



CONVERSUS CAPITAL, L.P.

**INTERIM FINANCIAL REPORT
(UNAUDITED)**

For the nine months ended September 30, 2009

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CONVERSUS AT A GLANCE

Our Company	Conversus Capital, L.P. ¹ <ul style="list-style-type: none"> • Guernsey Limited Partnership • Listed on Euronext Amsterdam by NYSE Euronext • Symbol: CCAP • 72,367 units outstanding as of September 30, 2009 • Website: www.conversus.com
Mission	To provide immediate exposure to a diversified portfolio of private equity assets, access to best-in-class general partners and consistent NAV returns that outperform the public markets
Highlights	<ul style="list-style-type: none"> • Largest publicly traded portfolio of third party private equity investments • Fully invested portfolio of top-tier, diversified and seasoned private equity investments • Under the realization strategy, apply cash flow primarily to fund capital calls and expenses, repay debt and, eventually, return capital to unit holders through unit repurchases and distributions • Sophisticated financial management with public company corporate financial tools to maximize efficiency of the balance sheet and operate with little cash drag
Alignment of Interests	<ul style="list-style-type: none"> • Strong corporate governance, with an Independent Board of Directors and an Independent CFO providing oversight on behalf of investors • Performance driven compensation structure for the Investment Manager • Substantial investments by sponsors, strategic investors, management and investment team
Investment Manager	Conversus Asset Management, LLC <ul style="list-style-type: none"> • Leverages the platforms of sponsors Bank of America and Oak Hill Investment Management • Experienced investment team comprised of 22 investment professionals with over 200 years of combined experience

Key Operating Metrics (Amounts in 000s except per unit data)	As of September 30, 2009	As of December 31, 2008	Increase / (Decrease)
Net Asset Value	\$1,559,983	\$1,516,373	2.9 %
Net Asset Value per Unit	\$21.56	\$20.85	3.4 %
Funded Assets	\$1,793,968	\$1,726,979	3.9 %
Unfunded Commitments	\$761,833	\$831,495	(8.4)%
Cash and Cash Equivalents	\$38,507	\$49,912	(22.9)%
Notes and Interest Payable	\$264,957	\$238,230	11.2 %
Weighted Average Portfolio Company Duration	4.7 years	4.0 years	17.5 %
Weighted Average Fund Life	7.6 years	7.0 years	8.6 %
Units Outstanding	72,367	72,728	(0.5)%
Unit Price	\$10.85	\$10.40	4.3 %
Market Capitalization	\$785,182	\$756,371	3.8 %

¹Conversus Capital, L.P. is subject to the supervision of the Guernsey Financial Services Commission and market conduct supervision by the Authority for the Financial Markets in the Netherlands. This Interim Financial Report is made in accordance with article 5:25e of the Dutch Financial Supervision Act and in respect of the Conversus Capital, L.P.'s obligations under that article for the period from July 1, 2009 to October 22, 2009.

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 Asset Management, LLC is referred to as “CAM” or the “Investment Manager.”

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

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

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 quarters ended September 30, 2009 and September 30, 2008.

Summary Operating Results <i>For the Quarters Ended:</i>		
	September 30, 2009	September 30, 2008
Net Change in Unrealized Depreciation on Investments	\$ 50,467	\$(193,172)
Net Realized Gains	21,654	24,457
Investment & Other Income	3,173	3,764
Total Expenses	(18,428)	(20,054)
Net Increase/(Decrease) in Net Assets	<u>\$ 56,866</u>	<u>\$(185,005)</u>

- The net change in unrealized depreciation on investments of \$50.5 million for the quarter ended September 30, 2009 was comprised of net unrealized gains of \$55.8 million related to public equity securities, net unrealized gains of \$9.5 million related to private holdings and \$5.0 million in unrealized foreign currency gains, partially offset by unrealized losses of \$19.8 million on derivative instruments held to partially hedge market exposure on our public equity security portfolio. The unrealized losses on the derivatives included a reversal of \$11.8 million of

previously recognized unrealized gains which became realized during the third quarter of 2009 when a derivative instrument matured (see note 5 of the unaudited combined financial statements). The net change in unrealized depreciation on investments of \$193.2 million for the quarter ended September 30, 2008 was comprised of net unrealized losses of \$143.7 million related to private holdings, net unrealized losses of \$37.5 million related to public equity securities and \$19.3 million in unrealized foreign currency losses, partially offset by an unrealized gain of \$7.3 million on a derivative instrument.

- Net realized gains were \$21.7 million for the quarter ended September 30, 2009, mainly due to \$11.8 million in realized gains related to the maturity of a derivative instrument. In comparison, net realized gains were \$24.5 million for the quarter ended September 30, 2008.
- For the quarters ended September 30, 2009 and September 30, 2008, net investment and other income was \$3.2 million and \$3.8 million, respectively. This income is mainly comprised of dividend and interest income.
- Total expenses for the quarters ended September 30, 2009 and September 30, 2008 were \$18.4 million and \$20.1 million, respectively. Further expense detail can be found in the tables below.
- The increase in net assets from operations of \$56.9 million during the quarter ended September 30, 2009 resulted in a gain per unit outstanding of \$0.79. The decrease in net assets from operations of \$185.0 million during the quarter ended September 30, 2008 resulted in a loss per unit outstanding of \$2.53.

The following table displays a summary of operating results for the nine months ended September 30, 2009 and September 30, 2008.

Summary Operating Results For the Nine Months Ended:		
	September 30, 2009	September 30, 2008
Net Change in Unrealized Depreciation on Investments	\$ 87,593	\$(294,857)
Net Realized Gains	4,429	84,565
Investment & Other Income	6,667	12,381
Total Expenses	(51,858)	(49,832)
Net Increase/(Decrease) in Net Assets	\$ 46,831	\$(247,743)

- The net change in unrealized depreciation on investments of \$87.6 million for the nine months ended September 30, 2009 was comprised of net unrealized gains of \$117.4 million related to public equity securities and \$6.7 million in unrealized foreign currency gains, partially offset by net unrealized losses of \$15.1 million related to private holdings and net unrealized losses of \$21.4 million related to derivative instruments. The unrealized losses on the derivatives included a reversal of \$11.8 million of previously recognized unrealized gains which became realized during the third quarter of 2009 when a derivative instrument matured (see note 5 of the unaudited combined financial statements). The net change in unrealized depreciation on investments of \$294.9 million for the nine months ended September 30, 2008 was comprised of net unrealized losses of \$180.7 million related to private holdings, net unrealized losses of \$109.3 million related to public equity securities and \$12.2 million in unrealized foreign currency losses, partially offset by \$7.3 million in unrealized gains on a derivative instrument.
- Net realized gains were \$4.4 million for the nine months ended September 30, 2009, mainly due to \$11.8 million in realized gains related to the maturity of a derivative instrument, partially offset

by portfolio company write-offs by general partners. In comparison, net realized gains were \$84.6 million for the nine months ended September 30, 2008.

- For the nine months ended September 30, 2009 and September 30, 2008, net investment and other income was \$6.7 million and \$12.4 million, respectively.
- Total expenses for the nine months ended September 30, 2009 and September 30, 2008 were \$51.9 million and \$49.8 million, respectively. Further expense detail can be found in the tables below.
- The increase in net assets from operations of \$46.8 million during the nine months ended September 30, 2009 resulted in a gain per unit outstanding of \$0.65. The decrease in net assets from operations of \$247.7 million during the nine months ended September 30, 2008 resulted in a loss per unit outstanding of \$3.39.

The following table displays operating expenses and related annualized operating percentages, excluding one-time costs, based on weighted average net assets for the quarters ended September 30, 2009 and September 30, 2008.

Total Expenses and Operating Percentages				
<i>For the Quarters Ended:</i>				
	September 30, 2009		September 30, 2008	
	Expense	Percentage	Expense	Percentage
Fund Fees and Expenses	\$ 5,773	1.51%	\$ 6,407	1.29%
Net Management Fees	4,356	1.14	6,085	1.22
Interest	1,165	0.31	1,716	0.35
Professional Service Fees	1,162	0.30	1,743	0.22
Personnel	1,056	0.28	916	0.12
Public Company Costs	708	0.19	658	0.08
Other General and Administrative	4,208	0.49	2,529	0.33
Total Expenses	\$ 18,428	4.22%	\$ 20,054	3.61%

- 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 our investments and will fluctuate on a quarterly basis.
- Management fees are 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 is paid quarterly in cash ("cash management fee"), in arrears, and two-thirds is earned in the form of a contingent profits interest in the Investment Partnership. The contingent profits interest is paid quarterly, in arrears, to the extent that there has been appreciation in Conversus' NAV. CAM has agreed to waive its right to 30% of the contingent profits interest while Conversus operates under a realization strategy. This waiver was effective as of July 1, 2009. Management fees in the operating expense tables are shown net of the fees waived.
- Interest expense represents the interest incurred on amounts borrowed under the credit facility. The expense reflected weighted average balances outstanding of \$264.3 million and \$152.0 million for the quarters ended September 30, 2009 and September 30, 2008, respectively. The balances outstanding had weighted average rates of 1.7% and 4.2% as of September 30, 2009 and September 30, 2008, respectively.

- Professional service fees represent accounting, audit, tax, legal, compliance and related costs. The decrease from the third quarter of 2008 when compared to the same period in 2009 was a result of lower legal fees.
- Personnel expense includes compensation and benefits for CCAP's employees as well as employee costs reimbursed to CAM for administrative personnel under a services agreement (see Note 9 to the audited combined financial statements).
- Public company costs consist of insurance, third party valuation fees, Board of Director compensation, investor relations and regulatory expenses.
- Other General and Administrative expenses include income taxes, occupancy, travel, training, recruitment and miscellaneous employee and other costs. The increase from 2008 to 2009 was due primarily to increased income taxes.

The following table displays operating expenses and related annualized operating percentages, excluding one-time costs, based on weighted average net assets for the nine months ended September 30, 2009 and September 30, 2008.

Total Expenses and Operating Percentages				
<i>For the Nine Months Ended:</i>				
	September 30, 2009		September 30, 2008	
	Expense	Percentage	Expense	Percentage
Fund Fees and Expenses	\$ 16,478	1.44%	\$ 14,591	0.96%
Net Management Fees	14,872	1.30	18,982	1.25
Interest	5,404	0.47	3,144	0.21
Professional Service Fees	3,899	0.34	4,477	0.28
Personnel Expense	3,259	0.28	2,669	0.16
Public Company Costs	2,032	0.18	1,674	0.10
Other General and Administrative	5,914	0.45	4,295	0.26
Total Expenses	\$ 51,858	4.46%	\$ 49,832	3.22%

- Interest expense reflected weighted average balances outstanding of \$266.6 million and \$93.9 million for the nine months ended September 30, 2009 and September 30, 2008, respectively. The balances outstanding had weighted average rates of 1.7% and 4.2% as of September 30, 2009 and September 30, 2008, respectively.
- Professional service fees were lower for the first nine months of 2009 when compared to the first nine months of 2008 due to lower legal fees.
- Personnel expense was higher for the nine months ended September 30, 2009 than the nine months ended September 30, 2008 due to increased headcount at CCAP and CAM in 2009.
- Public company costs increased from the nine months ended September 30, 2008 when compared to the nine months ended September 30, 2009 due to higher investor relations and insurance costs.
- Other General & Administrative expenses increased for the nine months ended September 30, 2008 when compared to the nine months ended September 30, 2009 due to increased income taxes.

BUSINESS OVERVIEW

Conversus is designed to provide unit holders immediate exposure to a diversified portfolio of private equity assets, access to best-in-class general partners and consistent NAV returns that outperform the public markets. We are fully invested in a portfolio that includes commitments to new, or primary funds, funds purchased on the secondary market and direct co-investments in individual companies. 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. During the second quarter of 2009, we implemented a realization strategy and discontinued, for now, substantially all new investment activity. This strategy, and the circumstances under which we would return to an active investment strategy, are further described in “Investment Strategy.”

Since our inception in July 2007, our core investment strategy has been to invest in new private equity funds managed by general partners with a history of strong performance. To augment returns from this core strategy, we have purchased portfolios of funds in the secondary market with risk exposures and vintages that diversify our portfolio, are favorably priced or are otherwise attractive to us. Additionally, we have invested in a limited number of direct private equity co-investments which allow for the selection of specific portfolio company investments with the potential for superior returns, in part because of the possibility of reduced fees and carried interest. While operating in realization mode we will actively manage our current portfolio of funded investments and unfunded commitments to maximize unit holder value.

Since our portfolio is mature and cash flowing, we can operate with low levels of cash. We currently expect to meet capital calls on unfunded commitments with the cash flows from existing assets and through borrowings under our credit facility which has a maximum availability of \$650.0 million, subject to covenants, and is committed until July 2012 (see Note 6 of 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, certain members of CAM’s management and our strategic investors, the California Public Employees Retirement System (“CalPERS”) and affiliates of Harvard Management Company, Inc. (an investment vehicle for the Harvard University Endowment). CAM leverages the platforms of BAC and OHIM in sourcing and evaluating investments on behalf of Conversus. 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 and identify attractive investment opportunities.

Our portfolio is managed by the investment team comprised of employees of CAM and OHIM. The senior members of this group average over 15 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

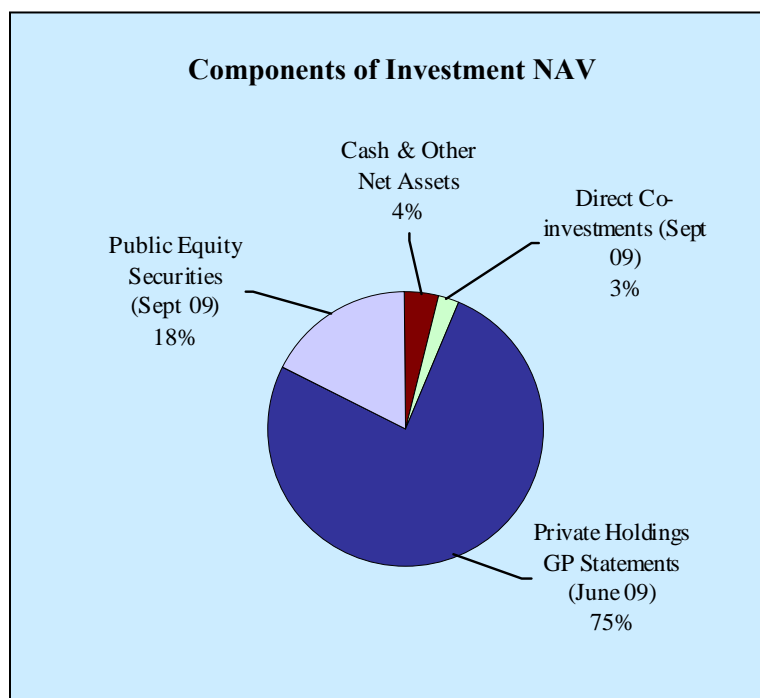
As of September 30, 2009, we had an investment NAV of \$1,794.0 million and an NAV of \$1,560.0 million, or \$21.56 per unit. By comparison, our NAV as of December 31, 2008 was \$1,516.4 million, or \$20.85 per unit.

During the nine months ended September 30, 2009, unrealized gains of \$117.4 million on public equity securities and unrealized gains of \$6.7 million related to foreign currency were partially offset by unrealized losses of \$15.1 million related to our private holdings and unrealized losses of \$21.4 million related to derivative instruments.

For the nine months ended September 30, 2009, realized gains were \$4.4 million. A derivative instrument matured during the third quarter of 2009 resulting in a realized gain of \$11.8 million. The Financials and Information Technology sectors had \$3.9 million and \$3.8 million in realized gains, respectively. These gains were partially offset by realized losses in the Consumer Discretionary and Industrial sectors, which accounted for \$10.2 million and \$3.2 million in realized losses, respectively.

As of September 30, 2009, 75% of the investment NAV was comprised of private holdings valued based on general partner statements or other financial information as of June 30, 3% was comprised of direct co-investments valued as of September 30, 2009. All valuations have been adjusted for cash flows since the date of the most recent financial information provided by the general partner. A further 18% of the investment NAV was comprised of public equity securities and related derivatives which were marked to market as of September 30. The remaining 4% of the investment NAV represented cash and other net assets held by the funds in which Conversus is invested.

The chart below summarizes the various components of our investment NAV as of September 30, 2009.



INVESTMENT STRATEGY

Realization Strategy

Despite Conversus' distinguishing characteristics as represented by its portfolio, financial flexibility and commitment to governance and transparency, our units are trading at a significant discount to our reported NAV. We are disappointed with this performance and believe it does not reflect the value of our high-quality portfolio or the distinct strengths of our business model. In the second quarter of 2009, in response to the significant discount at which our units were trading, we determined that a realization strategy was in the best interest of our unit holders.

Under the realization strategy, we have discontinued substantially all investments and new commitments to focus on realizing the value of the existing portfolio by applying cash flow to fund capital calls and expenses, repay debt and, over time, return capital to unit holders through unit repurchases and cash distributions. We continue to actively manage the current portfolio of funded investments and unfunded commitments, as well as our liquidity and capital resources, to maximize unit holder value. Active management could include asset sales or swaps. During this phase, we will continue to gain exposure to the attractive opportunities we believe are presented by the market through the unfunded commitments that will be called and deployed by our top-tier general partners.

Conversus will consider a return to a growth strategy if it believes three criteria are met: (i) the market price for its units fairly reflects the value of the portfolio, (ii) the trading volume in Conversus' units provides sufficient liquidity for investors and (iii) the reflection of fair value in the unit price and the level of trading volume are sustainable. Conversus will continue to review its strategy in response to market conditions and will make strategic decisions consistent with the goal of maximizing unit holder value.

We have taken these proactive steps in order to increase the confidence of investors that the value of Conversus' portfolio will be delivered to our unit holders over time. We envision this to be achieved either through a fairly valued stock price or, if the market does not recognize that value, through cash flow to unit holders.

Long-term Investment Strategy

We believe that our portfolio is distinguished by its maturity, diversity and quality. Since our inception, the portfolio has been constructed in accordance with the long-term, core principles described below. While we are in realization mode, we will continue to follow these core principles, to the extent applicable, and we will actively manage the portfolio accordingly. We will consider proactive steps, if necessary, to retain a balance in our portfolio consistent with our long-term investment strategy.

On a long-term basis, we expect at least 80% of our total investments will be invested directly in new private equity funds and in existing funds purchased on the secondary market. We expect no more than 20% of our total investments will be invested in direct co-investments. However, we may deviate from these percentages if CAM deems it advisable. In terms of concentrations, we expect that no more than 15% of our total investments will be invested in funds managed by any single general partner, no more than 7.5% will be invested in any single fund and no more than 5% will be invested in any single direct co-investment. Our investment policies do not contain fixed requirements, and these limits may be exceeded under certain circumstances. This flexible investment mandate allows us to be responsive to market conditions and opportunistic in seeking the best risk adjusted returns. Moreover, the cash flow from our mature portfolio and our credit facility provide us with the ability to continue investing through various market conditions and phases of economic cycles.

To maintain our attractive position on the private equity J-curve, we have made direct co-investments and purchased portfolios of funds in the secondary market. Direct co-investments may increase exposure to a fund's most promising investments, frequently with partial or complete avoidance of fees and carried interest. Secondary transactions generally represent more seasoned portfolios, and they may offer more appealing risk-reward and liquidity profiles than primary commitments. Secondaries may also be a useful tool for adding exposure to select vintage years, investment stages, industries, geographic regions and other characteristics.

The recent credit crisis has substantially limited the ability of general partners to create returns through leverage. The best general partners have always emphasized operational improvements that grow cash flow and build franchises in their portfolio companies, and we believe this capability will be particularly critical in the current environment. We believe this expertise is well-represented in our current portfolio, and we will continue to focus on the general partners who we believe are best positioned to execute operational improvements successfully.

INVESTMENT PORTFOLIO

The following tables display our summary portfolio allocation, summary of unfunded commitments and the composition of our investment portfolio based on investment NAV as of September 30, 2009. See pages 30 to 32 of this financial report for a complete listing of our investments by fund as of September 30, 2009.

Portfolio Allocation as of September 30, 2009				
	Number of Investments	Investment NAV	Unfunded Commitments	Total Exposure
Fund Investments	217	\$ 1,732,344	\$ 761,833	\$ 2,494,177
Direct Co-investments	3	46,087	-	46,087
Public Equity Securities *	13	15,537	-	15,537
Total Investments	233	\$ 1,793,968	\$ 761,833	\$ 2,555,801
* Represents publicly traded equity securities distributions from our fund investments, direct public equity purchases and derivative instruments				

Commitment Summary for the Nine Months Ended September 30, 2009	
	Fund Investments
Unfunded Commitments as of December 31, 2008	\$ 831,495
New Commitments	4,429
Net Commitments Funded	(87,174)
FX and Other Adjustments	13,083
Unfunded Commitments as of September 30, 2009	\$ 761,833

Composition of Investment Portfolio as of September 30, 2009					
	# of Holdings	Investment NAV	% of Investment NAV	Total Exposure ^	% of Total Exposure
Buyout Funds >\$7.5 billion	9	\$ 113,038	6.3%	\$ 317,096	12.4%
Buyout Funds \$5 to \$7.5 billion	8	157,929	8.8	210,281	8.2
Buyout Funds \$3 to \$5 billion	21	318,875	17.8	449,819	17.6
Buyout Funds \$1 to \$3 billion	37	299,508	16.7	412,877	16.2
Buyout Funds \$500 million to \$1 billion	25	183,092	10.2	235,416	9.2
Buyout Funds <\$500 million	42	212,413	11.8	296,147	11.6
Total Buyout Funds	142	1,284,855	71.6	1,921,636	75.2
Venture Capital Funds	57	307,267	17.1	414,765	16.2
Special Situation Funds	18	140,222	7.8	157,776	6.2
Total Fund Investments	217	1,732,344	96.5	2,494,177	97.6
Direct Co-investments	3	46,087	2.6	46,087	1.8
Public Equity Securities *	13	15,537	0.9	15,537	0.6
Total Investment Portfolio	233	\$1,793,968	100.0%	\$2,555,801	100.0%
^ Total Exposure represents investment NAV plus remaining unfunded commitments					
* Represents publicly traded equity securities distributions from our fund investments, direct public equity purchases and derivative instruments					

The following table displays, in alphabetical order, our seventy-five largest private equity fund investments based on investment NAV as of September 30, 2009. In total, the Top 75 funds represented 71% of our total investment NAV and 44% of our unfunded commitments as of September 30, 2009.

Top 75 Fund Investments by NAV as of September 30, 2009 (\$ in millions)					
Fund	Asset Class	Vintage Year	Investment NAV**	Unfunded Commitments	Total Exposure
AIG Altaris Health Partners, L.P.	Buyout	2003	*	*	*
Alta Communications IX, L.P.	Buyout	2003	*	*	*
Apollo Investment Fund IV, L.P.	Buyout	1998	\$ 21.9	\$ 0.2	\$ 22.1
Apollo Investment Fund V, L.P.	Buyout	2001	29.3	3.6	32.9
Apollo Investment Fund VI, L.P.	Buyout	2006	20.5	4.2	24.7
Apollo Overseas Partners VII, L.P.	Buyout	2008	8.9	37.8	46.7
Atlantic Equity Partners III, L.P.	Buyout	1999	11.5	0.9	12.4
Aurora Equity Partners II, LP	Buyout	1998	11.9	0.0	11.9
Avenue Special Situations Fund V, L.P.	Special Situation	2007	24.5	4.2	28.7
Battery Ventures VI, L.P.	Venture Capital	2000	8.3	0.0	8.3
Bay City Capital IV, L.P.	Venture Capital	2005	13.4	7.3	20.7
BC European Capital VII	Buyout	2000	14.7	0.0	14.7
Blackstone Capital Partners III L.P.	Buyout	1997	12.3	2.2	14.5
Blackstone Capital Partners IV, L.P.	Buyout	2003	24.5	3.4	27.9
Blackstone Communications Partners I, L.P.	Buyout	2000	8.2	2.5	10.7
Brentwood Associates Private Equity III, L.P.	Buyout	1999	12.5	0.0	12.5
Bruckmann, Rosser, Sherrill & Co. II, LP	Buyout	1999	11.3	0.3	11.6
Calera Capital Partners III, L.P.	Buyout	2001	*	*	*
Carlyle Partners III, L.P.	Buyout	2000	8.7	5.1	13.8
Carlyle Partners V, L.P.	Buyout	2007	12.0	34.4	46.4
Catterton Partners IV	Buyout	2000	*	1.5	*
Chisholm Partners IV, LP	Buyout	1999	10.6	0.8	11.4
Clayton, Dubilier & Rice Fund VI, L.P.	Buyout	1999	14.4	6.2	20.6
Clayton, Dubilier & Rice Fund VII Coinvest, L.P.	Buyout	2006	13.0	3.2	16.2
Clayton, Dubilier & Rice Fund VII, L.P.	Buyout	2005	44.3	4.1	48.4
Crestview Capital Partners	Buyout	2005	16.3	1.4	17.7
CVC European Equity Partners III LP	Buyout	2001	*	*	*
Diamond Castle Partners IV, L.P.	Buyout	2005	13.0	11.7	24.7
Essex Woodlands Health Ventures Fund V, LP	Venture Capital	2000	14.3	0.0	14.3
Fenway Partners Capital Fund II, LP	Buyout	1998	13.9	2.0	15.9
FFC Partners II, L.P.	Buyout	1999	12.3	0.8	13.1
Financial Technology Ventures II (Q), L.P.	Venture Capital	2001	20.3	1.0	21.3
Foundation Capital IV, L.P.	Venture Capital	2002	*	*	*
Friedman, Fleischer & Lowe Capital Partners, L.P.	Buyout	1999	8.7	2.2	10.9
Green Equity Investors IV, L.P.	Buyout	2003	16.2	0.6	16.8
Green Equity Investors V, LP	Buyout	2006	8.9	26.3	35.2
Hicks, Muse, Tate & Furst Equity Fund V, L.P.	Buyout	2000	*	3.5	*
Industri Kapital 2000 Limited Partnership III	Buyout	2000	9.3	0.0	9.3
JPMorgan Global Investors, L.P.	Buyout	2001	*	*	*
KKR 1996 Fund, L.P.	Buyout	1997	*	0.0	*

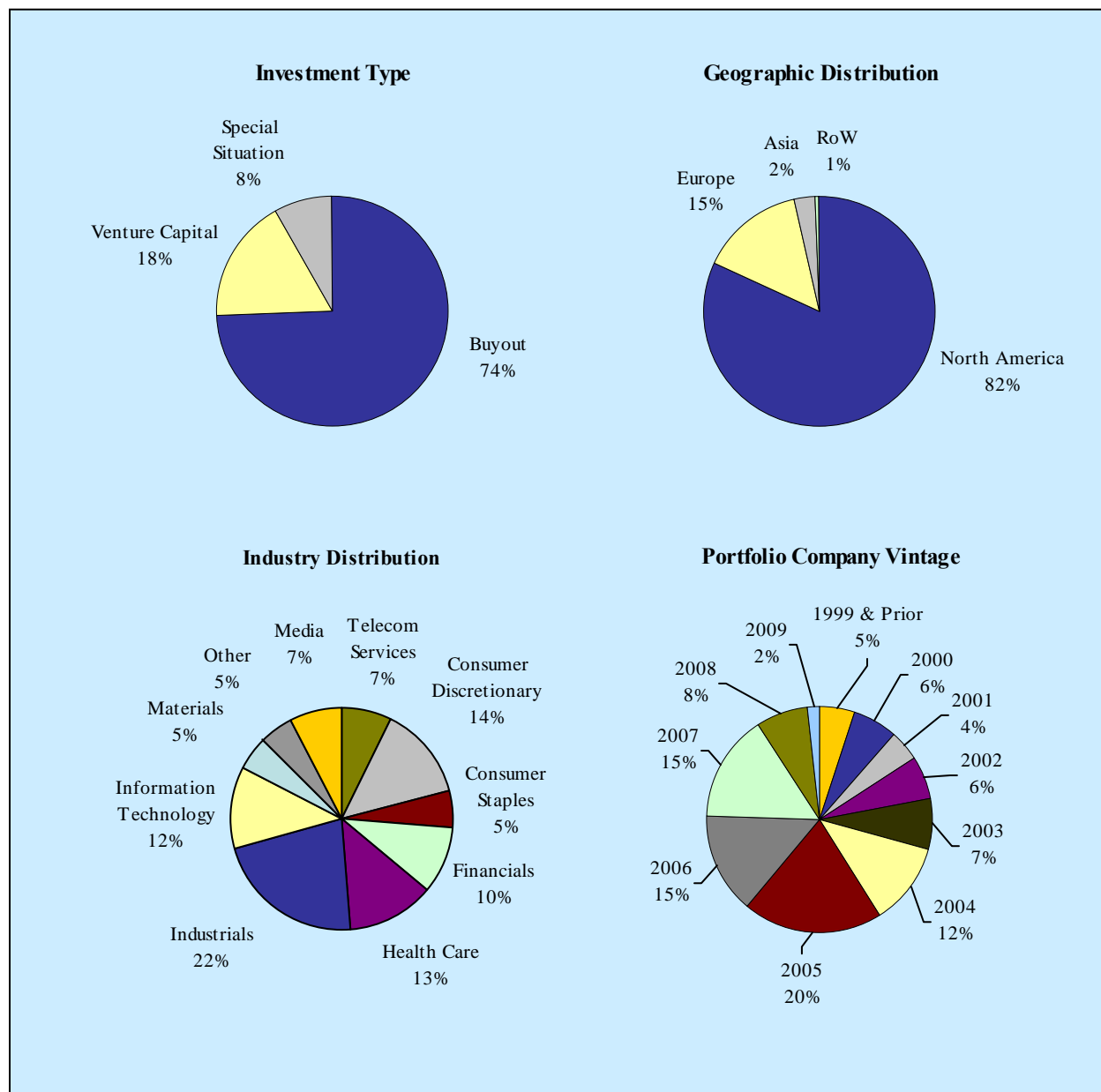
Top 75 Fund Investments by NAV as of September 30, 2009 (continued) (\$ in millions)					
Fund	Asset Class	Vintage Year	Investment NAV**	Unfunded Commitments	Total Exposure
KKR 2006 Fund, L.P.	Buyout	2006	*	23.5	*
KKR Millennium Fund, L.P.	Buyout	2002	*	0.0	*
Lighthouse Capital Partners V, L.P.	Venture Capital	2002	\$ 12.4	\$ 1.4	\$ 13.8
Littlejohn Fund II, L.P.	Buyout	1999	*	*	*
Lone Star Fund VI (U.S.), L.P.	Special Situation	2008	12.8	3.4	16.2
M/C Venture Partners V, L.P.	Venture Capital	2000	35.9	0.5	36.4
Madison Dearborn Capital Partners IV, L.P.	Buyout	2000	10.5	0.1	10.6
Marathon Fund Limited Partnership IV	Buyout	1999	9.3	0.7	10.0
Metalmark Capital Partners, L.P.	Buyout	2006	*	13.1	*
MPM BioVentures III, L.P.	Venture Capital	2002	11.6	0.7	12.3
Nautic Partners V, L.P.	Buyout	2000	22.2	2.8	25.0
Newbridge Asia III, L.P.	Buyout	2000	*	*	*
OCM Opportunities Fund VI, L.P.	Special Situation	2005	22.8	0.0	22.8
OCM Opportunities Fund VII, L.P.	Special Situation	2007	8.2	0.0	8.2
OCM Opportunities Fund VIIb, L.P.	Special Situation	2008	18.0	4.0	22.0
OCM Principal Opportunities Fund III, L.P.	Special Situation	2004	16.1	0.0	16.1
Polaris Venture Partners III, L.P.	Venture Capital	2000	14.4	0.4	14.8
Providence Equity Partners IV, L.P.	Buyout	2000	*	2.1	*
Quad-C Partners VI, LP	Buyout	2001	9.3	2.6	11.9
Ripplewood Partners II/Side-by-Side Fund, L.P.	Buyout	2002	*	2.5	*
Seaport Capital Partners II, LP	Buyout	2000	11.1	0.8	11.9
Spectrum Equity Investors IV, L.P.	Buyout	2000	20.0	1.5	21.5
TCV IV, LP	Venture Capital	2000	12.6	1.1	13.7
Thomas H. Lee Equity Fund V, L.P.	Buyout	2001	34.6	2.1	36.7
Thomas H. Lee Equity Fund VI, L.P.	Buyout	2006	43.6	48.9	92.5
TL Ventures V, L.P.	Venture Capital	2000	*	*	*
TPG Partners III, L.P.	Buyout	2000	*	*	*
Trident III, L.P.	Buyout	2004	31.6	1.3	32.9
Trident IV, LP	Buyout	2006	15.2	9.9	25.1
U.S. Equity Partners II (Offshore), L.P.	Buyout	2002	15.2	11.4	26.6
Vestar Capital Partners IV, L.P.	Buyout	2000	13.1	0.8	13.9
Warburg Pincus Private Equity VIII, L.P.	Buyout	2001	19.8	0.0	19.8
Warburg, Pincus International Partners, L.P.	Buyout	2000	18.3	0.0	18.3
Welsh, Carson, Anderson & Stowe VIII, L.P.	Buyout	1998	17.6	0.0	17.6
Welsh, Carson, Anderson & Stowe IX, L.P.	Buyout	2000	20.7	1.5	22.2
Total for Top 75 Fund Investments			\$ 1,275.2	\$ 333.7	\$ 1,608.9
Total Investment Portfolio			\$ 1,794.0	\$ 761.8	\$ 2,555.8
% of Total Reflected in Top 75 Funds			71%	44%	63%
* The general partner of the fund has requested that investment NAV and/or unfunded commitments not be disclosed					
** Investment NAV is calculated based on Conversus' valuation methodology (see Note 3 of the unaudited combined financial statements) and has not been prepared or approved by the relevant investment fund or its general partner					

The following table displays, in alphabetical order, our ten largest fund families based on investment NAV as of September 30, 2009. These funds represented 38% of our total investment NAV and 35% of our unfunded commitments as of September 30, 2009.

Top 10 Fund Families as of September 30, 2009			
Apollo	Stone Point Capital		
Blackstone	TPG		
Clayton, Dubilier and Rice	Thomas H. Lee		
Kohlberg, Kravis, Roberts	Warburg Pincus		
OakTree	Welsh, Carson, Anderson and Stowe		
(\$ in millions)	Investment NAV	Unfunded	Exposure
Total for Top 10 Fund Families	\$ 680.7	\$ 264.2	\$ 944.9
Total Investment Portfolio	\$ 1,794.0	\$ 761.8	\$ 2,555.8
% of Total in Top 10 Fund Families	38%	35%	37%

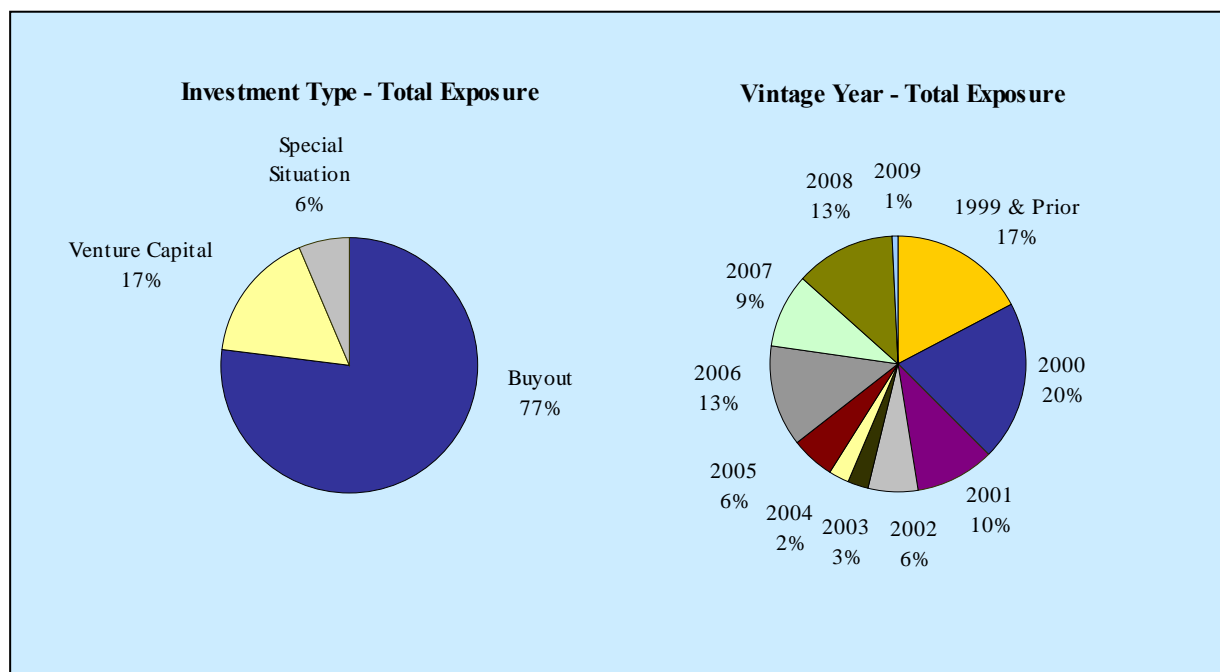
PORTFOLIO DIVERSIFICATION – NAV

The following charts display our investment NAV by investment type at the fund level and the geographic distribution, industry distribution and vintage at the underlying portfolio company level as of September 30, 2009.



PORTFOLIO DIVERSIFICATION – TOTAL EXPOSURE

The following charts display our private equity investment portfolio based on total exposure (investment NAV plus unfunded commitments) at the fund level as of September 30, 2009.



PORTFOLIO DIVERSIFICATION – INVESTMENTS

The following chart summarizes portfolio statistics calculated based on Conversus' 121 fund families as of September 30, 2009.

Investment NAV per Fund Family (\$ millions)	<u>≤ \$20</u>	<u>\$20-\$50</u>	<u>≥ \$50</u>
# Fund Families	102	12	7

Top 10 Fund Families ●————→ **38% of Investment NAV**

Top 20 Fund Families ●————→ **53% of Investment NAV**

The following chart summarizes portfolio statistics calculated based on Conversus' 217 fund investments as of September 30, 2009.

Investment NAV per Fund (\$ millions)	<u>≤ \$10</u>	<u>\$10-\$50</u>	<u>≥ \$50</u>
# Funds	156	59	2

Top 10 Funds ●————→ **21% of Investment NAV**

Top 50 Funds ●————→ **57% of Investment NAV**

The following chart summarizes portfolio statistics calculated at the portfolio company level for Conversus' 1,906 portfolio companies as of September 30, 2009.

Investment NAV per Portfolio Company (\$ millions)	<u>≤ \$5</u>	<u>\$5-\$20</u>	<u>≥ \$20</u>
# Portfolio Companies	1,840	64	2

Top 10 Companies ●————→ **10% of Investment NAV**

Top 50 Companies ●————→ **27% of Investment NAV**

PUBLIC EQUITY SECURITIES

The table below lists our twenty largest public equity securities held either directly or indirectly through one or more of our private equity fund investments, as of September 30, 2009, based on investment NAV. These twenty public equity securities totaled \$166.8 million in investment NAV or 52.6% of our total public equity securities portfolio of \$317.0 million as of September 30, 2009.

In total, public equity securities held either directly or indirectly through one or more of our private equity fund investments, including derivatives, represented 17.7% of the total investment NAV as of September 30, 2009, while the top twenty positions listed below comprised 9.3% of the total investment NAV as of September 30, 2009.

Top 20 Public Equity Securities as of September 30, 2009		
	Market Value	% of Total Publics
1 Legrand S.A.	\$ 18,993	6.0%
2 Shenzhen Development Bank Co	15,797	5.0
3 Warner Chilcott PLC	13,100	4.1
4 Rexel S.A.	10,942	3.5
5 MetroPCS, Inc.	10,760	3.4
6 Paris Re Holdings Limited	8,896	2.8
7 Hughes Communications	8,171	2.6
8 Hertz Corp	7,948	2.5
9 Sally Beauty Holdings	7,668	2.4
10 Republic Services Group	7,457	2.4
11 Rockwood Holdings	7,324	2.3
12 Eurand Pharmaceutical Holdings, B.V.	6,537	2.1
13 Netflix.com, Inc.	5,969	1.9
14 Switch & Data Facilities Company, Inc.	5,934	1.9
15 CB Richard Ellis	5,844	1.8
16 Germany1	5,807	1.8
17 Select Medical Corporation	5,536	1.7
18 Gemalto	4,981	1.6
19 Burger King	4,681	1.5
20 Warner Music Group	4,465	1.3
Total Top 20 Public Equity Securities	\$ 166,810	52.6%
Total Public Equity Securities	\$ 316,994	
Derivative Market Value	\$ 1,319	
Total Public Equity Securities and Derivative	\$ 318,313	
Total Public Equity Securities and Derivative Value as % of Investment NAV	17.7%	

CASH FLOW ACTIVITY

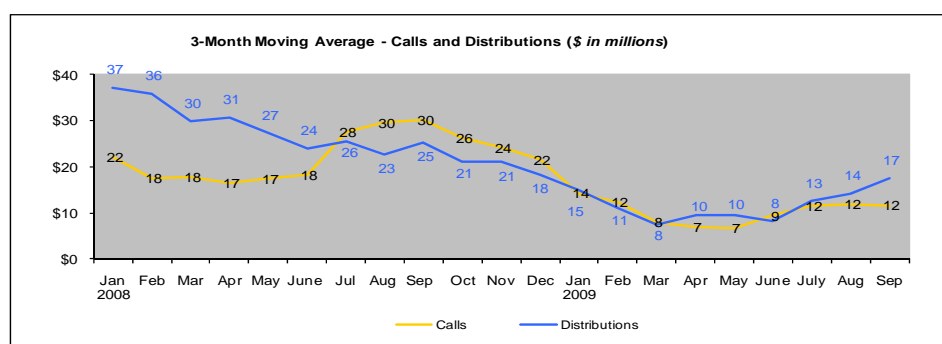
The maturity and quality of Conversus' diversified portfolio were clearly demonstrated by our cash flows in the third quarter. For the quarter, distributions from our organic portfolio exceeded capital calls by \$17.4 million. While the 3-month moving average (see chart below) for both calls and distributions has increased substantially since the first quarter of 2009, the overall levels of calls and distributions have remained relatively light in comparison to historical trends. For the nine months ended September 30, 2009, our organic portfolio generated \$12.4 million of positive cash flow, and has been cash flow positive in seven of the nine months in 2009 through September. We believe that the resiliency of our cash flows through the recent period of extraordinary dislocation is a distinguishing feature of our portfolio.

Although we have adopted a realization strategy, we continue to participate in new deals through our \$761.8 million of unfunded commitments, much of which will be called and deployed by our general partners in an environment that we expect to be attractive. For the quarter and nine months ended September 30, 2009, we funded capital calls of \$35.0 million and \$87.2 million, respectively (excluding the impact of secondary purchases) representing 4.4% and 10.5% of beginning of period unfunded commitments, respectively. During the nine months ended September 30, 2009, we completed three secondary purchases at a total transfer price of \$10.3 million, plus \$4.4 million of unfunded commitments. All secondary purchases occurred in the first quarter of 2009. Taking into account secondary purchases, total funded capital for investments for the nine months ended September 30, 2009 was \$97.5 million.

Buyout funds accounted for 71.3% of capital called during the first nine months of 2009. Capital called by our fund investments came largely from more recent vintage year funds, with the 2006, 2007 and 2008 vintage year funds accounting for 21.3%, 21.6% and 21.1%, respectively, of capital called during the period.

For the quarter and nine months ended September 30, 2009, we received distributions of \$52.4 million and \$99.6 million, respectively, representing 3.0% and 5.8% of beginning of period investment NAV, respectively. Buyout funds accounted for approximately 64% of the distributions during the third quarter of 2009. In addition to the \$99.6 million in fund distributions, Conversus received proceeds of \$11.8 million from a derivative investment that matured during the third quarter of 2009.

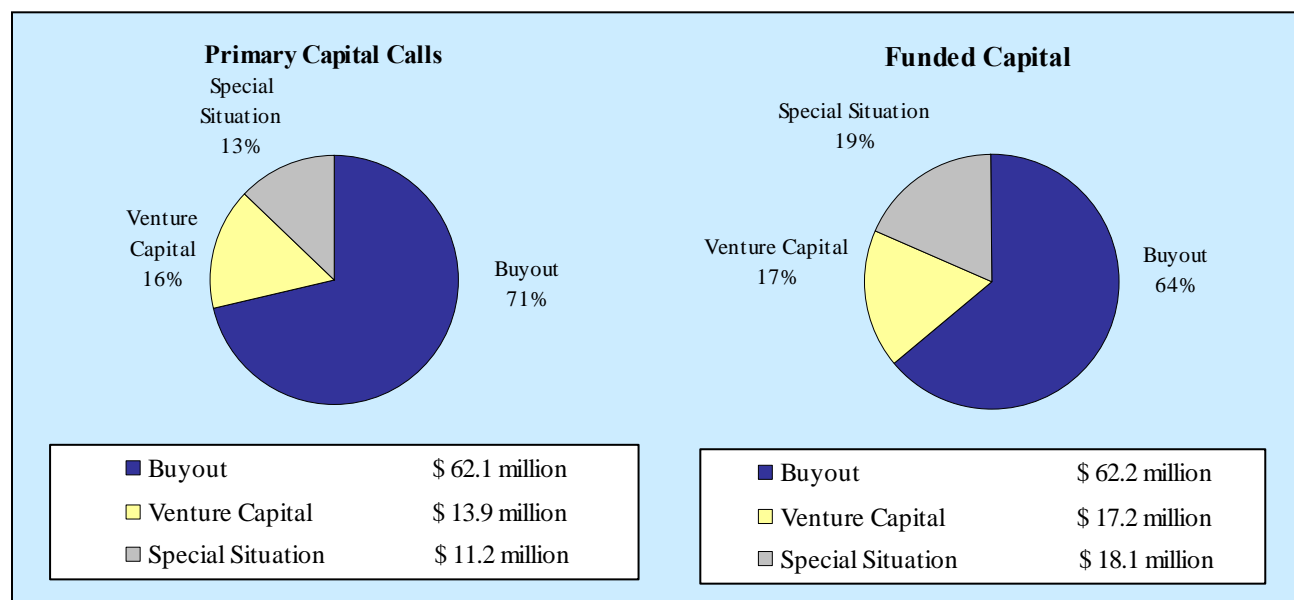
The sectors with the highest levels of distributions during the nine months ended September 30, 2009 were Industrials (23.1%), Information Technology (18.9%) and Financials (18.3%). These sectors accounted for 60.3% of the total distributions received during the nine month period. The majority of distributions were from underlying portfolio company investments made in years 2003 (16.9%), 2005 (16.2%), 2007 (12.1%) and 2008 (10.3%).



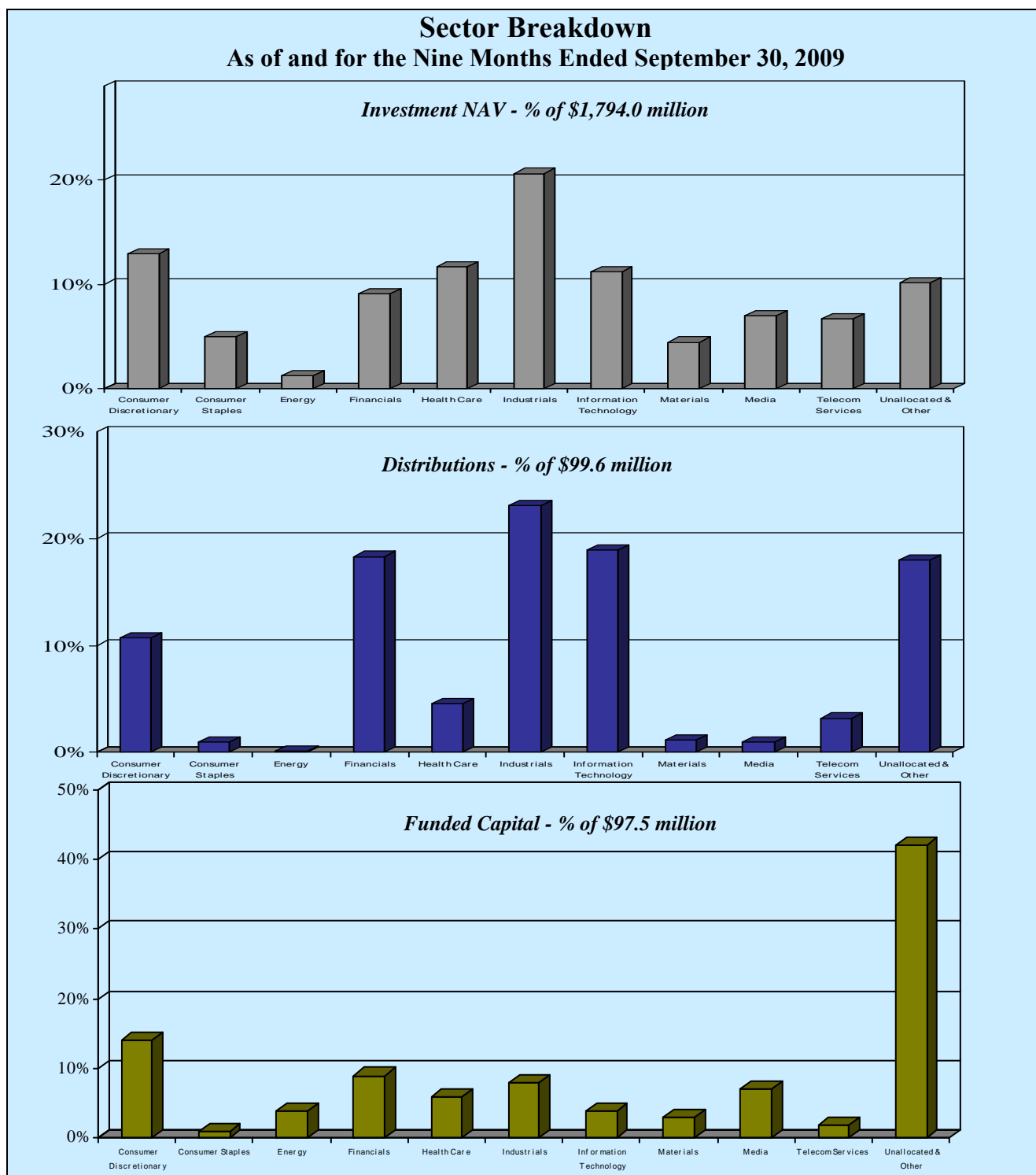
The following chart displays total investment activity for the quarter and nine months ended September 30, 2009.

Investment Activity		
	Quarter ended September 30, 2009	Nine months ended September 30, 2009
Funded Capital	\$ 34,974	\$ 97,500
Return of Capital	\$ 40,710	\$ 98,713
Realized Gains on Distributions	21,654	4,429
Investment Income	3,173	6,667
Refunded Capital and Other	(13,169)	(11,211)
Total Distributions	\$ 52,368	\$ 99,598
Realized Losses from Non-Cash Write-offs	\$ (1,968)	\$ (18,045)

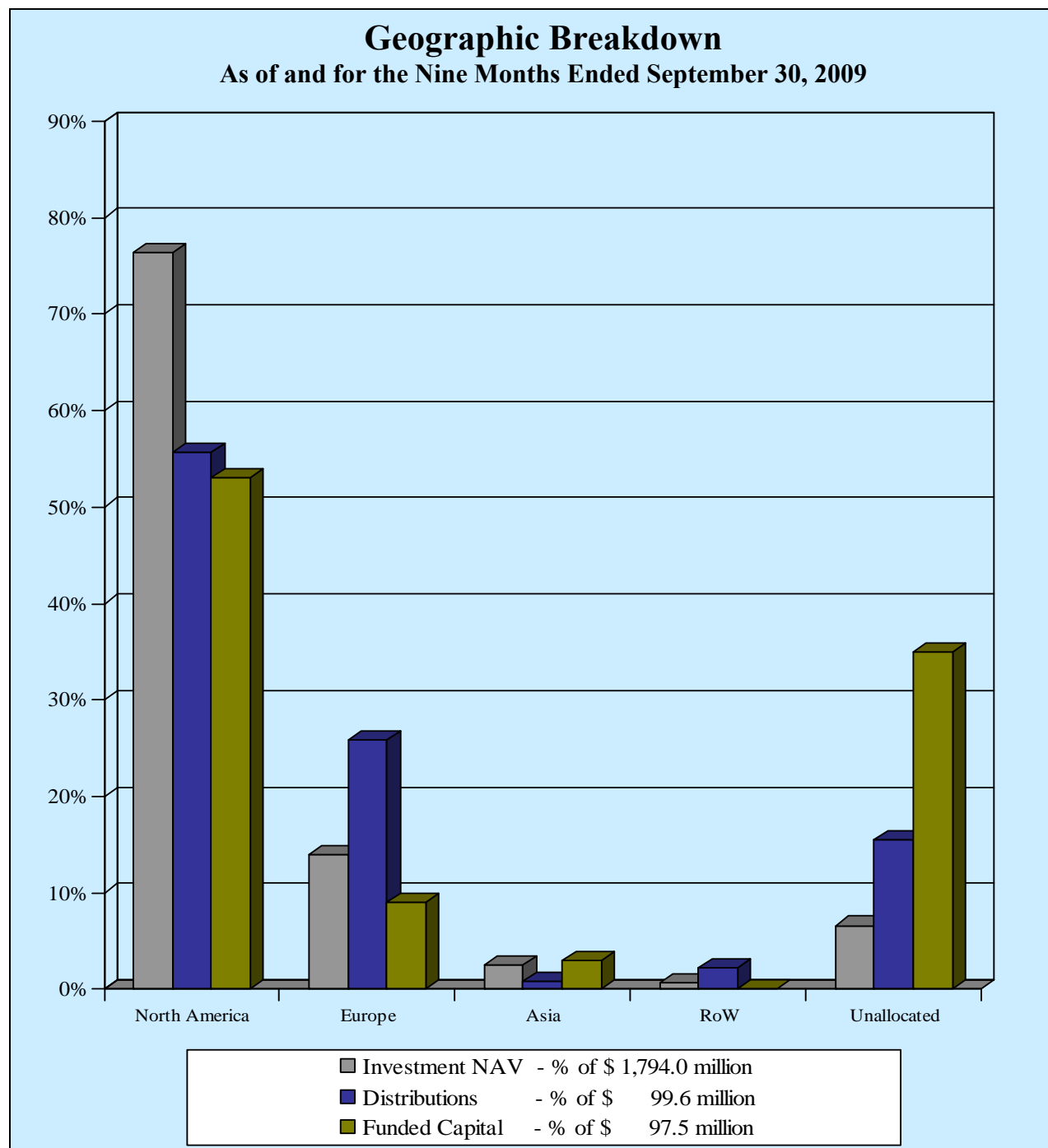
The following charts display capital calls and total funded capital (including secondary purchases) for the nine months ended September 30, 2009, by investment type.



The following charts display, by industry sector, the relative percentage of investment NAV as of September 30, 2009 and the relative percentages of distributions and funded capital for the nine months ended September 30, 2009. Portions of the investment NAV, funded capital and distributions are categorized as “Unallocated & Other.” This category includes: (i) other industries such as utilities and real estate (ii) cash flow activity for which we have not received adequate information from the general partners to allow for sector categorization or (iii) activity in special situation and buyout funds related to debt investments. For the nine months ended September 30, 2009, approximately 26% of the total funded capital related to debt investments made during the period.



The following chart displays, by geographic region, the relative percentages of funded capital and distributions for the quarter ended September 30, 2009 and the relative percentage of investment NAV as of September 30, 2009. Portions of the investment NAV, funded capital and distributions are categorized as “Unallocated.” This category includes (i) cash flow activity for which we have not received adequate information from the general partners to allow for geographic categorization or (ii) activity in special situation and buyout funds related to debt investments. For the nine months ended September 30, 2009, approximately 26% of the total funded capital related to debt investments made during the period.



MARKET COMMENTARY AND OUTLOOK

The global economy continued to show signs of stabilization in the third quarter of 2009 and the worst fears of the financial crisis appeared to pass. Equity markets continued to rally during the quarter, with the S&P 500 index posting a 15% gain and the MSCI World index climbing 18%.

During the third quarter, many general partners began to focus on potential exits of stronger investments. Our general partners have indicated that a sale process has been initiated for a handful of our larger portfolio companies and a number of others are sale candidates over the next several quarters. The initial public offering (“IPO”) window has opened, and several private equity backed companies have become public since June 30, including three Conversus portfolio companies with total NAV of \$7.0 million. Eleven additional Conversus portfolio companies, with total NAV of \$35.8 million, have filed for IPOs, and we believe that several other portfolio companies are IPO candidates over the next several quarters. While IPOs typically lead to only modest immediate cash distributions, an IPO is an important step toward the ultimate realization of the value of a portfolio company.

By the end of the third quarter, new private equity investment activity appeared to be increasing. The bulk of new deals continue to be smaller transactions, often growth or non-control investments requiring little debt. However, a few traditional leveraged buy-outs were also announced during the quarter. While these deals were characterized by larger equity requirements and a significant number of banks were necessary to syndicate the debt, the successful execution of those financings was noteworthy. In general, there were clear signs of life in the bank lending market, complementing the healthy high-yield bond market.

Capital flows to new private equity funds continued to contract in the third quarter, with only \$39 billion in new funds raised, a 55% decline from a slow second quarter. In light of these continued low levels of fundraising, we believe there is limited opportunity cost in forgoing primary commitments over the near term. In the secondary market, the capital markets recovery has eased the pressure on potential sellers, and we believe buyers have raised their bids substantially. However, the secondary market remains relatively opaque, and there are few closed deals to confirm clear pricing trends.

Conversus has already benefited from the recent broad positive trends in the capital markets through NAV increases and positive cash flow from realizations. Despite the recent uptick in activity, we expect the levels of both private equity exits and new investments to remain below historical trends for the near term. Further healing of the credit markets is a likely pre-condition to a robust deal pace. When overall activity levels rebound, the pace of our capital calls could increase more quickly than the pace of our distributions in the short term. Over the longer term, we expect the maturity and quality of our current portfolio to produce substantial positive cash flow.

The private equity industry has historically posted some of its strongest returns through investments made near the end of cyclical bottoms and coming out of downturns. The industry will continue to evolve, adjusting to greater equity requirements and less plentiful or flexible debt, and the next generation of significant deals may look different than those of the prior cycle. However, we believe that the core strengths of the private equity model, a long-term investment perspective and alignment of interest between management and investors, will allow private equity firms to capitalize on the opportunities presented by the next phase of the economic cycle.

LIQUIDITY AND CAPITAL RESOURCES

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

As of September 30, 2009, \$265.0 million in principal and interest borrowings were outstanding under the credit facility with Citigroup pursuant to which Conversus LP has the ability to issue up to \$650.0 million of notes to Citigroup on a continuous basis over the five year term of the program, subject to conditions and covenants (see Note 6 of 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 equity 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 make investments, such as meeting capital calls, through the Investment Partnership and its subsidiaries, to pay our operating expenses and to repay 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 September 30, 2009, we had unfunded commitments of \$761.8 million, representing an over-commitment level of 42.5% (unfunded commitments as a percentage of investment NAV) compared with an over-commitment level of 48.1% as of December 31, 2008. Because we employ an over-commitment strategy when making investments in private equity funds, the amount of capital we have committed for future private equity investments exceeds our available cash at a given time. Any available cash that 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.

Through cash flows from our portfolio and prudent portfolio management, we believe that our liquidity position remains solid. We ended the quarter with a cash balance of \$38.5 million and total principal and interest outstanding of \$265.0 million under our \$650.0 million credit facility. Public equity securities on our balance sheet plus the related derivative as of September 30 provide an additional \$15.5 million in potential liquidity. The \$302.8 million of public equities held by our general partners may, over time, be another source of liquidity. Consistent with the maturity profile of our portfolio, our \$761.8 million of unfunded commitments included \$196.6 million to funds that were beyond their investment period.

While the broader private equity market is likely to see capital calls increase from current low levels much more quickly than distributions, we expect the maturity and quality of our portfolio to positively impact the pace of our distributions, consistent with our organic cash flow over recent periods. Despite the fact that overall activity levels remain relatively light, our year to date distributions exceeded capital calls by \$12.4 million in our organic portfolio. Nonetheless, we continue to be keenly focused on maintaining financial flexibility to navigate through an extended macro economic downturn and have planned for potential imbalances in our cash flow resulting from difficult exit markets. We believe that Conversus currently has sufficient liquidity tools to face a potentially challenging and uncertain environment for the remainder of 2009 and through 2010.

NON-GAAP FINANCIAL MEASUREMENT

In evaluating our performance and results of operations, management reviews a financial measure, referred to as “adjusted NAV,” which is not determined in accordance with generally accepted accounting principles in the United States (“non-GAAP”). Non-GAAP measurements do not have any standardized meaning and are unlikely to be comparable to similar measures presented by other companies. As management believes the adjusted NAV to be useful and relevant in assessing our operational performance, we believe it is important to provide information with respect to this non-GAAP measurement so as to share this perspective of management. This non-GAAP financial measure should be considered in the context of our results reported under accounting principles generally accepted in the United States (“U.S. GAAP”).

The NAV per unit and the change in NAV per unit over time are important indicators of Conversus’ overall portfolio performance. U.S. GAAP requires that all capital transactions, including unit holder distributions, unit repurchases and unit issuances, be included in the reporting of NAV as well as in the number of shares outstanding, both of which are used to calculate the NAV per unit. Conversus’ management also considers performance on a purely operational basis and calculates adjusted NAV by removing these capital transactions and the related impact on the shares outstanding since our inception. The following table displays the reported NAV per unit, as well as management’s calculation of the adjusted NAV per unit.

Adjusted NAV			
	As of September 30, 2009	As of December 31, 2008	Increase / (Decrease)
Net Asset Value, as reported	\$1,559,983	\$1,516,373	2.9 %
Unit Holder Distributions	36,623	36,623	0.0
Units Repurchased	19,909	16,688	19.3
New Units Issued	(4,046)	(4,046)	0.0
Adjusted Net Asset Value	<u>\$1,612,469</u>	<u>\$1,565,638</u>	<u>3.0 %</u>
Units Outstanding, as reported	72,367	72,728	(0.5) %
Units Repurchased	1,207	846	42.8
New Units Issued	(172)	(172)	0.0
Adjusted Units Outstanding	<u>73,402</u>	<u>73,402</u>	<u>0.0 %</u>
NAV per Unit, as reported	\$21.56	\$20.85	3.4 %
Adjusted NAV per Unit	<u>\$21.97</u>	<u>\$21.33</u>	<u>3.0 %</u>

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements. 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, projections (which may include statements regarding future economic performance, and the financial condition, results of operations, liquidity, 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 include, but are not limited to, the following:

- our investment strategy may not be successful in generating attractive rates of return or in otherwise meeting its objectives;
- our limited operating history and the limited track record of our Investment Manager;
- our historical performance since inception and the historical performance of our initial portfolio for periods prior to our inception may not be indicative of our future performance;
- we may be unable to successfully identify and consummate value-enhancing transactions;
- we may be unable to obtain reliable access to new funds managed by top-performing managers;
- the ability of the funds and portfolio companies in which we invest to achieve their business, operating, financial, investment and other objectives, including realizations;
- 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;
- securities market conditions (including changes to applicable regulations, investor sentiment, and the trading price, discount to NAV, liquidity and volatility of our common units and RDUs);
- private equity market conditions (including our performance and changes in our NAV);
- competitive conditions;
- international, national and regional political conditions (including potential regulatory 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, semi-annual and quarterly basis in accordance with U.S. GAAP. Our fiscal year ends on December 31. 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 in accordance with U.S. GAAP. In preparing this financial report, 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 financial statements; and
- prepare the 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.

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 and Derivatives)	233	\$1,794.0	\$2,555.8
Total Funds	# of Funds	Estimated NAV	Total Exposure
	217	\$1,732.4	\$2,494.2
Total Buyout Funds	# of Funds	Estimated NAV	Total Exposure
	142	\$1,284.9	\$1,921.6
Buyout Funds >\$7.5 billion	# of Funds	Estimated NAV	Total Exposure
	9	\$113.0	\$317.1
<i>Fund Name</i>	<i>Vintage Year</i>	<i>Fund Name</i>	<i>Vintage Year</i>
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 Permira IV, 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
	8	\$157.9	\$210.3
<i>Fund Name</i>	<i>Vintage Year</i>	<i>Fund Name</i>	<i>Vintage Year</i>
1 Apax Europe V-A, LP	2001	5 KKR 1996 Fund, L.P.	1997
2 Blackstone Capital Partners IV, L.P.	2003	6 KKR Millennium Fund, L.P.	2002
3 Green Equity Investors V, LP	2006	7 New Mountain Partners III, L.P.	2007
4 J.P. Morgan Global Investors, L.P.	2001	8 Warburg Pincus Private Equity VIII, L.P.	2001
Buyout Funds \$3 - \$5 billion	# of Funds	Estimated NAV	Total Exposure
	21	\$318.9	\$449.8
<i>Fund Name</i>	<i>Vintage Year</i>	<i>Fund Name</i>	<i>Vintage Year</i>
1 Apollo Investment Fund IV, L.P.	1998	12 PAI Europe IV-B, L.P.	2005
2 Apollo Investment Fund V, L.P.	2001	13 Silver Lake Partners II, L.P.	2004
3 BC European Capital VII	2000	14 Third Cnven Fund US No. 3 Limited Partnership	2002
4 Blackstone Capital Partners III L.P.	1997	15 Thomas H. Lee Equity Fund V, L.P.	2001
5 Carlyle Partners III, L.P.	2000	16 Thomas H. Lee Equity Fund VI, L.P.	2006
6 Clayton, Dubilier & Rice Fund VI, L.P.	1999	17 TPG Asia V, L.P.	2007
7 Clayton, Dubilier & Rice Fund VII, LP	2005	18 TPG Partners III, L.P.	2000
8 Clayton, Dubilier & Rice Fund VIII, L.P.	2008	19 Warburg Pincus Equity Partners, L.P.	1998
9 CVC European Equity Partners III LP	2001	20 Welsh, Carson, Anderson & Stowe IX, L.P.	2000
10 Lindsay Goldberg III-A, L.P.	2008	21 Welsh, Carson, Anderson & Stowe VIII, L.P.	1998
11 Madison Dearborn Capital Partners IV, L.P.	2000		
Buyout Funds \$1 - \$3 billion	# of Funds	Estimated NAV	Total Exposure
	37	\$299.6	\$412.9
<i>Fund Name</i>	<i>Vintage Year</i>	<i>Fund Name</i>	<i>Vintage Year</i>
1 Alchemy Plan (BOA), L.P.	1997	20 Kelso Investment Associates VI, LP	1998
2 Apollo Investment Fund III, L.P.	1995	21 Madison Dearborn Capital Partners III, LP	1999
3 Bain Capital Fund VII, L.P.	2000	22 Metalmark Capital Partners, L.P.	2006
4 Blackstone Capital Partners II L.P. (CECC)	1993	23 Morgan Stanley Capital Partners III	1994
5 Blackstone Communications Partners I, L.P.	2000	24 Morgan Stanley Dean Witter Capital Partners IV,	1999
6 Capital Z Financial Services Fund II, L.P.	1998	25 Nautic Partners V, L.P. (fka Navis Partners V)	2000
7 Carlyle Europe Partners, L.P.	1998	26 Providence Equity Partners IV, L.P.	2000
8 Carlyle Partners II, L.P.	1994	27 Ripplewood Partners II/Side-by-Side Fund, L.P.	2002
9 Crestview Capital Partners	2005	28 Second Cnven Fund US No. 2 Limited	1998
10 Crestview Partners II (Cayman), L.P.	2007	29 Spectrum Equity Investors IV, L.P.	2000
11 CVC European Equity Partners II LP	1998	30 TowerBrook Investors III, L.P.	2008
12 Diamond Castle Partners IV, L.P.	2005	31 TPG Partners II, L.P.	1997
13 EQT III (fka EQT Northern Europe)	2001	32 Trident II, L.P.	1999
14 Green Equity Investors III, L.P.	1999	33 Trident III, L.P.	2004
15 Green Equity Investors IV, L.P.	2003	34 Trident IV, LP.	2006
16 Hicks, Muse, Tate & Furst Equity Fund V, L.P.	2000	35 Vestar Capital Partners IV, L.P.	2000
17 Hicks, Muse, Tate & Furst Europe Fund, L.P.	1999	36 Warburg, Pincus International Partners, L.P.	2000
18 Industri Kapital 2000 Limited Partnership III	2000	37 Weston Presidio Capital IV, LP	2000
19 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
		25	\$183.1	\$235.4
<u>Fund Name</u>	<u>Vintage Year</u>	<u>Fund Name</u>	<u>Vintage Year</u>	
1 Asia Alternatives Capital Partners II, L.P.	2008	14 Fenway Partners Capital Fund II, LP	1998	
2 Aurora Equity Partners II, LP	1998	15 Industri Kapital 1997 Limited Partnership III	1997	
3 Bain Capital VII Coinvestment Fund, L.P.	2000	16 Irving Place Capital Partners II, L.P.	2000	
4 Blum Strategic Partners, L.P.	1998	17 Kelso Investment Associates V, L.P.	1993	
5 Boston Ventures Limited Partnership V	1996	18 Littlejohn Fund II, L.P.	1999	
6 Boston Ventures Limited Partnership VI	2000	19 Nautic VI-A, LP	2007	
7 Brentwood Associates Private Equity III, L.P.	1999	20 Newbridge Asia III, L.P.	2000	
8 Bruckmann, Rosser, Sherrill & Co. II, LP	1999	21 Parthenon Investors II, LP	2001	
9 Calera Capital Partners III, L.P.	2001	22 Quad-C Partners VI, LP	2001	
10 CCG Investment Fund, L.P.	2000	23 Riverside Capital Appreciation Fund V, L.P.	2008	
11 Charlesbank Equity Fund V, LP	2000	24 Vestar Capital Partners III, L.P.	1997	
12 Clayton, Dubilier & Rice Fund VII Coinvest, L.P.	2006	25 Warburg Pincus Ventures International	1997	
13 Code Hennessy & Simmons IV, L.P.	1999			
Buyout Funds <\$500 million		# of Funds	Estimated NAV	Total Exposure
		42	\$212.4	\$296.1
<u>Fund Name</u>	<u>Vintage Year</u>	<u>Fund Name</u>	<u>Vintage Year</u>	
1 AIG Altaris Health Partners, L.P.	2003	22 Friedman, Fleischer & Lowe Capital Partners, L.P.	1999	
2 Alta Communications IX, L.P.	2003	23 German Equity Partners II, LP	1999	
3 American Industrial Partners Capital Fund III, L.P.	2000	24 GMT Communications Partners II, LP	2000	
4 Atlantic Equity Partners III, L.P.	1999	25 Graham Partners Investments, LP	1999	
5 Bain Capital VI Coinvestment Fund, LP	1998	26 Great Hill Equity Partners II, LP	2001	
6 Brazos Equity Fund, LP	2000	27 Great Hill Equity Partners, LP	1999	
7 Bruckmann, Rosser, Sherrill & Co. III, L.P.	2007	28 Greenbriar Equity Fund, LP	2000	
8 Calera Capital Partners II (Fremont Partners), L.P.	1997	29 Harvest Partners IV, LP	2001	
9 CapStreet II, L.P. (fka Summit Capital II)	2000	30 ING Furman Selz Investors III LP	2000	
10 Carousel Capital Partners II, LP	2001	31 Marathon Fund Limited Partnership IV	1999	
11 Catterton Partners IV	2000	32 Parthenon Investors, L.P.	1999	
12 CEA Capital Partners USA, LP	1997	33 Pouschine Cook Capital Partners, L.P.	1999	
13 Centre Capital Investors III, L.P.	1999	34 Quad-C Partners V, LP	1998	
14 Chisholm Partners IV, LP	1999	35 Ripplewood Partners, LP	1996	
15 Code, Hennessy & Simmons II, LP	1994	36 Riverside Capital Appreciation 1998 Fund, LP	1998	
16 Euroknights IV US NO. 2, LP	2000	37 Seaport Capital Partners II, LP	2000	
17 Europe Capital Partners IV, LP	1999	38 T3 Partners II, L.P.	2001	
18 European Acquisition Capital Fund II	1998	39 T3 Partners, L.P.	2000	
19 Evercore Capital Partners, L.P.	1997	40 Trivest Fund III, LP	2000	
20 FFC Partners I, LP (fka FFT Partners I)	1996	41 U.S. Equity Partners II (Offshore), L.P.	2002	
21 FFC Partners II, L.P. (fka FFT Partners II)	1999	42 William Blair Capital Partners VII QP, L.P.	2001	

Composition of Portfolio Investments (continued)

Venture Capital Funds		# of Funds	Estimated NAV	Total Exposure
		57	\$307.3	\$414.8
<u>Fund Name</u>	<u>Vintage Year</u>	<u>Fund Name</u>	<u>Vintage Year</u>	
1 ABS Capital Partners IV, LP	2000	30 Morgenthaler Partners VI, LP	2000	
2 APAX Excelsior VI, LP	2000	31 Morgenthaler Partners VII, LP	2001	
3 Austin Ventures VII, L.P.	1999	32 MPM BioVentures III, L.P.	2002	
4 Austin Ventures VIII, L.P.	2001	33 New Enterprise Associates 10, LP	2000	
5 Azure Venture Partners I, LP	2000	34 New Enterprise Associates 13, L.P.	2009	
6 Battery Ventures VI, L.P.	2000	35 New Enterprise Associates 9, LP	1999	
7 Bay City Capital Fund V, L.P.	2007	36 Pinnacle Ventures Equity Fund II-O, L.P.	2008	
8 Bay City Capital IV, L.P.	2005	37 Polaris Venture Partners III, L.P.	2000	
9 Bay Partners X, L.P.	2001	38 Polaris Venture Partners IV, L.P.	2002	
10 Essex Woodlands Health Ventures Fund IV, LP	1998	39 Redpoint Ventures II, LP	2000	
11 Essex Woodlands Health Ventures Fund V, LP	2000	40 RRE Ventures III-A, LP	2001	
12 Essex Woodlands Health Ventures VIII-A, L.P.	2008	41 Sigma Partners 6, L.P.	2001	
13 Financial Technology Ventures (Q), LP	1998	42 Sigma Partners IV, L.P.	1998	
14 Financial Technology Ventures II (Q), L.P.	2001	43 Sigma Partners V, L.P.	1999	
15 Foundation Capital Fund III, L.P.	2000	44 Spectrum Equity Investors III, L.P.	1999	
16 Foundation Capital IV, L.P.	2002	45 TA Associates Advent VIII	1997	
17 Foundation Capital Leadership Fund, L.P.	2000	46 TA IX, L.P.	2000	
18 FTVentures III, L.P.	2007	47 TCV III (Q), L.P.	1999	
19 Index Ventures Growth I, LP	2008	48 TCV IV, LP	2000	
20 Institutional Venture Partners XI, L.P.	2005	49 TCV VII(A), L.P.	2008	
21 InterWest Partners VII, L.P.	1999	50 TL Ventures III, L.P.	1997	
22 InterWest Partners VIII, L.P.	2000	51 TL Ventures IV, L.P.	1999	
23 InterWest Partners X, L.P.	2008	52 TL Ventures V, L.P.	2000	
24 Lighthouse Capital Partners V, L.P.	2002	53 TL Ventures VII, L.P.	2008	
25 Lightspeed Venture Partners VIII, L.P.	2008	54 U.S. Venture Partners VI, L.P.	1999	
26 M/C Venture Partners V, L.P.	2000	55 U.S. Venture Partners VIII, L.P.	2001	
27 Meritech Capital Partners II L.P.	2000	56 U.S. Venture Partners X, L.P.	2008	
28 Morgan Stanley Dean Witter Venture Partners IV, L.P.	1999	57 WPG Venture Associates IV	1997	
29 Morgan Stanley Venture Partners 2002 Fund, L.P.	2002			
Special Situation Funds		# of Funds	Estimated NAV	Total Exposure
		18	\$140.2	\$157.8
<u>Fund Name</u>	<u>Vintage Year</u>	<u>Fund Name</u>	<u>Vintage Year</u>	
1 Avenue Special Situations Fund II, L.P.	2000	10 OCM Opportunities Fund VI, L.P.	2005	
2 Avenue Special Situations Fund III, L.P.	2002	11 OCM Opportunities Fund VII, L.P.	2007	
3 Avenue Special Situations Fund IV, L.P.	2006	12 OCM Opportunities Fund VIIb, L.P.	2008	
4 Avenue Special Situations Fund V, L.P.	2007	13 OCM Principal Opportunities Fund III, L.P.	2004	
5 BIA Digital Partners, LP	2001	14 OCM Principal Opportunities Fund, L.P.	1996	
6 Gleacher Mezzanine Fund I, LP	2001	15 OHA Leveraged Loan Portfolio, L.P.	2008	
7 Highland Restoration Capital Partners Offshore, L.P.	2008	16 TA Subordinated Debt Fund L.P.	2000	
8 Lone Star Fund VI (U.S.), L.P.	2008	17 TPG Credit Strategies Fund, L.P.	2006	
9 OCM Opportunities Fund V, L.P.	2004	18 WCAS Capital Partners III, L.P.	1997	
Direct Co-investments		# of Holdings	Estimated NAV	Total Exposure
		3	\$46.1	\$46.1
Public Equity Securities and Derivatives		# of Holdings	Estimated NAV	Total Exposure
		13	\$15.5	\$15.5
Notes:				
Total Exposure equals Investment 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

<p><i>Independent Board of Directors</i> Paul Guilbert (Chairman) Laurance R. (Laurie) Hoagland, Jr., Dr. Per Johan Strömberg</p> <p><i>Non-Voting Advisors</i> J. Taylor Crandall Peter F. Dolan James D. Forbes Leon Shahinian</p> <p>The address of each person named above is: c/o Conversus GP, Limited., Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, Guernsey, Channel Islands.</p>	<p><i>Investor Information</i> Exchange: Euronext Amsterdam Trading symbol: CCAP Listing date: June 29, 2007 Currency: USD Bloomberg: CCAP NA Reuters: CCAP.AS Yahoo! Finance: CCAP.AS Google Finance: AMS:CCAP</p>
<p><i>Registered Office</i> 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</p>	<p><i>Independent Accountants</i> PricewaterhouseCoopers CI LLP P.O. Box 321 National Westminster House, Le Truchot, St. Peter Port, Guernsey, GY1 4ND, Channel Islands Tel: +44 1481 752 000 Fax: +44 1481 752 001</p>
<p><i>Investment Manager</i> Conversus Asset Management, LLC 190 South LaSalle Street, Suite 1500 Chicago, Illinois, 60603 Tel: +1 312 261 9700 Fax: +1 312 261 9701</p> <p>and</p> <p>Bank of America Plaza 101 South Tryon Street, Suite 2440 Charlotte, North Carolina, 28280 Tel: +1 704 307 4865</p>	<p><i>Independent Valuation Firm</i> Duff and Phelps 55 East 52nd Street, 31st Floor New York, NY 10055 Attention: Paul J. Viscio, Managing Director Tel: +1 212 871 6267 Fax: +1 212 523 0854 e-mail: pj.viscio@duffandphelps.com</p>

<i>Depository Bank</i> The Bank of New York 101 Barclay Street, 22 West New York, New York 10286 United States Attention: Conversus Capital, L.P. Tel: +1 212 815 4502 or +1 212 815 2715 Fax: +1 212 571 3050	<i>Paying Agent</i> ABN AMRO Bank N.V. Client Service Desk Securities Operations Kemelstede 2 4817 ST BREDA The Netherlands
<i>Investor Relations Contacts</i> Tim Smith Chief Financial Officer Conversus GP, Limited 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	Steve Hall Director of Investor Relations Conversus GP, Limited Trafalgar Court, Les Banques St. Peter Port, Guernsey GY1 3QL Channel Islands Tel: +44 1481 745 175 Fax: +44 1481 745 176 e-mail: steve.hall@conversus.com
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CONVERSUS CAPITAL, L.P.

COMBINED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2009

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Report of the Independent Accountants

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

We have reviewed the accompanying combined statement of net assets of Conversus Capital, L.P. and Conversus Investment Partnership, L.P. (collectively "Conversus"), including the combined condensed schedule of investments as of September 30, 2009, and the related combined statements of operations for the quarter and nine month period ended September 30, 2009, the combined statements of changes in net assets, and of cash flows for the nine month period ended September 30, 2009, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the responsibility of management and the General Partner of Conversus.

A review consists principally of inquiries of Conversus' personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with the auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

This report has been prepared for and only for the General Partner and partners of Conversus as a body, and for no other purpose. We do not 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.

Based on our review, we are not aware of any material modifications that should be made to the accompanying combined interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.



PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
21 October 2009

COMBINED STATEMENTS OF NET ASSETS

As of September 30, 2009 and December 31, 2008

(In thousands except for per unit amounts)

	September 30, 2009 (Unaudited)	December 31, 2008 (Audited)
Assets		
Investments, at fair value <i>(Note 3)</i> (cost \$2,035,113 as of September 30, 2009; \$2,055,716 as of December 31, 2008)	\$ 1,793,968	\$ 1,726,979
Cash and cash equivalents	38,507	49,912
Receivables and prepaid expenses	3,090	1,840
Total Assets	1,835,565	1,778,731
Liabilities		
Management fees payable <i>(Note 2)</i>	4,356	18,121
Notes and interest payable <i>(Note 6)</i>	264,957	238,230
Other	6,269	6,007
Total Liabilities	275,582	262,358
NET ASSETS	\$ 1,559,983	\$ 1,516,373
Net Assets consist of:		
General Partners' capital	\$ -	\$ -
Limited Partners' capital (73,530 units issued and 72,367 units outstanding as of September 30, 2009; 73,530 units issued and 72,728 units outstanding as of December 31, 2008)	1,578,860	1,532,029
Treasury units <i>(Note 7)</i> (1,163 units as of September 30, 2009; 802 units as of December 31, 2008)	(18,877)	(15,656)
NET ASSETS	\$ 1,559,983	\$ 1,516,373
NET ASSET VALUE PER UNIT OUTSTANDING	\$ 21.56	\$ 20.85

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

COMBINED STATEMENTS OF OPERATIONS

For the quarter and nine months ended September 30, 2009

(In thousands except for per unit amounts)

(Unaudited)

	Quarter ended September 30, 2009	Nine months ended September 30, 2009
Investment Income		
Dividends	\$ 1,375	\$ 2,708
Interest and other income	1,798	3,959
Total Investment Income	3,173	6,667
Expenses		
Fund fees and expenses	5,773	16,478
Management fees	5,445	15,961
Interest	1,165	5,404
Professional service fees	1,162	3,899
Personnel	1,056	3,259
Public company costs	708	2,032
Other general and administrative	4,208	5,914
Total Expenses	19,517	52,947
Management fees waived	(1,089)	(1,089)
Total Expenses, Net of Fees Waived	18,428	51,858
Net Investment Loss	(15,255)	(45,191)
Net Realized Gains and Net Change in Unrealized Depreciation on Investments		
Net realized gains on investments	21,654	4,429
Net change in unrealized depreciation on investments	50,467	87,593
Net Realized Gains and Net Change in Unrealized Depreciation on Investments	72,121	92,022
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 56,866	\$ 46,831
GAIN PER UNIT OUTSTANDING	\$ 0.79	\$ 0.65

COMBINED STATEMENT OF CHANGES IN NET ASSETS

For the nine months ended September 30, 2009

(In thousands and Unaudited)

	<u>Nine months ended September 30, 2009</u>
Increase in net assets resulting from operations	
Net investment loss	\$ (45,191)
Net realized gains on investments	4,429
Net change in unrealized depreciation on investments	<u>87,593</u>
Net increase in net assets resulting from operations	<u>46,831</u>
 Decrease in net assets resulting from capital transactions	
Treasury unit purchases	<u>(3,221)</u>
Net decrease in net assets resulting from capital transactions	<u>(3,221)</u>
 NET INCREASE IN NET ASSETS	 <u>43,610</u>
 NET ASSETS AT BEGINNING OF PERIOD	 1,516,373
 NET ASSETS AT END OF PERIOD	 <u><u>\$ 1,559,983</u></u>

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

COMBINED STATEMENT OF CASH FLOWS

For the nine months ended September 30, 2009

(In thousands and Unaudited)

	<u>Nine months ended September 30, 2009</u>
Cash flows from operating activities	
Net increase in net assets resulting from operations	\$ 46,831
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:	
Net realized gains on investments	(4,429)
Net change in unrealized depreciation on investments	(87,593)
Purchases of investments	(78,110)
Distributions from underlying investments	103,143
Changes in operating assets and liabilities:	
Net increase in receivables and prepaid expenses	(1,250)
Net decrease in management fees payable	(13,765)
Net increase in interest and other payables	1,917
Net cash used in operating activities	<u>(33,256)</u>
Cash flows from financing activities	
Purchases of treasury units	(3,221)
Issuances of notes	62,537
Repayments of notes	(41,800)
Purchased interest	4,335
Net cash provided by financing activities	<u>21,851</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(11,405)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	49,912
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 38,507</u>
Supplemental cash flow disclosure	
Cash paid for interest	\$ 3,750
Cash paid for taxes	\$ 4,241
Supplemental non-cash flow disclosure	
In-kind public equity security distributions received	\$ 10,568

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

COMBINED CONDENSED SCHEDULE OF INVESTMENTS

As of September 30, 2009

(In thousands and Unaudited)

	Cost	Fair Value	% of Net Assets	Unfunded Commitments
FUND INVESTMENTS				
US				
Buyout	\$ 1,343,375	\$ 1,151,940	73.8%	\$ 547,418
Venture Capital	327,091	306,425	19.6	105,277
Special Situation	140,743	140,222	9.0	17,554
Total U.S.	1,811,209	1,598,587	102.4	670,249
Non-US				
Buyout	146,047	132,915	8.5	89,363
Venture Capital	958	842	0.1	2,221
Total Non-US	147,005	133,757	8.6	91,584
Total Fund Investments	1,958,214	1,732,344	111.0	761,833
DIRECT INVESTMENTS ⁽¹⁾				
Direct Co-Investments				
US				
Industrials	35,372	29,837	1.9	-
Telecommunication Services	25,000	16,250	1.0	-
Total Direct Co-Investments	60,372	46,087	2.9	-
Publicly Traded Equity Securities ⁽²⁾				
US				
Consumer Staples	351	305	0.0	-
Energy	573	332	0.0	-
Financials	4,860	4,665	0.3	-
Health Care	315	250	0.0	-
Industrials	8,247	6,849	0.6	-
Information Technology	1,613	1,430	0.1	-
Materials	568	387	0.0	-
Total Publicly Traded Equity Securities	16,527	14,218	1.0	-
Derivative Instrument	-	1,319	0.1	-
Total Direct Investments	76,899	61,624	4.0	-
TOTAL	\$ 2,035,113	\$ 1,793,968	115.0%	\$ 761,833

⁽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 December 31, 2008

(In thousands and Audited)

	Cost	Fair Value	% of Net Assets	Unfunded Commitments
FUND INVESTMENTS				
US				
Buyout	\$ 1,367,262	\$ 1,115,856	73.6%	\$ 586,691
Venture Capital	327,286	302,161	19.9	118,429
Special Situation	131,689	112,162	7.4	23,290
Total U.S.	1,826,237	1,530,179	100.9	728,410
Non-US				
Buyout	151,389	111,932	7.4	100,659
Venture Capital	686	673	0.0	2,426
Total Non-US	152,075	112,605	7.4	103,085
Total Fund Investments	1,978,312	1,642,784	108.3	831,495
DIRECT INVESTMENTS ⁽¹⁾				
Direct Co-Investments				
US				
Industrials	35,000	34,151	2.2	-
Telecommunication Services	25,000	17,500	1.2	-
Total Direct Co-Investments	60,000	51,651	3.4	-
Publicly Traded Equity Securities ⁽²⁾				
US				
Consumer Discretionary	196	199	0.0	-
Consumer Staples	351	285	0.0	-
Energy	573	214	0.0	-
Financials	4,860	1,766	0.1	-
Health Care	934	761	0.1	-
Industrials	5,603	3,309	0.2	-
Information Technology	2,114	1,341	0.1	-
Materials	685	309	0.0	-
Telecommunication Services	1,824	1,450	0.1	-
Other	264	212	0.1	-
Total Publicly Traded Equity Securities	17,404	9,846	0.7	-
Derivative Instrument	-	22,698	1.5	-
Total Direct Investments	77,404	84,195	5.6	-
TOTAL	\$ 2,055,716	\$ 1,726,979	113.9%	\$ 831,495

⁽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 September 30, 2009 and December 31, 2008

(In thousands)

Industry ⁽¹⁾	September 30, 2009 (Unaudited)		December 31, 2008 (Audited)	
	Fair Value	% of Total Net Assets	Fair Value	% of Total Net Assets
Industrials	\$ 365,002	23.4%	\$ 370,991	24.5%
Consumer Discretionary	227,986	14.6	213,728	14.1
Health Care	206,338	13.2	183,733	12.1
Information Technology	198,712	12.7	195,784	12.9
Financials	160,915	10.3	145,265	9.6
Media	123,418	7.9	128,174	8.5
Telecommunication Services	118,562	7.6	125,763	8.3
Consumer Staples	87,577	5.6	74,976	4.9
Other Industries	85,458	5.5	79,322	5.2
Materials	78,816	5.1	72,254	4.8
Other (Net other assets)	141,184	9.1	136,989	9.0
TOTAL	\$ 1,793,968	115.0%	\$ 1,726,979	113.9%

⁽¹⁾ Industry classifications are determined 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 May 29, 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 the regulated market of Euronext Amsterdam by NYSE Euronext (“Euronext”) 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”). CAM contributed \$0.1 million for the Class C limited partner interests. 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) (“Harvard”) and certain 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%.

Realization Strategy

During the second quarter of 2009, Conversus implemented a realization strategy designed to deliver the value of its portfolio to investors. The realization strategy is designed to increase the confidence of investors that the value of Conversus' current portfolio will be delivered to its unit holders over time. Conversus has discontinued substantially all investments and new commitments and is focused on realizing the value of the existing portfolio by applying cash flow to fund capital calls and expenses, repay debt and, eventually, return capital to unit holders through unit repurchases and cash distributions. Conversus will continue to manage actively its current portfolio of funded investments and unfunded commitments as well as its liquidity and capital resources to maximize unit holder value.

Conversus will consider a return to a growth strategy if it believes three criteria are met: (i) the market price for its units fairly reflects the value of the portfolio, (ii) the trading volume in Conversus' units provides sufficient liquidity for investors and (iii) the reflection of fair value in the unit price and the level of trading volume are sustainable. Conversus will continue to review its strategy in response to market conditions and will make strategic decisions consistent with the goal of maximizing unit holder value.

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 prepares its combined financial 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.

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. When valuing investments that are denominated in currencies other than the U.S. dollar, Conversus converts the values of such investments into U.S. dollars based on prevailing exchange rates as of the end of the applicable accounting period.

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 depreciation on investments in the Combined Statements 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.

Reclassifications

Certain reclassifications of prior period amounts have been made to ensure consistency in presentation.

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 a derivative instrument. The Board of Directors and the Chief Financial Officer (“CFO”) 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 in investments with changes in fair value reflected in the net change in unrealized depreciation on investments in the Combined Statements 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.

Transactions in Foreign Currency

Foreign currency transactions are translated at the rate of exchange prevailing on the date of the transaction. 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, and the related gains/losses are included in the net change in unrealized depreciation on investments in the Combined Statements of Operations.

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 the closing of a transaction, which, in the case of underlying portfolio companies in private equity investments, normally occurs when the distribution is received. 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 Statements 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.

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.

Management Fees

CAM is 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 is paid quarterly in cash ("cash management fee"), in arrears, and two-thirds is earned in the form of a profits interest in the Investment Partnership. This profits interest is paid quarterly, in arrears, to the extent that there has been appreciation in Conversus' net asset value ("NAV"). CAM has voluntarily agreed to waive its right to 30% of the profits interest while Conversus operates under the realization strategy. This waiver is effective as of July 1, 2009.

For the quarter and nine months ended September 30, 2009, management fee expense, net of the waiver, totaled \$4.4 million and \$14.9 million, respectively. As of both September 30, 2009 and December 31, 2008, cash management fees of \$1.8 million were accrued. Profits interest of \$2.6 million and \$16.3 million was accrued as of September 30, 2009 and December 31, 2008, respectively.

Performance Fees

Performance fees are calculated at the end of each applicable quarter, based on the results to date. Each quarter, CPC is entitled to a 10% performance fee from the Investment Partnership based on increases in NAV, subject to a 7% preferred return to the Investment Partnership and a high water mark for the three year period ending as of the calculation date. No performance fees were incurred during the quarter and nine months ended September 30, 2009, and there were no performance fees payable as of September 30, 2009 or December 31, 2008.

Other Expenses

Interest expense represents interest incurred through the collateralized fund obligation program (see Note 6).

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

Personnel expense includes compensation and benefits for Conversus' employees as well as employee costs reimbursed to CAM for administrative personnel under a services agreement (see Note 9).

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

Other general and administrative expenses include taxes, occupancy, travel, training, recruitment and miscellaneous employee expenses.

Phantom Equity Incentive Plan

Based on the terms of the Phantom Equity Incentive Plan, Conversus accounts for phantom equity as liability awards under Statement of Financial Accounting Standard ("SFAS") 123 (R) *Accounting for Stock Based Compensation* (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 would be 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%.

Unit holders in certain jurisdictions could have tax consequences from ownership of Conversus LP's units. Conversus LP has not taken such tax consequences into account in the preparation of these combined financial statements.

New Accounting Pronouncements

In May 2009, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 165, *Subsequent Events* (ASC 855-10 *Subsequent Events*) (“ASC 855-10”), which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The statement is effective for interim or annual financial periods ending after June 15, 2009. Conversus adopted ASC 855-10 in the second quarter of 2009. Required disclosures related to subsequent events are included in Note 13.

On July 1, 2009, FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*, (ASC 105-10, *Generally Accepted Accounting Principles*) (“ASC 105-10”) (the “Codification”). ASC 105-10 establishes the exclusive authoritative reference for U.S. GAAP for use in financial statements, except for SEC rules and interpretive releases, which are also authoritative GAAP for SEC registrants. The Codification will supersede all existing non-SEC accounting and reporting standards. Conversus has included references to the Codification, as appropriate, in these combined financial statements.

3. Fair Value of Investments and Other Assets

SFAS 157, *Fair Value Measurements* (ASC 820-10 *Fair Value Measurements and Disclosures*) (“ASC 820-10”) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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. 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 following tables display Conversus' financial assets that were accounted for at fair value as of September 30, 2009 and December 31, 2008 by fair value hierarchy. As required by ASC 820-10, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Financial Assets at Fair Value as of September 30, 2009				
(in thousands)				
	Level 1	Level 2	Level 3	Total
Fund Investments				
Buyout	\$ -	\$ -	\$ 1,284,855	\$ 1,284,855
Venture Capital	-	-	307,267	307,267
Special Situation	-	-	140,222	140,222
Direct Co-Investments	-	-	46,087	46,087
Publicly Traded Equity Securities	14,218	-	-	14,218
Derivative Instrument	-	1,319	-	1,319
Total Investments	14,218	1,319	1,778,431	1,793,968
Cash and Cash Equivalents	38,507	-	-	38,507
Total Financial Assets	\$ 52,725	\$ 1,319	\$ 1,778,431	\$ 1,832,475

Financial Assets at Fair Value as of December 31, 2008				
(in thousands)				
	Level 1	Level 2	Level 3	Total
Fund Investments				
Buyout	\$ -	\$ -	\$ 1,227,788	\$ 1,227,788
Venture Capital	-	-	302,834	302,834
Special Situation	-	-	112,162	112,162
Direct Co-Investments	-	-	51,651	51,651
Publicly Traded Equity Securities	9,846	-	-	9,846
Derivative Instrument	-	22,698	-	22,698
Total Investments	9,846	22,698	1,694,435	1,726,979
Cash and Cash Equivalents	49,912	-	-	49,912
Total Financial Assets	\$ 59,758	\$ 22,698	\$ 1,694,435	\$ 1,776,891

Conversus has assessed its financial assets and concluded that all of its investments are classified as Level 3 with the exception of the derivative instrument (Level 2), directly held publicly traded equity securities (Level 1) and cash and cash equivalents (Level 1).

The following table summarizes the change in fair value of Level 3 financial assets for the nine months ended September 30, 2009.

Level 3 Financial Assets (in thousands)	
	Investments
Beginning Balance as of January 1, 2009	\$ 1,694,435
Distributions	(80,334)
Realized Losses	(6,929)
Net Change in Unrealized Depreciation	103,721
New Investments	77,045
Net Transfers out of Level 3	(9,507)
Ending Balance as of September 30, 2009	<u>\$ 1,778,431</u>

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 any public equity security known to be owned by the private equity funds, based on the most recent information reported to Conversus by the general partners, has been 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.

Direct co-investments are carried at the value, to the extent known to Conversus, assigned to such investment by the fund with which Conversus has co-invested. If Conversus believes this value does not reflect fair value, Conversus will assign its own estimate of fair value and may engage the services of a third party valuation firm to attest to its valuation of the asset. To the extent that Conversus assigns its own estimate of the fair value of these direct co-investments, the value attributed to the investment will generally be based on the 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.

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 value of any public equity security known to be owned by the purchased private equity fund, based on the most recent information reported to Conversus by the general partners, is 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.

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 September 30, 2009 did not appear to be unreasonable.

4. Disclosures about Fair Value of Financial Instruments

SFAS 107, *Disclosures about Fair Value of Financial Instruments*, (ASC 825-10 *Financial Instruments*) requires 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.

Short-term Assets and Liabilities

For items that are short-term in nature, such as cash and cash equivalents, receivables, prepaid expenses, management fees payable and other liabilities, Conversus estimates that the carrying value approximates fair value.

Notes and Interest Payable

Conversus’ notes 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 overnight, one or three month LIBOR rate plus a fixed premium. Conversus’ notes payable contain certain terms and provisions which make it impracticable to precisely estimate fair value. However, Conversus believes the fair value of its notes payable does not differ materially from its carrying amount.

5. Derivative Instruments

Conversus has entered into total return swaps with Citigroup (“Citi”) as the counterparty to manage market risk associated with publicly traded equity securities (see Note 12). Under the total return swap (the “swap”) agreements, Citi makes a payment at the maturity date to Conversus based on a set rate over the life of the swap while Conversus makes or receives a payment to/from Citi at the maturity date based on the performance of the S&P 500 Total Return index over the life of the swap.

Conversus entered into a \$75 million notional swap with Citi in August 2008 which matured during September 2009. The maturity resulted in a cash payment to Conversus of \$11.8 million. A realized gain of \$11.8 million was recognized during the quarter ended September 30, 2009 and included in

realized gains on investments in the Combined Statement of Operations. The estimated fair value of the swap as of December 31, 2008 was \$22.7 million.

Conversus entered into a \$100 million notional swap with Citi in September 2009. The swap matures in October 2010 and had an estimated fair value as of September 30, 2009 of \$1.3 million.

The table below summarizes terms of the swaps.

Summary of Total Return Swaps (in thousands)							
Counterparty	Notional Amount	Underlying Index	Floating Amount Received	Payment Frequency	Maturity Date	Estimated Fair Value as of September 30, 2009	Estimated Fair Value as of December 31, 2008
Citigroup	\$100,000	S&P 500 Total Return	1-month USD LIBOR minus 16 bps	At Maturity Date	October 22, 2010	\$ 1,319	N/A
Citigroup	\$75,000	S&P 500 Total Return	1-month USD LIBOR minus 16 bps	At Maturity Date	Matured – September 22, 2009	N/A	\$ 22,698

The swaps are terminated and settled if, for any reason, the collateralized fund obligation program (see Note 6) terminates or if Conversus defaults.

6. Collateralized Fund Obligation Program

Conversus LP has entered into a collateralized fund obligation program (the “Program”) with Citi pursuant to which Conversus LP has the ability to issue up to \$650.0 million of notes to Citi on a continuous basis, subject to certain ratio covenants. The Program has a term of five years terminating in July 2012, and Conversus LP has the right to repurchase some or all of the outstanding notes at any time. Conversus LP has the option to terminate the Program on six months notice upon payment of an early termination fee. This early termination fee is calculated as: the product of a fixed percentage of \$200.0 million and three, less the fixed percentage accrued and paid on all notes issued over the life of the Program, from inception through the early termination date.

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 can require prepayment of the notes and limit the borrowing base are as follows:

1. Commitment Ratio – Minimum of 35% - Ratio of (a) the undrawn amount of the Program plus cash and cash equivalents to (b) total unfunded commitments.
2. Loan-to-value Ratio – Maximum of 40% - Ratio of (a) the drawn amount of the Program plus accrued interest plus unrealized loss on the swap, if any, to (b) the total NAV of investments plus cash and cash equivalents.
3. NAV Ratio – Minimum of 50% - Ratio of (a) the total NAV to (b) total NAV of investments plus unfunded commitments.

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 has determined it was in compliance with all covenants and conditions during the quarter ended September 30, 2009.

To the extent that less than \$200.0 million of notes and accrued and unpaid interest are outstanding, on average, during the first three years of the Program, Conversus LP will incur a minimum issuance fee. This minimum issuance fee is calculated as: the product of a fixed percentage of \$200.0 million and three, less the fixed percentage accrued and paid on all notes issued over the first three years of the Program. Any calculated minimum issuance fee would be added to the principal balance of Class A Notes outstanding as of the third anniversary of the Program. Minimum issuance fees of \$0.4 million have been accrued as of September 30, 2009. Other than interest charged on drawn amounts and the termination and minimum issuance fees described, no fees or costs are payable to Citi as a part of the Program.

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

The table below summarizes activity under the Program during the nine months ended September 30, 2009.

Summary of Activity for the Nine Months ended September 30, 2009					
(in thousands)					
	Class A Notes		Class B Notes		Total
As of December 31, 2008	\$	1,000	\$	229,265	\$ 230,265
Notes Issued		-		62,537	62,537
Notes Repurchased		-		(41,800)	(41,800)
As of September 30, 2009		1,000		250,002	251,002
Interest Payable		108		13,847	13,955
Notes and Interest Payable	\$	1,108	\$	263,849	\$ 264,957
Interest Expense	\$	21	\$	5,383	\$ 5,404
Weighted Average Notes Outstanding Since Inception					\$ 151,212

The notes bear interest at a rate equal to the overnight, one or three month LIBOR rate plus a premium which is fixed over the life of the Program. The outstanding Class A notes of \$1.0 million as of September 30, 2009 and December 31, 2008 had interest rates of 1.98% and 5.72%, respectively. The Class B notes totaling \$250.0 million outstanding as of September 30, 2009 had a weighted

average interest rate of 1.70% and the Class B notes of \$229.3 million outstanding as of December 31, 2008 had a weighted average interest rate of 3.50%.

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 entered into a liquidity enhancement agreement (the "Agreement") on November 29, 2007 with Royal Bank of Scotland ("RBS"). The Agreement provides the parameters and requirements for Conversus LP's liquidity enhancement policy. Under the Agreement, RBS 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, which represents five percent of the total number of units outstanding as of November 29, 2007. 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.

The Agreement, which was for an original term of twelve months, was extended by Conversus LP for a twelve month period effective November 29, 2008. The Agreement may be terminated at any time by either Conversus LP or RBS. On April 28, 2009, Conversus LP suspended all activity under the Agreement. During the nine months ended September 30, 2009, Conversus LP repurchased 361,141 units at an average price of \$8.92 per unit. No units were repurchased during the quarter ended September 30, 2009. In total, 1,162,940 and 801,799 Conversus LP units were held in treasury as of September 30, 2009 and December 31, 2008, respectively.

Conversus LP has engaged RBS to act as Liquidity Provider to render brokerage services with respect to Conversus' LP common units listed on Euronext. Under the engagement, RBS issues a continuous quote in the Euronext order book, in compliance with applicable laws.

OHIM is obligated to invest 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 increase its reinvestment to 37.5% of its performance fee. Conversus issued no units to OHIM during the nine months ended September 30, 2009. Since the global offering, Conversus LP has issued 171,669 common units to OHIM, representing a total reinvestment of \$4.0 million. The issuances are 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 relate.

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 qualified persons. 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 or association 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.

During the nine months ended September 30, 2009, Conversus granted phantom equity awards which will be paid pursuant to the terms above and vest on specified dates through April 28, 2011.

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 quarter and nine months ended September 30, 2009, total phantom equity award expense and Board of Director compensation was \$0.2 million and \$0.6 million, respectively. As of September 30, 2009 and December 31, 2008, \$0.8 million and \$0.3 million, respectively, was payable with respect to total phantom equity awards and Directors' compensation.

The chart below summarizes the unit activity of the phantom equity plan for the nine months ended September 30, 2009.

Summary of Phantom Equity Plan		
	Unvested	Vested
Outstanding, January 1, 2009	32,013	12,042
Issued	56,146	-
Vested	(21,706)	21,706
Forfeitures	-	-
Settled	-	-
Outstanding, September 30, 2009	66,453	33,748

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 single services agreement with CAM pursuant to which CAM has agreed to carry out the day-to-day management and operations of the respective businesses. Under the services agreement, CAM is entitled to management fees, as discussed in Note 2, as well as the reimbursement of all fees, costs and expenses incurred in connection with the management and operation of the Service Recipients' businesses, including compensation and benefits associated with administrative personnel. CAM is not reimbursed for compensation or benefits associated with the provision of investment services by investment professionals. For the quarter and nine months ended September 30, 2009, total expenses reimbursable to CAM under the services agreement were \$0.8 million and \$2.8 million, respectively. The total amount payable to CAM under the services agreement as of September 30, 2009 and December 31, 2008 was \$1.1 million and \$1.4 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 are required to reimburse CAM for certain out of pocket and other administrative fees paid to OHIM, such as expenses incurred in connection with travel, professional service fees and the pro rata portion of certain overhead costs. These fees and expenses are reimbursed to OHIM quarterly in arrears. For the quarter and nine months ended September 30, 2009, total expenses reimbursable to CAM under the subadvisory and services agreement were \$0.01 million and \$0.04 million, respectively. The total amount payable to CAM under the subadvisory and services agreement as of September 30, 2009 and December 31, 2008 was \$0.01 million and \$0.1 million, 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 quarter and nine months ended September 30, 2009, total administration expenses were \$0.4 million and \$1.1 million, respectively. The total amount payable to Northern Trust for fund accounting and administration services as of both September 30, 2009 and December 31, 2008 was \$0.7 million.

BAC, OHIM, CalPERS, and Harvard, who are owners of CAM, are also unit holders of Conversus LP. From time to time, Conversus may invest alongside these unit holders in private equity fund investments or direct co-investments.

10. Commitments and Contingencies

As of September 30, 2009, Conversus held interests in 233 investments, including private equity funds, direct co-investments and publicly traded equity securities and has unfunded commitments to private equity funds of \$761.8 million. In addition, Conversus may make capital commitments to private equity funds in the future and may make purchases of existing private equity funds in the secondary market, many of which will be subject to additional funding requirements. Conversus generally employs an over-commitment strategy when making investments in private equity funds in order to maximize the amount of its capital that is invested at any given time. When an over-commitment strategy is employed, 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 for immediate investment. 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 approach 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 quarter ended September 30, 2009 and nine months ended September 30, 2009, is calculated by dividing the net change in net assets by the weighted average number of units outstanding during the period, as outlined in the table below.

Gain per Unit Outstanding		
(Amounts in thousands except for per unit amounts)		
	Quarter Ended September 30, 2009	Nine Months Ended September 30, 2009
Net change in net assets resulting from operations	\$ 56,866	\$ 46,831
Weighted average number of units outstanding	72,367	72,424
Gain per unit outstanding	\$ 0.79	\$ 0.65

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 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 that Conversus reports.

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 on the notes, 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), the swap agreement under which there is a lone counterparty (see Note 5) 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 a decline 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 is subject to a variety of laws and regulations by national, regional and local governments. 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 condition of Conversus.

Tax Risk

Conversus has a complex and multi-jurisdictional structure and is subject to a variety of tax laws and tax regulations by national, regional and local governments. 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 Conversus' results of operations or financial condition.

Market Risk

The private equity funds and direct private equity investments in the portfolio of Conversus may be materially affected by conditions in the global financial markets and economic conditions. The capital and credit markets have experienced unprecedented volatility and disruption over recent periods. 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. A sustained downturn or worsening of 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 condition 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 would 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 operation and financial condition 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

On October 15, 2009, Conversus announced a reduction in the management fees it pays to CAM while Conversus operates under the realization strategy. Specifically, CAM has agreed to waive its right to 30% of the profits interests effective retroactively to July 1, 2009.

In accordance with ASC 855-10, Conversus has evaluated subsequent events for recognition or disclosure through October 21, 2009, which was the date after which these Combined Financial Statements were available to be issued. Other than the subsequent event disclosed above, Conversus noted no other events requiring recognition or disclosure that occurred subsequent to September 30, 2009 and through October 21, 2009.

FINANCIAL HIGHLIGHTS

For the quarter and nine months ended September 30, 2009

(US\$ in thousands except for per unit amounts)

	<u>Quarter ended September 30, 2009</u>	<u>Nine months ended September 30, 2009</u>
<u>Per Unit Operating Performance</u>		
NET ASSET VALUE PER UNIT AT BEGINNING OF PERIOD	\$ 20.77	\$ 20.85
Increase / (decrease) from operating activities		
Net investment loss	(0.21)	(0.62)
Net realized gains on investments	0.30	0.06
Net change in unrealized depreciation on investments	0.70	1.21
Total increase from operating activities	0.79	0.65
Other	-	0.06
NET ASSET VALUE PER UNIT AT END OF PERIOD	\$ 21.56	\$ 21.56
TOTAL RETURN	3.80 %	3.41 %
<hr/>		
<u>Supplemental Information</u>		
Weighted average net assets during the period	\$ 1,525,081	\$ 1,524,820
 Key percentages based on weighted average net assets:		
Net investment loss	(3.38)%	(3.88)%
 Expenses		
Fund fees and expenses	1.51	1.44
Net management fees	1.14	1.30
Interest	0.31	0.47
Professional service fees	0.30	0.34
Personnel	0.28	0.28
Public company costs	0.19	0.18
Other general and administrative	0.49	0.45
Total Expenses	4.22%	4.46%

Net investment loss and key expense percentages are presented on an annualized basis excluding one-time costs.

During the third quarter of 2009, CAM voluntarily agreed to waive its right to 30% of the profits interest portion of its management fees. Absent this waiver, the percentages for management fees would have been approximately 1.43% and 1.40% for the quarter and nine months ended September 30, 2009, respectively.