

INVESTMENT CONSULTING SERVICE

# KENSINGTON PRIVATE EQUITY

Asset Class: Alternative Investments

Data as of June 30, 2024

## Strategy profile

CIBC Asset Management (CAM), manager of the Kensington Private Equity strategy (the “strategy”), has chosen to invest in the Prospectus-Exempt Kensington Private Equity Fund (Private Equity Fund) managed by Kensington Capital Partners Limited and the CIBC Money Market Fund which is managed by CIBC Asset Management Inc. The strategy via the Private Equity Fund seeks exposure to a diversified portfolio of private companies, primarily in North America, through primary private equity funds and direct investments.

## Investment manager(s)

### CIBC Asset Management Inc.

CIBC Asset Management Inc. (CAM) the Investment Manager of the strategy is one of Canada’s largest asset management firms. Today, the firm offers a global range of investment products to institutional, private and mutual fund investors. CAM is a member of the CIBC Group of Companies. CAM is also the manager of the underlying CIBC Money Market Fund component of this strategy

### Kensington Capital Partners Limited

Kensington Capital Partners Limited (Kensington), the manager of the Private Equity Fund component of the strategy, was founded in 1996 and is a leading Canadian alternative investor serving both institutional and individual investors. Kensington is best known for its private equity investment programs and is also an active investor in hedge funds, mortgage income and venture capital. Kensington also offers strategic advisory services for private companies and an array of investment advisory services for institutional investors.

## Investor suitability

The strategy (Prospectus-Exempt Fund) is ideal for investors:

- seeking exposure to alternative investments
- who are planning to hold their investments for the long-term and do not foresee a need for liquidity in the mid-term
- who have a high-risk tolerance

## Volatility rating

Low	Low to Medium	Medium	Medium to High	High
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## Key Facts

Discuss the suitability of the strategy with your CIBC Advisor as the strategy is 97%+ invested in the Kensington Private Equity Fund (please review the Offering Memorandum (OM)) and has the similar underlying features. The following is not an exhaustive list:

- The strategy is designed for accredited investors
- The strategy is not suitable for Registered Retirement Income Fund (RRIF/LRIF) type accounts
- The strategy has an embedded management fee of 100bps taken directly from the fund’s net asset value (NAV) and a 10% performance fee on net realized gains and income received
- The strategy is designed to be able to offer semi-annual redemptions in a normal environment, subject to a 10% of NAV maximum at the share class level for each redemption period. Additionally, Kensington has the discretion to gate the underlying fund at any time during unusual market environments, most likely categorized by substantial net redemptions and low market activity
- Any redemptions in the first 36 months of purchasing the strategy will incur a 5% redemption fee taken directly from the NAV

## Investment objective

The investment objective of the strategy is to provide investors with the opportunity for capital appreciation through investment returns that have a low correlation to traditional equities. The strategy is intended to provide added diversification and enhanced returns to traditional equities exposure. The strategy invests in a Private Equity Fund that holds illiquid ownership stakes in private equity companies and illiquid investments in other private equity funds.

## Investment philosophy & process

The Kensington Private Equity Fund which the strategy is invested in, seeks to invest a roughly equal proportion of their fund across mid-market buyout, growth equity, and late-stage venture capital predominately in North America.

Mid-market buyout looks for mainly mature, profitable businesses with enterprise values in the \$50-\$500 million range. Kensington will work directly with management to enhance profitability through various measures, including additional investments or streamlining of operations.

Within growth equity and venture capital, the expectations are for greater returns and greater risk. Growth equity includes companies that generally have mature, operating businesses, but require capital to expand their operations to improve, or at times reach profitability. Within venture capital, companies generally won’t be profitable but show a strong potential for growth based on a new technology or disruptive business model.

The Private Equity Fund will invest in these companies directly and through other, experienced, private equity funds that are backed by a strong track record. For investments in private equity funds, beyond a strong, repeatable track record, Kensington looks for a clear focus and expert regional and/or industry knowledge.

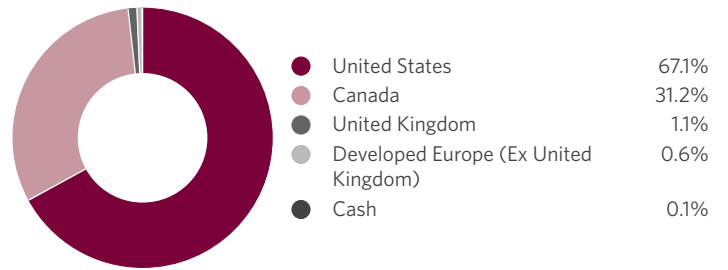
Investments are backed by robust due diligence efforts and have to be approved by the four-member Investment Committee before inclusion in the strategy.

## Investment style

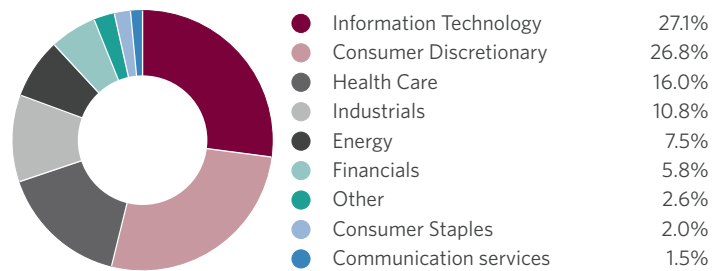
Investment style matrix:

	Leveraged Distressed Buyout	Mid-Market Buyout	Growth Equity	Venture Capital
Liquid				
Private Debt				
Private Equity				

### Country asset mix (%)\*



### Equity sector breakdown (%)\*



\*Information is provided based on previous quarter-end data. Data points are provided from Kensington Capital Partners Limited with a one quarter lag.

Due to rounding, amounts presented herein may not add up precisely to the total.

## ICS strategy information

June 30, 2024

The performance returns, risk statistics, and graphs shown in this section are based on a composite of ICS accounts invested in this strategy (the "ICS Composite"). Performance returns are expressed in Canadian dollars. For details on the ICS Composite, refer to the disclaimer on the last page of this document.

### Trailing returns (%)

	3 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	Since inception
<b>Kensington Private Equity</b>	3.8	4.9	3.7	2.1	6.6	n/a	12.1
<b>S&amp;P/TSX Composite Index</b>	-0.5	6.1	12.1	11.3	6.0	n/a	10.5

### Calendar year returns (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Kensington Private Equity</b>	1.1	3.9	28.7	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>S&amp;P/TSX Composite Index</b>	11.7	-5.8	25.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a

# ICS strategy information

March 1, 2020 - June 30, 2024

## Risk statistics

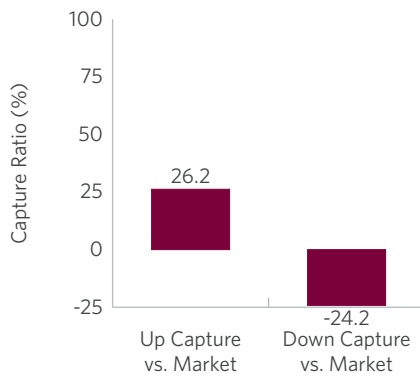
	Std Dev (%)	Sharpe Ratio
Kensington Private Equity	8.2	1.20
S&P/TSX Composite Index	16.3	0.50

## Risk statistics - strategy vs. benchmark

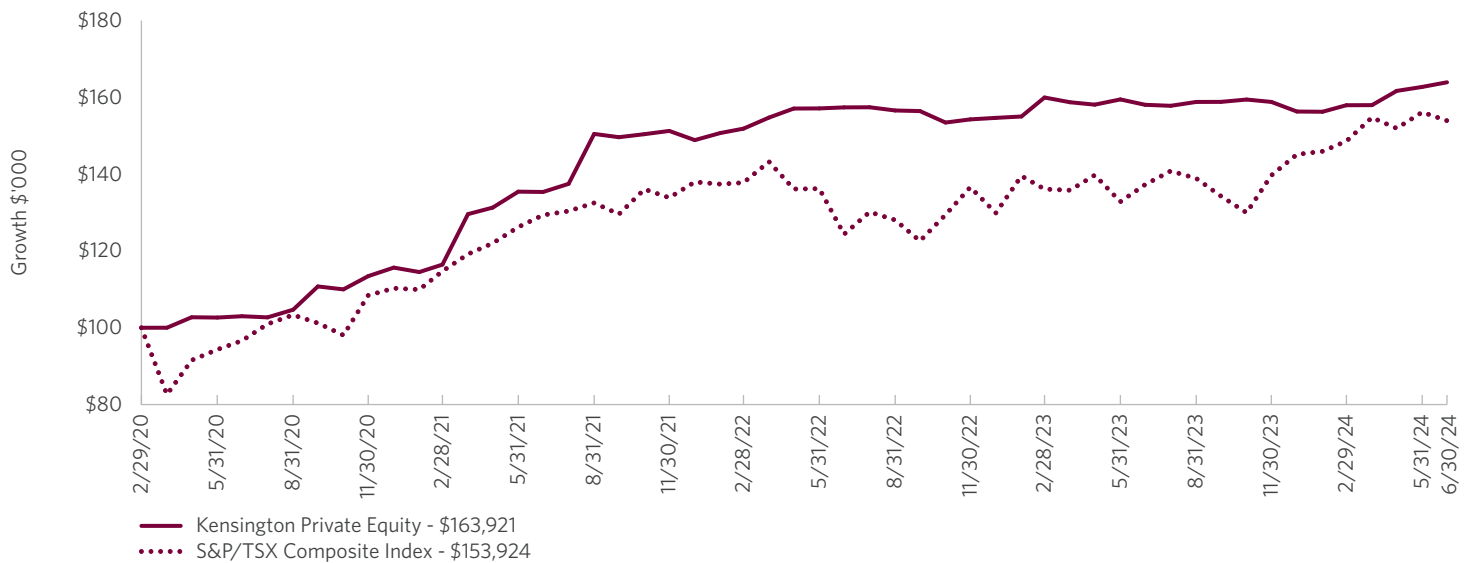
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
Kensington Private Equity vs. S&P/TSX Composite Index	0.05	11.6	0.01

## Up/Down market capture

Kensington Private Equity vs. S&P/TSX Composite Index



## Growth of \$100,000



## Additional manager information

June 30, 2024

In response to regulatory requirements, for those strategies with less than 5 years of actual ICS Composite performance history, additional manager information is provided where a technically similar manager composite is available. All Composite performance returns are expressed in Canadian dollars. For details on the manager composite, refer to the disclaimer on the last page of this document.

### Trailing returns (%)

	3 Mths	YTD	1 Yr	2 Yrs	3 Yrs	5 Yrs	10 Yrs
<b>Kensington Private Equity Composite</b>	3.7	5.3	3.5	2.0	6.5	11.1	12.2
<b>S&amp;P/TSX Composite Index</b>	-0.5	6.1	12.1	11.3	6.0	9.3	6.9

### Calendar year returns (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Kensington Private Equity Composite</b>	0.5	4.1	28.4	17.0	9.0	16.3	13.8	5.4	12.2	22.4
<b>S&amp;P/TSX Composite Index</b>	11.7	-5.8	25.1	5.6	22.9	-8.9	9.1	21.1	-8.3	10.6

# Additional manager information

5 Years as of June 30, 2024

## Risk statistics

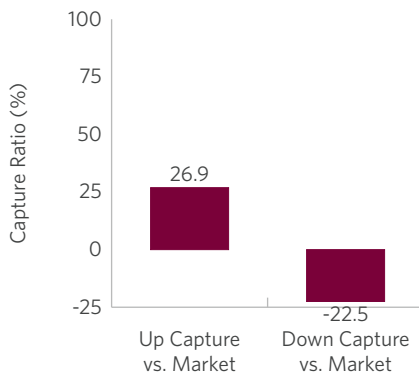
	Std Dev (%)	Sharpe Ratio
Kensington Private Equity Composite	7.7	1.17
S&P/TSX Composite Index	15.5	0.46

## Risk statistics - strategy vs. benchmark

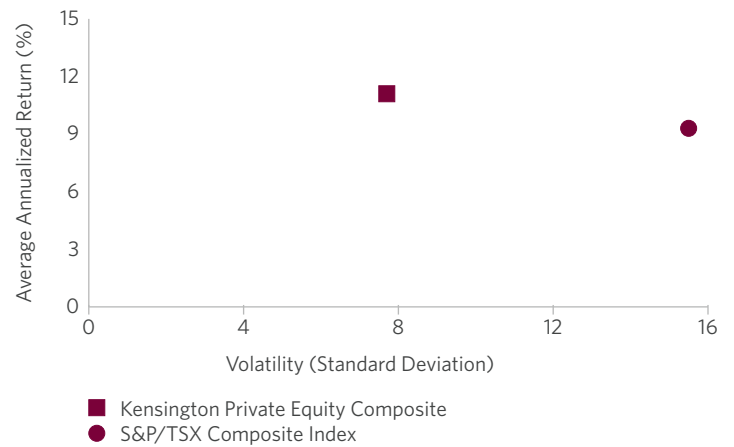
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
Kensington Private Equity Composite vs. S&P/TSX Composite Index	0.05	10.7	0.01

## Up/Down market capture

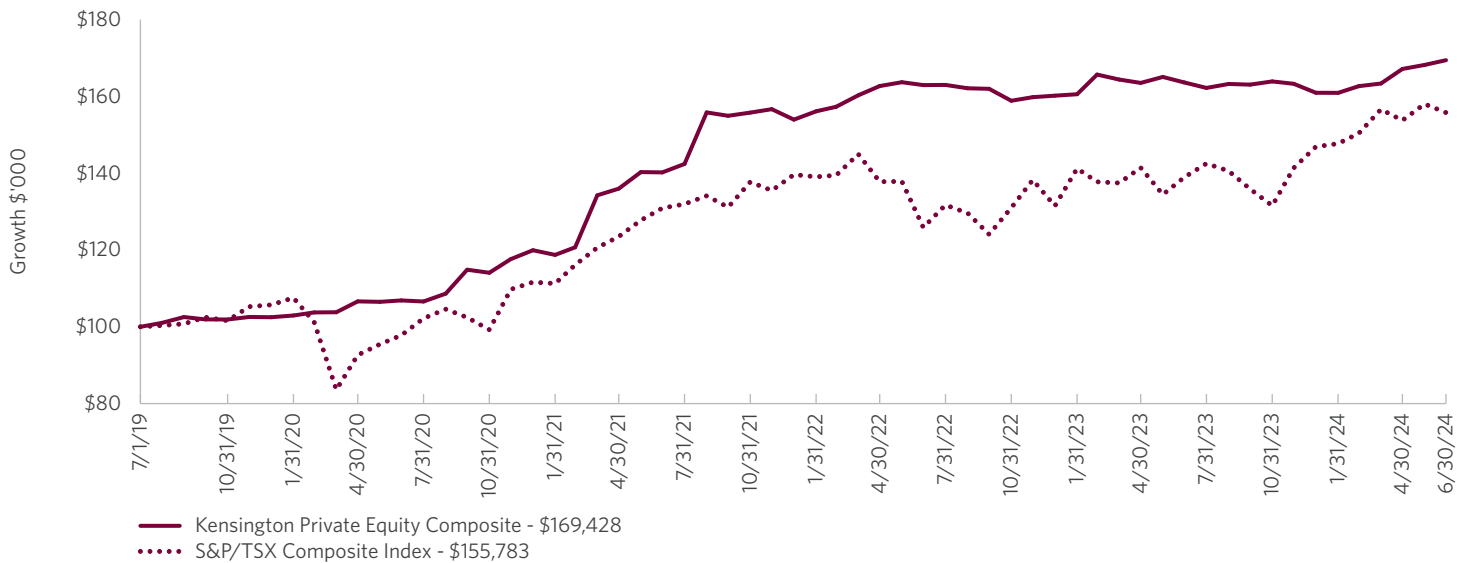
Kensington Private Equity Composite vs. S&P/TSX Composite Index



## Risk/Reward chart



## Growth of \$100,000



# Additional manager information

7 Years as of June 30, 2024

## Risk statistics

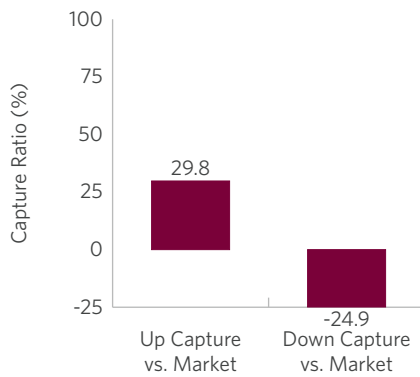
	Std Dev (%)	Sharpe Ratio
Kensington Private Equity Composite	7.0	1.31
S&P/TSX Composite Index	14.3	0.47

## Risk statistics - strategy vs. benchmark

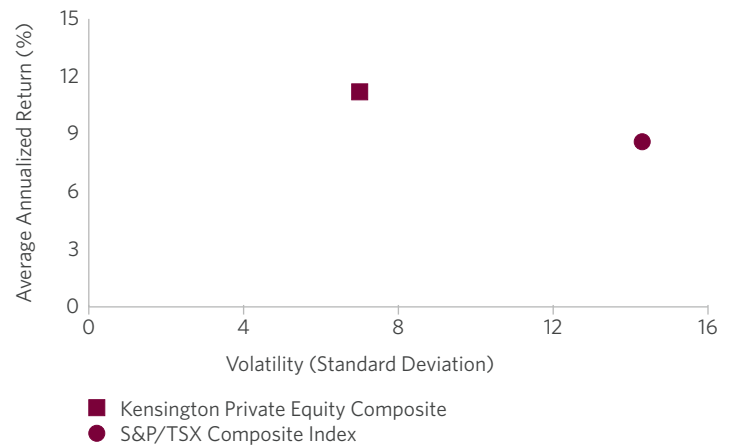
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
Kensington Private Equity Composite vs. S&P/TSX Composite Index	0.05	10.7	0.01

## Up/Down market capture

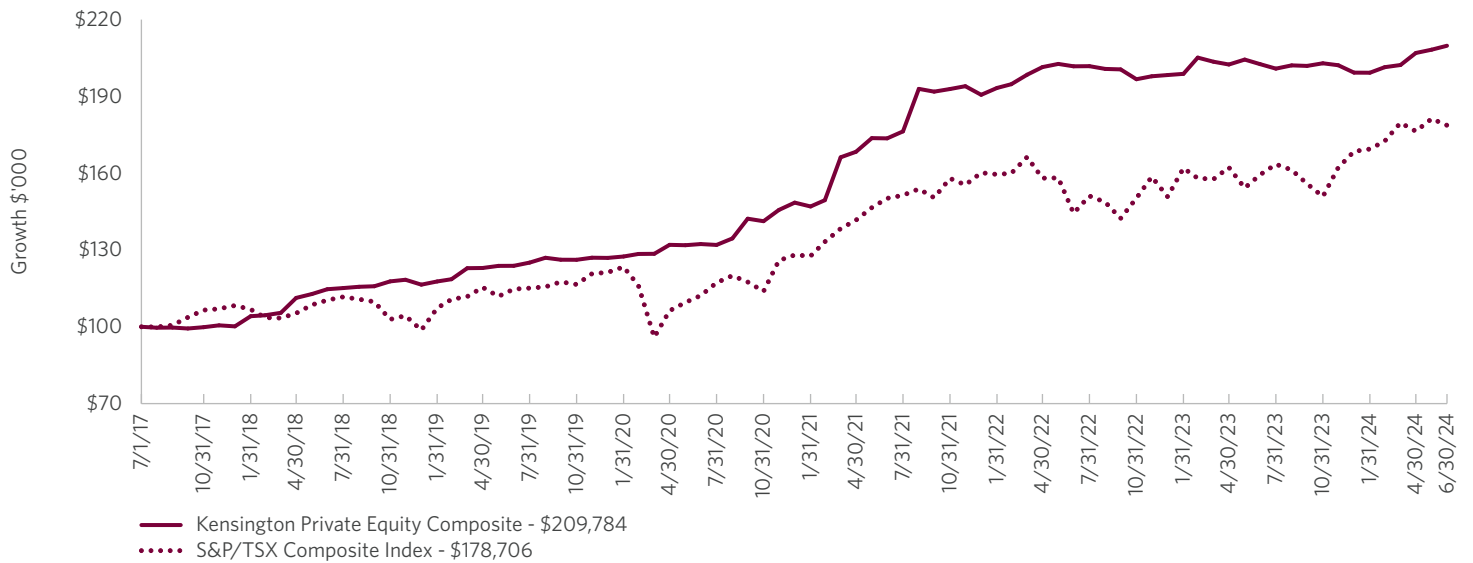
Kensington Private Equity Composite vs. S&P/TSX Composite Index



## Risk/Reward chart



## Growth of \$100,000



# Additional manager information

10 Years as of June 30, 2024

## Risk statistics

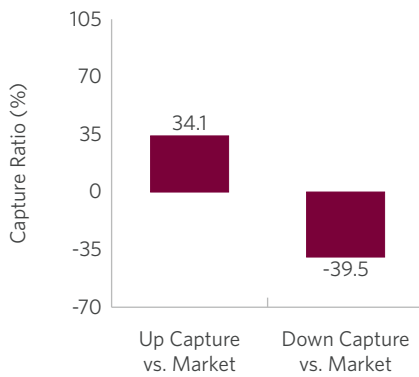
	Std Dev (%)	Sharpe Ratio
Kensington Private Equity Composite	6.8	1.57
S&P/TSX Composite Index	12.7	0.43

## Risk statistics - strategy vs. benchmark

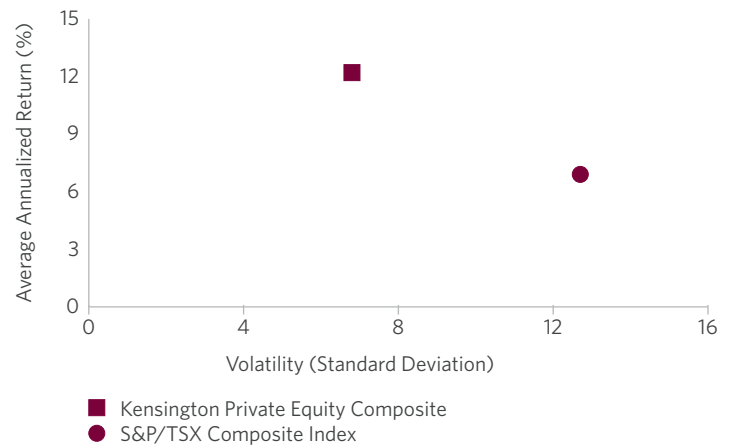
	Beta vs. Market	Alpha vs. Market (%)	R-Squared vs. Market (%)
Kensington Private Equity Composite vs. S&P/TSX Composite Index	0.04	11.9	0.01

## Up/Down market capture

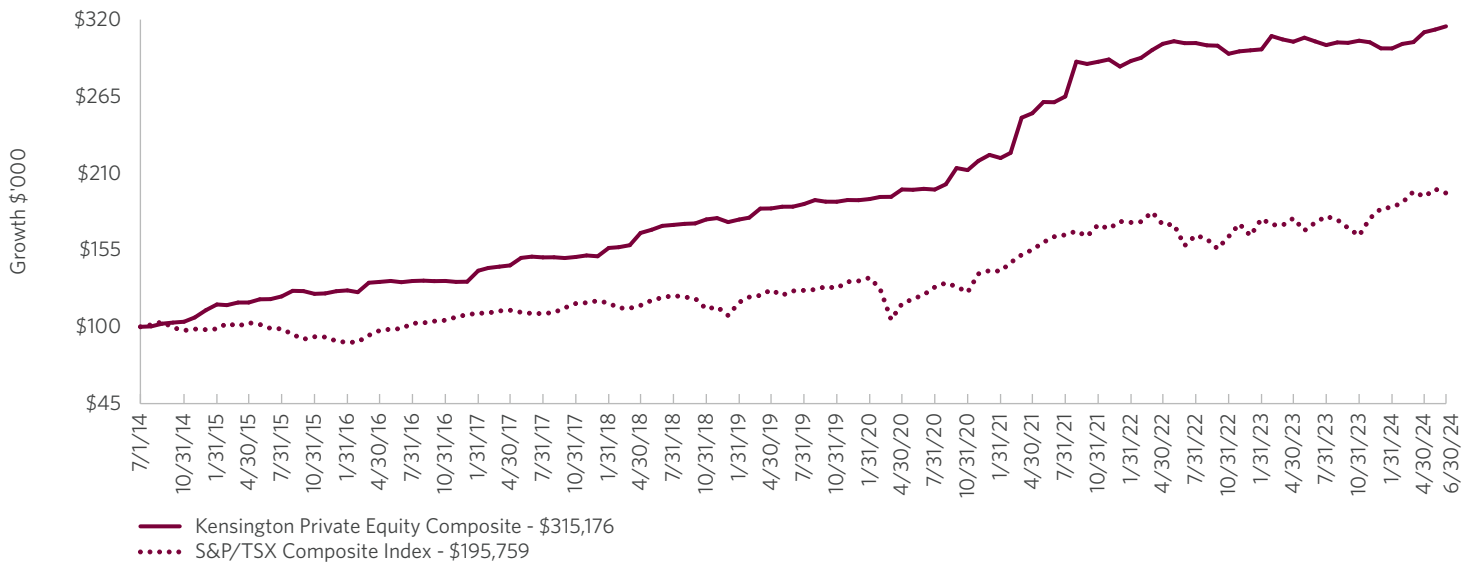
Kensington Private Equity Composite vs. S&P/TSX Composite Index



## Risk/Reward chart



## Growth of \$100,000





## ICS Composite

Performance results set out in this document are based on a composite of CIBC Wood Gundy Investment Consulting Service ("ICS") retail accounts with more than \$90,000 invested in the CIBC Wood Gundy ICS Kensington Capital Partners Limited ("Kensington") Private Equity strategy (the "Strategy"). The composite includes open fee-paying discretionary managed ICS accounts held in the Strategy through a purchase or a switch from another investment or ICS strategy. ICS accounts are included at the start of the second month following their inception. Also included in the composite are closed ICS accounts that held the Strategy, up to the last full month the Strategy was held. The composite was created in January 2020. It includes account performance data from March 1, 2020, the second month after the inception of the first account in the Strategy.

Composite performance returns are geometrically linked and calculated by weighting each ICS account's monthly performance, including changes in securities values, and accrued income (i.e. dividends and interest), against its market value at the beginning of each month, as represented by the market value at the opening of the first business day of each month. Performance returns are expressed in CAD and are gross of ICS investment management fees, and other expenses, if any. Each ICS account's performance returns will be reduced by these costs.

The Kensington Private Equity strategy is a private market instrument and differs substantially from public equity. The Kensington Private Equity strategy is only available to accredited investors in Canada through registered dealers on a private placement basis.

### Kensington Private Equity Composite

Performance results set out in this document are based on hypothetical returns of the Kensington Private Equity Composite. The Kensington Private Equity Composite is comprised of Class C units of the Kensington Private Equity.

Performance results set out in this document are based on a combined hypothetical 97% weight of the Kensington Private Equity Fund - Class C returns (CAD) and 3% weight of the CIBC Canadian Money Market Fund (CAD). The composite start date is April 2012. The composite benchmark is 100% S&P/TSX Composite Index (CAD). From April 1, 2012 to December 31, 2019 the Kensington Private Equity Fund - Class C returns are hypothetical and calculated by grossing up the monthly Kensington Private Equity Fund - Class G returns by the difference in annual management fees between Class C and G prorated monthly. Class G annual management fees are assumed to be 1.65% since inception. Class C annual management fees are assumed to be 1.00%. Class G start date is April 2012. From January 1, 2020 the Kensington Private Equity Fund - Class C are live returns.

Management fees paid directly by a unitholder are generally not deductible for tax purposes. You should consult your tax advisor regarding the deductibility of any fees paid directly by you in your particular circumstances.

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Individual account performance results for clients of ICS invested in the Strategy may also materially differ from the performance results set out in this document, which are based on the Composite due to the factors described above, and other factors such as an account's size, the length of time the Strategy has been held, cash flows in and out of the individual ICS client account, trade execution timing, market conditions and movements, trading prices, foreign exchange rates, specific client constraints, and constraints against purchasing securities of related and connected issuers to CIBC Wood Gundy, the investment manager and/or either of their affiliates. Past performance may not be repeated and is not indicative of future results. Consideration of individual circumstances and current events is critical to sound investment planning. All investments carry a certain degree of risk. It is important to review objectives, risk tolerance, liquidity needs, tax consequences and any other considerations before choosing an ICS strategy. Clients are advised to seek advice regarding their particular circumstances from their tax and legal advisors. Some investment managers may be situated outside of Canada and may not be registered as an advisor in Canada.

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### Benchmark Index

S&P/TSX Composite Index Source: TSX © Copyright 2024 TSX Inc. All Rights Reserved.

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