

► Update of Fund activities during the quarter

The December 2021 quarter was interesting to say the least, with ongoing share market volatility and a huge spike in Covid cases across New South Wales, Victoria and Queensland as we headed into the holiday break. Inflation across the globe has become a significant talking point and we have continued to see market volatility as a result of significant inflation increases. This has been accompanied by ongoing supply chain shortages and Covid-affected workforces causing significant problems for many companies as they face input shortages and a reduced workforce.

Deal flow and investment activity for Australian private companies remained very strong despite the broader macro challenges. We reviewed approximately 30 qualified expansion stage investments during the quarter and are actively progressing several opportunities. We made two new investments in the quarter, with preference share investments in the finance and payments business, Moneytech and online auto spares and accessories portal, Automotive Superstore. We discuss both in more detail below.

We have also recently made 2 additional investments in Future Super and Deep Blue Company which were covered in the January portfolio update circulated earlier this week. These new investments take the number of investments made by the Fund to eight since commencing in June. We are nearing the end of the second capital call and on that basis, unitholders should expect to receive a notice for the third capital call in the March quarter.

The Fund's NTA increased by 3.217% during the quarter. As guided, we don't expect material movements in the NTA during the Fund's early deployment phase. That said, our portfolio companies are performing in line with expectations, and we are very positive about their prospects. Importantly, the increase was driven by the listing of BirdDog on the ASX alongside the growing interest that accrues against our convertible note and preference share investments.

New investments

The Fund made two new investments during the quarter:

Moneytech is a finance and payments business providing a multi-faceted treasury platform for SMEs offering working capital solutions, FX hedging and an enterprise-level payments platform to solve SME's cash flow requirements – a whole of wallet alternative to the banks. The Business operates two divisions:

1. **Moneytech Finance** division provides working capital finance solutions to Australian SMEs including trade finance, debtor finance, equipment finance, term loans and line-of-credit plus tailored FX solutions.
2. **Monoova Payments** division is one of only three providers in Australia offering a B2B administration platform for real-time payments and is the only provider offering real-time reconciliation based on unique account numbers and PayIDs.

We were introduced to Moneytech in 2017 and immediately attracted to the strength of the founder and the business model however required validation of their growth forecasts. In 2019 we re-engaged with Moneytech who had significantly exceeded these targets and were forecasting continued revenue growth from multiple segments of the Business' operations, which resulted in CVC Emerging Companies Fund I investing. Monoova continues to differentiate itself from competitors, growing customers and product range and is forecasting >50% revenue growth next financial year.

We support the initiatives to improve technology and headcount in Monoova and fund trade and debtor finance product growth in Moneytech Finance. CVC Emerging Companies Fund II have invested into the \$35 million round alongside Colinton Capital Partners and a well-respected family office. The current Board of Moneytech has deep experience in the financial services sector and will be enhanced with the addition of Genevieve Gregor from Colinton Capital Partners whilst we will also join the Board as an Observer.

Automotive Superstore: CVC ECF led a \$6.5 million capital raise in disruptive automotive ecommerce platform Automotive Superstore (AMS) alongside Fifth Estate Asset Management. Founded in 2015, AMS has established itself as the leading digital platform for automotive spare parts and accessories in Australia, stocking over 270 major brands and 200,000 products. We were attracted to AMS as it is well positioned to capitalise on the large and growing online automotive parts market, benefitting from tailwinds of ecommerce penetration and increased consumer demand for aftermarket parts and accessories. AMS has a diversified offering with a broad product range across car audio and visual, servicing, parts, suspension, electrical, performance, accessories, 4x4 and car care.

Aligned with our primary focus to invest in founder-led companies, we were impressed with founders Babak Sanayei and Jeff Fu who both have strong backgrounds in the automotive industry and founded AMS with a passion to create a one-stop online shop for all things automotive. The founders have delivered consistent organic growth since inception and now offer installation services and a click and collect centre at their Sydney showroom.

Investment will be used to expand inventory and product range, strengthen supplier partnerships and invest in the sales team and marketing efforts to reach additional customers. We see AMS as a great example of the type of opportunity the fund was established to target - growing, technology-led companies operating as emerging leaders in their markets, investing alongside motivated, aligned, high quality founders and investment partners.

► Fund activity, performance and outlook

The Fund has currently called 66% or \$1.20 per unit of the ~\$85m capital committed by unitholders, or two out of the anticipated three capital calls to be made. Based on current deal flow, we expect the third capital call will be made in the March quarter and we will provide ample notice to all unitholders of along with a call notice when timing has been agreed.

Period	NTA per unit	Return (%)
3-month performance (net of fees)^	\$1.2225	3.217%
Since inception (net of fees)^*	–	1.875%


^ Adjusted and inclusive for one capital call to date

* Fund inception date 1 May 2021

Looking ahead

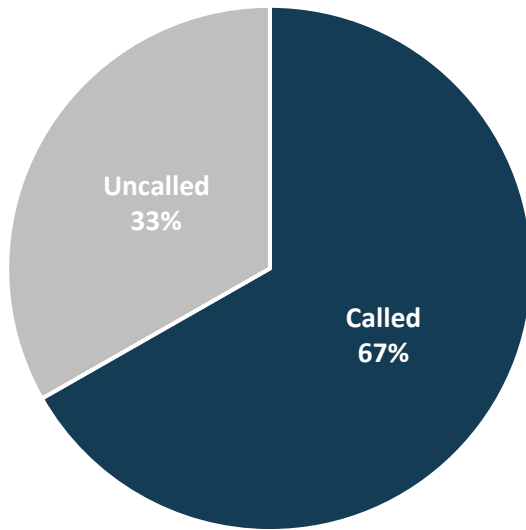
The market for private company M&A and IPOs remained strong in Q4, CY21, however, we have seen strong volatility at the beginning of CY22 and we expect this will affect the outlook for IPO's and M&A. We also expect to see some pressure on valuations in the 1H, CY22 as we go through a period of increased inflation, increasing interest rates and general workforce and supply chain shortages. The capital deployment by the Fund to date has met our expectations and as previously mentioned, we expect to make the third and final capital call in the first quarter of CY22.

Investments

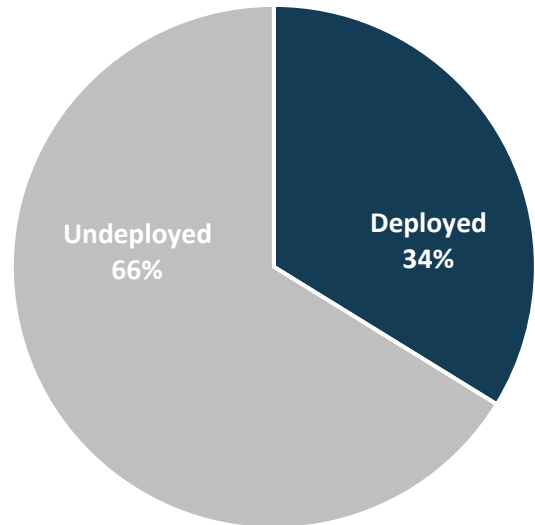
Investment	About the company
	<p>Lendi is Australia's leading online lending platform and with the recent acquisition of Aussie Home Loans we believe the company is well positioned to increase market share and build a dominant business in the non-bank home loan lending sector.</p> <p>Update: Lendi has continued its strong growth driven by the strength of the property market. FY22 settlements were running at a run rate of +20% of FY21 from our most recent update and we expect to have 1H FY22 update in the coming quarter which will provide an update to unitholders on. Group integration over the coming 6-12 months remains a key focus and we will provide updates on this when possible.</p>
	<p>BirdDog is a leading provider of Broadcast and Audio-Visual technology with global reach and presence. With an increasing list of products and a growing customer base, both hardware and software sales should continue their strong growth in the coming 12-24 months.</p> <p>Update: BirdDog listed on the ASX just prior to Christmas and closed out the year with a circa 10% gain on the listing price. We are looking forward to reviewing the first set of numbers from the company and expect strong growth to be demonstrated by the Company following a stellar performance in FY21.</p>
	<p>EncompaaS is a 'software as a service' business which provides a leading document management platform to large governments and enterprise clients across North America, Europe and Australia/New Zealand.</p> <p>Update: EncompaaS continued its strong sales momentum in quarter 4 of CY21 and continues to focus on sales for the EncompaaS software product. The sales team is heavily focused on converting qualified leads from existing Information customers, strategic alliances, technology alliances and referral alliances.</p>
	<p>Xpansiv are a global exchange, portfolio manager and data aggregator for ESG inclusive commodities including fuels, carbon, water, renewable energy and natural gas. Xpansiv offers a single point of access allowing over 2,000 companies to trade and manage ESG related commodities, with over US\$10 billion of registered assets on its platform.</p> <p>Update: Xpansiv is trading strongly and is well ahead of budget for CY21. The IPO is currently on track and is planning a listing on the ASX in 1H CY22. Inbound investor interest continues to remain very strong.</p>
	<p>Moneytech is a finance and payments business providing a multi-faceted treasury platform for SMEs offering working capital solutions, FX hedging and an enterprise level payments platform to help solve SME's cashflow requirements.</p> <p>Update: Moneytech continued its' growth in the December quarter finishing the year with a record finance book and strong continued growth in the Payments business. Current initiatives include a new wholesale funding facility along with the separation of the business to enable either a partial or a full sale of the business or a listing of either business.</p>
	<p>Automotive Superstore (AMS) is a leading digital platform for automotive spare parts and accessories in Australia, stocking over 270 major brands and 200,000 products.</p> <p>Update: AMS closed out the year with strong sales, a lease agreement for a significant expansion of space to assist with growth and positive outlook for CY22.</p>

► Portfolio Characteristics

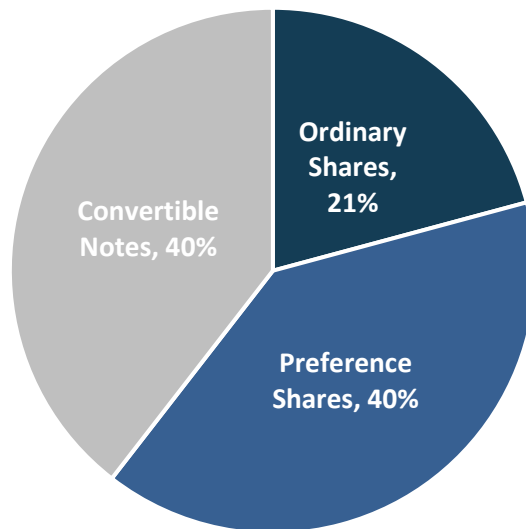
Called v Uncalled Capital



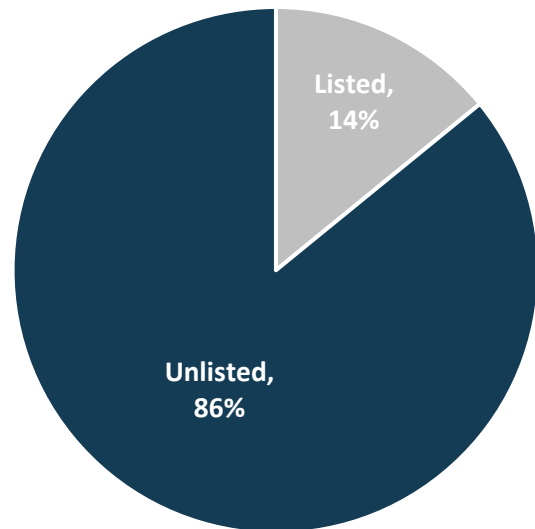
Deployed v Undeployed Capital



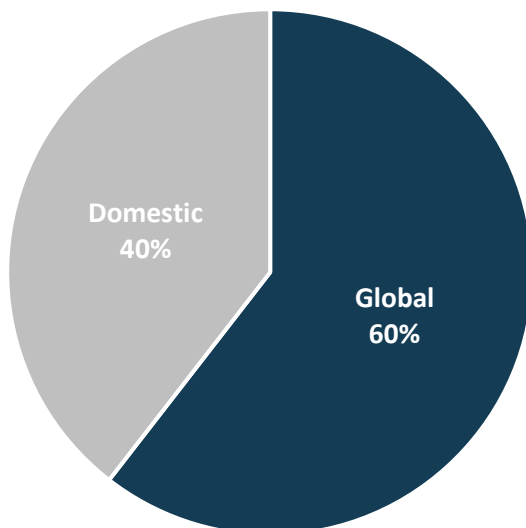
Security Structure (by Capital Deployed)



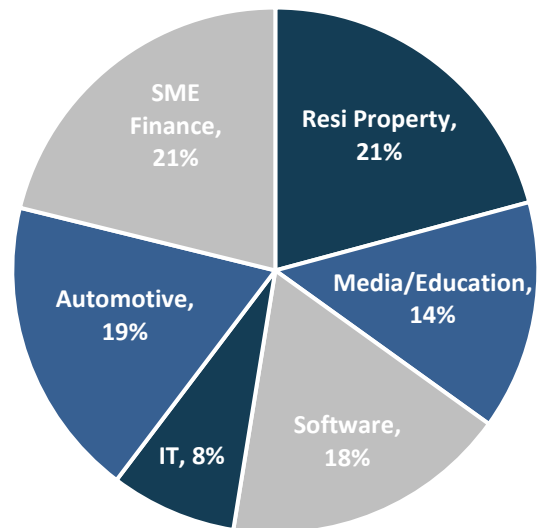
Listed v Unlisted (by Capital Deployed)



Business Footprint (by Capital Deployed)



Primary Business Sector (by Capital Deployed)



About the Fund

The Fund is a wholesale unit trust which invests in unlisted and listed emerging companies and is managed by CVC ECF Managers Pty Ltd (ACN 644 213 221, CAR 1274 220).

Fund details

Investment Vehicle

Unlisted wholesale unit trust.

Fund Term

Intended to be five years, with the option to extend for two consecutive one-year periods.

Fund Objective

The Fund's objective is to generate superior long term returns for Investors through investments in listed and unlisted growth and expansion stage companies.

Unlisted – Ordinary and preferred equity, convertible notes. Typically 6-24 month timeframe to liquidity.

Listed – Pre-IPO investments (potentially) held post-IPO for a period of time. Micro/small cap IPOs and placements.

Investor Eligibility

Wholesale investors only.

Redemptions

Fund subject to lock-up period. All redemptions are at the sole discretion of the Trustee and Investment Manager. Transfers can be facilitated by the Trustee.

Distributions

The Trustee is expected to determine distributions semi-annually or more frequently subject to availability.

Portfolio Composition

Targeted portfolio composition of 15-20 companies. At the time of investment, a maximum weighting of 15% to any one investment.

Management Fee

1.75% p.a. on committed capital during Investment Period and on invested capital thereafter (plus GST and before accrued fees).

Performance Fee

20% p.a. (plus GST) subject to an 8.0% p.a. cumulative (non-compounded) pre-tax preferred return.

Other Fees and Costs

Expense recovery for audit, legal, Trustee and custodian fees, administration, registry, tax and external investment due diligence advice. Overall Expense Ratio capped at 2.5% (plus GST, excluding performance fees).

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Important information

This document has been prepared by CVC ECF Managers Pty Ltd (ACN 644 213 221, CAR 1274 220) (Investment Manager) of the Fund. The information contained in this document is confidential and is provided to wholesale investors only. This document is not intended for retail investors and must not be distributed to retail investors.

This document 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.

Past performance is not a reliable indicator of future performance. This announcement 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 Investment Manager and its advisers (including all of the Past performance is not a reliable indicator of future performance. This announcement 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 Investment Manager 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 any 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.

Auscred Ltd is trading as Lendi; BirdDog Australia Pty Ltd is trading as BirdDog, EncompaaS Software Ltd is trading as EncompaaS, Xpansiv Limited is trading as Xpansiv, Automotive SuperStore Pty Ltd is trading as Automotive Superstore and Moneytech Group Pty Ltd is trading as Moneytech.