



CONVERSUS CAPITAL, L.P.

INTERIM FINANCIAL REPORT

For the quarter ended 31 March 2010

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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 • 72,367,104 units outstanding as of 31 March 2010 • 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 funds • Fully invested portfolio of top-tier, diversified and seasoned private equity investments • 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 • Performance driven compensation structure for investment manager • Substantial investments by sponsors and management
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 26 investment professionals with over 200 years of combined experience

Key Metrics (Amounts in 000's except per unit data)	As of 31 Mar 2010	As of 31 Dec 2009	Increase / (Decrease)
Net Asset Value	\$ 1,721,875	\$ 1,700,560	1.3 %
Units Outstanding	72,367	72,367	- %
Net Asset Value per Unit	\$ 23.79	\$ 23.50	1.2 %
Unit Price	\$ 16.30	\$ 11.27	44.6 %
Market Capitalization	\$ 1,179,582	\$ 815,576	44.6 %
Investment NAV	\$ 1,881,500	\$ 1,907,572	(1.4)%
Unfunded Commitments	\$ 685,444	\$ 731,727	(6.3)%
Cash and Cash Equivalents	\$ 46,012	\$ 32,313	42.4 %
Notes and Interest Payable	\$ 194,828	\$ 229,004	(14.9)%
Wtd. Avg. Net Assets	\$ 1,711,218	\$ 1,542,376	10.9 %
Wtd. Avg. Portfolio Company Duration	4.9 years	4.8 years	2.0 %
Wtd. Avg. Fund Life	7.8 years	7.6 years	2.6 %

¹Conversus Capital, L.P. is an authorized closed-ended investment scheme for Guernsey regulatory purposes and 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.

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.”

Distributions and calls from fund investments are alternatively referred to “organic cash flows” or “net organic cash flows.”

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 31 March 2010 and 31 March 2009.

Summary Operating Results <i>For the Quarters Ended:</i>		
	31 Mar 2010	31 Mar 2009
Net Change in Unrealized Depreciation on Investments	\$ 23,338	\$ (22,387)
Net Realized Gains (Losses)	5,514	(3,857)
Investment & Other Income	7,954	1,002
Total Expenses	(15,491)	(16,562)
Total Increase/(Decrease) in Net Assets	\$ 21,315	\$ (41,804)

- The net change in unrealized depreciation on investments of \$23.3 million for the quarter ended 31 March 2010 was comprised of net unrealized gains of \$40.6 million related to public equity securities partially offset by net unrealized losses of \$5.3 million related to private holdings, unrealized losses of \$5.6 million on a derivative instrument held to partially hedge market

exposure on our public equity security portfolio and \$6.4 million in unrealized foreign currency losses. The net change in unrealized depreciation on investments of \$22.4 million for the quarter ended 31 March 2009 was comprised of net unrealized losses of \$20.6 million related to private holdings, net unrealized losses of \$1.2 million related to public equity securities and \$6.5 million in unrealized foreign currency losses, partially offset by an unrealized gain of \$5.9 million on a derivative instrument.

- Net realized gains were \$5.5 million for the quarter ended 31 March 2010 which included \$36.4 million in gross realized gains, \$16.6 million in gross realized losses and \$14.3 million in portfolio company write-offs by general partners. In comparison, net realized losses were \$3.9 million for the quarter ended 31 March 2009 which included \$6.8 million in gross realized gains, \$5.8 million in gross realized losses and \$4.9 million in portfolio company write-offs by general partners.
- For the quarters ended 31 March 2010 and 31 March 2009, net investment and other income was \$8.0 million and \$1.0 million, respectively. This income was mainly comprised of dividend and interest income.
- Total expenses for the quarters ended 31 March 2010 and 31 March 2009 were \$15.5 million and \$16.6 million, respectively. Further expense detail can be found in the table below.
- The increase in net assets from operations of \$21.3 million during the quarter ended 31 March 2010 resulted in a gain per unit outstanding of \$0.29. The decrease in net assets from operations of \$41.8 million during the quarter ended 31 March 2009 resulted in a loss per unit outstanding of \$0.58.

The following table displays operating expenses and related annualized operating percentages based on weighted average net assets for the quarters ended 31 March 2010 and 31 March 2009.

Total Expenses and Operating Percentages					
<i>For the Quarters Ended:</i>					
	31 Mar 2010		31 Mar 2009		
	Expense	Percentage	Expense	Percentage	
Fund Fees and Expenses	\$ 5,146	1.20%	\$ 5,365	1.39%	
Net Management Fees	4,455	1.04	5,131	1.33	
Interest	915	0.21	2,207	0.58	
Professional Service Fees	1,680	0.39	1,326	0.32	
Personnel	2,061	0.48	1,134	0.28	
Public Company Costs	573	0.14	745	0.18	
Other General and Administrative	661	0.16	654	0.16	
Total Expenses	\$ 15,491	3.62%	\$ 16,562	4.24%	

- 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 fluctuate on a quarterly basis.
- Net 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 irrevocably waive its right to 30% of the contingent profits interest while Conversus operates under a realization strategy. This waiver was effective as of 1 July 2009 and results in annual savings of \$4.5 million to Conversus based upon investment NAV and unfunded commitment levels as of 31 March 2010. 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 principal balances outstanding of \$209.0 million and \$257.5 million for the quarters ended 31 March 2010 and 31 March 2009, respectively. The balances outstanding had weighted average rates of 1.7% and 2.7% as of 31 March 2010 and 31 March 2009, respectively.
- Professional service fees represent accounting, audit, tax, legal, compliance and related costs. The increase in the first quarter of 2010 when compared to the same period in 2009 was primarily due to higher tax compliance 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 combined financial statements). The increase from the first quarter of 2009 to the first quarter of 2010 was primarily the result of higher phantom equity award expense which is referenced to Conversus LP's unit price.
- Public company costs consist of insurance, third party valuation fees, Board of Director cash compensation, investor relations and regulatory expenses. The decrease from 2009 to 2010 was primarily the result of lower investor relations costs.
- Other General and Administrative expenses include fees related to the credit facility, income taxes, occupancy, travel, recruitment and miscellaneous employee and other costs.

BUSINESS OVERVIEW

Conversus is designed to provide unit holders with 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 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. We will continue to review our strategy in response to market conditions and will make strategic decisions consistent with the goal of maximizing 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, 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

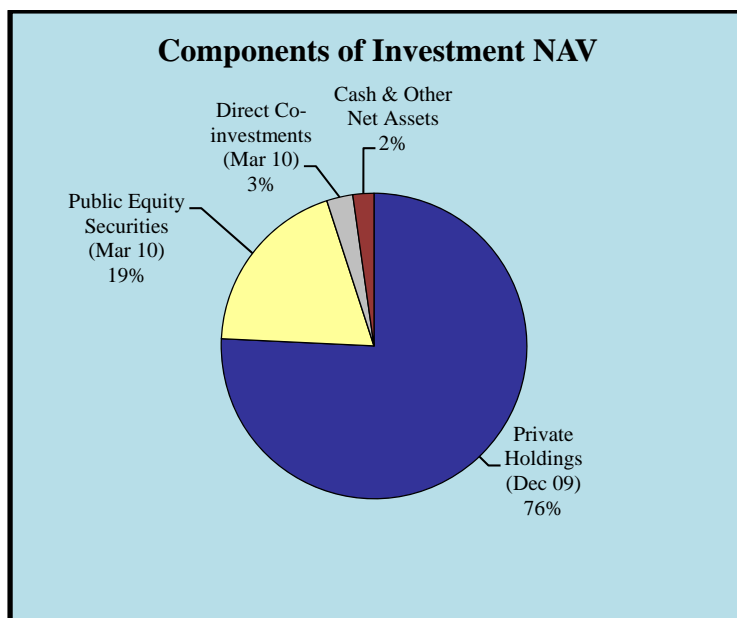
As of 31 March 2010, we had an NAV of \$1,721.9 million, or \$23.79 per unit. By comparison, our NAV as of 31 December 2009 was \$1,700.6 million, or \$23.50 per unit.

During the quarter ended 31 March 2010, our public equity securities experienced net unrealized gains of \$40.6 million. These net unrealized gains were partially offset by net unrealized losses of \$5.3 million on private holdings, net unrealized losses of \$6.4 million related to foreign currency and net unrealized losses of \$5.6 million related to a derivative instrument.

For the quarter ended 31 March 2010, net realized gains were \$5.5 million. Gross realized gains were \$36.4 million, gross realized losses were \$16.6 million and general partner write-offs totaled \$14.3 million for the quarter.

As of 31 March 2010, 76% of the investment NAV was comprised of private holdings valued based on general partner estimates as of 31 December 2009 and 3% was comprised of direct co-investments valued as of 31 March 2010 based on Conversus' estimates. A further 19% of the investment NAV was comprised of public equity securities and a derivative marked to market as of 31 March 2010. The remaining 2% of the investment NAV represented cash and other net assets held by the funds in which Conversus is invested.

The chart below summarizes the components of our investment NAV as of 31 March 2010.



INVESTMENT STRATEGY

Realization Strategy

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. Despite Conversus' distinguishing characteristics as represented by its portfolio, financial flexibility and commitment to governance and transparency, our units are trading at a discount to our reported NAV of 31% as of 31 March 2010. Although the discount has improved considerably from 52% as of 31 December 2009, under current market conditions we do not believe the unit price levels over the course of the quarter reflected the value of our high-quality portfolio or the distinct strengths of our business model.

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.

We will consider a return to a growth strategy if we believe three criteria are met: (i) the market price for our units fairly reflects the value of the portfolio, (ii) the trading volume in our 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. We will continue to review our 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 currently 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 summaries of our portfolio allocation, unfunded commitments and composition of portfolio investments as of 31 March 2010. See pages 30 to 32 of this financial report for a complete listing of our investments by fund as of 31 March 2010.

Portfolio Allocation as of 31 Mar 2010				
	Number of Investments	Investment NAV	Unfunded Commitments	Total Exposure
Fund Investments	215	\$ 1,823,683	\$ 685,444	\$ 2,509,127
Direct Co-investments	3	52,043	-	52,043
Public Equity Securities *	10	5,774	-	5,774
Total Investments	228	\$ 1,881,500	\$ 685,444	\$ 2,566,944
* Represents publicly traded equity security distributions from our fund investments, direct public equity purchases and derivative instruments				

Unfunded Commitment Summary for the Quarter Ended 31 Mar 2010	
Unfunded Commitments as of 1 Jan 2010	\$ 731,727
Net Commitments Funded	(28,085)
Refunded Capital	3,407
FX and Other Adjustments	(21,605)
Unfunded Commitments as of 31 Mar 2010	\$ 685,444

Composition of Portfolio Investments as of 31 Mar 2010					
	# of Holdings	Investment NAV	% of Investment NAV	Total Exposure ^	% of Total Exposure
Buyout Funds					
> \$7.5 billion	9	\$ 145,384	7.7%	\$ 329,384	12.8%
\$5 to \$7.5 billion	8	174,378	9.3	220,509	8.6
\$3 to \$5 billion	21	316,542	16.8	442,556	17.2
\$1 to \$3 billion	37	330,359	17.6	431,188	16.8
\$500 million to \$1 billion	24	188,180	10.0	237,559	9.3
< \$500 million	41	214,311	11.4	285,595	11.1
Total Buyout Funds	140	1,369,154	72.8	1,946,791	75.8
Venture Capital Funds	57	291,609	15.5	388,910	15.2
Special Situation Funds	18	162,920	8.6	173,426	6.8
Total Fund Investments	215	1,823,683	96.9	2,509,127	97.8
Direct Co-investments	3	52,043	2.8	52,043	2.0
Public Equity Securities *	10	5,774	0.3	5,774	0.2
Total Expenses	228	\$ 1,881,500	100.0%	\$ 2,566,944	100.0%
^ Total Exposure represents investment NAV plus unfunded commitments * Represents publicly traded equity securities distributions from our fund investments, direct public equity purchases and derivative instrument.					

The following table displays, in alphabetical order, our seventy-five largest private equity fund investments based on investment NAV as of 31 March 2010. In total, the Top 75 funds represented 71% of our total investment NAV and 45% of our unfunded commitments as of 31 March 2010.

Top 75 Fund Investments by Investment NAV as of 31 Mar 2010 (\$ 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	\$ 14.1	\$ 0.2	\$ 14.3
Apollo Investment Fund V, L.P.	Buyout	2001	22.3	3.6	25.9
Apollo Investment Fund VI, L.P.	Buyout	2006	27.5	4.6	32.1
Apollo Overseas Partners VII, L.P.	Buyout	2008	14.2	37.6	51.9
Atlantic Equity Partners III, L.P.	Buyout	1999	10.5	0.1	10.6
Aurora Equity Partners II, LP	Buyout	1998	14.1	0.0	14.1
Avenue Special Situations Fund V, L.P.	Special Situation	2007	38.7	0.0	38.7
Bay City Capital IV, L.P.	Venture Capital	2005	10.5	6.2	16.8
BC European Capital VII	Buyout	2000	14.2	0.0	14.2
Blackstone Capital Partners III L.P.	Buyout	1997	12.5	2.2	14.6
Blackstone Capital Partners IV, L.P.	Buyout	2003	23.1	2.6	25.6
Blackstone Communications Partners I, L.P.	Buyout	2000	9.2	2.5	11.7
Boston Ventures Limited Partnership VI	Buyout	2000	8.0	1.8	9.8
Brentwood Associates Private Equity III, L.P.	Buyout	1999	11.6	0.0	11.6
Bruckmann, Rosser, Sherrill & Co. II, LP	Buyout	1999	11.6	0.3	11.9
Calera Capital Partners III, L.P.	Buyout	2001	*	*	*
Carlyle Partners III, L.P.	Buyout	2000	9.2	5.1	14.3
Carlyle Partners V, L.P.	Buyout	2007	12.8	34.0	46.8
Catterton Partners IV	Buyout	2000	*	1.5	*
CCG Investment Fund, L.P.	Buyout	2000	*	*	*
Chisholm Partners IV, LP	Buyout	1999	11.1	0.6	11.7
Clayton, Dubilier & Rice Fund VI, L.P.	Buyout	1999	13.8	6.2	20.0
Clayton, Dubilier & Rice Fund VII Coinvest, L.P.	Buyout	2006	12.6	3.2	15.9
Clayton, Dubilier & Rice Fund VII, L.P.	Buyout	2005	45.4	4.1	49.5
Crestview Capital Partners	Buyout	2005	19.5	0.5	20.0
CVC European Equity Partners III LP	Buyout	2001	*	*	*
Diamond Castle Partners IV, L.P.	Buyout	2005	18.7	9.0	27.7
Essex Woodlands Health Ventures Fund V, LP	Venture Capital	2000	12.3	0.0	12.3
Fenway Partners Capital Fund II, LP	Buyout	1998	12.7	1.1	13.8
FFC Partners II, L.P.	Buyout	1999	12.1	0.8	12.8
Financial Technology Ventures II (Q), L.P.	Venture Capital	2001	21.0	0.3	21.2
Foundation Capital IV, L.P.	Venture Capital	2002	*	*	*
Friedman, Fleischer & Lowe Capital Partners, L.P.	Buyout	1999	20.1	2.1	22.2
Green Equity Investors IV, L.P.	Buyout	2003	21.1	0.6	21.7
Green Equity Investors V, LP	Buyout	2006	14.9	23.5	38.4
Highland Restoration Capital Partners Offshore, L.P.	Special Situation	2008	*	*	*
JPMorgan Global Investors, L.P.	Buyout	2001	*	*	*
KKR 1996 Fund, L.P.	Buyout	1997	*	0.0	*

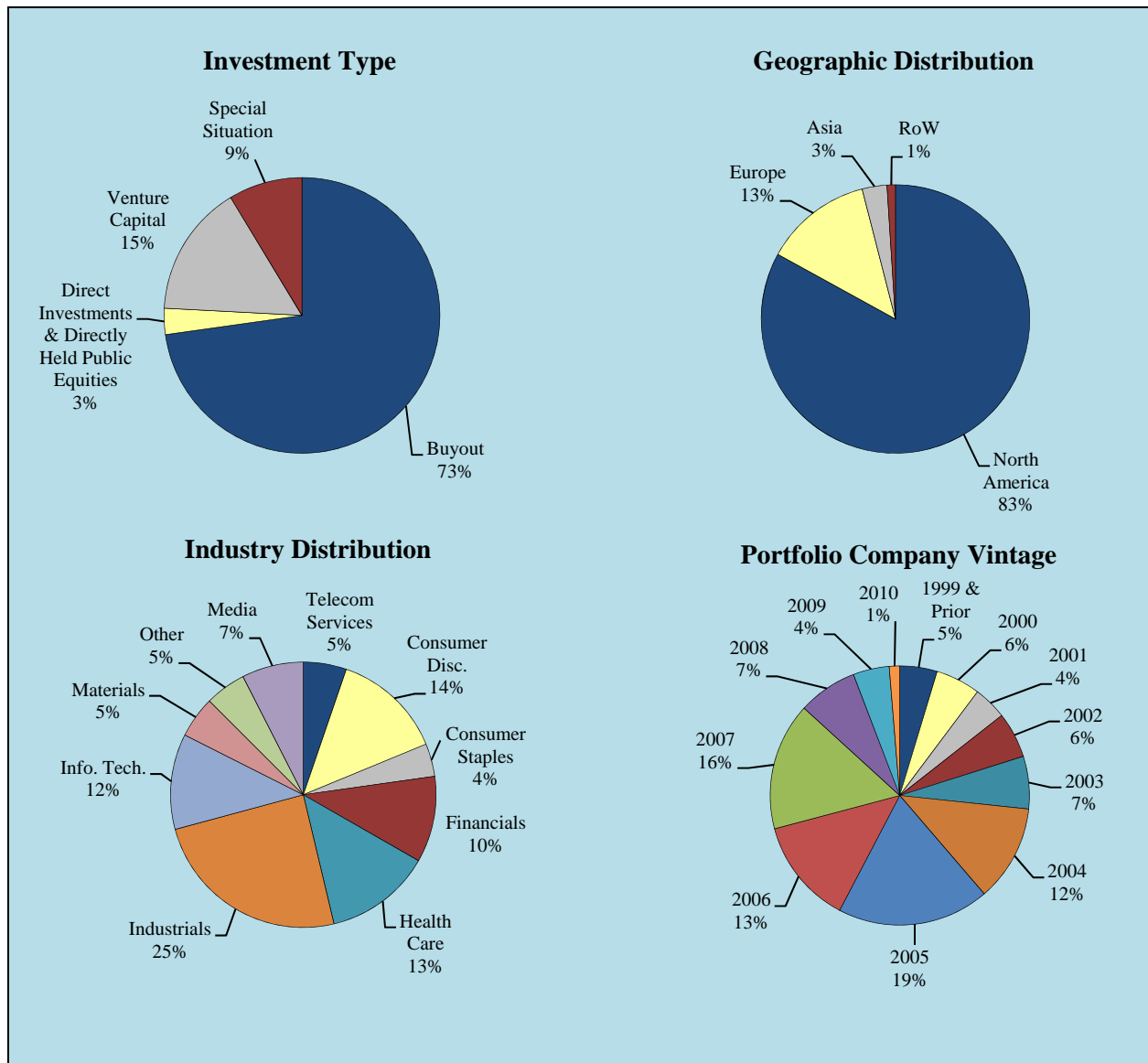
Top 75 Fund Investments by Investment NAV as of 31 Mar 2010 (continued) (\$ in millions)					
Fund	Asset Class	Vintage Year	Investment NAV**	Unfunded Commitments	Total Exposure
KKR 2006 Fund, L.P.	Buyout	2006	*	23.5	*
KKR Millennium Fund, L.P.	Buyout	2002	*	0.0	*
Lighthouse Capital Partners V, L.P.	Venture Capital	2002	8.8	1.4	10.2
Littlejohn Fund II, L.P.	Buyout	1999	*	*	*
Lone Star Fund VI (U.S.), L.P.	Special Situation	2008	11.5	3.4	14.9
M/C Venture Partners V, L.P.	Venture Capital	2000	27.7	0.2	27.9
Madison Dearborn Capital Partners IV, L.P.	Buyout	2000	10.2	0.0	10.2
Metalmark Capital Partners, L.P.	Buyout	2006	*	11.5	*
MPM BioVentures III, L.P.	Venture Capital	2002	8.5	0.7	9.2
Nautic Partners V, L.P.	Buyout	2000	23.7	2.0	25.7
Newbridge Asia III, L.P.	Buyout	2000	*	*	*
OCM Opportunities Fund VI, L.P.	Special Situation	2005	18.0	0.0	18.0
OCM Opportunities Fund VII, L.P.	Special Situation	2007	10.9	0.0	10.9
OCM Opportunities Fund VIIb, L.P.	Special Situation	2008	23.1	3.0	26.1
OCM Principal Opportunities Fund III, L.P.	Special Situation	2004	15.8	0.0	15.8
OHA Leveraged Loan Portfolio, L.P.	Special Situation	2008	10.6	0.0	10.6
Polaris Venture Partners III, L.P.	Venture Capital	2000	13.0	0.4	13.4
Providence Equity Partners IV, L.P.	Buyout	2000	*	1.6	*
Ripplewood Partners II/Side-by-Side Fund, L.P.	Buyout	2002	*	2.5	*
Seaport Capital Partners II, LP	Buyout	2000	13.7	0.7	14.4
Spectrum Equity Investors IV, L.P.	Buyout	2000	22.1	1.5	23.7
TCV IV, LP	Venture Capital	2000	14.7	0.9	15.6
Thomas H. Lee Equity Fund V, L.P.	Buyout	2001	34.8	1.5	36.3
Thomas H. Lee Equity Fund VI, L.P.	Buyout	2006	46.7	48.9	95.7
TL Ventures V, L.P.	Venture Capital	2000	*	*	*
TPG Credit Strategies Fund, L.P.	Special Situation	2006	*	*	*
TPG Partners III, L.P.	Buyout	2000	*	*	*
Trident III, L.P.	Buyout	2004	33.4	0.4	33.8
Trident IV, LP.	Buyout	2006	18.3	9.0	27.3
U.S. Equity Partners II (Offshore), L.P.	Buyout	2002	14.4	10.1	24.5
Vestar Capital Partners IV, L.P.	Buyout	2000	12.9	0.5	13.5
Warburg Pincus Private Equity VIII, L.P.	Buyout	2001	21.9	0.0	21.9
Warburg, Pincus International Partners, L.P.	Buyout	2000	18.6	0.0	18.6
Welsh, Carson, Anderson & Stowe IX, L.P.	Buyout	2000	18.8	1.5	20.3
Welsh, Carson, Anderson & Stowe VIII, L.P.	Buyout	1998	16.2	0.0	16.2
Total for Top 75 Fund Investments			\$ 1,344.4	\$ 306.1	\$ 1,650.5
Total Investment Portfolio			\$ 1,881.5	\$ 685.4	\$ 2,566.9
% of Total Reflected in Top 75 Funds			71%	45%	64%
* The general partner of the fund has requested that fund level NAV and/or unfunded commitments not be disclosed					
** Investment NAV is calculated based on Conversus' valuation methodology (see Note 3 of the 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 31 March 2010. These funds represented 39% of our total investment NAV and 37% of our unfunded commitments as of 31 March 2010.

Top 10 Fund Families by Investment NAV as of 31 Mar 2010				
<div> <div>Apollo</div> <div>Avenue Capital Management</div> <div>Blackstone</div> <div>Clayton, Dubilier and Rice</div> <div>KKR</div> </div> <div> <div>Oaktree</div> <div>Stone Point Capital</div> <div>TPG</div> <div>Thomas H. Lee</div> <div>Warburg Pincus</div> </div>				
(\$ in millions)	Investment NAV	Unfunded Commitments	Total Exposure	
Total for Top 10 Fund Families	\$ 726.9	\$ 252.7	\$ 979.6	
Total Investments	\$ 1,881.5	\$ 685.4	\$ 2,566.9	
% of Total in Top 10 Fund Families	39%	37%	38%	

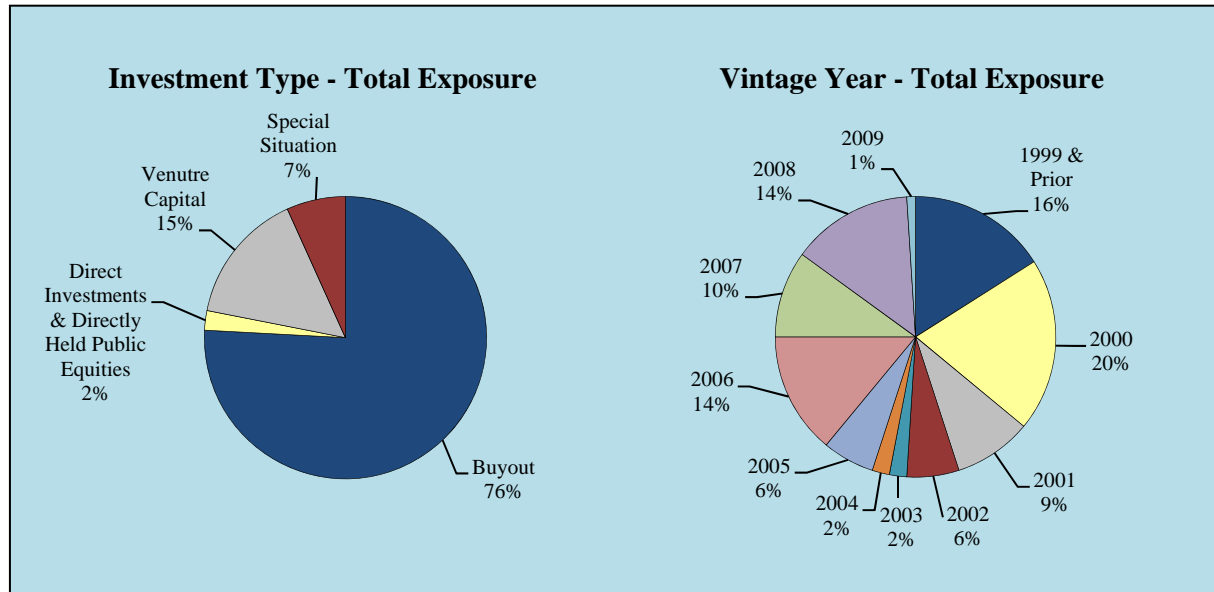
PORTFOLIO DIVERSIFICATION – NAV

The following charts display our investment NAV by investment type at the fund level and geographic distribution, industry distribution and vintage at the underlying portfolio company level as of 31 March 2010.



PORTFOLIO DIVERSIFICATION – 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 31 March 2010.



PORTFOLIO DIVERSIFICATION – INVESTMENTS

The following chart summarizes portfolio statistics calculated based on Conversus' 121 fund families as of 31 March 2010.

Investment NAV per Fund Family (\$ in millions)	< \$20	\$20 - \$50	> \$ 50
# of Fund Families	99	14	8

Top 10 Fund Families ● —————→ **39% of Investment NAV**

Top 20 Fund Families ● —————→ **55% of Investment NAV**

The following chart summarizes portfolio statistics calculated based on Conversus' 215 fund investments as of 31 March 2010.

Investment NAV per Fund (\$ in millions)	< \$10	\$10 - \$50	> \$ 50
# of Fund Families	153	60	2

Top 10 Funds ● —————→ **22% of Investment NAV**

Top 50 Funds ● —————→ **58% of Investment NAV**

The following chart summarizes portfolio statistics calculated at the portfolio company level for Conversus' 1,849 portfolio companies as of 31 March 2010.

Investment NAV per Portfolio Company (\$ in millions)	< \$5	\$5 - \$20	> \$ 20
# of Fund Families	1,772	75	2

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

Top 50 Companies ● —————→ **29% 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 31 March 2010, based on investment NAV. These twenty public equity securities totaled \$185.8 million or 49.9% of our total public equity securities portfolio of \$372.3 million as of 31 March 2010.

In total, public equity securities held either directly or indirectly through one or more of our private equity fund investments, including derivatives, represented 19.2% of the total investment NAV as of 31 March 2010, while the top twenty positions listed below comprised 9.9% of the total investment NAV as of 31 March 2010.

Top 20 Public Equity Securities as of 31 Mar 2010			
		Market Value	% of Total Publics
1	Shenzhen Development Bank Co	\$ 18,086	4.9%
2	Legrand S.A.	17,500	4.7
3	Dollar General Corporation	15,743	4.2
4	Warner Chilcott PLC	14,020	3.8
5	Rexel S.A.	10,665	2.9
6	PartnerRe Ltd.	10,299	2.8
7	Sally Beauty Holdings	9,608	2.6
8	Rockwood Holdings	9,478	2.5
9	MetroPCS, Inc.	8,134	2.2
10	Republic Services	8,118	2.2
11	NetFlix.com, Inc.	7,989	2.1
12	Hughes Communications	7,480	2.0
13	Hertz Corp	7,322	2.0
14	Switch & Data Facilities Company, Inc.	7,301	2.0
15	RiskMetrics Group	6,248	1.7
16	Whole Foods Market, Inc.	5,935	1.6
17	Quality Distribution, Inc.	5,492	1.5
18	Burger King	5,483	1.5
19	KKR Private Equity Investors	5,462	1.5
20	Warner Music Group	5,439	1.5
Total Top 20 Public Equity Securities		\$ 185,802	49.9%
Total Public Equity Securities		\$ 372,309	
Derivative Market Value		\$ (10,238)	
Total Public Equity Securities and Derivative		\$ 362,071	
Total Public Equity Securities and Derivative Value as %		19.2%	

CASH FLOW ACTIVITY

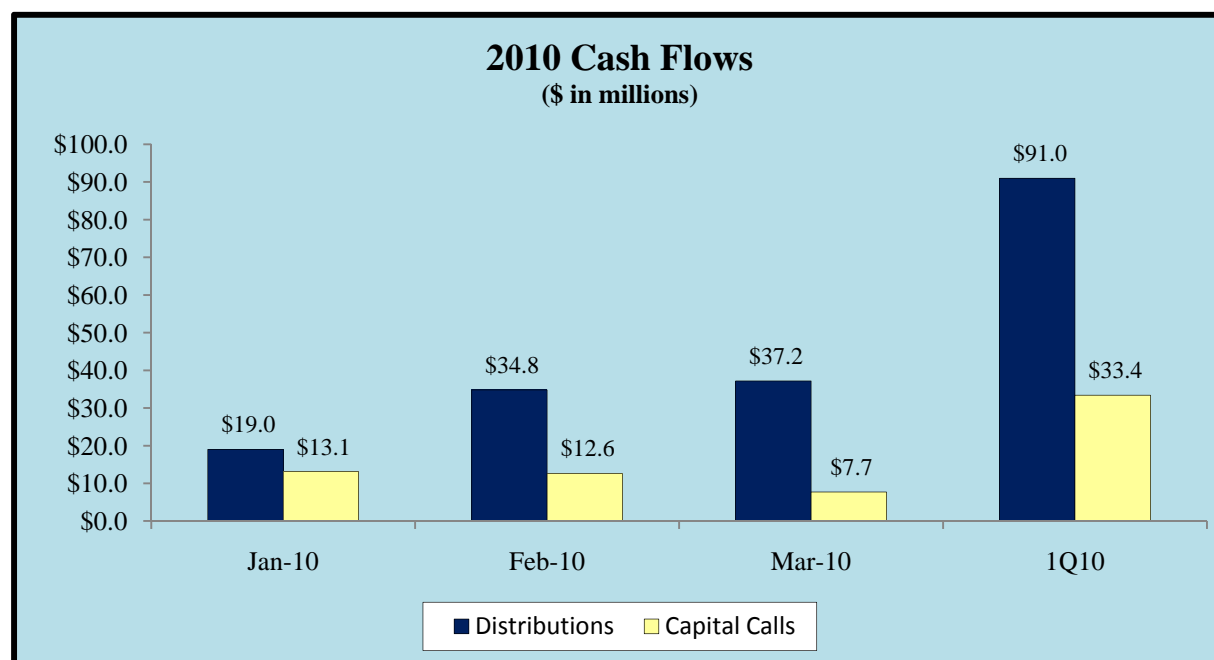
The maturity and quality of Conversus' diversified portfolio were clearly demonstrated by our cash flows during the first quarter of 2010. For the quarter, our organic portfolio generated \$57.6 million of net positive cash flow, with distributions of \$91.0 million and capital calls of \$33.4 million.

Although we have adopted a realization strategy, we continue to participate in new investments through our \$685.4 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.

Capital calls of \$33.4 million, which represented 4.6% of beginning of year unfunded commitments, consisted of \$28.1 million of calls for portfolio company investments and \$5.3 million for fund fees and expenses. Capital calls during the quarter included \$27.4 million for buyout funds, \$5.6 million for venture funds and \$0.4 million for special situation funds. Capital called by our fund investments came largely from more recent vintage year funds, with 77.4% of the calls coming from fund vintage years 2008 (22.8%), 2006 (19.6%), 2007 (18.4%) and 2005 (16.6%).

For the quarter ended 31 March 2010, we received distributions of \$91.0 million, representing 4.8% of beginning of year investment NAV. Buyout funds comprised 68.9% of the distributions, venture funds comprised 19.5% and special situation funds comprised 8.0% with the remaining 3.6% coming from sales of directly held public equities.

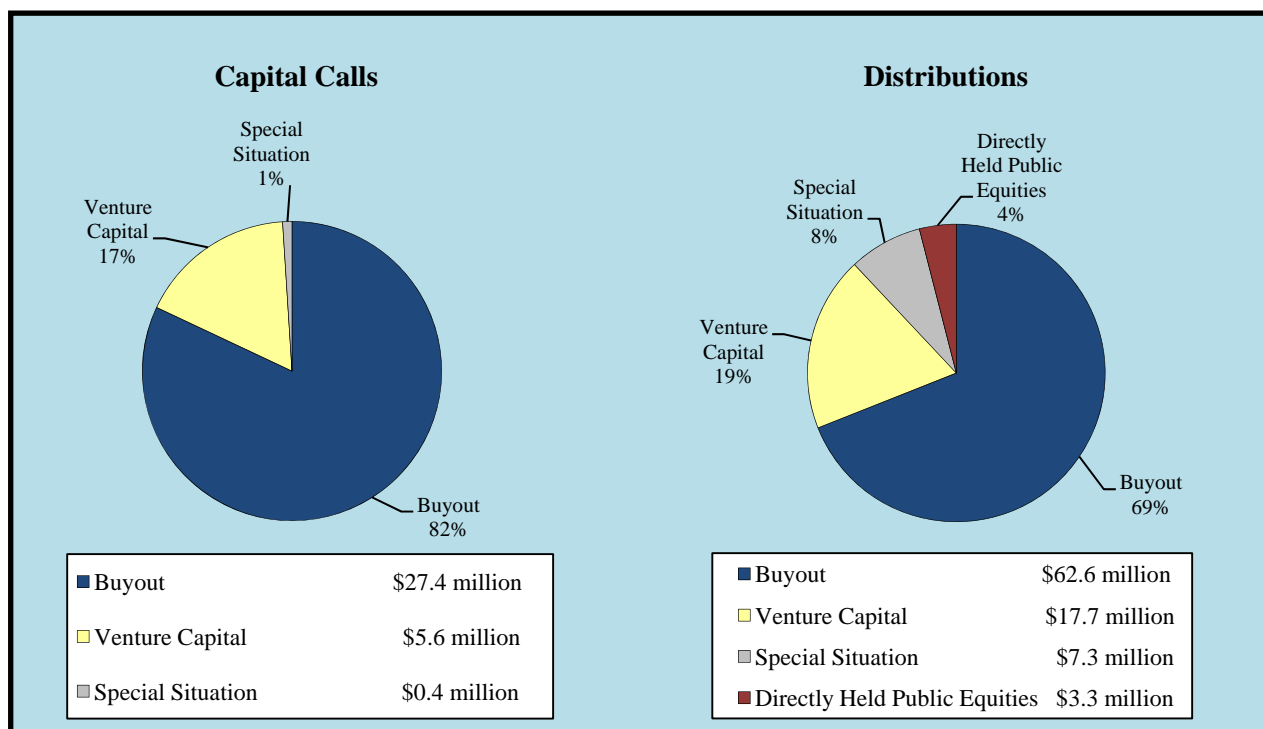
The sectors with the highest levels of distributions during the quarter accounted for 55.2% of total distributions and included Media (21.0%), Health Care (13.2%), Consumer Discretionary (11.8%) and Telecommunications Services (9.2%). The majority of distributions (62.5%) were from underlying portfolio company investments made in years 2005 (22.7%), 2003 (16.7%), 2004 (11.7%) and 2008 (11.4%).



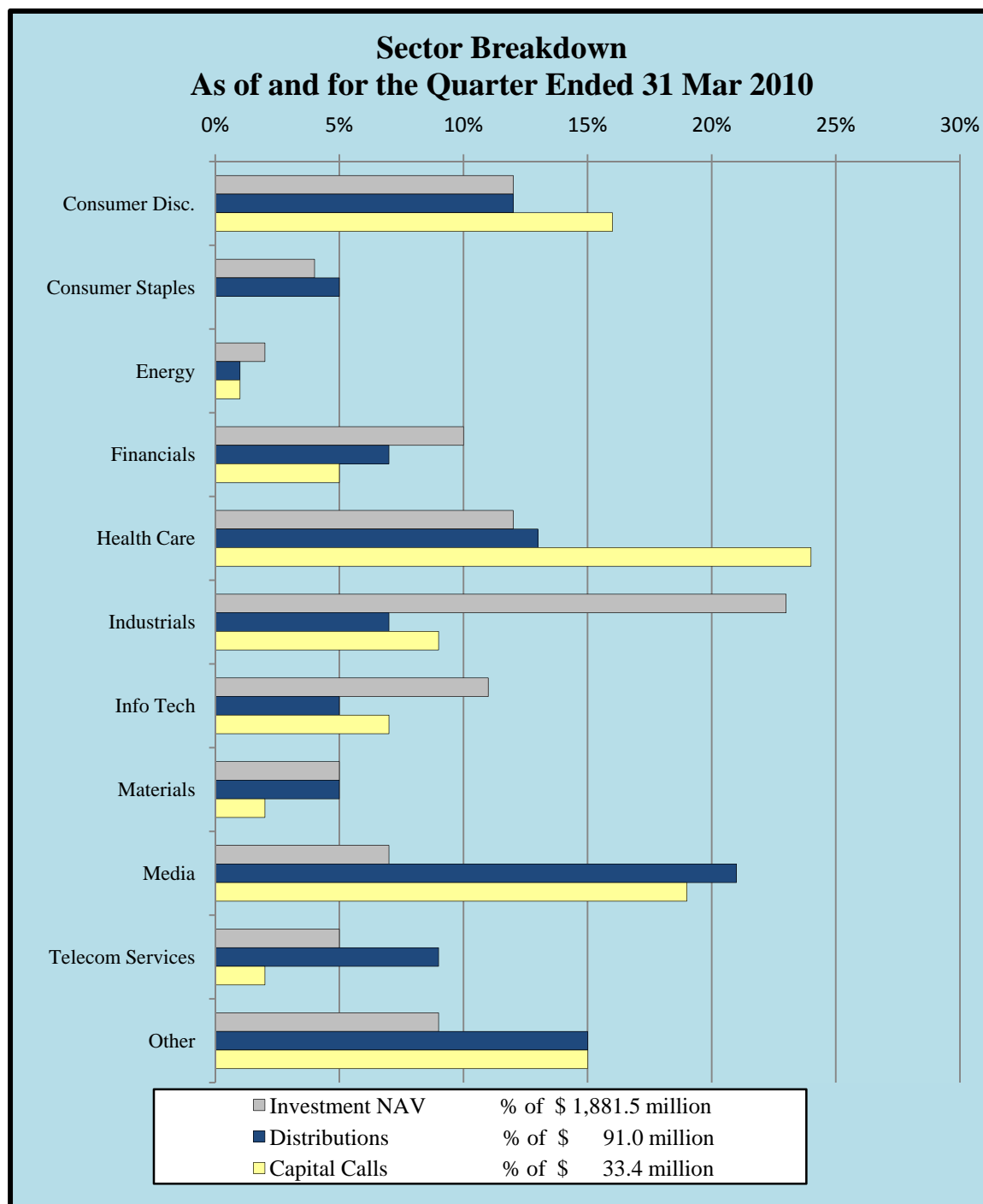
The following chart displays total investment activity for the quarter ended 31 March 2010.

Investment Activity	
Capital Calls:	
Capital Called for Investments	\$ 28,085
Capital Called for Fund Fees and Expenses	5,339
Total Capital Calls	\$ 33,424
Distributions:	
Return of Capital	\$ 72,874
Net Realized Gains *	6,728
Investment Income	7,952
Refunded Capital	3,407
Total Distributions	\$ 90,961
Realized Losses due to Non-cash Write-offs of Investments	\$ 14,244
* Excludes realized losses on stock distributions of \$1,217	

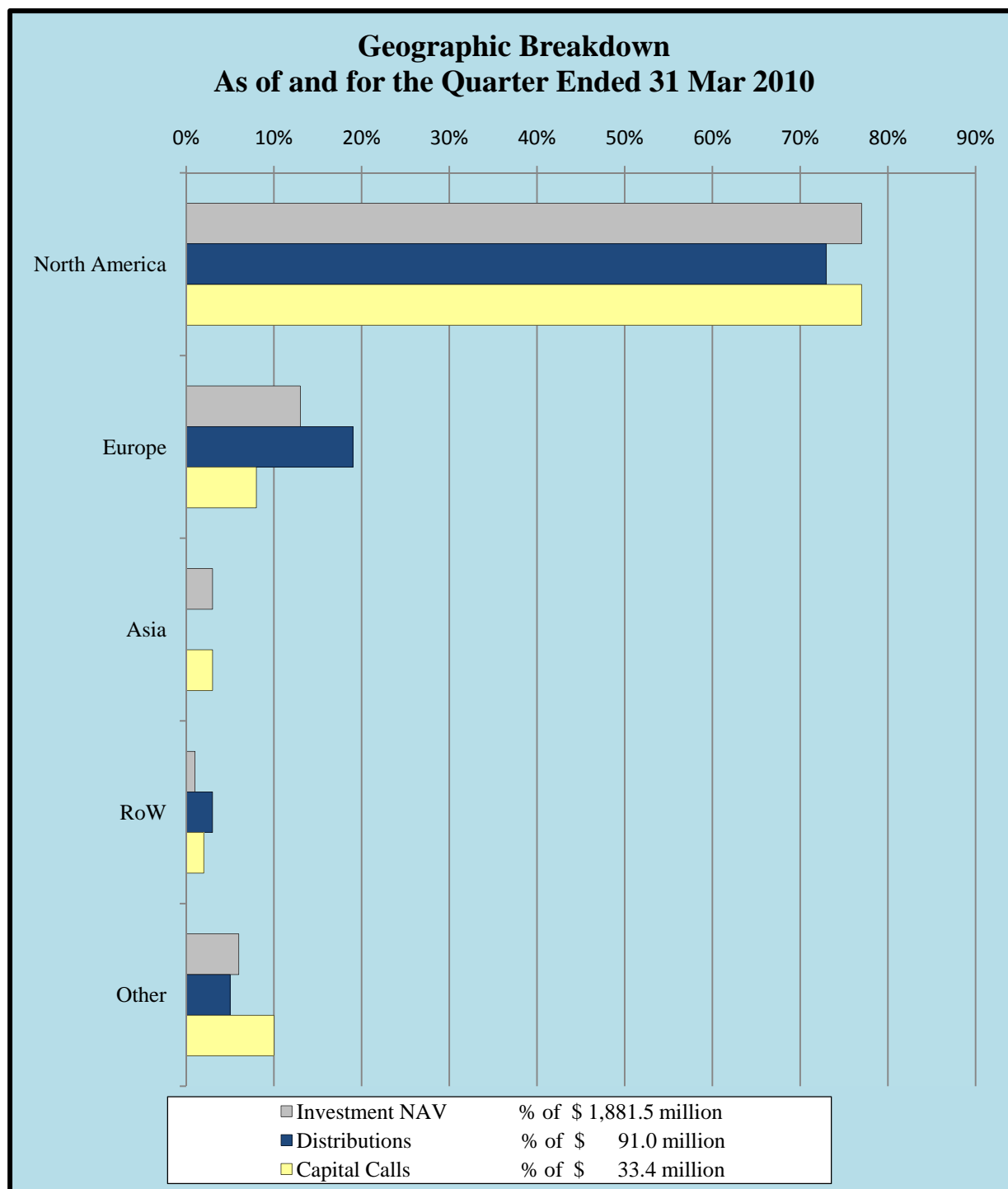
The following chart displays capital calls funded and distributions received during the quarter ended 31 March 2010 by investment type.



The following charts display, by industry sector, the relative percentage of investment NAV as of 31 March 2010 and the relative percentages of distributions and capital calls for the quarter ended 31 March 2010. Portions of the investment NAV, capital calls and distributions are categorized as “Other.” This category includes: (i) other industries such as utilities and real estate (ii) unallocated 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.



The following charts display, by geographic region, the relative percentage of investment NAV as of 31 March 2010 and the relative percentages of distributions and capital calls for the quarter ended 31 March 2010. Portions of the investment NAV, capital calls and distributions are categorized as “Other.” This category includes: (i) other industries such as utilities and real estate (ii) unallocated 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.



MARKET OUTLOOK AND PORTFOLIO COMMENTARY

The broad equity market rally reached its one year anniversary in the first quarter of 2010, with the S&P 500 and MSCI indices adding 4.9% and 2.7%, respectively, to their impressive gains of 2009. Against a backdrop of low interest rates, the bond markets also produced strong total returns of 2.3% for investment grade and 3.9% for high yield, according to UBS Investment Research.

In this improving environment, new private equity investment activity grew on a year over year basis with \$27.5 billion of leveraged buyouts in the first quarter of 2010. This activity more than doubled last years' \$12.1 billion first quarter, but represented a decrease from the fourth quarter of 2009, according to Dealogic. Although debt markets continue to thaw and have become more receptive to private equity deals, it should be noted that a substantial portion of the activity refinanced existing debt which allowed portfolio companies to improve their balance sheets. In the first quarter of 2010, the total U.S. leveraged loan market doubled its volume from the same period in 2009 to \$71.4 billion with \$3.2 billion of the total representing loans extended to finance new leveraged buyout transactions. In our portfolio, new investment activity remained at modest levels, with leveraged buyouts constituting the largest portion of our activity. We have also observed a growing backlog of announced investments by our funds which could positively impact the level of transactions in the coming quarters.

Exit activity has picked up more sharply than the pace of new deal activity in the private equity market and has led to an increase in distributions within our portfolio. Across the entire private equity landscape, trade sale exits of private equity investments more than doubled in the first quarter of 2010 when compared to the same period in 2009, according to Dow Jones. Evidence of this broad increase can be seen in the pace of our first quarter distributions which more than tripled in comparison to the prior year. Trade sales represented approximately half of our distributions in the first quarter, led by Unity Media, Vitality Foodservice and Nuvox Communications. Complementing the trade sales, our general partners took advantage of strong public equity markets and were active sellers of public securities which accounted for 17% of our distributions.

The Conversus portfolio benefitted from a generally receptive IPO market in the first quarter. There were twelve IPOs in our portfolio representing aggregate NAV of \$25.5 million at quarter end, with the largest being Kabel Deutschland, Graham Packaging, Brenntag and Financial Engines. The first quarter IPOs included four European companies and one Asian firm, along with seven U.S.-based companies. As of 31 March, our IPO pipeline remained robust, with seventeen companies representing \$42.8 million of NAV having filed for IPOs, including three of our top fifty private portfolio companies as measured by investment NAV. While IPOs, if completed, typically generate only modest immediate cash distributions, we believe that a period of stable equity markets could lead to meaningful cash distributions from our underlying public equity security portfolio over the medium term.

Although venture capital constitutes a smaller allocation in the Conversus portfolio, it remains an important potential driver of returns. The difficult fund raising environment and lower average returns over the past few years are leading to consolidation within venture, and we believe that only those firms that possess distinct competitive advantages will succeed in raising another fund. In the meantime, innovation continues to be funded as attractive opportunities exist in life sciences, next generation IT, clean tech and the energy sectors. To help drive the fund raising effort, venture funds are adopting smaller fund sizes and more attractive terms for limited partners. Recognizing that each venture deal is unique, average pricing for new deals has now reverted to 2005 levels. Of the twenty-five IPOs in our portfolio over the last twelve months, six have been venture-backed, and there are seven more venture portfolio companies that have filed for IPOs. M&A activity for venture has also grown, as we witnessed ten trade sales in 2010 with another four transactions announced and scheduled to close later this year. The pickup in venture exits as well as the sentiment expressed by the veteran venture capital managers we

have backed, leads us to believe that the prospects for the venture industry appear brighter than they have been in several years.

In summary, the global recovery appears to be gaining firmer footing, and credit markets are clearly strengthening. Private equity valuations appear to have bottomed and have begun to trend upward, along with realizations. Consistent with those macro trends, discounts of share price to NAV have narrowed significantly in the first quarter for Conversus and the stronger listed private equity firms. Listed private equity faced substantial headwinds from late 2008 through much of 2009, and we believe Conversus could benefit from substantial tailwinds over the course of 2010.

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 31 March 2010, \$194.8 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 31 March 2010, we had unfunded commitments of \$685.4 million, representing an over-commitment level of 36.4% (unfunded commitments as a percentage of investment NAV) compared with an over-commitment level of 38.4% as of 31 December 2009. 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 \$46.0 million and total principal and interest outstanding of \$194.8 million under our credit facility. Public equity securities on our balance sheet plus the related derivative as of 31 March 2010 provide an additional \$5.8 million in potential liquidity. The \$356.3 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 \$685.4 million of unfunded commitments included \$187.2 to funds that were beyond their investment period.

While overall activity levels remain relatively light, our distributions exceeded capital calls by \$57.6 million in our organic portfolio during the first quarter of 2010. Given that exit markets remain constrained, the broader private equity sector may see capital calls increase from current low levels more quickly than distributions. However, we expect the maturity and quality of our portfolio to continue to positively impact the pace of our distributions in comparison to the broader market, and our organic cash flow over recent periods supports that view. We believe it is unlikely that our capital calls would exceed our distributions over substantial periods in the medium term, although we have planned for potential imbalances. Rather, we believe that our distributions could continue to outpace calls, at least over the near term, assuming stable economic conditions. Nonetheless, we continue to be keenly focused on maintaining financial flexibility to participate in either further recovery in the markets or weather

unexpected market turmoil. We believe that Conversus currently has sufficient liquidity tools to comfortably navigate either scenario 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.

Non-GAAP Financial Measurement - Adjusted NAV			
	As of 31 Mar 2010	As of 31 Dec 2009	Increase / (Decrease)
Net Asset Value	\$ 1,721,875	\$ 1,700,560	1.3%
Unitholder Distributions	36,623	36,623	-%
Units Repurchased	19,909	19,909	-%
New Units Issued	(4,046)	(4,046)	-%
Adjusted Net Asset Value	<u>\$ 1,774,361</u>	<u>\$ 1,753,046</u>	1.2%
Units Outstanding, as reported	\$ 72,367	\$ 72,367	-%
Units Repurchased	1,207	1,207	-%
New Units Issued	(172)	(172)	-%
Adjusted Units Outstanding	<u>\$ 73,402</u>	<u>\$ 73,402</u>	-%
NAV per Unit, as reported	\$ 23.79	\$ 23.50	1.2%
Adjusted NAV per Unit	\$ 24.17	\$ 23.88	1.2%

FORWARD-LOOKING STATEMENTS AND CERTAIN RISKS

This report contains certain forward-looking statements and an investment in Conversus involves certain risks. In some cases, forward-looking statements can be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will" and "would," or the negative of those terms or other comparable terminology. Forward-looking statements speak only as of the date of the document in which they are made and include statements relating to expectations, beliefs, 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 and other risks and uncertainties to which Conversus is subject 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;
- changes in our financial condition, liquidity (including availability and cost of capital), cash flows and ability to meet our funding needs and satisfy our contractual obligations;
- 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 and our units are non-voting securities;
- securities market conditions (including changes to applicable regulations, investor sentiment, and the trading price, discount to NAV, liquidity and volatility of our units);
- private equity market conditions (including our performance and the performance of the funds and companies in which we have invested, timing and size of cash distributions and capital calls and changes in our NAV);
- competitive conditions;
- international, national and regional political conditions (including potential regulatory and tax reform); and
- the risks, uncertainties and other factors discussed elsewhere in this report (including, but not limited to, the combined financial statements) and in the filings made with the AFM available on the Conversus website (www.conversus.com).

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

assumptions, the events described by our forward-looking statements might not occur. We qualify any and all of our forward-looking statements by these cautionary factors.

STATEMENT OF RESPONSIBILITY

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

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

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

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

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

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)	228	\$1,881.5	\$2,566.9
Total Funds	# of Funds	Estimated NAV	Total Exposure
	215	\$1,823.7	\$2,509.1
Total Buyout Funds	# of Funds	Estimated NAV	Total Exposure
	140	\$1,369.2	\$1,946.8
Buyout Funds >\$7.5 billion	# of Funds	Estimated NAV	Total Exposure
	9	\$145.4	\$329.4
<u>Fund Name</u>	<u>Vintage Year</u>	<u>Fund Name</u>	<u>Vintage Year</u>
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	\$174.4	\$220.5
<u>Fund Name</u>	<u>Vintage Year</u>	<u>Fund Name</u>	<u>Vintage Year</u>
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	\$316.5	\$442.5
<u>Fund Name</u>	<u>Vintage Year</u>	<u>Fund Name</u>	<u>Vintage Year</u>
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 Cinven 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	\$330.4	\$431.2
<u>Fund Name</u>	<u>Vintage Year</u>	<u>Fund Name</u>	<u>Vintage Year</u>
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.	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 Cinven Fund US No. 2 Limited	1998
10 Crestview Partners II (Cayman), L.P.	2009	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, L.P.	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
		24	\$188.2	\$237.6
<i>Fund Name</i>	<i>Vintage Year</i>	<i>Fund Name</i>	<i>Vintage Year</i>	
1 Asia Alternatives Capital Partners II, L.P.	2008	13 Code Hennessy & Simmons IV, L.P.	1999	
2 Aurora Equity Partners II, LP	1998	14 Fenway Partners Capital Fund II, LP	1998	
3 Bain Capital VII Coinvestment Fund, L.P.	2000	15 Industri Kapital 1997 Limited Partnership III	1997	
4 Blum Strategic Partners, L.P.	1998	16 Irving Place Capital Partners II, L.P.	2000	
5 Boston Ventures Limited Partnership V	1996	17 Littlejohn Fund II, L.P.	1999	
6 Boston Ventures Limited Partnership VI	2000	18 Nautic VI-A, LP	2007	
7 Brentwood Associates Private Equity III, L.P.	1999	19 Newbridge Asia III, L.P.	2000	
8 Bruckmann, Rosser, Sherrill & Co. II, LP	1999	20 Parthenon Investors II, LP	2001	
9 Calera Capital Partners III, L.P.	2001	21 Quad-C Partners VI, LP	2001	
10 CCG Investment Fund, L.P.	2000	22 Riverside Capital Appreciation Fund V, L.P.	2008	
11 Charlesbank Equity Fund V, LP	2000	23 Vestar Capital Partners III, L.P.	1997	
12 Clayton, Dubilier & Rice Fund VII Coinvest, L.P.	2006	24 Warburg Pincus Ventures International	1997	
Buyout Funds <\$500 million		# of Funds	Estimated NAV	Total Exposure
		41	\$214.3	\$285.6
<i>Fund Name</i>	<i>Vintage Year</i>	<i>Fund Name</i>	<i>Vintage Year</i>	
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 Riverside Capital	1998	
15 Code, Hennessy & Simmons II, LP	1994	36 Seaport Capital	2000	
16 Euroknights IV US NO. 2, LP	2000	37 T3 Partners II, L.P.	2001	
17 Europe Capital Partners IV, LP	1999	38 T3 Partners, L.P.	2000	
18 European Acquisition Capital Fund II	1998	39 Trivest Fund III, LP	2000	
19 Evercore Capital Partners, L.P.	1997	40 U.S. Equity Partners II	2002	
20 FFC Partners I, LP	1996	41 William Blair Capital Partners VII QP, L.P.	2001	
21 FFC Partners II, L.P.	1999			

Composition of Portfolio Investments (continued)

Venture Capital Funds		# of Funds	Estimated NAV	Total Exposure
		57	\$291.6	\$388.9
<i>Fund Name</i>	<i>Vintage Year</i>	<i>Fund Name</i>	<i>Vintage Year</i>	
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 Bio Ventures 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 FT Ventures 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	\$162.9	\$173.4
<i>Fund Name</i>	<i>Vintage Year</i>	<i>Fund Name</i>	<i>Vintage Year</i>	
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	\$52.0	\$52.0
Public Equity Securities and Derivatives		# of Holdings	Estimated NAV	Total Exposure
		10	\$5.8	\$5.8
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>Independent Board of Directors Paul G. Guilbert (Chairman) Laurance R. (Laurie) Hoagland, Jr., Dr. Per Johan Strömberg</p> <p>Non-Voting Advisors J. Taylor Crandall James D. Forbes Leon G. 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>Investor Information Exchange: Euronext Amsterdam Trading symbol: CCAP Admission date: 29 June 2007 Currency: USD Bloomberg: CCAP NA Reuters: CCAP.AS Google Finance: AMS:CCAP</p>
<p>Registered Office Conversus Capital, L.P c/o Conversus GP, Limited Trafalgar Court, Les Banques St. Peter Port, Guernsey, GY1 3QL, Channel Islands ccap@conversus.com Tel: +44 1481 745 175 Fax: +44 1481 745 176</p>	<p>Independent Accountants 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>Investment Manager Conversus Asset Management, LLC 190 South LaSalle Street, Suite 1500 Chicago, Illinois, 60603 Tel: +1 312 261 9700 Fax: +1 312 261 9701</p> <p>101 South Tryon Street, Suite 2440 Charlotte, North Carolina, 28280 Tel: +1 704 307 4865 Fax: +1 704 375 2004</p>	<p>Independent Valuation Firm 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>

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CONVERSUS CAPITAL, L.P.

COMBINED FINANCIAL STATEMENTS (UNAUDITED)

For the quarter ended 31 March 2010

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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 March 31, 2010, and the related combined statements of operations for the quarter ended March 31, 2010, the combined statements of changes in net assets, and of cash flows for the quarter ended March 31, 2010 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

April 28, 2010

COMBINED STATEMENTS OF NET ASSETS

As of 31 March 2010 and 31 December 2009

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

	31 March 2010 (Unaudited)	31 December 2009 (Audited)
Assets		
Investments, at fair value <i>(Note 3)</i> (cost \$1,947,170 as of 31 March 2010; \$1,996,580 as of 31 December 2009)	\$ 1,891,738	\$ 1,912,192
Cash and cash equivalents	46,012	32,313
Receivables and prepaid expenses	3,385	3,087
Total Assets	1,941,135	1,947,592
Liabilities		
Management fees payable <i>(Note 2)</i>	4,515	4,553
Derivative instrument <i>(Note 5)</i>	10,238	4,620
Notes and interest payable <i>(Note 6)</i>	194,828	229,004
Other	9,679	8,855
Total Liabilities	219,260	247,032
NET ASSETS	\$ 1,721,875	\$ 1,700,560
Net Assets		
General Partners' capital	\$ -	\$ -
Limited Partners' capital (73,530 units issued and 72,367 units outstanding as of 31 March 2010 and 31 December 2009)	1,740,752	1,719,437
Treasury units <i>(Note 7)</i> (1,163 units as of 31 March 2010 and 31 December 2009)	(18,877)	(18,877)
NET ASSETS	\$ 1,721,875	\$ 1,700,560
NET ASSET VALUE PER UNIT OUTSTANDING	\$ 23.79	\$ 23.50

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

COMBINED STATEMENT OF OPERATIONS

For the quarter ended 31 March 2010

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

(Unaudited)

	<u>Quarter ended 31 March 2010</u>
Investment Income	
Dividends	\$ 6,004
Interest and other income	1,950
Total Investment Income	<u>7,954</u>
Expenses	
Fund fees and expenses	5,146
Management fees	5,569
Interest	915
Professional service fees	1,680
Personnel	2,061
Public company costs	573
Other general and administrative	661
Total Expenses	<u>16,605</u>
Management fees waived	(1,114)
Total Expenses, Net of Fees Waived	<u>15,491</u>
Net Investment Loss	<u>(7,537)</u>
Net Realized Gains and Net Change in Unrealized Depreciation on Investments	
Net realized gains on investments	5,514
Net change in unrealized depreciation on investments	23,338
Net Realized Gains and Net Change in Unrealized Depreciation on Investments	<u>28,852</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u><u>\$ 21,315</u></u>
GAIN PER UNIT OUTSTANDING	<u><u>\$ 0.29</u></u>

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

COMBINED STATEMENT OF CHANGES IN NET ASSETS

For the quarter ended 31 March 2010

(US\$ in thousands and Unaudited)

	<u>Quarter ended 31 March 2010</u>
Increase in net assets resulting from operations	
Net investment loss	\$ (7,537)
Net realized gains on investments	5,514
Net change in unrealized depreciation on investments	<u>23,338</u>
NET INCREASE IN NET ASSETS	21,315
NET ASSETS AT BEGINNING OF PERIOD	1,700,560
NET ASSETS AT END OF PERIOD	<u>\$ 1,721,875</u>

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

COMBINED STATEMENT OF CASH FLOWS

For the quarter ended 31 March 2010

(US\$ in thousands and Unaudited)

**Quarter ended
31 March 2010**

Cash flows from operating activities

Net increase in net assets resulting from operations	\$ 21,315
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:	
Net realized gains on investments	(5,514)
Net change in unrealized depreciation on investments	(23,338)
Purchases of investments	(24,678)
Distributions from underlying investments	79,602
Changes in operating assets and liabilities:	
Net increase in receivables and prepaid expenses	(298)
Net decrease in management fees payable	(38)
Net decrease in interest and other payables	(352)
Net cash provided by operating activities	<u>46,699</u>

Cash flows from financing activities

Repayments of notes	(33,000)
Net cash used in financing activities	<u>(33,000)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>13,699</u>
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CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	32,313
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CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 46,012</u>
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Supplemental cash flow disclosure

Cash paid for interest	\$ 2,091
Cash paid for taxes	\$ 195

Supplemental non-cash flow disclosure

In-kind public equity security distributions received	\$ 2,902
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The accompanying notes are an integral part of the combined financial statements.

COMBINED CONDENSED SCHEDULE OF INVESTMENTS

As of 31 March 2010

(US\$ in thousands and Unaudited)

	Cost	Fair Value	% of Net Assets	Unfunded Commitments
FUND INVESTMENTS				
North America				
Buyout	\$ 1,283,577	\$ 1,226,507	71.2%	\$ 505,911
Venture Capital	309,013	290,610	16.9	95,506
Special Situation	134,661	162,920	9.5	10,506
Total North America	1,727,251	1,680,037	97.6	611,923
Europe, Asia and RoW				
Buyout	141,633	142,647	8.2	71,726
Venture Capital	1,156	999	0.1	1,795
Total Europe, Asia and RoW	142,789	143,646	8.3	73,521
Total Fund Investments	1,870,040	1,823,683	105.9	685,444
DIRECT INVESTMENTS ⁽¹⁾				
Direct Co-Investments				
Industrials	35,372	35,793	2.1	-
Telecommunication Services	25,000	16,250	0.8	-
Total Direct Co-Investments	60,372	52,043	2.9	-
Publicly Traded Equity Securities ⁽²⁾				
Consumer Discretionary	1,773	1,710	0.1	-
Energy	939	633	0.0	-
Financials	4,860	5,805	0.3	-
Industrials	8,473	7,263	0.6	-
Information Technology	176	158	0.0	-
Materials	538	443	0.0	-
Total Publicly Traded Equity Securities	16,759	16,012	1.0	-
Derivative Instrument	-	(10,238)	(0.5)	-
Total Direct Investments	77,131	57,817	3.4	-
TOTAL	\$ 1,947,171	\$ 1,881,500	109.3%	\$ 685,444

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

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

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

COMBINED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

As of 31 December 2009

(US\$ in thousands and Audited)

	Cost	Fair Value	% of Net Assets	Unfunded Commitments
FUND INVESTMENTS				
North America				
Buyout	\$ 1,320,170	\$ 1,226,620	72.1%	\$ 531,716
Venture Capital	313,779	299,649	17.6	100,842
Special Situation	141,174	170,019	10.0	11,172
Total North America	1,775,123	1,696,288	99.7	643,730
Europe, Asia and RoW				
Buyout	142,957	152,865	8.9	85,951
Venture Capital	1,059	881	0.1	2,046
Total Europe, Asia and RoW	144,016	153,746	9.0	87,997
Total Fund Investments	1,919,139	1,850,034	108.7	731,727
DIRECT INVESTMENTS ⁽¹⁾				
Direct Co-Investments				
Industrials	35,371	31,863	1.9	-
Telecommunication Services	25,000	16,250	0.9	-
Total Direct Co-Investments	60,371	48,113	2.8	-
Publicly Traded Equity Securities ⁽²⁾				
Energy	573	315	0.0	-
Financials	6,213	5,608	0.3	-
Health Care	315	245	0.0	-
Industrials	8,742	6,894	0.6	-
Information Technology	681	563	0.0	-
Materials	546	420	0.0	-
Total Publicly Traded Equity Securities	17,070	14,045	0.9	-
Derivative Instrument	-	(4,620)	(0.2)	-
Total Direct Investments	77,441	57,538	3.5	-
TOTAL	\$ 1,996,580	\$ 1,907,572	112.2%	\$ 731,727

⁽¹⁾ Industry classifications are determined at the individual portfolio company level and are based on the NAICS.

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

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

COMBINED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

As of 31 March 2010 and 31 December 2009

(US\$ in thousands)

Industry ⁽¹⁾	31 March 2010 (Unaudited)		31 December 2009 (Audited)	
	Fair Value	% of Total Net Assets	Fair Value	% of Total Net Assets
Industrials	\$ 430,909	25.0%	\$ 419,586	24.7%
Consumer Discretionary	237,643	13.8	229,018	13.5
Health Care	228,795	13.3	218,629	12.9
Information Technology	204,556	11.8	201,589	11.8
Financials	184,437	10.7	181,062	10.6
Media	131,973	7.7	130,306	7.7
Telecommunication Services	92,384	5.4	98,404	5.8
Materials	88,758	5.2	90,182	5.3
Other Industries	87,994	5.1	92,087	5.4
Consumer Staples	70,500	4.1	74,200	4.4
Other (net other assets)	123,551	7.2	172,509	10.1
TOTAL	\$ 1,881,500	109.3%	\$ 1,907,572	112.2%

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

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. Business Overview

Conversus Capital, L.P. (“Conversus LP”) is a Guernsey limited partnership established on 29 May 2007. Conversus LP is composed of a general partner, Conversus GP, Limited (“Conversus GP”), a Guernsey limited company which holds 100% of the voting interests of Conversus LP, and the limited partners of Conversus LP, represented by common units that are non-voting. The limited partnership interests in Conversus LP trade on 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 its 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 has received approval from the Netherlands Authority for the Financial Markets ("AFM") to prepare its combined financial statements in accordance with U.S. GAAP rather than Dutch GAAP or International Financial Reporting Standards. In the instance where such approval is withdrawn by the AFM or contradictory legislation is passed, Conversus could be required to prepare its combined financial statements on a basis other than U.S. GAAP.

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

Principles of Combination

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

Currency

Conversus' functional currency is the U.S. dollar as a majority of its investments are denominated in U.S. dollars. 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 Statement of Operations.

Use of Estimates

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

Valuation of Investments

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

Derivative Instruments

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

Cash and Cash Equivalents

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

Treasury Units

Conversus LP's purchases of its own common units are recorded as treasury units under the cost method and are shown as a reduction of partners' capital on the Combined Statements of Net Assets.

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

Public Equity Security Distributions

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

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 payable 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 payable quarterly, in arrears, to the extent that there has been appreciation in Conversus' net asset value ("NAV"). CAM has voluntarily agreed to irrevocably waive its right to 30% of the profits interest while Conversus operates under the realization strategy. This waiver was effective beginning 1 July 2009.

For the quarter ended 31 March 2010, management fee expense, net of the waiver, totaled \$4.5 million. As of 31 March 2010 and 31 December 2009, cash management fees of \$1.9 million were accrued. Profits interest of \$2.6 million and \$2.7 million was accrued as of 31 March 2010 and 31 December 2009, 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 ended 31 March 2010, and there were no performance fees payable as of 31 March 2010 or 31 December 2009.

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 ASC 718-10, *Stock Compensation*. Grants are referenced to Conversus LP's unit price.

Income Taxes

Conversus LP, the Investment Partnership and the Investment Partnership's subsidiaries are not subject to taxation in Guernsey.

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

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

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

Income from an investment that is effectively connected with a U.S. trade or business is subject to U.S. federal and state income taxation. The U.S. requires withholding on effectively connected income at the highest U.S. regular income tax rate. Such income effectively connected with a U.S.

trade or business (net of the U.S. regular income tax rate) may also be subject to a branch profits tax at a rate of up to 30%.

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

As of 31 March 2010 and 31 December 2009, management concluded that there was no material impact on Conversus’ tax liabilities, financial position or results of operations under ASC 740-10. Conversus’ management has determined that there is no material tax liability resulting from unrecognized tax liabilities related to uncertain tax positions taken or expected to be taken in future tax returns, which has not been recorded in the combined financial statements. Conversus is also not aware of any tax positions for which it is reasonably possible that the total amounts or unrecognized tax liabilities will significantly change in the next twelve months.

Conversus files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, Conversus is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of 31 March 2010, the tax years that remain subject to examination by the relevant taxing authorities are 2007 through 2009. Conversus has no knowledge of any tax returns under examination. Conversus has evaluated its federal and state filings for all open tax years, and did not note any potential material penalties or interest.

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

3. Fair Value of Financial Assets and Liabilities

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

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, as of the measurement date. These include quoted prices in markets that are not active, quoted prices in active markets but with restrictions impacting fair value and quoted prices in active markets for similar assets or liabilities. This level also includes inputs other than quoted prices that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Inputs are unobservable for the assets and liabilities. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or similar asset) at the measurement date.

The following tables display Conversus' financial assets and liabilities that were accounted for at fair value as of 31 March 2010 and 31 December 2009, by fair value hierarchy. As required by ASC 820-10, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Financial Assets and Liabilities at Fair Value as of 31 March 2010				
(US\$ in thousands)				
	Level 1	Level 2	Level 3	Total
Financial Assets and Liabilities				
Fund Investments				
Buyout	\$ -	\$ -	\$ 1,369,155	\$ 1,369,155
Venture Capital	-	-	291,608	291,608
Special Situation	-	-	162,920	162,920
Direct Co-Investments	-	-	52,043	52,043
Publicly Traded Equity Securities	16,012	-	-	16,012
Derivative Instrument	-	(10,238)	-	(10,238)
Total Investments	16,012	(10,238)	1,875,726	1,881,500
Cash and Cash Equivalents	46,012	-	-	46,012
Total Financial Assets and Liabilities	\$ 62,024	\$ (10,238)	\$ 1,875,726	\$ 1,927,512

Financial Assets and Liabilities at Fair Value as of 31 December 2009				
(US\$ in thousands)				
	Level 1	Level 2	Level 3	Total
Financial Assets and Liabilities				
Fund Investments				
Buyout	\$ -	\$ -	\$ 1,379,485	\$ 1,379,485
Venture Capital	-	-	300,530	300,530
Special Situation	-	-	170,019	170,019
Direct Co-Investments	-	-	48,113	48,113
Publicly Traded Equity Securities	14,045	-	-	14,045
Derivative Instrument	-	(4,620)	-	(4,620)
Total Investments	14,045	(4,620)	1,898,147	1,907,572
Cash and Cash Equivalents	32,313	-	-	32,313
Total Financial Assets and Liabilities	\$ 46,358	\$ (4,620)	\$ 1,898,147	\$ 1,939,885

Conversus has assessed its financial assets and liabilities and concluded that all are classified as Level 3 with the exception of directly held publicly traded equity securities (Level 1), cash and cash equivalents (Level 1) and the derivative instrument (Level 2). Transfers between levels are recognized based on the actual date of the event that caused the transfer.

The following table summarizes the change in fair value of Level 3 financial assets for the quarter ended 31 March 2010.

	Investments
Balance as of 1 January 2010	\$ 1,898,147
Distributions	(76,325)
Net Realized Gains	5,449
Net Change in Unrealized Depreciation	26,679
New Investments	24,678
In-Kind Distributions Transferred to Level 1	(2,902)
Balance as of 31 March 2010	<u>\$ 1,875,726</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 public equity securities known to be owned by the private equity funds, based on the most recent information reported to Conversus by the general partners, have been marked to market as of the last quoted price on the reporting date. Where applicable, a discount is applied to such securities based on an estimate of the discount applied by the general partners (to account for restrictions or other constraints) in calculating NAV.

The transfer of Conversus' investments in private equity funds generally requires the consent of the corresponding private equity fund manager, and the transfer of certain fund investments is subject to rights of first refusal or other preemptive rights, potentially further limiting Conversus from transferring an investment in a private equity fund. The weighted average life of Conversus' fund investments was 7.8 years as of 31 March 2010. The weighted average remaining contractual life for Conversus' fund investments prior to any extensions was 3.1 years based upon the funds' stated termination date. It is common practice for general partners to extend the life of a fund for a period of several years beyond the original termination date. Thus, it is likely that the average remaining life for Conversus' fund investments is materially greater than 3.1 years. Historical J-curves analysis for private equity investments indicates that the average life for a fund is fifteen years.

Direct co-investments are carried at fair value, as estimated by Conversus. In estimating fair value, Conversus considers the value assigned to such investment by the fund with which Conversus has co-invested, to the extent known. Conversus also considers the estimated fair value based on the projected enterprise value at which the underlying company could be sold in an orderly disposition over a reasonable period of time and in a transaction between willing parties other than in a forced

sale or liquidation. In these instances, market multiples considering specified financial measures (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or NAV) and/or a discounted cash flow or liquidation analysis can be used. Consideration may also be given to such factors as the company's historical and projected financial data, valuations given to comparable companies, the size and scope of the company's operations, the company's strengths, weaknesses, applicable restrictions on transfer, industry information and assumptions, general economic and market conditions and other factors deemed relevant. Conversus may also engage the services of a third party valuation firm to assist with valuing the asset.

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

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

Duff & Phelps, LLC ("Duff & Phelps"), an independent valuation firm, provides third party valuation consulting services to Conversus LP which consist of certain limited procedures that Conversus LP identifies and requests them to perform. On a quarterly basis, Duff & Phelps reviews valuations covering a minimum of 20% of investment NAV with an annual target of reviewing approximately 80% of the investment NAV, exclusive of any direct co-investments, directly held publicly traded equity securities and publicly traded equity securities owned by the private equity funds in which Conversus is invested. Upon completion of the limited procedures outlined in Conversus LP's engagement letter with Duff & Phelps, Duff & Phelps concluded that the fair value as estimated by Conversus LP, on an aggregate basis, of those investments subjected to the limited procedures as of 31 March 2010 did not appear to be unreasonable.

4. Disclosures about Fair Value of Financial Instruments

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

Short-term Assets and Liabilities

For items that are short-term in nature, such as cash and cash equivalents, receivables, prepaid expenses, management fees payable and other liabilities, Conversus estimates that the carrying value approximated fair value as of 31 March 2010 and 31 December 2009.

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 did not differ materially from its carrying amount as of 31 March 2010 and 31 December 2009.

5. Derivative Instruments

Conversus has entered into total return swaps with Citigroup (“Citi”) 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 \$100 million notional swap with Citi in September 2009. The swap matures in October 2010 and the estimated fair value of the swap as of 31 March 2010 was an unrealized loss of \$10.2 million. Conversus values the swap based on a market approach that uses observable inputs which include the S&P 500 Total Return index and one-month LIBOR. The estimated fair value as of 31 March 2010 was calculated as if the swap was settled as of that date.

For the quarter ended 31 March 2010, the total unrealized loss on the swap was \$5.6 million which is included in the net change in unrealized depreciation on investments in the Combined Statement of Operations.

The table below summarizes terms of the swap.

Summary of Total Return Swap (US\$ in thousands)							
Counterparty	Notional Amount	Underlying Index	Floating Amount	Payment Frequency	Maturity Date	Estimated Fair Value as of 31 March 2010	Estimated Fair Value as of 31 December 2009
Citigroup	\$100,000	S&P 500 Total Return	1-month USD LIBOR minus 16 bps	At Maturity Date	22 Oct 2010	(\$10,238)	(\$4,620)

The swap will be 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 conditions and 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. As of 31 March 2010 and 31 December 2009, the commitment ratio was 70% and 60%, respectively.
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. As of 31 March 2010 and 31 December 2009, the loan-to-value ratio was 11% and 13%, respectively.
3. NAV Ratio – Minimum of 50% - Ratio of (a) total NAV to (b) total NAV of investments plus unfunded commitments. As of 31 March 2010 and 31 December 2009, the NAV ratio was 67% and 64%, respectively.

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

After the occurrence of an event of default or trigger termination event as defined in the Program, the notes may become immediately due and payable. In such case, or if a payment would result in such an event, no payments out of the cash accounts would be permitted without the prior written consent of Citi, except to meet capital calls and similar obligations required by Conversus' private equity investments and to make distributions to pay management fees or performance fees, as defined in Note 2. Conversus determined it was in compliance with all covenants and conditions as of 31 March 2010 and 31 December 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 can be paid by Conversus or would be added to the principal balance of Class A Notes outstanding as of the third anniversary of the Program. Minimum issuance fees of \$1.2 million and \$1.1 million were accrued as of 31 March 2010 and 31 December 2009, respectively. 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 for the quarter ended 31 March 2010.

Summary of Program Activity (US\$ in thousands)				
	Class A Notes	Class B Notes	Accrued Interest	Total
Balance as of 1 January 2010	\$ 1,000	\$ 215,002	\$ 13,002	\$ 229,004
Notes Issued/Purchased Interest	-	-	-	-
Repayments of Notes/Interest	-	(33,000)	(2,091)	(35,091)
Interest Expense	-	-	915	915
Balance as of 31 March 2010	<u>\$ 1,000</u>	<u>\$ 182,002</u>	<u>\$ 11,826</u>	<u>\$ 194,828</u>
Interest Expense	<u>\$ 5</u>	<u>\$ 910</u>		<u>\$ 915</u>

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. Unpaid interest is capitalized and added to the principal balance of the notes. The Class A Notes outstanding as of 31 March 2010 and 31 December 2009 had interest rates of 1.65% and 1.68%, respectively. The Class B Notes outstanding as of 31 March 2010 and 31 December 2009 had weighted average interest rates of 1.66% and 1.65%, respectively.

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") in November 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 represented five percent of the total number of units outstanding as of November 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.

Pursuant to the terms of the Agreement, in December 2009, Conversus notified RBS that it had elected to extend the terms of the Agreement for an additional twelve months. Repurchase activity under the Agreement was suspended in April 2009 and remains suspended despite the term extension of the Agreement. The Agreement may be terminated at any time by either Conversus LP or RBS.

Conversus LP did not repurchase any units during the quarter ended 31 March 2010. In total, 1,162,940 Conversus LP units were held in treasury as of 31 March 2010 and 31 December 2009.

Conversus LP has also 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 quarter ended 31 March 2010. 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 quarter ended 31 March 2010, Conversus did not grant any phantom equity awards.

For the quarter ended 31 March 2010, total phantom equity award expense was \$0.8 million. As of 31 March 2010 and 31 December 2009, \$1.9 million and \$1.1 million, respectively, was payable with respect to total phantom equity awards.

The chart below summarizes the unit activity of the phantom equity plan for the quarter ended 31 March 2010.

Summary of Phantom Equity Plan Unit Activity		
	Unvested	Vested
Units Outstanding as of 1 January 2010	129,137	39,655
Issued	-	-
Vested	(30,678)	30,678
Forfeitures	-	-
Settled	-	-
Units Outstanding as of 31 March 2010	98,459	70,333

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 ended 31 March 2010, Board of Director compensation expense was \$0.3 million. As of 31 March 2010 and 31 December 2009, \$0.5 million and \$0.3 million, respectively, was payable with respect to Board of Director compensation.

9. Related Parties

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

Conversus LP, Conversus GP, Investment GP, the Investment Partnership and the Investment Partnership's subsidiaries (the "Service Recipients") have entered into a 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 ended 31 March 2010, total expenses reimbursable to CAM under the services agreement were \$1.2 million. The total amount payable to CAM under the services agreement as of 31 March 2010 and 31 December 2009 was \$0.9 million and \$1.6 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. For the quarter ended 31 March 2010, total expenses reimbursable to CAM under the subadvisory and services agreement were \$0.01 million. The total amount payable to CAM under the subadvisory and services agreement was \$0.03 million as of 31 March 2010 and 31 December 2009.

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 ended 31 March 2010, total accounting and administration expenses were \$0.4 million. The total amount payable to Northern Trust for accounting and administration services as of 31 March 2010 and 31 December 2009 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 31 March 2010, Conversus held interests in 228 investments, including private equity funds, direct co-investments and publicly traded equity securities and had unfunded commitments to private equity funds of \$685.4 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 31 March 2010 is calculated by dividing the net change in net assets by the weighted average number of units outstanding during the quarter, as outlined in the table below.

Gain per Unit Outstanding (US\$ in thousands except for per unit amount)	
	Quarter Ended 31 March 2010
Net change in net assets resulting from operations	\$ 21,315
Weighted average number of units outstanding	72,367
Gain per unit outstanding	\$ 0.29

12. Risks

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

Securities Market Risks

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

Interest Rate Risks

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

Foreign Currency Risks

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

Counterparty Credit Risk

Conversus has entered into agreements providing for services and transactions that expose Conversus to risk in the event that the counterparties do not meet the terms of such agreements. Conversus may be exposed to a concentration of credit risk in the Program where there is currently a single lender (see Note 6), 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 changes in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines. However, such activities can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of the position. Such transactions may also limit the opportunity for gain if the value of a position increases. Moreover, it may not be possible to limit the exposure to a market development that is so generally anticipated that a hedging or other derivative transaction cannot be entered into at an acceptable price.

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

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

Regulatory Risk

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

Tax Risk

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

Market Risk

The private equity funds and direct private equity investments in Conversus' portfolio may be materially affected by conditions in the global financial markets and economic conditions. 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. Changes in market or economic conditions, including an increase in interest rates or lack of available credit, could have a material adverse effect on the results of operations and financial position of Conversus.

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

Valuation Risk

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

13. Subsequent Events

In accordance with ASC 855-10, *Subsequent Events*, Conversus has evaluated subsequent events for recognition or disclosure through 28 April 2010, which was the date after which these combined financial statements were available to be issued. Conversus noted no events requiring recognition or disclosure that occurred subsequent to 31 March 2010 and through 28 April 2010.

Financial Highlights

For the quarter ended 31 March 2010

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

	<u>Quarter ended 31 March 2010</u>
<u>Per Unit Operating Performance</u>	
NET ASSET VALUE PER UNIT AT BEGINNING OF PERIOD	\$ 23.50
Increase / (decrease) from operating activities	
Net investment loss	(0.10)
Net realized gains on investments	0.08
Net change in unrealized depreciation on investments	0.31
Total increase from operating activities	0.29
NET ASSET VALUE PER UNIT AT END OF PERIOD	\$ 23.79
TOTAL RETURN	1.23 %

Supplemental Information

Weighted average net assets during the period	\$ 1,711,218
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Key percentages based on weighted average net assets:

Net investment loss	(1.76) %
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Expenses

Fund fees and expenses	1.20
Net management fees	1.04
Interest	0.21
Professional service fees	0.39
Personnel	0.48
Public company costs	0.14
Other general and administrative	0.16
Total Expenses	3.62 %

Net investment loss and key expense percentages are presented on an annualized basis.

Beginning 1 July 2009, CAM voluntarily agreed to waive its right to 30% of the profits interest portion of its management fees. Absent this waiver, the percentage for management fees would have been approximately 1.30% on an annualized basis for the quarter ended 31 March 2010.