

Market update

Global markets made a strong recovery during the March quarter, as easing US-China trade tensions and a dovish turn by major central banks lifted investor sentiment. Emerging markets also followed suit – driven by solid foreign inflows, a subdued US Dollar and optimism over a market-friendly outcome for trade negotiations between the US and China. Ongoing concerns over Brexit, weakening manufacturing activity marked by soft Purchasing Managers' Indices (PMIs), and flashes of recession warnings marked by the inversion of the US bond yield curve in March signalled some near-term risks for global growth. Federal Open Market Committee members pledged to take a "patient" approach towards further monetary tightening and have moved to taper the balance sheet reduction program – a positive for valuations and a change in tack from the previous quarter.

For global equity markets, full-year 2018 company revenues rose 7.0% while profits were up 15.4% compared to 2017, lifting the market to all-time highs. In the US, where the majority of Cordish Dixon Private Equity Fund companies operate, 2018 marked the ninth year of US economic expansion – and private equity, which has never been more popular as an asset class, had another impressive year in absolute terms and relative to broader equity markets.

Across the private equity industry, record fundraising for new and existing fund managers has left more dry powder today than ever before (an estimated \$2 trillion globally), while competition for deals has continued to keep valuation multiples high across the industry.

The current environment has been reflected in the performance of the more mature funds in the Cordish Dixon Private Equity Fund Series, with CD1 and CD2 achieving gains of 23% and 24% respectively over the past 12 months on a total return NTA basis, and both achieving 12% per annum since inception.

We continue to strongly believe in our small cap strategy where we partner with experienced private equity general partners that specialise in specific strategies and sectors that can compete below the radar of most institutions. In our opinion, funds of less than \$500 million still offer the most attractive long-term investment opportunities. Companies in these middle-market funds investment space typically offer better entry-level valuations, can benefit from having an experienced partner, and have a number of pathways towards value creation – all of which provide greater potential for above-average returns.

During the quarter we were excited to further strengthen our partnerships with Incline Equity Partners and Tower Arch Capital – which have been two of our strongest-performing managers – through commitments from CD4. We were also encouraged by the sale of several investments by Encore Consumer, a CD2 manager, including the successful sale of Van Law Food and Thunderworks.

We anticipate that CD1 and CD2 will continue to benefit from the strong pricing environment as investments continue to be sold. For the less mature CD3 Fund, we are encouraged by the below-market average entry valuation points that have been achieved, and are excited by the growth potential of these investment opportunities.

Lastly, we should point out that at the time of writing, the Australian Dollar (AUD) is again approaching 10-year lows. US Treasuries, US growth prospects and US inflation all appear to be travelling well ahead of Australia's, and we may see further cuts by the RBA to support the Australian economy. In short, there is potential for further AUD weakness – a positive for assets held offshore.

Regards
Cordish Dixon Team

About the funds

The Cordish Dixon Private Equity Fund Series, including Cordish Dixon Private Equity Fund I (CD1), Cordish Dixon Private Equity Fund II (CD2), Cordish Dixon Private Equity Fund III (CD3), and Cordish Dixon Private Equity Fund IV (CD4) (together, Fund 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 is a joint venture between, and managed by, the private investment arm of the Cordish family of Baltimore, Maryland, and Walsh & Company.

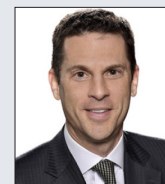
This venture is anchored in the belief that smaller and nimbler private equity funds materially outperform larger private equity funds. The Fund Series was formed to provide investors with a platform to invest in a portfolio of high quality small to mid-market private equity funds and companies – a strategy 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 to invest side-by-side and on equal terms with the Cordish family in these compelling opportunities.

Investment objectives

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 a five to ten-year investment horizon.

Key investment team members



Jonathan Cordish

Chairman of the Advisory Board

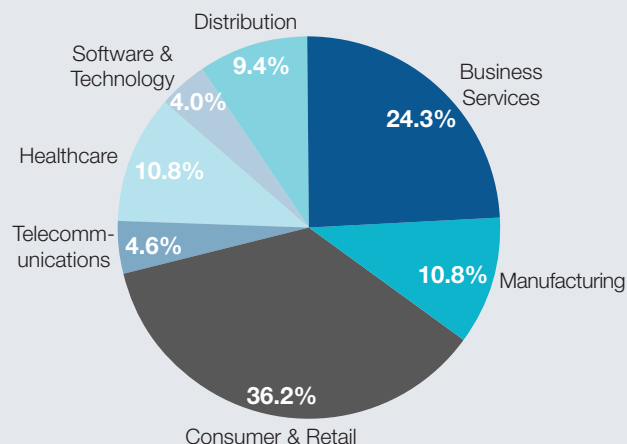


Jonathan Sinex

Managing Director, Cordish Private Ventures

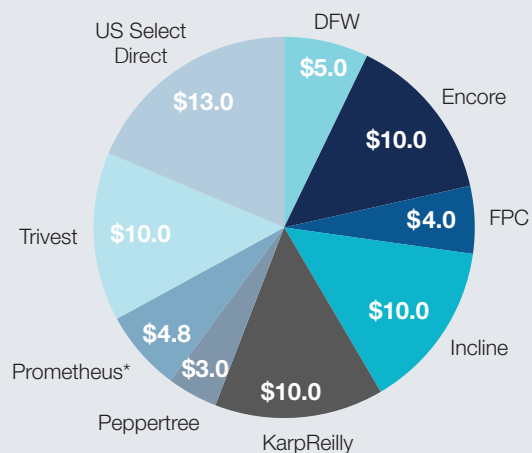


CD1 portfolio asset allocation



Note: Numbers may not add to 100% due to rounding.

LP commitments to underlying managers (US\$69.8m)



Note: The Fund has an 85.5% interest in the LP. Cordish Private Ventures and US Select Private Opportunities Fund GP LLC contributed the remaining amount based on their proportional shares. Numbers may not add due to rounding. *The LP received a final distribution from Prometheus Partners IV, L.P. on 30 September 2016 and has no remaining capital with this fund.

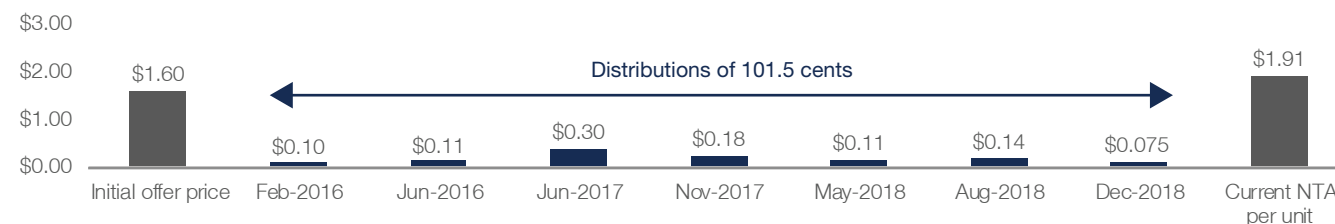
CD1 Fund performance

	3 MONTH	6 MONTH	1 YEAR	2 YEAR PA	3 YEAR PA	SINCE INCEPTION PA ³
NTA return ^{1,2}	7.3%	11.2%	23.1%	16.7%	14.1%	11.9%

Notes: ¹ Source: Walsh & Company Investments Limited. Historical performance is not a guarantee of the future performance of the Fund.

² Total returns are inclusive of distributions. NTA return is based on pre tax NTA and is net of fees and costs. ³ Inception date August 2012.

CD1 unit value and income



Note: The unit price of CD1 was \$1.77 as of 31 March 2019. Historical performance is not a guarantee of the future performance of the Fund.

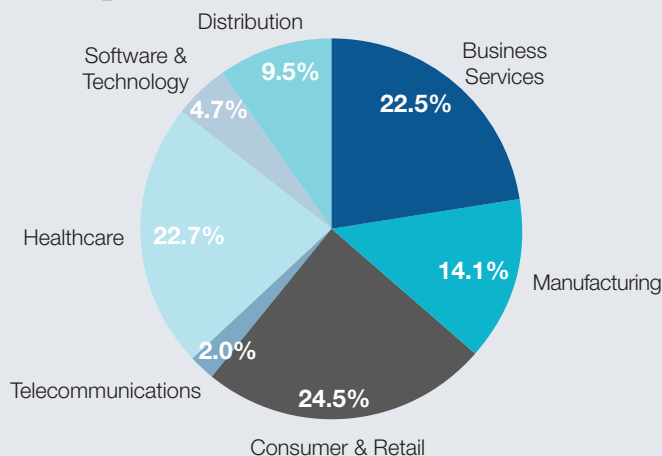
Source: Walsh & Company Investments Limited. Current NTA per unit (shown above) is pre-tax.

Underlying fund activity

Encore Consumer Capital Fund II, L.P. sold portfolio company Thunderworks in the first quarter, resulting in a US\$1,303,195 distribution. Encore also sold Van Law Foods, distributing US\$1,450,649.

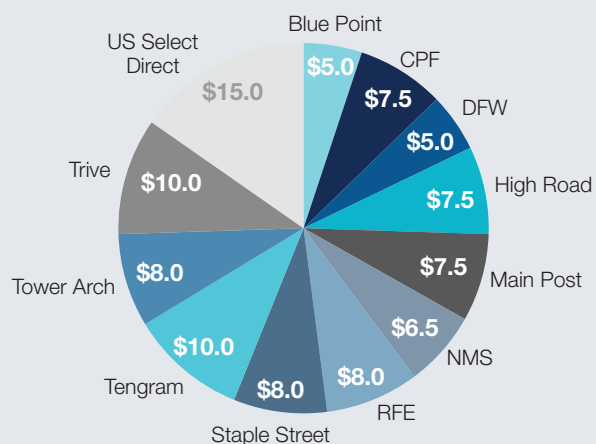


CD2 portfolio asset allocation



Note: Numbers may not add to 100% due to rounding.

LP commitments to underlying managers (US\$98.0m)



Note: The Fund has an 87.3% interest in the LP. Cordish Private Ventures and US Select Private Opportunities Fund II GP LLC contributed the remaining amount based on their proportional shares. Numbers may not add due to rounding.

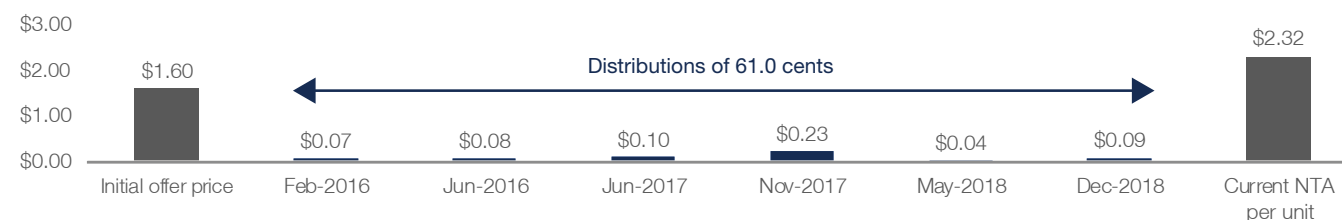
CD2 Fund performance

	3 MONTH	6 MONTH	1 YEAR	2 YEAR PA	3 YEAR PA	SINCE INCEPTION PA ³
NTA return ^{1,2}	2.2%	8.6%	24.2%	16.4%	12.6%	12.4%

Notes: ¹ Source: Walsh & Company Investments Limited. Historical performance is not a guarantee of the future performance of the Fund.

² Total returns are inclusive of distributions. NTA return is based on pre tax NTA and is net of fees and costs. ³ Inception date April 2013.

CD2 unit value and income



Note: The unit price of CD2 was \$2.26 as of 31 March 2019. Historical performance is not a guarantee of the future performance of the Fund.

Source: Walsh & Company Investments Limited. Current NTA per unit (shown above) is pre-tax.

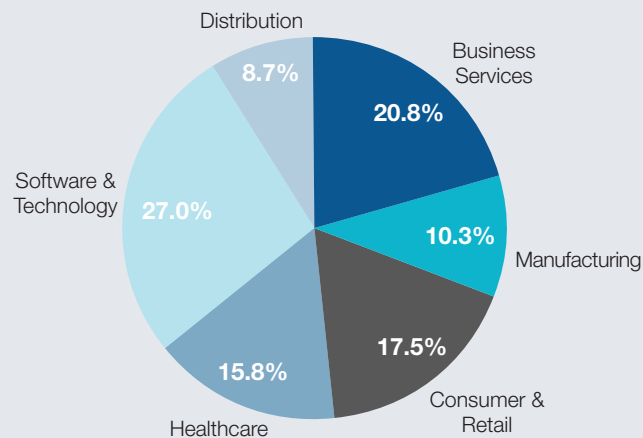
Underlying fund activity

High Road Capital Partners II, L.P. invested in Radix Wire, a leading manufacturer of high-temperature and fire-resistant wire and cables. Radix designs and engineers products proven to perform in high temperatures, ranging from 150°C to 1,000°C.

Main Post Growth Capital, L.P. completed an add-on acquisition, acquiring Infinite Packaging Group, a full-service converter of label products, including sensitive labels, shrink sleeves and complementary products.

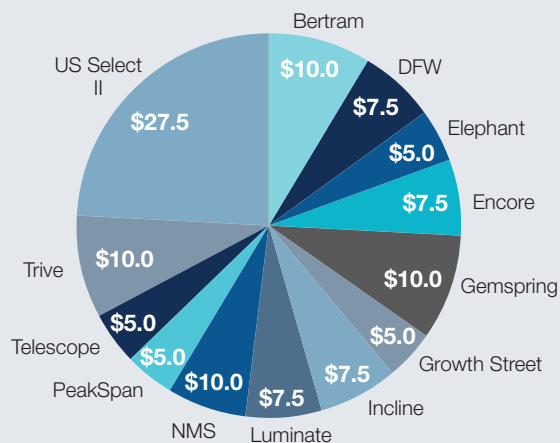


CD3 portfolio asset allocation



Note: Numbers may not add to 100% due to rounding.

LP commitments to underlying managers (US\$117.5m)



Notes: The Fund has an 71.2% interest in the LP. Cordish Private Ventures, US Select Private Opportunities Fund III GP LLC and its partner contributed the remaining amount based on their proportional shares. Numbers may not add due to rounding.

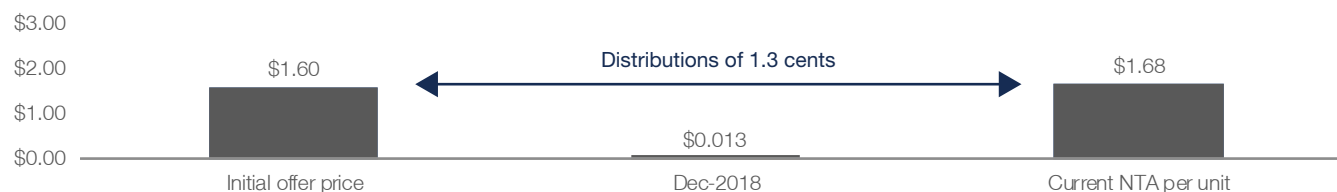
CD3 Fund performance

	3 MONTH	6 MONTH	1 YEAR	2 YEAR PA	3 YEAR PA	SINCE INCEPTION PA ³
NTA return ^{1,2}	0.6%	4.5%	12.9%	6.2%	n/a	3.9%

Notes: ¹ Source: Walsh & Company Investments Limited. Historical performance is not a guarantee of the future performance of the Fund.

² Total returns are inclusive of distributions. NTA return is based on pre tax NTA and is net of fees and costs. ³ Inception date July 2016.

CD3 unit value and income



Note: The unit price of CD3 was \$1.61 as of 31 March 2019. Historical performance is not a guarantee of the future performance of the Fund.

Source: Walsh & Company Investments Limited. Current NTA per unit (shown above) is pre-tax.

Underlying fund activity

Trive Capital Fund II, L.P. sold portfolio company Core Appalachia, resulting in a distribution of US\$547,432. Trive also invested in two portfolio companies: Florida Spine and Joint Institute, and California Brazing. Florida Spine and Joint Institute is a leading provider of full-spectrum spinal and extremity care services, offering imaging, chiropractic, pain management and surgical services. California Brazing was founded in 2002 and is a leading manufacturer of complex, high-tolerance components for space, aircraft connectivity, specialty electronic and defense applications.

Encore Consumer Capital Fund III, L.P. acquired a new portfolio company, Tourtellot & Co. Tourtellot & Co. is based in Warwick, Rhode Island, and is a full-line fresh produce distributor specialising in serving supermarkets in the New England region.

Incline Equity Partners IV, L.P. acquired three portfolio companies during the quarter: Profile Products, Charter Industries, and Caldwell & Gregory. Profile Products is a global developer and manufacturer of engineered horticultural-growing media, erosion control products and soil amendments. Charter Industries distributes PVC and veneer edge banding to the education, commercial, healthcare, retail and office space industries. It serves local and regionally focused case goods/furniture manufacturers and installers through five branches across the United States. Caldwell & Gregory owns and services more than 50,000 laundry machines across 23 states and the District of Columbia, providing premium equipment, room design, customer service and maintenance to its college and multifamily customers. The company operates under exclusive, long-term contracts with its customers.

Fund facts

KEY FUND DETAILS	FUND 1	FUND 2	FUND 3
ASX ticker	CD1	CD2	CD3
Inception	August 2012	April 2013	July 2016
Pre-tax NTA	\$1.91 ¹	\$2.32 ¹	\$1.68 ¹
Post-tax NTA	\$1.89 ¹	\$2.20 ¹	\$1.66 ¹
Net Assets	\$66.3 million	\$118.7 million	\$110.9 million
Number of managers	9	12	13
Total underlying investments	96	113	91
Investments during the quarter	0	1	12
Full realisations	25	19	4
Realisations during the quarter	1	1	1
Current portfolio companies	71	94	87
Average age of remaining companies	3.5 years	3.3 years	1.2 years

¹ Source: Walsh & Company Investments Limited. Historical performance is not a guarantee of the future performance of the Funds.

Important information

This Quarterly Update (**Update**) has been prepared by Walsh & Company Investments Limited as Responsible Entity (ACN 152 367 649, AFSL 410 433) of the Cordish Dixon Private Equity Fund Series (**Funds** or **Fund Series**) which includes Cordish Dixon Private Equity Fund I (ARSN 158 625 284) (**CD1**), Cordish Dixon Private Equity Fund II (ARSN 162 057 089) (**CD2**), Cordish Dixon Private Equity Fund III (ARSN 612 132 813) (**CD3**), and Cordish Dixon Private Equity Fund IV (ARSN 624 474 531) (**CD4**). **Investment Manager** for CD1 is US Select Private Opportunities Fund GP, LLC, and for CD2, CD3, and CD4 is Dixon Asset Management USA Inc. 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.

About Walsh & Company

Walsh & Company is a multibillion-dollar global funds management firm founded in 2007, with assets under management across global equities, residential and commercial property, private equity, fixed income, and sustainable and social investments.

It provides access to unique investment strategies not readily accessible to investors and focuses on building high quality, diversified portfolios.

Walsh & Company Investments Limited is the Responsible Entity of the Funds and is a wholly-owned subsidiary of the Evans Dixon Group.

Risks

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 cordishdixonfunds.com.au.

Fund contacts

NSW

Adam Coughlan – Head of Distribution

T: (02) 8662 9792

E: adam.coughlan@walshandco.com.au

QLD/WA

Emmanuel Vergara – Key Account Manager

T: (07) 3565 9305

E: emmanuel.vergara@walshandco.com.au

VIC/TAS/SA

Charlie Wapshott – Key Account Manager

T: (03) 9411 4066

E: charlie.wapshott@walshandco.com.au