CONVERSUS CAPITAL, L.P.

ANNUAL FINANCIAL REPORT

For the year ended 31 December 2011

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CONVERSUS AT A GLANCE

Our Company	Conversus Capital, L.P. [1] • Guernsey Limited Partnership • Listed on NYSE Euronext in Amsterdam • Symbol: CCAP • 64,603,209 units outstanding as of 31 December 2011 • Website: www.conversus.com
Mission	To maximize long-term unit holder value by harvesting the existing portfolio and returning capital to unit holders
Highlights	• Largest publicly-traded portfolio of third party private equity funds • Fully invested portfolio of top-tier, diversified and seasoned private equity investments • Under harvesting strategy, apply cash flow to fund existing commitments and return capital to unit holders
Distribution Policy	• Quarterly distributions based on net cash flow during the quarter, the forecast for net cash flow and an appropriate amount of cash reserves based on the circumstances prevailing at the time • Distributions to be paid in January, April, July and October during the fiscal year • Ultimate timing and amount of distributions may vary and will remain subject to the discretion of Conversus' Board
Alignment of Interests	• Strong corporate governance, with an Independent Board of Directors and an Independent CFO • Performance driven compensation structure for investment manager • Substantial investments by sponsors and management
Investment Manager	Conversus Asset Management, LLC • Leverages the platforms of sponsors Bank of America and Oak Hill Investment Management • Experienced investment team comprised of 25 investment professionals with over 200 years of combined experience

Key Metrics ($ and units outstanding in 000s except per unit data)	**As of 31 Dec 2011**	**As of 31 Dec 2010**	**% Change**
Net Asset Value	$ 1,736,676	$ 1,949,073	(10.9)%
Units Outstanding	64,603	70,335	(8.1)%
Net Asset Value per Unit	$ 26.88	$ 27.71	(3.0)%
Unit Price	$ 19.96	$ 18.01	10.8 %
Market Capitalization	$ 1,289,476	$ 1,266,733	1.8 %
Investment NAV	$ 1,725,162	$ 1,885,278	(8.5)%
Unfunded Commitments	$ 402,124	$ 572,363	(29.7)%
Cash and Cash Equivalents	$ 82,573	$ 77,467	6.6%
Notes and Interest Payable	$ 1,000	$ 1,000	-
Wtd. Avg. Net Assets - Full Year	$ 1,857,465	$ 1,780,274	4.3 %
Wtd. Avg. Portfolio Company Life	5.2 years	5.1 years	2.0 %
Wtd. Avg. Fund Life	8.3 years	8.1 years	2.5 %

[1] Conversus Capital, L.P. is an authorised closed-ended investment scheme for Guernsey regulatory purposes. Conversus Capital, L.P. is registered with the Netherlands Authority for the Financial Markets as a collective investment scheme which may offer participation rights in the Netherlands pursuant to article 2:66 of the Financial Market Supervision Act (Wet op het financieel toezicht).

NOTE ON NAMING AND OTHER CONVENTIONS

Conversus Capital, L.P. ("Conversus LP") makes all of its investments through Conversus Investment Partnership, L.P. ("Investment Partnership"), a Guernsey limited partnership, and its subsidiaries. Conversus LP, the Investment Partnership and the Investment Partnership's subsidiaries are collectively referred to as "Conversus." Where we use the terms "we," "ours," "us" and other such terms, we refer to Conversus.

Conversus GP, Limited, a Guernsey limited company, is referred to as "Conversus GP," and serves as the general partner of Conversus LP.

Conversus Asset Management, LLC is referred to as "CAM" or the "Investment Manager" and Conversus Participation Company, LLC is referred to as "CPC."

Bank of America Corporation is referred to as "BAC" and Oak Hill Investment Management, L.P. (together with OHIM Investors, L.P.) as "OHIM."

The estimated net asset value ("NAV") of Conversus is referred to as "total NAV" or simply "NAV" and includes all net balance sheet items of Conversus. The NAV of Conversus' investments is referred to as "investment NAV."

Our credit facility (see Note 6 to the combined financial statements) is referred to as the "credit facility," the "collateralized fund obligation program" or the "Program."

Derivative instruments used to partially hedge market exposure on our public equity securities are referred to as "derivative instruments," "derivatives" or "swaps."

The net of distributions, capital calls and funded direct co-investments are referred to as "portfolio cash flows." Capital calls plus funded direct co-investments are referred to as "funded capital." Capital calls include fund fees and expenses.

All amounts set forth in this report are in thousands, unless otherwise noted, except for per unit data. All dollar amounts are in U.S. dollars.

Operating Summary

The following table displays a summary of operating results for the year ended 31 December 2011.

Summary Operating Results	
Net Realized Gains on Investments	$ 119,591
Investment Income	21,314
Net Change in Unrealized Appreciation on Investments	9,004
Total Expenses	(107,490)
Net Increase in Net Assets Resulting from Operations	$ 42,419

- Net realized gains of $119.6 million included $212.9 million in gross realized gains, $63.2 million in gross realized losses, $19.5 million in portfolio company write-offs by general partners and a $10.6 million realized loss on a derivative instrument.
- Investment income of $21.3 million was mainly comprised of dividend and interest income.
- The net change in unrealized appreciation on investments of $9.0 million included net unrealized gains of $56.6 million related to public equity securities and net unrealized gains on private holdings of $62.1 million before taking into account $112.9 million in reversals of unrealized gains which were realized or that related to companies which became public. The net change also included an unrealized gain of $6.7 million on a derivative instrument and $3.5 million in unrealized foreign currency losses.
- Total expenses were $107.5 million. Further expense detail can be found in the table below.
- The increase in net assets from operations of $42.4 million resulted in a gain per weighted average unit outstanding of $0.64.

The following table displays operating expenses and related percentages based on weighted average net assets for the year ended 31 December 2011.

Total Operating Expenses and Percentages	Amount	Percentage
Performance Fees	$ 54,715	2.95
Net Management Fees	16,552	0.89
Fund Fees and Expenses	15,391	0.83
Professional Service Fees	6,128	0.33
Personnel	3,550	0.19
Administrative Fees to CAM	2,981	0.16
Public Company Costs	2,826	0.15
Credit Facility Commitment Fees and Interest	2,550	0.14
Taxes	2,091	0.11
Other General and Administrative	706	0.04
Total Expenses	$ 107,490	5.79%

- Performance fees are paid to CPC based on increases in NAV over the shorter of the most recent rolling three year period or the period since the last high water mark, subject to various adjustments including capital transactions such as unit repurchases, unit issuances and unit holder distributions. The 10% performance fee is subject to a 7% per annum preferred return, compounded annually, with full catch-up provisions. Performance fees are calculated quarterly over the relevant period and paid quarterly in arrears, to the extent earned. For the period beginning 31 December 2008 and ending 31 December 2011, NAV increased sufficiently to exceed the preferred return of 7% compounded. Performance fees of $54.7 million were earned by CPC in the fourth quarter of 2011 and payable as of 31 December 2011.
- Net management fees for the period 1 January 2011 through 31 August 2011 were paid to CAM based on an aggregate amount of (i) 1.0% per annum of the value of Conversus' non-cash assets and (ii) 0.5% per annum of Conversus' aggregate unfunded commitments. Of such amount, one-third was payable quarterly in cash, in arrears, and two-thirds was earned in the form of a profits interest in the Investment Partnership. The profits interest is payable quarterly, in arrears, to the extent that there has been appreciation in Conversus' NAV. For the period from 1 January 2011 through 30 June 2011, CAM irrevocably waived its right to 30% of the profits interest. Management fees are shown net of the fees waived.

  In conjunction with the announcement of a permanent harvesting strategy, CAM agreed to reduce its profits interest by 37.5% effective 1 September 2011. With the fee reduction, CAM is entitled to management fees from the Investment Partnership in an aggregate amount of (i) 0.75% per annum of the value of Conversus' non-cash assets and (ii) 0.375% per annum of Conversus' aggregate unfunded commitments. Of such amount, approximately 44% is payable quarterly in cash, in arrears, and approximately 56% is earned in the form of profits interest in the Investment Partnership.
- Fund fees and expenses represent charges by the general partners of the funds in which Conversus is invested and are expensed in the period to which they relate. These fees and expenses do not include performance fees or carried interest earned by the general partners. Fund fees and expenses are highly dependent on the billing cycles of the underlying general partners of the investments and fluctuate on a quarterly basis.
- Professional service fees represent accounting, audit, tax compliance, legal and related costs.
- Personnel expense includes compensation and benefits for Conversus' employees.
- Administrative fees to CAM represent amounts payable to CAM under a services agreement. The fees are based on an annual amount of $2.4 million plus 0.10% on assets under management from $1.7 billion to $3.5 billion plus 0.05% on assets under management above $3.5 billion.
- Public company costs consist of insurance, third party valuation fees, Board of Director compensation, investor relations and regulatory expenses.
- Credit facility commitment fees and interest include a commitment fee of 0.75% on undrawn amounts and interest expense incurred on amounts borrowed under the credit facility. Interest expense reflected an average principal balance outstanding of $1.0 million during the year and an average interest rate of 3.26%.
- Taxes represent all liabilities due for U.S. federal, state and withholding taxes on U.S. source dividends and interest.
- Other general and administrative expenses include travel and miscellaneous expenses.

BUSINESS OVERVIEW

Conversus is designed to provide unit holders with immediate exposure to a diversified portfolio of private equity assets managed by best-in-class general partners while maximizing long-term unit holder value by harvesting our existing portfolio and returning capital to unit holders. We are currently invested in a portfolio that includes funds purchased on the secondary market, commitments to new, or primary funds, and direct co-investments in individual companies. We have also deployed capital to repurchase our units and have a quarterly unit holder distribution policy. We believe that the quality, diversity and maturity of our portfolio, our financial flexibility and our commitment to governance and transparency are our competitive strengths.

Given the maturity and quality of our portfolio, along with other factors, we expect our current portfolio to generate substantial amounts of cash flow over its remaining life. We have adopted a harvesting strategy and will seek to maximize long-term unit holder value by returning capital to unit holders through a combination of methods deemed most appropriate under the circumstances, including cash distributions and unit repurchases. We recognize that some unit holders may prefer that all or a portion of their capital be reinvested in private equity. Depending on the level of unit holder interest in such an option, as well as commercial and legal feasibility, we may seek to develop a structure in the future that offers a choice for those unit holders who prefer reinvestment.

Since our portfolio is mature and cash flowing, we currently expect to meet capital calls on unfunded commitments with the cash flows from existing assets and through borrowings under our credit facility (see Note 6 to the combined financial statements).

CAM implements our investment policies and procedures and carries out the day-to-day management and operations of our business pursuant to a services agreement. CAM is owned by BAC, OHIM, members of CAM's management, the California Public Employees Retirement System ("CalPERS") and affiliates of Harvard Management Company, Inc. (an investment vehicle for the Harvard University Endowment). We believe the depth and breadth of the commercial activities of BAC and OHIM provide valuable perspectives into general market and industry trends, which enhance the ability of CAM to manage our investments.

Our portfolio is managed by an investment team comprised of employees of CAM and OHIM. The senior members of this group average over 17 years of experience in private equity and alternative asset management. CAM's Investment Committee includes senior investment professionals from CAM, BAC and OHIM.

INVESTMENT RESULTS

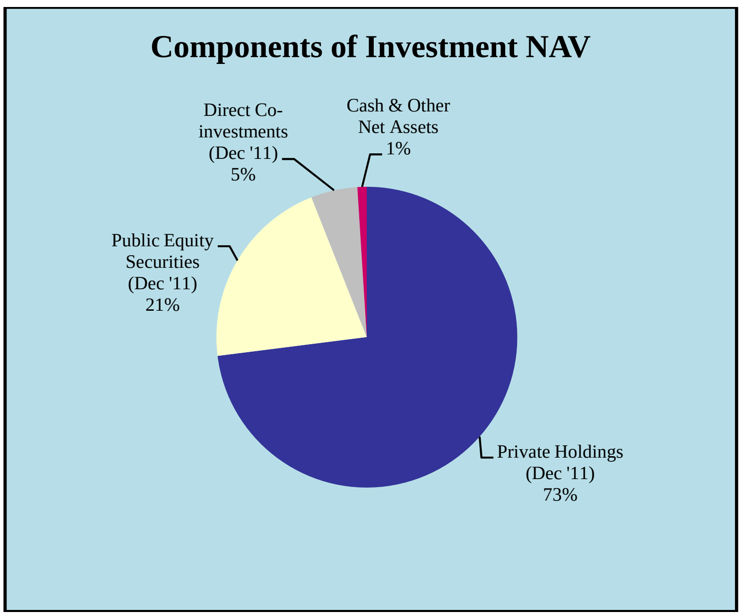
As of 31 December 2011, we had a NAV of $1,736.7 million, or $26.88 per unit. By comparison, our NAV as of 31 December 2010 was $1,949.1 million, or $27.71 per unit.

During the year ended 31 December 2011, our portfolio experienced net unrealized gains of $56.6 million on public equity securities and net unrealized gains on private holdings of $62.1 million before taking into account $112.9 million in reversals of unrealized gains which were realized during the year or that related to companies which became public. The change also included a net unrealized gain of $6.7 million on a derivative instrument and $3.5 million in unrealized foreign currency losses.

For the year ended 31 December 2011, net realized gains and investment income were $140.9 million. Gross realized gains were $212.9 million, gross realized losses were $63.2 million, general partner write-offs totaled $19.5 million, investment income was $21.3 million and there was a realized loss on a derivative of $10.6 million.

As of 31 December 2011, 73% of investment NAV was comprised of private holdings valued based on general partner and Conversus' estimates as of 31 December, while 5% was comprised of direct co-investments valued based on Conversus' estimates as of 31 December. A further 21% of investment NAV was comprised of public equity securities marked to market as of 31 December. The remaining 1% of investment NAV represented cash and other net assets held by the funds in which Conversus is invested.

The following chart summarizes the composition of our investment NAV as of 31 December 2011.



INVESTMENT STRATEGY

On 1 September 2011, in response to market conditions and the levels at which Conversus' units had traded compared to NAV, we adopted a permanent harvesting strategy. Under the harvesting strategy, we have discontinued all new private equity investments other than funding existing commitments, making follow-on private equity investments to protect, support or enhance existing investments, and engaging in hedging activities related to the portfolio, unless otherwise approved by the Conversus Board. CAM will continue to actively manage the current portfolio of funded investments and unfunded commitments including the consideration of opportunistic sales of assets when appropriate. We will seek to maximize long-term unit holder value by returning capital to unit holders through a combination of methods deemed most appropriate under the circumstances, including cash distributions and unit repurchases.

We expect to maintain a mature, diverse and high quality portfolio of private equity investments. We believe that our current portfolio is consistent with those parameters. To date, we have returned significant capital to unit holders through unit repurchases and unit holder distributions and will continue to do so under the harvesting strategy. We actively manage the portfolio and our balance sheet in accordance with our goal of maximizing long-term value and will consider proactive steps, if necessary, to retain appropriate diversification in our portfolio and to provide liquidity supporting further returns of capital to unit holders.

INVESTMENT PORTFOLIO

The following table displays a summary of our portfolio investments as of 31 December 2011. See pages 31 to 33 of this financial report for a complete listing of our investments.

Portfolio Investments

	# of Holdings	Investment NAV	% of Investment NAV	Unfunded Commitments	Total Exposure	% of Total Exposure
Buyout Funds						
> $7.5 billion	9	$ 324,427	18.8%	$ 113,486	$ 437,913	20.6%
$5 to $7.5 billion	9	188,252	10.9	25,663	213,915	10.1
$3 to $5 billion	20	172,883	10.0	51,580	224,463	10.5
$1 to $3 billion	35	300,947	17.5	79,242	380,189	17.9
$500 million to $1 billion	23	122,021	7.1	31,154	153,175	7.2
< $500 million	37	136,794	7.9	44,604	181,398	8.5
Total Buyout Funds	133	1,245,324	72.2	345,729	1,591,053	74.8
Venture Capital Funds	56	271,799	15.8	50,473	322,272	15.1
Special Situation Funds	14	93,501	5.4	5,922	99,423	4.7
Total Fund Investments	203	1,610,624	93.4	402,124	2,012,748	94.6
Direct Co-investments	6	92,893	5.4	-	92,893	4.4
Public Equity Securities *	13	21,645	1.2	-	21,645	1.0
Total Investments	222	$ 1,725,162	100.0%	$ 402,124	$ 2,127,286	100.0%

* Represents publicly traded equity securities distributions from our fund investments and direct public equity purchases

The following table lists, in alphabetical order, our seventy-five largest private equity fund investments based on investment NAV as of 31 December 2011. The Top 75 funds represented 75% of our investment NAV and 69% of our unfunded commitments as of 31 December 2011.

Top 75 Fund Investments by Investment NAV
($ in millions)

Fund	Investment Type	Vintage Year	Investment NAV**	Unfunded Commitments	Total Exposure
Alta Communications IX, L.P.	Buyout	2003	*	*	*
Altaris Health Partners, L.P.	Buyout	2003	*	*	*
APAX Excelsior VI, LP	Venture Capital	2000	$ 7.3	$ 0.8	$ 8.1
Apollo Investment Fund V, L.P.	Buyout	2001	17.6	3.6	21.3
Apollo Investment Fund VI, L.P.	Buyout	2006	30.5	3.4	33.9
Apollo Overseas Partners VII, L.P.	Buyout	2008	34.3	21.2	55.4
Atlantic Equity Partners III, L.P.	Buyout	1999	6.9	-	6.9
Aurora Equity Partners II, LP	Buyout	1998	6.8	-	6.8
Bain Capital Fund X, L.P.	Buyout	2008	*	*	*
Bay City Capital IV, L.P.	Venture Capital	2005	9.9	1.2	11.1
Blackstone Capital Partners IV, L.P.	Buyout	2003	22.9	1.6	24.4
Blackstone Communications Partners I, L.P.	Buyout	2000	7.8	2.3	10.1
Boston Ventures Limited Partnership VI	Buyout	2000	10.4	1.5	11.9
Brentwood Associates Private Equity III, L.P.	Buyout	1999	12.7	-	12.7
Bruckmann, Rosser, Sherrill & Co. II, LP	Buyout	1999	5.8	0.3	6.1
Calera Capital Partners III, L.P.	Buyout	2002	*	*	*
Capital Z Financial Services Fund II, L.P.	Buyout	1998	*	*	*
Carlyle Partners V, L.P.	Buyout	2007	33.7	18.5	52.2
Catterton Partners IV	Buyout	1999	*	1.5	*
Clayton, Dubilier & Rice Fund VI, L.P.	Buyout	1999	12.3	6.2	18.5
Clayton, Dubilier & Rice Fund VII Coinvest, L.P.	Buyout	2007	15.2	3.2	18.4
Clayton, Dubilier & Rice Fund VII, L.P.	Buyout	2005	53.6	4.4	58.0
Clayton, Dubilier & Rice Fund VIII, L.P.	Buyout	2009	6.0	4.2	10.2
Crestview Capital Partners	Buyout	2005	20.0	0.9	20.9
Crestview Partners II (Cayman), L.P.	Buyout	2009	14.9	7.5	22.4
CVC European Equity Partners III LP	Buyout	2001	*	*	*
CVC European Equity Partners V, L.P.	Buyout	2008	*	*	*
Diamond Castle Partners IV, L.P.	Buyout	2005	30.4	4.2	34.6
Essex Woodlands Health Ventures Fund V, LP	Venture Capital	2000	10.3	-	10.3
Fenway Partners Capital Fund II, LP	Buyout	1998	14.3	0.8	15.1
FFC Partners II, L.P.	Buyout	2000	10.7	0.4	11.1
Financial Technology Ventures II (Q), L.P.	Venture Capital	2001	24.5	-	24.5
Foundation Capital IV, L.P.	Venture Capital	2002	*	*	*
Friedman, Fleischer & Lowe Capital Partners, L.P.	Buyout	1999	24.3	2.1	26.4
FT Ventures III, L.P.	Venture Capital	2007	10.9	3.7	14.6
Green Equity Investors IV, L.P.	Buyout	2003	24.4	0.6	25.0
Green Equity Investors V, LP	Buyout	2006	31.8	10.4	42.2
Highland Restoration Capital Partners Offshore, L.P.	Special Situation	2008	*	*	*
JPMorgan Global Investors, L.P.	Buyout	2001	*	*	*
KKR 2006 Fund, L.P.	Buyout	2006	86.7	2.5	89.2

Top 75 Fund Investments by Investment NAV (continued)
($ in millions)

Fund	Investment Type	Vintage Year	Investment NAV**	Unfunded Commitments	Total Exposure
KKR Millennium Fund, L.P.	Buyout	2002	55.8	-	55.8
Lightspeed Venture Partners VIII, L.P.	Venture Capital	2008	*	*	*
Lone Star Fund VI (U.S.), L.P.	Special Situation	2008	11.8	3.0	14.8
M/C Venture Partners V, L.P.	Venture Capital	2000	6.8	0.2	7.0
Metalmark Capital Partners, L.P.	Buyout	2006	*	11.8	*
Morgenthaler Partners VII, LP	Venture Capital	2001	5.7	-	5.7
MPM BioVentures III, L.P.	Venture Capital	2002	5.7	-	5.7
Nautic Partners V, L.P.	Buyout	2000	19.7	1.6	21.2
Nautic VI-A, LP	Buyout	2007	11.8	3.3	15.1
New Enterprise Associates 13, L.P.	Venture Capital	2009	6.5	4.0	10.5
New Mountain Partners III, L.P.	Buyout	2007	15.3	-	24.9
OCM Opportunities Fund VI, L.P.	Special Situation	2005	12.9	-	12.9
OCM Opportunities Fund VII, L.P.	Special Situation	2007	7.1	-	7.1
OCM Opportunities Fund VIIb, L.P.	Special Situation	2008	15.5	-	15.5
OCM Principal Opportunities Fund III, L.P.	Special Situation	2004	14.0	-	14.0
PAI Europe V	Buyout	2008	5.7	3.0	8.7
Polaris Venture Partners III, L.P.	Venture Capital	2000	13.6	0.4	14.0
Riverside Capital Appreciation Fund V, L.P.	Buyout	2008	10.1	5.6	15.8
RRE Ventures III-A, LP	Venture Capital	2001	*	*	*
TCV VII(A), L.P.	Venture Capital	2008	19.6	7.4	27.0
Thomas H. Lee Equity Fund V, L.P.	Buyout	2001	21.6	0.5	22.2
Thomas H. Lee Equity Fund VI, L.P.	Buyout	2006	76.4	31.2	107.6
TL Ventures V, L.P.	Venture Capital	2000	*	*	*
TowerBrook Investors III, L.P.	Buyout	2008	*	*	*
TPG Asia V, L.P.	Buyout	2007	*	*	*
TPG Credit Strategies Fund, L.P.	Special Situation	2006	*	*	*
TPG Partners VI, L.P.	Buyout	2008	*	*	*
Trident III, L.P.	Buyout	2004	27.6	0.3	27.9
Trident IV, LP.	Buyout	2007	24.8	4.6	29.4
Trivest Fund III, LP	Buyout	2000	6.3	4.7	11.1
U.S. Equity Partners II (Offshore), L.P.	Buyout	2002	6.3	8.6	14.9
Vestar Capital Partners IV, L.P.	Buyout	2000	7.8	0.3	8.1
Warburg Pincus Private Equity VIII, L.P.	Buyout	2001	25.5	-	25.5
Warburg, Pincus International Partners, L.P.	Buyout	2000	17.1	-	17.1
Welsh, Carson, Anderson & Stowe IX, L.P.	Buyout	2000	11.7	0.8	12.5
Total for Top 75 Fund Investments			$ 1,289.2	$ 276.0	$ 1,565.1
Total Investment Portfolio			$ 1,725.2	$ 402.1	$ 2,127.3
% of Total Reflected in Top 75 Funds			75%	69%	74%

* The general partner of the fund has requested that fund level NAV and/or unfunded commitments not be disclosed

** Investment NAV is calculated based on Conversus' valuation methodology (see Note 3 to the combined financial statements) for each fund and has not been prepared or approved by the relevant fund or its general partner; investment NAV does not include direct co-investments sponsored by the general partner

The following table lists our ten largest fund families based on investment NAV as of 31 December 2011. The Top 10 fund families represented 43% of our investment NAV and 41% of our unfunded commitments as of 31 December 2011.

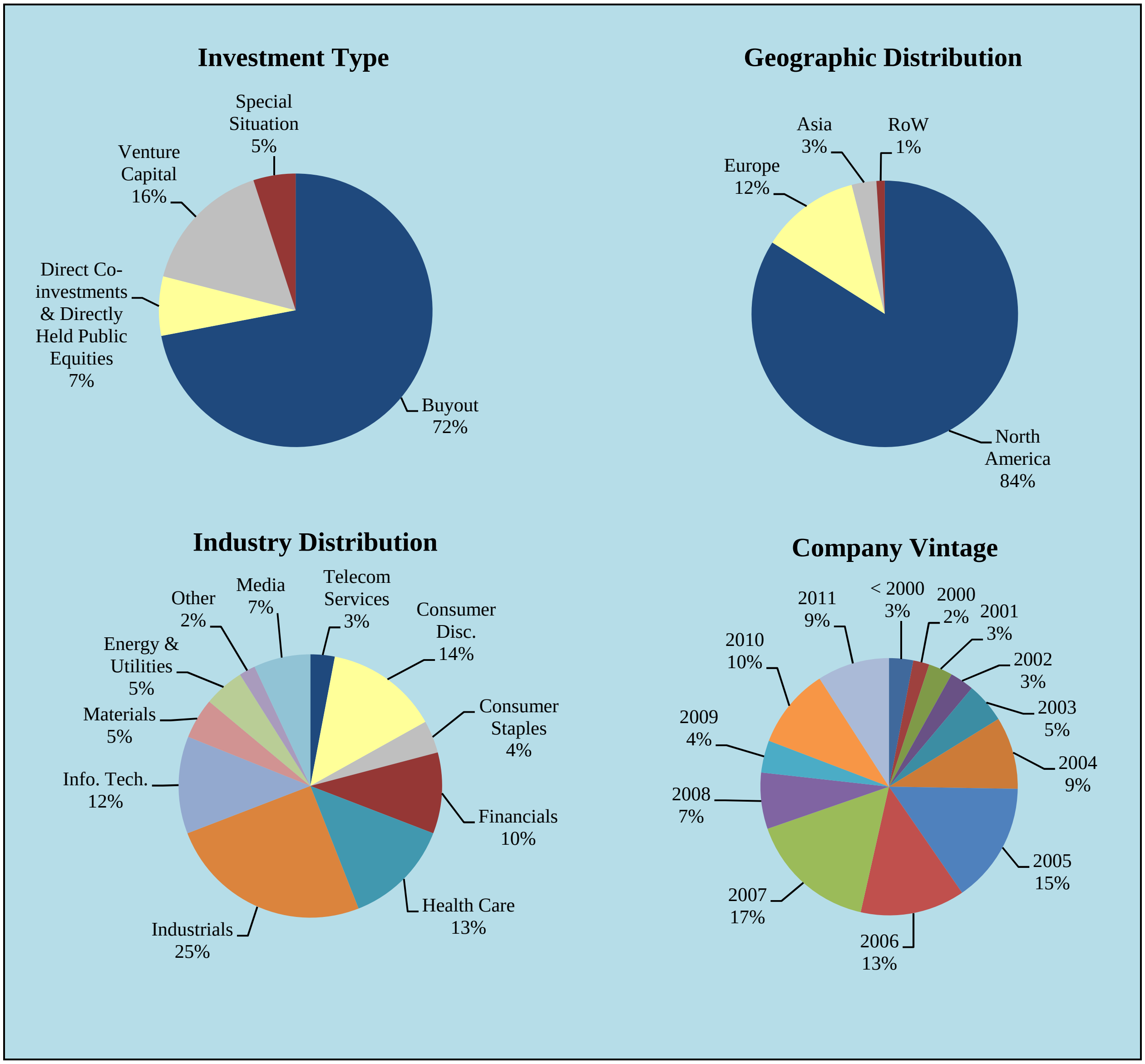
Top 10 Fund Families by Investment NAV
($ in millions)

Fund Family	Investment NAV*	Unfunded Commitments	Total Exposure
KKR	$ 144.5	$ 2.5	$ 147.0
Thomas H. Lee	98.0	31.7	129.7
Apollo	91.2	36.7	127.9
Clayton, Dubilier and Rice	87.0	18.0	105.0
TPG	64.1	30.6	94.7
Leonard Green	59.5	14.2	73.7
Stone Point Capital (Trident Funds)	57.0	9.1	66.1
Oaktree (OCM Funds)	52.6	-	52.6
Warburg Pincus	44.3	-	44.3
Carlyle	41.3	23.7	65.0
Total for Top 10 Fund Families	$ 739.5	$ 166.5	$ 906.0
Total Investment Portfolio	$ 1,725.2	$ 402.1	$ 2,127.3
% of Total Reflected in Top 10 Fund Families	43%	41%	43%

* Investment NAV is calculated based on Conversus' valuation methodology (see Note 3 to the combined financial statements) for each fund and has not been prepared or approved by the relevant fund or its general partner; investment NAV does not include direct co-investments sponsored by the general partner

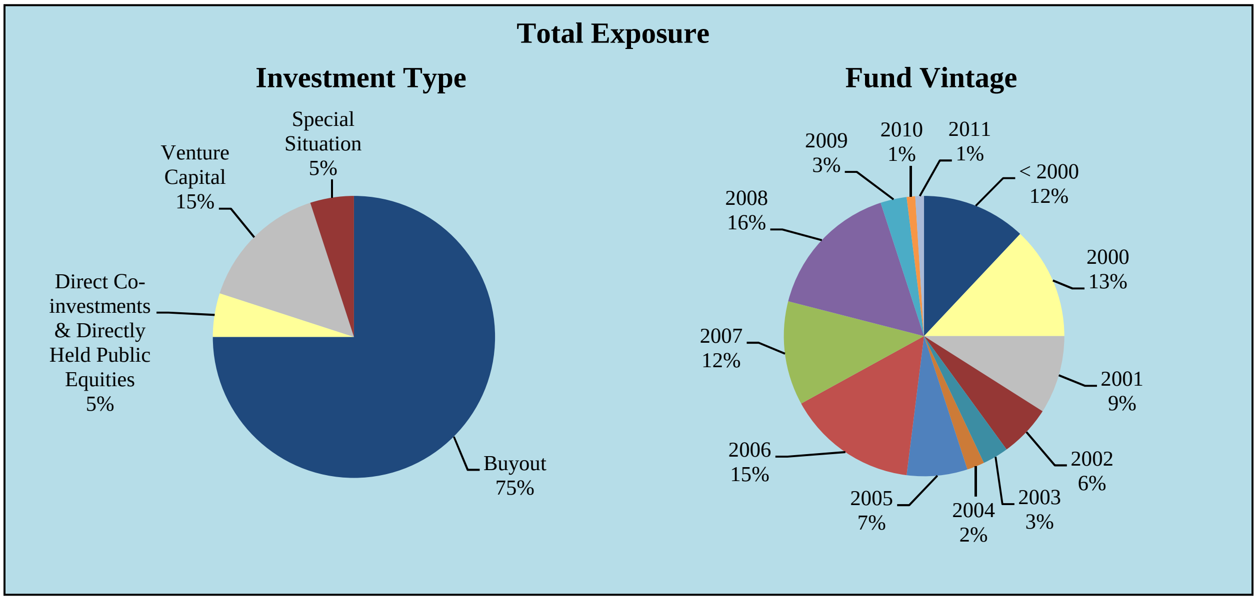
PORTFOLIO DIVERSIFICATION – INVESTMENT NAV

The following charts display our investment NAV at the fund level by investment type and at the underlying portfolio company level by geographic distribution, industry distribution and company vintage as of 31 December 2011.



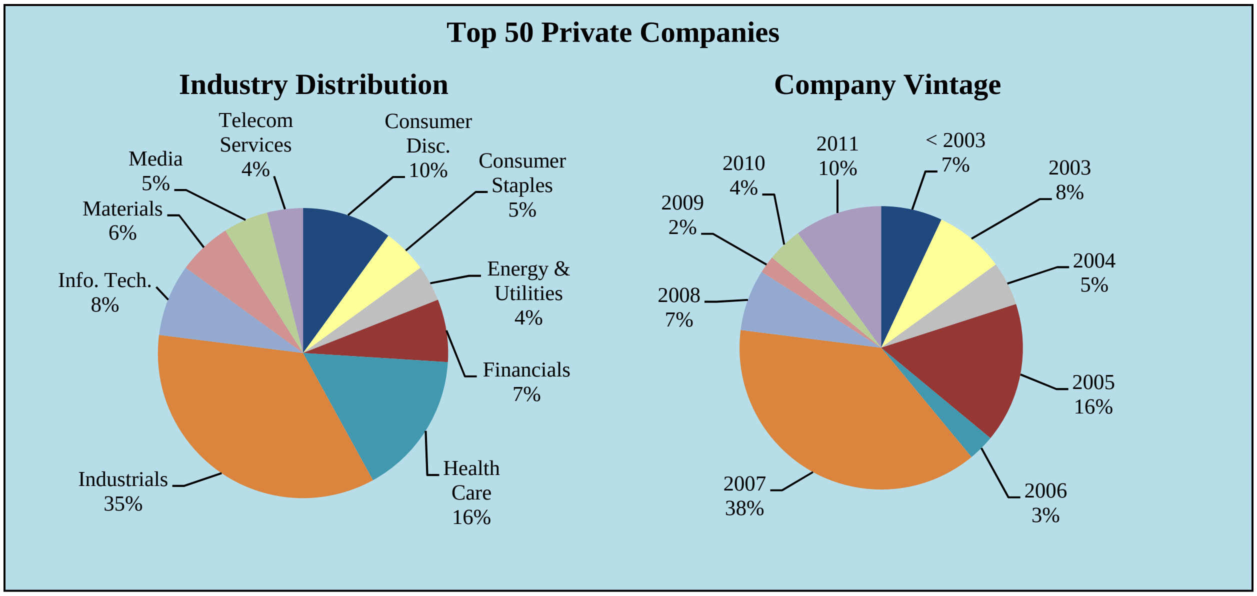
PORTFOLIO DIVERSIFICATION – TOTAL EXPOSURE

The following charts display our fund investments based on total exposure (investment NAV plus unfunded commitments) at the fund level by investment type and fund vintage as of 31 December 2011.



PORTFOLIO DIVERSIFICATION – TOP 50 PRIVATE COMPANIES

The following charts display our fifty largest private company investments based on investment NAV by industry distribution and company vintage as of 31 December 2011. The Top 50 private company investments represented 27% of our investment NAV as of 31 December 2011.



PORTFOLIO DIVERSIFICATION – INVESTMENTS

The following table summarizes portfolio statistics calculated based on Conversus' 118 fund families as of 31 December 2011.

Investment NAV per Fund Family ($ in millions)	< $20	$20 - $50	> $50
# of Fund Families	98	12	8

Top 10 Fund Families → **43% of Investment NAV**

Top 20 Fund Families → **60% of Investment NAV**

The following table summarizes portfolio statistics calculated based on Conversus' 203 fund investments as of 31 December 2011.

Investment NAV per Fund ($ in millions)	< $10	$10 - $50	> $50
# of Funds	153	46	4

Top 10 Funds → **27% of Investment NAV**

Top 50 Funds → **64% of Investment NAV**

The following table summarizes portfolio statistics calculated at the portfolio company level for Conversus' 1,879 portfolio companies as of 31 December 2011.

Investment NAV per Portfolio Company ($ in millions)	< $5	$5 - $20	> $20
# of Portfolio Companies	1,820	54	5

Top 10 Companies → **13% of Investment NAV**

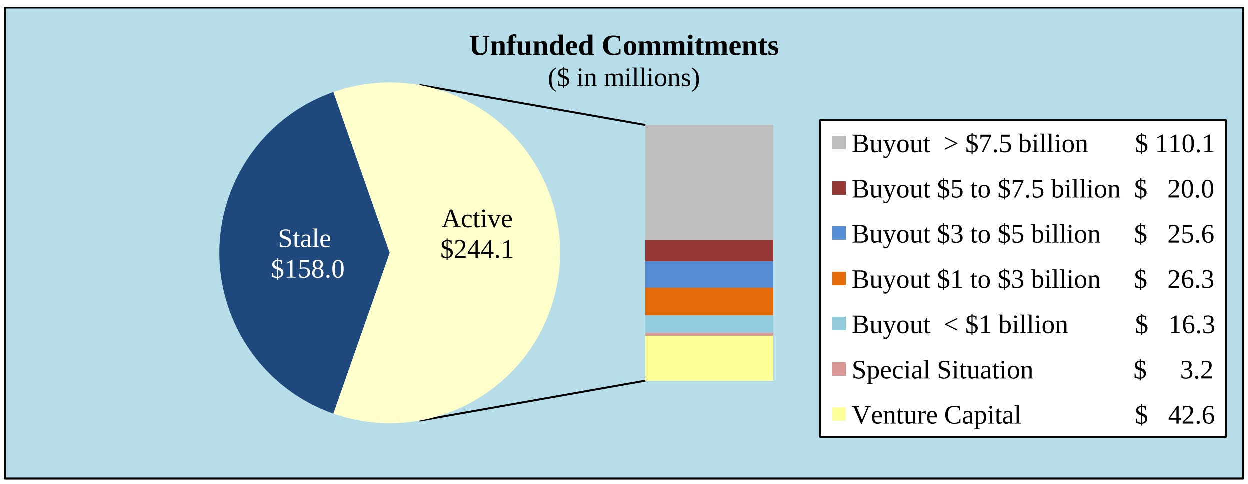
Top 50 Companies → **33% of Investment NAV**

UNFUNDED COMMITMENTS

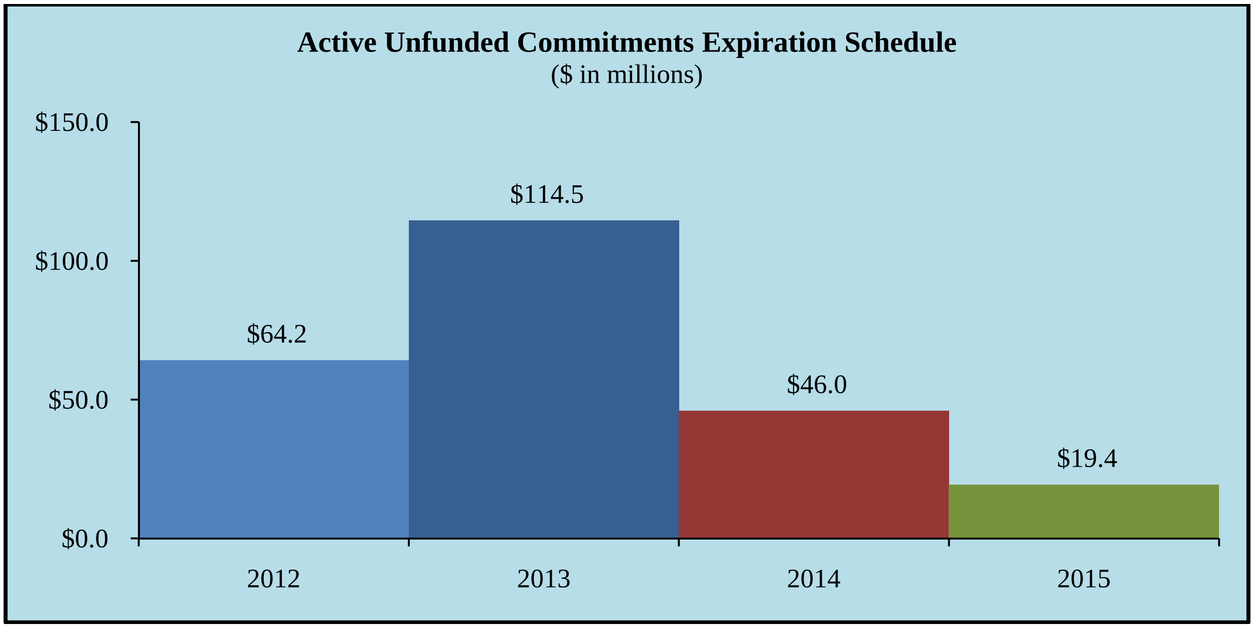
Total unfunded commitments were $402.1 million as of 31 December 2011. The following table displays a summary of our unfunded commitment activity for the year ended 31 December 2011.

Unfunded Commitment Activity		
Unfunded Commitments as of 1 Jan 2011	$	572,363
Net Commitments Funded		(161,632)
Refunds		10,288
Other Adjustments		(18,895)
Unfunded Commitments as of 31 Dec 2011	$	402,124

Of the $402.1 million of total unfunded commitments as of 31 December 2011, $244.1 million represented active unfunded commitments, or commitments to funds that are still operating within the active investment periods defined by their limited partnership agreements, and $158.0 million represented stale unfunded commitments, or commitments to funds operating beyond the defined investment period. In general, after an investment period ends, unless otherwise extended, unfunded commitments can only be called for investments in process, follow-on investments in existing portfolio companies or management fees and expenses. The following chart displays a summary of active and stale unfunded commitments as of 31 December 2011.



Active unfunded commitments of $244.1 million currently have investment periods lasting into 2015. Funds have the ability to request amendments to their limited partnership agreements to extend the investment period or to allow new investments beyond the previously agreed investment period. The following chart displays the year in which the investment period for active unfunded commitments ends, prior to any amendments, as of 31 December 2011.



PUBLIC EQUITY SECURITIES

The table below lists our twenty largest public equity securities held either directly by Conversus or indirectly through one or more of our private equity fund investments, as of 31 December 2011, based on investment NAV. The Top 20 public equity securities totaled $212.9 million or 57.8% of our total public equity securities portfolio of $368.5 million as of 31 December 2011.

In total, public equity securities held either directly or indirectly represented 21.4% of investment NAV as of 31 December 2011, while the Top 20 positions listed below comprised 12.3% of investment NAV as of 31 December 2011.

Top 20 Public Equity Securities

		Investment NAV	% of Total Publics
1	Nielsen	$ 26,355	7.2%
2	Kosmos Energy	17,965	4.9
3	Charter Communications	16,939	4.6
4	Sally Beauty	16,476	4.5
5	Dollar General	15,505	4.1
6	HCA	13,932	3.8
7	Rexel	12,395	3.4
8	LyondellBasell	9,408	2.6
9	RSC	9,228	2.5
10	TDC	8,794	2.4
11	PartnerRe	8,621	2.3
12	Alterra Capital	7,954	2.2
13	MoneyGram International	7,865	2.1
14	Whole Foods Market	6,602	1.8
15	Hertz	6,230	1.7
16	MEG Energy	6,125	1.7
17	KKR & Co	5,986	1.6
18	Warner Chilcott	5,910	1.6
19	Booz Allen Hamilton	5,626	1.5
20	Dunkin' Brands	4,986	1.3
	Total for Top 20 Public Equity Securities	$ 212,902	57.8%
	Total Public Equity Securities	$ 368,518	
	Total Public Equity Securities as a % of Investment NAV	21.4%	

The table below lists portfolio companies in order of investment NAV that completed IPOs during the year ended 31 December 2011. The companies had a combined investment NAV of $89.2 million as of 31 December 2011 and generated $8.5 million in distributions during 2011.

	2011 Portfolio Company IPOs			
		IPO Date	**Investment NAV**	**2011 Distributions**
1	Nielsen	Jan 11	$ 26,355	-
2	Kosmos Energy	May 11	17,965	-
3	HCA	Mar 11	13,932	$ 2,946
4	Dunkin' Brands	Jul 11	4,986	1,846
5	HomeAway	Jun 11	4,978	274
6	Spirit Airlines	May 11	2,919	-
7	Qualicorp	Jun 11	2,602	1,247
8	Groupon	Nov 11	2,512	-
9	Fusion-io	Jun 11	2,173	-
10	Vanguard Health Systems	Jun 11	1,675	1,612
11	Mattress Firm	Nov 11	1,366	-
12	Responsys	Apr 11	1,352	-
13	New Mountain Finance	May 11	1,263	-
14	Air Lease	Apr 11	1,131	-
15	Imperva	Nov 11	894	-
16	Interxion	Jan 11	507	104
17	Delphi Automotive	Nov 11	493	-
18	BankUnited	Jan 11	492	295
19	Epocrates	Feb 11	294	223
20	RPX	May 11	271	-
21	Boingo Wireless	May 11	227	-
22	Freescale Semiconductor	May 11	188	-
23	Fluidigm	Feb 11	174	-
24	Intermolecular	Nov 11	149	-
25	Clovis Oncology	Nov 11	147	-
26	China Tianrui Group Cement	Dec 11	124	-
27	Ellie Mae	Apr 11	8	-
28	BCD Semiconductor	Jan 11	4	-
	Total 2011 Portfolio Company IPOs		$ 89,181	$ 8,547

CASH FLOW ACTIVITY

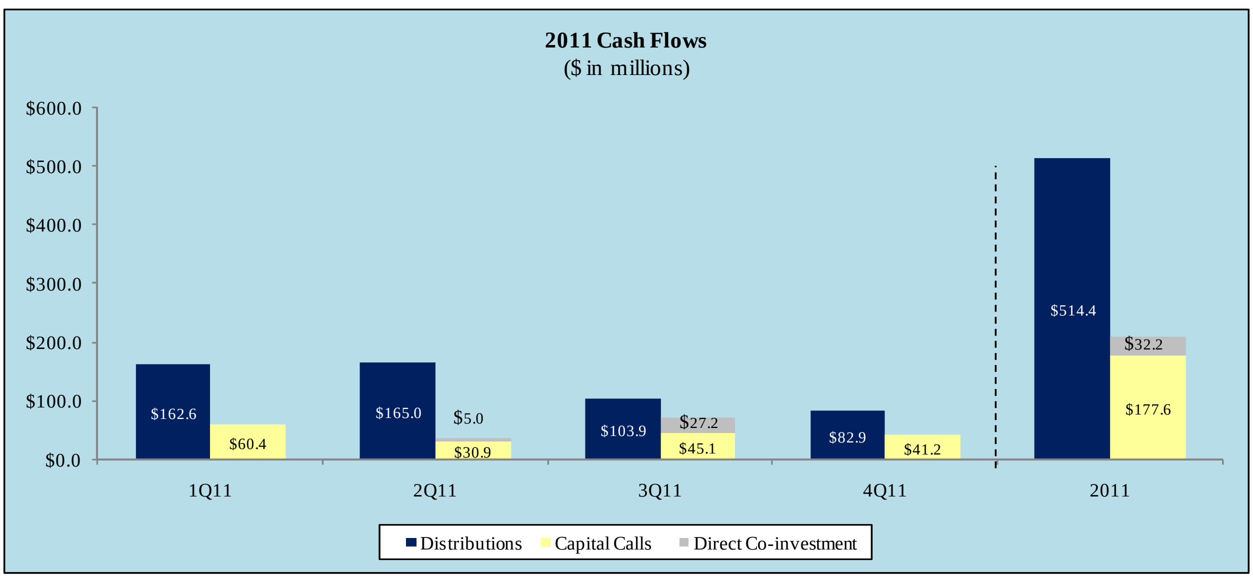
The maturity and quality of Conversus' diversified portfolio were demonstrated by our cash flows during 2011. Our portfolio generated $304.6 million of net positive portfolio cash flow with distributions of $514.4 million, capital calls of $177.6 million and $32.2 million funded in direct co-investments.

For the year ended 31 December 2011, capital calls of $177.6 million, which represented 31.0% of the beginning of the year unfunded commitments, consisted of $161.6 million of calls for portfolio company investments and $16.0 million for fund fees and expenses.

Capital calls during the year ended 31 December 2011 included $142.4 million for buyout funds, $31.6 million for venture funds and $3.6 million for special situation funds. Capital calls came largely from more recent vintage year funds, with 82.5% of the calls coming from fund vintage years 2008 (38.4%), 2006 (24.2%) and 2007 (19.9%).

For the year ended 31 December 2011, Conversus received distributions of $514.4 million, representing 27.3%, of beginning of the period investment NAV. During the year ended 31 December 2011, buyout funds comprised 69.5% of distributions, special situation funds comprised 12.7% and venture funds comprised 12.0%, with the remaining 5.8% coming from sales of directly held public equities.

The industry sectors with the highest levels of distributions during the year ended December 2011 included Industrials (17.6%), Consumer Discretionary (14.5%), Health Care (10.0%), Information Technology (9.5%) and Materials (8.0%). The underlying portfolio company vintage years which accounted for the largest levels of distributions were 2005 (12.5%), 2000 (11.6%), 2006 (11.4%), 2008 (9.1%) and 2007 (8.9%).

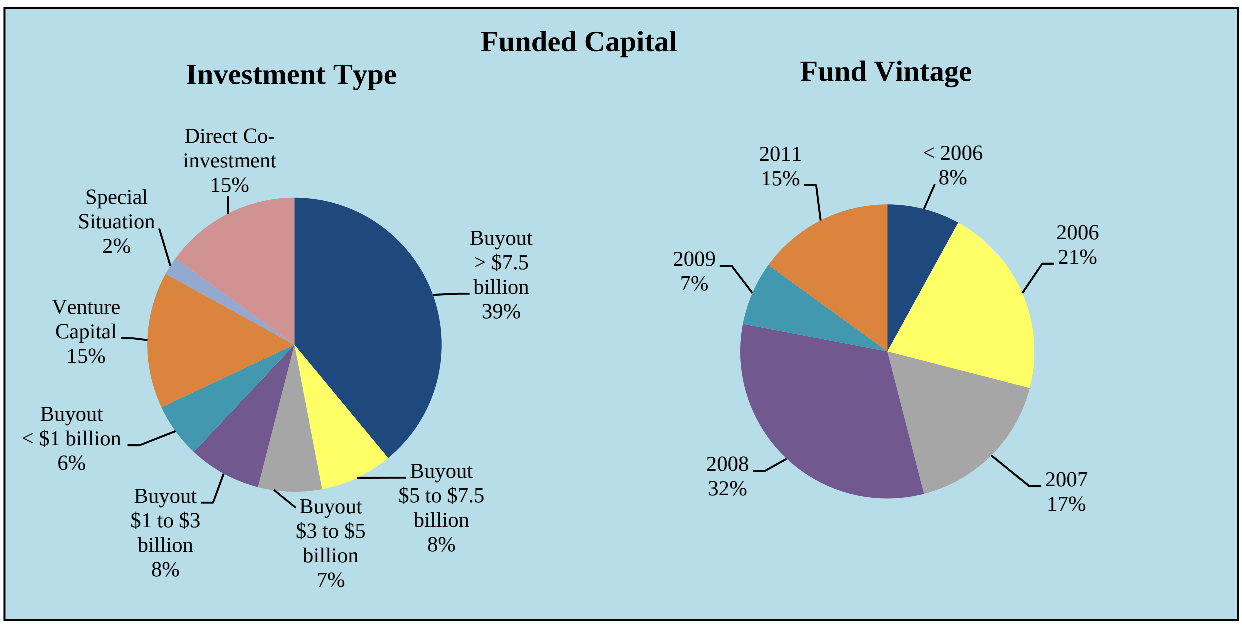


The following table displays investment activity for the year ended 31 December 2011.

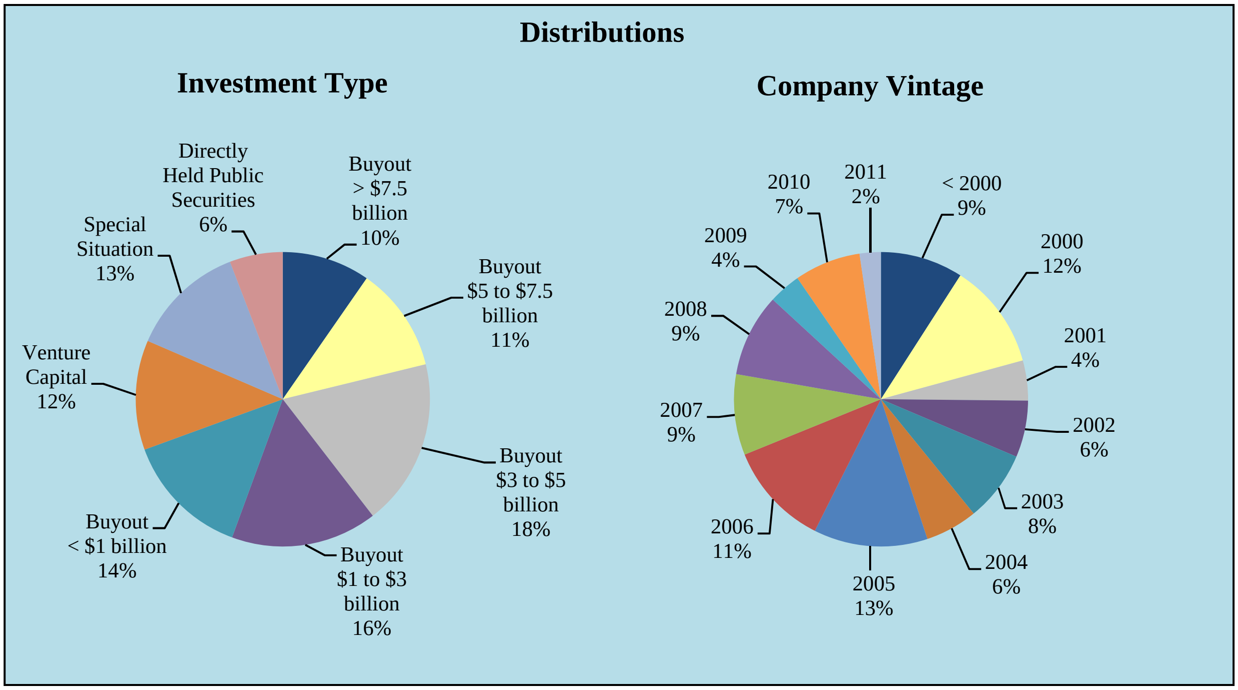
Investment Activity		
Funded Capital		
Investments	$	161,632
Fund Fees and Expenses		15,958
Direct Co-investments		32,172
Total Funded Capital	$	209,762
Distributions		
Return of Capital	$	361,498
Net Realized Gains*		121,349
Investment Income		21,284
Refunded Capital		10,288
Total Distributions	$	514,419
Realized Losses due to Non-cash Write-offs by General Partners	$	19,493

* Amount excludes realized gains on stock distributions of $8,862 and a realized loss on a derivative of $10,620

The following charts display funded capital of $209.8 million during the year ended 31 December 2011 by investment type and fund vintage.



The following charts display distributions of $514.4 million received during the year ended 31 December 2011 by investment type and company vintage.

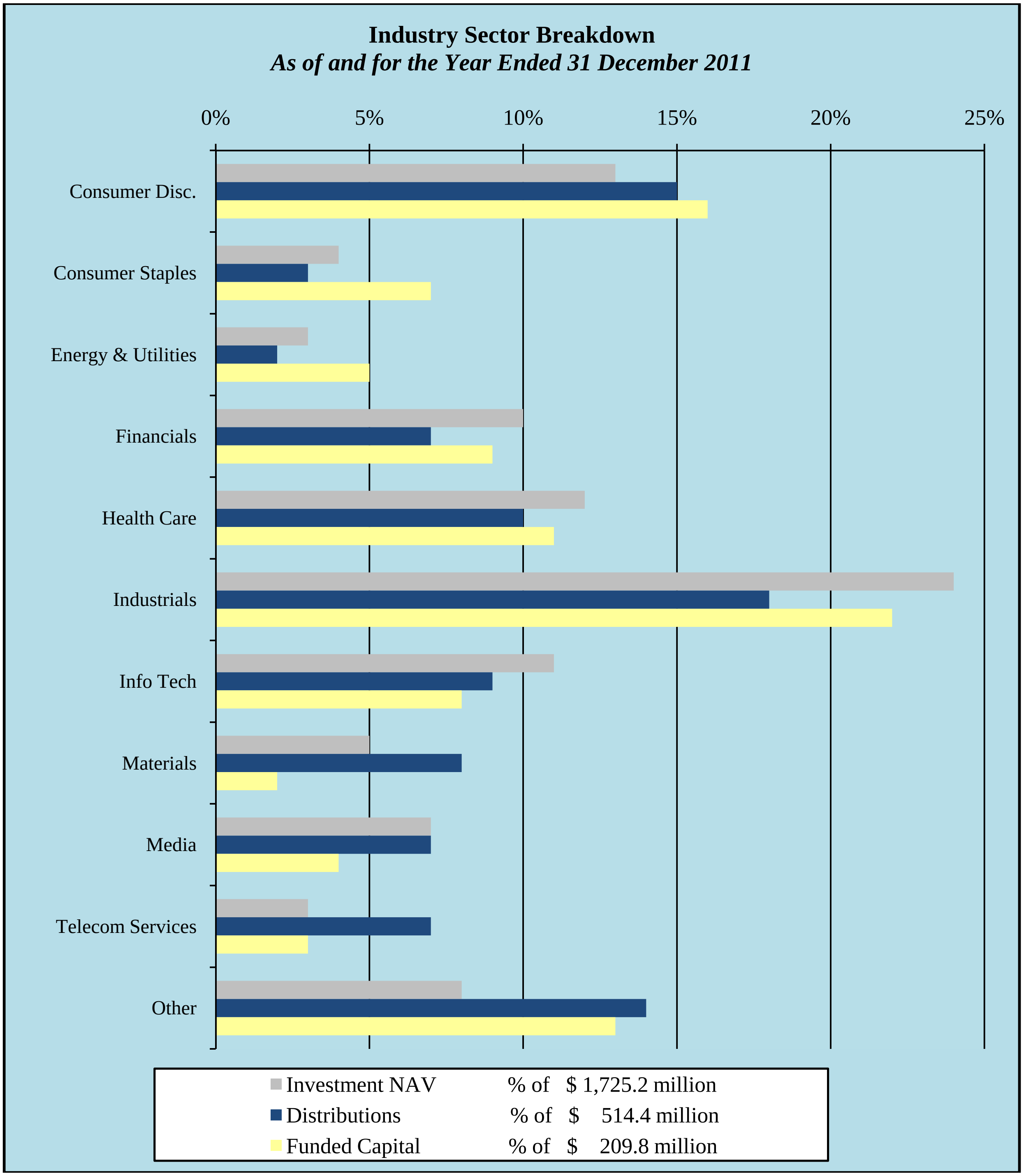


The table below lists our fifty largest distributions, excluding debt related distributions, for the year ended 31 December 2011. The Top 50 distributions totaled $257.4 million or 50.0% of total distributions of $514.4 million for 2011.

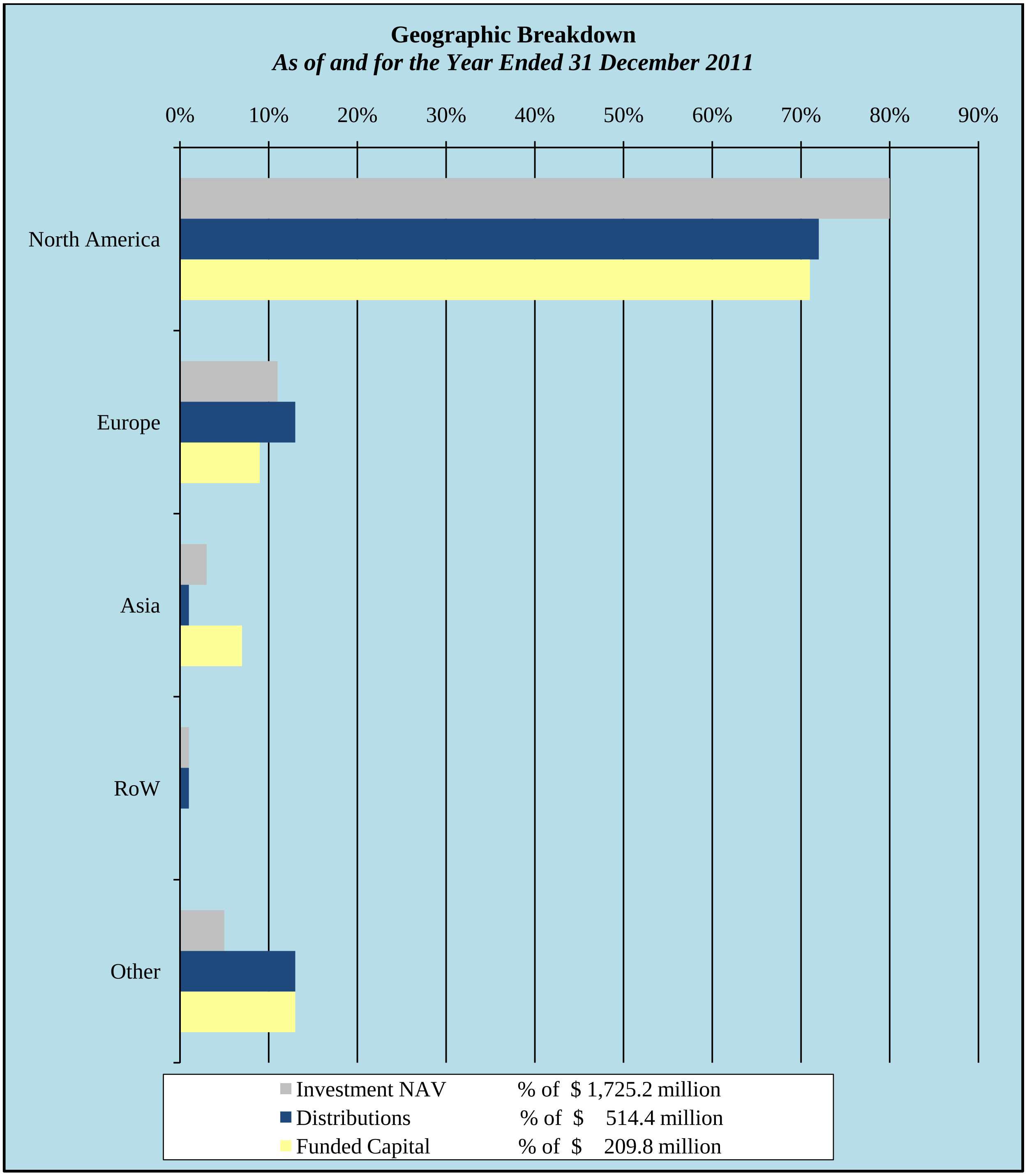
2011 Top 50 Distributions
($ in millions)

	Distribution Amount	% of Total Distributions
Hughes Communications	$ 13.8	2.7%
Rockwood Holdings	13.1	2.5
Graham Packaging	12.8	2.5
MetroPCS	12.2	2.4
Legrand	10.1	2.0
Kabel Deutschland	9.0	1.7
Republic Services	8.1	1.6
NetFlix	7.9	1.5
Warner Music Group	6.9	1.3
SAVVIS	6.7	1.3
Nusil Technology	6.7	1.3
Universal Studios	6.7	1.3
Amadeus	5.8	1.1
QTC Management	5.4	1.1
Aprimo	5.2	1.0
HCR ManorCare	5.1	1.0
PolyPore	4.8	0.9
Triumph Group	4.8	0.9
Clear Channel Communications	4.5	0.9
H & E Equipment Services	4.4	0.9
East Resources	4.4	0.9
Tartan Textile Services	4.4	0.8
Dollar General	4.3	0.8
Avago Technologies	4.2	0.8
Sally Beauty	4.2	0.8
DBSD North America	4.1	0.8
United Components	4.1	0.8
KAZ	4.1	0.8
Tegrant	4.0	0.8
IL Fornaio	4.0	0.8
Eurand Pharmaceutical	4.0	0.8
Mortgagebot	3.9	0.8
Spie	3.9	0.8
MACTEC	3.9	0.8
Fox Pan American Sports	3.5	0.7
Connections Education	3.4	0.7
CareMore	3.4	0.7
ETF Securities	3.4	0.7
Caremark Ulysses	3.3	0.6
Headstrong	3.1	0.6
Warner Chilcott	3.0	0.6
HCA	2.9	0.6
Superfos Industries	2.9	0.6
Ardian	2.8	0.6
ITA Software	2.6	0.5
Hertz	2.5	0.5
Ancestry.com	2.4	0.5
Fortinet	2.3	0.4
Validus	2.2	0.4
Sirius XM Radio	2.1	0.4
Total for Top 50 Distributions	$ 257.4	50.0%
Debt Related Distributions	$ 54.9	10.7%
Total 2011 Distributions	$ 514.4	

The following chart displays, by industry sector, the relative percentage of investment NAV as of 31 December 2011 and the relative percentages of distributions and funded capital for the year ended 31 December 2011. Portions of the investment NAV, funded capital and distributions are categorized as "Other." This category includes: (i) other industries such as real estate, (ii) unallocated cash flow activity for which we have not received adequate information from the general partners to allow for industry sector categorization, (iii) activity in special situation and buyout funds related to debt investments and (iv) cash flow related to fund fees and expenses.



The following chart displays, by geographic region, the relative percentage of investment NAV as of 31 December 2011 and the relative percentages of distributions and funded capital for the year ended 31 December 2011. Portions of the investment NAV, funded capital and distributions are categorized as "Other." This category includes: (i) unallocated cash flow activity for which we have not received adequate information from the general partners to allow for geographic categorization, (ii) activity in special situation and buyout funds related to debt investments and (iii) cash flow related to fund fees and expenses.



MARKET COMMENTARY AND OUTLOOK

For equity markets, significant volatility and meager market returns defined 2011. Unease regarding the European debt crisis and the lack of political support for meaningful U.S. deficit reduction was partially offset by general improvement in corporate performance and balance sheets during the year. The S&P 500 finished 2011 essentially unchanged for the year despite gaining 11% in the fourth quarter. Global markets generally underperformed the U.S markets, with the MSCI World and FTSE All Share indices posting losses of 8% and 7%, respectively, for 2011.

Following a strong finish in 2010, M&A activity maintained its momentum through the first half of 2011, setting a pace to exceed full year 2010 levels. However, the second half of 2011 experienced a dramatic widening of leveraged loan spreads along with an increased volatility in equity markets. These developments complicated deal pricing and reduced the pace of M&A transaction volumes. In total, 2011 M&A dollar volume virtually met 2010 levels. In a flat overall year for M&A, the dollar volume of private-equity backed deals rose more than 25% for the year, driven by broad strength in the second quarter and a fourth quarter dominated by a single large transaction.

Despite volatile markets, 2011 saw more than $300 billion in private equity exits, a record year according to Preqin. Conversus' portfolio generated $514 million of distributions during the year, or 27% of the beginning of the year investment NAV. Sales of public equities were a significant driver of Conversus' 2011 distributions, generating 38% of the total, while trade sales contributed 29%.

In dollar terms, U.S. private equity-backed IPO volume increased 19% in 2011 when compared to 2010. The increase occurred despite a 35% reduction in the number of private equity-backed IPOs. Dollar volume was driven by three very large first quarter IPOs comprising nearly half of the total for the year. Conversus' portfolio produced twenty-eight IPOs in 2011 (twenty in the first half of the year). The new public companies had an investment NAV of $89 million at the end of 2011 and generated $9 million in distributions during the year. Conversus' deep IPO pipeline included thirty-three portfolio companies representing $99 million of investment NAV as of 31 December 2011 that had filed for IPOs, which may or may not be completed.

Financial institutions facing regulatory pressures and pension plans seeking to rebalance portfolios continued to impact the secondary market in 2011. Secondary volume reached another record level at $25 billion during 2011. On the fundraising front, private equity firms began 2011 seeking to raise $602 billion of new fund commitments globally but closed on only $263 billion, a total slightly below 2010 levels.

In many ways, the beginning of 2012 feels like the beginning of 2011. Numerous market indicators support optimism for the private equity market. Global public equity markets have posted strong returns for the first few months of the year, expected volatility measured through the VIX is low relative to the recent past, credit remains available (for larger, dollar-denominated transactions), corporate earnings are generally improving and strategic acquirers hold record cash balances. However, the concerns that generated capital market volatility during 2011 remain largely unresolved. Despite this macroeconomic overlay, we believe Conversus is well positioned for 2012. If capital markets maintain a positive tone, our mature, high-quality portfolio should benefit from a healthy exit environment. Nonetheless, if 2012 is defined by further uncertainty, we believe the strength of our balance sheet will allow Conversus to successfully weather another volatile year.

LIQUIDITY AND CAPITAL RESOURCES

We employ an over-commitment strategy and may utilize leverage under our credit facility, and we are subject to the associated risks as explained in this report and in the combined financial statements.

The investments in our portfolio generate cash from time to time. This cash is in the form of distributions and dividends on investments, payments of interest and principal on fixed income investments and cash consideration received in connection with the realization of investments. We use our cash primarily to meet capital calls, to return capital to unit holders through cash distributions or unit repurchases, to pay operating expenses and to repay outstanding debt.

Current and future liquidity depend primarily on cash distributions generated by the private equity fund investments, direct private equity co-investments and temporary investments that we make, capital contributions that we receive in connection with the issuance of additional units or other securities (if any) and borrowings under the credit facility.

Conversus LP depends on the Investment Partnership to distribute cash in a manner that allows it to meet its expenses as they become due. If Conversus LP does not receive cash distributions from the Investment Partnership or other entities in which Conversus LP has an interest, it may not be able to meet its expenses when they become due.

As of 31 December 2011, we had unfunded commitments of $402.1 million, representing an over-commitment level of 23.3% (unfunded commitments as a percentage of investment NAV) compared with an over-commitment level of 30.4% as of 31 December 2010. Because we employ an over-commitment strategy, the amount of capital we have committed for future private equity investments may exceed our available cash at a given time. Any available cash we hold is temporarily invested in accordance with our cash management policy, which provides liquidity for funding capital calls that may be made by the private equity funds to which we have made commitments.

We believe that our liquidity position is strong. As of 31 December 2011, we had a cash balance of $82.6 million and total net liabilities of $71.1 million, which included $1.0 million in principal outstanding on our credit facility with Citigroup (see Note 6 to the combined financial statements). Directly held public equity securities represented an additional $21.7 million in potential liquidity. We also have $346.8 million of public equity securities held by our general partners that may, over time, be another source of liquidity. Consistent with the maturity profile of our portfolio, our $402.1 million of unfunded commitments included $158.0 million to funds that were beyond their investment period as of 31 December 2011.

Driven by the maturity and quality of our portfolio, we believe that the distributions from our current portfolio will generally continue to outpace calls for most or all of the remaining quarters of the portfolio's life. While estimating the timing and amount of portfolio cash flows for private equity funds includes an inherent level of uncertainty and we can make no assurances regarding our projections, we estimate net portfolio cash flow in 2012 will match or exceed the net cash flow we experienced in 2011, assuming stable market conditions.

DISTRIBUTION POLICY

Conversus LP has adopted a distribution policy under which it intends to make quarterly cash distributions to unit holders. The distributions will be based on net cash flow during the quarter, the forecast for net cash flows and appropriate cash reserves based on the circumstances prevailing at the time. Conversus anticipates making the quarterly distributions in January, April, July and October during the fiscal year; however, the ultimate timing and amount of distributions may vary and will remain subject to the discretion of Conversus GP.

Since Conversus may not be able to provide complete information about the tax status of its investors to the Investment Partnership and to preserve the fungibility of its partnership's common units, Conversus expects that dividends, interest or certain other amounts (generally not including capital gains) from U.S. sources will be subject to U.S. withholding tax (except in the case of holders of RDUs that provide appropriate certifications).

RDUs represent ownership interests in Conversus LP's common units that are on deposit with the Bank of New York, as depository, under a restricted deposit agreement among Conversus LP, the depository and all registered holders and beneficial owners from time to time of the restricted depository receipts ("RDRs"). RDRs are security certificates that evidence ownership of RDUs.

During the year ended 31 December 2011, Conversus paid cash distributions to unit holders totaling $129.2 million, or $2.00 per unit. In January 2012, Conversus LP declared and paid a distribution of $9.7 million, or $0.15 per unit, related to the fourth quarter of 2011.

FORWARD-LOOKING STATEMENTS AND CERTAIN RISKS

This report contains certain forward-looking statements and an investment in Conversus involves certain risks. In some cases, forward-looking statements can be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will" and "would," or the negative of those terms or other comparable terminology. Forward-looking statements speak only as of the date of the document in which they are made and include statements relating to expectations, beliefs, forecasts, projections (which may include statements regarding future economic performance, and the financial condition, results of operations, liquidity, cash flows, investments, business, net asset value and prospects of Conversus), future plans and strategies and anticipated results thereof, anticipated events or trends and similar matters that are not historical facts.

By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future, and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Factors that could cause actual results to vary from our forward-looking statements and other risks and uncertainties to which Conversus is subject include, but are not limited to, the following:

- our strategy may not be successful in generating attractive rates of return or in otherwise meeting its objectives;
- changes in our financial condition, liquidity (including availability and cost of capital), cash flows and ability to meet our funding needs and satisfy our contractual obligations;
- the historical performance of our portfolio may not be indicative of its future performance;
- we may be unable to successfully identify and consummate value-enhancing transactions;
- the ability of the funds and portfolio companies in which we invest to achieve their business, operating, financial, investment and other objectives, including realizations;
- the actual timing and amount of cash distributions to unit holders under Conversus’ distribution policy is subject to the discretion of Conversus’ Board and Conversus can make no assurances that it will make distributions;
- changes in the relationship with the Investment Manager as our service provider;
- changes in the relationship between the Investment Manager and BAC, OHIM and each of their respective key investment professionals;
- our organizational, ownership and investment structure may create certain conflicts of interest and our units are non-voting securities;
- securities market conditions (including changes to applicable regulations, investor sentiment, and the trading price, discount to NAV, liquidity and volatility of our units);
- private equity market conditions (including our performance and the performance of the funds and companies in which we have invested, timing and size of cash distributions and capital calls, changes in our NAV and pricing of assets in the secondary market);
- competitive conditions;
- international, national and regional political conditions (including potential regulatory and tax reform); and
- the risks, uncertainties and other factors discussed elsewhere in this report (including, but not limited to, the combined financial statements) and in the filings made with the AFM available on the Conversus website (www.conversus.com).

The foregoing is not a comprehensive list of the risks and uncertainties to which we are subject. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect any change in our expectations, or any changes in events, conditions or circumstances on which any forward-looking statement is based. In light of these risks, uncertainties and assumptions, the events described by our forward-looking statements might not occur. We qualify any and all of our forward-looking statements by these cautionary factors.

STATEMENT OF RESPONSIBILITY

Substantially all Conversus' investments are made through the Investment Partnership and its subsidiaries. Therefore, in order to present meaningful financial statements, the accounts of Conversus LP and the Investment Partnership have been combined as permitted under U.S. GAAP. All material balances between Conversus LP and the Investment Partnership have been eliminated.

We prepare combined financial statements on an annual and semi-annual basis in accordance with U.S. GAAP. Our fiscal year ends on 31 December. We prepare our statements in accordance with U.S. GAAP rather than Dutch GAAP or International Financial Reporting Standards as permitted under Dutch and European law. In the instance where contradictory legislation is passed, Conversus could be required to prepare its combined financial statements on a basis other than U.S. GAAP.

The combined financial statements are the responsibility of the respective managing general partner, acting through its Board of Directors, of each of Conversus LP and the Investment Partnership (collectively, the "Managing General Partner"). The Managing General Partner is responsible for preparing combined financial statements which give a true and fair view of the state of affairs of Conversus and of the profit or loss of Conversus for the applicable period, in accordance with applicable Guernsey law, Dutch law and U.S. GAAP. In preparing the combined financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the combined financial statements; and
- prepare the combined financial statements on the going concern basis unless it is inappropriate to assume that Conversus will continue in business.

The Directors confirm that they have complied with the above requirements in preparing these combined financial statements. The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of Conversus. They are also responsible for safeguarding the assets of Conversus and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each Director confirms that, so far as he or she is aware, there is no relevant audit information of which Conversus' auditor is unaware; and he or she has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that Conversus' auditor is aware of that information.

PRINCIPAL RISKS

This financial report (including without limitation the combined financial statements) summarizes the principal risks affecting Conversus. Additional risks and uncertainties that are currently unknown or that are not believed to be principal risks may also adversely affect the results of operations or financial condition of Conversus. If any of the principal risks actually occur, the results of operations and financial condition of Conversus would likely be negatively impacted.

COMPOSITION OF PORTFOLIO INVESTMENTS

($ in millions)

Total Portfolio	# of Holdings	Estimated NAV	Total Exposure
(Includes Direct Co-investments and Public Equity Securities)	222	$1,725.2	$2,127.3

Total Funds	# of Funds	Estimated NAV	Total Exposure
	203	$1,610.6	$2,012.7

Total Buyout Funds	# of Funds	Estimated NAV	Total Exposure
	133	$1,245.3	$1,591.1

Buyout Funds >$7.5 billion	# of Funds	Estimated NAV	Total Exposure
	9	$324.4	$437.9

	Fund Name	Vintage Year		Fund Name	Vintage Year
1	Apollo Investment Fund VI, L.P.	2006	6	KKR 2006 Fund, L.P.	2006
2	Apollo Overseas Partners VII, L.P.	2008	7	PAI Europe V, L.P.	2007
3	Bain Capital Fund X, L.P.	2008	8	Thomas H. Lee Equity Fund VI, L.P.	2006
4	Carlyle Partners V, L.P.	2007	9	TPG Partners VI, L.P.	2008
5	CVC European Equity Fund V, L.P.	2008			

Buyout Funds $5 - $7.5 billion	# of Funds	Estimated NAV	Total Exposure
	9	$188.3	$213.9

	Fund Name	Vintage Year		Fund Name	Vintage Year
1	Apax Europe V-A, LP	2001	6	KKR Millennium Fund, L.P.	2002
2	Blackstone Capital Partners IV, L.P.	2003	7	New Mountain Partners III, L.P.	2007
3	Green Equity Investors V, LP	2006	8	Thomas H. Lee Equity Fund V, L.P.	2001
4	J.P. Morgan Global Investors, L.P.	2001	9	Warburg Pincus Private Equity VIII, L.P.	2001
5	KKR 1996 Fund, L.P.	1997			

Buyout Funds $3 - $5 billion	# of Funds	Estimated NAV	Total Exposure
	20	$172.9	$224.5

	Fund Name	Vintage Year		Fund Name	Vintage Year
1	Apollo Investment Fund IV, L.P.	1998	11	Madison Dearborn Capital Partners IV, L.P.	2000
2	Apollo Investment Fund V, L.P.	2001	12	PAI Europe IV-B, L.P.	2005
3	BC European Capital VII	2000	13	Permira IV, L.P.	2006
4	Blackstone Capital Partners III L.P.	1997	14	Silver Lake Partners II, L.P.	2004
5	Carlyle Partners III, L.P.	2000	15	Third Cinven Fund US No. 3 Limited Partnership	2002
6	Clayton, Dubilier & Rice Fund VI, L.P.	1999	16	TPG Asia V, L.P.	2007
7	Clayton, Dubilier & Rice Fund VII, LP	2005	17	TPG Partners III, L.P.	2000
8	Clayton, Dubilier & Rice Fund VIII, L.P.	2009	18	Warburg Pincus Equity Partners, L.P.	1998
9	CVC European Equity Partners III LP	2001	19	Welsh, Carson, Anderson & Stowe IX, L.P.	2000
10	Lindsay Goldberg III-A, L.P.	2008	20	Welsh, Carson, Anderson & Stowe VIII, L.P.	1998

Buyout Funds $1 - $3 billion	# of Funds	Estimated NAV	Total Exposure
	35	$300.9	$380.2

	Fund Name	Vintage Year		Fund Name	Vintage Year
1	Alchemy Plan (BOA), L.P.	1997	19	Madison Dearborn Capital Partners III, LP	1999
2	Apollo Investment Fund III, L.P.	1995	20	Metalmark Capital Partners, L.P.	2006
3	Bain Capital Fund VII, L.P.	2000	21	Morgan Stanley Capital Partners III	1994
4	Blackstone Communications Partners I, L.P.	2000	22	Morgan Stanley Dean Witter Capital Partners IV, LP	1999
5	Capital Z Financial Services Fund II, L.P.	1998	23	Nautic Partners V, L.P. (fka Navis Partners V)	2000
6	Carlyle Europe Partners, L.P.	1998	24	Providence Equity Partners IV, L.P.	2000
7	Carlyle Partners II, L.P.	1995	25	Ripplewood Partners II/Side-by-Side Fund, L.P.	2001
8	Crestview Capital Partners	2005	26	Riverside Capital Appreciation Fund V, L.P.	2008
9	Crestview Partners II (Cayman), L.P.	2009	27	Second Cinven Fund US No. 2 Limited Partnership	1998
10	CVC European Equity Partners II LP	1998	28	Spectrum Equity Investors IV, L.P.	2000
11	Diamond Castle Partners IV, L.P.	2005	29	TowerBrook Investors III, L.P.	2008
12	EQT III (fka EQT Northern Europe)	2001	30	Trident II, L.P.	1999
13	Green Equity Investors III, L.P.	1999	31	Trident III, L.P.	2004
14	Green Equity Investors IV, L.P.	2003	32	Trident IV, LP.	2007
15	Hicks, Muse, Tate & Furst Equity Fund V, L.P.	2000	33	Vestar Capital Partners IV, L.P.	2000
16	Hicks, Muse, Tate & Furst Europe Fund, L.P.	1999	34	Warburg, Pincus International Partners, L.P.	2000
17	Industri Kapital 2000 Limited Partnership III	1999	35	Weston Presidio Capital IV, LP	2000
18	J.W. Childs Equity Partners III, L.P.	2002			

COMPOSITION OF PORTFOLIO INVESTMENTS (CONTINUED)

Buyout Funds $500 million - $1 billion				# of Funds	Estimated NAV	Total Exposure
				23	$122.0	$153.2
	Fund Name	*Vintage Year*		*Fund Name*		*Vintage Year*
1	Asia Alternatives Capital Partners II, L.P.	2008	13	Code Hennessy & Simmons IV, L.P.		1999
2	Aurora Equity Partners II, LP	1998	14	Fenway Partners Capital Fund II, LP		1998
3	Bain Capital VII Coinvestment Fund, L.P.	2000	15	Industri Kapital 1997 Limited Partnership III		1997
4	Blum Strategic Partners, L.P.	1998	16	Irving Place Capital Partners II, L.P.		2000
5	Boston Ventures Limited Partnership V	1996	17	Littlejohn Fund II, L.P.		1999
6	Boston Ventures Limited Partnership VI	2000	18	Nautic VI-A, LP		2007
7	Brentwood Associates Private Equity III, L.P.	1999	19	Newbridge Asia III, L.P.		2000
8	Bruckmann, Rosser, Sherrill & Co. II, LP	1999	20	Parthenon Investors II, LP		2001
9	Calera Capital Partners III, L.P.	2002	21	Quad-C Partners VI, LP		2001
10	CCG Investment Fund, L.P.	2000	22	Vestar Capital Partners III, L.P.		1997
11	Charlesbank Equity Fund V, LP	2000	23	Warburg Pincus Ventures International		1997
12	Clayton, Dubilier & Rice Fund VII Coinvest, L.P.	2007				

Buyout Funds <$500 million				# of Funds	Estimated NAV	Total Exposure
				37	$136.8	$181.4
	Fund Name	*Vintage Year*		*Fund Name*		*Vintage Year*
1	Altaris Health Partners, L.P.	2003	20	German Equity Partners II, LP		1999
2	Alta Communications IX, L.P.	2003	21	GMT Communications Partners II, LP		2000
3	American Industrial Partners Capital Fund III, L.P.	2000	22	Graham Partners Investments, LP		1999
4	Atlantic Equity Partners III, L.P.	1999	23	Great Hill Equity Partners II, LP		2001
5	Brazos Equity Fund, LP	2000	24	Great Hill Equity Partners, LP		1999
6	Bruckmann, Rosser, Sherrill & Co. III, L.P.	2009	25	Greenbriar Equity Fund, LP		2001
7	Calera Capital Partners II (Fremont Partners), L.P.	1997	26	Harvest Partners IV, LP		2002
8	CapStreet II, L.P. (fka Summit Capital II)	2000	27	ING Furman Selz Investors III LP		2000
9	Carousel Capital Partners II, LP	2003	28	Marathon Fund Limited Partnership IV		1999
10	Catterton Partners IV	1999	29	Pouschine Cook Capital Partners, L.P.		1999
11	CEA Capital Partners USA, LP	1997	30	Quad-C Partners V, LP		1998
12	Centre Capital Investors III, L.P.	1999	31	Riverside Capital		1998
13	Chisholm Partners IV, LP	1999	32	Seaport Capital Partners II,		2000
14	Euroknights IV US NO. 2, LP	2000	33	T3 Partners II, L.P.		2001
15	Europe Capital Partners IV, LP	1999	34	T3 Partners, L.P.		2000
16	Evercore Capital Partners, L.P.	1997	35	Trivest Fund III, LP		2000
17	FFC Partners I, LP (fka FFT Partners I)	1996	36	U.S. Equity Partners II (Offshore), L.P.		2002
18	FFC Partners II, L.P. (fka FFT Partners II)	2000	37	William Blair Capital Partners VII QP, L.P.		2001
19	Friedman, Fleischer & Lowe Capital Partners, L.P.	1999				

COMPOSITION OF PORTFOLIO INVESTMENTS (CONTINUED)

Venture Capital Funds				# of Funds	Estimated NAV	Total Exposure
				56	$271.8	$322.2
	Fund Name	*Vintage Year*		*Fund Name*		*Vintage Year*
1	ABS Capital Partners IV, LP	2000	29	Morgan Stanley Venture Partners 2002 Fund, L.P.		2002
2	APAX Excelsior VI, LP	2000	30	Morgenthaler Partners VI, LP		2000
3	Austin Ventures VII, L.P.	1999	31	Morgenthaler Partners VII, LP		2001
4	Austin Ventures VIII, L.P.	2001	32	MPM BioVentures III, L.P.		2002
5	Azure Venture Partners I, LP	2000	33	New Enterprise Associates 10, LP		2000
6	Battery Ventures VI, L.P.	2000	34	New Enterprise Associates 13, L.P.		2009
7	Bay City Capital Fund V, L.P.	2007	35	New Enterprise Associates 9, LP		1999
8	Bay City Capital IV, L.P.	2005	36	Pinnacle Ventures Equity Fund II-O, L.P.		2008
9	Bay Partners X, L.P.	2001	37	Polaris Venture Partners III, L.P.		2000
10	Essex Woodlands Health Ventures Fund IV, LP	1998	38	Polaris Venture Partners IV, L.P.		2002
11	Essex Woodlands Health Ventures Fund V, LP	2000	39	Redpoint Ventures II, LP		2000
12	Essex Woodlands Health Ventures VIII-A, L.P.	2008	40	RRE Ventures III-A, LP		2001
13	Financial Technology Ventures (Q), LP	1998	41	Sigma Partners 6, L.P.		2001
14	Financial Technology Ventures II (Q), L.P.	2001	42	Sigma Partners IV, L.P.		1998
15	Foundation Capital Fund III, L.P.	2000	43	Sigma Partners V, L.P.		1999
16	Foundation Capital IV, L.P.	2002	44	Spectrum Equity Investors III, L.P.		1999
17	Foundation Capital Leadership Fund, L.P.	2000	45	TA Associates Advent VIII		1997
18	FTVentures III, L.P.	2007	46	TA IX, L.P.		2000
19	Index Ventures Growth I, LP	2008	47	TCV III (Q), L.P.		1999
20	Institutional Venture Partners XI, L.P.	2005	48	TCV IV, LP		2000
21	InterWest Partners VII, L.P.	1999	49	TCV VII(A), L.P.		2008
22	InterWest Partners VIII, L.P.	2000	50	TL Ventures IV, L.P.		1999
23	InterWest Partners X, L.P.	2008	51	TL Ventures V, L.P.		2000
24	Lighthouse Capital Partners V, L.P.	2002	52	TL Ventures VII, L.P.		2008
25	Lightspeed Venture Partners VIII, L.P.	2008	53	U.S. Venture Partners VI, L.P.		1999
26	M/C Venture Partners V, L.P.	2000	54	U.S. Venture Partners VIII, L.P.		2001
27	Meritech Capital Partners II L.P.	2000	55	U.S. Venture Partners X, L.P.		2008
28	Morgan Stanley Dean Witter Venture Partners IV, L.P.	1999	56	WPG Venture Associates IV		1997

Special Situation Funds				# of Funds	Estimated NAV	Total Exposure
				14	$93.5	$99.4
	Fund Name	*Vintage Year*		*Fund Name*		*Vintage Year*
1	Avenue Special Situations Fund IV, L.P.	2006	8	OCM Opportunities Fund VI, L.P.		2005
2	Avenue Special Situations Fund V, L.P.	2007	9	OCM Opportunities Fund VII, L.P.		2007
3	BIA Digital Partners, LP	2001	10	OCM Opportunities Fund VIIb, L.P.		2008
4	Gleacher Mezzanine Fund I, LP	2001	11	OCM Principal Opportunities Fund III, L.P.		2004
5	Highland Restoration Capital Partners Offshore, L.P.	2008	12	TA Subordinated Debt Fund L.P.		2000
6	Lone Star Fund VI (U.S.), L.P.	2008	13	TPG Credit Strategies Fund, L.P.		2006
7	OCM Opportunities Fund V, L.P.	2004	14	WCAS Capital Partners III, L.P.		1997

Direct Co-investments	# of Holdings	Estimated NAV	Total Exposure
	6	$92.9	$92.9

Public Equity Securities	# of Holdings	Estimated NAV	Total Exposure
	13	$21.7	$21.7

Notes:
Total Exposure equals estimated NAV plus unfunded commitments
Vintage year is the earlier of the first capital call or the date the fund began operations

DIRECTORS, ADVISORS AND KEY INFORMATION

Independent Board of Directors Paul G. Guilbert (Chairman) Laurance (Laurie) R. Hoagland, Jr. Kathryn A. Matthews Dr. Per Johan Strömberg **Non-Voting Advisors** Mark J.P. Anson James D. Forbes The address of each person named above is: c/o Conversus GP, Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL Channel Islands	**Investor Information** Exchange: Euronext Amsterdam Trading symbol: CCAP Admission date: 29 June 2007 Currency: USD Bloomberg: CCAP NA Reuters: CCAP.AS Google Finance: AMS:CCAP
Registered Office Conversus Capital, L.P c/o Conversus GP, Limited Trafalgar Court, Les Banques St. Peter Port, Guernsey GY1 3QL Channel Islands ccap@conversus.com Tel: +44 1481 745 175 Fax: +44 1481 745 176	**Independent Auditors** PricewaterhouseCoopers CI LLP Royal Bank Place 1 Glategny Esplanade St. Peter Port, Guernsey GY1 4ND Channel Islands Tel: +44 1481 752 000 Fax: +44 1481 752 001
Investment Manager Conversus Asset Management, LLC 190 South LaSalle Street, Suite 1500 Chicago, Illinois 60603 Tel: +1 312 261 9700 Fax: +1 312 261 9701 101 South Tryon Street, Suite 2440 Charlotte, North Carolina 28280 Tel: +1 704 307 4865 Fax: +1 704 375 2004	**Independent Valuation Firm** Duff and Phelps 55 East 52nd Street, 31st Floor New York, New York 10055 Attention: Paul J. Viscio, Managing Director Tel: +1 212 871 6267 Fax: +1 212 523 0854 e-mail: pj.viscio@duffandphelps.com

DIRECTORS, ADVISORS AND KEY INFORMATION (CONTINUED)

Depository Bank The Bank of New York 101 Barclay Street, 22 West New York, New York 10286 Attention: Conversus Capital, L.P. Tel: +1 212 815 5898 or +1 212 815 3982 Fax: +1 212 571 3050	**Paying Agent** Royal Bank of Scotland N.V. Global Banking and Markets Richard van Etten Gustav Mahlerlaan 10 (HQ3130) 1082 PP Amsterdam The Netherlands Tel: +31 20 464 3771 Fax: +31 20 628 0004
Fund Administrator Northern Trust Trafalgar Court, Les Banques St. Peter Port, Guernsey GY1 3QL Channel Islands Tel: +44 1481 745 406	
Investor Relations Contacts Tim Smith Chief Financial Officer Conversus Capital, L.P. Trafalgar Court, Les Banques St. Peter Port, Guernsey GY1 3QL Channel Islands Tel: +44 1481 745 175 Fax: +44 1481 745 176 e-mail: tim.smith@conversus.com	 Roger Brookes Head of Investor Relations Conversus Capital, L.P. Trafalgar Court, Les Banques St. Peter Port, Guernsey GY1 3QL Channel Islands Tel: +44 1481 745 175 Fax: +44 1481 745 176 e-mail: roger.brookes@conversus.com
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CONVERSUS CAPITAL, L.P.

COMBINED FINANCIAL STATEMENTS
(AUDITED)

For the year ended 31 December 2011

INDEX TO AUDITED COMBINED FINANCIAL STATEMENTS

Report of Independent Auditors

To the Board of Directors of the General Partner and partners of
Conversus Capital, L.P.:

In our opinion, the accompanying combined statements of net assets, including the combined condensed schedules of investments, and the related combined statement of operations, of changes in net assets and of cash flows presents fairly, in all material respects, the combined financial position of Conversus Capital, L.P. and Conversus Investment Partnership, L.P. (collectively "Conversus") as at 31 December 2011 and 2010, and the results of their operations, and their cash flows for the year ended 31 December 2011, in conformity with accounting principles generally accepted in the United States of America. These combined financial statements are the responsibility of Conversus' management and the Directors of the General Partner of Conversus Capital, L.P. Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits of these combined financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the Directors, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements have been properly prepared in accordance with The Limited Partnerships (Guernsey) Law, 1995.

This report, including the opinion, has been prepared for and only for the partners as a body in accordance with the Section 18 of The Limited Partnerships (Guernsey) Law, 1995 and for no other purpose. We do not in giving this opinion accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers CI LLP

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
28 March 2012

COMBINED STATEMENTS OF NET ASSETS

As of 31 December 2011 and 2010
(US$ in thousands except for per unit amounts)

	31 Dec 2011	31 Dec 2010
Assets		
Investments, at fair value *(Note 3)* (cost $1,607,649 as of 31 Dec 2011; $1,776,768 as of 31 Dec 2010)	$ 1,725,162	$ 1,891,996
Cash and cash equivalents	82,573	77,467
Receivables and prepaid expenses	2,049	1,483
Total Assets	1,809,784	1,970,946
Liabilities		
Performance fees payable *(Note 2)*	54,715	-
Management fees payable *(Note 2)*	6,522	4,346
Derivative instrument *(Note 5)*	-	6,718
Notes and interest payable *(Note 6)*	1,000	1,000
Other liabilities	10,871	9,809
Total Liabilities	73,108	21,873
NET ASSETS	**$ 1,736,676**	**$ 1,949,073**
Net Assets		
General Partners' capital	$ -	$ -
Limited Partners' capital (66,603 units issued and 64,603 units outstanding as of 31 Dec 2011; 73,530 units issued and 70,335 units outstanding as of 31 Dec 2010)	1,775,841	1,998,276
Treasury units *(Note 7)* (2,000 units as of 31 Dec 2011; 3,195 units as of 31 Dec 2010)	(39,165)	(49,203)
NET ASSETS	**$ 1,736,676**	**$ 1,949,073**
NET ASSET VALUE PER UNIT OUTSTANDING	**$ 26.88**	**$ 27.71**

These accounts were approved by the Board of Directors on 28 March 2012 and signed on its behalf by:

Mr. Paul Guilbert Independent Director, Chairman	**Mr. Laurance R. Hoagland, Jr.** Independent Director	**Dr. Per Johan Strömberg** Independent Director	**Ms. Kathryn A. Matthews** Independent Director

The accompanying notes are an integral part of the combined financial statements.

COMBINED STATEMENT OF OPERATIONS

For the year ended 31 December 2011
(US$ in thousands except for per unit amounts)

Investment Income		
Dividend income	$	13,664
Interest and other income		7,650
Total Investment Income		21,314
Expenses		
Performance fees		54,715
Management fees		18,647
Fund fees and expenses		15,391
Professional service fees		6,128
Personnel		3,550
Administrative fees to CAM		2,981
Public company costs		2,826
Credit facility commitment fees and interest		2,550
Taxes		2,091
Other general and administrative		706
Total Expenses		109,585
Management fees waived		(2,095)
Total Expenses, Net of Fees Waived		107,490
Net Investment Loss		(86,176)
Net Realized Gains and Net Change in Unrealized Appreciation on Investments		
Net realized gains on investments		119,591
Net change in unrealized appreciation on investments		9,004
Total Net Realized Gains and Net Change in Unrealized Appreciation on Investments		128,595
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	**$**	**42,419**
GAIN PER UNIT OUTSTANDING	**$**	**0.64**

The accompanying notes are an integral part of the combined financial statements.

COMBINED STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 December 2011
(US$ in thousands)

Increase in Net Assets Resulting from Operations		
Net investment loss	$	(86,176)
Net realized gains on investments		119,591
Net change in unrealized appreciation on investments		9,004
Net Increase in Net Assets Resulting from Operations		42,419
Decrease in Net Assets Resulting from Capital Transactions		
Distributions to unit holders		(129,209)
Unit repurchases		(125,607)
Net Decrease in Net Assets Resulting from Capital Transactions		(254,816)
NET DECREASE IN NET ASSETS		**(212,397)**
NET ASSETS AT BEGINNING OF PERIOD		**1,949,073**
NET ASSETS AT END OF PERIOD	**$**	**1,736,676**

The accompanying notes are an integral part of the combined financial statements.

COMBINED STATEMENT OF CASH FLOWS

For the year ended 31 December 2011
(US$ in thousands)

Cash Flows from Operating Activities		
Net increase in net assets resulting from operations	$	42,419
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Net realized gains on investments		(119,591)
Net change in unrealized appreciation on investments		(9,004)
Capital called for investments		(161,632)
Direct co-investments funded		(32,172)
Distributions from investments		493,135
Settlement of derivative instrument		(10,620)
Changes in operating assets and liabilities:		
Net increase in receivables and prepaid expenses		(566)
Net increase in performance fees payable		54,715
Net increase in management fees payable		2,176
Net increase in other liabilities		1,062
Net Cash Provided by Operating Activities		259,922
Cash Flows from Financing Activities		
Distributions paid to unit holders		(129,209)
Unit repurchases		(125,607)
Net Cash Used in Financing Activities		(254,816)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**5,106**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**77,467**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$**	**82,573**
Supplemental Cash Flow Disclosure		
Cash paid for interest	$	33
Cash paid for taxes	$	1,906
Supplemental Non-Cash Flow Disclosure		
In-kind public equity security distributions received	$	28,461

The accompanying notes are an integral part of the combined financial statements.

COMBINED CONDENSED SCHEDULE OF INVESTMENTS

As of 31 December 2011
(US$ in thousands)

	Cost	Fair Value	% of Net Assets	Unfunded Commitments
FUND INVESTMENTS				
North America				
Buyout	$ 1,054,470	$ 1,130,664	65.1%	$ 308,589
Venture Capital	249,033	269,238	15.5	50,061
Special Situation	66,244	93,501	5.4	5,922
Total North America	1,369,747	1,493,403	86.0	364,572
Europe, Asia and RoW				
Buyout	126,446	114,660	6.6	37,140
Venture Capital	2,269	2,561	0.1	412
Total Europe, Asia and RoW	128,715	117,221	6.7	37,552
Total Fund Investments	1,498,462	1,610,624	92.7	402,124
DIRECT INVESTMENTS [(1)]				
Direct Co-Investments				
Industrials	52,544	57,893	3.3	-
Telecommunication Services	25,000	20,000	1.2	-
Consumer Discretionary	10,000	10,000	0.6	-
Health Care	5,000	5,000	0.3	-
Total Direct Co-Investments	92,544	92,893	5.4	-
Publicly Traded Equity Securities [(2)]				
Financials	8,276	9,319	0.6	-
Industrials	4,165	9,228	0.5	-
Telecommunication Services	1,695	1,387	0.1	-
Information Technology	1,030	759	0.0	-
Energy & Utilities	945	503	0.0	-
Materials	532	449	0.0	-
Total Publicly Traded Equity Securities	16,643	21,645	1.2	-
Total Direct Investments	109,187	114,538	6.6	-
TOTAL	**$ 1,607,649**	**$ 1,725,162**	**99.3%**	**$ 402,124**

(1) Industry classifications are determined at the individual portfolio company level and are based on the North American Industry Classification System ("NAICS").

(2) Publicly traded equity securities represent equity security distributions from fund investments and direct public equity investments.

The accompanying notes are an integral part of the combined financial statements.

COMBINED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

As of 31 December 2010
(US$ in thousands)

	Cost	Fair Value	% of Net Assets	Unfunded Commitments
FUND INVESTMENTS				
North America				
Buyout	$ 1,173,826	$ 1,245,886	63.9%	$ 428,562
Venture Capital	284,790	283,542	14.6	79,551
Special Situation	108,340	150,623	7.7	7,922
Total North America	1,566,956	1,680,051	86.2	516,035
Europe, Asia and RoW				
Buyout	130,788	134,405	6.9	55,165
Venture Capital	1,718	1,909	0.1	1,163
Total Europe, Asia and RoW	132,506	136,314	7.0	56,328
Total Fund Investments	1,699,462	1,816,365	93.2	572,363
DIRECT INVESTMENTS [1]				
Direct Co-Investments				
Industrials	35,372	40,785	2.1	-
Telecommunication Services	25,000	16,250	0.8	-
Total Direct Co-Investments	60,372	57,035	2.9	-
Publicly Traded Equity Securities [2]				
Industrials	8,247	8,149	0.4	-
Financials	4,860	7,005	0.4	-
Information Technology	1,983	1,915	0.1	-
Energy & Utilities	1,024	848	0.0	-
Materials	532	459	0.0	-
Telecommunication Services	288	220	0.0	-
Total Publicly Traded Equity Securities	16,934	18,596	0.9	-
Derivative Instrument	-	(6,718)	(0.3)	-
Total Direct Investments	77,306	68,913	3.5	-
TOTAL	**$ 1,776,768**	**$ 1,885,278**	**96.7%**	**$ 572,363**

[1] Industry classifications are determined at the individual portfolio company level and are based on the NAICS.
[2] Publicly traded equity securities represent equity security distributions from fund investments and direct public equity investments.

The accompanying notes are an integral part of the combined financial statements.

COMBINED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

As of 31 December 2011 and 2010
(US$ in thousands)

	31 Dec 2011		31 Dec 2010	
	Fair Value	% of Net Assets	Fair Value	% of Net Assets
Industry [1]				
Industrials	$ 403,634	23.2%	$ 414,852	21.3%
Consumer Discretionary	228,616	13.2	230,128	11.8
Health Care	206,641	11.9	227,231	11.7
Information Technology	190,671	11.0	192,203	9.9
Financials	172,015	9.9	167,293	8.6
Media	113,101	6.5	108,226	5.5
Materials	85,856	5.0	112,504	5.8
Energy & Utilities	83,780	4.8	69,433	3.5
Consumer Staples	68,115	3.9	57,309	2.9
Telecommunication Services	57,978	3.3	81,372	4.2
Other Industries	30,819	1.8	30,728	1.6
Other (net other assets)	83,936	4.8	193,999	9.9
TOTAL	**$ 1,725,162**	**99.3%**	**$ 1,885,278**	**96.7%**

[1] Industry classifications are determined on a look-through basis at the individual portfolio company level and are based on the NAICS

The accompanying notes are an integral part of the combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. Business Overview

Conversus Capital, L.P. ("Conversus LP") is a Guernsey limited partnership established on 29 May 2007. Conversus LP is composed of a general partner, Conversus GP, Limited ("Conversus GP"), a Guernsey limited company which holds 100% of the voting interests of Conversus LP, and the limited partners of Conversus LP, represented by common units that are non-voting. The limited partnership interests in Conversus LP trade on NYSE Euronext in Amsterdam ("Euronext"), the regulated market of Euronext Amsterdam N.V., under the symbol "CCAP."

Conversus LP owns all of the Class A limited partner interests in Conversus Investment Partnership, L.P. ("Investment Partnership"), a Guernsey limited partnership through which substantially all of Conversus LP's investments are made directly or indirectly through its subsidiaries. The Investment Partnership is composed of a general partner, Conversus Investment GP, Limited ("Investment GP"), a Guernsey limited company, which holds 100% of the voting interests of the Investment Partnership, as well as the Class A, B and C limited partners, all of which are non-voting. Conversus LP and the Investment Partnership are referred to collectively as "Conversus." The independent members of the Board of Directors of Conversus GP and the independent members of the Board of Directors of Investment GP are collectively referred to as the "Board of Directors."

Conversus Participation Company, LLC ("CPC") owns all Class B limited partner interests in the Investment Partnership. CPC has no operations and is a vehicle through which its owners receive performance fees from the Investment Partnership (see Note 2). Class C limited partner interests in the Investment Partnership have been issued to Conversus Asset Management, LLC ("CAM"). These interests entitle CAM to receive the profits interest portion of the management fee (see Note 2).

CAM and CPC are both owned by Bank of America Corporation ("BAC"), Oak Hill Investment Management, L.P. ("OHIM"), the California Public Employees Retirement System ("CalPERS"), affiliates of Harvard Management Company, Inc. (an investment vehicle for the Harvard University Endowment) and members of CAM's management. CAM is Conversus' investment manager and carries out the day-to-day management and operations of Conversus' business, pursuant to a services agreement (see Note 9).

Conversus LP makes substantially all of its investments through the Investment Partnership and its subsidiaries and expects that Conversus LP's only investment assets will be Class A limited partner interests in the Investment Partnership and a 1% economic interest in certain of the Investment Partnership's subsidiaries. Conversus GP or the Investment Partnership controls each of these subsidiaries.

The Investment Partnership holds investments through a series of Delaware limited partnerships and non-U.S. corporations, none of which individually hold more than 20% of the Investment Partnership's gross assets. The Investment Partnership does not have and does not expect to have more than 20% of the gross assets of the Investment Partnership invested in any single underlying subsidiary. Conversus LP owns 1% of the economic interests in certain of these subsidiaries and the Investment Partnership owns the remaining 99%.

2. Summary of Significant Accounting Policies

Basis of Presentation

The combined financial statements for Conversus are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Conversus has received approval from the Netherlands Authority for the Financial Markets ("AFM") to prepare its combined financial statements in accordance with U.S. GAAP rather than Dutch GAAP or International Financial Reporting Standards. In the instance where such approval is withdrawn by the AFM or contradictory legislation is passed, Conversus could be required to prepare its combined financial statements on a basis other than U.S. GAAP.

As disclosed in Note 1, Conversus LP owns all of the Class A limited partner interests in the Investment Partnership. Conversus LP does not own the general partner interests of the Investment Partnership, and therefore does not control the Investment Partnership. However, Conversus GP and Investment GP are controlled by the same Guernsey charitable trust. Therefore, Conversus LP and the Investment Partnership are under common control. Substantially all of Conversus' investments are made through the Investment Partnership and its subsidiaries. In order to present meaningful financial statements, the accounts of Conversus LP and the Investment Partnership have been combined as permitted under U.S. GAAP.

Principles of Combination

These combined financial statements include the accounts of Conversus LP combined with the Investment Partnership. The accounts of the Investment Partnership represent the consolidated accounts of the Investment Partnership and its subsidiaries. All material balances between Conversus LP, the Investment Partnership and subsidiaries of the Investment Partnership have been eliminated.

Currency

Conversus' functional currency is the U.S. dollar as a majority of its investments are denominated in U.S. dollars. The value of investments that are denominated in currencies other than the U.S. dollar are stated by converting the value of such investments into U.S. dollars based on the rate in effect on the last business day of each applicable accounting period. Foreign currency transactions are translated at the rate of exchange prevailing on the date of the transaction.

Conversus does not separately report the changes relating to currency exchange rates from those relating to changes in the fair value of investments in the combined financial statements. These fluctuations are combined and included in the net change in unrealized appreciation on investments in the Combined Statement of Operations.

Use of Estimates

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the combined financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Valuation of Investments
Conversus accounts for its investments at fair value in accordance with U.S. GAAP. Investments include private equity investments, publicly traded equity securities and derivative instruments. The Board of Directors and the Chief Financial Officer are ultimately and solely responsible for estimating the fair value of investments in good faith. Due to their inherent uncertainty, the estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed, and such differences could be material to the combined financial statements.

Derivative Instruments
Derivative instruments are recorded at estimated fair value and are shown on the Combined Statements of Net Assets with changes in fair value reflected in the net change in unrealized appreciation on investments in the Combined Statement of Operations.

Cash and Cash Equivalents
Cash and cash equivalents consist of cash held in the bank and liquid investments with maturities, at the date of acquisition, not exceeding 90 days.

Treasury Units
Conversus LP's purchases of its own common units are recorded as treasury units under the cost method and are shown as a reduction of partners' capital on the Combined Statements of Net Assets. Re-issuances or cancellations of treasury units are recorded using the weighted average cost method.

Distributions to Unit Holders
Conversus accounts for distributions to unit holders when declared by recording a liability and a reduction of partners' capital on the Combined Statements of Net Assets.

Income
Interest Income - Conversus may earn interest income from its private equity investments and from its cash and cash equivalents. Interest is recorded when earned, or when it is reported to Conversus by the private equity funds in which it is invested.

Dividend Income - Conversus may earn dividend income from its publicly traded equity securities or from its private equity investments. To the extent that a dividend represents a distribution of operating income, it is recorded when declared, or when it is reported to Conversus by the general partners. When a dividend represents a distribution resulting from a recapitalization, it is recorded as a return of capital and any related realized gain or loss is recognized.

Realized Gains and Losses on Investments
Realized gains and losses are recognized when Conversus is made aware of a realization event, which, in the case of underlying portfolio companies, normally occurs when a distribution is received or when Conversus is notified by a general partner that a transaction has occurred. For publicly traded equity securities, realizations are recorded on the trade date. Any realized gains or losses associated with direct co-investments and derivative instruments are recorded on the date of a transaction closing.

Public Equity Security Distributions
In-kind public equity security distributions from fund investments are recorded as of the declaration date and any associated gains or losses are included in net realized gains or losses on investments in the Combined Statement of Operations. The public equity security distributions are initially recorded at the value of the distribution received and subsequently marked to market at the end of each month.

Performance Fees

Performance fees are calculated at the end of each applicable quarter, based on the results through the end of that quarter. CPC is entitled to a 10% performance fee from the Investment Partnership based on increases in net asset value ("NAV"), subject to an annual 7% preferred return to Conversus LP. The performance fee is calculated based on the shorter of the most recent three year period or the period since the last high water mark. For the year ended 31 December 2011, performance fee expense totaled $54.7 million. As of 31 December 2011, performance fees of $54.7 million were payable to CPC. No performance fees were payable as of 31 December 2010.

Management Fees

For the period 1 January 2011 through 31 August 2011, CAM was entitled to management fees from the Investment Partnership in an aggregate amount of (i) 1.0% per annum of the value of Conversus' non-cash assets and (ii) 0.5% per annum of Conversus' aggregate unfunded commitments. Of such amount, one-third was payable quarterly in cash ("cash management fee"), in arrears, and two-thirds was earned in the form of a profits interest in the Investment Partnership. The profits interest is payable quarterly, in arrears, to the extent that there has been appreciation in Conversus' NAV. For the period from 1 January 2011 through 30 June 2011, CAM irrevocably waived its right to 30% of the profits interest.

In conjunction with the announcement of a permanent harvesting strategy, CAM agreed to reduce its profits interest by 37.5% effective 1 September 2011. With the fee reduction, CAM is entitled to management fees from the Investment Partnership in an aggregate amount of (i) 0.75% per annum of the value of Conversus' non-cash assets and (ii) 0.375% per annum of Conversus' aggregate unfunded commitments. Of such amount, approximately 44% is payable quarterly in cash ("cash management fee"), in arrears, and approximately 56% is earned in the form of profits interest in the Investment Partnership.

For the year ended 31 December 2011, management fee expense, net of the waiver, totaled $16.6 million. As of 31 December 2011 and 31 December 2010, cash management fees of $1.6 million and $1.8 million were payable, respectively. As of 31 December 2011 and 31 December 2010, profits interest of $4.9 million and $2.5 million were payable, respectively.

Fund Fees and Expenses

Management fees and partnership expenses are charged by the general partners of the funds in which Conversus is invested and are expensed in the period to which they relate. These fees and expenses do not include performance fees or carried interest earned by the general partners.

Other Expenses

Professional service fees represent accounting, audit, tax compliance, legal and related costs.

Personnel expense includes compensation and benefits for Conversus' employees.

Administrative fees to CAM are paid monthly and based on an annual amount of $2.4 million plus 0.10% on assets under management from $1.7 billion to $3.5 billion plus 0.05% on assets under management above $3.5 billion.

Public company costs include insurance, third party valuation fees, Board of Director compensation, investor relations and regulatory expenses.

Credit facility commitment fees and interest includes a fee on undrawn amounts and interest expense incurred on outstanding notes payable (see Note 6).

Taxes represents all liabilities for U.S. federal, state and withholding taxes on U.S. source dividends and interest.

Other general and administrative expenses include travel and miscellaneous expenses.

Phantom Equity Incentive Plan
Based on the terms of the Phantom Equity Incentive Plan, Conversus accounts for phantom equity as liability awards under ASC 718-10, *Stock Compensation*. Grants are referenced to Conversus LP's unit price.

Income Taxes
Conversus LP, the Investment Partnership and the Investment Partnership's subsidiaries are not subject to taxation in Guernsey. Under current Guernsey law, Conversus' income that is wholly derived from international operations and any distributions paid to Conversus LP's unit holders are not regarded as arising or accruing from a source in Guernsey in the hands of that unit holder if, being an individual, the unit holder is not solely or principally resident in Guernsey, or, being a company, is not resident in Guernsey. It is the intention of Conversus GP and Investment GP to ensure that Conversus' business is conducted in such a way as to constitute international operations for the purposes of the relevant legislation.

Conversus LP has made a protective election to be treated as a partnership for U.S. federal income tax purposes and manages its affairs so that it should not be treated as a publicly traded partnership that is taxable as a corporation. An entity that is treated as a partnership for U.S. federal income tax purposes is not a taxable entity and incurs no U.S. federal income tax liability. Instead, each partner is required to take into account its allocable share of items of income, gain, loss and deductions of the partnership in computing its U.S. federal income tax liability, regardless of whether cash distributions are made.

Investments made in entities that generate U.S. source income may indirectly subject Conversus LP and/or the Investment Partnership to certain U.S. federal and state income tax consequences. A U.S. withholding tax at the rate of 30% may be applied on the distributive shares of any U.S. source dividends and interest (subject to certain exemptions) and certain other income received directly or through one or more entities treated as either partnerships or disregarded entities for U.S. federal income tax purposes. Conversus LP's intention is to minimize income which could be deemed to be effectively connected with a U.S. trade or business.

Income from an investment that is effectively connected with a U.S. trade or business is subject to U.S. federal and state income taxation. The U.S. requires withholding on effectively connected income at the highest U.S. regular income tax rate. Such income effectively connected with a U.S. trade or business (net of the U.S. regular income tax rate) may also be subject to a branch profits tax at a rate of up to 30%.

Under ASC 740-10, *Accounting for Uncertainty in Income Taxes* ("ASC 740-10"), management is required to determine whether a tax position of Conversus is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax liability to be recognized is measured as the largest amount of liability that is greater than fifty percent likely of being realized upon ultimate settlement which could result in Conversus recording a tax liability that would reduce partners' capital.

As of 31 December 2011 and 31 December 2010, management concluded that there was no material impact on Conversus' tax liabilities, financial position or results of operations under ASC 740-10. Conversus' management has determined that there is no material tax liability resulting from unrecognized tax liabilities related to uncertain tax positions taken or expected to be taken in future tax returns, which has not been recorded in the combined financial statements. Conversus is also not aware of any tax positions for which it is reasonably possible that the total tax due or unrecognized tax liabilities will significantly change in the next twelve months.

Conversus files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, Conversus is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of 31 December 2011, the tax years that remained subject to examination by the relevant taxing authorities were 2007 through 2011. Conversus has no knowledge of any tax returns under examination. Conversus has evaluated its federal and state filings for all open tax years, and did not note any potential material penalties or interest.

Unit holders in certain jurisdictions could have tax consequences from ownership of Conversus LP's units, including making required tax payments in excess of any distributions received in any specific year. Conversus LP has not taken such tax consequences into account in the preparation of these combined financial statements.

3. Fair Value of Financial Assets and Liabilities

A fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value is established under ASC 820-10, *Fair Value Measurements and Disclosures* ("ASC 820-10"). The three levels of the hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, as of the measurement date. These include quoted prices in markets that are not active, quoted prices in active markets but with restrictions impacting fair value and quoted prices in active markets for similar assets or liabilities. This level also includes inputs other than quoted prices that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Inputs are unobservable for the assets and liabilities. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or similar asset) at the measurement date.

The tables below summarize Conversus' financial assets and liabilities that were accounted for at fair value as of 31 December 2011 and 31 December 2010, by fair value hierarchy. As required by ASC 820-10, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Financial Assets and Liabilities at Fair Value as of 31 Dec 2011
(US$ in thousands)

	Level 1	Level 2	Level 3	Total
Fund Investments				
Buyout	$ -	$ -	$ 1,245,324	$ 1,245,324
Venture Capital	-	-	271,799	271,799
Special Situation	-	-	93,501	93,501
Direct Co-Investments	-	-	92,893	92,893
Publicly Traded Equity Securities	21,645	-	-	21,645
Total Investments	21,645	-	1,703,517	1,725,162
Cash and Cash Equivalents	82,573	-	-	82,573
	$ 104,218	-	$ 1,703,517	$ 1,807,735

Financial Assets and Liabilities at Fair Value as of 31 Dec 2010
(US$ in thousands)

	Level 1	Level 2	Level 3	Total
Fund Investments				
Buyout	$ -	$ -	$ 1,380,291	$ 1,380,291
Venture Capital	-	-	285,451	285,451
Special Situation	-	-	150,623	150,623
Direct Co-Investments	-	-	57,035	57,035
Publicly Traded Equity Securities	18,596	-	-	18,596
Derivative Instrument	-	(6,718)	-	(6,718)
Total Investments	18,596	(6,718)	1,873,400	1,885,278
Cash and Cash Equivalents	77,467	-	-	77,467
	$ 96,063	$ (6,718)	$ 1,873,400	$ 1,962,745

Conversus has assessed its financial assets and liabilities and concluded that all are classified as Level 3 with the exception of directly held publicly traded equity securities (Level 1), cash and cash equivalents (Level 1) and the derivative instrument (Level 2). Transfers between levels are recognized based on the actual date of the event that caused the transfer. During the year ended 31 December 2011, Conversus had transfers from Level 3 to Level 1 of $28.5 million in the form of in-kind distributions. No other transfers occurred during the year ended 31 December 2011.

The table below summarizes the change in fair value of Level 3 financial assets for the year ended 31 December 2011.

Summary of Changes in Level 3 Financial Assets (US$ in thousands)	Level 3
Balance as of 1 Jan 2011	$ 1,873,400
Distributions from Investments	(463,522)
Net Realized Gains	129,350
Net Change in Unrealized Appreciation	(1,054)
Capital Called for Investments	161,632
Direct Co-investments Funded	32,172
In-Kind Distributions Transferred to Level 1	(28,461)
Balance as of 31 Dec 2011	$ 1,703,517

For the year ended 31 December 2011, Conversus recognized net unrealized appreciation of $66.5 million in the Combined Statement of Operations related to Level 3 financial assets still held as of 31 December 2011.

Valuation Methodology

Investments in private equity funds do not have a readily available market and are generally valued based on the fair value of each private equity fund as reported by the respective general partner, which necessarily incorporates estimates made by those general partners. Conversus believes that this value, in most cases, represents fair value as of the relevant statement date, although, if other factors lead Conversus to conclude that fair value provided by the general partner does not represent actual fair value, Conversus will adjust the value of the investment from the general partner’s estimate. Conversus estimates fair value based on publicly available information and the most recent financial information provided by the general partners, as adjusted for cash flows since the date of the most recent financial information. Additionally, the value of public equity securities known to be owned by the private equity funds, based on the most recent information reported to Conversus by the general partners, have been marked to market as of the last quoted price on the reporting date. Where applicable, a discount is applied to such securities based on an estimate of the discount applied by the general partners (to account for restrictions or other constraints) in calculating NAV.

The transfer of Conversus’ investments in private equity funds generally requires the consent of the corresponding private equity fund manager, and the transfer of certain fund investments is subject to rights of first refusal or other preemptive rights, potentially further limiting Conversus from transferring an investment in a private equity fund. The weighted average life of Conversus’ fund investments was 8.3 years as of 31 December 2011. The weighted average remaining contractual life for Conversus’ fund investments prior to any further extensions was 3.6 years based upon the funds’ stated termination date. It is common practice for general partners to extend the life of a fund for a period of several years beyond the original termination date. Thus, it is likely that the average remaining life for Conversus’ fund investments is materially greater than 3.6 years. Historical analysis for private equity investments indicates that the average life for a fund is approximately fifteen years.

Direct co-investments are carried at fair value, as estimated by Conversus. In estimating fair value, Conversus considers the value assigned to such investment by the fund with which Conversus has co-invested, to the extent known. Conversus also considers the estimated fair value based on the projected enterprise value at which the underlying company could be sold in an orderly disposition over a reasonable period of time and in a transaction between willing parties other than in a forced sale or liquidation. In these instances, market multiples considering specified financial measures (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or NAV) and/or a discounted cash flow or liquidation analysis can be used. Consideration may also be given to such factors as the company's historical and projected financial data, valuations given to comparable companies, the size and scope of the company's operations, the company's strengths, weaknesses, applicable restrictions on transfer, industry information and assumptions, general economic and market conditions and other factors deemed relevant. Conversus may also engage the services of a third party valuation firm to assist with valuing the asset.

Valuations for private equity funds acquired in secondary purchases are determined on a fund by fund basis taking into consideration a number of factors including: the purchase price paid for the fund, the valuation applied by the general partner in the most recently available statements (adjusted for cash flows through the purchase date), the conditions under which the assets were purchased, market and economic conditions at the time of purchase and other factors considered relevant at the time of the transaction. The public equity securities known to be owned within the purchased private equity fund, based on the most recent information reported to Conversus by the general partners, are marked to market and a discount applied to such securities based on an estimate of the discount applied by the general partners (to account for restrictions or other constraints) in calculating NAV in the month in which the assets are purchased. Subsequent valuations follow aforementioned valuation guidelines for investments in private equity funds.

Conversus generally reports its estimated NAV prior to receiving fair value information from all general partners. As a result, Conversus' estimate of fair value for investments in private equity funds could differ materially from the fair values ultimately reported by the general partners.

Duff & Phelps, LLC ("Duff & Phelps"), an independent valuation firm, provides third party valuation consulting services to Conversus LP which consist of certain limited procedures that Conversus LP identifies and requests them to perform. On a quarterly basis, Duff & Phelps reviews valuations covering a minimum of 20% of investment NAV with an annual target of reviewing approximately 80% of the investment NAV, exclusive of any direct co-investments, directly held publicly traded equity securities and publicly traded equity securities owned by the private equity funds in which Conversus is invested. Upon completion of the limited procedures outlined in Conversus LP's engagement letter with Duff & Phelps, Duff & Phelps concluded that the fair value as estimated by Conversus LP, on an aggregate basis, of those investments subjected to the limited procedures as of 31 December 2011 was reasonable.

4. Disclosures about Fair Value of Financial Instruments

Disclosures of estimated fair values for all financial instruments and the methods and assumptions used by management to estimate the fair value for each type of financial instrument are required under ASC 825-10, *Financial Instruments*.

Short-term Assets and Liabilities

For items that are short-term in nature, such as cash and cash equivalents, receivables, prepaid expenses, performance fees payable, management fees payable and other liabilities, Conversus estimates that the carrying value approximated fair value as of 31 December 2011 and 31 December 2010.

Notes and Interest Payable

Conversus' notes and interest payable are valued according to the terms of the collateralized fund obligation program discussed in Note 6. The notes utilize a variable interest rate based on the one or three month LIBOR rate plus a fixed premium. Conversus believes the fair value of its notes and interest payable did not differ materially from its carrying amounts as of 31 December 2011 and 31 December 2010.

5. Derivative Instrument

Conversus entered into a $100 million notional swap with Citigroup ("Citi") in October 2010 with an original maturity date of November 2011 to manage market risk associated with publicly traded equity securities (see Note 12). Conversus terminated the swap in March 2011. Under the total return swap agreement ("swap"), Citi made a payment at termination to Conversus based on a set rate over the life of the swap while Conversus made a payment to Citi based on the performance of the S&P 500 Total Return index through termination of the swap. The termination resulted in a net cash payment to Citi of $10.6 million and a realized loss of the same amount which is included in net realized gains on investments in the Combined Statement of Operations. The total net unrealized gain on the swap for the year ended 31 December 2011 was $6.7 million. This gain resulted from the reversal of the unrealized loss as of 31 December 2010, and is included in the net change in unrealized appreciation on investments in the Combined Statement of Operations.

Conversus had no derivative instruments outstanding as of 31 December 2011. The table below summarizes the terms of the swap outstanding as of 31 December 2010.

Summary of Total Return Swaps
(US$ in thousands)

Counterparty	Notional Amount	Underlying Index	Floating Amount	Payment Frequency	Original Maturity Date	Estimated Fair Value as of 31 Dec 2010
Citigroup	$100,000	S&P 500 Total Return	1-month USD LIBOR minus 15 bps	At Maturity or Termination Date	November 2011	($6,718)

6. Credit Facility

Conversus LP has entered into a collateralized fund obligation program with Citi (as amended, the "Program"). Conversus LP has the ability to issue notes to Citi on a continuous basis, subject to certain conditions and covenants. The Program provides for the ability to issue up to $175.0 million of notes through December 2012, $137.5 million from January 2013 through December 2013 and $100.0 million from January 2014 through December 2014, which is the maturity date of the Program. Conversus LP has the right to repurchase some or all of the outstanding notes at any time with the exception of $1.0 million of Class A Notes which must remain outstanding until the maturity or termination of the Program. Conversus LP has the option to terminate the Program on three months notice upon payment of the outstanding principal amount of the notes plus accrued and unpaid interest thereon at such date.

The notes bear interest at a rate equal to the one or three month LIBOR rate plus 2.95% on drawn amounts. Interest expense is accrued over one or three month interest periods and paid on the last day of the interest period.

The table below summarizes activity under the Program for the year ended 31 December 2011.

Summary of Program Activity
(US$ in thousands)

	Class A Notes	Accrued Interest	Total
Balance as of 1 Jan 2011	$ 1,000	-	$ 1,000
Interest Expense	-	33	33
Interest Payments	-	(33)	(33)
Balance as of 31 Dec 2011	$ 1,000	-	$ 1,000
Interest Expense	$ 33		$ 33

The Class A Notes outstanding as of 31 December 2011 and 31 December 2010 had interest rates of 3.53% and 3.24%, respectively.

Conversus pays a commitment fee of 0.75% on undrawn amounts. For the year ended 31 December 2011, commitment fee expense was $2.5 million.

The Program is secured by a first priority security interest in the cash accounts maintained by Conversus. All distributions from Conversus' investments must be deposited into these accounts.

Ratio covenants included in the Program that, if breached, can require prepayment of the notes and limit the borrowing base are as follows:

1. Loan-to-value Ratio – Maximum of 15% - Ratio of (a) the drawn amount of the Program, including accrued interest and swap exposure, to (b) the total NAV of investments plus cash and cash equivalents. As of 31 December 2011 and 31 December 2010, the loan-to-value ratio was 0.1% and 1.0%, respectively.
2. NAV Ratio – Minimum of 57.5% - Ratio of (a) total NAV to (b) total NAV of investments plus unfunded commitments. As of 31 December 2011 and 31 December 2010, the NAV ratio was 82% and 79%, respectively.

The Program also contains certain investment guidelines that include concentration limits with respect to the diversification of Conversus' private equity fund portfolio, as well as other conditions and covenants that Conversus must adhere to during the life of the Program. Failure to adhere to these conditions and covenants could result in an event of default or trigger termination event. If Conversus fails to comply with the terms of the Program, Citi is not obligated to provide additional advances under the Program.

After the occurrence of an event of default or trigger termination event as defined in the Program, the notes may become immediately due and payable. In such case, or if a payment would result in such an event, no payments out of the cash accounts would be permitted without the prior written consent of Citi, except to meet capital calls and similar obligations required by Conversus' private equity investments and to make distributions to pay management fees or performance fees, as defined in Note 2. Conversus determined it was in compliance with all covenants and conditions as of 31 December 2011 and 31 December 2010.

When permitted by the terms of the Program, Conversus may incur additional long-term indebtedness in connection with future investment activity.

7. Partners' Capital

Conversus LP's common units represent limited partner interests in Conversus LP and are issued in registered form. Unit holders are not entitled to the withdrawal or return of capital contributions in respect of Conversus LP's common units, except to the extent, if any, that distributions are made to such holders pursuant to Conversus LP's limited partnership agreement. Except to the extent expressly provided in Conversus LP's limited partnership agreement, a unit holder does not have priority over any other holder of Conversus LP's common units, either as to the return of capital contributions or as to profits, losses or distributions. The unit holders are not granted any preemptive or other similar right to acquire additional interests in Conversus LP. In addition, unit holders do not have any right to have their common units redeemed by Conversus LP.

Conversus LP currently owns all of the Class A limited partner interests in the Investment Partnership. Class A interests are not entitled to the withdrawal or return of any capital contributions in respect of Class A limited partner interests, except to the extent, if any, which distributions are made to such holders in terms of the Investment Partnership's limited partnership agreement, upon the liquidation of the Investment Partnership or otherwise required by applicable law. The Class B limited partner interests in the Investment Partnership are held by CPC. Class B interests have no preemptive or other similar rights to acquire any additional interests in the Investment Partnership. The Class C limited partner interests in the Investment Partnership are held by CAM. Class C interests have no preemptive or other similar rights to acquire any additional interests in the Investment Partnership.

Conversus LP has entered into Liquidity Provider agreements with The Royal Bank of Scotland N.V. ("RBS") and Amsterdams Effectenkantoor BV ("AEK") with respect to Conversus' common units listed on Euronext. Pursuant to the agreements, RBS and AEK issue continuous quotes in the Euronext order book, in compliance with applicable laws.

Conversus LP has entered into a Liquidity Enhancement agreement (the "Agreement") with Jefferies Hoare Govett ("Jefferies"). The Agreement provides the parameters and requirements for Conversus LP's liquidity enhancement policy. Under the Agreement, Jefferies has sole discretion, in the name and for the account of Conversus LP and subject to all applicable legal and regulatory requirements, to effect buy-backs of units and sales of units held in treasury on Euronext within the parameters set out in the Agreement. Units will not be sold out of treasury under the Agreement at a price which is lower than the last reported NAV per unit. The aggregate number of units which may be purchased in accordance with the Agreement is subject to a maximum of 3.7 million units. Conversus LP can elect to increase such maximum. Pursuant to applicable laws, the maximum price which may be paid for a unit is an amount equal to the higher of (a) the price of the last independent trade and (b) the highest current independent bid price for units on Euronext.

Pursuant to the terms of the Agreement, in November 2011, Conversus notified Jefferies that it had elected to extend the terms of the Agreement for an additional twelve months. The Agreement may be terminated at any time by either Conversus LP or Jefferies. Effective 2 September 2011, Conversus suspended all activity under the Agreement.

During the year ended 31 December 2011, Conversus LP repurchased units at a total purchase price of $125.6 million in the following transactions:

- completed a tender offer in February and repurchased 3.5 million units at a price of $21.25 per unit for a total of $75.0 million;
- completed a tender offer in May and repurchased 1.6 million units at a price of $23.00 per unit for a total of $36.1 million;
- repurchased 0.6 million units in June through a block repurchase at a price of $23.00 per unit for a total of $13.8 million; and
- repurchased 33,000 units on various dates at an average price of $21.19 per unit under the Agreement for a total of $0.7 million.

During the year ended 31 December 2011, Conversus LP cancelled 6.9 million units held in treasury with a weighted average cost of $19.58 per unit. The weighted average cost of the cancelled units was reclassified from treasury units to limited partners' capital on the Combined Statements of Net Assets.

In total, 2.0 million and 3.2 million Conversus LP units were held in treasury as of 31 December 2011 and 31 December 2010, respectively. Conversus LP may, from time to time, cancel some or all units held in treasury.

OHIM is obligated to invest at least 25% of its share of performance fees received by CPC in Conversus units until it reaches a $25.0 million commitment level. OHIM has made an election to reinvest 37.5% of its performance fee. Conversus issued no units to OHIM during the year ended 31 December 2011. As of 31 December 2011, Conversus LP had issued 171,669 common units to OHIM, representing a total reinvestment of $4.0 million. The issuances were based on the Conversus LP average closing price for the ten days leading up to and including the last day of the period to which they related.

During the year ended 31 December 2011, Conversus LP paid cash distributions to unit holders totaling $129.2 million or $2.00 per unit.

8. Phantom Equity Plan and Directors Compensation

Conversus has established a long term incentive plan under which it may make discretionary grants of phantom equity to certain officers and members of the Board of Directors. Vesting of the phantom equity awards will be determined on a grant by grant basis. Pursuant to the phantom equity plan, these awards are referenced to Conversus LP's unit price and will be settled in cash, typically at the earlier of the fifth anniversary of the grant or the termination of the recipient's employment with Conversus.

Conversus will ultimately record compensation expense equal to the amount of cash for which the awards are settled. During the vesting period, compensation expense is recorded on a straight-line basis, adjusted for changes in the market value of Conversus LP's units. Subsequent to vesting but prior to payment, compensation expense or benefit will be recorded based on the changes in Conversus LP's unit price, resulting in an increase or decrease in the associated phantom equity liability. Compensation expense is recorded for cash distributions declared to unit holders in an amount equal to the number of phantom units outstanding multiplied by the per unit distribution amount.

During the year ended 31 December 2011, Conversus issued 101,666 units under the phantom equity plan that vest on various dates during 2012 and 2013.

For the year ended 31 December 2011, total phantom equity award expense was $2.1 million. As of 31 December 2011 and 31 December 2010, $4.5 million and $2.8 million, respectively, was payable with respect to total phantom equity awards.

The table below summarizes the unit activity of the phantom equity plan for the year ended 31 December 2011.

Summary of Phantom Equity Plan Unit Activity

	Unvested	Vested
Units Outstanding as of 1 Jan 2011	63,696	127,414
Issued	101,666	-
Vested	(45,861)	45,861
Forfeited	(6,835)	-
Settled	-	(16,756)
Units Outstanding as of 31 Dec 2011	112,666	156,519

Each member of Conversus GP's Independent Board of Directors receives annual compensation of $62,500 in cash and $62,500 in phantom equity awards. For the year ended 31 December 2011, Board of Director compensation expense was $0.7 million. As of 31 December 2011 and 31 December 2010, $1.2 million and $0.8 million, respectively, was payable with respect to Board of Director compensation.

9. Related Parties

The sole shareholders of Conversus GP and Investment GP are two Guernsey charitable trusts, Conversus Charitable Trust I and Conversus Charitable Trust II. Conversus Charitable Trust I is considered the ultimate controlling party. The trustee of each of the Charitable Trusts is Northern Trust Fiduciary Services (Guernsey) Limited, which is independent of CAM, BAC and OHIM and is formed under the laws of Guernsey. The trust administration fees for the Charitable Trusts are paid by the Investment Partnership. The applicable fees are currently a minimum annual fee of $25,000 per trust. The trustee for the Charitable Trusts is affiliated with Conversus' Guernsey administrator, Northern Trust International Fund Administration Services (Guernsey) Limited ("Northern Trust"). The Trustee's duties are to the Charitable Trusts and not to Conversus LP or the Investment Partnership, and no material fees are payable by Conversus under the trust administration arrangements.

Conversus LP, Conversus GP, Investment GP, the Investment Partnership and the Investment Partnership's subsidiaries (the "Service Recipients") have entered into a services agreement with CAM pursuant to which CAM carries out the day-to-day management and operations of the respective businesses. Under the services agreement, CAM is entitled to quarterly management fees, as well as an administrative fee, as discussed in Note 2. In addition to the administrative fee, the Service Recipients reimburse CAM for investment professional travel related to the management of Conversus' portfolio and certain other direct expenses that CAM incurs on the Service Recipients' behalf. For the year ended 31 December 2011, total expenses under the services agreement, including the administrative fee, were $3.3 million. The total amount payable to CAM as of 31 December 2011 and 31 December 2010 was $0.5 million and $1.3 million, respectively.

CAM has entered into a subadvisory and services agreement with OHIM. Under the subadvisory and services agreement, OHIM performs those functions and has such authority as may be delegated to it by CAM. Pursuant to the subadvisory and services agreement, CAM is required to reimburse OHIM for its portion of certain fees and expenses incurred by CAM, as well as other fees, costs and expenses incurred by OHIM. Pursuant to the services agreement, the Service Recipients reimburse CAM for amounts paid to OHIM for investment professional travel related to the management of Conversus' portfolio and certain other direct expenses that OHIM incurs on the Service Recipients' behalf. For the year ended 31 December 2011, total expenses under the subadvisory and services agreement were $36,000. The total amount payable to CAM under the subadvisory and services agreement was $9,000 and $30,000 as of 31 December 2011 and 31 December 2010, respectively.

Conversus GP has retained Northern Trust and its affiliates to act as its Guernsey administrator to provide certain accounting services, including the accounting and administration of the private equity funds in which Conversus has invested. Paul Guilbert, Chairman of the Board of Directors of Conversus GP, is employed by Northern Trust. For the year ended 31 December 2011, total accounting and administration expenses were $1.5 million. The total amount payable to Northern Trust for accounting and administration services as of both 31 December 2011 and 2010 was $0.7 million.

BAC, OHIM and CalPERS, who are owners of CAM, are also unit holders of Conversus LP.

10. Commitments and Contingencies

As of 31 December 2011, Conversus held interests in 222 investments, including private equity funds, direct co-investments and publicly traded equity securities and had unfunded commitments to private equity funds of $402.1 million. The aggregate amount of capital committed by Conversus to private equity funds at a given time may exceed the aggregate amount of cash that Conversus has available. Because the managers of private equity funds will typically be permitted to make calls for capital contributions following the expiration of a relatively short notice period, employing an over-commitment strategy requires Conversus to time investments and manage available cash in a manner that allows the funding of its capital commitments when capital calls are made. CAM is primarily responsible for managing Conversus' cash and the timing of its investments. CAM takes into account expected cash flows to and from its investments and amounts available from the issuance of notes under the Program when planning investment and cash management activities with the objective of seeking to ensure that Conversus is able to honor its commitments to funds when they become due. Conversus believes it currently has sufficient liquidity to meet this over-commitment strategy.

In the normal course of business, Conversus enters into contracts which contain indemnification provisions, including, but not limited to, purchase contracts, service agreements and subadvisory agreements. Among other things, these indemnification provisions may be related to Conversus' conduct, performance or the occurrence of certain events. These indemnification provisions will vary based on the contract. Conversus may in turn obtain indemnifications from other parties in certain contracts. These indemnification provisions are not expected to have a material impact on Conversus' combined results of operations or financial condition.

11. Gain per Unit Outstanding

The gain per unit outstanding due to the change in net assets resulting from operations for the year ended 31 December 2011 is calculated by dividing the net change in net assets from operations by the weighted average number of units outstanding during the period, as outlined in the table below.

Gain per Unit Outstanding ($ and units outstanding in thousands except for per unit amounts)		
		Year Ended 31 Dec 2011
Net change in net assets resulting from operations	$	42,419
Weighted average number of units outstanding		65,972
Gain per unit outstanding	$	0.64

12. Risks

Conversus is exposed to a number of risks due to the types of investments it makes and its structure. Its exposure to risk relates to, among other things, changes in the values of publicly traded equity securities and private securities that are held for investment, movements in prevailing interest rates, changes in foreign currency exchange rates, changes in the laws and regulations under which it operates, general market and economic conditions and the management of liquidity resources.

Securities Market Risks
Conversus and the private equity funds in which it invests may make investments in portfolio companies whose securities are offered to the public in connection with the process of exiting an investment. The market prices and values of publicly traded equity securities of companies in which Conversus has investments may be volatile and can fluctuate due to a number of factors beyond its control. Conversus values investments in publicly traded equity securities based on current market prices at the end of each accounting period, which could lead to significant changes in the NAV and operating results of Conversus.

Interest Rate Risks
As described in Note 10, Conversus will, from time to time, incur indebtedness to support its over-commitment strategy and its liquidity needs. An increase in interest rates could increase the cost of making payments under the Program, as described in Note 6, or make it more difficult or expensive for Conversus to obtain debt financing in the future, and could decrease the returns that its investments generate.

Foreign Currency Risks
Conversus' functional currency is the U.S. dollar because a majority of its investments are denominated in U.S. dollars. As a result, the investments that are carried as assets in the combined financial statements are stated in U.S. dollars. When valuing investments that are denominated in currencies other than the U.S. dollar, the values of such investments are converted into U.S. dollars based on prevailing exchange rates as of the end of the applicable accounting period. Due to the foregoing, changes in exchange rates between the U.S. dollar and other currencies could lead to significant changes in NAV.

Counterparty Credit Risk

Conversus has entered into agreements providing for services and transactions that expose Conversus to risk in the event that the counterparties do not meet the terms of such agreements. Conversus may be exposed to a concentration of credit risk in the Program where there is currently a single lender (see Note 6) and in depository and accounting administration services where Conversus utilizes a single service provider (see Note 9).

Conversus depends on the Program's sole lender to provide funds as requested pursuant to the Program. To the extent that the lender fails to perform under the terms of the Program, the non-performance may have a detrimental impact on Conversus' ability to meet its funding requirements.

Under current market conditions, the availability of new financing is not assured. To the extent that new financing is required and available, the terms for such financing may be significantly less favorable to Conversus than the terms in the current Program, with lenders seeking higher rates, additional equity requirements and more restrictive covenants.

Hedging Arrangements and Risk Management

When managing its exposure to market risks, Conversus is authorized to use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments (see Note 5) to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates. Conversus anticipates that the scope of risk management activities it undertakes will vary based on the level and volatility of interest rates and public equity indexes, prevailing foreign currency exchange rates, the type of investments that are made and other changing market conditions. The use of hedging transactions and other derivative instruments to reduce the effects of changes in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines. However, such activities can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of the position. Such transactions may also limit the opportunity for gain if the value of a position increases. Moreover, it may not be possible to limit the exposure to a market development that is so generally anticipated that a hedging or other derivative transaction cannot be entered into at an acceptable price.

Although Conversus may enter into hedging transactions in order to reduce its exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, Conversus may not be successful in establishing a perfect correlation between the instruments used in a hedging or other derivative transaction and the position being hedged. An imperfect correlation could prevent Conversus from achieving the intended result and create new risks of loss. In addition, Conversus will not be able to fully limit exposure against all changes in the values of its investments, because the values of its investments are likely to fluctuate as a result of a number of factors, some of which will be beyond Conversus' control, and it may not be able to respond to such fluctuations in a timely manner or at all.

Conversus may also invest in private equity related derivative instruments to enhance its returns as part of its investment strategy. Such efforts may prove unsuccessful and result in losses in excess of amounts invested.

Regulatory Risk
Conversus, and the funds and companies in which it invests, are subject to a variety of laws and regulations by national, regional and local governments and supranational organizations. These laws and regulations, and their interpretation and application, may change from time to time and those changes could have a material adverse effect on the results of operations or financial position of Conversus.

Tax Risk
Conversus, and many of the funds and companies in which it invests, have a complex and multi-jurisdictional structure and are subject to a variety of tax laws and tax regulations by national, regional and local governments and supranational organizations. These tax laws and regulations (including the applicable tax rates), and their interpretation and application, may change from time to time and those changes could have a material adverse effect on the results of operations or financial position of Conversus.

Market Risk
The private equity funds and direct private equity investments in Conversus' portfolio may be materially affected by conditions in the global financial markets and economic conditions. Uncertainty created by market and economic conditions and a tightening of credit could lead to declines in valuations of equity and debt securities without regard to the underlying financial condition of the issuer in certain cases.

The global financial markets and economic conditions may become dislocated or deteriorate, due to a variety of factors beyond the control of Conversus. The general partners of the funds held by Conversus may face reduced opportunities to sell and realize value from their existing portfolio companies, and many of these portfolio companies employ substantial indebtedness that may be difficult to extend or replace and which may magnify the impact of any valuation changes. Changes in market or economic conditions, including an increase in interest rates or lack of available credit, could have a material adverse effect on the results of operations and financial position of Conversus.

The rate of capital calls from the private equity funds in which Conversus invests may increase significantly. As a passive investor with very limited rights, Conversus has virtually no ability to influence the activities of the funds in which it invests or their portfolio companies. Moreover, it may not be possible for Conversus to raise new capital in the debt or equity markets or to sell assets on acceptable terms. If Conversus were not able to fund a capital call when due, it may lead to a default under the fund documents and give the fund in which Conversus invested a variety of remedies. Any such default could also be a default under the Program. A failure by Conversus to meet its capital call obligations may have a material adverse effect on the results of operations and financial position of Conversus.

Valuation Risk
Investment valuations for which there is no readily available market, such as the illiquid assets in Conversus' portfolio, require estimates and assumptions about matters that are inherently uncertain. Given this uncertainty, the fair values of such investments as reflected in the estimated NAV of Conversus may not reflect the prices that would actually be obtained when such investments are sold.

13. Subsequent Events

In accordance with ASC 855-10, *Subsequent Events*, Conversus has evaluated subsequent events for recognition or disclosure through 28 March 2011, which was the date after which these combined financial statements were available to be issued.

On 4 January 2012, Conversus LP declared a distribution of $0.15 per unit, or $9.7 million in aggregate, to unit holders of record as of 13 January 2012.

On 10 February 2012, Conversus announced that it had re-issued 427,876 common units from treasury to OHIM Investors, L.P., an affiliate of OHIM.

On 27 February 2012, Conversus announced that its Board of Directors will explore strategic alternatives with the goal of enhancing unit holder value. Strategic alternatives may include, but are not limited to, a possible sale of Conversus.

On 28 March 2012, Conversus LP declared a distribution of $0.60 per unit, or $39.0 million in aggregate, to unit holders of record as of 4 April 2012.

Financial Highlights

For the year ended 31 December 2011
(US$ in thousands except for per unit amounts)

Per Unit Operating Performance		
Net Asset Value per Unit Outstanding at Beginning of Period	**$ 27.71**	
Increase (Decrease) from Operating Activities		
Net investment loss	(1.31)	
Net realized gains on investments	1.81	
Net change in unrealized appreciation on investments	0.14	
Total Increase from Operating Activities	0.64	
Increase (Decrease) from Capital Transactions		
Distributions to unit holders	(2.00)	
Unit repurchases	0.53	
Total Decrease from Capital Transactions	(1.47)	
Net Asset Value per Unit Outstanding at End of Period	**$ 26.88**	
Total Return[1]	4.22	%

Supplemental Information		
Weighted Average Net Assets During the Period	**$ 1,857,465**	
Ratios to Weighted Average Net Assets:		
Net investment loss	(4.64)	%
Expenses		
Performance fees	2.95	
Net management fees[2]	0.89	
Fund fees and expenses	0.83	
Professional service fees	0.33	
Personnel	0.19	
Administrative fee to CAM	0.16	
Public company costs	0.15	
Credit facility commitment fee and interest	0.14	
Taxes	0.11	
Other general and administrative	0.04	
Total Expenses	5.79	%

(1) Total Return is adjusted for distributions to unit holders.

(2) For the period 1 January 2011 through 30 June 2011, CAM waived its right to 30% of the profits interest portion of its management fees. Absent this waiver, the percentage for management fees for the year ended 31 December 2011 would have been 1.00%.