

## **Cordish Dixon Private Equity Fund II**

**(ARSN 162 057 089)**

# **Unitholder Booklet**

## **Sale of Investments**

**A Notice of Meeting is included as Schedule 1 to this Booklet. A Proxy Form for the Meeting accompanies this Booklet.**

### **General Meeting**

**26 November 2019 at 1.00 pm (Sydney time)**

**This is an important document and requires your urgent attention.**

If you are in any doubt as to how to deal with this Booklet, please consult your legal, financial, taxation or other professional adviser immediately.

If you have recently sold all of your Units, please disregard all enclosed documents.

# Important Notices

## General

You should read this Booklet in its entirety before making a decision on how to vote on the resolution to be considered at the Meeting. The notice convening the Meeting is contained in Schedule 1. A proxy form for the meeting is enclosed.

## Defined terms

Capitalised terms in this Booklet are defined either in the Glossary in Section 6 of this Booklet or where the relevant term is first used.

References to **dollars** or **\$** are references to the lawful currency of Australia. Any discrepancies between the totals and the sum of all the individual components in the tables contained in this Booklet are due to rounding.

## Purpose of this Booklet

The purpose of this Booklet is to:

- state the nature of the business to be conducted at the Meeting; and
- provide such information as is prescribed by the Corporations Act.

## ASX

A copy of this Booklet has been lodged with the ASX. The ASX and its officers take no responsibility for the contents of this Booklet.

## Investment decisions

This Booklet does not take into account the investment objectives, financial situation, tax position and requirements of any particular person. This Booklet should not be relied on as the sole basis for any investment decision in relation to Units. It is important that you read the entire Booklet before making any voting or investment decision.

## Forward looking statements

This Booklet includes certain prospective financial information which has been based on current expectations about future events. The prospective financial information is, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such prospective financial information. The assumptions on which prospective financial information is based may prove to be incorrect or may be affected by matters not currently known to, or considered material by, the Responsible Entity.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of the Responsible Entity, the officers of the Responsible Entity or any person named in this Booklet makes any representation or warranty (either expressed or implied) as to the accuracy or likelihood of fulfilment of any forward

looking statement, or any events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on those statements.

The forward looking statements in this Booklet reflect views held only as at the date of this Booklet. Notwithstanding the uncertainty outlined above, there are reasonable grounds for including all forward looking statements set out in this Booklet.

## Important dates and times

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|  |                           |
|--|---------------------------|
| Date of this Booklet   | 28 October 2019           |
| Last time and date by which the proxy form for the Meeting can be lodged | 1.00 pm, 24 November 2019 |
| Time and date for determining eligibility to vote at the Meeting         | 7.00 pm, 24 November 2019 |
| Meeting* to vote on the Transaction                                      | 1.00 pm, 26 November 2019 |

\* The Meeting will be held at Level 15, 100 Pacific Highway, North Sydney NSW 2060

You should consult your legal, financial, taxation or other professional adviser concerning the impact your decision may have on your own circumstances.

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## Responsible Entity letter

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28 October 2019

Dear Unitholders,

We present you with this Notice of Meeting for Cordish Dixon Private Equity Fund II.

The Cordish Dixon Private Equity Fund Series (**Fund Series**), including Cordish Dixon Private Equity Fund II (**CD II**) and Cordish Dixon Private Equity Fund I (**CD I**), was established to provide an investment platform that would allow individual unitholders access to a family office style of investing in a portfolio of US small and mid-market private investment funds and privately held companies.

Since its establishment in April 2013, CD II has built a portfolio that today provides indirect exposure to funds managed by 12 private equity managers, and these underlying managers have invested in a total of 116 different companies. This portfolio has also generated strong returns to Unitholders, with a multiple on invested capital of 1.8x, which equates to a 10.1% annualised return based on the Unit price as at 30 September 2019.

Similarly, CD I, which was established in August 2012, has built a portfolio that today consists of indirect investments in funds managed by eight small and mid-market private equity managers who, in turn, have invested in a total of 96 underlying companies. This portfolio has generated strong returns to unitholders, with CD I generating a multiple on invested capital of 1.8x, which equates to a 9.9% annualised return based on the unit price as at 30 September 2019.

CD II and CD I have now successfully progressed to the harvest phase of their lifecycles, where the underlying private equity managers are executing on the sale of the businesses they have invested in and returning capital and profits back to investors. Reflecting this, CD II has distributed 83 cents per Unit to date, while CD I has distributed 126.5 cent per unit to date. In the normal course of business, these distributions would continue for several more years until the portfolios are fully divested.

However, with CD II and CD I in their harvest phase and the track record of the portfolios firmly established, there also exists the opportunity to bring forward the otherwise gradual realisation process through a sale of both funds' investment portfolios to an institutional buyer. In response to feedback from investors seeking liquidity options and the recent discount to net tangible assets at which the funds are trading, the Responsible Entity engaged Sixpoint Partners to explore this option. Sixpoint Partners is a leading US based specialist advisory firm focussed on the middle-market private equity industry.

This process has resulted in the Responsible Entity receiving a binding offer from an entity controlled by Whitehorse Liquidity Partners (**Whitehorse**), a Canadian based private equity firm, for the full purchase of both CD II and CD I's underlying portfolios (**Whitehorse Offer**).

Based on a A\$/US\$ exchange rate of \$0.675 (**Exchange Rate**), existing cash holdings, and provisions for estimated tax, transaction costs, operating expenses, and wind-up costs, this is estimated to result in net sale proceeds to unitholders is \$1.97 per Unit for CD II and \$1.66 per unit for CD I. This compares to \$2.00 and \$1.63, the last traded prices of CD II and CD I, respectively, on 14 October 2019, the date prior to the announcement of the Whitehorse Offer (**Announcement Date**).

The Responsible Entity believes the Whitehorse Offer provides several advantages to Unitholders. It allows Unitholders to crystallise the strong returns achieved to date and to exit fully their investment at or around the price at which units have traded on ASX prior to the Announcement Date, and at a time when liquidity of units traded on the ASX is relatively limited. Unitholders will accelerate the return of capital when compared to the gradual realisation of the portfolio and subsequent capital returns and will have full flexibility to reallocate the proceeds of the Whitehorse Offer.

Counterbalancing this, while the Whitehorse Offer is at or around the unit price at which units have traded on ASX prior to the Announcement Date, it represents a discount of 13.5% and 15.6% to the 30 September 2019 post-tax net tangible asset values for CD II and CD I, respectively, and by accepting the Whitehorse Offer Unitholders will forgo any potential future growth of the underlying portfolio.



A concise list of why Unitholders might choose to vote for or against the Whitehorse Offer is set out for your consideration in Sections 2.3 and 2.4, respectively.

Recognising these countervailing considerations, we are asking you to vote on the future course of both funds.

Unitholders seeking a full exit at this time may choose to vote in favour of the Resolution. Those Unitholders preferring to remain invested in the strategy and receive a gradual realisation of the portfolio over several years may choose to vote against the Resolution. The Sale can only be implemented if a majority of Unitholders in CD II and a majority of unitholders in CD I vote in favour of the Transaction. It is not possible for some unitholders to sell and some unitholders to remain invested.

### **Implementing the Transaction**

In order to implement the Transaction, Unitholders are asked to vote on a resolution to approve the sale of the assets of the Fund. This resolution, as well as the corresponding sale resolution for CD I, must both be passed to give effect to the Transaction.

### **This Booklet**

I urge you to read the enclosed Booklet in full to understand the nature of the Transaction. This Booklet contains detailed information about the resolution being put to Unitholders.

In considering how to vote, Unitholders should consider their individual circumstances and the entire contents of the Booklet, including the reasons to vote for and against the resolution as set out in Sections 2.3 and 2.4, respectively.

If you have queries in relation to the material in this Booklet, please do not hesitate to contact your financial adviser or the Fund on 1300 454 801.

Yours sincerely



**Alex MacLachlan**

**Chairman of the Responsible Entity for**

**Cordish Dixon Private Equity Fund II**



# 1. Overview

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## 1.1. Transaction

Cordish Dixon Private Equity Fund II (**CD II** or the **Fund**) was established in April 2013 as a multi-manager listed investment trust with the aim of providing Australian investors the opportunity to gain exposure to small to mid-market private investment funds and privately held companies predominately focused in the USA.

Unitholders are asked to consider a resolution to approve the sale of the Fund's investment in US Select Private Opportunities Fund II, L.P. (**CD II LP**). CD II LP is the investment vehicle through which the Fund's investments in the underlying US private investment funds are made.

If approved by Unitholders, Walsh & Company Investments Limited as responsible entity for CD II (**Responsible Entity**) will sell its interest in CD II LP to US Select – Hart, I LP (**Whitehorse**), a limited partnership established by Whitehorse Liquidity Partners Inc. to acquire and hold CD II's interest in the CD II LP. Whitehorse will also acquire the interest of Cordish Dixon Private Equity Fund I (**CD I**) in US Select Private Opportunities Fund, I L.P. (**CD I LP**), the limited liability partnership through which CD I holds interests in underlying funds.

The sale price for the interest in CD II LP will be US\$63,019,871. Based on an A\$/US\$ exchange rate of \$0.675 (**Exchange Rate**), CD II cash, and provisions for estimated tax, transaction costs, operating expenses, and wind-up costs, this is estimated to result in net sale proceeds to Unitholders in CD II of \$1.97 per Unit (**Estimated Net Proceeds**).

If the Sale is approved, the Responsible Entity will pay an interim capital distribution to Unitholders representing 85% of the Estimated Net Proceeds (**Interim Distribution**). Following release of the Escrow and payment of all tax on the Sale, the Responsible Entity will pay a further capital distribution (**Final Distribution**) which is presently estimated to be the remaining 15% of the Estimated Net Proceeds and will then seek to wind up CD II. These amounts assume no claim is made on the Escrow and that there is no change in the Exchange Rate or the current estimate of tax which is dependent on, among other things, the position of the underlying funds. The Final Distribution may therefore differ from this estimate.

To reduce operating costs, the Responsible Entity will apply for removal of CD II from the Official List of ASX following payment of the Interim Distribution.

The sale of the Fund's interest in CD II LP to Whitehorse (**Sale**) and the subsequent distribution and wind-up is referred to as the **Transaction** in this Booklet.

Further information regarding the Transaction is set out in detail in Section 2.

## 1.2. Unitholder approvals

Unitholders are asked to consider one resolution (**Resolution**) which approves the Sale for the purposes of Listing Rule 11.2.

The Resolution is conditional on passage of the corresponding sale resolution to be considered by unitholders of CD I (**CD I Resolution**) by the requisite majority.

## 1.3. Voting

The Resolution is an ordinary resolution and requires approval by a simple majority of votes cast by eligible Unitholders at the Meeting. The Notice of Meeting sets out the voting restrictions that apply to the Resolution.

## 1.4. Conditions

The conditions to implementation of the Transaction are:



- passage of the Resolution;
- passage of the CD I Resolution; and
- Closing of the Sale occurring before the final closing date of 31 December 2019 (or such later date as may be agreed upon in writing by the Buyer and the Responsible Entity).

### 1.5. Tax Considerations

The US taxes arising from the Sale should be less than the US taxes that would be payable if the investments of the Fund were held to maturity. In the ordinary course of business, investments held by the CD II LP would be realised and the net proceeds of sale distributed. In this situation, US dividend withholding tax of 30% may be payable on some of the distributions passed on to Unitholders. Additionally, the effectively connected US income subject to US corporations tax should be the same regardless of whether the sales consideration is realised from the Sale or realised by the Fund holding underlying investments to maturity.

US tax is payable on the Sale by 15 September 2020.

For Australian income tax, the Transaction should result in a discounted capital gain being distributed to Unitholders. US taxes paid may be creditable against Australian tax otherwise payable by the Unitholder. Unitholders that are eligible for the CGT discount (being individuals, taxpaying complying superannuation funds and trusts) may include less in their assessable income and pay less Australian tax as a result of the Transaction compared to if the consideration was instead realised through future income distributions from the underlying funds. Unitholders who have unused net capital losses may receive an additional tax benefit from the Transaction compared to holding investments to maturity, although using such capital losses may reduce the foreign income tax offset available in relation to the US taxes.

See Section 4 for more information regarding the tax issues associated with the Transaction.

Unitholders should consider their tax position in relation to this transaction compared to the investments instead being held to maturity.

### 1.6. View of the Responsible Entity

The Responsible Entity considers it important to provide Unitholders the opportunity to vote on the Resolution.

Unitholders seeking a full exit at this time may choose to vote in favour of the Resolution. Those Unitholders preferring to remain invested in the strategy and receive a gradual realisation of the portfolio over several years may choose to vote against the Transaction. See Sections 2.3, 2.4 and 2.5 for further information.

### 1.7. Timetable

The indicative timetable for the Transaction is as follows:

| Step   | Target date                   |
|--|-------------------------------|
| ASX announcement regarding Transaction                           | 15 October 2019               |
| Despatch of Booklet  | 31 October 2019               |
| General Meeting  | 26 November 2019              |
| Completion of Sale   | On or around 27 November 2019 |
| Payment of Interim Distribution                                  | 12 December 2019              |
| Delisting of CD II   | December 2019                 |
| Completion of wind-up of CD II and payment of Final Distribution | September 2020                |

Note: These dates are indicative only and subject to change.



## **1.8. What to do next**

### *(a) Read the remainder of this Booklet*

You should read and consider the remainder of this Booklet in full before making any decision on the how to vote on the Resolution.

### *(b) Consider your options*

Unitholders should refer to Section 0 to Section 4 (inclusive) of this Booklet for further guidance on the Transaction. However, this Booklet does not take into account the financial situation, investment objectives, and particular needs of any particular Unitholder.

### *(c) Vote at the Meeting*

The Responsible Entity encourages all Unitholders to vote on the Resolution at the Meeting.





## 2. Key considerations for Unitholders

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### 2.1. Rationale

CD II and CD I have successfully progressed to the harvest phase of their lifecycles, where the underlying private equity managers are executing on the sale of the businesses they have invested in and returning capital and profits back to investors. Reflecting this, CD II has distributed 83 cents per Unit to date, while CD I has distributed 126.5 cents per unit to date. In the normal course of business, these distributions would continue for several more years until the portfolios are fully divested.

However, with CD II and CD I in their harvest phase and the track record of the portfolios firmly established, there also exists the opportunity to bring forward the gradual realisation process through a sale of both funds' investment portfolios to an institutional buyer.

In response to feedback from investors seeking liquidity options and the recent discounts to net tangible assets at which the funds are trading, the Responsible Entity engaged Sixpoint Partners to explore this option.

The Responsible Entity determined to run a process to explore the opportunity, as explained in more detail below. The Whitehorse Offer represents the most attractive proposal received through this process and provides Unitholders an opportunity to exit fully their investment at or around the price at which Units traded on ASX prior to the Announcement Date.

### 2.2. The Transaction

#### *Process*

In May 2019, the Responsible Entity engaged Sixpoint Partners, a leading US based specialist advisory firm focussed on the middle-market private equity industry, to conduct a sale process for CD II and CD I's interests in CD II LP and CD I LP, respectively.

Sixpoint Partners, working with US Select Private Opportunities GP II, LLC, the general partner of CD II LP (**Investment Manager**), launched a competitive process on 1 July 2019, reaching out to a diversified buyer base of 70 parties including traditional secondary investors, specialist secondary investors, private equity consultants, fund of funds managers, and alternative asset managers. Of these, 44 parties ultimately executed non-disclosure agreements and entered the data room. Bidders were provided comprehensive access to fund and certain portfolio level information, as well as access to the Investment Manager in the second round of the process. Pricing indications were received from 11 parties, with six parties selected to submit formal indications of interest by the 6 August 2019 deadline. Three investors were invited to the final round. At this final stage, Whitehorse was selected as the preferred party for final sale negotiations for several reasons including pricing, structure and form of consideration, and conviction and willingness to execute quickly.

#### *Sale*

As announced on 15 October 2019, the Responsible Entity entered into an agreement of purchase and sale with Whitehorse (**Sale Agreement**). The Responsible Entity also entered into a corresponding sale agreement with Whitehorse with respect to CD I (**CD I Sale Agreement**). Under these agreements, Whitehorse will acquire the interests of CD II and CD I in CD II LP and CD I LP (respectively), after adjustments for distributions received prior to Closing and cash holdings of CD II LP and CD I LP.

If the Sale is approved, the sale price for the interest in CD II LP will be US\$63,019,871. Based on the Exchange Rate, CD II cash, and provisions for estimated tax, transaction costs, operating expenses, and wind-up costs, this is estimated to result in net sale proceeds to Unitholders in CD II of \$1.97 per Unit, the Estimated Net Proceeds.

The Sale is conditional on the following:

- passage of the Resolution; and



- passage of the CD I Resolution.

If the conditions precedent are not satisfied by 31 December 2019, the Sale Agreement may be terminated by a party (provided the failure to satisfy the condition is not a result of breach by the terminating party).

Under the Sale Agreement, Whitehorse will pay 96.5% of the purchase price to the Responsible Entity and the remaining 3.5% of the purchase price (**Escrow**) to Signature Bank, an independent escrow agent (**Escrow Agent**) to meet any warranty and indemnity claims from Whitehorse for the period from Closing to 30 June 2020. Any funds not applied to meet warranty and indemnity claims will be released to the Responsible Entity and distributed to Unitholders or applied to meet any remaining liabilities of the Fund.

See Section 5.1 for further information on the terms of the Sale Agreement.

#### *Distribution and wind-up of CD II*

If the Sale is approved, the Responsible Entity will pay an interim capital distribution to Unitholders representing 85% of the Estimated Net Proceeds (**Interim Distribution**). Following release of the Escrow and payment of all tax on the Sale, the Responsible Entity will pay a further capital distribution (**Final Distribution**) which is presently estimated to be the remaining 15% of the Estimated Net Proceeds and will then seek to wind up CD II.

To reduce operating costs, the Responsible Entity will apply for the removal of CD II from the Official List of ASX following payment of the Interim Distribution.

The Interim Distribution is expected to be around \$1.67 per Unit and the Final Distribution is presently estimated to be around \$0.30 per Unit. These amounts assume no claim is made on the Escrow, there is no change in the Exchange Rate, and the accuracy of the current estimate of tax which is dependent on, among other things, the position of the underlying funds. The distributions accordingly may differ from these estimates.

Until the Interim Distribution is paid, the Responsible Entity proposes to convert substantially all of the proceeds, other than amounts held back to meet tax liabilities payable in the United States, into Australian dollars at the exchange rate prevailing at the time of receipt from Whitehorse. These funds will not be reinvested in private equity investments or other equity investments.

### **2.3. Why Unitholders may vote in favour of the Transaction**

Reasons why Unitholders may choose to vote in favour of the Resolution include the following:

#### *Full exit at or around current Unit price*

Although the funds are listed on ASX, the trading volume has historically been low. Over the 12 months to 30 September 2019, CD II had an annual turnover of 5.3% of Units, while CD I had an annual turnover of 5.6% of units on issue.

A full exit would provide all Unitholders with liquidity at or around the trading price current at the Announcement Date.

#### *Realisation of attractive returns to date*

The funds have performed strongly since inception. Based on the Unit price, as at 30 September 2019, CD II would have returned 1.8x initial investment, translating to a 10.1% per annum since inception. Based on the unit price, as at 30 September 2019, CD I would have also returned 1.8x initial investment, translating to a 9.9% per annum return since inception.

As with any investment, there can be no guarantee as to the future performance for CD II. The Transaction will allow all Unitholders to fully realise the strong returns generated to date.



### *Attractive offer*

The Responsible Entity engaged Sixpoint Partners, one of the largest specialist advisors serving the US middle-market private equity industry, to work with the Investment Manager to find the most attractive buyer for the combined portfolio. Following a sale process that involved 70 potential institutional buyers, the Responsible Entity is confident in the quality of this bid. The Estimated Net Proceeds for CD II of \$1.97 per Unit, and for CD I \$1.66 per unit represents the most attractive offer received.

There can be no guarantee that opportunities to undertake a secondary sale may present themselves in the future, or, if they do, that they will be at a higher price than that offered by Whitehorse.

### *Accelerate capital return to Unitholders*

The full sale of the underlying portfolio will accelerate the realisation of capital by providing Unitholders with Estimated Net Proceeds of \$1.97 per Unit for CD II and \$1.66 per unit for CD I. These amounts assume no claim is made on the Escrow for each fund, there is no change in the Exchange Rate, and the accuracy of the current estimate of tax which is dependent on, among other things, the position of the underlying funds. The distributions accordingly may differ from these estimates.

Unitholders may prefer this accelerated payment to a more gradual realisation of the portfolios over several years. Both the gain realised and timing of realisation of investments of underlying funds are controlled by the underlying fund managers. Individual investments in the underlying funds may be held for up to 10 years and in some cases longer.

### *Favourable timing*

The timing is favourable to a sale. The funds are in their harvest phase, meaning underlying private equity managers are executing on the sale of the businesses they have invested in and returning capital and profits back to Unitholders. At the same time, the funds still retain significant investments that provide sufficient scale to effect an institutional sale.

The combination of these factors makes the funds attractive to institutional buyers. A sale after more extensive realisation by underlying fund managers may not be possible and, even if it is possible, may not achieve as a high a price as that offered by Whitehorse.

### *A full exit provides Unitholders flexibility to redeploy capital*

The Sale and subsequent distributions will provide Unitholders with the flexibility to redeploy their capital into alternative investments. While Unitholders have achieved attractive returns to date, Unitholders, particularly those who have been investors in the funds since inception, may prefer being afforded the flexibility to redeploy their investment proceeds into alternative investments.

### *Ceasing of the expenses of the Fund*

Following the wind-up of the Fund, there will be no further ongoing fees or expenses.

### *Taxation*

While the Transaction will bring forward a liability to pay tax, it is likely that that, overall, less tax is payable as a result of the Transaction compared to CD II LP holding its underlying investments to maturity. For example, US dividend withholding tax that otherwise would be payable in future may be saved. The Transaction should result in a capital gain for Australian tax purposes that may be eligible for the discount treatment in the hands of Unitholders. Unitholders might also be able to better utilise future foreign tax offsets from the US taxes paid in the current income year.

## **2.4. Why Unitholders might vote against the Transaction**

Reasons why Unitholders may choose to vote against the Resolution include the following:



### *Liquidity discount*

While the price offered by Whitehorse is at or around the market price for Units as at the Announcement Date, it is also at a discount to the current net tangible assets per unit (**NTA**) prior to the announcement of the Transaction. This is expected as secondary trades of private equity interests typically transact at a discount to their fair value as a reflection of the cost of liquidity.

The NTA for the funds is calculated with reference to the valuations provided by underlying managers, the cash position of the funds, operating expenses, and an estimate of tax. The valuations provided by underlying managers are provided on a quarterly basis, typically within 45 to 60 days after quarter end.

Unitholders with a long-term investment horizon and/or who do not require liquidity may not want to sell their holdings at a discount to NTA. Cordish Private Ventures, the other principal limited partner, will not be selling its interests in CD II LP and CD I LP to Whitehorse, as it is a substantial family office with a long-term investment horizon and does not require liquidity.

### *Forfeiture of future potential growth*

The funds have performed strongly to date. Based on the unit prices as at 30 September 2019, CD II and CD I have generated annualised returns of 10.1% and 9.9%, respectively, since inception.

While future returns are uncertain, the Responsible Entity currently has no reason to believe they will not continue to perform strongly.

### *Reinvestment risk*

The capital return received by Unitholders may not be able to be reallocated into investments with a similar or better risk/return profile. Unitholders may prefer a gradual return of capital which provides diversification of timing of reinvestment.

### *Potential reduction of diversification*

CD II provides exposure to a portfolio of investments in small to mid-sized private investment funds and privately held companies predominantly focused in the US. Unitholders may find it difficult to replicate the diversification benefits provided by this exposure.

### *Transaction costs*

The Sale will incur transactions costs, including a transaction fee of 1% of total proceeds payable to Sixpoint Partners. These costs are specific to the Transaction and would otherwise not be payable.

No Transaction fees will be payable to the Responsible Entity or other related parties.

A detailed breakdown of the transaction costs can be found in Section 2.7.

### *Taxation*

Taxes would be brought forward as a result of the Transaction. Unitholders may ultimately pay less tax if the investments were instead held to maturity. For example, this might occur if the taxpayer has a different tax profile in future (e.g. has a lower Australian marginal income tax rate or can better utilise future foreign tax offsets from US taxes paid) at the time investments are realised.

## **2.5. View of the Responsible Entity**

The Responsible Entity considers it important to provide Unitholders the opportunity to vote on the Transaction.



Unitholders should consider their individual circumstances and the entire contents of the Booklet, including the reasons to vote for and against the Resolution, before deciding on how to vote at the general meeting.

Unitholders seeking a full exit at this time may choose to vote in favour of the Resolution. Those Unitholders preferring to remain invested in the strategy and receive a gradual realisation of the portfolio over several years may choose to vote against the Resolution.

The Responsible Entity recognises that the Transaction presents an opportunity for Unitholders to exit their investment at a price at or around the trading price for Units at the Announcement Date. For the reasons outlined in Section 2.3, this may be attractive for Unitholders seeking liquidity.

However, the Responsible Entity also acknowledges that, despite the price being the best available to CD II at this time, it is at a discount to the current NTA. As discussed in Section 2.4, for Unitholders wishing to remain invested or Unitholders who do not consider the Transaction provides an acceptable return on their investment, the Transaction may be unattractive.

The Sale can only be implemented if a majority of Unitholders in CD II and a majority of unitholders in CD I vote in favour of the Transaction. It is not possible for some unitholders to sell and some unitholders to remain invested.

## **2.6. Consequences if the Transaction is not implemented**

If the Resolution is not passed, the Responsible Entity will continue to hold its investment in CD II LP and, through that holding, an indirect investment in the underlying funds. Distributions are anticipated to continue, based on the performance of the underlying funds until all investments have been realised and the underlying funds are wound up.

Individual investments in the underlying funds may be held for up to 10 years and in some cases longer. Both the gain realised and timing of realisation of investments of underlying funds are controlled by the underlying fund managers. Any gains from these investments will only be realised when they are sold. While the historical gains on realisations have been pleasing, there is no certainty around the timing of any realisation of investments, and there can be no certainty that any gain on an investment will be made by an underlying fund.

There can be no guarantee that opportunities to undertake a secondary sale may present themselves in the future, or, if they do, that they will be at a higher price than that offered by Whitehorse.

## **2.7. Costs of the Transaction**

The total costs of the Transaction include professional fees (legal, tax and accounting), Sixpoint advisory fee, wind-up costs and ASX fees, and are estimated to be approximately \$1,244,119 (exclusive of GST) or 1% of net assets of the Fund as at 30 September 2019 (**Expenses**). The Estimated Net Proceeds of \$1.97 per Unit is post-tax and net of these Expenses.

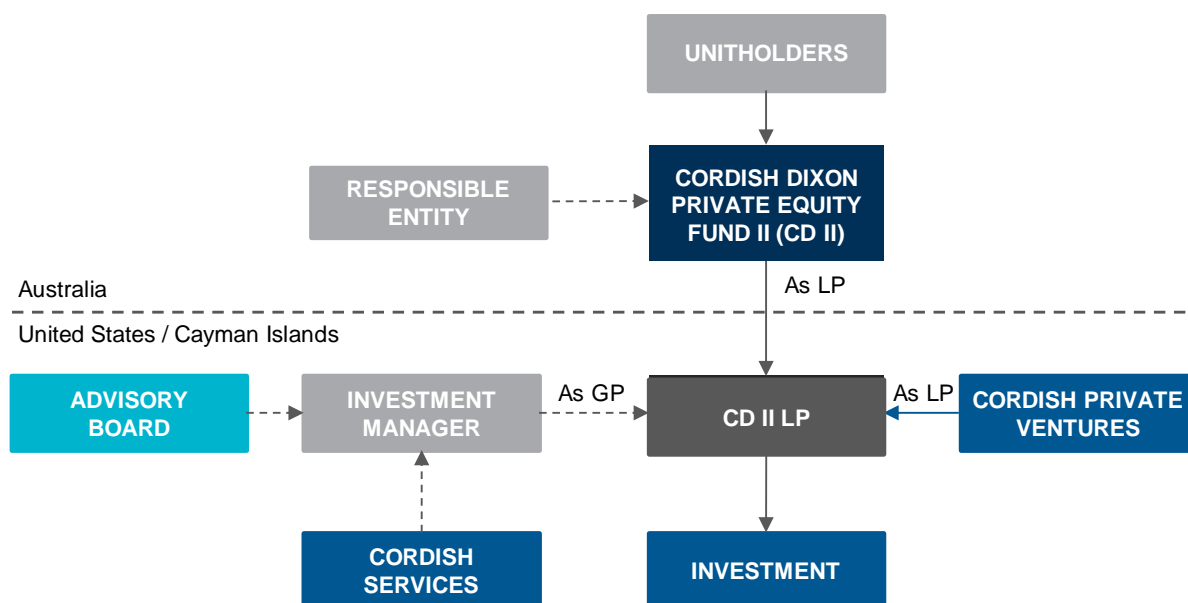
Neither the Responsible Entity nor any related party of the Responsible Entity will receive any fee as part of the Transaction.



### 3. About CD II

#### 3.1. Fund Structure

CD II is registered with ASIC as a managed investment scheme and is listed on the ASX as an investment entity. Unitholders hold Units in CD II and receive the benefit of income and capital gains generated by CD II's underlying investments.



On completion of the Sale, Whitehorse will purchase CD II's interest CD II LP, the Fund's investment in US Select Private Opportunities Fund II, L.P.

#### 3.2. Investment strategy

The Cordish Dixon Private Equity Fund Series is a series of private equity funds focused on US small to mid-cap private equity funds and direct company investments. The Fund Series' investments are selected by a joint venture between the private investment arm of the Cordish Companies of Baltimore, Maryland, and Walsh & Company, with underlying investments managed by experienced private equity fund managers.

The investment strategy is anchored in the belief that smaller and nimbler private equity funds materially outperform larger private equity funds. The Fund Series was formed to provide investors with a platform to invest in a portfolio of high quality small to mid-market private equity funds and companies – a strategy that is typically beyond the reach of all but the largest endowment funds and family offices.

The Fund Series also provides investors with the opportunity to benefit from the Cordish Family Office's experience and network in investing in specialist small to mid-market private equity funds and direct equity investments in the US, as well as invest side-by-side and on equal terms with the Cordish family in these compelling opportunities.

#### 3.3. Fund investments

CD II invested in funds operated by a total of nine underlying managers and currently remains invested in 12 such underlying funds. CD II has indirect exposure to a total of 116 underlying companies, 19 of which have been realised. CD II made a distribution to Unitholders of 22 cents per Unit in July 2019.



### 3.4. Historical performance of the Fund

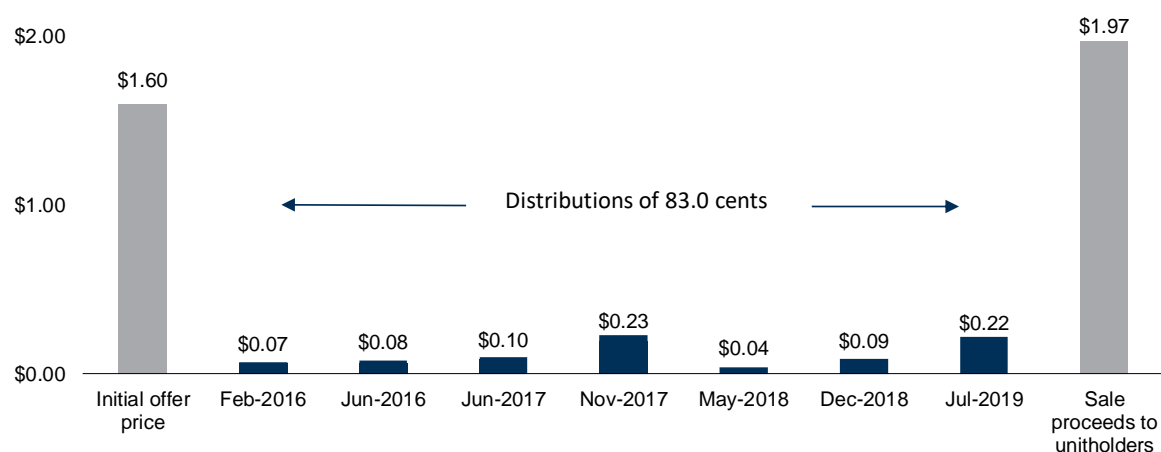
#### NTA and Unit price performance

CD II was listed on ASX on 9 April 2013. The historical post-tax NTA performance of CD II is summarised below.

|                   | 3 months | 6 months | 1 Year | 3 Years p.a. | 5 Years p.a. | Since Inception p.a. |
|-------------------|----------|----------|--------|--------------|--------------|----------------------|
| NTA return        | 10.2%    | 14.0%    | 20.3%  | 15.9%        | 13.0%        | 12.5%                |
| Unit price return | 3.4%     | -0.9%    | 8.3%   | 9.1%         | 9.9%         | 10.1%                |

Source: Investment Manager, as at 30 September 2019

A summary of distributions paid to Unitholders since inception of CD II is below:



Source: Investment Manager, as at 30 September 2019

### 3.5. Trading of Units

CD II was listed on the ASX to provide liquidity to investors in this traditionally illiquid asset class. Over the 12 months to 30 September 2019, 5.3% of Units on issue traded for a value of just over \$5.7 million. While the listing on the ASX has provided some liquidity to Unitholders, trading has been at low volumes.





## 4. Tax

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Outlined below is a general summary of the key Australian income tax consequences for Australian resident individuals, trusts, companies and complying superannuation entities who hold their Units on capital account for Australian income tax purposes.

Unitholders should be aware that the actual Australian tax implications may differ from those summarised, depending on the individual circumstances of each Unitholder.

For example, complying superannuation funds with pension liabilities may be exempt from income tax on some or all of the income derived and thus some of the income tax commentary below may not be relevant to these Unitholders. Similarly, Unitholders subject to the Taxation of Financial Arrangements regime may be taxable upon different bases, depending upon which elections they have made.

The tax laws are also always changing with both prospective and retrospective effect. Unitholders should seek advice from their own professional taxation adviser regarding the Australian tax consequences of the proposal having regard to their particular circumstances.

### **US Taxes**

CD II is deemed to be engaged in a US trade or business as a result of indirectly owning an interest in certain partnerships (or entities treated as partnerships for US federal income tax purposes) which are engaged in a US trade or business (**Entities**). The Fund has been lodging US federal corporate income tax returns but has been in a net operating loss position and thus (other than withholding taxes on US dividends, interest and royalties) is yet to pay any US federal income tax.

Gains realised from the indirect investments in these Entities would be subject to US income tax and Branch Profits Tax. The US income tax rate is the same rate as generally applicable to US corporations, currently 21%. The Fund may also be required to pay an additional tax equal to 5% of the “dividend equivalent amount” for the taxable year (Branch Profits Tax) pursuant to the Double Tax Treaty.

The underlying funds will be requested to provide the relevant information so that the US corporations tax liability for this income year can be determined.

Gains realised from the sale or disposal of certain stock or securities of US real property holding corporations (as defined in Section 897 of the Code, **USRPHCs**), will be generally subject to US income tax on a net basis, subject to certain exceptions. For these purposes, a USRPHC includes certain interests in US corporations holding US real estate assets having a market value in excess of 50% of the market value of all their real estate assets and other business-related assets, subject to certain exceptions. In addition, sales of partnership interests in partnerships owning interests in US real property will also generally be subject to these rules. The Responsible Entity is not aware that any of the indirect interests would constitute real property holdings.

In summary, a portion of the capital gains made by the Fund may be subject to US income tax at the current corporate rate of 21% and a 5% Branch Profits Tax may also apply.

The Transaction may save US dividend withholding tax of 30% on any dividends from the underlying Entities from the consideration instead being realised by the Fund holding the interests to maturity.

### **Australian income tax**

As a “flow through” entity for Australian income tax purposes the Fund should not be liable to pay Australian income tax on net (i.e. taxable) income for the income year ending 30 June 2020.

The Fund is a Managed Investment Trust (**MIT**) for Australian income tax purposes. The Fund has made an irrevocable election (**MIT capital election**) to apply the capital gains tax (**CGT**) rules as the primary code for the taxation of gains and losses on the disposal of certain assets (being primarily shares, units and real property). As such, capital gains made by the Fund from the realisation of





investments covered by the MIT capital election that have been held for 12 months or more should qualify for discount CGT treatment.

The Fund can also make an irrevocable election to be treated as an Attributable Managed Investment Trust (**AMIT election**). However, such an election has not been made and it may not result in a materially different outcome to that described below.

#### *Net income of the Fund*

Unitholders that are presently entitled to a share of the distributable income of the Fund and not under a legal disability (e.g. minors) should be required to include in their assessable income their proportionate share of the Fund's net income for the income year ending 30 June 2020. The net income of the Fund may include:

- Net capital gains;
- Distributions paid to the Fund or credited to the account of the Fund;
- Foreign exchange gains and losses attributable to Australian currency exchange rate movements; and
- Interest income on term deposits and cash equivalent investments held by the Fund.

The net income of the Fund is reduced by allowable deductions.

#### *Liquidation of the Fund's portfolio*

The disposal of the Fund's assets should result in the generation of net capital gains to be included in the taxable income of the Fund. As the assets have been held for more than 12 months, the net capital gains will be reduced by 50% for being derived by a trust (discounted capital gains).

Unitholders should be required to gross up the amount of the discounted capital gains included in their assessable income. Unitholders may apply any available capital losses against the grossed up amount, and any remaining discount capital gains may be eligible for the CGT discount (one half in the case of an individual or trust, or one third in the case of a complying superannuation entity). Companies are generally not entitled to discount CGT treatment.

To the extent foreign tax is imposed on the income or capital gains derived by the Fund, Unitholders may be entitled to a Foreign Income Tax Offset (**FITO**) in respect of these taxes. A FITO that may be claimed by a Unitholder in a year of income is broadly calculated as the lesser of the Unitholder's share of the amount of the foreign taxes paid by the Fund and the offset limit. Broadly, the offset limit is the greater of A\$1,000 and the amount of the Australian income tax payable on a Unitholder's assessable foreign source income on which foreign tax has been incurred and other assessable foreign source income. A FITO that is not utilised in the year it is derived cannot be carried forward to a later income year.

It should be noted that the recent case of *Burton v Commissioner of Taxation* held that foreign tax paid on a capital gain can only be allowable as a FITO if the amount on which the foreign tax is paid is the same as all or part of the amount included in the Australian taxpayer's assessable income.

As noted above, only the portion of the capital gain that indirectly relates to Entities that generate effectively connected income in the US is subject to US capital gains tax. As such, the amount of the capital gain that is taxed in the US may be less than the amount of the capital gain made by a taxpaying individual or complying superannuation Unitholder for Australian capital gains tax purposes. Consequently, it may be the case that all of the US taxes paid in relation to the capital gain will be available as a FITO.

It should be noted that utilising any capital losses to shelter the Australian CGT payable upon any capital gains distributed may similarly reduce the amount of FITOs that can be claimed in relation to any US taxes paid.



Whether a Unitholder can fully utilise the FITOs ultimately distributed by the Fund may depend upon whether the Unitholder has capital losses as well as their foreign income position (including other foreign income).

Unitholders would also be required to include in their assessable income their proportionate share of the Fund's other net income in their assessable income for the year ending 30 June 2020. Any US taxes paid by the Fund on this income may similarly result in a FITO (see above).

The Fund may make cash distributions to Unitholders in excess of the net income of the Fund. Such distributions may arise as a result of:

- "Tax deferred" distributions (i.e. returns of capital or income sheltered by tax losses); or
- "CGT concession" amounts (i.e. the discount component of net capital gains derived by the Fund).

Tax deferred distributions should not be immediately assessable to Unitholders but, for CGT purposes, will reduce the cost base of a Unitholder's Units in the Fund (but not below nil). If the cost base of Units is reduced to nil, Unitholders will make a capital gain on any excess tax deferred distributions received. Any such capital gain may be eligible for discount CGT treatment, depending on whether a Unitholder has held the Units in the Fund for at least 12 months.

Unitholders will be provided with an annual statement setting out the details of the tax components arising from their investment in the Fund.

#### *Cancellation of Units*

Once all the assets have been distributed by the Fund, a subsequent cancellation of Units will constitute a disposal for CGT purposes, and may result in a capital loss for a Unitholder.

A capital loss will arise if the capital proceeds on cancellation are less than the reduced cost base of the Units for CGT purposes.

Any capital loss realised by a Unitholder in respect of the Units should be aggregated with any other capital gains or capital losses that the Unitholder may have in that year, less any available net capital losses from prior income years, discounts or reductions, to determine the Unitholder's net capital gain or net capital loss for that year.

A net capital loss can be offset against capital gains derived in the same income year as the cancellation. Net capital losses may be carried forward and offset against future taxable capital gains.



## 5. Additional information

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This Section includes additional information that the Board considers is material to the decision on how to vote on the Resolution to be considered at the Meeting.

### 5.1. Material contract – Sale Agreement

Under the Sale Agreement, the Responsible Entity will sell all of its right, title, and interest in CD II LP to Whitehorse. The purchase price is adjusted by reference to the position of CD II LP as at 31 March 2019 (**Cut-off Date**). The purchase price is the aggregate of US\$63,019,871 and CD II's pro rata share of cash held by CD II LP as at the Cut-off Date less distributions paid by CD II LP to CD II in the period from the Cut-off Date to completion of the Sale (**Closing**).

Based on the Exchange Rate, CD II cash, and provisions for estimated tax, transaction costs, operating expenses, and wind-up costs, this is estimated to result in net sale proceeds to Unitholders in CD II of \$1.97 per Unit.

Closing is conditional on simultaneous completion of the sale of CD I's interest in CD I LP to Whitehorse. It is also conditional on receipt of all necessary third party approvals including passage of the Resolution. All other necessary third party approvals have been obtained.

Closing will take place on a date agreed by Whitehorse and the Responsible Entity and, if no agreement is reached, 31 December 2019.

On Closing, Whitehorse will pay 96.5% of the purchase price to the Responsible Entity and 3.5% of the purchase price (**Escrow**) to Signature Bank as escrow agent (**Escrow Agent**). Unless otherwise agreed or determined by a third party arbitrator, the Escrow will be released to the Responsible Entity on 30 June 2020.

The Responsible Entity has given representations and warranties and indemnities to Whitehorse consistent with market practice for a transaction of this nature. With the exception of fraud, the liability of the Responsible Entity for representations and warranties and indemnities given to Whitehorse is limited to the Escrow and expires on 30 June 2020.

The Escrow Agent must pay to Whitehorse from the Escrow any amount agreed by Whitehorse and the Responsible Entity to be payable in accordance with the Sale Agreement. Disputes between Whitehorse and the Responsible Entity relating to claims made under the Sale Agreement must be referred to an independent arbitrator for determination. Any determination is binding on the parties and the parties must release funds from the Escrow in accordance with a determination.

### 5.2. The Resolution

Listing Rule 11.2 requires a listed entity to obtain Unitholder approval if it proposes to dispose of its main undertaking. The Resolution approves the disposal of the LP interest for the purposes of Listing Rule 11.2.

The Resolution is an ordinary resolution.

### 5.3. Voting on the Resolution

The Resolution requires approval by a simple majority of votes cast by eligible Unitholders at the Meeting. The Notice of Meeting sets out the voting restrictions that apply to the Resolution.

### 5.4. Related Party Interests

The Responsible Entity does not hold any Units.

Entities associated with Alex MacLachlan, Warwick Keneally and Mike Adams, directors of the Responsible Entity, have a minority shareholding in Evans Dixon Limited, the ultimate holding company



of the Responsible Entity. Notwithstanding this, none of these directors will receive an indirect benefit from implementation of the Proposal.

#### **5.5. Independent advice**

Unitholders should consult their legal, financial, taxation or other professional adviser if they have any queries regarding:

- the Resolution; or
- any other aspects of this Booklet.



## 6. Glossary

### 6.1. Defined Terms

The following terms used in this Booklet (including the Notice of Meeting in Schedule 1 to this Booklet) have the meanings given to them below, unless the context otherwise requires.

|                                   |   |
|-----------------------------------|---|
| Announcement Date                 | 15 October 2019, the date of announcement of the Transaction  |
| Associate                         | has the same meaning as in the Corporations Act.  |
| ASIC                              | Australian Securities & Investment Commission.  |
| ASX                               | ASX Limited (ACN 008 624 691).  |
| Board                             | directors of the Responsible Entity   |
| Booklet or Explanatory Memorandum | this explanatory memorandum (also referred to as the Unitholder Booklet or Booklet) dated 28 October 2019.                                  |
| Business Day                      | a day that is not a Saturday, Sunday, public holiday or bank holiday in New South Wales, Australia.   |
| CD II or the Fund                 | Cordish Dixon Private Equity Fund II (ARSN 162 057 089).  |
| CD II LP or LP                    | US Select Private Opportunities Fund II, L.P.   |
| CGT                               | capital gains tax.  |
| Closing                           | completion of the Sale  |
| Constitution                      | the constitution of CD II as amended from time to time.   |
| Corporations Act                  | <i>Corporations Act 2001 (Cth)</i> .  |
| Exchange Rate                     | A\$/US\$ exchange rate of \$0.675   |
| Investment Manager                | US Select Private Opportunities GP II, LLC, the general partner of CD II LP   |
| Meeting                           | the meeting of Unitholders to be convened on 26 November 2019. The notice convening the Meeting is contained in Schedule 1 of this Booklet. |
| NTA                               | Pre-tax net tangible asset backing per Unit.  |
| Notice of Meeting                 | the notice for the Meeting dated 28 October 2019, as set out in Schedule 1 of this Booklet.   |
| Resolution                        | the resolution set out in the Notice of Meeting.  |
| Responsible Entity                | Walsh & Company Investments Limited (ACN 152 367 649), as responsible entity of the Fund.   |
| Transaction                       | The sale of the Fund's interest in CD II LP to Whitehorse and the subsequent distribution and wind-up of the Fund.                          |
| Unit                              | a fully paid ordinary unit in the Fund.   |
| Unitholder                        | a registered holder of Units.   |
| Whitehorse                        | US Select – Hart, I LP, a Delaware limited partnership controlled by Whitehorse Liquidity Partners, Inc                                     |



|                  |   |
|------------------|---|
| Whitehorse Offer | The offer received from Whitehorse Liquidity Partners, Inc to acquire CD II LP. |
|------------------|---|



## **Schedule 1**

### **Notice of Meeting**

#### **Cordish Dixon Private Equity Fund II (ARSN 162 057 089)**

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#### **Notice of Meeting for the Meeting of Unitholders**

To be held at 1.00 pm (Sydney time) on 26 November 2019 at Level 15, 100 Pacific Highway,  
North Sydney NSW 2060

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#### **IMPORTANT INFORMATION**

This is an important document that should be read in its entirety.

This Notice of Meeting is an appendix to an Explanatory Memorandum. The Explanatory Memorandum and its schedules have been prepared to assist Unitholders in determining whether or not to vote in favour of the Resolution set out in this Notice of Meeting.

The Explanatory Memorandum and its appendices should be read in conjunction with this Notice of Meeting.

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You are encouraged to attend the meeting, but if you cannot, you are requested to complete and return the enclosed proxy form without delay to:

Address: GPO Box 3993, Sydney NSW 2001 Australia

Fax number: +61 2 9290 9655

## Business

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The business of the meeting is to consider the following proposed resolution.

### **Resolution – Approval of Sale**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*That, conditional on the passage of the CD I Resolution, implementation of the Sale, being the disposal of the LP Interest held by the Responsible Entity, as described in the accompanying Booklet is approved."*

Without limitation, Listing Rule 11.2 is relevant to the Resolution.

### **Voting Exclusion Statement:**

The Responsible Entity will disregard any votes cast on the Resolution by or on behalf of:

- (a) a person who might obtain a benefit if the Resolution is passed (except a benefit obtained solely in the capacity as a holder of Units); or
- (b) an associate of those persons.

However, the Responsible Entity need not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Explanatory Memorandum**

Unitholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

### **Entitlement to vote**

The Directors have decided that for the purpose of determining entitlements to attend and vote at the Meeting, Units will be taken to be held by the persons who are the registered holders at 7.00 pm (Sydney time), on 24 November 2019. Accordingly, Unit transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### **How to vote**

Unitholders entitled to vote at the Meeting may vote:

- (a) by attending the meeting and voting in person; or
- (b) by appointing an attorney to attend the meeting and vote on their behalf or, in the case of corporate Unitholders or proxies, a corporate representative to attend the meeting and vote on its behalf; or
- (c) by appointing a proxy to attend and vote on their behalf, using the proxy form accompanying this Notice. A proxy may be an individual or a body corporate.





## Proxies

Any Unitholder entitled to attend and vote at this General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead.

A proxy need not be a Unitholder of the Fund.

If the Unitholder appoints two proxies, the Unitholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceeds that which the Unitholder is entitled to, each proxy may exercise half of the Unitholders votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

Proxies must be:

- (a) lodged by posting them or delivering them by hand to the address specified below;
- (b) received at the fax number specified below; or
- (c) registered online at <https://www.votingonline.com.au/cd2gm2019>

not later than 48 hours before the General Meeting i.e. 1.00 pm (Sydney time) on 24 November 2019.

Address: GPO Box 3993, Sydney NSW 2001 Australia

Fax number: +61 2 9290 9655

A form of proxy is provided with this Notice of Meeting.

**By order of the Board of the Responsible Entity**

**Hannah Chan**  
**Company Secretary**  
**28 October 2019**





**CORDISH  
DIXON**  
PRIVATE EQUITY FUND II

**All Correspondence to:**

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 1:00pm (AEDT) on Sunday 24 November 2019.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** <https://www.votingonline.com.au/cd2gm2019>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **1:00pm (AEDT) on Sunday 24 November 2019**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/cd2gm2019>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

# Cordish Dixon Private Equity Fund II

ARSN 162 057 089

☐

## Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

I/We being a member/s of **Cordish Dixon Private Equity Fund II** (Fund) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Fund to be held at **Level 15, 100 Pacific Highway, North Sydney NSW 2060 on Tuesday 26 November 2019 at 1:00pm (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Given that the personal circumstances of a Unitholder may determine how a Unitholder votes on the resolution, the Chair of the Meeting will abstain from voting all undirected proxies. As a result, no votes will be cast by the Chairman in respect of these undirected proxies and the votes of Unitholders giving an undirected proxy to the Chairman will not be counted in calculating the required majority on a poll. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote for or against an item, you must provide a direction by marking the 'For' or 'Against' box opposite that resolution.

### STEP 2 VOTING DIRECTIONS

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

Resolution 1      Approval of Sale

For      Against      Abstain\*

☐☐☐

### STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date      /      / 2019