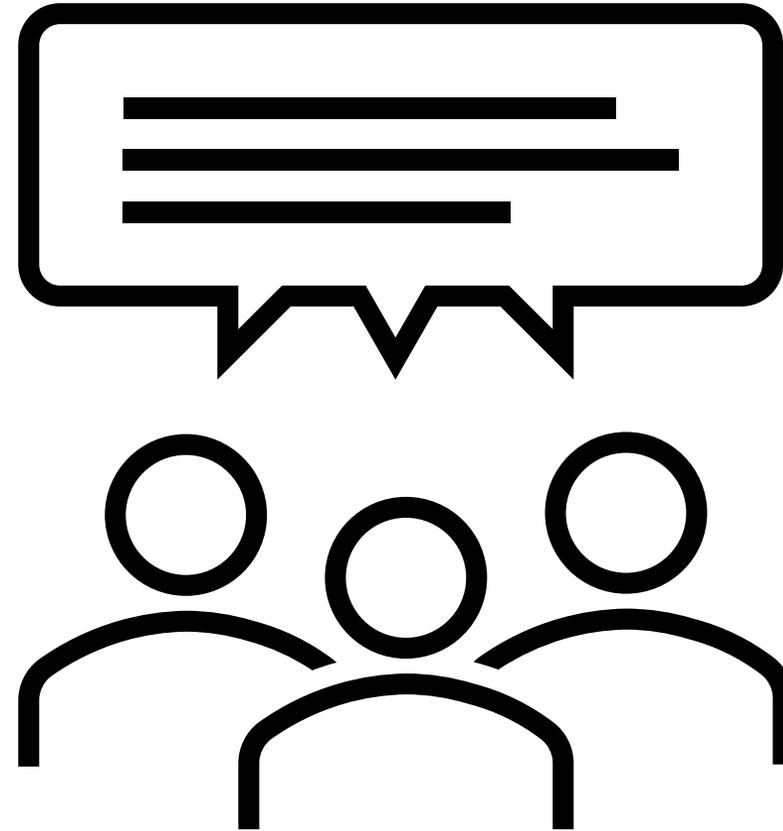


- We will now open up to questions from Unitholders.
- If you would like to submit a question and have not done so already, please complete your question card and hand it to a K2 staff-member.
- We endeavour to answer all questions, grouping those which are similar. Questions that aren't answered will be addressed after this presentation via the contact details provided on the question card.

Q&A

cdfunds@k2am.com.au

(03) 9691 6110



THANK YOU



Thank you for attending this presentation.

Unitholders are welcome to reach out to the Investor Relations team via email or phone.

- cdfunds@k2am.com.au
- 61 3 9691 6110.

APPENDIX

CD1 Quarterly Financial Position

CD1 has an **85.53%** interest in the Limited Partnership 1 (LP1), which invests in small to medium private investments, predominantly in the US.

CD1's Remaining Commitment to LP1	--
LP1 Remaining Commitment to Underlying LPs	US\$1.8m ¹
CD1 Cash Balance (31 December 2023)	A\$3.0 million

¹LP1's remaining commitment has been adjusted from an aggregate method to instead show the total of the underlying investments with remaining capital that could be called.

Fund's Interest In Assets of the LP	\$USD millions
LP Cash	\$2.6
Trivest Fund V, LP	\$5.8
Karp Reilly Capital Partners II, LP	\$4.1
Encore Consumer Capital Fund II, LP	\$3.4
FPC Small Cap Fund I, LP	\$0.9
Peppertree Capital Fund IV, LP	\$0.6
Incline Equity Partners III, LP	\$0.1
US Select Direct Private Equity I, LP	\$5.7
Total	\$23.1

Portfolio Composition	
Underlying Fund Managers	9
Underlying Portfolio Companies (since inception)	96
Total Realisations since Inception (76%)	70
Total Remaining Portfolio Companies	26
Average Age of Remaining Companies	7.4 years

Source: K2 Asset Management Ltd. Data is unaudited as at 31 December 2023. Past performance is not a reliable indicator of future performance.

CD2 Quarterly Financial Position

CD2 has an **87.28%** interest in the Limited Partnership 2 (LP2), which invests in small to medium private investments, predominantly in the US.

CD2's Remaining Commitment to LP2	US\$3.5 million
LP2 Remaining Commitment to Underlying LPs ¹	US\$13.8 million
CD2 Cash Balance (31 December 2023)	A\$9.5 million

¹LP2's remaining commitment has been adjusted from an aggregate method to instead show the total of the underlying investments with remaining capital that could be called

Fund's Interest In Assets of the LP	\$USD millions
LP Cash	\$4.5
Tengram Capital Partners Gen 2 Fund, LP	\$2.7
Trive Capital Fund I, LP	\$0.6
High Road Capital Partners Fund II, LP	\$3.8
NMS Fund II, LP	\$3.0
Tower Arch Partners I, LP	\$1.5
Blue Point Capital Partners III, LP	\$1.9
Chicago Pacific Founders Fund, LP	\$17.5
Staple Street Capital, LP	\$4.0
Main Post Growth Capital, LP	\$6.6
US Select Direct Private Equity I, LP	\$6.8
Total	\$52.8

Portfolio Composition	
Underlying Fund Managers	12
Underlying Portfolio Companies (since inception)	122
Total Realisations since Inception (65%)	79
Total Remaining Portfolio Companies	43
Average Age of Remaining Companies	6.7 years

CD3 Quarterly Financial Position

CD3 has an **71.22%** interest in the Limited Partnership 3 (LP3), which invests in small to medium private investments, predominantly in the US.

CD3's Remaining Commitment to LP3	US\$3.6 million
LP3 Remaining Commitment to Underlying LPs	US\$21.1 million
CD3 Cash Balance (31 December 2023)	A\$12.1 million

Fund's Interest In Assets of the LP	\$USD millions
LP Cash	\$13.5
DFW Capital Partners V LP	\$2.3
Elephant Partners I LP	\$5.7
Encore Consumer Capital Partners III LP	\$5.0
PeakSpan Capital	\$3.6
Trive Capital Fund II LP	\$4.6
Gemspring Capital	\$7.5
Growth Street Partners	\$3.4
Luminate Capital Partners	\$3.7
Incline Equity Partners	\$2.9
NMS Fund III, LP	\$9.0
Bertram Growth Capital III, LP	\$3.2
Telescope Partners I, LP	\$8.6
Smartsheet Inc	\$0.4
US Select Direct Private Equity Fund II LP	\$24.0
Total	\$97.3

Portfolio Composition

Underlying Fund Managers	13
Underlying Portfolio Companies (since inception)	144
Total Realisations since Inception (43%)	59
Total Remaining Portfolio Companies	85
Average Age of Remaining Companies	4.5 years

Source: K2 Asset Management Ltd. Data is unaudited as at 31 December 2023. Asset values includes accrued (and now earned) performance fee to the GP as at 31 December 2023 of US\$11.4 million, of which approximately US\$1.8 million was paid to the GP as part of the distribution announced in January 2024. Past performance is not a reliable indicator of future performance.

CD4 Quarterly Financial Position

CD4 has an **88.37%** interest in the Limited Partnership 4 (LP4), which invests in small to medium private investments, predominantly in the US.

CD4's Remaining Commitment to LP4	US\$8.8 million
LP4 Remaining Commitment to Underlying LPs	US\$24.8 million
CD4 Cash Balance (31 December 2023) ¹	A\$19.6 million

Fund's Interest In Assets of the LP	\$USD millions
LP Cash	\$23.3
Trivest Fund	\$9.3
Elephant Partners II LP	\$15.5
Astra Partners I	\$8.7
Nosara Capital Fund I LP	\$17.3
Quad Partners V LP	\$2.4
Gainline Equity Fund LP	\$11.6
Core Industrial Partners Fund I	\$11.1
Wavecrest Growth Partners I LP	\$17.3
Tower Arch	\$9.8
Incline Elevate Fund	\$10.6
Rucker Park Capital Fund I LP	\$2.6
US Select Direct Private Equity II, LP	\$35.2
Total	\$174.7

Portfolio Composition	
Underlying Fund Managers	12
Underlying Portfolio Companies (since inception)	135
Total Realisations since Inception (18%)	24
Total Remaining Portfolio Companies	111
Average Age of Remaining Companies	3.5 years

Source: K2 Asset Management Ltd. Data is unaudited as at 31 December 2023. Asset value includes accrued (but not yet earned) performance fee to the GP as at 31 December 2023 of US\$7.3 million. Past performance is not a reliable indicator of future performance.

Notes

All figures are in AUD unless otherwise noted. Figures throughout the document may not sum due to rounding. AUD:USD 31 December 2023 spot rate of 0.6812 used.

- Source (CD1, CD2 & CD3): E&P Investments Limited (for data before 24 June 2023) and K2 Asset Management Ltd (for data post 24 June 2023).
- Source (CD4): E&P Investments Limited (for data before 4 July 2023) and K2 Asset Management Ltd (for data post 4 July 2023).
- Data is unaudited and is as at 31 December 2023, unless stated otherwise.
- NTA and total returns are inclusive of distributions and are based on post tax NTA, net of fees and costs, unless stated otherwise.
- Inception dates were August 2012 (CD1), April 2013 (CD2), July 2016 (CD3) and April 2018 (CD4).
- CD1, CD2, CD3 and CD4 original Unitholder investment was \$1.60 per Unit.
- Multiple on Invested Capital (MOIC) returns are as at 31 December 2023 and represent all underlying portfolio company sales since inception. MOIC returns are gross of all underlying fees and expenses of the individual fund managers, the LP and the Australian Unit Trust. MOIC returns are based on US dollar denominated investments and include US Select Direct I (USD1) for CD1 & CD2, and US Select Direct 2 (USD2) realisations for CD3 & CD4.
- Age of portfolio companies refers to the average duration of time that the LP has been invested in the remaining underlying portfolio companies.
- LP investments values are based on 31 December 2023 accounting values, which are the 30 September 2023 valuations provided by the LPs, adjusted for capital calls, distributions and foreign exchange movements over the period. It is expected that 31 December 2023 investment valuations will be received from the LPs by the end of February.