

11 June 2021

## CD Private Equity Fund II (ASX: CD2) Distribution and Capital Management Announcement

E&P Investments Limited, the **Responsible Entity** of CD Private Equity Fund II (**Fund**), is pleased to announce a distribution of \$0.34 per Unit.

During May 2021, the partners of US Select Private Opportunities Fund II, L.P. (**LP**), the limited partnership through which the Fund makes investments in underlying private equity funds, received US\$17 million in distribution proceeds from various investments. The Fund's net share of the proceeds is approximately US\$14.6 million (approximately A\$18.8 million<sup>1</sup>). In addition, the Fund was informed that the LP has been released from US\$3.2 million of remaining unfunded commitments. The Fund's share of this amount is approximately US\$2.7 million (approximately A\$3.5 million)<sup>1</sup>.

The Fund intends to distribute the majority of these proceeds after accounting for operating and tax expenses, and retaining a portion for the purpose of an on-market buy-back.

Distribution:	\$0.34 per Unit
Ex-Distribution Date:	Thursday 17 June 2021
Record Date:	Friday 18 June 2021
Expected Payment of Distribution:	Tuesday 29 June 2021

### Capital Management

While the Fund has been performing strongly on a Net Asset Value (**NAV**) and distribution basis, in recent times the Fund has been trading on the Australian Securities Exchange (**ASX**) at a discount to its NAV, and the Responsible Entity has considered initiatives to reduce the discount. One of the initiatives considered by the Responsible Entity is an on-market buy back.

To date, the Fund has passed through substantially all distribution payments from the LP to Unitholders after accounting for the required Fund expenses and potential outstanding capital commitments to the LP. The Product Disclosure Statement (**PDS**) of the Fund discloses that the Fund may undertake a buyback of Units in the event that the Fund trades at a sizable discount to NAV backing.

The Fund has now reached a mature phase of the investment cycle, and the current distribution received from the LP contains a portion of capital return. The Responsible Entity has determined to apply part of this to an on-market buy-back.

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<sup>1</sup> Based on AUD/USD exchange rate of 0.7735



The Responsible Entity intends to continue to distribute the majority of distributions received from the LP directly to Unitholders going forward and will reconsider the use of a buy-back at each distribution. The on-market buy-back is expected to be accretive to Unitholders of the Fund and support the on-market price.

The buy-back will be managed within the '10/12 limit' permitted by the Corporations Act 2001 (cth), and therefore does not require Unitholder approval. Accordingly, it is not proposed that the Fund buy back more than 10% of the smallest number of Units on issue at any time over the previous 12 months. The timing and actual number of Units to be purchased will be subject to the prevailing Unit price, market conditions, and unforeseen circumstances. There can be no certainty that the Responsible Entity will acquire any Units under the buy-back.

An on-market buyback involves the Responsible Entity, on behalf of the Fund, buying Units in the ordinary course of trading at the prevailing market price on the ASX, in the same way as any other market transaction. It is a requirement of the Corporations Act that the Responsible Entity must not buyback Units on-market by way of a special crossing or priority crossing.

The implementation of an on-market buyback is regulated by both ASIC and the ASX. In particular, the ASX Listing Rules prescribe that the buyback price must not be more than 5% above the volume weighted average price for Units in the Fund over the previous five days on which sales in the Units were recorded before the buyback.

All Unitholders are eligible to participate by selling their Units to the Fund on the ASX. Participation in any buyback is voluntary. Unitholders do not have to sell their Units if they do not want to. Unitholders will not, however, have the right to withdraw sales once made.

For further information, contact:

Investor Relations

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

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The CD Private Equity Fund series comprise ASX listed and unlisted investment trusts focused on investing with and alongside leading, highly differentiated and specialised private equity funds focused on lower middle-market operating businesses in the US.