



KENSINGTON PRIVATE EQUITY FUND

**MANAGEMENT REPORT ON FUND PERFORMANCE
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
MARCH 31, 2016**

June 30, 2016

This annual management report of the performance of the Kensington Private Equity Fund (the "Investment Fund") contains financial highlights as well as the Investment Fund's annual financial statements for the year ended March 31, 2016. You may obtain a copy of the annual financial statements, the Investment Fund's proxy voting policies and procedures, proxy voting disclosure record or portfolio disclosure at your request, and at no cost, by calling 416-362-9000 or toll-free at 1-855-362-9329, by writing to us at 95 St. Clair Avenue West, Suite 905, Toronto, Ontario, M4V 1N6, or by visiting our website at www.kcpl.ca.

KENSINGTON PRIVATE EQUITY FUND

MANAGEMENT REPORT ON FUND PERFORMANCE

Kensington Private Equity Fund (“Investment Fund”) is an investment trust established under the laws of the Province of Ontario. The Investment Fund is the successor to Kensington Global Private Equity Fund (“Global Fund”), which was established in a public offering of units in April 2007. On September 17, 2014, Global Fund transferred substantially all of its assets and transitioned into the Investment Fund. Accordingly, the historical results and other characteristics of Global Fund are presented in this report as part of the historical results of the Investment Fund.

This Management Report on Financial Performance (“MRFP”) is being published for investors in the Investment Fund in accordance with the requirements of its governing Declaration of Trust. In connection with the transition from Global Fund to the Investment Fund, the Investment Fund agreed to continue complying with disclosure requirements that were previously applicable to Global Fund as a reporting issuer, including through the publication of this MRFP.

Kensington Capital Advisors Inc. (the “Manager” and “Trustee”) believes that investing in private equity will continue to offer the potential for attractive long-term returns that have historically outperformed public equity market returns, and reduces risk for traditional investment portfolios through diversification. The Manager provides investment advisory and portfolio management services to the Investment Fund and is responsible for making all investment decisions.

RECENT DEVELOPMENTS

Performance of the Investment Fund

The Investment Fund was created to provide investors with exposure to a diversified portfolio of private equity investments (“Underlying Investments”), including private equity funds and direct investments in private companies. By creating a hybrid private equity portfolio, the Manager believes investors will benefit from the potential for stronger returns from direct investments and the prudent risk management and diversification from investments in primary funds and funds of funds (“Underlying Funds”). This carefully managed hybrid portfolio strategy led to the following performance highlights during the fiscal year ended March 31, 2016:

- The Net Asset Value (NAV) of the Investment Fund increased by approximately \$9.1 million, representing a return to investors of approximately 11.7%. This calculation is determined on an internal rate of return (XIRR) basis based on the performance of Underlying Investments and without taking into account the impact of other cash flows into and out of the Investment Fund during the year (new subscriptions, conversions, distributions and redemptions of Units).
- The Investment Fund continued to achieve realized portfolio gains on Underlying Investments, including through realizing gains from the sale of investments held by underlying funds.
- The Investment Fund completed two new direct investments in portfolio company Prodomax Holdings Ltd. and Horseshoe Power L.P. and one new investment in search fund Chrysalis Acquisition Fund L.P. The Investment Fund made commitments to three new funds offered by managers with whom the Investment Fund has had successful investments in prior funds: TriWest Capital Partners V, L.P., Whitecastle New Urban Fund 3 L.P. and Novacap Industries IV, L.P.

For the fiscal year ended March 31, 2016, the Investment Fund distributed \$5.5 million to Unitholders, representing \$1.32 per Unit. As the value of the Investment Fund grows and gains are realized, the Manager evaluates how much of these net realized gains will be returned as distributions to investors and how much will be re-invested into new opportunities. Subsequent to March 31, 2016, the Investment Fund distributed an additional \$5.2 million to Unitholders, representing \$1.10 per Unit.

Overview of the Investment Environment

In pursuing the investment strategy of the Investment Fund, the Manager evaluates broad economic developments as well as conditions specifically applicable to the private equity markets. Within the private equity markets, the Manager targets subsectors and geographic regions that it believes offer the best opportunities for strong returns as well as receptive markets for the sale of mature portfolio companies.

Economic Environment

Investors continue to face significant uncertainty as geopolitical tensions in the Middle East and the related threat of terrorism have led to military responses from major western countries, including Canada. The continued volatility in oil prices has significantly affected those sectors of the economy that depend on the oil and gas industry, particularly in Western Canada, although their gradual recovery in recent months is an optimistic signal. Political uncertainty resulting from the upcoming U.S. presidential election and the Brexit referendum in the U.K. provides a cautionary element for investors, but may also provide opportunities. North American stock markets have remained volatile, while fixed income investments continue to deliver historically low returns. Alternative investments, including private equity, have provided significant diversification opportunities for portfolios seeking additional long-term gains. Looking ahead, the Manager expects continued slow growth in the Canadian economy with somewhat stronger growth in the U.S., but subject to greater risks arising from the geopolitical risks described above.

Current Private Equity Market Conditions

In reviewing private equity markets, the Manager believes the strongest current investment opportunities reside in the mid-market buyout, growth equity and venture capital sectors in Canada and the United States. Historically, low interest rates and an economy that continues to slowly grow combine to create a positive environment for new buyout opportunities, while the continued expansion of mobile communication, content and commerce has created a dynamic venture capital cycle with the opportunity for significant gains. These areas have been the focus of the Investment Fund during the period, and are expected to continue to be targeted in the year ahead.

The market remains open to sales of mature companies from private equity portfolios, as high quality businesses continue to be acquired by strategic and financial buyers at attractive prices. Public markets have been relatively cautious to initial public offerings (IPOs) during the past year, particularly in the United States, with very few emerging technology companies completing IPOs during the past few months. Looking across the fiscal year as a whole, however, we saw several portfolio companies of the Investment Fund successfully completing IPOs. Market volatility however makes IPO planning and execution difficult. In the longer term, the Manager expects a significant majority of exits from private equity portfolios will continue to be in the form of acquisitions by strategic corporate buyers.

The growth and reasonably stable economy, along with the distributions provided to private equity investors from sales of investments, have encouraged many private equity investors to expand their investments in private equity. The Canadian private equity market accordingly continues to grow and enjoys a stable credit environment. Despite its relatively attractive investment environment, the Manager believes that Canada continues to be overlooked by global private equity investors and is underserved relative to other jurisdictions. As a result, the Manager continues to favour Canadian private equity opportunities in the portfolio strategy of the Investment Fund, as the flow of high quality investment opportunities from Canada remains very strong.

During the past year, multiples for private equity buyouts have been relatively stable but credit availability has strengthened. In this environment, the Manager is taking a disciplined approach to new buyout investments and has declined to participate in transactions for high quality companies that appear to be overpriced. The Manager remains confident that it can continue to source attractive opportunities for the Investment Fund in the current market and believes that this pricing trend reinforces the importance of due diligence, discipline and a broad market perspective when investing in the private equity markets.

As noted above, the Manager is working to capitalize on the current dynamic venture capital and growth equity markets, which has historically represented approximately 30% to 40% of the portfolio of the Investment Fund. Based on the strength of opportunities available in these sectors, their overall allocation currently lies above the normal target range for the Investment Fund. One of the reasons for this excess is the increase in value of Underlying Investments, some of which have grown into much larger, more mature companies while they have been held by the Investment Fund but remain part of the venture capital and growth equity sector. The

Manager expects this excess allocation to be temporary, with reversion to the Investment Fund's historical range in the year ahead as investments are sold.

Summary

The Investment Fund's portfolio has matured to the stage where the Manager now expects to see a steady flow of exits from the sale of portfolio companies. The Manager believes that the Investment Fund has "hit its stride" and expects that the frequency of exit transactions and the aggregate value received by the Investment Fund from these exits will continue at a similar pace to its recent experience, as long as portfolio companies continue to perform and market conditions remain favourable.

The unique structure of the Investment Fund provides for the reinvestment of capital from the sale of investments (unlike other private equity funds that typically return all capital to their investors) and the addition of new commitments from investors on an ongoing basis. This structure allows the Investment Fund to continue to make new investments, year after year, as the Manager continuously renews the portfolio. As a result, the Manager believes now that the portfolio has reached this stage of maturity, the Investment Fund is well positioned to continue to generate value for investors in the future.

The Manager does not expect to see dramatic economic improvements in the near term. Private equity investors can succeed in the current slow growth economy with interest rates remaining at historic lows where they have the capability and network for sourcing attractive investments. With corporate buyers still under pressure to acquire growth in a weak economy, the Manager expects the exit market to remain healthy through the year ahead.

OVERVIEW OF THE INVESTMENT FUND

The Investment Fund is an investment trust established under the laws of the Province of Ontario.

As of March 31, 2016, the Investment Fund had issued four classes of Units, Class A Units, Class F Units, Class E Units and Class G Units. As of March 31, 2016, the Investment Fund had issued (net of redemptions and conversions) 430,212 Class A Units, 55,658 Class F Units, 1,486,370 Class E Units and 2,584,013 Class G Units for total net proceeds of \$92,015,004. The four classes of units are collectively and interchangeably referred to herein as the "Units". Holders of Units are collectively referred to herein as the "Unitholders". The Class E Units and Class G Units are currently available for subscription.

Units of the Investment Fund are listed on FundSERV, under the symbol KEN 100 (Class A Units), KEN 105 (Class E Units), KEN 110 (Class F Units), and KEN 115 (Class G Units). Current NAV information is provided directly to investment accounts through Fundata.

All amounts stated throughout this report are in Canadian dollars unless otherwise noted.

INVESTMENT OBJECTIVE AND STRATEGIES

The Investment Fund's investment objective is to maximize long-term total returns for Unitholders through distributions of net income and net realized capital gains from Underlying Investments, while managing risk through prudent diversification.

In order to achieve the investment objective, the Investment Fund invests in a portfolio of private equity investments including Underlying Funds and direct investments in private companies. The Underlying Funds of the Investment Fund targets are managed by experienced private equity fund managers that have strong track records and whose own financial interests are closely aligned with those of their investors. The Investment Fund's direct investments in private companies are primarily but not exclusively co-investments with other private equity fund managers. The Investment Fund seeks to provide investors with diversification by establishing a portfolio of private equity fund investments, including private equity funds focused on a variety of targeted sectors, as well as direct investments in companies that are at various stages of their business life cycle.

In accordance with the Declaration of Trust governing the Investment Fund, the Manager has the responsibility for establishing target portfolio weighting guidelines by geographic region, investment type and investment sector, with the expectation that the actual weightings will vary over time depending on market conditions and available opportunities, among other factors.

The target portfolio allocations and actual weightings at March 31, 2016 are set out below:

By geographic region:

		Cost	Fair Value
Canada:	33% to 66%	<p>0.4% 36.3% 58.6% 4.7%</p> <ul style="list-style-type: none"> ■ United States ■ Europe ■ Canada ■ Rest of the world 	<p>0.1% 35.6% 63.4% 2.5%</p> <ul style="list-style-type: none"> ■ United States ■ Europe ■ Canada ■ Rest of the world
United States:	33% to 66%		
Europe/Rest of World:	0% to 10%		

By investment type:

		Cost	Fair Value
Primary & Secondary Funds:	50% to 75%	<p>43.8% 56.2%</p> <ul style="list-style-type: none"> ■ Fund ■ Direct 	<p>39.2% 60.8%</p> <ul style="list-style-type: none"> ■ Fund ■ Direct
Direct Investments:	25% to 50%		

By sector:

		Cost	Fair Value
Buyout:	50% to 70%	<p>1.8% 43.9% 54.3%</p> <ul style="list-style-type: none"> ■ Buyout ■ Venture/Growth ■ Other 	<p>1.4% 44.0% 54.6%</p> <ul style="list-style-type: none"> ■ Buyout ■ Venture/Growth ■ Other
Venture Capital & Growth:	30% to 40%		
Other:	0% to 20%		

Investment Structure

The Investment Fund invests directly in Underlying Funds by committing and advancing capital as such amounts are drawn down by the respective managers of the Underlying Funds. The Investment Fund also invests capital directly in portfolio companies, both through co-investing alongside other private equity funds and through direct investments syndicated with other investors. In some cases, Underlying Investments are acquired on a secondary basis from other previous investors.

Capital held by the Investment Fund pending investment in private equity investments is invested in a variety of financial products (“Short Term and Other Investments”) such as government securities, money market instruments and investment-grade securities, as well as listed securities of private equity funds and other securities consistent with the overall objectives of liquidity, capital preservation and an appropriate return.

Risk

The Investment Fund is subject to a number of risks, including all of the risks described in the Offering Memorandum of the Investment Fund and in its most recent Annual Information Form dated June 30, 2016. In addition, the increased volatility in the capital markets and foreign exchange markets have affected financial investments including the Investment Fund.

Valuation

The private equity investments made by the Investment Fund, including investments that are made through Underlying Funds, are investments for which no published market exists. The process of valuing investments for which no published market exists is based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments and may differ from the prices at which the investments may be sold.

Recent changes to accounting requirements, including pronouncements under International Financial Reporting Standards (“IFRS”), and evolving industry standards have moved the private equity industry to adopt “fair value” reporting, which means that private equity managers now re-value their portfolios on a regular basis. Today, many private equity fund managers value their portfolios on a quarterly basis, with portfolio valuations reviewed annually by their auditors.

The Manager makes good faith determinations as to the fair value of the investments and reports the NAV of the Investment Fund twice each month, and on a semi-annual basis in connection with the preparation of the Investment Fund’s financial statements. For investments in Underlying Funds (including direct co-investments in companies held in Underlying Funds), the Manager generally bases the valuation of the Investment Fund on fair value determinations made by the managers of the Underlying Funds. These managers typically provide a report of their own portfolio valuations to the Investment Fund on a quarterly basis (except where material transactions are completed between quarterly periods). Details of the valuation policy employed by the Manager in calculating the NAV are published on Kensington’s website at www.kcpl.ca.

RESULTS OF OPERATIONS

Current Portfolio of Underlying Investments

The Manager maintains a portfolio of diversified private equity investments, consisting of:

- investments in private equity funds to provide the diversification required to manage risk, combined with significant allocations to direct investments in companies to enhance returns;
- secondary investments to accelerate and diversify the timing of capital flows and returns over primary fund investments;
- investments in the buyout sector, growth equity, venture capital and other sectors, in order to provide investors with access to different segments of the private equity market through a single investment in the Investment Fund; and

- private equity investments located primarily in Canada and the U.S., allocated in a manner consistent with the Manager's expertise and its views on the most compelling investment regions and opportunities.

The investment strategy used to construct the portfolio of the Investment Fund relies upon the Manager's proactive sourcing of proprietary deal flow and active management of the portfolio. This investment strategy is also designed to provide investors with access to private equity investments that would otherwise be unavailable to them, by capitalizing on the Manager's relationships with leading private equity fund managers, and from the scale achieved from combining their resources with other investors in the Investment Fund.

As at March 31, 2016, the Investment Fund held investments in 24 primary funds, 3 independent secondary fund portfolios, 14 direct investments, and 2 funds of funds. The Manager continues to review private equity investment opportunities on an ongoing basis in order to best achieve the Investment Fund's investment objective.

SUMMARY OF INVESTMENT PORTFOLIO

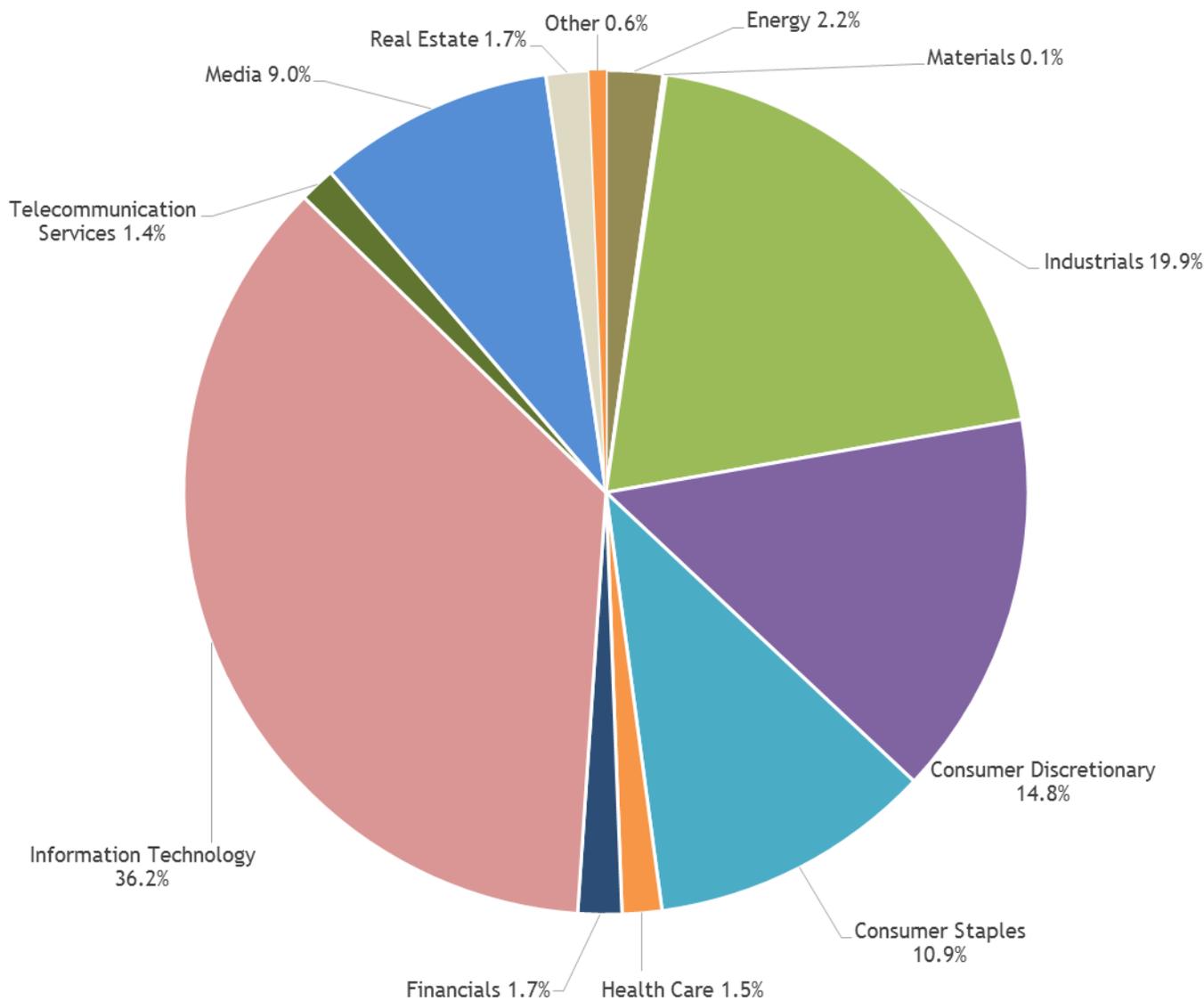
The private equity investments held by the Investment Fund at March 31, 2016 are set out below:

Primary Funds	Geographic Region	Sector	Commitment Date
Novacap Industries III, L.P.	Quebec	Buyout	May-07
HarbourVest International Private Equity Partners V - Direct Fund	Europe	Buyout	Jun-07
TriWest Capital Partners III L.P.	Western Canada	Buyout	Jun-07
Novacap Technologies III, L.P.	Central Canada	Venture/Growth	Jun-07
Kilmer Capital Fund II, L.P.	Central Canada	Buyout	Jul-07
Thomas H. Lee Equity Fund VI, L.P.	U.S.	Buyout	Nov-07
Kilmer Brownfield Equity Fund, L.P.	Central Canada	Other	Dec-07
Trivest Fund IV, L.P.	U.S.	Buyout	Aug-08
Walden Venture Capital VII, L.P.	U.S.	Venture/Growth	Sep-08
Azimuth Energy Partners III L.P.	Alberta	Buyout	Oct-08
Bedford Capital IVC, L.P.	Ontario	Buyout	Dec-08
Georgian Partners Growth Fund I, L.P.	North America	Venture/Growth	Jul-10
Vanedge Capital I L.P.	North America	Venture/Growth	Feb-11
Oncap III L.P.	North America	Buyout	Aug-11
TriWest Capital Partners IV L.P.	Western Canada	Buyout	Dec-11
Whitecastle New Urban Fund 2 L.P.	Canada	Other	Mar-12
Trivest Fund V, L.P.	U.S.	Buyout	Aug-12
Walden Venture Capital VIII, SBIC, L.P.	U.S.	Venture/Growth	Aug-13
Georgian Partners Growth Fund II, L.P.	North America	Venture/Growth	Dec-13
Parallel49 Equity (Fund V) BC, Limited Partnership	Canada	Buyout	Dec-13
Capital Partners Income Fund II, L.P.	U.S.	Buyout	Feb-14
TriWest Capital Partners V, L.P.	Western Canada	Buyout	Sep-15
Novacap Industries IV, L.P.	Quebec	Buyout	Aug-15
Whitecastle New Urban Fund 3 L.P.	Canada	Other	May-15
Secondary Funds	Geographic Region	Sector	Commitment Date
Novacap II, L.P.	Quebec	Buyout	Jul-07
Walden VC II, L.P.	U.S.	Venture/Growth	Sep-08
Trivest Fund IV, L.P.	U.S.	Buyout	Dec-09
Direct Investments	Geographic Region	Sector	Commitment Date
THL Equity Fund VI Investors (Ceridian), L.P.	U.S.	Buyout	Nov-07
KMC Mining Corporation	Alberta	Buyout	Mar-08
THL Equity Fund VI Investors (Clear Channel), L.P.	U.S.	Buyout	Aug-08
D-Wave Systems Inc.	British Columbia	Venture/Growth	Dec-10
Blue Ant Media Inc.	Ontario	Venture/Growth	Dec-11
Walden Sprout Opportunities Fund - B, L.P.	U.S.	Venture/Growth	Apr-12
CGL Manufacturing Inc.	Canada	Buyout	Jun-13
TouchBistro Inc.	Canada	Venture/Growth	Mar-14
Breen Color Concentrates, Inc.	U.S.	Buyout	Apr-14
Vision Critical Communications, Inc.	Canada	Venture/Growth	Jul-14
Blinq Networks Inc.	U.S.	Venture/Growth	Jul-14
Prodomax Holdings Ltd.	Canada	Buyout	Jun-15
Chrysalis Acquisition Fund I L.P.	Western Canada	Buyout	May-15
Horseshoe Power L.P.	Western Canada	Buyout	Nov-15
Funds of Funds	Geographic Region	Sector	Commitment Date
Kensington Venture Fund L.P.	Canada	Venture/Growth	Nov-14
Nordea Private Equity II - European Middle Market Buyout K/S	Europe	Buyout	May-07

The Investment Fund also holds Cash, Short-term and Other Investments as capital available to fund new private equity investments as they arise (see “Net Asset Value of the Investment Fund - Cash, Short-term and Other Investments”).

In addition to the 14 direct investments in private companies, the portfolio of the Investment Fund as of March 31, 2016, includes Underlying Investments in indirect investments in private companies through primary and secondary fund portfolios, and much smaller indirect investments in many additional private companies through the international fund-of-funds portfolio. These companies are diversified across multiple industry sectors, as set out in the chart below.

**INDUSTRY WEIGHTINGS OF PRIVATE EQUITY INVESTMENTS (FAIR VALUE)
MARCH 31, 2016**



NET ASSET VALUE OF THE INVESTMENT FUND

Underlying Investments:

As at March 31, 2016, the Investment Fund held Underlying Investments in private equity totaling \$83.6 million representing 82.5% of the NAV. During the year, certain private equity investments were realized by the Investment Fund, resulting in a shift from unrealized gains reported in prior periods to realized gains in the current period. Excluding the impact of net new subscriptions and distributions of \$14.5 million, the net asset value of Underlying Investments grew by \$9.1 million during the year.

Short-term and Other Investments:

As at March 31, 2016, the Investment Fund held Cash, Short-term and Other Investments totalling \$18.0 million, representing an increase of \$6.7 million over the \$11.3 million of Cash and Short-term Investments held at March 31, 2015. At March 31, 2016, Cash, Short-term and Other Investments comprised 17.8% of the NAV.

	March 31, 2016				March 31, 2015			
	Par Value (CAD)	Cost (CAD)	Estimated Fair Value (CAD)	% of Fund's Net Assets	Par Value (CAD)	Cost (CAD)	Estimated Fair Value (CAD)	% of Fund's Net Assets
Cash		12,270,221	12,270,221	12.1%		8,109,942	8,109,942	10.4%
Kensington Hedge Fund I		5,673,575	5,746,378	5.7%		3,100,000	3,158,811	4.1%
		\$ 17,943,796	\$ 18,016,599	17.8%		\$ 11,209,942	\$ 11,268,753	14.5%

Foreign Exchange:

During the year ended March 31, 2016, the Investment Fund recognized total foreign currency gain of \$0.9 million including unrealized foreign exchange gain of \$0.5 million.

The value of securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which such securities are denominated. When the Investment Fund makes commitments to Underlying Investments that are denominated in currencies other than Canadian dollars, the Investment Fund may acquire Short Investments in those same currencies to ensure its ability to fully fund those commitments over time.

Fees and Expenses:

During the year ended March 31, 2016, the Investment Fund paid a total of \$1,479,465 (plus 13% HST of \$192,330) as management fees. Additional expenses of \$1.9 million were incurred in the management of the Investment Fund and paid or accrued to third parties during the year.

The Investment Fund pays all ordinary expenses incurred in connection with its operation and administration, and is responsible for commissions and other costs of securities transactions and any extraordinary expenses which may be incurred by it from time to time. The Investment Fund is also responsible for investment expenses incurred by the Manager relating to investment operations, due diligence and research, including any costs related to investment transactions which are not completed.

The Manager was paid a management fee during the year ended March 31, 2016, equal to an annual rate of 1.95% of the NAV of the Class A Units and Class F Units as reported at the end of each quarter and an annual rate of 1.65% of the NAV of the Class E Units and Class G Units (excluding the service fee payable to registered dealers or investment advisors based on their client ownership of Class A Units and Class E Units as described below).

The Manager is eligible to earn a performance fee ("Performance Fee"). In order for the Manager to become eligible to earn the Performance Fee, the Investment Fund must pay out cash distributions to Unitholders from net income or from net realized gains in the investment portfolio, and must also maintain a stipulated NAV per Unit. The Manager cannot earn a Performance Fee unless the Investment Fund earns and distributes profits to Unitholders. During the year ended March 31, 2016, the Investment Fund paid a total of \$681,409 including HST as performance fees.

Fees and Expenses (continued):

Each registered dealer whose clients hold Class A Units is paid a service fee equal to 0.40% of the NAV, calculated and paid quarterly on those Class A Units held at the end of the relevant quarter by clients of the registered dealer. Each registered dealer whose clients hold Class E Units is paid a service fee equal to 1.00% of the NAV, calculated and paid quarterly on those Class E Units held at the end of the relevant quarter by clients of the registered dealer. No service fee is payable on the Class F Units or the Class G Units.

The Investment Fund is also subject to fees and expenses of the Underlying Funds, including management fees and carried interest payments (or other performance fees) payable to managers of Underlying Funds. These fees and expenses form part of the invested capital in such Underlying Funds for the purpose of determining their performance, and generally will be recovered by the Investment Fund prior to the payment of performance fees or a carried interest to the manager of such Underlying Funds. These expenses amounted to \$0.8 million during the year, and have been included in the amount of \$1.9 million of additional expenses paid to third parties as described above.

From time to time to encourage a large holding of Units, the Manager may, in its sole discretion, reduce the management fee otherwise payable to it and allocate the benefit of such reduced fee to the Unitholder. In such case, the Investment Fund will distribute to the Unitholder an amount equal to the reduction of the management fee. The amount of the management fee reduction is negotiable between the Manager and the Unitholder and will be based, among other factors, on the size of the holdings by the Unitholder in the Investment Fund. Such management fee distributions will be made quarterly by the Investment Fund to the relevant Unitholder, out of the fee payable to the Manager. There is no guarantee that a large holder of Units will receive an effective reduction in management fees and if the Manager determines to reduce its management fee in respect of one Unitholder, it will not be bound to do so in respect of other Unitholders or subsequent Unitholders.

Net Assets of the Investment Fund per Unit:

The following tables show selected key financial information about the Investment Fund and are intended to summarize the Investment Fund's financial performance for the year ended March 31, 2016 as well as the last four years ended March 31, 2015, 2014, 2013 and 2012. The information is derived from the Investment Fund's financial statements.

	For the year ended March 31, 2016				For the year ended March 31, 2015			
	Class A Units	Class F Units	Class E Units	Class G Units	Class A Units	Class F Units	Class E Units	Class G Units
Net Assets Per Unit, Beginning of year	\$21.91	\$22.75	\$20.93	\$21.68	\$21.59	\$22.16	\$21.19	\$21.60
Increase/(decrease) from operations:								
Operating Income	0.26	0.27	0.25	0.26	0.20	0.21	0.20	0.20
Total expenses	(0.97)	(0.90)	(1.19)	(0.98)	(0.87)	(0.81)	(1.31)	(1.06)
Realized investment gains/(losses) for the year	1.28	1.31	1.17	1.23	4.13	4.26	4.06	4.12
Realized foreign exchange (losses)/gains for the year	0.08	0.08	0.08	0.08	(0.03)	(0.04)	(0.03)	(0.03)
Unrealized investment gains/(losses) for the year	1.40	1.55	1.58	1.60	(0.28)	(0.06)	0.09	(0.16)
Unrealized foreign exchange gains/(losses) for the year	0.16	0.16	0.11	0.15	0.60	0.69	0.75	0.66
Dilution Adjustment on conversions and new unit issuance	0.01	(0.03)	(0.15)	(0.14)	0.13	(0.10)	(0.47)	(0.09)
Total increase/(decrease) from operations including dilution adjustment on conversions and new unit issuance	2.22	2.44	1.85	2.20	3.88	4.15	3.29	3.64
Distribution	(1.32)	(1.32)	(1.32)	(1.32)	(3.56)	(3.56)	(3.56)	(3.56)
Net Assets Per Unit, End of year	<u>\$22.81</u>	<u>\$23.87</u>	<u>\$21.46</u>	<u>\$22.56</u>	<u>\$21.91</u>	<u>\$22.75</u>	<u>\$20.93</u>	<u>\$21.68</u>

	For the year ended March 31, 2014				For the year ended March 31, 2013				For the year ended March 31, 2012	
	Class A Units	Class F Units	Class E Units	Class G Units	Class A Units	Class F Units	Class E Units	Class G Units	Class A Units	Class F Units
Net Assets Per Unit, Beginning of year	\$18.68	\$19.18	\$18.43	\$18.59	\$22.64	\$23.08	\$23.33	\$23.33	\$21.17	\$21.45
Increase/(decrease) from operations:										
Operating Income	0.18	0.19	0.16	0.17	0.25	0.23	0.16	0.21	0.13	0.12
Total expenses	(0.92)	(0.87)	(0.86)	(0.70)	(1.14)	(0.95)	(1.19)	(1.27)	(1.04)	(0.90)
Realized investment gains/(losses) for the year	0.29	0.36	0.26	0.27	3.20	2.92	1.98	2.64	0.50	0.57
Realized foreign exchange (losses)/gains for the year	(0.09)	(0.09)	(0.08)	(0.09)	(0.02)	(0.01)	(0.01)	(0.01)	(0.06)	(0.05)
Unrealized investment gains/(losses) for the year	2.77	2.72	2.83	2.87	(2.62)	(2.48)	(1.85)	(2.26)	2.47	2.32
Unrealized foreign exchange gains/(losses) for the year	0.56	0.58	0.48	0.51	0.05	0.06	0.03	0.06	0.19	0.16
Dilution Adjustment on conversions and new unit issuance	0.11	0.08	(0.04)	(0.02)	0.02	0.03	(0.33)	(0.41)	(0.04)	0.09
Total increase/(decrease) from operations including dilution adjustment on conversions and new unit issuance	2.91	2.97	2.76	3.01	(0.27)	(0.21)	(1.21)	(1.05)	2.15	2.31
Distribution	-	-	-	-	(3.69)	(3.69)	(3.69)	(3.69)	(0.68)	(0.68)
Net Assets Per Unit, End of year	<u>\$21.59</u>	<u>\$22.16</u>	<u>\$21.19</u>	<u>\$21.60</u>	<u>\$18.68</u>	<u>\$19.18</u>	<u>\$18.43</u>	<u>\$18.59</u>	<u>\$22.64</u>	<u>\$23.08</u>

Note: Class F units were created on February 1, 2008, Class E and G units were created April 9, 2012.

Ratios and Supplemental Data

	Year Ended March 31, 2016				Year Ended March 31, 2015			
	Class A Units	Class F Units	Class E Units	Class G Units	Class A Units	Class F Units	Class E Units	Class G Units
Net Asset Value	\$ 9,812,475	\$ 1,328,391	\$ 31,891,554	\$ 58,305,922	\$ 9,775,404	\$ 1,167,411	\$ 23,280,263	\$ 43,511,330
Units Outstanding	430,212	55,658	1,486,370	2,584,013	446,255	51,321	1,112,100	2,006,813
Management expense ratio % (1)	4.40%	3.91%	5.70%	4.50%	4.04%	3.59%	6.19%	4.90%
Portfolio turnover rate % (3)	15.97%	15.97%	15.97%	15.97%	22.50%	22.50%	22.50%	22.50%
Trading expense ratio % (4)	0.02%	0.02%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%

	Year Ended March 31, 2014				Year Ended March 31, 2013				Year Ended March 31, 2012	
	Class A Units	Class F Units	Class E Units	Class G Units	Class A Units	Class F Units	Class E Units	Class G Units	Class A Units	Class F Units
Net Asset Value	\$ 10,719,443	\$ 1,030,319	\$ 15,997,886	\$ 40,566,593	\$ 12,327,380	\$ 1,095,178	\$ 8,207,169	\$ 31,358,306	\$ 25,020,089	\$ 33,066,129
Units Outstanding	496,612	46,495	754,884	1,878,138	659,975	57,094	445,288	1,686,834	1,105,352	1,432,618
Management expense ratio % (1)	4.47%	4.03%	5.02%	3.81%	4.39%	4.04%	7.80%	6.01%	4.51%	4.11%
Portfolio turnover rate % (3)	16.14%	16.14%	16.14%	16.14%	23.12%	23.12%	23.12%	23.12%	11.59%	11.59%
Trading expense ratio % (4)	0.09%	0.09%	0.11%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

- 1) Management expense ratio (MER) is based on total expenses for the stated period and is expressed as an annualized percentage of the net average assets during the period. The reported MER for the Investment Fund includes expenses incurred by Underlying Funds. Unlike typical mutual fund expenses, the expenses incurred by these Underlying Funds will be recovered by the Investment Fund prior to any such Underlying Fund's managers earning a performance fee. The recoveries of these expenses will be recorded as portfolio gains at the appropriate times, and will not be reflected in any adjustment to the MER at those times. The Investment Fund's MER is reported in accordance with applicable accounting standards and securities laws.

The Manager has calculated the unrecoverable portion of the MER during the relevant periods ("Unrecoverable MER"), as the reported MER less the amounts expected to be recovered from Underlying Funds as described above. The chart below shows the Unrecoverable MER for the periods indicated.

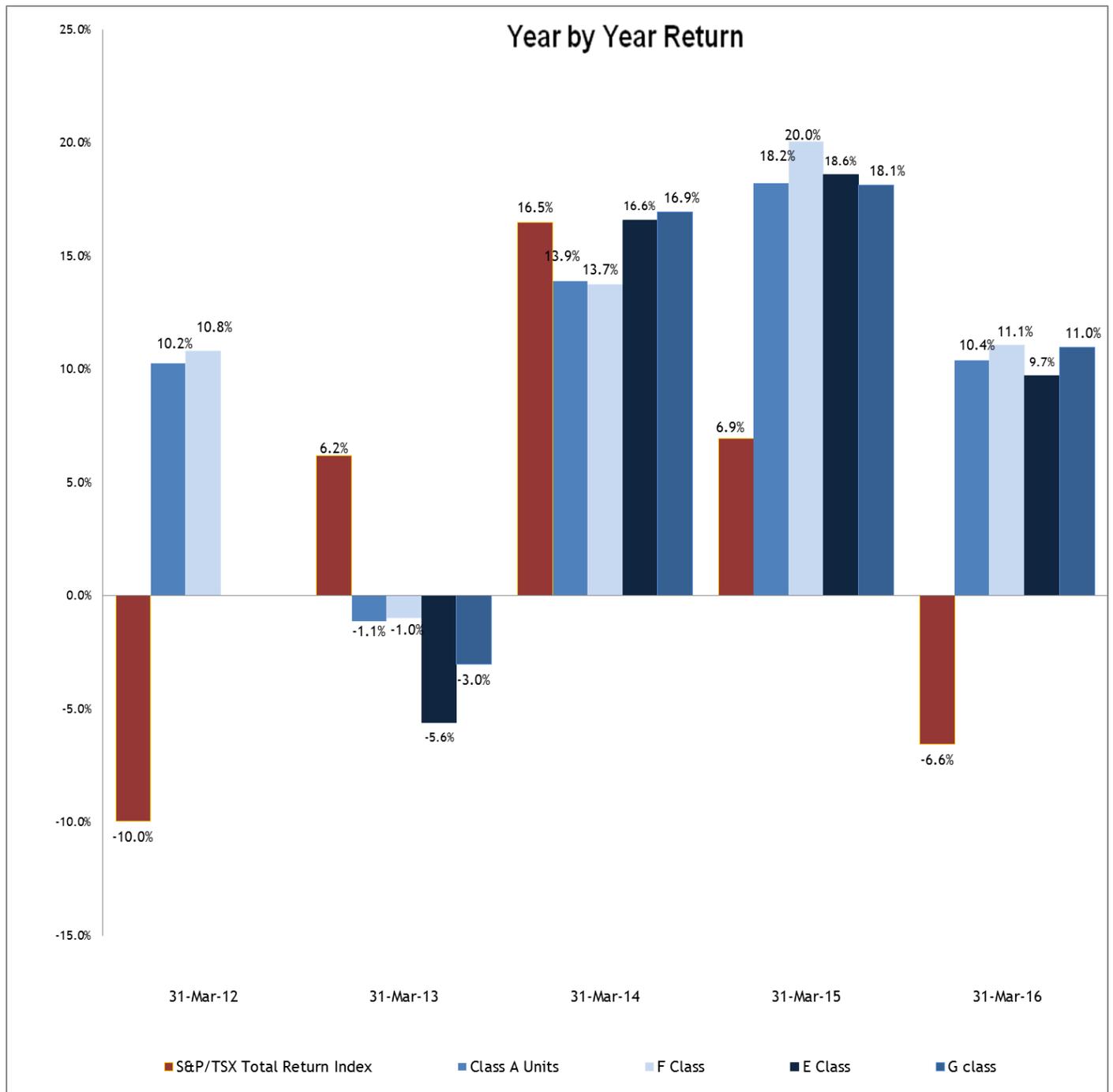
	Unrecoverable MER	Unrecoverable MER
	31-Mar-16	31-Mar-15
Class A	3.36%	3.12%
Class F	2.86%	2.65%
Class E	4.63%	5.23%
Class G	3.44%	3.97%

- (2) The March 2016 MER has been calculated using 100% of the expenses incurred during the fiscal year based on the weighted average of Units of each class outstanding during the year beginning April 1, 2015. The March 2015 MER has been calculated using 100% of the expenses incurred during the fiscal year based on the weighted average of Units of each class outstanding during the year beginning April 1, 2014.
- (3) The Investment Fund's portfolio turnover rate indicates how often the private equity investments contained in the portfolio of the Investment Fund are bought and sold. A portfolio turnover rate of 100% is equivalent to the Investment Fund buying and selling all of the private equity investments once in the course of the year. The higher a fund's portfolio turnover rate, the greater the transaction costs.
- (4) Trading expense ratio represents total transaction costs, including interest paid on committing capital to a fund subsequent to its initial close, expressed as an annualized percentage of the daily average net assets during the period.

PAST PERFORMANCE

Year-by-Year Returns:

The following bar charts show the performance of each class of Units of the Investment Fund for the year ended March 31, 2016 and the last four fiscal years ended March 31. The charts shows in percentage terms how an investment made on April 1 (or inception) would have increased or decreased by the end of the relevant period (and includes the impact of all cash flows into and out of the Investment Fund). The past performance of the Investment Fund is not necessarily an indication of how it will perform in the future.



** Class E Units and Class G Units were outstanding from April 9, 2012. Rates of returns are affected by varying times of issuance.

FORWARD LOOKING STATEMENTS

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent the Manager's expectations regarding future events. By their nature, forward-looking statements must be based on assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Readers of this document are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. Actual results may differ materially from the Manager's expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, foreign exchange rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Investment Fund may invest and the risks detailed from time to time in the Investment Fund's prospectus, Annual Information Form and other investor documentation. The foregoing list of factors is not exhaustive and when relying on forward-looking statements to make decisions with respect to investing in the Investment Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, neither the Investment Fund nor the Manager undertakes, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.