

KENSINGTON PRIVATE EQUITY FUND

REPORT OF INDEPENDENT REVIEW COMMITTEE TO UNITHOLDERS

REPORTING PERIOD

The information disclosed in this report covers Kensington Private Equity Fund (the “**Fund**”) for the period from April 1, 2015 to March 30, 2016 (the “**Period**”).

MEMBERS OF THE IRC

The following individuals serve as members of the Fund’s IRC and were appointed for three year terms.

<u>Name</u>	<u>First Appointed</u>	<u>Other IRC Memberships</u>
Rubin Osten	September 17, 2014	None
Keith Wettlaufer	September 17, 2014	None
Sean Aylward	September 17, 2014	None

Each member of the IRC is independent of the Fund, its manager Kensington Capital Advisors Inc. (“**KCAI**”) and other companies related to KCAI, and none has any ownership of KCAI except for Sean Aylward, who is an indirect owner of preferred shares in the parent company of the Manager which may be convertible into less than 10% of its total equity shares, and which is not a material investment in his portfolio. During the Period there were no changes in the composition of the membership of the IRC. There are no relationships that may cause a reasonable person to question any member’s independence.

IRC COMPENSATION

The aggregate compensation paid by the Fund to the IRC for the Period was \$15,000 (plus applicable taxes). On an annual basis, the IRC reviews the compensation paid to the members of the IRC with a view to the following:

- (a) the best interest of the Fund;
- (b) the commitment of time and energy that is expected from each member;
- (c) industry best practice; and
- (d) the IRC’s most recent annual assessment, as well as any recommendations about IRC compensation and expenses made by KCAI. KCAI recommended that no change be made to IRC compensation for the Period.

No amounts were paid to the IRC by the Fund pursuant to any indemnity given by the Fund to the IRC during the Period.

In concluding that this compensation was appropriate, the IRC considered: the nature and complexity of the Fund's operations; the time commitment required and the level of information provided to the IRC members. The IRC followed KCAI's recommendation in respect of the compensation levels noted above.

HOLDINGS OF SECURITIES

Fund

As of March 30, 2016, the percentage of units of each class of the Fund beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10%.

KCAI

As of March 30, 2016, the members of the IRC had no beneficial interest in voting or equity securities of KCAI.

Service Providers

As of March 30, 2016, the members of the IRC had no material beneficial interest in any third party service providers to the Fund or KCAI. Sean Aylward is a partner of a law firm, Osler Hoskin & Harcourt that provides services to the Fund and KCAI.

CONFLICT OF INTEREST MATTERS

During the Period, the IRC's activities included reviewing its mandate and reviewing the policies and procedures in respect of conflicts of interest of KCAI, including the review of the IRC's standing instruction to KCAI. This standing instruction permits KCAI to proceed with any conflict of interest matter on an ongoing basis where KCAI follows the procedures provided in its *Policies and Procedures in Respect of a Conflict of Interest Matter*.

The IRC reaffirmed and approved a standing instruction for KCAI reaffirming and approving its existing *Policies and Procedures in Respect of a Conflict of Interest Matter*. As this report for the Period shall be the last IRC report as a result of the change of status of the Fund to a corporate finance issuer, in the future conflict of interest matters shall be considered and reviewed by KCAI's Advisory Board and its Conflict Policies.

In connection with the Fund's role in the acquisition of Prodomax Automotive Inc. ("**Prodomax**") using a limited partnership entity managed by an affiliate of KCAI as of June 17, 2015, the IRC discussed and considered potential conflict of interests. In accordance with the Policies and Procedures of the Fund, the Fund's participation in Prodomax transaction was approved.

In connection with the Fund's transition to a corporate finance issuer from an investment fund, the IRC considered that transition and certain related changes, including the: (i) simplification

and reduction of the redemption fee on the Class E Units and Class G Units of the Fund; (ii) changing the frequency of the calculation of net asset value from twice per month to once per month; and (iii) substituting the Advisory Board of KCAI for the IRC, thereby eliminating the IRC as a separate body, but continuing to have conflict matters that would have been dealt with by the IRC dealt with by the Advisory Board instead. The IRC provided a positive recommendation to unitholders concerning the transition and related changes, determining that it achieved a fair and reasonable result for the Fund.

At an extraordinary meeting of unitholders of the Fund held on June 6, 2016, a special resolution was approved confirming the fund's transition to a corporate finance issuer and the other changes discussed above.

Dated as of June 28, 2016.