



Half-Year Financial Report

FOR THE HALF-YEAR ENDED
30 SEPTEMBER 2022

ARSN 158 625 284

RESPONSIBLE ENTITY



E&P Investments Limited
(ACN 152 367 649) (AFSL 410 433)

CD Private Equity Fund I

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CD Private Equity Fund I
Report to unitholders
30 September 2022

Dear Unitholders,

We present to you this report on the performance of CD Private Equity Fund I (**Fund**) for the six-month period ended 30 September 2022 (**HY23**).

For HY23, the Fund generated a total return of 13.0%, on a post-tax net asset value basis. This performance is attributable to stable returns from the underlying investment managers, despite the elevated volatility experienced in equity markets, and moderate, but ongoing private equity deal flows and exits in the United States (**US**) during the period. On the same basis, the Fund has generated total returns of 14.4% p.a. since inception (inclusive of distributions and net of all fees).

The performance of the Fund's investment in the US Select Private Opportunities Fund, L.P. (**LP**), the investment vehicle through which the Fund's investments in the underlying US private investment funds are made, was down marginally in US dollar terms, with the majority of gains in the period due to foreign exchange movements. The depreciation in the Australian dollar against the US dollar was accretive to unit value this period, with the Australian dollar falling from 74.82 US cents to 64.00 US cents, leading to an unrealised foreign currency translation gain of \$7.2 million. Overall, during the period the Fund posted a net profit of \$4.7 million, or 12.52 cents per Unit, compared with a net profit of \$10.8 million, or 27.76 cents per Unit for the corresponding period last year. At 30 September 2022, the Fund had pre-tax net assets of \$54.5 million representing \$1.49 per Unit and post-tax net assets of \$54.0 million representing \$1.48 per Unit.

Market conditions

As we move into the second half of FY23, global economic indicators are mixed, inflation appears to have peaked, but remains high; central banks continue to raise interest rates; short term Treasury yields are high, but the curve is inverted; and company profits appear, at this stage, to be relatively stable. Geopolitical headwinds have exacerbated the uncertainty and volatility across most publicly traded asset classes remains high. Data points indicate a looming recession, with the impact on broader economic activity, profits, capital flows and asset values uncertain.

Global equities (MSCI World) have now declined for the third straight quarter, returning -18.1% in local currency terms for HY23, while US equities have fared marginally worse, down 20.2% over the same period. As would be expected, M&A (mergers and acquisitions) has slowed dramatically, and the IPO market has ground to a halt. In fact, we are now seeing a reversal, with a number of listed companies being taken private. Private equity funds still hold record levels of cash, and while recent trends, including a slowing of fund raisings, a slowing cadence of deals across the PE spectrum and a collapse in "mega" deals may point to a slowing PE market, the lower-middle market, where the Fund typically invests, are in our view well positioned to weather this period of economic uncertainty.

Lastly, and as flagged in the FY22 letter to Unitholders, despite the public market volatility and decline in public market valuation multiples, most underlying companies across the portfolio are well capitalised and have been able to maintain or grow revenues and manage costs through this initial period of elevated inflation. Thus far we have not seen any meaningful reduction in valuation of private investments, although it is still early in this down cycle. What we expect is for realisation events to continue to occur for high quality investments, but for the overall rate of realisations to decline (noting the exceptional back-drop from late-2020 to early 2022) and holding periods to extend. Additionally, it is possible that valuations may be revised downward and there is potential for some investments to fail. We remind Unitholders that most underlying investments were bought at attractive multiples (well below public markets levels) and have grown substantially since acquisition. Underlying managers and company management will be working hard to safeguard businesses, while looking for expansion opportunities and/or attractive exit points.

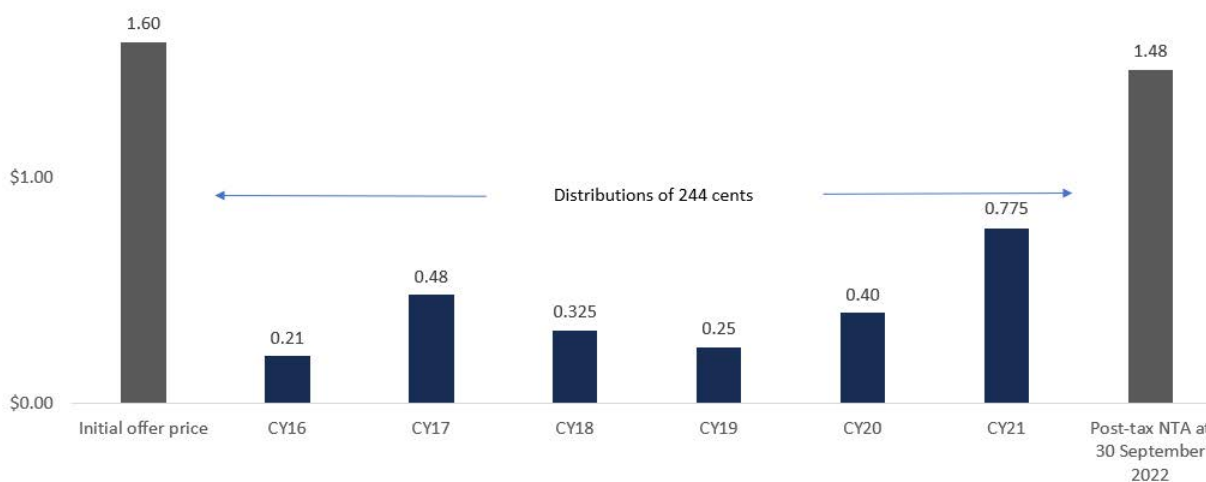
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Distributions

The Fund did not announce any distributions to unitholders in HY23. On 31 October 2022, and subsequent to the end of the period, the Fund announced a distribution of 14 cents per unit, with a payment date of 25 November 2022.

The distributions paid since inception (excluding the distribution noted above) are shown in the graphic below, which also indicates the value of the original investment and the net tangible asset per Unit as at the end of this six-month period. The total of distributions paid to investors since inception of 244 cents per Unit represents 153% of the \$1.60 initial offer price.

CD1 Unit Value and Income
 \$2.00



In addition to returning funds to Unitholders via distributions, the Fund commenced an on-market buyback of Units on 7 July 2021, with the final buyback on 27 June 2022. During HY23 645,902 Units were bought back at an average unit price of \$1.08 per Unit (22% discount to average NAV). Total Units bought back under the program were 2,462,536 units at an average price per unit of \$1.18, or 16% below the average NAV for period.

Positioning of the Fund

The Fund’s investment objectives are to provide Unitholders with exposure to a portfolio of investments in small-to-mid-market private investment funds and privately held companies, predominantly focused in the US, and capital growth over a five to ten-year investment horizon.

Through its investment in the LP, the Fund is fully committed across nine¹ highly attractive US private investment funds all focused on small-to-mid-market private investment opportunities. The LP has committed a total consideration of US\$69.8 million (this is on a 100% LP basis, the Fund has an 85.5% share of the LP). At 30 September 2022, US\$69.6 million (or 100% of total funds committed) had been called by the LP. The Fund’s proportionate share of this is approximately US\$59.5 million (an 85.5% share). A full list of underlying fund exposures at 30 September 2022 and valuations can be found in the notes of this report.

There were no material transactions between the LP and underlying funds in the period. The LP received two small distributions related to the sale of one underlying investment and the release of holdback proceeds from the secondary sale of DFW Capital Partners IV, L.P. that occurred in FY22. The LP distributed \$4.4 million to the Fund during HY23 primarily from realisations and distributions from underlying funds that occurred towards the back-end of FY22.

¹ The LP received final distributions from Prometheus Partners IV, L.P. (September 2016) and DFW Capital Partners IV, L.P. (December 2021) and has no remaining capital with these funds.

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Merger proposal

On 5 October 2022, the Responsible Entity of the Fund announced a proposed merger of the four Funds in the CD Series. It was proposed that the merger be achieved by way of a trust scheme of arrangement whereby CD3 would acquire all of the Units in CD1, CD2, and CD4 to form a single larger and more diversified fund. The proposal was to be put forward at a Unitholder meeting on 7 November 2022, however on 31 October 2022 the Responsible Entity determined not to proceed with the proposal due to Unitholder feedback and withdrew the resolutions. The Responsible Entity continues to believe that it was in the best interests of investors to recommend the merger and put it to investors for consideration.

I would like to thank Unitholders for their continued support and look forward to presenting future updates on the Fund and the small-to-mid-market US-based private investment market, in which the Fund is invested.

Yours faithfully,



Stuart Nisbett
Chair of E&P Investments Limited, Responsible Entity

29 November 2022

CD Private Equity Fund I
Directors' report
30 September 2022

The directors of E&P Investments Limited, the Responsible Entity of the CD Private Equity Fund I (**Fund**), present their report together with the condensed financial statements of the Fund for the half-year ended 30 September 2022.

Directors

The directors of the Responsible Entity at any time during or since the end of the financial half-year are listed below:

- Stuart Nisbett
- Peter Shear
- Warwick Keneally

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Principal activities and significant changes in nature of activities

The principal activity of the Fund during the half-year was investing in small-to-mid market private investment funds and privately held companies with a predominate focus in the US. There were no significant changes in the nature of these activities.

Review and results of operations

The profit for the Fund after providing for income tax amounted to \$4,747,633 (30 September 2021: \$10,795,436).

The key component of this result was a \$3,702,711 fair value gain (30 September 2021: \$11,897,065) on the Fund's investment in the LP during the period. As at 30 September 2022, the Fund had net assets of \$53,966,084 (31 March 2022: \$49,920,618), representing \$1.48 per unit (31 March 2022: \$1.34 per unit).

The Fund has invested in a limited partnership, US Select Private Opportunities Fund, L.P. (**LP**) which, in turn, invests in small-to-mid market private investment funds and companies. The LP has committed capital across nine underlying private investment funds which focus on a range of industries including restaurants, consumer products, manufacturing and business services. For the half-year ended 30 September 2022, these underlying private investment funds made drawdown requests on the LP to fund their investments, management fees and operating expenses. Net drawdown requests made by the underlying private investment funds since inception to the end of the period totalled US\$68.8 million.

The Fund has committed capital of US\$59.5 million, representing an interest of 85.5% in the LP. This has been fully called as at 30 September 2022.

Distributions

Distributions paid during the financial half-year were as follows:

	30 September 2022 \$	30 September 2021 \$
Distribution - 40 cents per unit paid on 29 June 2021	-	<u>15,605,486</u>

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Directors' report
30 September 2022

Events subsequent to the reporting period

On 5 October 2022, the Responsible Entity of the Fund announced a proposed merger of the Fund, CD Private Equity Fund II (ARSN 162 057 089) (**CD2**), CD Private Equity Fund III (ARSN 612 132 813) (**CD3**) and CD Private Equity Fund IV (ARSN 624 474 531) (**CD4**) (together, the CD Private Equity Fund Series or Fund Series). It was proposed that the merger would be achieved by way of a trust scheme of arrangement (Scheme) whereby CD3 would acquire all of the Units in CD2, CD4 and the Fund to form a single larger and more diversified fund to be re-named the CD Private Equity Fund (**Merged Fund**). It was then proposed that the Merged Fund would, after approximately 6 months, be converted from a closed-ended listed trust to an open-ended unlisted unit trust structure (**Proposal**). The proposal was to be put forward at a Unitholder meeting on 7 November 2022.

On 31 October 2022, the Responsible Entity determined not to proceed with the Proposal. As such, at the General Meeting on 7 November 2022, the Chair proposed that the resolutions relating to the Proposal be withdrawn, and that was approved by ordinary resolution at the General Meeting.

The Responsible Entity also declared a distribution of \$0.14 per unit paid on 25 November 2022.

No other matter or circumstance has arisen since 30 September 2022 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stuart Nisbett
Chair of E&P Investments Limited, Responsible Entity

29 November 2022

The Board of Directors
E&P Investments Limited
as Responsible Entity for:
CD Private Equity Fund I
Level 32, 1 O'Connell Street
Sydney NSW 2000
Australia

29 November 2022

Dear Board Members

Auditor's Independence Declaration to CD Private Equity Fund I

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of the Responsible Entity of CD Private Equity Fund I.

As lead audit partner for the review of the half-year financial report of CD Private Equity Fund I for the half-year ended 30 September 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully


DELOITTE TOUCHE TOHMATSU



Carlo Pasqualini
Partner
Chartered Accountants

CD Private Equity Fund I
Condensed statement of profit or loss and other comprehensive income
For the half-year ended 30 September 2022

		30	30
	Note	September	September
		2022	2021
		\$	\$
Investment income			
Interest income		27,158	3,816
Foreign exchange gain/(loss)		15,685	(36,307)
Fair value movements of equity investments	4	<u>3,702,711</u>	<u>11,897,065</u>
Total investment income		<u>3,745,554</u>	<u>11,864,574</u>
Expenses			
Management and administration fees	8	(154,034)	(163,212)
Listing fees		(21,676)	(19,802)
Custody fees		(6,464)	(6,605)
Registry fees		(17,014)	(24,084)
Legal and professional fees		(83,308)	(90,834)
Transaction costs		(66,000)	-
Other expenses		<u>(6,308)</u>	<u>(2,789)</u>
Total expenses		<u>(354,804)</u>	<u>(307,326)</u>
Profit before income tax benefit/(expense)		3,390,750	11,557,248
Income tax benefit/(expense)		<u>1,356,883</u>	<u>(761,812)</u>
Profit after income tax benefit/(expense) for the half-year		4,747,633	10,795,436
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the half-year		<u><u>4,747,633</u></u>	<u><u>10,795,436</u></u>
		Cents	Cents
Basic earnings per unit	3	12.52	27.76
Diluted earnings per unit	3	12.52	27.76

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CD Private Equity Fund I
Condensed statement of financial position
As at 30 September 2022

	Note	30 September 2022 \$	31 March 2022 \$
Assets			
Current assets			
Cash and cash equivalents		9,018,294	5,375,159
Receivables		22,633	10,569
Current tax assets		796,962	-
Prepayments		27,031	9,193
Total current assets		<u>9,864,920</u>	<u>5,394,921</u>
Non-current assets			
Other financial assets	4	<u>45,590,271</u>	<u>46,297,572</u>
Total non-current assets		<u>45,590,271</u>	<u>46,297,572</u>
Total assets		<u>55,455,191</u>	<u>51,692,493</u>
Liabilities			
Current liabilities			
Trade and other payables		165,142	117,831
Current tax payables		-	66,504
Total current liabilities		<u>165,142</u>	<u>184,335</u>
Non-current liabilities			
Deferred tax	5	<u>1,323,965</u>	<u>1,587,540</u>
Total non-current liabilities		<u>1,323,965</u>	<u>1,587,540</u>
Total liabilities		<u>1,489,107</u>	<u>1,771,875</u>
Net assets		<u>53,966,084</u>	<u>49,920,618</u>
Equity			
Unit capital	6	56,949,566	57,651,733
Accumulated losses		<u>(2,983,482)</u>	<u>(7,731,115)</u>
Total equity		<u>53,966,084</u>	<u>49,920,618</u>

The above condensed statement of financial position should be read in conjunction with the accompanying notes

CD Private Equity Fund I
Condensed statement of changes in equity
For the half-year ended 30 September 2022

	Unit capital	Retained	Total equity
	\$	earnings	\$
		\$	
Balance at 1 April 2021	59,862,645	5,461,751	65,324,396
Profit after income tax expense for the half-year	-	10,795,436	10,795,436
Other comprehensive income for the half-year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the half-year	-	10,795,436	10,795,436
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Unit buy-backs (note 6)	(636,060)	-	(636,060)
Buy-back costs (note 6)	(1,630)	-	(1,630)
Distributions paid (note 7)	-	(15,605,486)	(15,605,486)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2021	<u>59,224,955</u>	<u>651,701</u>	<u>59,876,656</u>
	Unit capital	(Accumulated	Total equity
	\$	losses)	\$
		\$	
Balance at 1 April 2022	57,651,733	(7,731,115)	49,920,618
Profit after income tax benefit for the half-year	-	4,747,633	4,747,633
Other comprehensive income for the half-year, net of tax	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the half-year	-	4,747,633	4,747,633
<i>Transactions with unitholders in their capacity as unitholders:</i>			
Unit buy-backs (note 6)	(700,372)	-	(700,372)
Buy-back costs (note 6)	(1,795)	-	(1,795)
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2022	<u>56,949,566</u>	<u>(2,983,482)</u>	<u>53,966,084</u>

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes

CD Private Equity Fund I
Condensed statement of cash flows
For the half-year ended 30 September 2022

	30 September 2022 \$	30 September 2021 \$
Cash flows from operating activities		
Interest income received	16,433	3,916
Net payments to suppliers	<u>(326,670)</u>	<u>(375,146)</u>
Net cash used in operating activities	<u>(310,237)</u>	<u>(371,230)</u>
Cash flows from investing activities		
Receipts from distributions	<u>4,397,286</u>	<u>18,424,578</u>
Net cash from investing activities	<u>4,397,286</u>	<u>18,424,578</u>
Cash flows from financing activities		
Payment for distribution	-	(15,605,486)
Payment for unit buy-backs	(700,372)	(595,323)
Payment of buy-back costs	<u>(1,795)</u>	<u>(1,630)</u>
Net cash used in financing activities	<u>(702,167)</u>	<u>(16,202,439)</u>
Net increase in cash and cash equivalents	3,384,882	1,850,909
Cash and cash equivalents at the beginning of the financial half-year	5,375,159	3,365,832
Effects of exchange rate changes on cash and cash equivalents	<u>258,253</u>	<u>7,808</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>9,018,294</u></u>	<u><u>5,224,549</u></u>

The above condensed statement of cash flows should be read in conjunction with the accompanying notes

CD Private Equity Fund I
Notes to the condensed financial statements
30 September 2022

1. General information

CD Private Equity Fund I (**Fund**) is a Managed Investment Scheme registered and domiciled in Australia. The principal activities of the Fund are to invest in small-to-mid-market private investment opportunities in the United States of America (**US**), through its capacity as a Limited Partner of the US Select Private Opportunities Fund, L.P. (**LP**) registered in the Cayman Islands.

This half-year financial report is intended to provide users with an update on the latest annual financial statements of the Fund.

Basis of preparation

(i) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134: 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The condensed financial statements were authorised for issue by the directors on 29 November 2022.

(ii) Summary of significant accounting policies

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are relevant to the operations and effective for the current half-year. The adoption of new and revised Standards and Interpretations has had no material impact on the financial statements.

(iii) Critical accounting estimates and judgements

In the application of the Fund's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies which are subject to significant accounting estimates and judgements include fair value determination of the interest held by the Fund in the Limited Partnership (refer to note 4 (iv)), recognition of a deferred tax liability in respect of likely US tax obligations which will arise from underlying fund investment realisations (refer to note 5), and selection of Australian dollars as the functional currency of the Fund.

2. Operating segment

The Fund operates a single reportable segment, that being the business of investing in small-to-mid-market private investments in the United States of America through its interest in a Limited Partnership.

The Responsible Entity of the Fund is the Chief Operating Decision Maker (**CODM**) for the purpose of resource allocation and assessing performance of the operating segment.

Revenue, profit or loss, assets, liabilities and other financial information reported and monitored by the CODM of the single identified segment are reflected in the condensed financial statements and notes to the condensed financial statements of the Fund.

CD Private Equity Fund I
Notes to the condensed financial statements
30 September 2022

3. Earnings per unit

	30 September 2022 \$	30 September 2021 \$
Profit after income tax	<u>4,747,633</u>	<u>10,795,436</u>
	Number	Number
Weighted average number of ordinary units used in calculating basic earnings per unit	<u>37,910,757</u>	<u>38,885,590</u>
Weighted average number of ordinary units used in calculating diluted earnings per unit	<u>37,910,757</u>	<u>38,885,590</u>
	Cents	Cents
Basic earnings per unit	12.52	27.76
Diluted earnings per unit	12.52	27.76

4. Non-current assets - other financial assets

(i) Equity investment constituting interest in Limited Partnership (LP) - at fair value:

	30 September 2022 \$	31 March 2022 \$
US Select Private Opportunities Fund, LP (LP)	<u>45,590,271</u>	<u>46,297,572</u>
	30 September 2022 \$	31 March 2022 \$
(ii) Reconciliation		
Balance at the beginning of the period	46,297,572	62,677,461
Movement in fair value through profit or loss*	3,702,711	13,171,060
Distributions received from LP	<u>(4,410,012)</u>	<u>(29,550,949)</u>
Balance at the end of the period	<u>45,590,271</u>	<u>46,297,572</u>

* Included in the 'movement in fair value' amount of \$3,702,711 (year ended 31 March 2022: \$13,171,060) is an unrealised foreign exchange translation gain component of \$7,233,102 (year ended 31 March 2022: \$740,716 gain). This amount is also net of the Fund's 85.5% share of management fees paid by the LP to the General Partner of the LP, totaling \$345,180 (year ended 31 March 2022: \$1,608,820) (refer to note 8).

(iii) Fund's interest in assets and liabilities of LP

The 85.5% economic interest held by the Fund is not represented by voting rights or other power vested in the Fund to make decisions relating to the assets and liabilities of the LP. As is common practice with Limited Partnership arrangements, the General Partner of the LP is considered to be the party who holds the existing rights to direct the relevant activities of the LP, including the acquisition and disposal of investments.

CD Private Equity Fund I
Notes to the condensed financial statements
30 September 2022

4. Non-current assets - other financial assets (continued)

The Fund's 85.5% interest in US Select Private Opportunities Fund, L.P. at 30 September 2022 is represented by its proportionate interest in the LP's assets and liabilities as follows:

	30	31 March
	September	2022
	2022	2022
	\$	\$
Cash	4,603,485	8,217,186
Investment in US private investment funds recorded at fair value:		
Encore Consumer Capital Fund II, LP	7,433,864	7,126,239
FPC Small Cap Fund I, LP	3,301,342	2,391,163
Incline Equity Partners III, LP	136,321	110,659
KarpReilly Capital Partners II, LP	8,447,564	7,233,626
Peppertree Capital Fund IV, LP	997,184	939,512
Trivest Fund V, LP	10,962,992	8,967,380
US Select Direct Private Equity Fund (US), LP	9,707,519	10,715,747
Other receivables	-	596,060
	<u>45,590,271</u>	<u>46,297,572</u>
Net assets*	<u>45,590,271</u>	<u>46,297,572</u>

* Included in the net assets of \$45,590,271 (31 March 2022: \$46,297,572) are investments in US private investment funds of \$40,986,786 (31 March 2022: \$37,484,326).

(iv) Valuation

Valuation technique adopted

As disclosed in the most recent annual financial report, the valuation of the Fund's interest in the LP at balance date has been based on the Fund's established valuation basis described below.

The fair value of the Fund's interest in the LP is determined using a proportionate value method based on the Fund's 85.5% interest held in the total net asset value of the LP.

The LP holds investments predominately in US private investment funds, and the LP adopts a similar fair value measurement basis, based on the proportionate interest it holds in the most recent reported total net asset values of the respective investment funds. There is up to a three month difference between the Fund's reporting date and the date of the most recent reported net assets of the underlying investment funds. The underlying investment funds typically invest in US unlisted equity investments with fair values determined periodically based on market or income-based valuation techniques, which may involve the use of unobservable inputs such as discount rate and earnings multiple.

The valuation of the Fund's equity investment in the LP is based on the fair values of the underlying investment funds at 30 June 2022 adjusted for any changes to those valuations to reflect movements to 30 September 2022, including foreign exchange translation impacts arising from translating the USD denominated interest in the LP to AUD at each balance date.

CD Private Equity Fund I
Notes to the condensed financial statements
30 September 2022

4. Non-current assets - other financial assets (continued)

Investment risks

As noted above, the LP has invested in underlying private investment funds in the US market who have in turn invested in a portfolio of private equity investments. Because of the absence of any liquid trading market for these types of investments, it may take longer to liquidate these investments than would be the case for marketable securities and accordingly the value obtained on realisation may differ to the estimated fair values at balance date. As there are no directly observable prices, the fair values assigned by the investment funds to each investment are based on a range of factors, including but not limited to the initial purchase price, market trading multiples and observed transaction metrics. The resulting valuations may differ significantly from the values that would have been realised had a transaction taken place at balance date. The differences would directly impact the value of the interest held by the LP in the underlying investment funds and consequently the value of the interest held by the Fund in the LP. Estimation uncertainty also arises in relation to likely US tax obligations the Fund will incur in connection with realisation of recorded fair value movements (refer to note 5).

Inter-relationship between significant unobservable inputs and fair value measurement

The inter-relationship between the significant unobservable inputs and fair value measurements is such that the higher the growth rates or earnings multiples adopted by the underlying investment funds, the higher the resultant fair value determination of the underlying equity investments, and therefore ultimately the higher the fair value of the Fund's investment in the LP. Since neither the Fund itself, nor the LP, has access to the underlying detailed equity investment valuations performed by the US investment funds, it is unable to assess the sensitivity of fair value determinations to changes in underlying unobservable inputs. However, at the Fund level, a 5% change (increase/decrease) in the carrying value of the LP's interest held in the underlying US investment funds would result in a \$2,049,339 impact (increase/decrease) in the carrying value of the Fund's investment in the LP. A 5% increase in the AUD/USD exchange rate would decrease the value of the Fund's investment in the LP by \$2,170,965. Conversely, a 5% decrease would increase the value of the Fund's investment by \$2,399,488. Refer to note 1(iii) for further details regarding investment risks and estimation uncertainty applied in the determination of the fair value of the underlying unlisted equity investments to which the Fund is exposed.

(v) Capital commitments

As at 30 September 2022, the Fund has made capital commitments totaling US\$59.5 million to the LP, which has been fully called at balance date. The Fund has no uncalled capital commitments outstanding to the LP.

5. Non-current liabilities - deferred tax

	30	31 March
	September	2022
	2022	2022
	\$	\$
Deferred tax liability	<u>1,323,965</u>	<u>1,587,540</u>

The deferred tax liability has been assessed based on an estimate of likely US tax obligations the Fund will incur upon realisation of recorded fair value movements in connection with certain underlying private equity investments. This estimate is subject to estimation uncertainty as a result of limitations in the availability of information pertaining to the tax structure of the underlying investments in respect of which the Fund has an interest.

6. Equity - unit capital

	30	31 March	30	31 March
	September	2022	September	2022
	2022	2022	2022	2022
	Units	Units	\$	\$
Ordinary units - fully paid	<u>36,551,180</u>	<u>37,197,082</u>	<u>56,949,566</u>	<u>57,651,733</u>

CD Private Equity Fund I
Notes to the condensed financial statements
30 September 2022

6. Equity - unit capital (continued)

Movements in ordinary unit capital

Details	Date	Units	\$
Balance	1 April 2022	37,197,082	57,651,733
Unit buy-backs		(645,902)	(700,372)
Buy-back costs		-	(1,795)
		<u> </u>	<u> </u>
Balance	30 September 2022	<u>36,551,180</u>	<u>56,949,566</u>

All issued units are fully paid. The holders of ordinary units are entitled to one vote per unit at meetings of the Fund and are entitled to receive distributions declared from time to time by the Responsible Entity.

Unit buy-back

There is no current on-market unit buy-back. The previous on-market buy-back program ended on 27 June 2022.

7. Equity - distributions

Distributions paid during the financial half-year were as follows:

	30	30
	September	September
	2022	2021
	\$	\$
Distribution - 40 cents per unit paid on 29 June 2021	-	15,605,486
	<u> </u>	<u> </u>

8. Related party disclosures

Directors

Stuart Nisbett, Peter Shear, Warwick Keneally are directors of the Responsible Entity, E&P Investments Limited, and are deemed to be key management personnel.

The key management personnel do not receive compensation from the Fund or from the Responsible Entity directly for their management function performed for the Fund.

Management fees

The Responsible Entity's duties include establishing the Fund's compliance plan and procedures and monitoring against regulatory and legislative requirements, the issuance of disclosure documents, the appointment and monitoring of external service providers to the Fund and overall administration of the Fund.

For these services, the Responsible Entity charged management fees of 0.33% per annum (exclusive of GST) on the gross asset value of the Fund. This is comprised of the Responsible Entity Fee of 0.08% per annum and Administration Fee of 0.25% per annum. Management fees are paid to the Responsible Entity monthly in advance.

The total management fees paid to the Responsible Entity for the half-year ended 30 September 2022 was \$88,631 (2021: \$98,091), exclusive of GST. There were no outstanding management fees as at 30 September 2022 (2021: nil).

Fund administration fee

Australian Fund Accounting Services Pty Limited, a wholly-owned subsidiary of E&P Financial Group Limited, the parent of the Responsible Entity, provides fund administration services to the Fund under an agreement with the Responsible Entity. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation. Total fund administration fees paid or payable for the half-year ended 30 September 2022 were \$60,000 (2021: \$60,000), exclusive of GST.

CD Private Equity Fund I
Notes to the condensed financial statements
30 September 2022

8. Related party disclosures (continued)

Investment manager fee

US Select Private Opportunities Fund, L.P. (LP), in which the Fund holds an 85.5% interest, is required to pay its Investment Manager, US Select Private Opportunities Fund, GP, being an entity associated with the Responsible Entity, for acting on behalf of the limited partnership to acquire, manage and transact on partnership interests within the scope of the limited partnership agreement, a fee equivalent to 2% per annum of the total funds committed by the partners to the LP. The fee is payable quarterly in advance from the funds of the LP. This fee arrangement ceased in June 2022. The total fees paid or payable during the half-year ended 30 September 2022 amounted to \$403,720 (US\$282,043) (2021: \$924,916 (US\$695,696)). The Fund's 85.5% interest equates to \$345,180 (2021: \$790,804). This fee is recorded in the books of the LP.

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

At balance date, the Fund's share of the LP's investment in US Select Direct Private Equity Fund (US), L.P. was \$9,707,519 (US\$6,212,812) (31 March 2022: \$10,715,747 (US\$8,017,522)). The General Partner of this investment is associated with the Responsible Entity of the Fund. The LP's share of the investment management fees paid to the General Partner for the half-year ended 30 September 2022 amounted to \$ nil (US\$ nil). The Fund's 85.5% interest equates to \$ nil (US\$ nil).

9. Fair value measurement

Fair value

The fair value of financial assets and financial liabilities approximate their carrying values at the reporting date.

The table below analyses recurring fair value measurements for financial assets and financial liabilities. The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 September 2022				
<i>Financial assets carried at fair value</i>				
Other financial assets - equity investment constituting interest in US Select Private Opportunities Fund, LP	-	-	45,590,271	45,590,271
Total assets	-	-	45,590,271	45,590,271
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 March 2022				
<i>Financial assets carried at fair value</i>				
Other financial assets - equity investment constituting interest in US Select Private Opportunities Fund, LP	-	-	46,297,572	46,297,572
Total assets	-	-	46,297,572	46,297,572

The Fund recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred. There were no transfers between levels during the period ended 30 September 2022.

Details of the determination of level 3 fair value measurements including the valuation technique adopted and the key underlying unobservable inputs used are set out in note 4(iv).

CD Private Equity Fund I
Notes to the condensed financial statements
30 September 2022

9. Fair value measurement (continued)

The Fund has established a control framework with respect to measurement and assessment of fair values. This framework includes a sub-investment committee that has overall responsibility for analysing the performance and fair value movements of underlying US investment fund holdings during each reporting period.

10. Events after the reporting period

On 5 October 2022, the Responsible Entity of the Fund announced a proposed merger of the Fund, CD Private Equity Fund II (ARSN 162 057 089) (**CD2**), CD Private Equity Fund III (ARSN 612 132 813) (**CD3**) and CD Private Equity Fund IV (ARSN 624 474 531) (**CD4**) (together, the CD Private Equity Fund Series or Fund Series). It was proposed that the merger would be achieved by way of a trust scheme of arrangement (Scheme) whereby CD3 would acquire all of the Units in CD2, CD4 and the Fund to form a single larger and more diversified fund to be re-named the CD Private Equity Fund (**Merged Fund**). It was then proposed that the Merged Fund would, after approximately 6 months, be converted from a closed-ended listed trust to an open-ended unlisted unit trust structure (**Proposal**). The proposal was to be put forward at a Unitholder meeting on 7 November 2022.

On 31 October 2022, the Responsible Entity determined not to proceed with the Proposal. As such, at the General Meeting on 7 November 2022, the Chair proposed that the resolutions relating to the Proposal be withdrawn, and that was approved by ordinary resolution at the General Meeting.

The Responsible Entity also declared a distribution of \$0.14 per unit paid on 25 November 2022.

No other matter or circumstance has arisen since 30 September 2022 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

CD Private Equity Fund I
Directors' declaration
30 September 2022

In the opinion of the directors of the Responsible Entity:

- the financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with the Accounting Standards;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 30 September 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors of the Responsible Entity made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors



Stuart Nisbett
Chair of E&P Investments Limited, Responsible Entity

29 November 2022

Independent Auditor's Review Report to the Unitholders of CD Private Equity Fund I

Conclusion

We have reviewed the half-year financial report of CD Private Equity Fund I ("the Fund"), which comprises the condensed statement of financial position as at 30 September 2022, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Fund is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Fund's financial position as at 30 September 2022 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of E&P Investments Limited (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

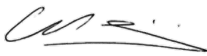
The directors of the Responsible Entity of the Fund (the "directors") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 30 September 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Carlo Pasqualini
Partner
Chartered Accountants
Sydney, 29 November 2022

CD Private Equity Fund I
Corporate directory
30 September 2022

The Fund's units are quoted on the official list of Australian Securities Exchange (**ASX**).
The ASX code is **CD1**.

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Peter Shear
Warwick Keneally

Secretary

Caroline Purtell

