



2025 Q1

QUARTERLY UPDATE

ASX.CD2

ASX RELEASE DATE: 7 MAY 2025



The first quarter of 2025 began with renewed enthusiasm for dealmaking across US private equity (PE) markets, with ample credit available, the valuation gap between buyers and sellers beginning to close, as well as the burgeoning secondary market (which included continuation vehicles). Markets had originally anticipated a pro-business administration, though there was low-level caution reflected in sentiment indicators (CNBC's CFO Council survey shows that [60% of CFO's](#) expect a recession in the second half of 2025).

During the quarter, PE markets largely moved sideways with Managers continuing to demonstrate their ability to adapt and wait for more favourable conditions, or where possible, to take advantage of strategic opportunities. Fortunately, we're no strangers to market volatility and macroeconomic challenges - evidenced just years ago throughout the pandemic - and it is the Manager's opinion that talented partners (like ours) tend to excel in these periods of dislocation. Over-leveraged companies will struggle in these periods, with a lack of liquid assets to weather the storm, whereas PE-backed companies have the capital to assist and the expertise to execute. As it relates to the CD Fund Series, our underlying managers will work to implement company specific changes as required to offset any cost increases or supply chain disruptions, strategically adjusting and renegotiating vendor contracts, finding alternative non-tariff suppliers and monitoring balance sheet or financing concerns. Of course, the full effects of tariffs remain to be seen, though at this stage exposure across the CD Fund Series portfolios is anticipated to be relatively minimal. As always, we will keep Investors apprised.

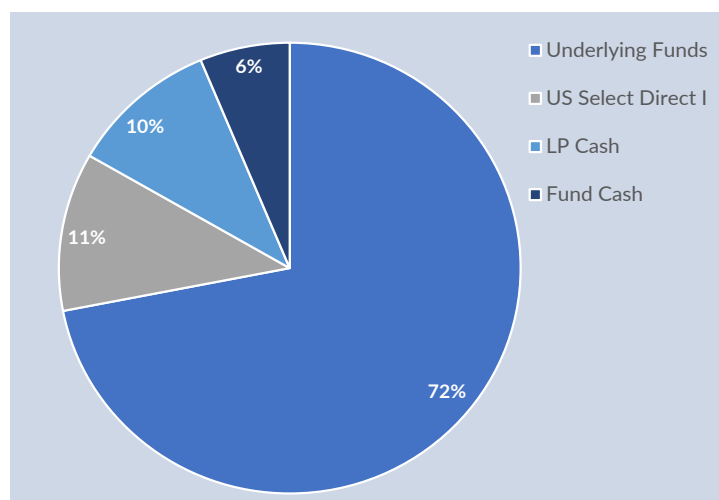
### FUND 2: QUARTERLY UPDATE & PORTFOLIO COMPOSITION<sup>1,5,6,7</sup>

Inception Date	April 2013
CD2 Original Unit Price	\$1.60 per unit
CD2 Distributions Paid Since Inception	\$2.47 per unit
CD2 31 March 2025 NTA (post-tax)	\$1.38 per unit
Q1 2025 Portfolio Realisations	4
Average Gross MOIC on Q1 Realisations	4.15x

CD2 Interest in LP2	87.28%
Total Underlying Funds (since inception)	12
Total Underlying Portfolio Companies (since inception)	122
Total Portfolio Company Realisations	88
Median Gross MOIC on Realisations	2.6x
Remaining Portfolio Companies ( <i>see below</i> )	29
Hold Period of Remaining Active Investments	8.2 years

Fund Cash Balance	A\$4.87m
Fund's Interest in LP Cash Balance	US\$5.03m
Fund's Interest in Underlying Funds	US\$34.79m
Fund's Interest in US Select Direct I (USD1)	US\$5.49m

CD2 31 MARCH 2025: KEY STATISTICS <sup>1,2</sup>		
NTA per unit	Gross assets	Quarterly NTA Return
\$1.38	A\$78.3 million	2.3%



As at 31 March 2025, the Fund had 34 portfolio companies, with five (5) of those deemed inactive and unlikely to have significant value extracted.

Of the remaining 29 portfolio companies, it is considered that 23 of these are active earners, and six (6) have been impaired from their cost base in prior periods. Though these 6 have been impaired, they do still continue to hold value and a number have already returned capital during the hold period. This is consistent with prior quarterly reports regarding the representative value of the top ten portfolio companies within the Fund.

### LP2 QUARTERLY CAPITAL CALLS & DISTRIBUTIONS<sup>1</sup>

	MONTH	AMOUNT*	FUND	PRIMARY REASON
Capital Call	January	-US\$0.02m	High Road Capital	Management fees & partnership expenses
Distribution	February	US\$1.74m	High Road Capital	Realisation: Tavoron
Capital Call	March	-US\$0.09m	Main Post Growth	Tax withholding
Distribution	March	US\$1.08m	Blue Point Capital	Realisation: Sylvan
Capital Call	March	-US\$0.001m	Tower Arch Partners	Partnership expenses
Capital Call	March	-US\$0.001m	High Road Capital	Partnership expenses
Distribution	March	US\$0.04m	High Road Capital	Escrow releases from earlier distributions

Note: This table does not account for all cash flow movements of the LP during the quarter.

\*Amount of distributions may include simultaneous capital calls for minor follow-on investments, tax withholdings or payments, management fees & partnership expenses and/or carried interest payments.

### LP2 QUARTERLY PORTFOLIO REALISATIONS - CASH EVENTS<sup>1</sup>



**Status**

[Realised \(Q1 2025\)](#)

**Initial Investment Date**

2019

**Underlying Fund**

High Road Capital Partners II, LP

During the quarter, the LP received notice of the realisation of [Tavoron](#), a portfolio company of High Road Capital Partners (**High Road**).

Tavoron, comprised of multiple operating companies across the U.S. and Canada, specialises in innovative electrical and air automation components, robotic systems and compressed air technologies. The company's solutions and services are designed to optimise manufacturing processes, improve production quality and enhance workplace safety, helping customers automate complex and repetitive tasks to increase efficiency. During High Road's ownership period, they appointed a new CEO, expanded the company's product lines and end markets via acquisition, and grew the business significantly.



**Status**

[Realised \(Q1 2025\)](#)

**Initial Investment Date**

2018

**Underlying Fund**

Blue Point Capital Partners III, LP

During the quarter, the LP received notice of the realisation of [Sylvan](#), a portfolio company of Blue Point Capital Partners (**Blue Point**).

Founded in 1956, Sylvan built a reputation as a trusted full-service provider, offering comprehensive multi-trade solutions across commercial and industrial applications. During the ownership period, Blue Point strengthened Sylvan's platform as well as completing various strategic acquisitions, which resulted in a 500% increase in Sylvan's employee headcount, a doubling of locations and geographic expansion into Phoenix, Mexico and Dallas, which ultimately fueled revenue growth of approximately 500%. As a part of the transaction, Blue Point made a rollover investment in the company, reflecting the firm's strong confidence in the company's future prospects.



**Status**

[Realised - Q1 2025](#)

**Initial Investment Date**

2019

**Underlying Fund**

Staple Street Capital II, LP

Following the end of quarter, the LP received notice of the realisation of [Ivy Technology](#), a portfolio company of Staple Street Capital Fund II, LP (SSC).

Ivy is a leading provider of aftermarket repair and logistics services to some of the world's leading electronic equipment, computing, telecommunications, and network equipment manufacturers. Partnering with SSC enabled the company to transform people, processes, systems and culture, as well as to significantly grow EBITDA & revenue. The company was acquired by affiliates of SSC, as they have acknowledged the company has the potential to benefit from further opportunities and investment which does not align with Fund II's timeline. The transaction price was independently obtained and approved by the Advisory Board and represented a MOIC in excess of 5x.

## LP2 REALISATION PIPELINE<sup>1, 8</sup>

While the first quarter of the year is typically slower in private equity markets, LP2 had a successful first quarter with the realisations of Tavoron, Sylvan, Ivy Technology and [InfoSync](#). We note that InfoSync was previously deemed an inactive company for CD2's purposes and did not result in any cash proceeds upon realisation.

The assets in the portfolio continue to be moved through the sales pipeline dependent on the readiness of each company in tandem with market specific factors. In the below "Underlying Portfolio" table we have identified the number of active companies expected to be moved through the sales pipeline in the next 12-24 months. We are particularly encouraged by underlying "Fund 2" who have indicated that a number of their portfolio companies should be realised by the end of 2025. Given they represent a considerable amount of the LP's underlying value, this rebalance will allow the Manager to be in a stronger position to review the Fund's options regarding liquidity - be it continuing the natural asset-by-asset sales program, or alternatively revisiting and/or pursuing a secondary sale, dependent on market pricing.

Pleasingly, following the receipt of proceeds from Ivy Technology's sale as well as the strong start to 2025, the RE and Manager are in discussions regarding the ability to pass through excess capital to Investors. We look forward to sharing further detail on this as soon as possible.

## LP2 UNDERLYING PORTFOLIO<sup>1,5,6,7,8</sup>

	TOTAL COMPANIES	TOTAL REALISATIONS	MEDIAN MOIC (REALISATIONS)	ACTIVE PORTFOLIO COMPANIES	AVERAGE HOLD PERIOD ON ACTIVE COMPANIES	PORTFOLIO COMPANIES IN THE MARKET OR EARMARKED FOR SALE	UNDERLYING FUND VALUE (\$USD millions)
Fund 1	12	8	2.8x	4	8.4 years	2 companies	\$0.97m
Fund 2	9	4	7.8x	5	8.4 years	3 companies	\$16.77m
Fund 3	10	7	3.4x	2	7.6 years	1 company	\$2.18m
Fund 4	10	3	2.6x	6	8.3 years	4 companies	\$7.56m
Fund 5	6	3	2.6x	2	8.3 years	-	\$2.68m
Fund 6	9	6	2.1x	3	6.2 years	-	\$4.09m
Fund 7	10	9	1.1x	1	10.7 years	1 company	\$3.65m
Fund 8	11	7	4.0x	3	7.7 years	1 company	\$1.39m
Fund 9	15	11	1.7x	3	9.1 years	-	\$6.29m
<b>Total</b>	<b>92</b>	<b>58</b>	<b>2.6x</b>	<b>29</b>	<b>8.2 years</b>	<b>12 companies</b>	<b>\$45.58m</b>

Note: Total remaining value is at the LP level. Table excludes three funds which have no remaining assets but represent 30 portfolio company realisations (or write-offs). The value not included in the above table, which includes LP Cash & Trive Capital Fund (no remaining companies) as at 31 March 2025, is US\$6.32 million.

## LP2 TOP 10 PORTFOLIO COMPANIES<sup>1,7</sup>



**Industry**  
Elder & Disabled Care  
**Employee Count**  
500-1000  
**Initial Investment Date**  
2018  
**Representative Value of LP2**  
15.8%

**Industry**  
Financial Services  
**Employee Count**  
50-100  
**Initial Investment Date**  
2017  
**Representative Value of LP2**  
9.5%

**Industry**  
Clothing  
**Employee Count**  
0-50  
**Initial Investment Date**  
2014  
**Representative Value of LP2**  
7.0%

**Industry**  
Healthcare  
**Employee Count**  
50-100  
**Initial Investment Date**  
2015  
**Representative Value of LP2**  
6.5%



**Industry**  
Eye Care Outpatient Services  
**Employee Count**  
250-500  
**Initial Investment Date**  
2018  
**Representative Value of LP2**  
6.4%

**Industry**  
Clothing  
**Employee Count**  
50-100  
**Initial Investment Date**  
2017  
**Representative Value of LP2**  
5.9%

**Industry**  
Industrial Supplies and Parts  
**Employee Count**  
150-200  
**Initial Investment Date**  
2019  
**Representative Value of LP2**  
4.6%

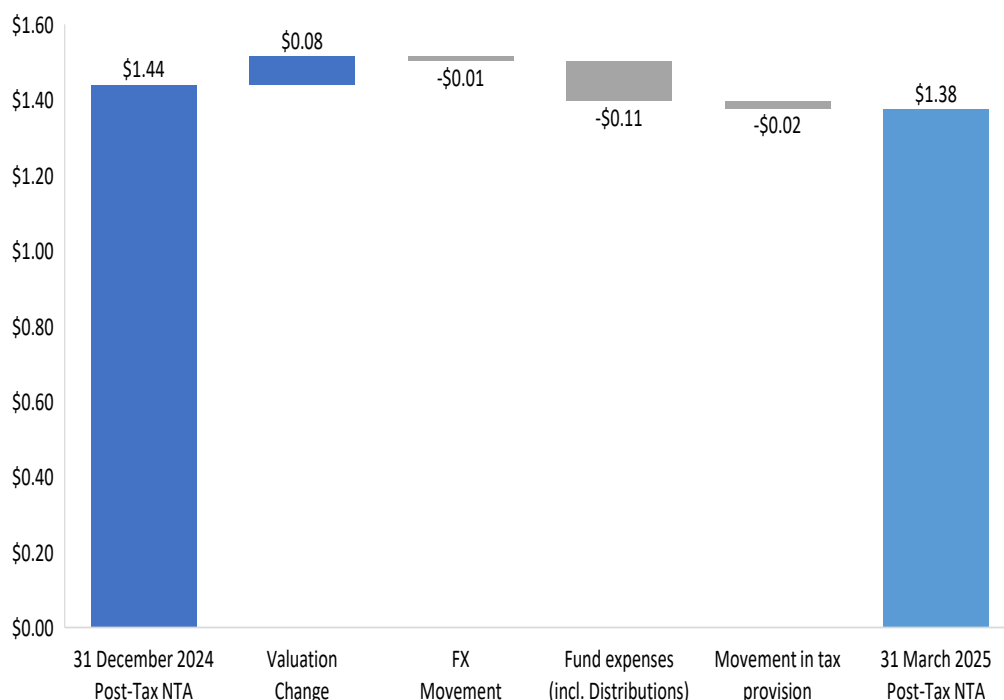
**Industry**  
Leisure Facilities  
**Employee Count**  
250-500  
**Initial Investment Date**  
2015  
**Representative Value of LP2**  
3.3%



**Industry**  
IT Consulting and Outsourcing  
**Employee Count**  
250-500  
**Initial Investment Date**  
2016  
**Representative Value of LP2**  
2.8%

**Industry**  
Haircare  
**Employee Count**  
100-200  
**Initial Investment Date**  
2019  
**Representative Value of LP2**  
2.8%

## CD2 QUARTERLY NTA MOVEMENT (PER UNIT)<sup>1</sup>



## CD2 DISTRIBUTION HISTORY (PER UNIT)<sup>1, 2</sup>

	Distributions Declared	Cumulative Distributions	NTA as of 31 March	DPI	TVPI
2016	\$0.15	\$0.15	\$2.05	0.09x	1.38x
2017	\$0.33	\$0.48	\$2.09	0.30x	1.61x
2018	\$0.13	\$0.61	\$1.96	0.38x	1.61x
2019	\$0.22	\$0.83	\$2.28	0.52x	1.94x
2020	\$0.12	\$0.95	\$2.33	0.59x	2.05x
2021	\$0.775	\$1.725	\$2.23	1.08x	2.47x
2022	\$0.28	\$2.005	\$1.97	1.25x	2.48x
2023	\$0.255	\$2.26	\$1.59	1.41x	2.41x
2024	\$0.12	\$2.38	\$1.54	1.49x	2.45x
2025	\$0.09	\$2.47	\$1.38	1.54x	2.41x

## CD2 PERFORMANCE SUMMARY<sup>1, 2, 3, 4</sup>

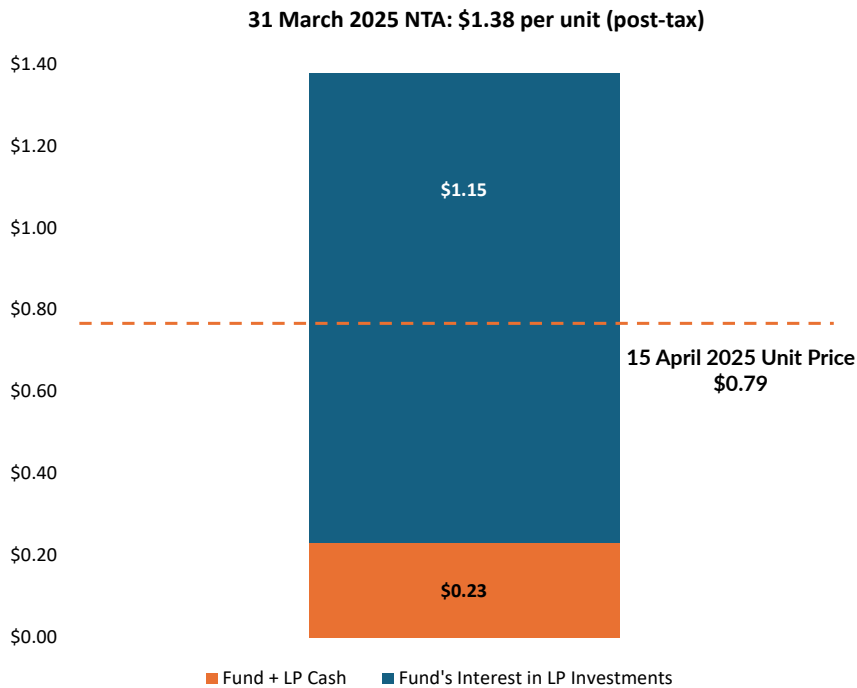
	3 MONTHS	6 MONTHS	12 MONTHS	3 YEARS	5 YEARS	SINCE INCEPTION	IRR
NTA RETURN	2.3%	11.6%	0.2%	2.6% p.a.	6.0% p.a.	10.1% p.a.	11.0% p.a.

The Fund's NTA return is net of fees (including initial issuer or product fees) and is inclusive of distributions paid. Movement from 31 December 2024 includes payment of a \$0.09 per unit distribution in February 2025, as well as the adoption of positive valuation movements following the receipt of the underlying fund valuations. This can be seen in the NTA quarterly waterfall graph above.

Historical performance is not a guarantee of the future performance of the Fund.

## CD2: DISCOUNT TO NTA<sup>1,7</sup>

As a listed private equity product, Investors are able to access a [portfolio of companies](#) at a discount to the NTA, as illustrated below.



The RE has confidence in the valuations of the underlying portfolio, which are supported by layers of independent audit and valuation assessment across the Fund and LP.

There are of course certain elements outside of the RE and Manager's control which may impact the trading price, such as:

- portfolio disclosures (due to confidentiality agreements signed)
- uncertainty regarding distribution amounts
- illiquidity of the asset class, and
- low market trading volume.

Despite these factors, we remain confident in the selection of underlying funds and companies that are held in the portfolio, as well as the stated guidance for a return of capital as the underlying portfolio companies are realised.

**Historical performance is not a guarantee of the future performance of the Fund.**

# GLOSSARY AND NOTES

Source: E&P Investments Limited (for data before 24 June 2023) and K2 Asset Management Ltd (for data after 24 June 2023).

All figures are in AUD unless otherwise noted. Figures throughout the document may not sum due to rounding. AUD:USD 31 March 2025 spot rate of 0.6247 used. The Unit price of CD2 was \$0.85 as at 31 March 2025, the last trading day of the quarter.

1. Data is unaudited and is as at 31 March 2025. The Fund is in the process of finalising its 31 March 2025 full-year financial report, with release expected by the end of May 2025. Accordingly, this quarterly report is unaudited and does not take into account any adjustments that may come as a result of this process.
2. NTA and total returns are inclusive of distributions and are based on post tax NTA, net of fees and costs.
3. Inception date of CD2 was April 2013.
4. CD2 original Unitholder investment was \$1.60 per Unit.
5. MOIC returns are as at 31 March 2025 and represent all underlying portfolio company sales since inception. MOIC returns are net of all underlying fees and expenses of the individual fund managers, but before fees and expenses of the LP and the Australian Unit Trust. MOIC returns are based on US dollar denominated investments and include US Select Direct I (USD1).
6. Age of portfolio companies refers to the average duration of time that the LP has been invested in the remaining underlying portfolio companies.
7. LP investments values are based on the 31 December 2024 valuations provided by the underlying GP's before 31 March 2025. The valuations have also been adjusted for capital calls, distributions and foreign exchange movements over the period, where required.
8. It is expected - though not guaranteed - that the underlying portfolio will be sold through to 2027, assuming supportive market conditions. Any changes to the timeline will be communicated accordingly.

## DEFINED TERMS

<b>Portfolio Company:</b>	A company that is an investment of the LP.
<b>MOIC:</b>	Multiple on Invested Capital. MOIC is calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital.
<b>IRR:</b>	Internal Rate of Return. Performance of the fund(s) by taking into account the size and timing of its cash flows (capital calls and distributions) and the Fund's net asset value at the time of the calculation.
<b>DPI:</b>	Distribution to Paid-in Capital (total distributions divided by original investment).
<b>TVPI:</b>	Total Value to Paid-in Capital (total distributions + current NTA divided by original investment).
<b>M&amp;A:</b>	Mergers & Acquisitions. Transactions in which the ownership of companies or their operating units – including all associated assets and liabilities – is transferred to another entity.
<b>VINTAGE:</b>	The year in which a private equity fund makes its first investment in the portfolio company.

## HISTORICAL PERFORMANCE IS NOT A GUARANTEE OF THE FUTURE PERFORMANCE OF THE FUNDS.

## DISCLOSURES

This Quarterly Update (Update) has been prepared and authorised for release by K2 Asset Management Ltd (K2) as Responsible Entity (ACN 085 445 094, AFSL 244 393) of the CD Private Equity Fund Series (Funds or Fund Series) which includes CD Private Equity Fund I (ARSN 158 625 284) (CD1), 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). K2 and the Manager have taken reasonable care to ensure that the information contained in this document is accurate at the date of publication. However, no warranty or guarantee (express or implied) is given by either party as to the accuracy of the information in this document, and to the extent permitted by applicable law, K2 and the Manager specifically disclaim any liability for errors, inaccuracies or omissions in this document and for any loss or damage resulting from its use.

The general partner of each of the Limited Partnerships (LPs) in the series has engaged either E&P Funds Management Pty Limited (ACN 159 902 708)(LPI)("E&PFM") or the Investment Manager (LPs II,III,IV) to act as investment manager and/ or investment advisor for each respective underlying LP. An investment in any of the Funds is subject to various risks, many of which are beyond the control of the Investment Manager and the Funds. The past performance of the Funds is not a guarantee of the future performance of the Funds. This Update may contain statements, opinions, projections, forecasts and other material (forward looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. The Responsible Entity and its advisers (including all of their respective directors, consultants and/or employees, related bodies corporate and the directors, shareholders, managers, employees or agents of them) (Parties) do not make any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and the Parties assume no obligation to update that information. This Update may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs, and consider obtaining advice from a financial advisor. You should obtain a copy of the relevant PDS or offer document before making any decisions to purchase a product. All performance figures, unit prices and distributions are in Australian Dollars, unless otherwise stated. Like all investments, an investment in any of the Funds carries risks which may result in the loss of income or principal invested. In addition to the general risks of investing, specific risks associated with investing in the Funds include, but are not limited to, private investments risk, illiquidity risk and foreign exchange risk.

For further information about the risks of investing in any of the Funds, please see the relevant Product Disclosure Statements available on the website: [cdfunds.com.au](http://cdfunds.com.au).

## INVESTMENT OBJECTIVES

The CD Private Equity Fund Series, including CD Private Equity Fund I (ASX: CD1), CD Private Equity Fund II (ASX: CD2), CD Private Equity Fund III (ASX: CD3), and CD Private Equity Fund IV (CD4) (together, Funds or Fund Series), is a series of private equity funds focused on US small-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 E&P Funds with underlying investments managed by experienced private equity fund managers.

The General Partner and Investment Manager will seek to meet each Fund's aim of providing Unitholders with exposure to a portfolio of investments in small and mid-market private investment funds and privately held companies predominantly focused in the US; and capital growth over the medium to long term.

## CORDISH EQUITY PARTNERS TEAM



**Jonathan Cordish**  
President  
Cordish Equity Partners



**Jonathan Sinex**  
Managing Director  
Cordish Equity Partners

## RESPONSIBLE ENTITY



K2 Asset Management Ltd (K2) is the Responsible Entity of the Funds. K2 is a listed Australian diversified financial services firm with three core pillars:

- Responsible Entity (RE) and Trustee Services
- Exchange Traded Funds (ETFs); and
- Funds Management.

Established in 1999, K2 is the main operating subsidiary of K2 Asset Management Holdings Ltd which is listed on the Australian Securities Exchange (ASX Code: KAM).