

ANNUAL REPORT 2015

CLAIRVEST

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KNOWLEDGE BASED - VALUE FOCUSED

CLAIRVEST

CLAIRVEST IS ONE OF CANADA'S LEADING PROVIDERS OF PRIVATE EQUITY FINANCING TO MID-MARKET COMPANIES AND CURRENTLY HAS C\$1.5 BILLION OF CAPITAL UNDER MANAGEMENT.

CLAIRVEST MANAGES ITS OWN CAPITAL AND THAT OF THIRD PARTIES, THROUGH THE CLAIRVEST EQUITY PARTNERS LIMITED PARTNERSHIPS.

CLAIRVEST PARTNERS WITH MANAGEMENT TO INVEST IN PROFITABLE, SMALL AND MID-SIZED COMPANIES WITH THE GOAL OF HELPING TO BUILD VALUE IN THE BUSINESS AND GENERATE SUPERIOR LONG TERM FINANCIAL RETURNS FOR INVESTORS.

GENERATING SUPERIOR RETURNS THROUGH ONGOING EMPHASIS ON FUNDAMENTAL VALUE CREATION

FELLOW SHAREHOLDER,

From the PE industry's perspective, the last twelve months marked a record year for exits, surpassing the all-time high by a wide margin. The flow of so much debt and equity capital fuelled returns and realizations and has infused the industry with renewed confidence.

For Clairvest, fiscal 2015 was an exceptional year by many measures. We took advantage of the frothy market conditions to complete two material liquidity events at excellent valuations. These transactions brought realized returns of Clairvest Equity Partners III to 4.7 times invested capital. During the year we successfully closed our fifth fund, Clairvest Equity Partners V, at its hard cap of \$600 million after being materially oversubscribed. During the fourth quarter, we launched the new fund with an investment in the waste management space. This is our fifth deal in an industry that has been a core domain for Clairvest for 10 years and the third time we partnered with the same management team. Being trusted once again has demonstrated our successful approach to partnership and the value we bring to our investee companies.

Strong realized returns and progress made at many of the existing investee companies drove a material lift to our book value. For the 12 months ended March 31, 2015, Clairvest's book value per share grew an impressive 19% to \$29.58 from \$24.92 a year earlier. The growth was mostly attributable to realized profit and portfolio value growth, but in part to the recognition of the in-the-money value of the carry Clairvest is entitled to receive on the third party capital it manages, a value which we had previously disclosed in our notes and which we have earned over the past 2-4 years. Over the last 15 years, our book value has grown at a compounded annual growth rate of 10.2%, after tax, despite an average cash balance of 41%. In contrast, the S&P500 has delivered 4.5%, pre-tax, reflecting solid out-performance on an absolute and risk-adjusted basis by your team.

While the numbers tell a great story, what lies behind the numbers is most meaningful. The increase in asset values came from fundamental value creation, meaning debt reduction and EBITDA growth as opposed to multiple expansion, which is often affected by exogenous market conditions. While we pay attention to macro trends, true success, in our view, is partnering with owner operators to build better companies. Our successful liquidity transactions during the year have definitely benefited from positive market conditions, but these conditions only serve to augment returns after we build a strategically significant business that others want to own.

CO-CHIEF EXECUTIVE OFFICERS' MESSAGE

As we look ahead to the balance of fiscal 2016, we are aware of some challenges. The ongoing limited supply of qualified companies in which to invest coupled with the resurgence of availability of low-cost debt and high public company valuations, have driven rising acquisition multiples. The challenge of how to make appropriate risk adjusted returns has never been greater and the pressure is on us, your management and fellow shareholders, to demonstrate new resourcefulness to find companies that could benefit from Private Equity ownership.

We believe that the reputation we have developed over our 28 year history as partners with ability and integrity has been and will continue to be the driver of our success. We pride ourselves on the relationships we have generated and continue to build with our partners and the returns we have delivered. Our track record speaks to this value creation best; the 26 realized deals originated by the current management team have turned \$499 million of invested equity into over \$1.5 billion.

IN TRIBUTE

We were deeply saddened by the passing of Joseph L. Rotman, founder of Clairvest. Mr. Rotman founded Clairvest in 1987 with the vision of using capital and wisdom to support the development of young companies and entrepreneurs while applying the values of integrity, fairness and partnership. These guiding values are and will remain core to Clairvest. A great Canadian whose mission was to continually improve everything he touched in business and in our society at large, Mr. Rotman's unrelenting entrepreneurial spirit serves as a guiding light for us all.

Respectfully,



B. Jeffrey Parr
Co-Chief Executive Officer



Ken Rotman
Co-Chief Executive Officer

June 24, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at, and for the year ended, March 31, 2015

June 24, 2015

The Management's Discussion and Analysis ["MD&A"] of financial condition and results of operations analyzes significant changes in Clairvest Group Inc.'s consolidated financial results, financial position, risks and opportunities. It should be read in conjunction with the audited annual consolidated financial statements and related notes for the year ended March 31, 2015 ["consolidated financial statements"].

The following MD&A is the responsibility of Management and is as of June 24, 2015. The Board of Directors carries out its responsibility for review of this disclosure through its Audit Committee. The Audit Committee reviews the disclosure and recommends its approval to the Board of Directors. The Board of Directors has approved this disclosure.

INTRODUCTION

Clairvest Group Inc. ["Clairvest" or the "Company"] is a private equity investor that specializes in partnering with management teams and other stakeholders of both emerging and established companies. The Company's shares are traded on the Toronto Stock Exchange under the stock symbol "CVG".

Clairvest invests its own capital, and that of third parties, through Clairvest Equity Partners Limited Partnership ["CEP"], Clairvest Equity Partners III Limited Partnership ["CEP III"], Clairvest Equity Partners IV Limited Partnership ["CEP IV"] and Clairvest Equity Partners IV-A Limited Partnership ["CEP IV-A"], and Clairvest Equity Partners V Limited Partnership ["CEP V"] and Clairvest Equity Partners V-A Limited Partnership ["CEP V-A"] [together, the "CEP Funds"] in a small number of carefully selected companies that have the potential to generate superior returns.

Clairvest is considered an agent of the CEP Funds which it manages. Accordingly, the financial positions and operating results of the CEP Funds are not included in Clairvest's consolidated financial statements.

Clairvest employs various acquisition entities in structuring its investments, all of which are controlled by Clairvest. These acquisition entities, which are accounted for at fair value in accordance with International Financial Reporting Standards ["IFRS"] as described in the Critical Accounting Estimates section of the MD&A, include the following:

- 2141788 Ontario Corporation ["2141788 Ontario"]
- CEP III Co-Investment Limited Partnership ["CEP III Co-Invest"]
- MIP III Limited Partnership ["MIP III"]
- CEP IV Co-Investment Limited Partnership ["CEP IV Co-Invest"]
- MIP IV Limited Partnership ["MIP IV"]
- CEP V Co-Investment Limited Partnership ["CEP V Co-Invest"]
- MIP V Limited Partnership ["MIP V"]

2141788 Ontario, a limited partner of CEP III Co-Invest and CEP V Co-Invest, is a wholly-owned acquisition entity of Clairvest. Clairvest's relationship with CEP III Co-Invest and MIP III, CEP IV Co-Invest and MIP IV, and CEP V Co-Invest and MIP V are described in the Transactions with Related Parties and Off-Statement of Financial Position Arrangements sections of the MD&A.

At March 31, 2015, Clairvest, through these acquisition entities, had 18 core investments in 9 different industries and 3 countries. One of these investments is a joint investment with CEP, four are joint investments with CEP III, eleven are joint investments with CEP IV and CEP IV-A [together, the "CEP IV Fund"], and one is a joint investment with CEP V and CEP V-A [together, the "CEP V Fund"]. The table below summarizes the status of the CEP Funds as at June 24, 2015:

MANAGEMENT'S DISCUSSION AND ANALYSIS

Status of Clairvest Equity Partnerships

[\$millions, except number of investments]				Number of Investments		
Year of Fund	Third Party Capital	Clairvest Commitment	Total Capital	Total	Currently Held	
Clairvest Equity Partners ["CEP"]	2001	164	55	219	9	1
Clairvest Equity Partners III ["CEP III"]	2006	225	75	300	8	4
Clairvest Equity Partners IV ["CEP IV"]	2010	342	125	467	11	11
Clairvest Equity Partners V ["CEP V"]	2015	420	180	600	1	1

Clairvest also holds an investment in Wellington Financial Fund IV ["Wellington Fund IV"].

OVERVIEW OF FISCAL 2015

Clairvest reports under International Financial Reporting Standards ["IFRS"] effective fiscal 2015. Further details of the Company's transition to IFRS is described in the Adoption of International Financial Reporting Standards section of the MD&A.

An overview of the significant events during fiscal 2015 follows:

Overall

- Clairvest's book value increased by \$48.2 million, or \$3.19 per share. The increase was primarily due to net income and comprehensive income ["net income"] of \$3.43 per share, net of \$0.2492 per share in dividends paid.
- For the year ended March 31, 2015, Clairvest recorded \$104.3 million in total revenue, comprised primarily of \$37.5 million in net investment gains, \$33.5 million in distributions and interest income, \$31.3 million in net carried interest income from the CEP Funds and \$2.0 million in other income. Total revenue for the prior fiscal year was \$76.3 million.
- Net income for the year ended March 31, 2015 was \$52.0 million compared to \$38.8 million in the prior fiscal year.
- At March 31, 2015, Clairvest and its controlled acquisition entities had \$835.4 million of capital available for future acquisitions through its cash, cash equivalents and temporary investments ["treasury funds"], credit facilities and uncalled capital in the CEP Funds.
- Clairvest filed a new normal course issuer bid enabling it to make market purchases of up to 756,705 of its common shares in the 12-month period commencing March 6, 2015. No purchases have been made under this bid to June 24, 2015. At June 24, 2015, Clairvest had repurchased a total of 6,595,049 common and non-voting shares for \$68.3 million over the last eleven years. At June 24, 2015, 15,134,095 common shares are outstanding.
- Clairvest paid an annual ordinary dividend of \$0.10 per share and a special dividend of \$0.1492 per share. The dividends were paid on July 25, 2014 to common shareholders of record as of July 9, 2014. The dividends were eligible dividends for Canadian income tax purposes.

Clairvest and CEP

- Clairvest and CEP realized on N-Brook Mortgage LP ["N-Brook"], a company which originated, adjudicated and underwrote first-ranking mortgages on owner-occupied, residential real estate in Ontario, British Columbia and Alberta. Over the life of the investment, Clairvest realized a \$2.1 million loss, substantially all of which had been previously recorded in prior fiscal years.

Clairvest/CEP III Co-Invest and CEP III

- CEP III Co-Invest and CEP III realized on KUBRA Data Transfer Limited ["Kubra"], a business processing outsourcing company focused on the distribution of household bills on behalf of its customers. CEP III Co-Invest and CEP III realized

MANAGEMENT'S DISCUSSION AND ANALYSIS

proceeds equal to 13.4 times invested capital and an internal rate of return of over 40% over eight years. CEP III Co-Invest's portion of the proceeds was US\$35.7 million.

- Light Tower Rentals Inc. ["Light Tower Rentals"], an investee company of CEP III Co-Invest and CEP III, completed a recapitalization by adding a group of institutional equity investors and a US\$330 million bond offering. As part of the transactions Light Tower Rentals redeemed 41,764,144 common shares from CEP III Co-Invest and CEP III for pre-tax proceeds of US\$151.3 million, which is equivalent to a 4.7 times return on investment. Subsequent to the redemptions CEP III Co-Invest and CEP III continue to have a 26.7% ownership in Light Tower Rentals. CEP III Co-Invest's portion of the gross proceeds was US\$37.9 million and it retained a 6.7% ownership interest subsequent to the redemptions. Light Tower Rentals is an oilfield equipment rental company operating in major oil and gas drilling basins in the United States.
- Upon completion of the above transactions pertaining to Kubra and Light Tower Rentals, CEP III Co-Invest distributed \$72.4 million to its limited partners, which include Clairvest, 2141788 Ontario and MIP III. The distributions from CEP III Co-Invest to its limited partners resulted in total distribution income of \$16.8 million and net investment gains of \$28.4 million as reported in Clairvest's consolidated financial statements.
- CEP III also declared and paid \$33.3 million in carried interest, 50% of which or \$16.6 million was ultimately paid to Clairvest, and the other 50% or \$16.6 million was ultimately paid to the limited partners of MIP III which is accounted for as management participation.

Clairvest/CEP IV Co-Invest and CEP IV

- CEP IV Co-Invest, the CEP IV Fund and other co-investors in Discovery Air Inc. ["Discovery Air"] [collectively the "Discovery Air Investor Group"], acquired 61,876,346 common shares in Discovery Air for a total cost of \$23.5 million representing a 75.5% ownership interest in Discovery Air on a fully diluted basis. Discovery Air is a specialty aviation services company operating across Canada and in select locations internationally. The Discovery Air Investor Group also owned \$97.3 million in accrued value of convertible debentures issued by Discovery Air immediately after the common share acquisition. Upon the completion of the common share acquisition, Discovery Air made a \$5.0 million partial repayment towards the convertible debentures. Subsequent to year end, the Discovery Air Investor Group purchased an additional 4,546,260 common shares in Discovery Air for \$1.4 million increasing ownership interest to 81.0%. CEP IV Co-Invest's portion of the investment was \$7.6 million for 19,809,915 common shares during fiscal 2015 and 1,455,500 common shares subsequent to year end which increased its ownership in Discovery Air to 25.9% on a fully diluted basis. CEP IV Co-Invest's receipt of the partial repayment on the convertible debentures was \$1.6 million.
- CEP IV Co-Invest and the CEP IV Fund invested US\$10.1 million in Davenport Land Investments, which comprised two entities holding real estate surrounding a casino development in Davenport, Iowa ["Davenport North" and "Davenport South"]. CEP IV Co-Invest's portion of the investment was US\$2.7 million. Additionally, Clairvest had advanced a US\$0.6 million non-interest bearing loan to a partner to assist funding its 50% ownership in Davenport North. Subsequent to the investment, Davenport South disposed of certain real estate and distributed to CEP IV Co-Invest, on an after-tax basis, US\$0.6 million during the quarter and an additional US\$0.8 million subsequent to quarter end.

Clairvest/CEP V Co-Invest and CEP V

- Clairvest, completed the fundraising of the CEP V fund pool, which comprised an \$180 million commitment by CEP V Co-Invest alongside \$420 million from third party investors. This new capital will provide Clairvest with greater scale and is expected to generate an annual increase in net management fees and priority distributions over the next few years.
- CEP V Co-Invest and the CEP V Fund invested US\$25.6 million in Winters Bros. Waste Systems of Long Island Holdings, LLC ["Winters Bros. of LI"], which provides commercial, industrial, residential waste collection services and operates an extensive network of transfer and recycling facilities across Long Island, New York. CEP V Co-Invest's portion of the investment in Winters Bros. of LI was US\$7.7 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OUTLOOK

At March 31, 2015, Clairvest's current management team has made 40 platform investments and has realized or partially realized on 26 investments which have in aggregate generated 3.1 times invested capital. From inception, the Company has invested its own capital in every investment. Clairvest's team of professionals have all invested significant amounts of capital in the Company which allows Clairvest to approach each investment as owners and shareholders.

At March 31, 2015, Clairvest had \$157.2 million in cash, cash equivalents and temporary investments, access to \$95.0 million in credit facilities and \$30.9 million of cash in various acquisition entities and \$552.3 million of additional capital available through the CEP Funds to fund new and follow-on investments. With a strong financial position, Clairvest has the ability to support the growth of its investee companies and to continue its active pursuit of new investment opportunities.

Subsequent to year end, Clairvest and CEP III announced an agreement for the sale of Casino New Brunswick, a gaming entertainment complex located in Moncton, New Brunswick, for a total sale price of approximately \$95 million. Clairvest holds its investment in Casino New Brunswick through CEP III Co-Invest. Subject to regulatory approvals, CEP III Co-Invest and CEP III are expected to receive gross proceeds of approximately \$55 million, 25% of which, or approximately \$14 million would be realized by CEP III Co-Invest, compared to the March 31, 2015 carrying value of \$8.3 million. The closing is expected to occur in the fall of 2015. Upon completion of this transaction, Clairvest expects CEP III Co-Invest to distribute the sale proceeds to its limited partners in the form of distributions. CEP III is also expected to pay a carried interest which will equal to 20% of the sale proceeds it will receive from the sale of Casino New Brunswick, 50% of which will be ultimately paid to Clairvest and 50% will be ultimately paid to the limited partners of MIP III. This transaction is expected to increase Clairvest's book value per share by approximately 35 cents from the March 31, 2015 book value per share of \$29.58.

FINANCIAL POSITION AND LIQUIDITY

The following table summarizes the Company's financial position:

Financial Position

As at, [\$000's, except number of shares and per share amounts]	March 31, 2015	March 31, 2014	April 1, 2013
Cash, cash equivalents and temporary investments	\$ 157,155	\$ 114,792	\$ 172,677
Unrealized carried interest from the CEP Funds	53,738	56,370	36,724
Corporate investments, at fair value	291,421	244,029	210,235
Total assets	531,207	475,462	460,064
Total liabilities	83,513	76,002	96,125
Book value	447,694	399,460	363,939
Book value per share	29.58	26.39	24.06
Dividend per share	0.2492	0.2312	0.2093

At March 31, 2015, Clairvest had total assets of \$531.2 million, an increase of \$55.7 million during fiscal 2015. The increase was primarily due to increase in corporate investments as described below.

At March 31, 2015, the Company's treasury funds of \$157.2 million were held in cash, money market savings accounts rated not below R1-High, investment savings accounts and guaranteed investment certificates rated not below BBB+, and treasury investments in second lien loans of Centaur Gaming and corporate bonds of Light Tower Rentals [see Notes 4 and 17 to the consolidated financial statements for a detailed discussion of the Company's treasury funds]. 2141788 Ontario Limited also held \$27.5 million in cash, investment savings accounts and guarantee investment certificates

MANAGEMENT'S DISCUSSION AND ANALYSIS

with consistent ratings to the above. Clairvest also has access to \$3.4 million in cash held in various other acquisition entities which are controlled by Clairvest.

Clairvest has a \$75.0 million, committed credit facility with a maturity date of April 30, 2020. The credit facility is unsecured and bears interest at the rate of 11.0% per annum on drawn amounts and 1.0% per annum on undrawn amounts. The amount available under the credit facility at March 31, 2015 is \$75.0 million.

Clairvest also has a \$20.0 million credit facility with a Canadian chartered bank. The credit facility, which is subject to annual renewal, is unsecured and bears interest at the bank prime rate plus 0.5% per annum. The amount available under the credit facility at March 31, 2015 is \$20.0 million, which is based on debt covenants and certain restrictions within the banking arrangement.

At March 31, 2015, Clairvest had corporate investments with a carrying value of \$291.4 million, an increase of \$47.4 million during fiscal 2015. The increase is comprised primarily of \$37.5 million of net investment gains and \$8.9 million in additional investments. Further details of Clairvest's indirect investee companies are provided in note 8 to the consolidated financial statements and in the Supplemental Non-IFRS Disclosures section of the MD&A.

At March 31, 2015, Clairvest had \$83.5 million in total liabilities, \$40.6 million of which were payable only upon the cash realization of certain investments of Clairvest or the CEP Funds. Total liabilities increased by \$7.5 million during fiscal 2015 primarily due to increase in share-based compensation liability.

FINANCIAL RESULTS

The following discussion details the Company's operating results:

Net income for the year ended March 31, 2015 was \$52.0 million compared with net income of \$38.8 million for the year ended March 31, 2014. The following table summarizes the composition of net income and comprehensive income for the years ended March 31:

Financial Results

Year ended March 31, [\$000's, except number of shares and per share amounts]	2015	2014	2013 ^[1]
Net investment gains	\$ 37,471	\$ 38,927	\$ 13,607
Distributions and interest income	33,516	13,049	32,347
Net carried interest income	31,361	20,248	–
Other income	1,979	4,103	14,680
Total expenses, excluding income tax	49,035	32,479	18,860
Net income before tax	55,292	43,848	41,774
Income tax	3,287	5,041	6,011
Net income and comprehensive income	52,005	38,807	35,763
Net income and comprehensive income per share	3.43	2.56	2.36
Net income and comprehensive income per share - fully diluted	3.43	2.56	2.36

[1] Financial results presented under Part V "Pre-changeover accounting standards" of the Handbook for Chartered Professional Accountants Canada ["Canadian GAAP"].

Net income in fiscal 2015 included \$37.5 million in net investment gains, \$33.5 million in distributions and interest income, \$31.4 million in net carried interest income from the CEP Funds, \$2.0 million in other income, \$49.0 million in total expenses excluding income tax and \$3.3 million in income tax expense. Net investment gains, distributions and net carried interest income were primarily the result of the events as described in the Clairvest/CEP III Co-Invest and CEP III subsection of the Overview section of the MD&A and net changes in the fair values of indirect investee companies held by the Company's acquisition entities. Total expenses included \$13.4 million in employee compensation and benefits, \$8.6 million in share-based compensation expense and \$20.4 million in management participation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net income in fiscal 2014 included \$38.9 million in net investment gains, \$13.0 million in distributions and interest income, \$20.2 million in net carried interest income from the CEP Funds, \$4.1 million in other income, \$32.5 million in total expenses excluding income tax and \$5.0 million in income tax expense. Net investment gains, distributions and net carried interest income were primarily the result of net changes in fair values of indirect investee companies held by the Company's acquisition entities. Total expenses included \$7.4 million in employee compensation and benefits, \$5.7 million in share-based compensation expense and \$13.1 million in management participation.

SUMMARY OF QUARTERLY RESULTS

[\$000's except per share information]	Gross Revenue \$	Net Income [Loss] \$	Net Income [Loss] Per Common Share* \$	Net Income Per Common Share Fully Diluted* \$
March 31, 2015	32,524	19,009	1.25	1.25
December 31, 2014	4,330	[2,907]	[0.19]	[0.19]
September 30, 2014	45,432	26,362	1.74	1.74
June 30, 2014	22,041	9,541	0.63	0.60
March 31, 2014	8,746	2,224	0.15	0.15
December 31, 2013	23,008	13,255	0.88	0.88
September 30, 2013	32,863	18,925	1.25	1.25
June 30, 2013	11,710	4,403	0.29	0.29

* The sum of quarterly net income [loss] per common share may not equal to the full year net income per common share due to rounding and the dilutive effect on any quarters which may not be applicable for the full year.

Significant variations arise in the quarterly results due to net investment gains, net carried interest income and management participation which are re-valued on a quarterly basis when conditions warrant an adjustment to the fair value of the corporate investment and due to realizations, and share-based compensation due to the movement in the trading price and book value of Clairvest's common shares.

FOURTH QUARTER RESULTS

Net income for the fourth quarter of fiscal 2015 was \$19.0 million compared with a net income of \$2.2 million for the fourth quarter of fiscal 2014. Gross revenue for the fourth quarter of fiscal 2015 was \$32.5 million compared with \$8.7 million for the fourth quarter of fiscal 2014. Expenses for the fourth quarter of fiscal 2015 were \$13.5 million compared to \$6.5 million for the fourth quarter of fiscal 2014.

Gross revenue for the fourth quarter of fiscal 2015 comprised \$2.6 million of net investment gains, \$20.9 million of distribution and interest income, \$8.5 million of net carried interest income and \$0.5 million in other income. This compares with net investment gains of \$2.8 million, \$3.8 million of distribution and interest income, \$1.6 million of net carried interest income and \$0.5 million in other income for the fourth quarter of fiscal 2014.

The net investment gains of \$2.6 million resulted from net unrealized gains in valuing Clairvest's acquisition entities. Also during the quarter ended March 31, 2015, Clairvest received \$16.6 million in distributions from its acquisition entities.

Also included in distributions and interest income for the quarter was yield on treasury funds of \$1.3 million and general partner distributions earned from the CEP Funds of \$1.7 million, distributions received from Wellington Fund IV of \$0.7 million and interest income earned from loans advanced to the CEP funds of \$0.5 million.

For the fourth quarter of fiscal 2014, net investment gains of \$2.8 million resulted from net unrealized gains in valuing Clairvest's acquisition entities and distributions and interest income of \$3.8 million included yield on treasury funds

MANAGEMENT'S DISCUSSION AND ANALYSIS

of \$0.7 million, general partner distributions earned from the CEP Funds of \$1.7 million and distributions received from Wellington Fund IV of \$0.9 million.

The net carried interest income of \$8.5 million for the fourth quarter of fiscal 2015 comprised \$8.3 million of unrealized changes to carried interest payable by the CEP Funds and \$0.2 million of realized carried interest from CEP. Net carried interest income of \$1.6 million for the fourth quarter of fiscal 2014 comprised unrealized changes to carried interest payable by the CEP Funds. Net carried interest income from the CEP Funds is further described in the Transaction with Related Parties section of the MD&A.

Clairvest earned \$0.2 million in management fees during the quarter for its services in the administration of CEP IV-A and CEP V-A's portfolio and \$0.3 million in advisory and other fees from its investee companies, compared with \$0.2 million and \$0.3 million, respectively, for the same quarter last year.

Expenses for the fourth quarter of fiscal 2015 included \$3.1 million of management and director compensation expenses, \$6.0 million of management participation, \$1.2 million in administrative expenses, \$0.2 million in finance and foreign exchange expenses and \$3.0 million in tax expense. This compares with \$3.1 million of management and director compensation expenses, \$0.7 million of management participation, \$1.6 million in administrative expenses, \$0.1 million in finance and foreign exchange expenses and \$1.0 million in tax expense for the fourth quarter of fiscal 2014. Management participation is further described in the Transaction with Related Parties section of the MD&A.

UPDATED SHARE INFORMATION

At March 31, 2015 and June 24, 2015, Clairvest had 15,134,095 common shares issued and outstanding. At March 31, 2015 and June 24, 2015, Clairvest had 555,000 stock options outstanding all of which were exercisable at March 31, 2015 and June 24, 2015. Each option is exercisable for one common share.

During fiscal 2015 and up to June 24, 2015, Clairvest did not purchase or cancel any common shares under its normal course issuer bids. As at June 24, 2015, Clairvest had repurchased a total of 6,595,049 common and non-voting shares for total consideration of \$68.3 million over the last eleven years.

During fiscal 2015, 10,000 options were exercised under the cash settlement plan and had no impact on share capital.

Clairvest paid an ordinary dividend of \$0.10 per share on the common shares in each of fiscal 2015, fiscal 2014 and fiscal 2013. During fiscal 2015, 2014 and 2013, Clairvest also paid a special dividend of \$0.1492, \$0.1312 and \$0.1093 per share respectively.

Subsequent to year end, Clairvest declared an annual ordinary dividend of \$0.10 per share, and a special dividend of \$0.1958 per share, such that in aggregate, the dividends represent 1% of the March 31, 2015 book value. The dividends will be payable to common shareholders of record as of July 8, 2015. The dividend will be paid on July 24, 2015. Both dividends are eligible dividends for Canadian income tax purposes.

CRITICAL ACCOUNTING ESTIMATES

For a discussion of all significant accounting policies, refer to Note 2 of the notes to the consolidated financial statements. Note 2[m] also includes a discussion of the Company's critical accounting estimates for the fair values of the Company's financial instruments, the recognition of carried interest and corresponding expenses, and the determination of the Company's deferred taxes.

Fair value of financial instruments

When a financial asset or liability is initially recognized, its fair value is generally the value of consideration paid or received. Acquisition costs relating to corporate investments are not included as part of the cost of the investment. Subsequent to initial recognition, the fair value of an investment quoted on an active market, the fair value is generally the bid price on the principal exchange on which the investment is traded. Investments that are escrowed or otherwise restricted on sale or transfer are recorded at amounts at fair values which take into account the escrow terms or other restrictions. In

MANAGEMENT'S DISCUSSION AND ANALYSIS

determining the fair value for such investments, the Company considers the nature and length of the restriction, business risk of the investee company, its stage of development, market potential, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. The amounts at which Clairvest's publicly-traded investments could be disposed of may differ from this fair value and the differences could be material. Differences could arise as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Estimated costs of disposition are not included in the fair value determination.

In the absence of an active market, the fair values are determined by management using the appropriate valuation methodologies after considering the history and nature of the business, operating results and financial conditions, the general economic, industry and market conditions, capital market and transaction market conditions, contractual rights relating to the investment, public market comparables, private market transactions multiples and, where applicable, other pertinent considerations. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed. The amounts at which Clairvest's privately-held investments could be disposed of may differ from the fair value assigned and the differences could be material. Estimated costs of disposition are not included in the fair value determination.

In determining the fair value of public company warrants, for which the underlying security is traded on a recognized securities exchange, and if there are sufficient and reliable observable market inputs, including exercise price and term of the warrants, market interest rate, and current market price, expected dividends and volatility of the underlying security, a valuation technique is used. If market inputs are insufficient or unreliable, the warrants are valued at intrinsic value, which is equal to the higher of the closing bid price of the underlying security less the exercise price of the warrant, or nil. For private company warrants, the underlying security for which is not traded on a recognized securities exchange, the fair value is determined consistently with other investments which do not have an active market as described above.

A change to an estimate with respect to Clairvest's privately-held corporate investments or publicly-traded corporate investments would impact corporate investments and net investment gains.

Recognition of carried interest and corresponding expenses

The Company carries unrealized carried interest receivable on its consolidated statements of financial position which are based on the fair values of the financial instruments held by the CEP Funds. As discussed previously, fair values of certain financial instruments are determined using valuation techniques and by their nature, the use of estimates and assumptions. Changes in the underlying estimates and assumptions could materially impact the determination of the fair value of these financial instruments. Imprecision in determining fair value using valuation techniques may affect the calculation of unrealized carried interest receivable and the resulting accrued liabilities for future payouts relating to these unrealized carried interest at the statement of financial position date.

Deferred taxes

The process of determining deferred income tax assets and liabilities requires management to exercise judgment while considering the anticipated timing of disposal of corporate investments, and proceeds thereon, tax planning strategies, changes in tax laws and rates, and loss carryforwards. Deferred income tax assets are only recognized to the extent that in the opinion of management, it is more likely than not that the deferred income tax asset will be realized. A change to an accounting estimate with respect to deferred income taxes would impact deferred tax liability and income tax expense.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

Clairvest adopted IFRS effective fiscal 2015, which began on April 1, 2014. The consolidated financial statements as at and for the year ended March 31, 2015 were the first Clairvest has prepared in accordance with IFRS 10, "Consolidated Financial

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Statements", as issued by the International Accounting Standards Board. The adoption of IFRS has not had an impact on the Company's operations, strategic decisions and cash flow. The Company's IFRS accounting policies are provided in Note 2 to the consolidated financial statements. In addition, Note 3 to the consolidated financial statements presents reconciliations between the Company's 2014 Canadian GAAP results and the 2014 IFRS results and explanations of the adjustments to transition to IFRS. The reconciliations include the consolidated comprehensive income and consolidated cash flows for the year ended March 31, 2014 as well as a reconciliation of the statement of financial position as at March 31, 2014 and April 1, 2013.

The significant adjustments resulting from the Company's transition from Canadian GAAP to IFRS are as follows:

Consolidated financial statements

Corporate investments reported under IFRS will generally be higher than under Canadian GAAP due to the requirement under IFRS for investment entities to fair value their subsidiaries other than those that provide investment-related services ["acquisition entities"] as described in Note 2 to the consolidated financial statements. As a result of this change, assets and liabilities which are held by these acquisition entities and which were previously presented as separate statement of financial position items are now included in the determination of fair value of the Company's corporate investments. The Company is also required to record as a liability any entitlements of limited partners of a partnership where the limited partners are not part of the consolidated group of the Company but where the partnership is required to be consolidated by the Company. The resulting changes are reclassifications among various line items of the consolidated statements of financial position and consolidated statements of comprehensive income as disclosed in Note 3 to the consolidated financial statements with no impact to retained earnings and net income.

Unrealized carried interest and corresponding management bonuses

Under IAS 18 "Revenue", the Company has chosen to recognize unrealized carried interest income receivable from the CEP Funds. A corresponding accrued liability for management bonus resulting from unrealized carried interest would be recognized in accordance with IAS 19 "Employee Benefits". The resulting changes, applied retrospectively to the consolidated statements of financial position, were a \$14.4 million increase to retained earnings at April 1, 2013 and a further \$8.0 million after-tax increase to net income for the year ended March 31, 2014.

Unrealized carried interest and management participation

As previously discussed, the Company is required to record as a liability any entitlements of limited partners of a partnership where the limited partners are not part of the consolidated group of the Company but where the partnership is required to be consolidated by the Company. Accordingly, the Company has chosen to recognize that portion of the unrealized carried interest from the CEP Funds which are not ultimately payable to Clairvest and in accordance with IAS 32 "Financial Instruments: Presentation" and a corresponding liability ["management participation"] is recorded on the entitlements of the limited partners of MIP III, MIP IV and MIP V, the limited partners of which are principals and employees of Clairvest. The resulting changes do not impact retained earnings and net income.

Alternative and policy choices under IFRS

The Company has applied the provisions of IFRS 1, "First-time Adoption of International Financial Reporting Standards" ["IFRS 1"], in its consolidated financial statements. IFRS 1 also provides for certain voluntary exemptions and certain mandatory exceptions from full retrospective application. The only voluntary exemption adopted by the Company upon transition was the ability to designate a financial asset or financial liability at fair value through profit or loss ["FVTPL"] upon transition to IFRS. Accordingly, all of the Company's financial assets have been designated at FVTPL upon transition, all of which had previously been carried at fair value under Canadian GAAP.

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TRANSACTIONS WITH RELATED PARTIES

The general partner of CEP ["CEP GP"], an entity which is controlled by Clairvest, is entitled to participate in distributions made by CEP equal to 20% of net gains ["carried interest"] of CEP as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to principals and employees of Clairvest via a limited partnership ["Participation Partnership"], the general partner of which is Clairvest and the limited partners are principals and employees of Clairvest. The limited partners of Participation Partnership have purchased, at fair market value, units of the Participation Partnership. From time to time, additional units in Participation Partnership may be purchased by the limited partners of Participation Partnership. At March 31, 2015, CEP had declared and paid distributions to CEP GP totaling \$23.3 million, 50% of which or \$11.6 million was ultimately paid to Clairvest and 50% or \$11.6 million was ultimately paid to the limited partners of Participation Partnership.

At March 31, 2015, if CEP were to sell all of its corporate investments at their current fair values, CEP GP would receive up to \$1.8 million in carried interest from CEP. In accordance with IFRS, Clairvest has recorded the \$1.8 million as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of Participation Partnership, or \$0.9 million recorded as a management participation liability on the consolidated statements of financial position.

As a general partner of CEP III, Clairvest is entitled to a priority distribution from CEP III. Effective January 13, 2011, the priority distribution is calculated monthly as 0.1667% of invested capital net of write-downs of capital then invested. The priority distribution is reduced to the extent of 75% of any fees earned by Clairvest from corporate investments of CEP III. During fiscal 2015, CEP III declared to Clairvest priority distributions of \$1.4 million. As per the Limited Partnership Agreement, fees of \$0.2 million from corporate investments of CEP III were netted against the priority distributions.

The general partners of CEP III ["CEP III GPs"] are entitled to a 20% carried interest in respect of CEP III as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to MIP III, the general partner of which is Clairvest and the limited partners of which are principals and employees of Clairvest. The limited partners of MIP III have purchased, at fair market value, units of the MIP III. From time to time, additional units in MIP III may be purchased by the limited partners of MIP III. At March 31, 2015, CEP III had declared and paid distributions to CEP III GP totaling \$33.3 million, 50% of which, or \$16.6 million, was ultimately paid to Clairvest and 50% or \$16.6 million was ultimately paid to the limited partners of MIP III.

At March 31, 2015, if CEP III were to sell all of its corporate investments at their current fair values, CEP III GPs would receive up to \$21.9 million in carried interest from CEP III. In accordance with IFRS, Clairvest has recorded the \$21.9 million as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of MIP III, or \$11.0 million recorded as a management participation liability on the consolidated statements of financial position.

Clairvest is required to co-invest alongside CEP III in all investments undertaken by CEP III. CEP III Co-Invest was established in fiscal 2007 as the investment vehicle for this purpose. CEP III Co-Invest has three limited partners, Clairvest, 2141788 Ontario and MIP III. MIP III has invested \$1.1 million in CEP III Co-Invest and is entitled to an 8.25% carried interest in respect of CEP III Co-Invest via the general partner of CEP III Co-Invest, an entity controlled by Clairvest. At March 31, 2015, CEP III Co-Invest had declared and paid distributions totaling \$4.1 million to MIP III.

Clairvest, as the general partner of MIP III, is entitled to participate in distributions equal to the realizable value on the \$1.1 million invested by MIP III in CEP III Co-Invest plus the first \$0.2 million in distributions received by the MIP III as described above, and any other distributions to MIP III are the entitlements of the limited partners of MIP III. At March 31, 2015, \$2.0 million has been received by Clairvest.

At March 31, 2015, if CEP III Co-Invest were to sell its corporate investments at their current fair values, the limited partners of MIP III would receive up to \$4.7 million in carried interest from CEP III Co-Invest based on the terms described above, the amount of which has been recorded as a management participation liability on the consolidated statements of financial position.

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As general partner of CEP IV, Clairvest is entitled to a priority distribution from CEP IV. Effective January 14, 2011 and to the date upon which consideration based on committed capital is payable in respect of CEP V [the "CEP IV Investment Termination Date"], the priority distribution is calculated monthly as 0.1667% per annum of committed capital, and thereafter, 0.1667% per annum of invested capital net of write-downs of capital then invested. The priority distribution is reduced to the extent of 63.2% of any fees earned by Clairvest from corporate investments of CEP IV. As at March 31, 2015, the CEP IV Investment Termination Date has not been determined. During fiscal 2015, CEP IV declared to Clairvest priority distributions of \$5.4 million. As per the Limited Partnership Agreement, fees of \$0.5 million from corporate investments of CEP IV were netted against the priority distributions.

The general partners of CEP IV ["CEP IV GPs"] are entitled to a 20% carried interest in respect of CEP IV as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to MIP IV, the general partner of which is Clairvest and the limited partners of which are principals and employees of Clairvest. The limited partners of MIP IV have purchased, at fair market value, units of the MIP IV. From time to time, additional units in MIP IV may be purchased by the limited partners of MIP IV. No carried interest has been declared and paid by CEP IV to CEP IV GP as at March 31, 2015.

At March 31, 2015, if CEP IV were to sell all of its corporate investments at their current fair values, CEP IV GPs would receive up to \$24.6 million in carried interest from CEP IV. In accordance with IFRS, Clairvest has recorded the \$24.6 million as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of MIP IV, or \$12.3 million recorded as a management participation liability on the consolidated statements of financial position.

As manager of CEP IV-A, Clairvest is entitled to a management fee from CEP IV-A. Effective January 14, 2011 and to the date upon which consideration based on committed capital is payable in respect of CEP V-A [the "CEP IV-A Investment Termination Date"], the management fee is calculated monthly as 0.1667% of committed capital, and thereafter, 0.1667% of invested capital net of write-downs of capital then invested. The management fee is reduced to the extent of 10.1% of fees earned by Clairvest from corporate investments of CEP IV-A and other amounts as provided in the Limited Partnership Agreement. As at March 31, 2015, the CEP IV Investment Termination Date has not been determined. During fiscal 2015, Clairvest earned management fees of \$0.6 million as compensation for its services in the administration of the portfolio of CEP IV-A. As per the Limited Partnership Agreement, \$0.3 million was netted against the management fees.

The general partner of CEP IV-A ["CEP IV-A GP"], an entity which is controlled by Clairvest, is entitled to a 20% carried interest in respect of CEP IV-A as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to MIP IV. No carried interest has been declared and paid by CEP IV-A to CEP IV-A GP as at March 31, 2015.

At March 31, 2015, if CEP IV-A were to sell all of its corporate investments at their current fair values, CEP IV-A GP would receive up to \$5.4 million in carried interest from CEP IV-A. In accordance with IFRS, Clairvest has recorded the \$5.4 million as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of MIP IV, or \$2.7 million recorded as a management participation liability on the consolidated statements of financial position.

Clairvest is required to co-invest alongside CEP IV and CEP IV-A in all investments undertaken by CEP IV and CEP IV-A. CEP IV Co-Invest was established in fiscal 2010 as the investment vehicle for this purpose. CEP IV Co-Invest has two limited partnerships, Clairvest and MIP IV. MIP IV has invested \$1.6 million in CEP IV Co-Invest and is entitled to an 8.25% carried interest in respect of CEP IV Co-Invest via the general partner of CEP IV Co-Invest, an entity controlled by Clairvest.

Clairvest, as general partner of MIP IV, is entitled to participate in distributions equal to the realizable value on the \$1.6 million invested by MIP IV in CEP IV Co-Invest plus the first \$0.4 million received by MIP IV as described above, and any other distributions to MIP IV are the entitlements of the limited partners of MIP IV. No amounts have been received by Clairvest at March 31, 2015.

At March 31, 2015, if CEP IV Co-Invest were to sell all of its corporate investments at their current fair values, MIP IV would receive up to \$6.2 million in carried interest from CEP IV Co-Invest based on the terms described above, the

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amount of which has been recorded as a management participation liability on the statements of financial position. To date, CEP IV Co-Invest has not made any carried interest payments to MIP IV.

As general partner of CEP V, Clairvest is entitled to a priority distribution from CEP V. The priority distribution calculated as follows: [i] from March 2, 2015 to the CEP IV Investment Termination Date, 0.1667% per annum on capital allocated to specifically identifiable investments net of any write-downs of capital invested; [ii] from the CEP IV Investment Termination Date to the fifth anniversary of the CEP IV Investment Termination Date, 0.1667% per annum of committed capital; and [iii] thereafter, 0.1667% per annum of invested capital net of write-downs of capital then invested. As at March 31, 2015, the CEP IV Investment Termination Date has not been determined. During fiscal 2015, CEP V declared to Clairvest priority distributions of \$30 thousand.

The general partners of CEP V ["CEP V GPs"] are entitled to a 20% carried interest in respect of CEP V as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to MIP V, the general partner of which is Clairvest and the limited partners of which are principals and employees of Clairvest. The limited partners of MIP V have purchased, at fair market value, units of the MIP V. From time to time, additional units in MIP V may be purchased by the limited partners of MIP V. No carried interest has been declared and paid by CEP V to CEP V GP as at March 31, 2015.

As manager of CEP V-A, Clairvest is entitled to a management fee from CEP V-A. The management fee calculated as follows: [i] from March 2, 2015 to the CEP IV-A Investment Termination Date, 0.1667% per annum on capital allocated to specifically identifiable investments net of any write-downs of capital invested; [ii] from the CEP IV-A Investment Termination Date to the fifth anniversary of the CEP IV-A Investment Termination Date, 0.1667% per annum of committed capital; and [iii] thereafter, 0.1667% per annum of invested capital net of write-downs of capital then invested. As at March 31, 2015, the CEP V-A Investment Termination Date has not been determined. During fiscal 2015, Clairvest earned management fees of \$6 thousand as compensation for its services in the administration of the portfolio of CEP V-A.

The general partner of CEP V-A ["CEP V-A GP"], an entity which is controlled by Clairvest, are entitled to a 20% carried interest in respect of CEP V-A as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to MIP V. No carried interest has been declared and paid by CEP V-A to CEP V-A GP as at March 31, 2015.

Clairvest is required to co-invest alongside CEP V and CEP V-A in all investments undertaken by CEP V and CEP V-A. CEP V Co-Investment Limited Partnership ["CEP V Co-Invest"] was established in fiscal 2015 as an investment vehicle for this purpose. CEP V Co-Invest has three limited partners, Clairvest, 2141788 Ontario and MIP V. MIP V has invested \$2.4 million in CEP V Co-Invest and is entitled to an 8.25% carried interest in respect of CEP V Co-Invest via the general partner of CEP IV Co-Invest, an entity controlled by Clairvest.

Clairvest, as the general partner of MIP V, is entitled to participate in distributions equal to the realizable value on the \$2.4 million invested by MIP V in CEP IV Co-Invest plus the first \$1.4 million received by MIP V as described above, and any other distributions to MIP V are the entitlements of the limited partners of MIP V. No amounts have been received by Clairvest at March 31, 2015.

Key management at Clairvest are the Co-Chief Executive Officers ["Co-CEOs"] and its directors. The Co-CEOs are entitled to annual discretionary cash bonuses of up to 175% of their individual annual salary based on individual performance. There is also an annual objective cash bonus which is based on Clairvest's Incentive Bonus Program, a stock option plan and a book value appreciation rights plan. Annual salaries and compensation under these plans paid to the co-CEOs during fiscal 2015 was \$3.9 million. At March 31, 2015, the total amounts payable to the co-CEOs under the aforementioned plans was \$11.8 million. Compensation paid to the directors of Clairvest under its Deferred Share Units Plan and its Appreciation Deferred Share Units Plan during fiscal 2015 was \$0.4 million. At March 31, 2015, the total amounts payable to the directors of Clairvest under the aforementioned plans was \$8.1 million.

At March 31, 2015, Clairvest had loans receivable from certain officers of Clairvest [the "Officers"] totaling \$2.2 million. The loans are interest bearing, have full recourse to the individual and are collateralized by the common shares of Clairvest owned by the Officers with a market value of \$3.2 million. None of these loans were made to key management. At

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March 31, 2015, Clairvest also had loans receivable from certain officers of a company affiliated with Clairvest totaling \$0.5 million. The loans to officers of the affiliated company bear interest which is paid quarterly. Loans are repayable upon departure of the officer. Interest of \$54 thousand was earned on these loans during fiscal 2015.

At March 31, 2014, the Company had advanced to CEP III \$15.6 million in loans bearing interest at the prime rate in accordance with CEP III's Limited Partnership Agreement. During fiscal 2015, additional loans totaling \$2.5 million were made by the Company to CEP III. Also during fiscal 2015, \$15.6 million of these loans were repaid and the remaining \$2.5 million were transferred to an acquisition entity of Clairvest. Interest of \$0.1 million was earned from loans to CEP III during fiscal 2015.

At March 31, 2014, the Company had advanced to CEP IV \$8.7 million in loans bearing interest at the Reference Rate in accordance with CEP IV's Limited Partnership Agreement. During fiscal 2015, additional loans totaling \$24.5 million were made by the Company to CEP IV. Also during fiscal 2015, \$25.8 million of these loans were repaid and a further \$4.0 million were transferred to an acquisition entity of Clairvest such that \$3.4 million remained outstanding at March 31, 2015. Interest of \$0.7 million was earned from loans to CEP IV during fiscal 2015.

At March 31, 2014, the Company had advanced to CEP IV-A \$0.8 million in loans bearing interest at the Reference Rate in accordance with CEP IV-A's Limited Partnership Agreement. During fiscal 2015, additional loans totaling \$3.8 million were made by the Company to CEP IV-A. Also during fiscal 2015, \$4.0 million of these loans were repaid such that \$0.6 million remained outstanding at March 31, 2015. Interest of \$0.1 million was earned from loans to CEP IV-A during fiscal 2015.

At March 31, 2014, the Company had advanced to CEP IV Co-Invest \$3.7 million in non-bearing interest loans. During fiscal 2015, additional loans totaling \$19.8 million were made by the Company to CEP IV Co-Invest. Also during fiscal 2015, \$18.8 million of these loans were repaid such that \$4.7 million remained outstanding at March 31, 2015. Subsequent to year end, an additional \$0.5 million of these loans were repaid.

During fiscal 2015, the Company had advanced to CEP V \$18.9 million in loans bearing interest at the Reference Rate in accordance with CEP V's Limited Partnership Agreement. These loans were repaid in full during fiscal 2015. Interest of \$0.1 million was earned from loans to CEP V during fiscal 2015.

During fiscal 2015, the Company had advanced to CEP V-A \$3.6 million in loans bearing interest at the Reference Rate in accordance with CEP V-A's Limited Partnership Agreement. These loans were repaid in full during fiscal 2015. Interest of \$12 thousand was earned from loans to CEP V-A during fiscal 2015.

At March 31, 2014, the Company had advanced to 2141788 Ontario \$1.0 million in non-bearing interest loans which were repaid in full during fiscal 2015.

During fiscal 2015, the Company had advanced to an acquisition entity of a co-investor of Discovery Air Inc. \$2.0 million in non-interest bearing loans which were repaid in full during the year.

During fiscal 2015, MIP V advanced \$2.4 million in non-interest bearing loans to Clairvest which were repaid in full during the year.

At March 31, 2014, the CEP III Co-Invest had advanced \$0.2 million in non-interest bearing loans to Clairvest. During fiscal 2015, the Clairvest received additional loans of \$17.5 million. All loans advanced by CEP III Co-Invest to Clairvest were repaid in full during the year.

During fiscal 2015, Clairvest earned \$2.3 million in distributions and interest income and \$1.3 million in advisory and other fees from its indirect investee companies. Additionally, acquisition entities of Clairvest which were not consolidated in accordance with IFRS earned \$8.5 million in distributions and interest income, \$1.0 million in dividend income and \$0.5 million in advisory and other fees from its investee companies.

At March 31, 2015, Clairvest had accounts receivable from its direct and indirect investee companies totaling \$2.9 million, from CEP totaling \$3 thousand, from CEP III totaling \$1.0 million, from CEP IV totaling \$6.2 million, from CEP IV-A totaling \$0.3 million, from CEP V totaling \$1.1 million and from CEP V-A totaling \$0.2 million. Additionally, acquisition entities of Clairvest which were not consolidated in accordance with IFRS held receivables from Clairvest's investee companies totaling \$1.2 million.

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Clairvest has a 50% ownership in an aircraft where the other 50% ownership is held by a related party of Clairvest. Clairvest received 100% of the incidental rental income of the aircraft and is responsible for 100% of the operating expenses. In accordance with IFRS, Clairvest has recognized 100% of the net book value of the aircraft and a liability for the 50% ownership the Company does not own.

OFF-STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

Clairvest has committed to co-invest alongside CEP in all investments undertaken by CEP. Clairvest's total co-investment commitment is \$54.7 million, \$3.5 million of which remains unfunded at March 31, 2015. Clairvest may only sell all or a portion of a corporate investment that is a joint investment with CEP if it concurrently sells a proportionate number of securities of that corporate investment held by CEP.

CEP III Co-Invest has committed to co-invest alongside CEP III in all investments undertaken by CEP III. CEP III Co-Invest's co-investment commitment is \$75.0 million, \$15.2 million of which remains unfunded at March 31, 2015. In accordance with the co-investment agreement, the proportion of the commitment amongst Clairvest, 2141788 Ontario and MIP III is at their own discretion. CEP III Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP III if it concurrently sells a proportionate number of securities of that corporate investment held by CEP III.

CEP IV Co-Invest has committed to co-invest alongside CEP IV and CEP IV-A in all investments undertaken by CEP IV and CEP IV-A. CEP IV's total co-investment commitment is \$125.0 million, \$36.8 million of which remains unfunded at March 31, 2015. In accordance with the co-investment agreement, the proportion of the commitment between Clairvest and MIP IV is at their own discretion. CEP IV Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP IV and CEP IV-A if it concurrently sells a proportionate number of securities of that corporate investment held by CEP IV and CEP IV-A.

CEP V Co-Invest has committed to co-invest alongside CEP V and CEP V-A in all investments undertaken by CEP V and CEP V-A. CEP V Co-Invest's co-investment commitment is \$180.0 million, \$169.9 million of which remains unfunded at March 31, 2015. In accordance with the co-investment agreement, the proportion of the commitment between Clairvest, 2141788 Ontario and MIP V is at their own discretion. CEP V Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP V and CEP V-A if it concurrently sells a proportionate number of securities of that corporate investment held by CEP V and CEP V-A.

Clairvest has also committed \$25.2 million to Wellington Fund IV, \$10.8 million of which remains unfunded at March 31, 2015.

At March 31, 2015, Clairvest has earned profit distributions totaling \$4.6 million through its ownership interest in the General Partners of Wellington Financial Fund III ["Wellington Fund III"] and Wellington Fund IV. Subject to the clawback provisions, Clairvest may be required to repay up to \$1.1 million of these distributions in the event the limited partners of Wellington Fund IV do not meet their return threshold as specified in the respective Limited Partnership Agreements. At March 31, 2015, there were no accruals made with respect to the clawback.

Clairvest had guaranteed up to US\$15.0 million of CEP III's obligations to a schedule 1 Canadian chartered bank under CEP III's foreign exchange forward contracts with the bank. The guarantee was reduced to US\$10.0 million during fiscal 2015.

Under Clairvest's Incentive Bonus Program [the "Bonus Program"], a bonus of 10% of after-tax cash income and realizations on certain Clairvest's corporate investments would be paid to management annually as applicable [the "Realized Amount"]. At March 31, 2015, the Realized Amount under the Bonus Program was \$1.4 million and has been accrued under the Bonus Program. In accordance with IFRS, Clairvest is also required to record a liability equal to a bonus of 10% of the after-tax cash income and realizations which are applicable but which have yet to be realized. Accordingly, Clairvest also recorded a \$2.8 million accrued compensation expense liability that would only be payable to management when the corresponding realization events have occurred. The Bonus Program does not apply to the income generated from investments made by Clairvest through CEP III Co-Invest, CEP IV Co-Invest and CEP V Co-Invest.

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Clairvest has guaranteed to fund any cash flow or debt service shortfalls of Casino New Brunswick for a specified period of time. The amount of the guarantee is allocated, at Clairvest's discretion, 75% to CEP III, to the extent that the amounts paid thereunder are within the limits of the CEP III Limited Partnership Agreement, with the remainder being allocated to CEP III Co-Invest. Any amounts paid under the guarantee will result in additional Casino New Brunswick debentures being granted to CEP III Co-Invest and CEP III, allocated on the same basis as the participation between CEP III Co-Invest and CEP III in the guarantee funding. As at March 31, 2015, no amounts subject to this guarantee have been funded.

An acquisition entity of Chilean Gaming Holdings and other investors of Casino Sol Calama have entered into a joint and several guarantee to fund any operating deficiencies upon the opening of Casino Sol Calama for a specified period of time. Casino Sol Calama's operator has indemnified this acquisition entity with respect to this guarantee. As at March 31, 2015, no amounts subject to this guarantee have been funded or are owing.

As part of the holding structure of Chilean Gaming Holdings, an acquisition entity of CEP III Co-Invest had loans totaling \$40.7 million at March 31, 2015 through various acquisition entities from an unrelated financial institution, while another acquisition entity of CEP III Co-Invest held term deposits totaling \$40.7 million at March 31, 2015 with the same financial institution as security for these loans. CEP III Co-Invest's ownership of both acquisition entities was 36.8% at March 31, 2015.

At March 31, 2015, the Company's had future minimum annual lease payments under non-cancellable operating leases for the use of office space of \$0.3 million due within one year and \$1.7 million due after one year but not more than five years.

In connection with its normal business operations, Clairvest is from time to time named as a defendant in actions for damages and costs allegedly sustained by plaintiffs. While it is not possible to estimate the outcome of the various proceedings at this time, Clairvest does not believe that it will incur any material loss in connection with such actions.

RISK MANAGEMENT

The private equity investment business involves accepting risk for potential return, and is therefore affected by a number of economic factors, including changing economic environments, capital markets and interest rates. As a result, the Company faces various risk factors, inherent in its normal business activities. These risk factors and how the Company manages these risk factors are described below.

Credit risk

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. For the year ended March 31, 2015, there were no material income effects on changes of credit risk on financial assets. The Company manages credit risk on corporate investments through thoughtful planning, strict investment criteria, significant due diligence of investment opportunities and oversight responsibilities with existing indirect investee companies and by conducting activities in accordance with investment policies that are approved by the Board of Directors. Management's application of these policies is regularly monitored by the Board of Directors. Management and the Board of Directors review the financial condition of its indirect investee companies regularly.

The Company is also subject to credit risk on its accounts receivable and loans receivables, a significant portion of which is with its indirect investee companies and its CEP Funds. The Company manages this risk through its oversight responsibilities with existing investee companies by reviewing financial conditions of its indirect investee companies regularly, and through its fiduciary duty as manager of the CEP Funds and by maintaining sufficient uncalled capital for the CEP Funds to settle obligations as they come due.

The Company manages credit risk on cash, cash equivalents and temporary investments by conducting activities in accordance with the fixed income securities policy that is approved by the Audit Committee. The Company also manages credit risk by contracting with counterparties which are Schedule 1 Canadian chartered banks or through investment firms where Clairvest's funds are segregated and held in trust for Clairvest's benefit. Management's application of these policies

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is regularly monitored by the Audit Committee. Management and the Audit Committee review credit quality of cash equivalents and temporary investments regularly.

Market risk

Market risk includes exposure to fluctuations in the market value of the Company's investments, currency rates and interest rates.

Fluctuations in market interest rates affect the Company's income derived from cash, cash equivalents, and temporary investments. For financial instruments which yield a floating interest income, the interest received is directly impacted by the prevailing market interest rate. The fair value of financial instruments which yield a fixed interest income would change when there is a change in the prevailing market interest rate. The Company manages interest rate risk on cash, cash equivalents and temporary investments by conducting activities in accordance with the fixed income securities policy that is approved by the Audit Committee. Management's application of these policies is regularly monitored by the Audit Committee.

If interest rates were higher or lower by 1%, the potential effect would be an increase or decrease of \$1.4 million to distributions and interest income on a pre-tax basis for the year ended March 31, 2015.

Included in corporate investments are indirect investee companies for which the fair values have been estimated based on assumptions that may not be supported by observable market prices. The most significant unobservable input is the multiple of earnings before interest, taxes, depreciation and amortization ["EBITDA"] used for each individual investee company. In determining the appropriate multiple, Clairvest considers i] public company multiples for companies in the same or similar businesses; ii] where information is known and believed to be reliable, multiples at which recent transactions in the industry occurred; and iii] multiples at which Clairvest invested directly or indirectly in the company, or for follow-on investments or financings. The resulting multiple is adjusted, if necessary, to take into account differences between the investee company and those the Company selected for comparisons and factors include public versus private company, company size, same versus similar business, as well as with respect to the sustainability of the company's earnings and current economic environment. Twelve indirect investee companies are valued using the earnings multiple approach. If the Company had used an earnings multiple for each investee company that was higher or lower by 0.5 times, the potential effect would be an increase of \$23.9 million or a decrease of \$27.4 million to the carrying value of corporate investments and net changes in unrealized gains or losses on corporate investments, on a pre-tax basis for the year ended March 31, 2015. Earnings multiples used are based on public company valuations as well as private market multiples for comparable companies.

Clairvest may also use information about recent transactions carried out in the market for valuations of private equity investments when this value is the most representative indication of fair value. The fair value of corporate bonds, debentures or loans is primarily determined using discounted cash flow technique which uses observable and unobservable inputs such as discount rates that take into account the risk associated with the investment as well as future cash flows. For those investments valued based on recent transactions or discounted cash flows, Clairvest has determined there are no alternative assumptions that would change the fair value significantly at March 31, 2015.

The Company's corporate investment portfolio is diversified across 18 indirect investee companies in 9 industries and 3 countries as at March 31, 2015. The Company has considered current economic events and indicators in the valuation of its corporate investments.

The Company has implemented a hedging strategy because it has, directly and indirectly, several investments outside of Canada, currently in the United States and in Chile. The Company has also advanced loans to indirect investee companies which are denominated in foreign currency. In order to limit its exposure to changes in the value of foreign denominated currencies relative to the Canadian dollar, at March 31, 2015, Clairvest and its acquisition entities hedge 100% of the fair value of its foreign investments and loans unless a specific exemption is approved by the Board of Directors.

A number of investee companies are subject to foreign exchange risk. A significant change in foreign exchange rates can have a significant impact to the profitability of these entities and in turn the Company's carrying value of these

MANAGEMENT'S DISCUSSION AND ANALYSIS

corporate investments. The Company manages this risk through oversight responsibilities with existing investee companies and by reviewing the financial condition of investee companies regularly.

Certain of the Company's corporate investments are also held in the form of debentures. Significant fluctuations in market interest rates can have a significant impact in the carrying value of these investments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. Financial obligations arising from off-statement of financial position arrangements have been previously discussed. Accounts payable, loans payable, and derivative instruments have maturities of less than one year. Management participation liability, share-based compensation liability, and amounts accrued under the Bonus Program are only due upon cash realization or completion of the respective vesting period. Total unfunded commitments to co-invest alongside the CEP Funds are \$224.5 million at March 31, 2015. The timing of any amounts to be funded under these commitments is dependent upon the timing of investment acquisitions, which are made at the sole discretion of the Company.

The Company manages liquidity risk by maintaining a conservative liquidity position that exceeds all liabilities payable on demand. The Company invests its cash, cash equivalents and temporary investments [together, "treasury funds"] in liquid assets such that they are available to cover any potential funding commitments and guarantees. In addition, the Company maintains various credit facilities.

At March 31, 2015, Clairvest had treasury funds of \$157.2 million and access to \$95.0 million through its credit facilities to support its obligations and current and anticipated corporate investments. Included in corporate investments at March 31, 2015 was \$30.9 million of treasury funds held by acquisition entities of Clairvest. Clairvest also had \$552.3 million of uncalled committed third-party capital through the CEP Funds at March 31, 2015 to invest along with Clairvest's capital.

DERIVATIVE FINANCIAL INSTRUMENTS

Clairvest and its acquisition entities enter into foreign exchange forward contracts primarily to manage the risks arising from fluctuations in exchange rates on its foreign denominated investments and loans. Clairvest is required to mark to market its foreign-denominated investments, as well as the foreign exchange forward contracts entered into as economic hedges against Clairvest's foreign denominated investments. During fiscal 2015, the Company realized a \$1.0 million loss on expired foreign exchange forward contracts, which has been recorded in finance and foreign exchange expense in the consolidated statements of comprehensive income.

At March 31, 2015, Clairvest had entered into foreign exchange forward contracts to sell US\$28.9 million at an average rate of Canadian \$1.1175 per U.S. dollar through to August 2015. The fair value of the U.S. dollar contracts at March 31, 2015 is a loss of \$4.3 million. Additionally, acquisition entities of Clairvest had entered into foreign exchange forward contracts to sell US\$99.9 million and buy US\$0.6 million at an average rate of Canadian \$1.2010 per U.S. dollar through to January 2016 and foreign exchange forward contracts to sell 14.7 billion Chilean Pesos ["CLP"] at an average rate of Canadian \$0.001909 per CLP through to January 2016. The fair value of the U.S. dollar contracts held by these acquisition entities at March 31, 2015 is a loss of \$6.8 million and the fair value of the CLP contracts at March 31, 2015 is a loss of \$1.1 million. These contracts have been included in the fair value of Clairvest's investments in these acquisition entities.

Included in cash and cash equivalents on the consolidated statements of financial position at March 31, 2015 was \$4.9 million Clairvest had funded to the counterparty as a collateral for its foreign exchange forward contracts and those of its acquisition entities.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the Canadian Securities Administrators ["CSA"], Management has evaluated the effectiveness of Clairvest's disclosure controls and procedures as of March 31, 2015 and concluded that the disclosure controls and procedures are effective in

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ensuring that information required to be disclosed by the Company in its corporate filings is recorded, processed, summarized and reported within the required time period for the year then ended.

National Instrument 52-109 also requires certification from the Chief Executive Officers and Chief Financial Officer to certify their responsibilities for establishing and maintaining internal controls with regards to the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management has evaluated Clairvest's design and operational effectiveness of internal controls over financial reporting for the year ended March 31, 2015. Management has concluded that the design of internal controls over financial reporting are effective and operating as designed as of March 31, 2015 based on this evaluation. There were no changes in internal controls during the most recent interim period that has materially affected, or is reasonably likely to materially affect, internal controls over financial reporting. The Company has not identified any weakness that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

A number of the matters discussed in this MD&A deal with potential future circumstances and developments and may constitute "forward-looking" statements. These forward-looking statements can generally be identified as such because of the context of the statements and often include words such as the Company "believes", "anticipates", "expects", "plans", "estimates" or words of a similar nature.

The forward-looking statements are based on current expectations and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include general and economic business conditions and regulatory risks. The impact of any one risk factor on a particular forward-looking statement is not determinable with certainty as such factors are interdependent upon other factors, and management's course of action would depend upon its assessment of the future, considering all information then available.

All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

REGULATORY FILINGS

The Company's continuous disclosure materials, including interim filings, annual MD&A and audited consolidated financial statements, Annual Information Form, Notice of Annual Meeting of Shareholders and Proxy Circular are available on the Canadian System for Electronic Document Analysis and Retrieval ["SEDAR"] at www.sedar.com.

USE OF NON-IFRS MEASURES

This MD&A contains references to "book value" and "book value per share" which are non-IFRS financial measures. Book value is calculated as the value of total assets less the value of total liabilities. Book value per share is calculated as book value divided by the total number of common shares of the Company outstanding as at a specific date. The terms book value and book value per share do not have any standardized meaning according to IFRS. There is no comparable IFRS financial measure presented in the Company's consolidated financial statements and thus no applicable quantitative reconciliation for such non-IFRS financial measure. The Company believes that the measure provides information useful to its shareholders in understanding our performance, and may assist in the evaluation of the Company's business relative to that of its peers.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUPPLEMENTAL NON-IFRS DISCLOSURES

As described in the Transition to IFRS and Critical Accounting Estimates section of the MD&A, Clairvest is required under IFRS to fair value certain acquisition entities instead of recording its share of the assets, liabilities, revenues and expenses of these entities. Clairvest is also required to recognize as revenue that portion of the carried interest from the CEP Funds which are allocated to the principals and employees of Clairvest through various limited partnerships. In addition, Clairvest is required to record as a liability any entitlements of limited partners of a partnership where the limited partners are not part of the consolidated group of the Company but where the partnership is required to be consolidated by the Company. Accordingly, that portion of the carried interest from the CEP Funds that is allocated to the limited partners of MIP III, MIP IV and MIP V and the carried interest payable to these entities by partnerships which are consolidated by Clairvest [collectively, the "Management Entitlements"] are recorded as an expense and a liability of the Company. The supplemental non-IFRS measures presented in this section are inclusive of the assets, liabilities, revenues and expenses of Clairvest's acquisition entities on a pro-rata basis instead of accounting for them by assigning a fair value, and the Management Entitlements are on a net basis such that only that portion of the carried interest from the CEP Funds being allocated to Clairvest is reflected as a receivable and the carried interest payable by partnerships consolidated by Clairvest is netted against the total fair value of corporate investments. The Company believes the supplemental Non-IFRS measures provide investors more insightful information regarding the Company's financial position and operating performance and such information is consistent with Management's evaluation of the business.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUMMARY OF CLAIRVEST'S CORPORATE INVESTMENTS AT MARCH 31, 2015 [NON-IFRS]

Investment	Industry Segment	Geographic Segment	Ownership Percentage ^[20]	Cost of Investment [millions]	Net Cash Investment [millions] ^[21]	Fair Value of Investment [millions] ^[22]	Description of Business
INVESTMENTS MADE ALONGSIDE CLAIRVEST EQUITY PARTNERS							
Grey Eagle Casino ^[1]	Gaming	Canada	Equity participation	\$ –	\$ [6.2]	\$ 2.7	A charitable casino on Tsuu T'ina First Nation reserve lands, located southwest of the city of Calgary, Alberta. CEP also has an equity participation in the Grey Eagle Casino.
INVESTMENTS MADE ALONGSIDE CLAIRVEST EQUITY PARTNERS III							
Casino New Brunswick ^[2]	Gaming	Canada	22.5%	\$ 9.8	\$ 9.1	\$ 8.3	A gaming entertainment complex located in Moncton, New Brunswick. CEP III owns 67.5% of Casino New Brunswick.
Chilean Gaming Holdings ^[3]	Gaming	Chile	36.8%	\$ 28.7	\$ 20.6	\$ 34.7	An investment vehicle which holds an equity interest in various gaming entertainment complexes in Chile. CEP III owns 37.7% of Chilean Gaming Holdings.
Light Tower Rentals Inc. ["Light Tower Rentals"] ^[4]	Equipment Rental	United States	6.7%	\$ 2.4	\$ [32.5]	\$ 11.6	An oilfield equipment rental company operating in major oil and gas drilling basins in the United States. CEP III owns 20.0% of Light Tower Rentals.
Lyophilization Services of New England Inc. ["LSNE"] ^[5]	Contract Manufacturing	United States	12.3%	\$ 7.5	\$ 7.5	\$ 9.4	A Manchester, New Hampshire based contract manufacturing organization focused on providing lyophilization services to biotech, pharmaceutical and medical device manufacturers. CEP III owns 36.8% of LSNE.
INVESTMENTS MADE ALONGSIDE CLAIRVEST EQUITY PARTNERS IV/CEP IV-A							
Centaur Gaming ^[6]	Gaming	United States	Debt interest with stapled warrants	\$ 14.6	\$ 11.8	\$ 50.4	The owner and operator of the Hoosier Park Racing & Casino in Anderson, Indiana and the Indiana Grand Casino and Indiana Downs Racetrack ["Indiana Grand Casino"] in Shelbyville, Indiana. CEP IV and CEP IV-A have debt interests with stapled warrants.
Cieslok Media Ltd. ["Cieslok"] ^[7]	Outdoor Advertising	Canada	24.0%	\$ 4.0	\$ 4.0	\$ 7.4	A leading Canadian outdoor advertising firm, operating predominantly large format digital and static billboards throughout major cities in Canada. CEP IV and CEP IV-A own 56.7% and 9.0% of Cieslok respectively.
County Waste of Virginia, LLC ["County Waste"] ^[8]	Waste Management	United States	12.5%	\$ 6.7	\$ 6.7	\$ 8.2	A private regional solid waste management company based in West Point, Virginia. CEP IV and CEP IV-A own 29.5% and 4.7% of County Waste respectively.
CRS Contractors Rental Supply Limited Partnership ["CRS"] ^[9]	Equipment Rental	Canada	16.3%	\$ 10.6	\$ 9.7	\$ 17.0	An Ontario based equipment rental provider focused on commercial, industrial and infrastructure sectors. CEP IV and CEP IV-A own 36.6% and 5.8% of CRS respectively.

- [1] Clairvest had funded \$5.6 million to Grey Eagle Casino by way of 16% debentures which was repaid in full during fiscal 2012. Clairvest continues to hold units of a limited partnership which operates Grey Eagle Casino, entitling Clairvest to between 2.8% and 9.6% of the earnings of the casino until December 18, 2022.
- [2] Clairvest has funded \$9.8 million to Casino New Brunswick by way of debentures and owns units of a limited partnership which operates Casino New Brunswick.
- [3] Clairvest owns 30,446,299 units of Chilean Gaming Holdings which holds a 50% interest in Casino Marina del Sol and a 48.8% interest in each of Casino Osorno and Casino sol Calama.
- [4] Clairvest owns 3,985,604 common shares in Light Tower Rentals. Clairvest also holds US\$7.5 million in Light Tower Rentals corporate bonds in its treasury funds.
- [5] Clairvest owns 6,406,000 Series A 10% cumulative convertible preferred shares, 1,250,000 Series B 10% cumulative preferred shares and a US\$0.4 million demand promissory note in LSNE. Clairvest also advanced short-term working capital loans totaling US\$0.8 million to LSNE which are included in accounts receivable.
- [6] Clairvest invested \$14.6 million in Centaur Gaming by way of unsecured term loans with stapled warrants which, subject to regulatory approval, are convertible upon exercise into 9.9% of Class A and Class B units of Centaur Gaming. Clairvest also holds US\$10.0 million in Centaur Gaming second lien secured loans in its treasury funds.
- [7] Clairvest owns 4,014,989 common shares in Cieslok.
- [8] Clairvest owns 6,482.28 Class B units in County Waste.
- [9] Clairvest owns 199,900 Class B and 10,572,805 Class C limited partnership units in CRS.

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Investment	Industry Segment	Geographic Segment	Ownership Percentage ^[20]	Cost of Investment [millions]	Net Cash Investment [millions] ^[21]	Fair Value of Investment [millions] ^[22]	Description of Business
INVESTMENTS MADE ALONGSIDE CLAIRVEST EQUITY PARTNERS IV/CEP IV-A							
Davenport Land Investments ^[10]	Other	United States	18.7% [Davenport North] & 23.0% [Davenport South]	\$ 3.1	\$ 3.0	\$ 3.5	Comprised of two entities ["Davenport North" and "Davenport South"] holding real estate surrounding a casino development in Davenport, Iowa. CEP IV and CEP IV-A own 44.1% and 7.0% of Davenport North and 54.3% and 8.5% of Davenport South respectively.
Discovery Air Inc. ["Discovery Air"] ^[11]	Specialty Aviation	Canada	24.2% and debt interest	\$ 29.6	\$ 27.9	\$ 33.0	A specialty aviation services business operating across Canada and in selected locations internationally. CEP IV and CEP IV-A have debt interest and own 30.4% and 4.9% of Discovery Air respectively.
Linen King, LLC ["Linen King"] ^[12]	Textile Rental Service	United States	21.7%	\$ 2.5	\$ 2.5	\$ 0.8	An Oklahoma based textile rental company that provides commercial laundry services, primarily to hospitals. CEP IV and CEP IV-A own 51.1% and 8.1% of Linen King respectively.
Momentum Aviation Group ["MAG"] ^[13]	Specialty Aviation	United States	9.6%	\$ 2.8	\$ 2.8	\$ 4.0	A U.S.-based specialty aviation and intelligence, surveillance and reconnaissance service provider. CEP IV and CEP IV-A have Class A stock convertible to 22.6% and 3.6% interest respectively.
New Meadowlands Racetrack LLC [the "Meadowlands"] ^[14]	Gaming	United States	Debt interest and equity investment rights	\$ 5.6	\$ 5.2	\$ 7.9	Operates North America's premier standardbred horse racing track located in East Rutherford, New Jersey. CEP IV and CEP IV-A have debt interests and equity investment rights.
Rivers Casino ^[15]	Gaming	United States	5.0%	\$ 7.5	\$ [12.3]	\$ 25.4	A gaming entertainment complex located in Des Plaines, Illinois. CEP IV and CEP IV-A own 11.8% and 1.9% of Rivers Casino respectively.
Winters Bros. Waste Systems of CT, LLC ["Winters Bros. of CT"] ^[16]	Waste Management	United States	13.4%	\$ 8.1	\$ 8.1	\$ 9.7	A regional solid waste collection, recycling and disposal company based in Danbury, Connecticut. CEP IV and CEP IV-A own 31.6% and 5.0% of Winters Bros. of CT respectively.
INVESTMENTS MADE ALONGSIDE CLAIRVEST EQUITY PARTNERS V/CEP V-A							
Winters Bros. Waste Systems of Long Island Holdings, LLC ["Winters Bros. of LI"] ^[17]	Waste Management	United States	14.0%	\$ 7.2	\$ 7.2	\$ 9.7	A private regional solid waste management company based in Long Island, New York. CEP V and CEP V-A own 27.5% and 5.2% of Winters Bros. of LI respectively.
STANDALONE INVESTMENTS							
Wellington Financial Fund IV ["Wellington Fund IV"] ^[18]	Financial Services	Canada	12.6%	\$ 14.4	\$ 10.4	\$ 18.1	Provides debt capital and operating lines to technology, biotechnology, communications and industrial product companies in Canada and the United States.
OTHER INVESTMENTS^[19]				\$ 1.6	\$ 1.6	\$ [9.3]	
TOTAL INVESTMENTS				\$ 166.7	\$ 87.1	\$ 252.5	

[10] Clairvest owns 1,408.81 units in Davenport North and 1,298.21 units in Davenport South.

[11] Clairvest owns 19,809,915 common shares and invested \$22.0 million in Discovery Air convertible debentures with a stated interest rate of 10% per annum.

[12] Clairvest owns 2,529,209 Class A units of Linen King.

[13] Clairvest owns 26,499 Class A stock in MAG.

[14] Clairvest invested US\$5.4 million in the Meadowlands by way of secured convertible debentures with a stated interest rate of 15% per annum. Clairvest also holds warrants which entitle it to invest in equity securities subject to certain conditions.

[15] Clairvest owns 9,021,917 units in Rivers Casino. Cost of investment and net cash investment [proceeds] exclude the \$1.6 million which were funded by MIP IV as described in note 5[f] to the consolidated financial statements.

[16] Clairvest owns 76,284.8 Class C units of Winters Bros. of CT.

[17] Clairvest owns 1,398,507 Class C units in Winters Bros. of LI. Cost of investment and net cash investment [proceeds] exclude the \$2.4 million which were funded by MIP V as described in note 5[i] to the consolidated financial statements.

[18] Clairvest has committed to fund \$25.2 million to Wellington Fund IV, \$14.4 million of which had been funded at March 31, 2015. The net cash investment is reduced by \$3.3 million as a result of income distributions received to date.

[19] Other investments include the fair values attributable to limited partners of MIP III, MIP IV and MIP V as described in note 5[c], 5[f] and 5[i] to the consolidated financial statements.

[20] Ownership percentage calculated on a fully diluted basis at March 31, 2015.

[21] Net cash investment [proceeds] comprised cost net of dividends, interest and other distributions received but excludes advisory and other fees received, foreign income taxes incurred by acquisition entities and foreign exchange gains or losses on foreign exchange forward contracts entered into as economic hedges against Clairvest's foreign denominated investments.

[22] The determination of fair value incorporates the quoted market value of Clairvest's publicly-traded investments and an estimate of fair value for privately-held investments. The fair value of foreign exchange forward contracts entered into as economic hedges against Clairvest's foreign denominated investments is not included in this fair value.

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FINANCIAL HIGHLIGHTS [NON-IFRS]

Financial Performance Measures

Year ended March 31, [\$000's, except per share amounts]	2015	2014
Net realized gains [losses] on corporate investments	\$ 31,302	\$ [25]
Net changes in unrealized gains on corporate investments	19,908	27,581
Net carried interest income	15,786	10,124
Other income	24,318	27,174
Total expenses	30,231	20,018
Net income before tax	61,083	44,836
Income taxes	9,078	6,029
Net income	52,005	38,807
Basic net income per share	3.43	2.56
Fully diluted net income per share	3.43	2.56
Dividends declared per share	0.2492	0.2312

Financial Condition Measures

As at March 31, [\$000's, except number of shares and per share amounts]	2015	2014	2013
Total assets	507,017	439,961	397,298
Total cash, cash equivalents and temporary investments	188,061	115,786	174,513
Unrealized carried interest from the CEP Funds	26,869	28,185	18,362
Corporate investments, at fair value	252,472	241,066	176,390
Total liabilities	59,323	40,501	33,359
Book value	447,694	399,460	363,939
Common shares outstanding	15,134,095	15,134,095	15,124,095
Book value per share	29.58	26.39	24.06

Financial Performance Highlights

Clairvest's operating results reflect revenue earned from its corporate investments and cash, cash equivalents and temporary investments and realized gains and net changes in unrealized gains and losses on its corporate investments. These results are net of all costs incurred to manage these assets. The operating results of the CEP Funds are not included in Clairvest's operating results.

Net income for the year ended March 31, 2015 was \$52.0 million, versus \$38.8 million for the year ended March 31, 2014.

Net realized gains on corporate investments for the year ended March 31, 2015 comprised primarily of a \$14.4 million net realized gain on the sale of Kubra and a \$16.9 million net realized gain on the partial redemptions from Light Tower Rentals. Previously recognized net unrealized gains of these investments are reversed and netted against net realized gains.

Net changes in unrealized gains on corporate investments result from changes in the fair value of the investments from one quarter to the next and do not reflect foreign exchange revaluations. Clairvest has implemented a foreign exchange hedging strategy to limit its exposure to changes in the value of foreign denominated currencies relative to the Canadian dollar by hedging 100% of the fair value of its foreign investments unless a specific exemption is approved by the

MANAGEMENT'S DISCUSSION AND ANALYSIS

Board of Directors. The net changes in unrealized gains or losses on corporate investments for the years ended March 31, presented on a non-IFRS basis, are summarized as follows:

Net changes in unrealized gains [losses] on investments [Non-IFRS]

Year ended March 31, [\$000's]	2015	2014
Casino New Brunswick	\$ 3,917	\$ 1,958
Centaur Gaming	5,270	18,714
Cieslok	3,396	—
Chilean Gaming Holdings	4,915	[7,554]
CRS	4,480	1,931
Discovery Air	[3,008]	—
Grey Eagle Casino	579	[301]
Kubra ^[1]	—	8,530
Light Tower Rentals ^[2]	50	9,010
Linen King	—	[141]
LSNE	—	[130]
MAG	306	241
N-Brook ^[3]	—	297
Rivers Casino	538	[959]
Wellington Fund III / IV	1,954	[972]
Winters Bros. of LI ^[4]	2,400	—
	\$ 24,797	\$ 30,624
Other investments and MIP entitlements ^[5]	\$ [4,889]	\$ [3,043]
Net changes in unrealized gains on corporate investments [Non-IFRS]	\$ 19,908	\$ 27,581

[1] Kubra was realized during fiscal 2015 as described below.

[2] Light Tower Rentals was partially realized during fiscal 2015 as described below.

[3] N-Brook was realized during fiscal 2014.

[4] The net changes in unrealized gains for Winters Bros. of LI was the result of Clairvest's entitlement to MIP V's investment as described in note 5[i] to the consolidated financial statements.

[5] Includes fair value attributable to limited partners of MIP III, MIP IV and MIP V as described in note 5[c], 5[f] and 5[i] to the consolidated financial statements.

Further details on net changes in unrealized gains/losses on corporate investments can be found in the discussion of each investee company below.

Net carried interest income for the years ended March 31, presented on a non-IFRS basis, are summarized as follows:

Net carried interest income [Non-IFRS]

Year ended March 31, [\$000's]	2015	2014
Realized carried interest from the CEP Funds	\$ 17,101	\$ 300
Net change in unrealized carried interest from the CEP Funds	[1,315]	9,824
Net carried interest income [Non-IFRS]	\$ 15,786	\$ 10,124

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Clairvest's entitlements to carried interest from the CEP Funds are described in the Transaction with Related Parties section of the MD&A.

Other income for the year ended March 31, 2015 was \$24.3 million, compared with \$27.2 million for the year ended March 31, 2014. The following table summarizes the other income earned by the Company, presented on a Non-IFRS basis:

Other income [Non-IFRS]

Year ended March 31, [\$000's]	2015	2014
Distributions and interest income		
Income from treasury funds	\$ 1,603	\$ 3,078
Priority distributions from the CEP Funds	6,885	7,030
Interest income from the CEP Funds	1,242	398
From investee companies:		
Casino New Brunswick	282	384
Centaur Gaming	38	28
County Waste	113	2
CRS	408	456
Davenport Land Investments	108	—
Discovery Air	2,111	2,552
Grey Eagle Casino	800	331
MAG	49	111
The Meadowlands	968	440
Rivers Casino	4,483	4,260
Wellington Fund IV	1,439	1,841
Winters Bros. of CT	—	8
Other distributions and interest income	290	46
	20,819	20,965
Dividend income		
Chilean Gaming Holdings	981	1,619
Management fees from the CEP Funds	648	621
Advisory and other fees from investee companies	1,870	1,719
Realized gain on temporary investments	—	2,250
Other Income [Non-IFRS]	\$ 24,318	\$ 27,174

Included in income on treasury funds for the year ended March 31, 2015 are unrealized losses of \$2.0 million on the US\$7.5 million Light Tower Rentals corporate bonds purchased under Clairvest's treasury portfolio.

Priority distributions and management fees earned from the CEP Funds, as described in the Transaction with Related Parties section of the MD&A, are reduced proportionately to fees earned by Clairvest from joint Clairvest/CEP Funds corporate investments.

Interest income earned from the CEP Funds are as described in the Transaction with Related Parties section of the MD&A.

Distributions and interest income from Clairvest's investee companies are further described below.

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Total expenses for the year were \$30.2 million, compared with \$20.0 million for the year ended March 31, 2014. The following table summarizes expenses incurred by the Company for the years ended March 31, presented on a Non-IFRS basis:

Total Expenses, excluding Income Taxes [Non-IFRS]

Year ended March 31, [\$000's]	2015	2014
Employee compensation and benefits	\$ 14,822	\$ 8,586
Share-based compensation expenses	8,566	5,742
Administration and other expenses		
Domain and due diligence expenses	1,125	1,021
Professional fees	374	1,197
Office and other expenses	3,397	2,713
	4,896	4,931
Finance and foreign exchange expense		
Interest and bank charges	1,189	1,185
Foreign exchange loss [gain]	758	[426]
	1,947	759
Total Expenses, excluding Income Taxes [Non-IFRS]	\$ 30,231	\$ 20,018

Included in employee compensation and benefits for the year ended March 31, 2015 was \$4.8 million in management compensation upon the closing of CEP V.

Included in share-based compensation expenses for the year ended March 31, 2015 was \$2.3 million in stock based compensation, \$4.9 million in appreciation of book value appreciation rights ["BVARs"] and \$1.4 million in appreciation of deferred share units ["DSUs"] and appreciated deferred share units ["ADSUs"]. Refer to notes 2[h], 2[i], 2[j] and 13 to the consolidated financial statements for details of these compensation plans.

FINANCIAL CONDITION HIGHLIGHTS

The following table summarizes the Company's financial position and liquidity, presented on a non-IFRS basis:

Financial Position [Non-IFRS]

As at March 31, [\$000's, except number of shares and per share amounts]	2015	2014
Cash, cash equivalents and temporary investments	\$ 188,061	\$ 115,786
Unrealized carried interest from the CEP Funds	26,869	28,185
Fair value of corporate investments	252,472	241,066
Total liabilities	59,323	40,501
Book value	447,694	399,460
Book value per share	29.58	26.39

Assets

Clairvest's treasury funds increased during fiscal 2015 as a result of investment realizations as described below.

At March 31, 2015, Clairvest had corporate investments with a carrying value of \$252.5 million. The following table summarizes Clairvest's corporate investment portfolio, presented on a non-IFRS basis:

MANAGEMENT'S DISCUSSION AND ANALYSIS

	March 31, 2015			March 31, 2014		
	Fair value	Cost	Difference	Fair value	Cost	Difference
CEP INVESTMENTS						
Grey Eagle Casino	\$ 2,709	\$ 1	\$ 2,708	\$ 2,130	\$ 1	\$ 2,129
N-Brook	—	—	—	125	2,240	[2,115]
CEP III INVESTMENTS						
Casino New Brunswick	8,324	9,798	[1,474]	4,407	9,798	[5,391]
Chilean Gaming Holdings ^[1]	34,703	28,754	5,949	29,421	28,754	667
Kubra	—	—	—	22,930	2,150	20,780
Light Tower Rentals	11,629	2,403	9,226	36,302	8,178	28,124
LSNE	9,380	7,451	1,929	8,187	7,451	736
MIP III Entitlements ^[2]	[4,716]	—	[4,716]	[5,467]	—	[5,467]
CEP IV INVESTMENTS						
Centaur Gaming	50,355	14,644	35,711	39,795	14,644	25,151
Cieslok	7,411	4,015	3,396	4,015	4,015	—
County Waste	8,210	6,690	1,520	7,092	6,706	386
CRS	16,984	10,573	6,411	12,504	10,573	1,931
Davenport Land Investments	3,465	3,059	406	—	—	—
Discovery Air	33,036	29,606	3,430	28,074	22,045	6,029
Linen King	809	2,525	[1,716]	706	2,525	[1,819]
MAG	3,980	2,787	1,193	2,884	2,447	437
The Meadowlands	7,942	5,580	2,362	6,313	5,580	733
Rivers Casino	25,362	7,508	17,854	21,785	7,508	14,277
Winters Bros. of CT	9,662	8,053	1,609	8,433	8,053	380
MIP IV Entitlements ^[3]	[6,171]	—	[6,171]	[4,674]	—	[4,674]
CEP V INVESTMENTS						
Winters Bros. of LI	9,713	7,215	2,498	—	—	—
Wellington Fund III/IV	18,069	14,375	3,694	15,542	13,802	1,740
	250,856	165,037	85,819	240,504	156,470	84,034
Other investments	1,616	1,686	[70]	562	738	[176]
	\$ 252,472	\$ 166,723	\$ 85,749	\$ 241,066	\$ 157,208	\$ 83,858

[1] Comprised of Clairvest's investment in Casino Marina del Sol, Casino Osorno and Casino Sol Calama.

[2] Fair value attributable to limited partners of MIP III as described in the Transaction with Related Parties section of the MD&A.

[3] Fair value attributable to limited partners of MIP IV as described in the Transaction with Related Parties section of the MD&A.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The cost and fair value of corporate investments described below do not reflect foreign exchange gains or losses on the foreign exchange forward contracts entered into as economic hedges against the Company's foreign denominated investments which are described in note 15 to the consolidated financial statements. A discussion on the activity in each corporate investment held at March 31, 2015 follows:

INVESTMENTS MADE ALONGSIDE CEP

Grey Eagle Casino

At March 31, 2015 and 2014, Clairvest held units in a limited partnership which operates Grey Eagle Casino, entitling Clairvest between 2.8% and 9.6% of the earnings of the casino from the date of commencement of operations, December 19, 2007, for a period of 15 years.

During fiscal 2015, Clairvest earned \$0.8 million in profit distributions from Grey Eagle Casino, bringing total profit distributions earned to March 31, 2015 to \$1.5 million.

The fair value of \$2.7 million at March 31, 2015 compares to the fair value of \$2.1 million at March 31, 2014.

INVESTMENTS MADE THROUGH CEP III CO-INVEST ALONGSIDE CEP III

Casino New Brunswick

At March 31, 2015 and 2014, Clairvest has funded \$9.8 million to Casino New Brunswick in the form of debentures with a stated interest at a rate of 6% per annum. The interest which had been waived between March 1, 2011 and December 31, 2012, had resumed effective January 1, 2013, with 45% of the interest payable in cash and the remaining 55% payable in-kind. Clairvest also holds units of a limited partnership which operates Casino New Brunswick, entitling Clairvest to 22.5% of the earnings of the casino until December 31, 2030.

During fiscal 2015, Clairvest recorded \$0.3 million in interest income, which represents the portion payable in cash.

Also during fiscal 2015, management determined that the fair value of Casino New Brunswick should be adjusted upward by \$3.9 million. The fair value of \$8.3 million at March 31, 2015 compares to a fair value of \$4.4 million at March 31, 2014 and a cost of \$9.8 million. The increase in fair value was due to improved operating performance and reduced leverage.

Subsequent to year end, Clairvest announced an agreement for the sale of Casino New Brunswick as described in the Outlook section of the MD&A.

Chilean Gaming Holdings

At March 31, 2015 and 2014, Clairvest owned 30,446,299 limited partnership units in Chilean Gaming Holdings, representing a 36.8% ownership interest on a fully diluted basis.

During fiscal 2015, Clairvest earned dividends totaling \$1.0 million through its interest in Chilean Gaming Holdings, bringing total dividends earned to March 31, 2015 to \$9.0 million.

Also during fiscal 2015, management determined that the fair value of Chilean Gaming Holdings should be adjusted upward by \$4.9 million. The fair value of \$34.7 million at March 31, 2015 compares to a fair value of \$29.4 million at March 31, 2014 and a cost of \$28.7 million. The increase in fair value was due to improved operating performance and the fair value is adjusted for foreign exchange fluctuations.

Light Tower Rentals

At March 31, 2014, Clairvest owned 5,841,250 Series A convertible preferred shares and 8,428,387 common shares in Light Tower Rentals.

During fiscal 2015, Light Tower Rentals, completed a series of financing transactions. In July 2014, Light Tower Rentals completed a refinancing which included a US\$330 million bond offering and a subsequent redemption of common shares to repatriate funds back to its owners. As part of this transaction, Clairvest converted the 5,841,250 preferred shares it held to 5,841,250 common shares of Light Tower Rentals on a one-to-one basis such that it held 14,269,637

MANAGEMENT'S DISCUSSION AND ANALYSIS

common shares immediately after the conversion, 7,284,322 of which were redeemed subsequent to the conversion for gross proceeds of \$26.9 million. Subsequently in August 2014, Light Tower Rentals finalized its recapitalization by adding a group of institutional equity investors. As part of this transaction, Clairvest purchased 157,003 additional common shares of Light Tower Rentals for \$0.3 million prior to a second redemption of common shares from Light Tower Rentals. Subsequent to the purchase, Light Tower Rentals redeemed 3,156,714 common shares from Clairvest for gross proceeds of \$13.8 million. In aggregate, Clairvest recorded a \$14.4 million net realized gain and a \$5.8 million reduction to its investment in Light Tower Rentals during fiscal 2015.

At March 31, 2015, Clairvest owned 3,985,604 common shares in Light Tower Rentals, representing a 6.7% ownership interest on a fully diluted basis.

The fair value of \$11.6 million at March 31, 2015 compares to a cost of \$2.4 million. The fair value is adjusted for foreign exchange fluctuations.

LSNE

At March 31, 2015 and 2014, Clairvest owned 6,406,000 Series A 10% cumulative preferred shares, 1,250,000 Series B 10% cumulative preferred shares and US\$0.4 million in demand promissory notes in LSNE. The Series A 10% cumulative preferred shares are convertible into a 12.3% ownership interest on a fully diluted basis and the demand promissory notes have a stated interest rate of 10% per annum.

The fair value of \$9.4 million at March 31, 2015 compares to a fair value of \$8.2 million at March 31, 2014 and a cost of \$7.5 million. The fair value is adjusted for foreign exchange fluctuations.

Clairvest had also advanced short-term, working capital loans totaling US\$0.8 million to LSNE which is included in accounts receivable.

INVESTMENTS MADE THROUGH CEP IV CO-INVEST ALONGSIDE CEP IV

Centaur Gaming

At March 31, 2015 and 2014, Clairvest held US\$13.6 million in term loans with stapled warrants which are convertible upon exercise to 9.9% of Class A and B units in Centaur Gaming.

The fair value of \$50.4 million at March 31, 2015 compares to a fair value of \$39.8 million at March 31, 2014 and a cost of \$14.6 million. The increase in fair value was due to improved operating performance and reduced debt levels. The fair value is adjusted for foreign exchange fluctuations.

Cieslok

At March 31, 2015 and 2014, Clairvest owned 4,014,989 common shares in Cieslok, representing a 24.0% ownership interest on a fully diluted basis.

The fair value of \$7.4 million at March 31, 2015 compares to a fair value of \$4.0 million at March 31, 2014 and a cost of \$4.0 million. The increase in fair value was due to improved operating performance.

County Waste

At March 31, 2014, Clairvest owned 4,539.62 Class B units and US\$1.9 million in convertible debentures in County Waste. The convertible debentures had a stated interest rate of 10% per annum.

During fiscal 2015, Clairvest acquired an additional 1,942.66 Class B units in County Waste. The acquisition was funded by a \$0.3 million follow-on investment and a \$1.9 million partial conversion of principal and accrued interest from the convertible debentures. The remaining principal of \$0.2 million were repaid by County Waste in cash.

At March 31, 2015, Clairvest held 6,482.28 Class B units in County Waste representing a 12.5% ownership interest on a fully diluted basis.

The fair value of \$8.2 million at March 31, 2015 compares to a cost of \$6.7 million. The fair value is adjusted for foreign exchange fluctuations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CRS

At March 31, 2014, Clairvest owned 10,572,805 Class C limited partnership units in CRS.

During fiscal 2015, Clairvest exercised its right to purchase Class B limited partnership units in CRS from a departing unitholder of CRS at a pre-determined price. Clairvest purchased 199,990 Class B units in CRS at \$0.2 million which was funded by a return of capital from CRS.

At March 31, 2015, Clairvest held 199,990 Class B units and 10,572,805 Class C units in CRS, representing a 13.4% ownership interest on a fully diluted basis.

The fair value of \$17.0 million at March 31, 2015 compares to a fair value of \$12.5 million at March 31, 2014 and a cost of \$10.6 million. The increase in fair value was due to improved operating performance.

Also during fiscal 2015, Clairvest earned \$0.4 million in distributions from CRS. As a result of CRS' flow-through status for tax purposes, Clairvest incurred income tax obligations totaling \$0.4 million as a result of its investment in CRS.

Davenport Land Investments

During fiscal 2015, Clairvest invested \$1.6 million for an 18.7% ownership in Davenport North and \$1.5 million for a 23.0% ownership interest in Davenport South. Clairvest had also advanced a US\$0.6 million non-interest bearing loan to a partner to help fund its 50% ownership in Davenport North.

During fiscal 2015, Davenport South sold certain real estate and distributed pre-tax proceeds of US\$0.6 million to Clairvest.

The fair value of \$3.5 million at March 31, 2015 compares to a cost of \$3.1 million. The fair value is adjusted for foreign exchange fluctuations.

Subsequent to year end, Davenport South sold additional real estate and distributed pre-tax proceeds of US\$0.8 million to Clairvest.

Discovery Air

At March 31, 2014, Clairvest held \$28.0 million in secured convertible debentures ["Debentures"] and owned 53,997 common shares in Discovery Air. The principal amount of the Debentures was \$22.0 million with a stated interest rate of 10% per annum.

During fiscal 2015, Clairvest invested an additional \$7.5 million for 19,755,918 common shares in Discovery Air. Also during fiscal 2015, Discovery Air made a \$1.6 million payment against the Debentures.

At March 31, 2015 Clairvest held 19,809,915 common shares representing an ownership interest of 24.2% on a fully diluted basis and Debentures with a gross accrued value of \$28.5 million which are convertible into an additional 2,775,218 common shares of Discovery Air at a conversion price of \$10.51 per share. At March 31, 2015, the closing quoted market price of a Discovery Air common share was \$0.23 per share.

The fair value of \$33.0 million at March 31, 2015 compares to a cost of \$29.6 million, with the difference being attributable to accrued interest on the Debentures net of the decrease in the trading price of the common shares.

Also during fiscal 2015, Clairvest also advanced \$1.7 million to Discovery Air in the form of a promissory note during fiscal 2015 and an additional \$5.4 million in promissory notes subsequent to year end. These promissory notes bear interest at 8.0% per annum and are repayable on or before July 9, 2015.

Subsequent to year end, Clairvest purchased an additional 1,455,500 common shares of Discovery Air at a cost of \$0.4 million. The additional subscription increased Clairvest's ownership interest in Discovery Air to 25.9% on a fully diluted basis.

Also subsequent to year end, the maturity date of the Debentures were extended to September 30, 2017.

Linen King

At March 31, 2015 and 2014, Clairvest owned 2,529,209 Class A units in Linen King representing an 21.7% ownership interest on a fully diluted basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The fair value of \$0.8 million at March 31, 2015 compares to a fair value of \$0.7 million at March 31, 2014 and a cost of \$2.5 million. The fair value is adjusted for foreign exchange fluctuations.

MAG

At March 31, 2014, Clairvest owned 23,822 Class A stock in MAG. The Class A stock have a stated dividend rate of 10% per annum and each Class A stock is convertible into 1.0114 common stock of MAG.

During fiscal 2015, Clairvest invested an additional \$0.3 million to acquire 2,677 Class A stock in MAG.

At March 31, 2015, Clairvest owned 26,499 Class A stock in MAG.

The fair value of \$4.0 million at March 31, 2015 compares to a cost of \$2.8 million, with the difference being attributable to accrued dividends on the Class A stock and is adjusted for foreign exchange fluctuations.

Additionally, Clairvest had advanced working capital loans totaling \$0.9 million to a Canadian subsidiary of MAG ["MAG Canada"] which is included in loans receivable. Subsequent to year end, these loans have been repaid in full.

The Meadowlands

At March 31, 2015 and 2014, Clairvest held US\$5.4 million in secured convertible debentures in the Meadowlands which accrue interest at a rate of 15% per annum, 10% of which is payable quarterly in cash and 5% accrued quarterly. Clairvest also held warrants which entitle it to invest in equity securities of the Meadowlands subject to certain conditions.

The fair value of \$7.9 million at March 31, 2015 compares to a fair value of \$6.3 million at March 31, 2014 and a cost of \$5.6 million. The increase in fair value was due to accrued but unpaid interest on the debentures. The fair value is adjusted for foreign exchange fluctuations.

Rivers Casino

At March 31, 2015 and 2014, Clairvest owned 9,021,917 units in Rivers Casino representing a 5.0% ownership on a fully diluted basis.

During fiscal 2015, Clairvest earned \$4.5 million in quarterly distributions and \$0.5 million in quarterly fees from Rivers Casino. As a result of Clairvest's investment in Rivers Casino requiring certain acquisition entities in the United States, Clairvest, through its acquisition entities, incurred U.S. income tax obligations totaling \$1.5 million during fiscal 2015.

The fair value of \$25.4 million at March 31, 2015 compares to a fair value of \$21.8 million at March 31, 2014 and a cost of \$7.5 million. The fair value is adjusted for foreign exchange fluctuations.

Winters Bros. of CT

At March 31, 2015 and 2014, Clairvest owned 76,284.8 Class C units in Winters Bros. of CT, representing a 13.4% ownership interest on a fully diluted basis.

The fair value of \$9.7 million at March 31, 2015 compares to a fair value of \$8.4 million at March 31, 2014 and a cost of \$8.1 million. The fair value is adjusted for foreign exchange fluctuations.

INVESTMENTS MADE THROUGH CEP V CO-INVEST ALONGSIDE CEP V

Winters Bros. of LI

During fiscal 2015, Clairvest and MIP V invested \$7.2 million and \$2.4 million respectively for 1,398,507 Class C units in Winters Bros. of LI, representing a 14.0% ownership interest on a fully diluted basis. Clairvest is entitled to the realizable value of the \$2.4 million invested by MIP V as described in note 5[i] to the consolidated financial statements.

The fair value of \$9.7 million at March 31, 2015 compares to a cost of \$7.2 million. The fair value is adjusted for foreign exchange fluctuations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OTHER INVESTMENTS

Wellington Fund III / IV

At March 31, 2014, Clairvest, as a limited partner, had funded \$13.8 million of its \$25.1 million commitment in Wellington Fund IV.

During fiscal 2015, Clairvest funded an additional \$0.5 million to Wellington Fund IV bringing total amount funded to \$14.3 million. Clairvest also purchased a \$0.1 million commitment from a limited partner of Wellington Fund IV for \$0.1 million increasing its commitment in Wellington Fund IV to \$25.2 million.

At March 31, 2015, Clairvest, as a limited partner, had funded \$14.4 million of its \$25.2 million commitment to Wellington Fund IV. Clairvest is also entitled to participate in the profits received by the General Partner of Wellington Fund III/IV. At March 31, 2015, Clairvest has received income distributions totaling \$3.3 million from Wellington Fund IV and its General Partner, bringing the net cash investment to \$11.1 million. In addition, Clairvest received distributions from Wellington Fund III totaling \$9.3 million to March 31, 2015, and is entitled to future profits of up to \$0.5 million based on the value of the remaining assets of Wellington Fund III at March 31, 2015.

The fair value of \$18.1 million at March 31, 2015 reflects management's estimated realizable value of Clairvest's entitlement as a limited partner and a general partner of Wellington Fund III and IV.

Subsequent to year end, an additional \$0.4 million was funded to Wellington Fund IV.

LIABILITIES

Total liabilities at March 31, 2015 of \$59.3 million included \$6.9 million in accrued management and director compensation, \$24.5 million in share-based compensation, \$12.3 million in derivative instruments liability and \$8.3 million in deferred tax liability.

MANAGEMENT'S REPORT

The accompanying consolidated financial statements of Clairvest Group Inc. were prepared by management, which is responsible for the integrity and fairness of the financial information presented. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards. The financial information contained elsewhere in the annual report has been reviewed to ensure consistency with the consolidated financial statements.


Management maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded, that transactions are properly authorized and that financial records are properly maintained to facilitate the preparation of financial statements in a timely manner. Under the supervision of Management, an evaluation of the effectiveness of the Company's internal control over financial reporting was carried out for the year ended March 31, 2015. Based on that evaluation, Management concluded that the Company's internal control over financing reporting was effective for the year ended March 31, 2015.

The Board of Directors carries out its responsibility for the consolidated financial statements in this annual report principally through its Audit Committee. The Audit Committee, which comprised three non-management Directors during the year ended March 31, 2015, meets periodically with management and with external auditors to discuss the scope and results with respect to financial reporting of the Company. The Audit Committee has reviewed the consolidated financial statements with management and with the independent auditors. The consolidated financial statements have been approved by the Board of Directors on the recommendation of the Audit Committee.

Ernst & Young LLP, appointed external auditors by the shareholders, have audited the consolidated financial statements and their report is included herewith.



B. Jeffrey Parr
Co-Chief Executive Officer
and Managing Director



Daniel Cheng
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CLAIRVEST GROUP INC.

We have audited the accompanying consolidated financial statements of **Clairvest Group Inc.**, which comprise the consolidated statements of financial position as at March 31, 2015 and 2014, and April 1, 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended March 31, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Clairvest Group Inc.** as at March 31, 2015 and 2014, and April 1, 2013, and its financial performance and its cash flows for the years ended March 31, 2015 and 2014 in accordance with International Financial Reporting Standards.

Toronto, Canada,
June 24, 2015


Chartered Professional Accountants
Licensed Public Accountants

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31

\$000's	2015	2014 [Note 3]	As at April 1, 2013 [Note 3]
ASSETS			
Cash and cash equivalents [notes 4, 14, 17 and 18]	\$ 98,644	\$ 51,797	\$ 112,969
Temporary investments [notes 4, 17 and 18]	58,511	62,995	59,708
Accounts receivable and other assets [notes 5[s], 8[g] and 17]	15,055	11,520	12,197
Loans receivable [notes 5, 8 and 17]	11,451	38,256	14,151
Income taxes recoverable	120	6,937	4,681
Restricted temporary investments [notes 8[c] and 17]	—	—	5,425
Carried interest receivable [notes 5[a], 5[b], 5[d] and 5[e]]	53,738	56,370	36,724
Corporate investments [notes 8, 15[b] and 17]	291,421	244,029	210,235
Fixed assets [notes 5[v] and 9]	2,267	3,558	3,974
	\$ 531,207	\$ 475,462	\$ 460,064
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Accounts payable and accrued liabilities [note 5[v]]	\$ 1,820	\$ 2,278	\$ 2,697
Loans payable	—	237	41,258
Income taxes payable	69	39	1,941
Derivative instruments [note 15]	4,341	1,575	190
Accrued compensation expense [notes 13 and 16[h]]	6,935	5,395	3,983
Share-based compensation [note 13]	24,528	18,326	14,657
Management participation [note 5]	37,756	38,325	25,539
Deferred tax liability [note 11]	8,064	9,827	5,860
	\$ 83,513	\$ 76,002	\$ 96,125
Contingencies, commitments and guarantees [note 16]			
Shareholders' equity			
Share capital [note 12]	\$ 79,314	\$ 79,314	\$ 79,101
Retained earnings	368,380	320,146	284,838
	447,694	399,460	363,939
	\$ 531,207	\$ 475,462	\$ 460,064

See accompanying notes

On behalf of the Board:



MICHAEL BREGMAN
Director



JOSEPH J. HEFFERNAN
Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended March 31

\$000's [except per share information]	2015	2014 [Note 3]
REVENUE		
Net investment gains [notes 6 and 8]	\$ 37,471	\$ 38,927
Distributions and interest income [notes 5, 8 and 16[h]]	33,516	13,049
Net carried interest income [note 7]	31,361	20,248
Management fees [notes 5[e] and 5[h]]	648	621
Advisory and other fees [note 5[u]]	1,331	1,232
Realized gain on temporary investments	—	2,250
	104,327	76,327
EXPENSES		
Employee compensation and benefits [notes 13 and 16[h]]	14,822	8,586
Share-based compensation expenses [note 13]	8,566	5,742
Administration and other expense	3,922	4,221
Finance and foreign exchange expense [note 15]	1,366	843
Management participation [note 5]	20,359	13,087
	49,035	32,479
Income before income taxes	55,292	43,848
Income tax expense [note 11]	3,287	5,041
Net income and comprehensive income for the year	\$ 52,005	\$ 38,807
Basic net income and comprehensive income per share [note 12]	\$ 3.43	\$ 2.56
Fully diluted net income and comprehensive income per share [note 12]	\$ 3.43	\$ 2.56

See accompanying notes

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended March 31

\$000's	Share capital	Retained earnings	Total equity
As at April 1, 2014	\$ 79,314	\$ 320,146	\$ 399,460
Changes in equity			
Net income and comprehensive income for the year	—	52,005	52,005
	79,314	372,151	451,465
Dividends declared [\$0.2492 per share]	—	[3,771]	[3,771]
As at March 31, 2015	\$ 79,314	\$ 368,380	\$ 447,694
As at April 1, 2013	\$ 79,101	\$ 284,838	\$ 363,939
Changes in equity			
Net income and comprehensive income for the year	—	38,807	38,807
	79,101	323,645	402,746
Dividends declared [\$0.2312 per share]	—	[3,499]	[3,499]
Issue of shares on exercise of stock options [note 12]	213	—	213
As at March 31, 2014 [note 3]	\$ 79,314	\$ 320,146	\$ 399,460

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31

\$000's	2015	2014 <i>[Note 3]</i>
OPERATING ACTIVITIES		
Net income and comprehensive income for the year	\$ 52,005	\$ 38,807
Add [deduct] items not involving a current cash outlay		
Amortization and impairment of fixed assets	1,372	532
Share-based compensation expense	6,202	3,811
Deferred income tax expense [recovered]	[1,763]	3,967
Net investment gains	[37,471]	[38,927]
Unrealized carried interest income and management participation	2,063	[6,861]
Non-cash items relating to foreign exchange forward contracts	3,742	1,549
Non-cash items relating to corporate investments	[1,053]	[537]
	25,097	2,341
Adjustments for:		
Net proceeds on sale [cost on acquisition] of temporary investments	4,484	[3,287]
Loans advanced [notes 5, 8[m] and 8[o]]	[84,273]	[129,659]
Receipt of loans advanced [notes 5 and 8[o]]	111,078	105,554
Loans received [note 5]	19,945	5,796
Repayment of loans received [note 5]	[20,182]	[46,817]
Cost on settlement of realized foreign exchange forward contracts	[976]	[82]
Decrease in restricted temporary investments	—	5,425
Acquisition of corporate investments	[19,066]	[3,534]
Proceeds on sale of corporate investments	144	884
Return of capital from corporate investments	10,054	8,239
	21,208	[57,481]
Net change in non-cash working capital balances related to operations [note 14]	4,394	[2,488]
Cash Provided by [used in] operating activities	50,699	[57,628]
INVESTING ACTIVITIES		
Purchase of fixed assets	[81]	[116]
Cash used in investing activities	[81]	[116]
FINANCING ACTIVITIES		
Cash dividends paid	[3,771]	[3,499]
Issuance of share capital [note 12]	—	71
Cash used in financing activities	[3,771]	[3,428]
NET INCREASE [DECREASE] IN CASH AND CASH EQUIVALENTS DURING THE YEAR	46,847	[61,172]
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	51,797	112,969
CASH AND CASH EQUIVALENTS, END OF YEAR [NOTE 14]	98,644	51,797
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest and distributions received	\$ 29,116	\$ 8,834
Income taxes paid	\$ 5,360	\$ 4,611
Interest paid, on gross basis	\$ 1,259	\$ 1,406

See accompanying notes

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1. NATURE OF ACTIVITIES

Clairvest Group Inc. ["Clairvest" or the "Company"] is a private equity investor publicly traded on the Toronto Stock Exchange ["TSX"] under symbol CVG. The Company, which operates in only one business segment, actively seeks to form mutually beneficial investments with entrepreneurial corporations. Clairvest invests its own capital, and that of third parties, through Clairvest Equity Partners Limited Partnership ["CEP"], Clairvest Equity Partners III Limited Partnership ["CEP III"], Clairvest Equity Partners IV Limited Partnership ["CEP IV"], Clairvest Equity Partners IV-A Limited Partnership ["CEP IV-A"], Clairvest Equity Partners V Limited Partnership ["CEP V"] and Clairvest Equity Partners V-A Limited Partnership ["CEP V-A"] [together, the "CEP Funds"]. Clairvest contributes financing and strategic expertise to support the growth and development of its indirect investee companies in order to create realizable value for all shareholders. Clairvest is incorporated under the laws of the Province of Ontario.

The Company's head office is located at 22 St. Clair Avenue East, Suite 1700, Toronto, Ontario, Canada, M4T 2S3.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and adoption of IFRS

In 2010, the Handbook of the Chartered Professional Accountants of Canada ["CPA Canada Handbook"] was revised to incorporate International Financial Reporting Standards ["IFRS"], and required publicly accountable enterprises to apply such standards for financial years beginning on or after January 1, 2011. Subsequently, the Canadian Accounting Standards Board ["AcSB"] approved a three-year deferral from IFRS adoption which allowed Canadian companies that applied Accounting Guideline 18 ["AcG-18"] to continue to use existing Canadian Generally Accepted Accounting Principles ["Canadian GAAP"] until fiscal years beginning on or after January 1, 2014. Accordingly, Clairvest adopted IFRS for fiscal year beginning April 1, 2014.

The consolidated financial statements of Clairvest are prepared in accordance with IFRS applicable to the preparation of financial statements, including International Accounting Standard 1, "*Presentation of Financial Statements*" ["IAS 1"] and IFRS 1, "*First-time Adoption of IFRS*" ["IFRS 1"]. The Company has consistently applied the same accounting policies used to prepare its opening IFRS consolidated statement of financial position as at April 1, 2013 throughout all periods presented in these consolidated financial statements, as if these policies had always been in effect.

These audited annual consolidated financial statements and related notes of Clairvest for the years ended March 31, 2015 and 2014 ["consolidated financial statements"] were authorized for issuance by the Board of Directors on June 24, 2015.

The consolidated financial statements have been presented on a historical cost basis, except for certain financial instruments that have been measured at fair value. The consolidated financial statements have been prepared on a going concern basis and are presented in Canadian dollars, which is the functional currency of the Company. All values are rounded to the nearest thousand dollars [\$000's], except where otherwise indicated.

Basis of consolidation

These consolidated financial statements have been prepared in accordance with IFRS 10, "*Consolidated Financial Statements*" ["IFRS 10"], as issued by the International Accounting Standards Board ["IASB"] and include the accounts of the Company and its consolidated subsidiaries. As discussed under critical accounting estimates and judgments, the Company has determined it meets the definition of an investment entity.

[I] Consolidated subsidiaries

In accordance with IFRS 10, subsidiaries are those entities that provide investment-related services and that the Company controls by having the power to govern the financial and operating policies of the entity. Such entities would include those which earn priority distributions or management fees and carried interest from the CEP Funds. All intercompany amounts and transactions amongst these consolidated entities have been eliminated upon consolidation. The existence and effect of potential voting rights that are currently exercisable and shareholder agreements are considered when assessing whether

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the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Corporation and are subsequently deconsolidated from the consolidated financial statements on the date that control ceases.

The following entities, which are significant in nature, provide investment-related services on behalf of the Company.

- Clairvest GP Manageco Inc.
- Clairvest GP [GPLP] Inc.
- CEP MIP GP Corporation
- Clairvest USA Limited
- Clairvest General Partner Limited Partnership
- Clairvest General Partner III Limited Partnership
- Clairvest General Partner IV Limited Partnership
- Clairvest General Partner V Limited Partnership
- PGO Aviation LP

[II] Interests in unconsolidated subsidiaries ["acquisition entities"]

In accordance with IFRS 10, interests in subsidiaries other than those that provide investment-related services are accounted for at fair value through profit or loss rather than consolidating them in accordance with the amendments for investment entities under IFRS 10. Investment entities under IFRS 10 are defined as those that "obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis."

The following entities, which are significant in nature, are controlled by Clairvest either directly or indirectly and are used as acquisition entities of the Company ["controlled acquisition entities"]. Accordingly, they are accounted for at fair value through profit or loss. These entities' principal place of business is in Canada.

- 2141788 Ontario Corporation ["2141788 Ontario"]
- CEP III Co-Investment Limited Partnership ["CEP III Co-Invest"]
- MIP III Limited Partnership ["MIP III"]
- CEP IV Co-Investment Limited Partnership ["CEP IV Co-Invest"]
- MIP IV Limited Partnership ["MIP IV"]
- CEP V Co-Investment Limited Partnership ["CEP V Co-Invest"]
- MIP V Limited Partnership ["MIP V"]

The Company may also use intermediate subsidiaries whose sole purpose is to hold investments for the Company and therefore not included in the listing above.

[III] Interests in the CEP Funds

Clairvest manages and invests alongside the CEP Funds, which meet the definition of structured entities under IFRS. Clairvest provides loans to and earns priority distributions or management fees and carried interest from the CEP Funds, which are further described in *note 5*. The Company concluded that its ownership interest in the CEP Funds do not meet the definition of control under IFRS. Accordingly, the financial positions and operating results of the CEP Funds are not included in Clairvest's consolidated financial statements.

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Summary of significant accounting policies

The Company has consistently applied the following accounting policies throughout all periods presented in these consolidated financial statements, as if these policies had always been in effect.

[a] Classification and recognition of financial instruments

In accordance with IAS 39, "*Financial Instruments: recognition and measurement*", financial assets and financial liabilities are classified at initial recognition into the following categories:

Financial assets and liabilities at fair value through profit or loss ["FVTPL"]

This category is further divided into the following:

Financial instruments classified as Held For Trading: Financial assets and liabilities are classified as Held For Trading if they are acquired for the purpose of selling and/or repurchasing in the near term, and are acquired principally for the purpose of generating a profit from short-term fluctuations in price. Derivative instruments are classified as Held For Trading. The Company does not apply hedge accounting to its derivative instruments.

Financial instruments designated as FVTPL through inception: Cash equivalents, temporary investments, and corporate investments are designated as fair value through profit or loss upon initial recognition. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company includes in this category receivable balances relating to indirect investee companies and the CEP Funds as well as other short-term receivables.

Other financial liabilities

This category includes all financial liabilities, other than those classified as fair value through profit or loss. The Company includes in this category amounts relating to accounts payable and loans payable.

[b] Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

[c] Temporary investments and corporate investments

The Company carries its temporary investments and its corporate investments at fair value. When a financial instrument is initially recognized, its fair value is generally the value of consideration paid or received. Acquisition costs relating to corporate investments are not included as part of the cost of the investment. Subsequent to initial recognition, for the fair value of an investment quoted on an active market, the fair value is generally the closing bid price on the principal exchange on which the investment is traded. Investments that are escrowed or otherwise restricted as to sale or transfer are recorded at a value which takes into account the escrow terms or other restrictions. In determining the fair value for such investments, the Company considers the nature and length of the restriction, business risk of the investee company, its stage of development, market potential, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. The amounts at which Clairvest's publicly traded investments could be disposed of may differ from this fair value and the differences could be material. Differences could arise as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Estimated costs of disposition are not included in the fair value determination.

In the absence of an active market, the fair values are determined by management using the appropriate valuation methodologies after considering the history and nature of the business, operating results and financial conditions, the general economic, industry and market conditions, capital market and transaction market conditions, contractual rights relating to the investment, public market comparables, private company transactions multiples and, where applicable, other pertinent considerations. The process of valuing investments for which no active market exists is inevitably based

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on inherent uncertainties and the resulting values may differ from values that would have been used had an active market existed. The amounts at which Clairvest's privately held investments could be disposed of may differ from the fair value assigned and the differences could be material. Estimated costs of disposition are not included in the fair value determination.

In determining the fair value of public company warrants, the underlying security of which is traded on a recognized securities exchange, if there are sufficient and reliable observable market inputs, including exercise price and term of the warrants, market interest rate, and current market price, expected dividends and volatility of the underlying security, a valuation technique is used. If market inputs are insufficient or unreliable, the warrants are valued at intrinsic value, which is equal to the higher of the closing bid price of the underlying security, less the exercise price of the warrant, or nil. For private company warrants, the underlying security of which is not traded on a recognized securities exchange, the fair value is determined consistently with other investments which do not have an active market as described above.

[d] **Foreign currency translation**

Income and expenses denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated into Canadian dollars using exchange rates in effect at the consolidated statements of financial position dates. Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate at the date of transaction. Non-monetary assets and liabilities that are carried at fair value are translated into Canadian dollars using exchange rates at the date the fair value was determined. Exchange gains and losses are included in income in the period in which they occur. Foreign currency transaction gains and losses on financial instruments classified as FVTPL are included in the statement of comprehensive income as part of net investments gains.

[e] **Derivative instruments**

The Company and its controlled acquisition entities periodically enters into foreign exchange forward contracts to hedge its exposure to exchange rate fluctuations on its foreign currency denominated investments and loans. These foreign exchange forward contracts and, where applicable, their underlying investments and loans, are valued at exchange rates in effect at the consolidated statements of financial position dates.

Foreign exchange forward contracts entered into by the Company are included on the consolidated statements of financial position as derivative instruments and are valued at fair value representing the estimated amount that the Company would have been required to pay, or received, had the Company settled the outstanding contracts at the consolidated statement of financial position dates. Any unrealized gains or losses are included in finance and foreign exchange expense in the consolidated statements of comprehensive income.

Foreign exchange forward contracts entered into by the Company's controlled acquisition entities are included in the fair value determination of these acquisition entities.

[f] **Income recognition**

Realized gains or losses on disposition of corporate investments and change in unrealized gains or losses in the value of corporate investments are calculated based on weighted average cost and are included in net investment gains in the consolidated statements of comprehensive income. Management fees and advisory and other fees are recorded as income on an accrual basis when earned. Distributions and interest income are recognized on an accrual basis and dividend income is recognized on the ex-dividend date. Carried interest from the CEP funds are recognized on an accrual basis when estimated fair values of the underlying investments can be measured reliably.

[g] **Income taxes**

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates

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taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

The Company records deferred income tax expense or recovery using the asset and liability method. Under this method, deferred income taxes reflect the expected deferred tax consequences of temporary differences between the carrying amounts of assets and liabilities and their respective income tax bases, as well as certain carryforward items. Deferred income tax assets and liabilities are determined for each temporary difference based on the income tax rates that are expected to be in effect when the asset or liability is settled. Deferred income tax assets and liabilities are only recognized to the extent that, in the opinion of management, the most probable outcome is that the deferred income tax asset or liability will be realized.

[h] Stock-based compensation plan

The Company's stock option plan allows for a cash settlement of stock options. As the economics to choose cash or shares as settlement is the same for all holders, compensation expense is recognized and recorded as a liability based on the fair value of the outstanding stock options at the consolidated statements of financial position dates and the proportion of their vesting periods expected to elapse. Fair value is measured by use of an appropriate option pricing model. In valuing the Company's stock option plan, no consideration is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company. On the exercise of stock options for shares, the liability recorded with respect to the options and consideration paid by the employees is credited to share capital. On the exercise of stock options for cash, the liability recorded is reduced and any difference between the liability accrued and the amount paid is charged to share-based compensation expense.

[i] Deferred share unit plan

Directors of the Company may elect to receive all or a portion of their compensation in deferred share units ["DSUs"]. On the date directors' fees are payable, the number of DSUs granted to a participant is determined by dividing the amount of the fees to be received by way of DSUs by the market value of a Clairvest common share on the TSX. Upon redemption of DSUs, the Company pays to the participant a lump sum cash payment equal to the number of DSUs to be redeemed multiplied by the market value of a Clairvest common share on the TSX on the redemption date. A participant may redeem his or her DSUs only following termination of board service.

Under the Company's DSU plan, a change in the fair value of the DSUs is charged to share-based compensation expense and recorded as a liability based on the number of DSUs outstanding at the consolidated statements of financial position dates multiplied by the market value of a Clairvest common share on the TSX at the consolidated statements of financial position dates.

Certain directors were also granted Appreciation Deferred Share Units ["ADSUs"] Upon redemption of the ADSUs, the Company pays to the participant a lump sum cash payment equal to the number of ADSUs to be redeemed multiplied by the difference between the market value of a Clairvest common share on the TSX on the redemption date and the market value of a Clairvest common share on the TSX on the grant date. A participant may redeem his or her ADSUs only following termination of board service. Under the Company's DSU plan, the fair value of the ADSUs is charged to share-based compensation expense and recorded as a liability based on the number of ADSUs outstanding at the consolidated statement of financial position dates multiplied by the difference between the market value of a Clairvest common share on the TSX at the consolidated statement of financial position dates and the market value of a Clairvest common share on the TSX on the grant date.

[j] Book value appreciation rights plan

The Company may elect to issue all or a portion of a participant's stock option grant by way of book value appreciation rights units ["BVARs"]. Upon redemption of BVARs, the Company pays to the participant a lump sum cash payment equal to the number of BVARs to be redeemed multiplied by the increase in book value per share between the grant date and the redemption date, and grossed up such that the participant's after-tax proceeds equate to an amount as if the proceeds were taxed at the capital gains rate. The BVARs vest over a five-year period and the participant may only

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redeem his or her BVARs at the earlier of [i] five years from the grant date or [ii] cessation of employment with the Company.

As the Company's BVAR plan is a cash settled plan, the fair value of the BVARs is charged to share-based compensation expense and recorded as a liability over the BVAR vesting period based on the book value per share at the consolidated statement of financial position date of the prior quarter.

[k] Fixed assets

Fixed assets are accounted for at cost less accumulated amortization. Leasehold improvements are amortized on a straight line basis over the lease term including reasonably assured renewal options. All other capital assets are amortized on a straight-line basis at the following rates per year:

Aircraft	10%
Computer equipment	30%
Computer software	50%
Furniture, fixtures and equipment	20%
Leasehold improvements	Term of lease

The Company assesses, at each reporting date, whether there is an indication that a fixed asset may be impaired. If any indication exists, the Company estimates the fixed asset's recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. When the carrying amount exceeds its recoverable amount, the fixed asset is considered impaired and is written down to its recoverable amount.

[l] Net income and comprehensive income per share

Basic net income and comprehensive income per share is determined by dividing net income and comprehensive income attributable to common shareholders by the weighted average number of common shares outstanding during the year. Fully diluted net income and comprehensive income per share are determined in accordance with the treasury stock method and is based on the weighted average number of common shares and dilutive common share equivalents outstanding during the year.

[m] Critical accounting estimates, assumptions and judgements

The preparation of consolidated financial statements in conformity with IFRS required management to make estimates, assumptions and judgements that affect the reported amounts. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates could materially differ from the related actual results. The following estimates, assumptions and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year:

Determination of investment entity

Judgment is required when making the determination that the Company meets the definition of an investment entity under IFRS. In accordance with IFRS 10, an investment entity is an entity that: "obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis." In addition, IFRS 10 clarifies that an investment entity may earn fee income from the provision of investment-related services to external parties. The Company has historically co-invested alongside third party capital in the CEP Funds that it manages. In determining its status as an investment entity, the Company has determined that fair value is the primary measurement attribute used to monitor and evaluate its investments.

Fair value of financial instruments

Certain financial instruments are recorded in the Company's consolidated statements of financial position at values that are representative of or approximate fair value. The fair value of a financial instrument that is traded in active markets at each reporting date is determined by reference to its quoted market price or dealer price quotations. The fair values

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of certain other financial instruments are determined using valuation techniques. By their nature, these valuation techniques require the use of estimates and assumptions. Changes in the underlying estimates and assumptions could materially impact the determination of the fair value of a financial instrument. Imprecision in determining fair value using valuation techniques may affect net investment gains reported in a particular period.

The Company assesses, at each reporting date, whether there is any objective evidence to revise the fair values of its financial instruments. The assessment of the fair value of a financial instrument requires significant judgment, where management evaluates, among other factors, the financial health and business outlook of their investees. Fair value information is presented in *note 18*.

Recognition of carried interest and corresponding expenses

The determination of the Company's unrealized carried interest receivable recorded on the consolidated statements of financial position is based on the fair values of the financial instruments held by the CEP Funds. As discussed previously, fair values of certain financial instruments are determined using valuation techniques and by their nature, the use of estimates and assumptions. Changes in the underlying estimates and assumptions could materially impact the determination of the fair value of these financial instruments. Imprecision in determining fair value using valuation techniques may affect the calculation of unrealized carried interest receivable and the resulting accrued liabilities for future payouts relating to these unrealized carried interest at the statement of financial position date.

Income taxes

The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. Judgment is required in determining whether deferred income tax assets should be recognized on the consolidated statements of financial position. Deferred income tax assets are recognized to the extent that the Company believes it is probable that the assets can be recovered. Furthermore, deferred income tax balances are recorded using enacted or substantively enacted future income tax rates. Changes in enacted income tax rates are not within the control of management. However, any such changes in income tax rates may result in actual income tax amounts that may differ significantly from estimates recorded in deferred tax balances.

3. TRANSITION TO IFRS

The Company has applied the provisions of IFRS 1 in these consolidated financial statements. IFRS 1 provides the framework for the first-time adoption of IFRS and specifies that, in general, an entity shall apply the principles under IFRS retrospectively. However, IFRS 1 also provides for certain voluntary and mandatory exceptions from full retrospective application. The only voluntary exemption adopted by the Company upon transition was the ability to designate a financial asset or financial liability at fair value through profit or loss upon transition to IFRS. All financial assets designated at FVTPL upon transition were previously carried at fair value under Canadian GAAP as required by AcG-18.

The effect of the Corporation's transition from Canadian GAAP to IFRS is set out in the following reconciliations and the footnotes that accompany such reconciliations.

[a] Consolidated financial statements

Under Canadian GAAP, the Company consolidated its various acquisition entities that exist for investing purposes. All intercompany accounts and transactions were eliminated accordingly.

Under IFRS, the Company is required to fair value its acquisition entities which had previously been consolidated under AcG-18 as described in the preceding paragraph. As a result of this change, assets and liabilities which are held by these acquisition entities and which were previously presented as separate statement of financial position items are now included in the determination of fair value of the Company's corporate investments. Accounts and transactions between the current consolidated group of entities and these acquisition entities are no longer eliminated upon consolidation. The Company is required to consolidate limited partnerships that provide investment related services including those which the Company is not the sole partner. For those assets and liabilities which are consolidated from such partnerships, a liability which represents interests owned by outside parties is included as liabilities on the consolidated statements of financial position.

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[b] Share-based payments

Under Canadian GAAP, share-based compensation expense for the Company's stock option plan, was recognized and recorded as a liability based on the intrinsic value of the outstanding stock options at the consolidated statements of financial position dates and the proportion of their vesting periods that have elapsed.

In accordance with IFRS 2 "*Share-based Payment*", these expenses must be recognized and recorded in accordance with the prescribed graded vesting method which results in front-loading of expenses during the vesting period, as well as to measure the liability incurred at fair value by applying an appropriate option pricing model.

[c] Unrealized carried interest and corresponding management bonuses

Under Canadian GAAP, unrealized carried interest from the CEP Funds payable to Clairvest as described in *note 5* was not recognized as the realization events for these carried interest have not yet occurred. The unrealized carried interest was instead disclosed in the notes to the consolidated financial statements and not accrued for.

In accordance with IAS 18 "*Revenue*", the Company has chosen to recognize the unrealized carried interest from the CEP Funds since the amounts can be measured reliably based on the fair values of the CEP Funds' investments and receipt is probable.

Under the Company's Incentive Bonus Program [the "Bonus Program"], a bonus of 10% of after-tax cash income, including realized carried interest from the CEP Funds, and realizations on certain of Clairvest's corporate investments would be paid to management annually as applicable. Under Canadian GAAP, the bonus was accrued to the extent that cash income and investment realizations have occurred and the bonus has become payable. Additional bonuses resulting from the unrealized carried interest described above and from unrealized corporate investments calculated at their current fair values were disclosed in the notes to the consolidated financial statements instead of being accrued for as the realization events for these payments had not yet occurred.

In accordance with IAS 19 "*Employee Benefits*", the Company is required to accrue for future payouts under the Bonus Program even where the realization event for such payout has not yet occurred, including those which are only payable upon the receipt of certain proceeds which have not yet been received.

[d] Unrealized carried interest and management participation

Under Canadian GAAP, the Company applied AcG-18 and accordingly disregarded the assets, liabilities, revenues and expenses related to entitlements of partners of a limited partnership that are external to the consolidated group of the Company but where the partnership is required to be consolidated by the Company.

Under IFRS, the Company is required to consolidate these limited partnerships as described in *note 2[i]*. Accordingly, the Company has chosen to recognize that portion of the unrealized carried interest from the CEP Funds which are not payable to Clairvest and in accordance with IAS 32 "*Financial Instruments: Presentation*", recognized a liability ["management participation"] on the entitlements of the limited partners which are external to the Company.

The following tables reconcile [i] the consolidated statements of financial position as at March 31, 2014 and April 1, 2013; [ii] the consolidated statement of comprehensive income for the year ended March 31, 2014; and [iii] the consolidated statement of cash flow for the year ended March 31, 2014, as previously prepared under Canadian GAAP to the corresponding consolidated financial statements prepared in accordance with IFRS.

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Reconciliation of Canadian GAAP Consolidated Statement of Financial Position as at April 1, 2013 to IFRS

	Canadian GAAP	IFRS Translation Adjustments				IFRS
		Ref [a]	Ref [b]	Ref [c]	Ref [d]	
ASSETS						
Cash and cash equivalents	\$ 114,805	\$ [1,836]	\$ —	\$ —	\$ —	\$ 112,969
Temporary investments	59,708	—	—	—	—	59,708
Accounts receivable and other assets	9,609	2,588	—	—	—	12,197
Loans receivable	5,365	8,786	—	—	—	14,151
Income taxes recoverable	5,195	[514]	—	—	—	4,681
Restricted Temporary investments	5,425	—	—	—	—	5,425
Carried interest receivable	—	—	—	18,362	18,362	36,724
Corporate investments	176,390	26,668	—	—	7,177	210,235
Fixed assets	2,439	1,535	—	—	—	3,974
	\$ 378,936	\$ 37,227	\$ —	\$ 18,362	\$ 25,539	\$ 460,064
LIABILITIES AND SHAREHOLDERS' EQUITY						
Liabilities						
Accounts payable and accrued liabilities	\$ 1,248	\$ 1,449	\$ —	\$ —	\$ —	\$ 2,697
Loans payable	—	41,258	—	—	—	41,258
Income taxes payable	1,993	[52]	—	—	—	1,941
Derivative instruments	3,115	[2,925]	—	—	—	190
Accrued compensation expense	1,937	—	—	2,046	—	3,983
Share-based compensation	14,481	—	176	—	—	14,657
Management participation	—	—	—	—	25,539	25,539
Deferred tax liability	6,474	[2,503]	—	1,889	—	5,860
	29,248	37,227	176	3,935	25,539	96,125
Shareholders' equity						
Share capital	79,101	—	—	—	—	79,101
Retained earnings	270,587	—	[176]	14,427	—	284,838
	349,688	—	[176]	14,427	—	363,939
	\$ 378,936	\$ 37,227	\$ —	\$ 18,362	\$ 25,539	\$ 460,064

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Reconciliation of Canadian GAAP Consolidated Statement of Financial Position as at March 31, 2014 to IFRS

	Canadian GAAP	IFRS Translation Adjustments				IFRS
		Ref [a]	Ref [b]	Ref [c]	Ref [d]	
ASSETS						
Cash and cash equivalents	\$ 52,791	\$ [994]	\$ —	\$ —	\$ —	\$ 51,797
Temporary investments	62,995	—	—	—	—	62,995
Accounts receivable and other assets	12,413	[893]	—	—	—	11,520
Loans receivable	33,503	4,753	—	—	—	38,256
Income taxes recoverable	6,937	—	—	—	—	6,937
Carried interest receivable	—	—	—	28,185	28,185	56,370
Corporate investments	241,066	[7,177]	—	—	10,140	244,029
Fixed assets	2,069	1,489	—	—	—	3,558
	\$ 411,774	\$ [2,822]	\$ —	\$ 28,185	\$ 38,325	\$ 475,462
LIABILITIES AND SHAREHOLDERS' EQUITY						
Liabilities						
Accounts payable and accrued liabilities	\$ 789	\$ 1,489	\$ —	\$ —	\$ —	\$ 2,278
Loans payable	—	237	—	—	—	237
Income taxes payable	1,015	[976]	—	—	—	39
Derivative instruments	1,873	[298]	—	—	—	1,575
Accrued compensation expense	2,649	—	—	2,746	—	5,395
Share-based compensation	18,205	—	121	—	—	18,326
Management participation	—	—	—	—	38,325	38,325
Deferred tax liability	10,095	[3,274]	—	3,006	—	9,827
	34,626	[2,822]	121	5,752	38,325	76,002
Shareholders' equity						
Share capital	79,314	—	—	—	—	79,314
Retained earnings	297,834	—	[121]	22,433	—	320,146
	377,148	—	[121]	22,433	—	399,460
	\$ 411,774	\$ [2,822]	\$ —	\$ 28,185	\$ 38,325	\$ 475,462

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

Reconciliation of Canadian GAAP Consolidated Statement of Comprehensive Income for the year ended March 31, 2014

	Canadian GAAP	IFRS Translation Adjustments				IFRS
		Ref [a]	Ref [b]	Ref [c]	Ref [d]	
REVENUE						
Net investment gains	\$ 27,556	\$ 8,408	\$ —	\$ —	\$ 2,963	\$ 38,927
Distributions and interest income	20,965	[7,916]	—	—	—	13,049
Net carried interest income	300	—	—	9,824	10,124	20,248
Dividend income	1,619	[1,619]	—	—	—	—
Management fees	621	—	—	—	—	621
Advisory and other fees	1,719	[487]	—	—	—	1,232
Realized gain on temporary investments	2,250	—	—	—	—	2,250
	55,030	[1,614]	—	9,824	13,087	76,327
EXPENSES						
Employee compensation and benefits	[7,886]	—	—	—	[700]	[8,586]
Share-based compensation	[5,797]	—	55	—	—	[5,742]
Administration and other expense	[4,931]	710	—	—	—	[4,221]
Finance and foreign exchange expense	[759]	[84]	—	—	—	[843]
Management participation	—	—	—	—	[13,087]	[13,087]
	[19,373]	626	55	[700]	[13,087]	[32,479]
Income before income taxes	35,657	[988]	55	9,124	—	43,848
Income tax expense	[4,911]	988	—	[1,118]	—	[5,041]
Net income and comprehensive income for the year	\$ 30,746	\$ —	\$ 55	\$ 8,006	\$ —	\$ 38,807
Basic net income per share	\$ 2.03					\$ 2.56
Fully diluted net income per share	\$ 2.03					\$ 2.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

Reconciliation of Canadian GAAP Consolidated Statement of Cash Flows for the year ended March 31, 2014

	Canadian GAAP	IFRS Translation Adjustments				IFRS
		Ref [a]	Ref [b]	Ref [c]	Ref [d]	
OPERATING ACTIVITIES						
Net income for the year	\$ 30,746	\$ —	\$ 55	\$8,006	\$ —	\$ 38,807
Add [deduct] items not involving a current cash outlay:						
Amortization of fixed assets	439	93	—	—	—	532
Share-based compensation expense	3,866	—	[55]	—	—	3,811
Deferred income tax expense	3,621	[771]	—	1,117	—	3,967
Net investment gains	[27,556]	[8,408]	—	—	[2,963]	[38,927]
Unrealized carried interest income net of management participation	—	—	—	[9,824]	2,963	[6,861]
Non-cash items relating to foreign exchange forward contracts	9,431	[7,882]	—	—	—	1,549
Non-cash items relating to corporate investments	[11,453]	10,916	—	—	—	[537]
	9,094	[6,052]	—	[701]	—	2,341
Adjustments for:						
Net cost of acquisition of temporary investments	[3,287]	—	—	—	—	[3,287]
Loans advanced	[107,048]	[22,611]	—	—	—	[129,659]
Receipt of loans advanced	78,910	26,644	—	—	—	105,554
Loans received	—	5,796	—	—	—	5,796
Repayment of loans received	—	[46,817]	—	—	—	[46,817]
Cost of realization of foreign exchange forward contracts	[10,673]	10,591	—	—	—	[82]
Decrease in restricted temporary investments	5,425	—	—	—	—	5,425
Acquisition of corporate investments	[26,551]	23,017	—	—	—	[3,534]
Proceeds on sale of corporate investments	884	—	—	—	—	884
Return of capital from corporate investments	—	8,239	—	—	—	8,239
	[62,340]	4,859	—	—	—	[57,481]
Net change in non-cash working capital balances	[5,271]	2,082	—	701	—	[2,488]
Cash used in operating activities	[58,517]	889	—	—	—	[57,628]
INVESTING ACTIVITIES						
Purchase of fixed assets	[69]	[47]	—	—	—	[116]
Cash used in investing activities	[69]	[47]	—	—	—	[116]
FINANCING ACTIVITIES						
Cash dividends paid	[3,499]	—	—	—	—	[3,499]
Issuance of share capital	71	—	—	—	—	71
Cash used in financing activities	[3,428]	—	—	—	—	[3,428]
Net decrease in cash and cash equivalents	[62,014]	842	—	—	—	[61,172]
Cash and cash equivalents, beginning of year	114,805	[1,836]	—	—	—	112,969
Cash and cash equivalents, end of year	\$ 52,791	\$ [994]	\$ —	\$ —	\$ —	\$ 51,797

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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4. CASH EQUIVALENTS AND TEMPORARY INVESTMENTS

Cash equivalents consist of deposits in investment and money market savings accounts which have maturities of less than 90 days from the date of acquisition. The yield ranges between 0.2% and 1.1% per annum [March 2014 – between 1.2% and 1.4%; April 2013 – between 1.2% and 1.4%] with a weighted average rate of pre-tax return of 1.0% per annum [March 2014 – 1.3%; April 2013 – 1.2%].

Temporary investments consist of guaranteed investment certificates and corporate bonds and loans which have maturities greater than 90 days from the date of acquisition and through to February 2020. The yield on these investments ranges between 1.7% and 8.4% per annum [March 2014 – between 1.5% and 9.2%; April 2013 – between 1.7% and 9.2%] with a weighted average rate of pre-tax return of 4.5% per annum [March 2014 – 3.0%; April 2013 – 3.2%]. The composition of Clairvest's temporary investments at March 31 was as follows:

	March 31, 2015			March 31, 2014	April 1, 2013
	Due in 1 year or less	Due after 1 year	Total	Total	Total
Guaranteed investment certificates	\$ 25,663	\$ 12,625	\$ 38,288	\$ 50,453	\$ 44,335
Corporate bonds and loans	—	20,223 ^[1]	20,223	12,542 ^[1]	15,373 ^[1]
	\$ 25,663	\$ 32,848	\$ 58,511	\$ 62,995	\$ 59,708

^[1] In addition to the investment Clairvest made in Centaur Gaming as described in *note 8[h]*, Clairvest also made a treasury investment in Centaur Gaming during fiscal 2013 in the form of US\$6.0 million first lien secured loans and US\$6.0 million second lien secured loans. During fiscal 2015, the first lien loans were repaid in full and Clairvest purchased an additional US\$4.0 million in second lien loans. Also during fiscal 2015, Clairvest purchased US\$7.5 million in Light Tower Rentals corporate bonds for its treasury holdings. At March 31, 2015, Clairvest's treasury holdings included US\$7.5 million in Light Tower Rentals corporate bonds and US\$10.0 million in Centaur Gaming second lien loans and the fair market values were US\$5.9 million [C\$7.4 million] and US\$10.1 million [C\$12.8 million] [March 2014 – US\$6.0 million [C\$6.7 million]; April 2013 – US\$6.0 million [C\$6.1 million]] based on the respective last bid prices at March 31, 2015.

5. RELATED PARTY DISCLOSURES

Transactions with CEP Funds and acquisition entities

Investments in acquisition entities and investment-related transactions with acquisition entities are further described in *note 8*.

[a] The general partner of CEP ["CEP GP"], an entity which is controlled by Clairvest, is entitled to participate in distributions made by CEP equal to 20% of all net gains ["carried interest"] of CEP as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to principals and employees of Clairvest via a limited partnership ["Participation Partnership"], the general partner of which is Clairvest and the limited partners are principals and employees of Clairvest. The limited partners of Participation Partnership have purchased, at fair market value, units of the Participation Partnership. From time to time, additional units in Participation Partnership may be purchased by the limited partners of Participation Partnership. At March 31, 2015, CEP had declared and paid distributions to CEP GP totaling \$23.3 million [March 2014 – \$22.8 million; April 2013 – \$22.2 million], 50% of which or \$11.6 million [March 2014 – \$11.4 million; April 2013 – \$11.1 million] was ultimately paid to Clairvest and the other 50% or \$11.6 million [March 2014 – \$11.4 million; April 2013 – \$11.1 million] was ultimately paid to the limited partners of Participation Partnership. During fiscal 2015, \$0.1 million [2014 – \$0.2 million] was ultimately paid to key management.

At March 31, 2015, if CEP were to sell all of its corporate investments at their current fair values, CEP GP would receive up to \$1.8 million [March 2014 – \$1.4 million; April 2013 – \$2.0 million] in carried interest from CEP. As described in *notes 2[f] and 3*, Clairvest has recorded the \$1.8 million [March 2014 – \$1.4 million; April 2013 – \$2.0 million] as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of Participation Partnership, or \$0.9 million [March 2014 – \$0.7 million; April 2013 – \$1.0 million] recorded as a management participation liability on the consolidated statements of financial position.

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[b] As general partner of CEP III, Clairvest is entitled to a priority distribution from CEP III. Effective January 13, 2011, the priority distribution is calculated monthly as 0.1667% per annum of invested capital net of write-downs of capital then invested. The priority distribution is reduced to the extent of 75% of fees earned by Clairvest from corporate investments of CEP III. During fiscal 2015, CEP III declared to Clairvest priority distributions of \$1.4 million [2014 – \$1.6 million]. As per the Limited Partnership Agreement, fees of \$0.2 million [2014 – \$0.3 million] from corporate investments of CEP III were netted against the priority distributions.

The general partners of CEP III ["CEP III GP"] are entitled to a 20% carried interest in respect of CEP III as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to MIP III, the general partner of which is Clairvest and the limited partners of which are principals and employees of Clairvest. The limited partners of MIP III have purchased, at fair market value, units of the MIP III. From time to time, additional units in MIP III may be purchased by the limited partners of MIP III. At March 31, 2015, CEP III had declared and paid distributions to CEP III GP totaling \$33.3 million [March 2014 – nil; April 2013 – nil], 50% of which, or \$16.6 million [March 2014 – nil; April 2013 – nil], was ultimately paid to Clairvest and the other 50% or \$16.6 million [March 2014 – nil; April 2013 – nil] was ultimately paid to the limited partners of MIP III. During fiscal 2015, \$8.9 million [2014 – nil] was ultimately paid to key management.

At March 31, 2015, if CEP III were to sell all of its corporate investments at their current fair values, CEP III GP would receive up to \$21.9 million [March 2014 – \$33.8 million; April 2013 – \$23.2 million] in carried interest from CEP III. As described in *notes 2[f] and 3*, Clairvest has recorded the \$21.9 million [March 2014 – \$33.8 million; April 2013 – \$23.2 million] as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of MIP III, or \$11.0 million [March 2014 – \$16.9 million; April 2013 – \$11.6 million] recorded as a management participation liability on the consolidated statements of financial position.

[c] As described in *note 16[b]*, Clairvest is required to co-invest alongside CEP III in all investments undertaken by CEP III. CEP III Co-Invest was established in fiscal 2007 as the investment vehicle for this purpose. CEP III Co-Invest has three limited partners, Clairvest, 2141788 Ontario and MIP III. MIP III has invested \$1.1 million in CEP III Co-Invest and is entitled to an 8.25% carried interest in respect of CEP III Co-Invest. At March 31, 2015, CEP III Co-Invest had declared and paid distributions totaling \$4.1 million [March 2014 – nil; April 2013 – nil] to MIP III. During fiscal 2015, \$2.1 million [2014 – nil] was ultimately paid to key management.

Clairvest, as the general partner of MIP III, is entitled to participate in distributions equal to the realizable value on the \$1.1 million invested by MIP III in CEP III Co-Invest plus the first \$0.2 million in distributions received by the MIP III as described above, and any other distributions to MIP III are the entitlements of the limited partners of MIP III. At March 31, 2015, \$2.0 million [March 2014 – \$0.6 million; April 2013 – \$0.3 million] has been received by Clairvest.

At March 31, 2015, if CEP III Co-Invest were to sell its corporate investments at their current fair values, the limited partners of MIP III, via the general partner of CEP III Co-Invest, would receive up to \$4.7 million [March 2014 – \$5.5 million; April 2013 – \$4.7 million] in carried interest from CEP III Co-Invest based on the terms described above, the amount of which has been recorded as a management participation liability on the consolidated statements of financial position.

[d] As general partner of CEP IV, Clairvest is entitled to a priority distribution from CEP IV. Effective January 14, 2011 and to the date upon which consideration based on committed capital is payable in respect of CEP V [the "CEP IV Investment Termination Date"], the priority distribution is calculated monthly as 0.1667% per annum committed capital, and thereafter, 0.1667% per annum of invested capital net of write-downs of capital then invested. The priority distribution is reduced to the extent of 63.2% of any fees earned by Clairvest from corporate investments of CEP IV. As at March 31, 2015, the CEP IV Investment Termination Date has not been determined. During fiscal 2015, CEP IV declared to Clairvest priority distributions of \$5.4 million [2014 – \$5.4 million]. As per the Limited Partnership Agreement, fees of \$0.5 million [2014 – \$0.5 million] from corporate investments of CEP IV were netted against the priority distributions.

The general partners of CEP IV ["CEP IV GP"] are entitled to a 20% carried interest in respect of CEP IV as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is

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allocated to MIP IV, the general partner of which is Clairvest and the limited partners of which are principals and employees of Clairvest. The limited partners of MIP IV have purchased, at fair market value, units of the MIP IV. From time to time, additional units in MIP IV may be purchased by the limited partners of MIP IV. No carried interest has been declared and paid by CEP IV to CEP IV GP as at March 31, 2015.

At March 31, 2015, if CEP IV were to sell all of its corporate investments at their current fair values, CEP IV GP would receive up to \$24.6 million [March 2014 - \$17.8 million; April 2013 - \$9.8 million] in carried interest from CEP IV. As described in *notes 2[f] and 3*, Clairvest has recorded the \$24.6 million [March 2014 - \$17.8 million; April 2013 - \$9.8 million] as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of MIP IV, or \$12.3 million [March 2014 - \$8.9 million; April 2013 - \$4.9 million] recorded as a management participation liability on the consolidated statements of financial position.

[e] As manager of CEP IV-A, Clairvest is entitled to a management fee from CEP IV-A. Effective January 14, 2011 and to the date upon which consideration based on committed capital is payable in respect of CEP V-A [the "CEP IV-A Investment Termination Date"], the management fee is calculated monthly as 0.1667% per annum of committed capital, and thereafter, 0.1667% of invested capital net of write-downs of capital then invested. The management fee is reduced to the extent of 10.1% of fees earned by Clairvest from corporate investments of CEP IV-A and other amounts as provided in the Limited Partnership Agreement. As at March 31, 2015, the CEP IV Investment Termination Date has not been determined. During fiscal 2015, Clairvest earned management fees of \$0.6 million [2014 - \$0.6 million] as compensation for its services in the administration of the portfolio of CEP IV-A. As per the Limited Partnership Agreement, \$0.3 million [2014 - \$0.3 million] was netted against the management fees.

The general partner of CEP IV-A ["CEP IV-A GP"], an entity which is controlled by Clairvest, is entitled to a 20% carried interest in respect of CEP IV-A as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to MIP IV. No carried interest has been declared and paid by CEP IV-A to CEP IV-A GP as at March 31, 2015.

At March 31, 2015, if CEP IV-A were to sell all of its corporate investments at their current fair values, CEP IV-A GP would receive up to \$5.4 million [March 2014 - \$3.3 million; April 2013 - \$1.6 million] in carried interest from CEP IV-A. As described in *notes 2[f] and 3*, Clairvest has recorded the \$5.4 million [March 2014 - \$3.3 million; April 2013 - \$1.6 million] as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of MIP IV, or \$2.7 million [March 2014 - \$1.7 million; April 2013 - \$0.8 million] recorded as a management participation liability on the consolidated statements of financial position.

[f] As described in *note 16[c]*, Clairvest is required to co-invest alongside CEP IV and CEP IV-A in all investments undertaken by CEP IV and CEP IV-A. CEP IV Co-Invest was established in fiscal 2010 as the investment vehicle for this purpose. CEP IV Co-Invest has two limited partners, Clairvest and MIP IV. MIP IV has invested \$1.6 million in CEP IV Co-Invest and is entitled to an 8.25% carried interest in respect of CEP IV Co-Invest.

Clairvest, as general partner of MIP IV, is entitled to participate in distributions equal to the realizable value on the \$1.6 million invested by MIP IV in CEP IV Co-Invest plus the first \$0.4 million received by MIP IV as described above, and any other distributions to MIP IV are the entitlements of the limited partners of MIP IV. No amounts have been received by Clairvest at March 31, 2015.

At March 31, 2015, if CEP IV Co-Invest were to sell all of its corporate investments at their current fair values, MIP IV would receive up to \$6.2 million [March 2014 - \$4.7 million; April 2013 - \$2.5 million] in carried interest from CEP IV Co-Invest based on the terms described above, the amount of which has been recorded as a management participation liability on the statements of financial position. To date, CEP IV Co-Invest has not made any carried interest payments to MIP IV.

[g] As general partner of CEP V, Clairvest is entitled to a priority distribution from CEP V. The priority distribution calculated as follows: [i] from March 2, 2015 to the CEP IV Investment Termination Date, 0.1667% per annum of capital allocated to specifically identifiable investments net of any write-downs of capital invested; [ii] from the CEP IV Investment Termination Date to the fifth anniversary of the CEP IV Investment Termination Date, 0.1667% per annum

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of committed capital; and [iii] thereafter, 0.1667% per annum of invested capital net of write-downs of capital then invested. As at March 31, 2015, the CEP IV Investment Termination Date has not been determined. During fiscal 2015, CEP V declared to Clairvest priority distributions of \$30 thousand [2014 – nil].

The general partners of CEP V ["CEP V GP"] are entitled to a 20% carried interest in respect of CEP V as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to MIP V, the general partner of which is Clairvest and the limited partners of which are principals and employees of Clairvest. The limited partners of MIP V have purchased, at fair market value, units of the MIP V. From time to time, additional units in MIP V may be purchased by the limited partners of MIP V. No carried interest has been declared and paid by CEP V to CEP V GP as at March 31, 2015.

- [h] As manager of CEP V-A, Clairvest is entitled to a management fee from CEP V-A. The management fee calculated as follows: [i] from March 2, 2015 to the CEP IV-A Investment Termination Date, 0.1667% per annum of capital allocated to specifically identifiable investments net of any write-downs of capital invested; [ii] from the CEP IV-A Investment Termination Date to the fifth anniversary of the CEP IV-A Investment Termination Date, 0.1667% per annum of committed capital; and [iii] thereafter, 0.1667% per annum of invested capital net of write-downs of capital then invested. As at March 31, 2015, the CEP V-A Investment Termination Date has not been determined. During fiscal 2015, Clairvest earned management fees of \$6 thousand [2014 – nil] as compensation for its services in the administration of the portfolio of CEP V-A.

The general partner of CEP V-A ["CEP V-A GP"], an entity which is controlled by Clairvest, are entitled to a 20% carried interest in respect of CEP V-A as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to MIP V. No carried interest has been declared and paid by CEP V-A to CEP V-A GP as at March 31, 2015.

- [i] As described in *note 16[d]*, Clairvest is required to co-invest alongside CEP V and CEP V-A in all investments undertaken by CEP V and CEP V-A. CEP V Co-Invest was established in fiscal 2015 as an investment vehicle for this purpose. CEP V Co-Invest has three limited partners, Clairvest, 2141788 Ontario and MIP V. MIP V has invested \$2.4 million in CEP V Co-Invest and is entitled to an 8.25% carried interest in respect of CEP V Co-Invest.

Clairvest, as the general partner of MIP V, is entitled to participate in distributions equal to the realizable value on the \$2.4 million invested by MIP V in CEP V Co-Invest plus the first \$1.4 million received by MIP V as described above, and any other distributions to MIP V are the entitlements of the limited partners of MIP V. No amounts have been received by Clairvest at March 31, 2015.

- [j] At March 31, 2014, the Company had advanced to CEP III \$15.6 million in loans bearing interest at the prime rate in accordance with CEP III's Limited Partnership Agreement. During fiscal 2015, additional loans totaling \$2.5 million [2014 – \$19.2 million] were made by the Company to CEP III. Also during fiscal 2015, \$15.6 million [2014 – \$3.6 million] of these loans were repaid and the remaining \$2.5 million were transferred to an acquisition entity of Clairvest. Interest of \$0.1 million [2014 – \$0.1 million] was earned from loans to CEP III during fiscal 2015.
- [k] At March 31, 2014, CEP III Co-Invest had advanced \$0.2 million in non-interest bearing loans to Clairvest. During fiscal 2015, the Clairvest received additional loans of \$17.5 million from CEP III Co-Invest. All loans advanced by CEP III Co-Invest were repaid in full by Clairvest during fiscal 2015.
- [l] At March 31, 2014, the Company had advanced to CEP IV \$8.7 million in loans bearing interest at the Reference Rate in accordance with CEP IV's Limited Partnership Agreement. During fiscal 2015, additional loans totaling \$24.5 million [2014 – \$63.1 million] were made by the Company to CEP IV. Also during fiscal 2015, \$25.8 million [2014 – \$58.9 million] of these loans were repaid and a further \$4.0 million [2014 – nil] were transferred to an acquisition entity of Clairvest such that \$3.4 million [2014 – \$8.7 million] remained outstanding at March 31, 2015. Interest of \$0.7 million [2014 – \$0.3 million] was earned from loans to CEP IV during fiscal 2015.
- [m] At March 31, 2014, the Company had advanced to CEP IV-A \$0.8 million in loans bearing interest at the Reference Rate in accordance with CEP IV-A's Limited Partnership Agreement. During fiscal 2015, additional loans totaling \$3.8 million [2014 – \$8.8 million] were made by the Company to CEP IV-A. Also during fiscal 2015, \$4.0 million [2014 – \$8.7 million]

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of these loans were repaid such that \$0.6 million [2014 - \$0.8 million] remained outstanding at March 31, 2015. Interest of \$0.1 million [2014 - \$14 thousand] was earned from loans to CEP IV-A during fiscal 2015.

- [n] At March 31, 2014, the Company had advanced to CEP IV Co-Invest \$3.7 million in non-bearing interest loans. During fiscal 2015, additional loans totaling \$19.8 million [2014 - \$21.0 million] were made by the Company to CEP IV Co-Invest. Also during fiscal 2015, \$18.8 million [2014 - \$17.3 million] of these loans were repaid such that \$4.7 million [2014 - \$3.7 million] remained outstanding at March 31, 2015. Subsequent to year end, an additional \$0.5 million of these loans were repaid.
- [o] During fiscal 2015, the Company had advanced to CEP V \$18.9 million in loans bearing interest at the Reference Rate in accordance with CEP V's Limited Partnership Agreement. These loans were repaid in full during fiscal 2015. Interest of \$0.1 million was earned from loans to CEP V during fiscal 2015.
- [p] During fiscal 2015, the Company had advanced to CEP V-A \$3.6 million in loans bearing interest at the Reference Rate in accordance with CEP V-A's Limited Partnership Agreement. These loans were repaid in full during fiscal 2015. Interest of \$12 thousand was earned from loans to CEP V during fiscal 2015.
- [q] During fiscal 2015, MIP V advanced \$2.4 million in non-interest bearing loans to Clairvest which were repaid in full during fiscal 2015.
- [r] At March 31, 2014, the Company had advanced to 2141788 Ontario \$1.0 million in non-bearing interest loans. The loans were repaid in full during fiscal 2015.

Other related-party transactions

- [s] Included in accounts receivable and other assets at March 31, 2015 are share purchase loans made to certain officers of the Company totaling \$2.2 million [March 2014 - \$1.4 million; April 2013 - \$1.1 million]. The share purchase loans bear interest which is paid annually, have full recourse and are collateralized by the common shares of the Company purchased by the officers with a market value of \$3.2 million [March 2014 - \$2.1 million; April 2013 - \$1.4 million]. None of these loans were made to key management [March 2014 - \$0.2 million; April 2013 - \$0.3 million]. Also included in accounts receivable and other assets at March 31, 2015 are other loans made to certain officers of a company affiliated with Clairvest totaling \$0.5 million [March 2014 - \$0.6 million; April 2013 - \$0.6 million]. The loans to officers of the affiliated company bear interest which is paid quarterly. Loans are repayable upon departure of the officer. Interest of \$54 thousand [2014 - \$35 thousand] was earned on these loans during the year. Also included in accounts receivable and other assets were receivables as follows:

	March 31, 2015	March 31, 2014	April 1, 2013
Clairvest's direct and indirect investee companies	\$ 2,867	\$ 2,003	\$ 1,122
CEP	3	8	38
CEP III	1,036	2,575	1,607
CEP IV	6,205	3,459	3,242
CEP IV-A	264	493	528
CEP V	1,065	—	—
CEP V-A	189	—	—
	11,629	8,538	6,537
Other accounts receivables and prepaid expenses	647	777	3,970
Share purchase loans and loans to officers of affiliated company	2,779	2,205	1,690
	\$ 15,055	\$ 11,520	\$ 12,197

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Additionally, acquisition entities of the Company which were not consolidated by the Company as described in *note 8* held receivables from Clairvest's indirect investee companies totaling \$1.2 million [March 2014 – \$1.0 million, April 2013 - \$0.1 million].

- [t] During fiscal 2015, the Company had advanced to an acquisition entity of a co-investor of Discovery Air Inc. \$2.0 million in non-interest bearing loans which were repaid in full during fiscal 2015.
- [u] During fiscal 2015, Clairvest earned \$2.3 million [2014 – \$2.3 million] in distributions and interest income and \$1.3 million [2014 – \$1.2 million] in advisory and other fees from its indirect investee companies. Additionally, acquisition entities of the Company which were not consolidated by the Company as described in *note 8* earned \$8.5 million [2014 – \$8.1 million] in distributions and interest income, \$1.0 million [2014 – \$1.6 million] in dividend income and \$0.5 million [2014 – \$0.5 million] in advisory and other fees from its investee companies.
- [v] Clairvest, through PGO Aviation LP, has a 50% ownership in an aircraft where the other 50% ownership is held by a related party of Clairvest. Clairvest received 100% of the incidental rental income of the aircraft and is responsible for 100% of the operating expenses. In accordance with IFRS, Clairvest has recognized 100% of the net book value of the aircraft and a liability for the 50% ownership the Company does not own.

6. NET INVESTMENT GAINS

Net investment gains for the years ended March 31, 2015 and 2014 comprised the following:

	2015	2014
Net realized losses during the year [<i>note 8[b]</i>]	\$ [2,096]	\$ [5,111]
Previously recognized net unrealized losses [<i>note 8[b]</i>]	2,115	5,086
Net changes in unrealized gains during the year	37,452	38,952
	\$ 37,471	\$ 38,927

7. NET CARRIED INTEREST INCOME

Net carried interest income for the years ended March 31, 2015 and 2014 comprised the following:

	2015	2014
Realized carried interest income [<i>notes 5[a], 5[b] and 5[c]</i>]	\$ 33,991	\$ 600
Net changes in unrealized carried interest [<i>notes 5[a], 5[b], 5[d], and 5[e]</i>]	[2,630]	19,648
	\$ 31,361	\$ 20,248

8. CORPORATE INVESTMENTS

In accordance with IFRS 10, the fair value of the Company's corporate investments include the fair value of the net assets of its acquisition entities which are controlled by the Company. Accordingly, Clairvest's direct corporate investments comprise these acquisition entities which invest directly or indirectly in various investee companies.

2141788 Ontario, a limited partner of CEP III Co-Invest and CEP V Co-Invest, is a wholly-owned acquisition entity of Clairvest. Clairvest's relationship with CEP III Co-Invest and MIP III, CEP IV Co-Invest and MIP IV, and CEP V Co-Invest and MIP V are described in *notes 5[c], 5[f] and 5[i]* to the annual consolidated financial statements. During the year ended March 31, 2015, Clairvest made total investments of \$13.4 million [2014 – \$3.5 million] in CEP IV Co-Invest and \$3.6 million [2014 – nil] in CEP V Co-Invest. 2141788 and MIP V also made a \$3.6 million [2014 – nil] and \$2.4 million [2014 – nil] investment in CEP V Co-Invest respectively during fiscal 2015.

During fiscal 2015, CEP III Co-Invest received total net cash proceeds of \$79.6 million as a result of the realization events involving Kubra Data Transfer Ltd. ["Kubra"] and Light Tower Rentals Inc. ["Light Tower Rentals"] as described in *notes 8[e] and 8[f]*. CEP III Co-Invest returned \$10.1 million of capital to Clairvest and declared distributions totaling \$16.8

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million to Clairvest. CEP III Co-Invest also returned \$16.7 million and \$0.4 million and declared distributions totaling \$27.7 million and \$0.7 million to 2141788 Ontario and MIP III, respectively. CEP III Co-Invest also declared and paid \$4.1 million to the general partner, \$0.2 million of which was then declared and paid to the general partner of MIP III and \$3.9 million of which was then declared and paid to the limited partners MIP III as described in *note 5 [c]*.

Also during fiscal 2015, MIP III declared and paid distributions totaling \$1.4 million to Clairvest as described in *note 5[c]*. The following discloses Clairvest's direct investments and those made in acquisition entities which are controlled by Clairvest but which are not part of the consolidated group, and the holdings of the underlying investee companies held by these acquisition entities ["indirect investee companies"]:

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As at March 31, 2015

	Clairvest Group Inc.	2141788 Ontario	CEP III Co- Invest	MIP III	CEP IV Co- Invest	MIP IV	CEP V Co- Invest	MIP V	Total
Investments alongside CEP									
Grey Eagle Casino	2,709	-	-	-	-	-	-	-	2,709
Investments alongside CEP III									
Casino New Brunswick	-	5,111	3,089	124	-	-	-	-	8,324
Chilean Gaming Holdings	-	21,309	12,878	516	-	-	-	-	34,703
Light Tower Rentals Inc. ["Light Tower Rentals"]	-	7,141	4,315	173	-	-	-	-	11,629
Lyophilization Services of New England Inc. ["LSNE"]	-	5,760	3,481	139	-	-	-	-	9,380
Investments alongside CEP IV									
Centaur Gaming	-	-	-	-	49,380	975	-	-	50,355
Cieslok Media Inc. ["Cieslok"]	-	-	-	-	7,268	143	-	-	7,411
County Waste of Virginia, LLC ["County Waste"]	-	-	-	-	8,051	159	-	-	8,210
CRS Contractors Rental Supply Limited Partnership ["CRS"]	-	-	-	-	16,655	329	-	-	16,984
Davenport Land Investments	-	-	-	-	3,398	67	-	-	3,465
Discovery Air Inc. ["Discovery Air"]	-	-	-	-	32,396	640	-	-	33,036
Linen King, LLC ["Linen King"]	-	-	-	-	793	16	-	-	809
Momentum Aviation Group ["MAG"]	-	-	-	-	3,903	77	-	-	3,980
New Meadowlands Racetrack, LLC ["the Meadowlands"]	-	-	-	-	7,788	154	-	-	7,942
Rivers Casino	-	-	-	-	24,871	491	-	-	25,362
Winters Bros. Waste Systems of CT, LLC ["Winters Bros. of CT"]	-	-	-	-	9,475	187	-	-	9,662
Investments alongside CEP V									
Winters Bros. Waste Systems of Long Island Holdings, LLC ["Winters Bros. of LI"]	-	3,633	-	-	-	-	3,658	2,422	9,713
Wellington Financial Fund III/IV ["Wellington Fund III/IV"]	18,069	-	-	-	-	-	-	-	18,069
	20,778	42,954	23,763	952	163,978	3,238	3,658	2,422	261,743
Other Investments	1,616	-	-	-	-	-	-	-	1,616
Total [excluding net assets [liabilities] from acquisition entities]	22,394	42,954	23,763	952	163,978	3,238	3,658	2,422	263,359
Net assets [liabilities] from acquisition entities	-	20,572	12,472	500	[5,264]	[104]	[71]	[47]	28,062
Total	22,394	63,526	36,239	1,452	158,714	3,134	3,587	2,375	291,421

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As at March 31, 2014

	Clairvest Group Inc.	2141788 Ontario	CEP III Co- Invest	MIP III	CEP IV Co- Invest	MIP IV	Total
Investments alongside CEP							
Grey Eagle Casino	2,130	-	-	-	-	-	2,130
N-Brook Mortgage LP ["N-Brook"]	125	-	-	-	-	-	125
Investments alongside CEP III							
Casino New Brunswick	-	2,708	1,633	66	-	-	4,407
Chilean Gaming Holdings	-	18,079	10,905	437	-	-	29,421
Kubra	-	14,091	8,499	340	-	-	22,930
Light Tower Rentals	-	22,308	13,455	539	-	-	36,302
LSNE	-	5,031	3,035	121	-	-	8,187
Investments alongside CEP IV							
Centaur Gaming	-	-	-	-	38,870	925	39,795
Cieslok	-	-	-	-	3,922	93	4,015
County Waste	-	-	-	-	6,927	165	7,092
CRS	-	-	-	-	12,213	291	12,504
Discovery Air	-	-	-	-	27,421	653	28,074
Linen King	-	-	-	-	690	16	706
MAG	-	-	-	-	2,817	67	2,884
The Meadowlands	-	-	-	-	6,166	147	6,313
Rivers Casino	-	-	-	-	21,278	507	21,785
Winters Bros. of CT	-	-	-	-	8,237	196	8,433
Wellington Fund III/IV	15,542	-	-	-	-	-	15,542
	17,797	62,217	37,527	1,503	128,541	3,060	250,645
Other Investments	562	-	-	-	-	-	562
Total [excluding net assets [liabilities] from acquisition entities]	18,359	62,217	37,527	1,503	128,541	3,060	251,207
Net assets [liabilities] from acquisition entities	-	[2,645]	[1,596]	[64]	[2,806]	[67]	[7,178]
Total	18,359	59,572	35,931	1,439	125,735	2,993	244,029

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As at April 1, 2013

	Clairvest Group Inc.	2141788 Ontario	CEP III Co- Invest	MIP III	CEP IV Co- Invest	MIP IV	Total
Investments alongside CEP							
Grey Eagle Casino	2,431	-	-	-	-	-	2,431
Landauer Metropolitan Inc	25	-	-	-	-	-	25
N-Brook	713	-	-	-	-	-	713
Investments alongside CEP III							
Casino New Brunswick	-	1,504	908	36	-	-	2,448
Chilean Gaming Holdings	-	24,264	14,636	586	-	-	39,486
Kubra	-	7,791	4,699	188	-	-	12,678
Light Tower Rentals	-	15,104	9,111	365	-	-	24,580
LSNE	-	4,654	2,807	112	-	-	7,573
Investments alongside CEP IV							
Centaur Gaming	-	-	-	-	17,990	453	18,443
CRS	-	-	-	-	10,313	260	10,573
Discovery Air	-	-	-	-	24,895	626	25,521
Linen King	-	-	-	-	769	19	788
MAG	-	-	-	-	1,857	47	1,904
Rivers Casino	-	-	-	-	20,233	509	20,742
Wellington Fund III/IV	14,850	-	-	-	-	-	14,850
	18,019	53,317	32,161	1,287	76,057	1,914	182,755
Other Investments	812	-	-	-	-	-	812
Total [excluding net assets from acquisition entities]	18,831	53,317	32,161	1,287	76,057	1,914	183,567
Net assets from acquisition entities	-	3,993	2,409	97	19,674	495	26,668
Total	18,831	57,310	34,570	1,384	95,731	2,409	210,235

The following table details the assets and liabilities included in the determination of the fair value of the net assets [liabilities] of acquisition entities excluding the indirect investee companies held by these acquisition entities.

	March 31, 2015	March 31, 2014	April 1, 2013
Assets			
Cash	30,905	994	1,837
Accounts receivable and other assets	1,515	967	244
Loans receivable	15,217	7,065	41,258
	47,637	9,026	43,339
Liabilities			
Accounts payable and accrued liabilities	6,697	1,049	2,459
Loans payable	4,684	11,580	8,785
Derivative Instruments	7,998	299	2,924
Deferred tax liability	196	3,276	2,503
	19,575	16,204	16,671
Net assets [liabilities]	28,062	[7,178]	26,668

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Excluding the net assets from acquisition entities summarized in the table above, the difference between the cost and the fair value of the Company's indirect investee companies, are summarized below.

	March 31, 2015			March 31, 2014			April 1, 2013		
	Fair value	Cost	Difference	Fair value	Cost	Difference	Fair value	Cost	Difference
Investments alongside CEP									
Grey Eagle Casino	\$ 2,709	\$ 1	\$ 2,708	\$ 2,130	\$ 1	\$ 2,129	\$ 2,431	\$ 1	\$ 2,430
Landauer Metropolitan Inc.	—	—	—	—	—	—	25	5,111	[5,086]
N-Brook Mortgage LP	—	—	—	125	2,240	[2,115]	713	3,124	[2,411]
Investments alongside CEP III									
Casino New Brunswick	8,324	9,798	[1,474]	4,407	9,798	[5,391]	2,448	9,798	[7,350]
Chilean Gaming Holdings	34,703	28,754	5,949	29,421	28,754	667	39,486	28,725	10,761
Kubra	—	—	—	22,930	2,150	20,780	12,678	2,150	10,528
Light Tower Rentals	11,629	2,403	9,226	36,302	8,178	28,124	24,580	8,178	16,402
LSNE	9,380	7,451	1,929	8,187	7,451	736	7,573	7,451	122
Investments alongside CEP IV									
Centaur Gaming	50,355	14,644	35,711	39,795	14,644	25,151	18,443	14,644	3,799
Cieslok	7,411	4,015	3,396	4,015	4,015	—	—	—	—
County Waste	8,210	6,690	1,520	7,092	6,706	386	—	—	—
CRS	16,984	10,573	6,411	12,504	10,573	1,931	10,573	10,573	—
Davenport Land Investments	3,465	3,059	406	—	—	—	—	—	—
Discovery Air	33,036	29,606	3,430	28,074	22,045	6,029	25,521	22,045	3,476
Linen King	809	2,525	[1,716]	706	2,525	[1,819]	788	2,525	[1,737]
MAG	3,980	2,787	1,193	2,884	2,447	437	1,904	1,915	[11]
The Meadowlands	7,942	5,580	2,362	6,313	5,580	733	—	—	—
Rivers Casino	25,362	7,508	17,854	21,785	7,508	14,277	20,742	7,413	13,329
Winters Bros. of CT	9,662	8,053	1,609	8,433	8,053	380	—	—	—
Investments alongside CEP V									
Winters Bros. of LI	9,713	7,215	2,498	—	—	—	—	—	—
Wellington Fund III/IV	18,069	14,375	3,694	15,542	13,802	1,740	14,850	12,138	2,712
	261,743	165,037	96,706	250,645	156,470	94,175	182,755	135,791	46,964
Other investments	1,616	1,686	[70]	562	738	[176]	812	911	[99]
	\$ 263,359	\$166,723	\$ 92,636	\$ 251,207	\$157,208	\$ 93,999	\$ 183,567	\$136,702	\$ 46,865

The cost and fair value of indirect investee companies do not reflect foreign exchange gains or losses on the foreign exchange forward contracts entered into as economic hedges against these investments [note 15]. For those investments which are hedged by acquisition entities, the fair value of these foreign exchange forward contracts were included in the net assets [liabilities] of these acquisition entities. Details of each investment are described below.

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[a] Grey Eagle Casino

Grey Eagle Casino is a charitable casino on Tsuu T'ina First Nation reserve lands, located southwest of the City of Calgary, Alberta. At March 31, 2015, March 31, 2014 and April 1, 2013, Clairvest held units of a limited partnership which operates Grey Eagle Casino, entitling Clairvest to between 2.8% and 9.6% of the earnings of the casino until December 18, 2022.

During fiscal 2015, Clairvest earned \$0.8 million [2014 – \$0.3 million] in profit distributions from Grey Eagle Casino, bringing total profit distributions earned to March 31, 2015 to \$1.5 million [2014 – \$0.7 million].

[b] N-Brook

N-Brook originated, adjudicated and underwrote first-ranking mortgages on owner-occupied, residential real estate in Ontario, British Columbia and Alberta. During fiscal 2009, N-Brook management made the decision to wind down its mortgage portfolio.

At March 31, 2014, Clairvest had a net \$2.2 million [April 2013 – \$3.1 million] investment in N-Brook. During fiscal 2015, Clairvest received cash distributions totaling \$0.1 million from N-Brook and realized the investment. Clairvest recorded a realized gain of \$19 thousand during fiscal 2015. Over the life of this investment, Clairvest realized a \$2.1 million loss, all of which except for the \$19 thousand gain as described, had been previously recorded as unrealized losses.

[c] Casino New Brunswick

Casino New Brunswick is a gaming entertainment complex located in Moncton, New Brunswick. At March 31, 2015, March 31, 2014 and April 1, 2013, CEP III Co-Invest had invested \$9.8 million in Casino New Brunswick in the form of debentures with a stated interest at a rate of 6% per annum and units of a limited partnership which operates Casino New Brunswick, entitling CEP III Co-Invest to 22.5% of the earnings of the casino until December 31, 2030. Interest had been waived between March 1, 2011 and December 31, 2012 and resumed effective January 1, 2013, with 45% of the interest payable in cash and the remaining 55% payable in-kind.

At April 1, 2013, Clairvest had pledged a \$5.4 million temporary investment to a Schedule 1 Canadian chartered bank which has provided debt financing to Casino New Brunswick. During fiscal 2014, the pledge was no longer required and the restriction on the \$5.4 million temporary investment was released.

During fiscal 2015, CEP III Co-Invest recorded \$0.3 million [2014 – \$0.4 million] in net interest income, which represents the portion payable in cash.

Subsequent to year end, CEP III Co-Invest entered into an agreement to realize its 22.5% ownership interest in Casino New Brunswick. CEP III Co-Invest is expected to receive gross proceeds of approximately \$14 million. The proposed transaction is subject to the consent of the New Brunswick Lotteries and Gaming Corporation and requires regulatory approvals.

[d] Chilean Gaming Holdings

Chilean Gaming Holdings is a limited partnership which has a 50.0% ownership interest in Casino Marina del Sol in Concepcion, Chile, and a 48.8% ownership interest in each of Casino Osorno in Osorno, Chile, and Casino Sol Calama in Calama, Chile. At March 31, 2015, March 31, 2014 and April 1, 2013, CEP III Co-Invest owned 30,446,299 limited partnership units of Chilean Gaming Holdings, representing a 36.8% equity interest.

During fiscal 2015, CEP III Co-Invest earned dividends totaling \$1.0 million [2014 – \$1.6 million] through its investment in Chilean Gaming Holdings, bringing dividends earned to March 31, 2015 to \$9.0 million [2014 – \$8.0 million].

[e] Kubra

Kubra is a business process outsourcing company focused on print and electronic distribution of bills and fulfillment of related payments for high volume clients.

At March 31, 2014 and April 1 2013, CEP III Co-Invest owned 3,250,000 Class A voting common shares of Kubra, representing an 11.5% interest on a fully diluted basis.

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During fiscal 2015, CEP III Co-Invest sold its investment in Kubra and received proceeds of US\$35.7 million [C\$39.0 million], compared to a fair value of \$22.9 million at March 31, 2014. Over the life of the investment, CEP III Co-Invest received total cash proceeds of \$42.0 million against an investment cost of \$3.2 million.

[f] Light Tower Rentals

Light Tower Rentals is an oilfield equipment rental company operating in major oil and gas drilling basins in the United States.

At March 31, 2014 and April 1, 2013, CEP III Co-Invest owned 8,428,387 common shares and 5,841,250 Series A convertible preferred shares in Light Tower Rentals, representing a 12.5% [2013 – 12.6%] ownership interest on a fully diluted basis. Each preferred share was convertible into one common share and the conversion was at CEP III Co-Invest's discretion.

During fiscal 2015, Light Tower Rentals, completed a series of transactions to recapitalize its balance sheet. In July 2014, Light Tower Rentals completed a refinancing which included a US\$330 million bond offering and a subsequent redemption of common shares to repatriate funds back to its owners. As part of this transaction, CEP III Co-Invest converted the 5,841,250 preferred shares it held to 5,841,250 common shares of Light Tower Rentals on a one-to-one basis such that it held 14,269,637 common shares immediately after the conversion, 7,284,322 of which were redeemed subsequent to the conversion for gross proceeds of US\$25.1 million [C\$26.9 million]. Subsequently in August 2014, Light Tower Rentals finalized its recapitalization by adding a group of institutional equity investors. As part of this transaction, CEP III Co-Invest purchased 157,003 additional common shares of Light Tower Rentals for US\$0.3 million [C\$0.3 million] prior to a second redemption of common shares from Light Tower Rentals. Subsequent to the purchase, Light Tower Rentals redeemed 3,156,714 common shares from CEP III Co-Invest for gross proceeds of US\$12.8 million [C\$13.8 million]. At March 31, 2015, CEP III Co-Invest owned 3,985,604 common shares of LTR representing a 6.7% ownership interest on a fully diluted basis.

[g] LSNE

LSNE is a Manchester, New Hampshire based contract manufacturing organization focused on providing lyophilization services to biotech, pharmaceutical and medical device manufacturers. At March 31, 2015, March 31, 2014 and April 1, 2013, CEP III Co-Invest owned 6,406,000 Series A 10% cumulative preferred shares which are convertible into a 12.3% ownership interest on a fully diluted basis, 1,250,000 Series B 10% cumulative preferred shares and US\$0.4 million in demand promissory notes with a stated interest rate of 10% per annum. The Series A preferred shares are entitled to dividends only in the event that CEP III Co-Invest does not convert the preferred shares into common shares. Each Series A preferred share is convertible into one common share and the conversion is at CEP III Co-Invest's discretion.

At March 31, 2014, Clairvest had advanced short-term working capital loans totaling US\$0.2 million [C\$0.2 million] to LSNE. During fiscal 2015, additional loans totaling \$0.6 million [2014 – \$0.2 million] were made by Clairvest to LSNE such that \$0.8 million [2014 – \$0.2 million] were outstanding at March 31, 2015. The loans bear interest at 10.0% per annum and the interest earned has been fully provided for. These loans given their short-term nature have been included in accounts receivable. \$0.5 million of these loans have been repaid subsequent to year end.

[h] Centaur Gaming

Centaur Gaming is the owner and operator of Hoosier Park Racing & Casino in Anderson, Indiana, and Indiana Grand Casino and Indiana Downs Racetrack in Shelbyville, Indiana.

At March 31, 2015, March 31, 2014 and April 1, 2013, CEP IV Co-Invest held US\$13.6 million in term loans with stapled warrants which are convertible upon exercise to 9.9% of Class A and Class B units of Centaur Gaming.

As described in *note 4*, Clairvest also held US\$10.0 million in second lien loans for its treasury holdings at March 31, 2015.

[i] Cieslok

Cieslok is a Canadian outdoor advertising firm which operates large format digital and static billboards throughout major cities in Canada.

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During fiscal 2014, CEP IV Co-Invest invested \$4.0 million to acquire 4,014,989 common shares of Cieslok. At March 31, 2015 and 2014, CEP IV Co-Invest's ownership in Cieslok was 24.0%.

[j] County Waste

County Waste is a regional solid waste collection, recycling and disposal company based in West Point, Virginia.

During fiscal 2014, CEP IV Co-Invest invested US\$4.5 million [C\$4.6 million] to acquire 4,539.62 Class B units of County Waste representing a 12.5% ownership interest on a fully diluted basis. Subsequently, CEP IV Co-Invest invested an additional US\$1.9 million [C\$2.1 million] in the form of convertible debentures with a stated interest rate of 10% per annum payable in-kind and compounded on an annual basis. Each \$1,000 in accrued value of the convertible debentures was convertible into 1 Class B unit of County Waste.

During fiscal 2015, CEP IV Co-Invest acquired an additional 1,942.66 Class B units of County Waste to support the growth of its operations. The acquisition was funded by a US\$0.3 million follow-on investment in cash and US\$1.7 million through a partial conversion of principal and \$0.2 million of accrued interest from the convertible debentures CEP IV Co-Invest held in County Waste. The remaining US\$0.2 million in convertible debentures were repaid by County Waste in cash. At March 31, 2015, CEP IV Co-Invest held 6,482.28 Class B units of County Waste at a cost of \$6.7 million.

[k] CRS

CRS is a provider of equipment rental services and related merchandise across Ontario, Canada.

At March 31, 2014 and April 1, 2013, CEP IV Co-Invest owned 10,572,805 limited partnership units of CRS, representing a 13.4% ownership interest. CEP IV Co-Invest has the right to receive proceeds equal to an additional 1.7% economic interest in CRS until CEP IV Co-Invest has received three times its invested capital.

During fiscal 2015, CEP IV Co-Invest exercised its right to purchase units of CRS from a departing unitholder of CRS at a pre-determined price. CEP IV Co-Invest, via an acquisition entity, purchased 199,900 Class B units of CRS at \$0.2 million which was funded by a return of capital from CRS. At March 31, 2015, CEP IV Co-Invest held 199,990 Class B units and 10,572,805 Class C units of CRS, representing a 13.7% ownership interest and the right to receive proceeds equal to an additional 2.2% economic interest until it has received three times its invested capital.

Also during fiscal 2015, CEP IV Co-Invest earned distributions totaling \$0.4 million [2014 – \$0.5 million] from CRS, bringing distributions earned to March 31, 2015 to \$0.9 million [2014 – \$0.5 million].

[l] Davenport Land Investments

Davenport Land Developments comprises two entities holding real estate surrounding a casino development in Davenport, Iowa ["Davenport North" and "Davenport South"].

During fiscal 2015, CEP IV Co-Invest invested US\$1.4 million [C\$1.6 million] for an 18.7% ownership in Davenport North and US\$1.3 million [C\$1.5 million] for a 23.0% ownership interest in Davenport South. Subsequently, Davenport South sold certain of its real estate holdings for proceeds of US\$0.6 million [C\$0.6 million] which had been distributed to CEP IV Co-Invest. Additionally at March 31, 2015, CEP IV Co-Invest had advanced a US\$0.6 million non-interest bearing loan to a partner to help fund its 50% ownership in Davenport North.

Subsequent to year end, Davenport South sold another portion of its real estate holdings for proceeds of US\$0.8 million [C\$0.9 million] which were distributed to CEP IV Co-Invest.

[m] Discovery Air

Discovery Air is a specialty aviation services company operating across Canada and in select locations internationally.

At March 31, 2014 and April 1, 2013, CEP IV Co-Invest had invested \$22.0 million in secured convertible debentures ["Debentures"] of Discovery Air. The Debentures, which have a 5.5-year term from issuance on September 23, 2011 and are subject to certain early redemption rights in favor of Discovery Air, accrue interest at a rate of 10% per annum and interest is paid in kind and compounded on an annual basis. Also at March 31, 2014 and April 1, 2013, Clairvest held 53,997 common shares of Discovery Air.

During fiscal 2015, CEP IV Co-Invest invested an additional \$7.4 million for 19,337,975 common shares of Discovery Air. Clairvest also invested \$0.1 million for 417,943 common shares of Discovery Air. At March 31, 2015 Clairvest and CEP IV Co-Invest collectively held 19,809,915 common shares representing a 24.2% ownership interest on a fully

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diluted basis, in addition to a gross accrued value of \$28.5 million in the Debentures which are convertible into 2,775,218 common shares of Discovery Air at a conversion price of \$10.51 [March 2014 – \$9.55; April 2013 – \$8.68] per share. At March 31, 2015, the closing quoted market price of a Discovery Air common share was \$0.23 [March 2014 – \$1.01; April 2013 – \$2.38] per share.

During fiscal 2015, CEP IV Co-Invest earned \$2.8 million [2014 – \$2.6 million] in interest from its investments in Discovery Air, \$0.7 million of which has been provided for [2014 – nil]. Also during fiscal 2015, CEP IV Co-Invest received \$1.6 million [2014 – nil] of interest on the Debentures. Net interest earned is reflected in the fair value of Clairvest's investments in CEP IV Co-Invest.

Clairvest also advanced \$1.7 million to Discovery Air in the form of a promissory note during fiscal 2015 and an additional \$5.4 million in promissory notes subsequent to year end. These promissory notes bear interest at 8.0% per annum compounded daily and are repayable on or before July 9, 2015. Interest of \$1 thousand was earned from the promissory note to Discovery Air during fiscal 2015.

Subsequent to year end, Clairvest and CEP IV Co-Invest purchased for an additional 1,455,500 common shares of Discovery Air at a cost of \$0.4 million, increasing Clairvest and CEP IV Co-Invest's ownership interest in Discovery Air to 25.9% on a fully diluted basis. Also subsequent to year end, the maturity date of the Debentures was extended to September 30, 2017.

[n] Linen King

Linen King is an Oklahoma-based textile rental company that provides commercial laundry services to the healthcare and hospitality industries.

At March 31, 2015, March 31, 2014 and April 1, 2013, CEP IV Co-Invest owned 2,529,209 Class A units of Linen King, representing a 21.7% ownership interest.

[o] MAG

MAG is a U.S.-based specialty aviation and intelligence, surveillance and reconnaissance service provider. At April 1, 2013, CEP IV- Co-Invest owned 18,737 Class A stock of MAG. The Class A stock have a stated dividend rate of 10% per annum and each Class A stock is convertible into 1.0114 common stock of MAG.

During fiscal 2015, CEP IV Co-Invest invested an additional US\$0.3 million [C\$0.3 million] [2014 – US\$0.5 million [C\$0.5 million]] to acquire 2,677 Class A stock [2014 – 5,085] in MAG to support the growth of its operations. At March 31, 2015, CEP IV Co-Invest owned 26,499 [2014 – 23,822] Class A stock of MAG, representing a 9.6% [2014 – 9.4%] ownership interest on a fully diluted basis.

During fiscal 2014, MAG incorporated a Canadian subsidiary ["MAG Canada"] which provides aircraft logistics for goods and crews to both government and commercial customers. Clairvest provides working capital loans to MAG Canada in support of its operations. The loans bear interest at 10.0% per annum compounded daily. At March 31, 2015, \$0.9 million [2014 – \$3.3 million] of these working capital loans were outstanding and have been included in loans receivable. Interest of \$50 thousand [2014 – \$0.1 million] was earned from loans to MAG Canada during fiscal 2015. Subsequent to year end, these loans have been repaid in full.

[p] The Meadowlands

The Meadowlands operates a standardbred horse racing track located in East Rutherford, New Jersey.

During fiscal 2014, Clairvest fully funded its US\$5.4 million [C\$5.6 million] commitment to invest in the Meadowlands. The investment was made in the form of secured debentures which accrue interest at a rate of 15% per annum, 10% of which is payable quarterly in cash and 5% is accrued quarterly.

During fiscal 2015, Clairvest earned \$0.6 million [2014 – \$0.3 million] in cash interest and \$0.3 million [2014 – \$0.1 million] in accrued interest on its investment in the Meadowlands secured debentures. \$0.4 million [March 31, 2014 – \$32 thousand] of the cash interest was received during the year and the remaining \$0.2 million of the cash interest was received subsequent to year end.

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Clairvest also holds warrants which entitle it to invest in equity securities of the Meadowlands subject to certain conditions. The accrued interest on the secured convertible debentures is forfeited in the event Clairvest exercises the warrants.

[q] Rivers Casino

Rivers Casino is a gaming entertainment complex located in Des Plaines, Illinois.

At April 1, 2013, CEP IV Co-Invest owned 8,926,338 units of Rivers Casino and 5,000 units of a minority investor [the "Minority Investor"] as required by the Illinois legislature, which in aggregate represents a 5.0% ownership on a fully diluted basis. During fiscal 2014, the equity interest in the Minority Investor was redeemed in exchange for direct ownership in Rivers Casino such that CEP IV Co-Invest continues to hold a 5.0% ownership interest in Rivers Casino on a fully diluted basis.

CEP IV Co-Invest earns quarterly distributions and fees as an investor in Rivers Casino.

During fiscal 2015, CEP IV Co-Invest earned \$4.5 million [2014 – \$4.4 million] in quarterly distributions and \$0.5 million [2014 – \$0.5 million] in quarterly fees from Rivers Casino.

As a result of CEP IV Co-Invest's investment in Rivers Casino requiring certain acquisition entities in the United States, CEP IV Co-Invest, through its acquisition entities, incurred U.S. income tax obligations totaling \$1.5 million [2014 - \$1.7 million] during fiscal 2015.

The quarterly distributions, fees and U.S. taxes paid by the U.S. acquisition entity is reflected in the fair value of Clairvest's investments in CEP IV Co-Invest.

At March 31, 2015 and 2014, CEP IV Co-Invest owned 9,021,917 units of Rivers Casino, representing a 5.0% ownership on a fully diluted basis.

[r] Winters Bros. of CT

Winters Bros. of CT is a regional solid waste collection, recycling and disposal company based in Danbury, Connecticut.

During fiscal 2014, CEP IV Co-Invest invested US\$7.6 million [C\$8.1 million] to acquire 76,284.8 Class C units of Winters Bros. of CT. At March 31, 2015 and 2014, CEP IV Co-Invest's ownership interest in Winters Bros. of CT was 13.4%.

[s] Winters Bros. of LI

Winters Bros. of LI is a regional solid waste collection, recycling and disposal company based in Long Island, New York.

During fiscal 2015, CEP V Co-Invest invested US\$7.7 million [C\$9.6 million] to acquire 1,398,507 Class C units of Winters Bros. of LI. At March 31, 2015, CEP V Co-Invest's ownership interest in Winters Bros. of LI was 14.0%.

[t] Wellington Fund III/ IV

Wellington Fund IV, a successor fund of Wellington Financial Fund III ["Wellington Fund III"], provides debt capital and operating lines to technology, biotechnology, communications and industrial product companies across Canada and the United States. Clairvest, as a limited partner, committed to fund \$25.1 million representing a 12.6% interest in Wellington Fund IV at March 31, 2014 and April 1, 2013. Clairvest continues to own an interest in the residual of Wellington Fund III and is also entitled to participate in the profits received by the General Partner of Wellington Fund III and Wellington Fund IV.

During fiscal 2015, Clairvest funded an additional \$0.5 million [2014 – \$1.7 million] to Wellington Fund IV, bringing total amount funded to \$14.3 million [2014 – \$13.8 million] against the \$25.1 million commitment. Subsequently, Clairvest purchased a \$0.1 million commitment from a former limited partner of Wellington Fund IV increasing its commitment in Wellington Fund IV to \$25.2 million. At March 31, 2015, \$14.4 million of Clairvest's \$25.2 million commitment had been funded representing a 12.6% ownership in Wellington Fund IV.

Subsequent to year end, Wellington Fund IV called additional capital and Clairvest funded \$0.4 million to Wellington Fund IV, bringing total amount funded to \$14.8 million against the \$25.2 million commitment.

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9. FIXED ASSETS

The composition of Clairvest's fixed assets was as follows:

	Aircraft	IT equipment ^[1]	Furniture, fixtures and Equipment	Leasehold improvements	Total
At April 1, 2013					
Cost	\$ 3,510	\$ 643	\$ 371	\$ 2,478	\$ 7,002
Accumulated amortization	[439]	[571]	[352]	[1,666]	[3,028]
Net book amount	3,071	72	19	812	3,974
Year ended March 31, 2014					
Opening net book amount	3,071	72	19	812	3,974
Additions	94	22	—	—	116
Amortization charge	[186]	[33]	[8]	[305]	[532]
Closing net book amount	2,979	61	11	507	3,558
At March 31, 2014					
Cost	3,603	665	371	2,478	7,117
Accumulated amortization	[624]	[604]	[360]	[1,971]	[3,559]
Net book amount	2,979	61	11	507	3,558
Year ended March 31, 2015					
Opening net book amount	2,979	61	11	507	3,558
Additions	—	59	20	2	81
Amortization charges	[224]	[34]	[8]	[306]	[572]
Impairment charges	[800]	—	—	—	[800]
Closing net book amount	1,955	86	23	203	2,267
At March 31, 2015					
Cost	3,603	724	391	2,480	7,198
Accumulated amortization	[848]	[638]	[368]	[2,277]	[4,131]
Impairment charges	[800]	—	—	—	[800]
Net book amount	\$ 1,955	\$ 86	\$ 23	\$ 203	\$ 2,267

[1] Comprised computer equipment and computer software.

10. CREDIT FACILITIES

Clairvest has a \$75.0 million committed credit facility with a maturity date of April 30, 2020. The credit facility bears interest at 11% per annum on drawn amounts and at 1% per annum on undrawn amounts. The amount available under the credit facility at March 31, 2015, March 31, 2014 and April 1, 2013 is \$75.0 million. No amounts were drawn during fiscal 2015 and 2014. Included in accounts receivable and other assets at March 31, 2015 is a capitalized closing fee on this facility totaling \$24 thousand [March 2014 – \$0.3 million; April 2013 – \$0.6 million] which will be fully amortized in April 2015.

The Company also has a \$20.0 million credit facility available, subject to annual renewals, bearing interest at prime plus 0.5% per annum. The prime rate at March 31, 2015 was 2.85% [March 2014 – 3.00%; April 2013 – 3.00%]. The amount available under the credit facility at March 31, 2015 was \$20.0 million [March 2014 - \$20.0 million; April 2013 - \$20.0 million], which is based on debt covenants within the banking arrangement. No amounts were drawn during fiscal 2015 and 2014.

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11. INCOME TAXES

Income tax expense for the years ended March 31, 2015 and 2014 consist of the following:

	2015	2014
Current income tax expense	\$ 5,050	\$ 1,074
Deferred income tax expense [recovery]	[1,763]	3,967
	\$ 3,287	\$ 5,041

A reconciliation of the income tax expense based on the Federal and Ontario statutory rate and the effective rate is as follows:

	2015		2014	
	\$	%	\$	%
Income before income taxes	55,292		43,848	
Statutory Federal and Ontario income tax rate		26.50		26.50
Statutory Federal and Ontario income taxes	14,652	26.50	11,620	26.50
Non-taxable portion of net investment gains and distributions	[8,336]	[15.08]	[3,629]	[8.27]
Non-taxable portion of gain on temporary investments	—	—	[298]	[0.68]
Non-taxable portion of carried interest net of management participation	[2,000]	[3.62]	[1,300]	[2.96]
Non-taxable portion of foreign exchange gains	[883]	[1.60]	[1,242]	[2.83]
Non-deductible portion of other expenses	964	1.74	411	0.94
Foreign income tax rate differences	[514]	[0.93]	[294]	[0.67]
Tax recoveries regarding prior year	[193]	[0.35]	[889]	[2.03]
Other	[403]	[0.73]	662	1.51
	3,287	5.93	5,041	11.51

Deferred tax liabilities relate to temporary differences on corporate and temporary investments, derivative instruments, accounts payable and accrued liabilities, income, and unrealized carried interest income as follows:

	March 31, 2015	March 31, 2014	April 1, 2013
Temporary differences on corporate and temporary investments	\$ 7,400	\$ 7,533	\$ 4,597
Temporary differences on derivative instruments	[1,291]	[209]	[25]
Temporary differences on accounts payable and accrued liabilities	[4,046]	[3,564]	[2,681]
Temporary differences on income	677	231	36
Temporary differences on unrealized carried interest income	3,560	3,735	2,433
Other	1,764	2,101	1,500
	\$ 8,064	\$ 9,827	\$ 5,860

All deferred income tax expenses [recoveries] were recognized in net income during fiscal 2015 and 2014.

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12. SHARE CAPITAL

Authorized

Unlimited number of preference shares issuable in series, with the designation, rights, privileges, restrictions, and conditions to be determined by the Board of Directors prior to the issue of the first shares of a series.

Unlimited number of common shares

10,000,000 non-voting shares

Issued and outstanding	March 31, 2015		March 31, 2014	
	Shares	Amount	Shares	Amount
Common shares, beginning of year	15,134,095	\$ 79,314	15,124,095	\$ 79,101
Issued on exercise of stock options [note 13]	—	—	10,000	213
Common shares, end of year	15,134,095	\$ 79,314	15,134,095	\$ 79,314

During fiscal 2015, the Company filed a normal course issuer bid enabling it to make market purchases of up to 756,705 [2014 – 756,705] of its common shares in the 12-month period commencing March 5, 2015 [2014 – March 6, 2014]. During fiscal 2015 and 2014, the Company made no purchases or cancellations under its normal course issuer bids. In total, 3,429,895 common shares at a cost of \$35.3 million have been purchased under all previous normal course issuer bids as at March 31, 2015, March 31, 2014 and April 1, 2013. An additional 934,200 common and 2,230,954 non-voting shares have been purchased for cancellation outside of the normal course issuer bid.

15,134,095 [March 2014 – 15,134,095; April 2013 – 15,124,095] common shares were outstanding at March 31, 2015.

The weighted average number of common shares outstanding during fiscal 2015 was 15,134,095 [2014 – 15,131,677].

The basic and fully diluted net income per share computations for 2015 and 2014 are as follows:

	2015			2014		
	Net income and comprehensive income ['000s]	Weighted average number of shares ^[1]	Per share amount	Net income and comprehensive income ['000s]	Weighted average number of shares ^[1]	Per share amount
Basic and fully diluted	\$ 52,005	15,134,095	\$ 3.43	\$ 38,807	15,131,677	\$ 2.56

[1] The determination of the weighted average number of shares on a fully diluted basis excludes 322,092 [2014 – 296,559] shares related to stock options that were anti-dilutive for the year ended March 31, 2015.

13. SHARE-BASED COMPENSATION AND OTHER COMPENSATION PLANS

Under the Company's stock option plan, 1,113,856 [March 2014 – 1,123,856; April 2013 – 1,173,856] common shares of the Company have been made available for issuance to eligible participants. At March 31, 2015, 555,000 [March 2014 – 565,000; April 2013 – 615,000] options were outstanding under the plan, and an additional 558,856 [March 2014 – 558,856; April 2013 – 558,856] are available for future grants. Under the plan, options are exercisable for one common share and the exercise price of the option must equal the market price of the underlying share on the day preceding the grant date.

Options granted vest over a period of five years. Once vested, options are exercisable at any time until their expiry which is 10 years after the grant date.

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During fiscal 2015, 10,000 [2014 – 50,000] options were exercised, all of which [2014 – 40,000], were exercised under the cash settlement plan and had no impact on share capital. No options [2014 – 10,000] were exercised for shares during fiscal 2015. No options were granted during fiscal 2015 and 2014.

A summary of the status of the Company's stock option plan as at March 31, 2015, March 31 2014 and April 1, 2013 and changes during the years ended March 31, 2015 and 2014 are presented below:

	Number of options	Weighted average exercise price per share ^[1]
Options outstanding, April 1, 2013	615,000	\$ 10.30
Options exercised	[50,000]	6.94
Options outstanding, March 31, 2014	565,000	10.60
Options exercised	[10,000]	8.84
Options outstanding, March 31, 2015	555,000	\$ 10.63
Options exercisable, March 31, 2015	555,000	\$ 10.63

[1] Adjusted for special dividends where applicable

The following table summarizes information about stock options outstanding and exercisable at March 31, 2015:

Range of exercise prices	Options outstanding			Options exercisable	
	Number outstanding	Weighted average remaining contractual life [yrs]	Weighted average exercise price ^[1]	Number exercisable	Weighted average exercise price ^[1]
\$8.00 to \$8.99	200,000	0.2	\$ 8.84	200,000	\$ 8.84
\$9.00 to \$9.99	120,000	1.2	9.55	120,000	9.55
\$12.00 to \$12.99	235,000	2.5	12.58	235,000	12.58
	555,000			555,000	

[1] Adjusted for special dividends where applicable

Clairvest recognizes stock-based compensation expense based upon the fair value of the outstanding stock options at March 31, 2015, March 31, 2014 and April 1, 2013 using Black-Scholes option pricing model with the following assumptions:

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At March 31, 2015

Grant	June 23, 2005	June 21, 2006	June 27, 2007	June 30, 2009
# options granted	200,000	120,000	200,000	35,000
# of options vested	200,000	120,000	200,000	35,000
Price	8.84	9.40	12.49	12.14
Black-Scholes assumptions used				
Expected volatility	10%	10%	10%	10%
Expected forfeiture rate ^[1]	0%	0%	0%	0%
Expected dividend yield	0.00%	0.29%	0.32%	0.34%
Risk-free interest rate	1.00%	0.86%	0.89%	1.10%
Expected life [years]	0.2	1.2	2.2	4.2
Value using Black-Scholes ['000s]^[2]	\$ 3,837	\$ 2,232	\$ 3,113	\$ 560

At March 31, 2014

Grant	June 23, 2005	June 21, 2006	June 27, 2007	June 30, 2009
# options granted	210,000	120,000	200,000	35,000
# of options vested	210,000	120,000	200,000	33,600
Price	8.99	9.55	12.64	12.29
Black-Scholes assumptions used				
Expected volatility	10%	10%	10%	10%
Expected forfeiture rate ^[1]	0%	0%	0%	0%
Expected dividend yield	0.34%	0.38%	0.39%	0.42%
Risk-free interest rate	1.28%	1.42%	1.65%	2.12%
Expected life [years]	1.2	2.2	3.2	5.2
Value using Black-Scholes ['000s]^[2]	\$ 3,140	\$ 1,734	\$ 2,325	\$ 416

At April 1, 2013

Grant	June 23, 2003	June 23, 2005	June 21, 2006	June 27, 2007	June 30, 2009
# options granted	50,000	210,000	120,000	200,000	35,000
# of options vested	50,000	210,000	120,000	200,000	30,450
Price	7.07	9.12	9.68	12.77	12.42
Black-Scholes assumptions used					
Expected volatility	10%	10%	10%	10%	10%
Expected forfeiture rate ^[1]	0%	0%	0%	0%	0%
Expected dividend yield	0%	0.43%	0.45%	0.45%	0.48%
Risk-free interest rate	1.28%	1.34%	1.45%	1.57%	1.80%
Expected life [years]	0.2	2.2	3.2	4.2	6.2
Value using Black-Scholes ['000s]^[2]	\$ 697	\$ 2,505	\$ 1,374	\$ 1,728	\$ 283

[1] Assumed a 0% forfeiture rate as a result of a cash settlement feature in Clairvest's stock option plan and historical forfeiture rates of individuals included in the stock option plan.

[2] Share prices at March 31, 2015, March 31, 2014 and April 1, 2013 were \$27.81, \$23.90 and \$20.98 respectively [TSX: CVG]

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At March 31, 2015, all options granted have fully vested [March 2014 – 558,000; April 2013 – 610,450]. At March 31, 2015, \$9.7 million [March 2014 – \$7.6 million; April 2013 – \$6.6 million] has been accrued under the Company's stock option plan and included in share-based compensation liability. For the quarter ended March 31, 2015, Clairvest recognized a share-based compensation expense of \$2.3 million [2014 – \$1.7 million].

As at March 31, 2015, a total of 229,103 [March 2014 – 226,135; April 2013 – 232,215] DSUs were held by directors of the Company, the accrual in respect of which was \$6.5 million [March 2014 – \$5.5 million; April 2013 - \$5.0 million] and has been included in share-based compensation liability. During fiscal 2015, 13,577 [2014 – 24,820] DSUs were exercised and 16,545 [2014 – 18,740] DSUs were granted. For the year ended March 31, 2015, Clairvest recognized an expense of \$1.4 million [2014 – \$1.2 million] with respect to DSUs.

As at March 31, 2015, 105,000 [March 2014 – 105,000; April 2013 – 120,000] ADSUs were held by directors of the Company, the accrual in respect of which is \$1.6 million [March 2014 – \$1.2 million; April 2013 - \$1.0 million] and has been included in share-based compensation liability. During fiscal 2015, no [2014 – 15,000] ADSUs were exercised. For the year ended March 31, 2015, Clairvest recognized an expense of \$0.4 million [2014 – \$0.3 million] with respect to ADSUs.

As at March 31, 2015, a total of 1,105,692 [March 2014 – 1,149,536; April 2013 - 1,238,680] BVARs were held by employees of Clairvest, the accrual in respect of which was \$6.6 million [March 2014 – \$4.0 million; April 2013 - \$2.1 million] and has been included in share based compensation expense liability, and a further \$6.2 million [March 2014 - \$4.7 million; April 2013 - \$3.8 million] not accrued as those BVARs have not vested. During fiscal 2015, 189,994 [2014 – 126,575] BVARs were exercised and 42,401 [2014 – 88,553] BVARs were forfeited. Also during fiscal 2015, 188,551 [2014 – 125,984] BVARs were granted. For the year ended March 31, 2015, Clairvest recognized an expense of \$4.9 million [2014 – \$2.9 million] with respect to BVARs.

Compensation paid and payable to key management

Key management at Clairvest are the Co-Chief Executive Officers ["Co-CEOs"] and its directors. The Co-CEOs are entitled to annual discretionary cash bonuses of up to 175% of their individual's annual salary based on individual performance. There is also an annual objective cash bonus which is based on Clairvest's Incentive Bonus Program as described in *note 16[h]*, a stock option plan and a book value appreciation rights plan. Compensation paid for the years ended March 31 to the Co-CEOs is as follows:

	2015	2014
Paid:		
Salaries	\$ 652	\$ 652
Annual incentive plans ^[1]	3,293	1,050
Stock options	—	790
	\$ 3,945	\$ 2,492

[1] Includes quarterly payments from annual incentive plan of up to 21.875% of their respective annual base salary and for the year ended March 31, 2015 included a one-time bonus as a result of the closing of CEP V.

Compensation payable at the statement of financial position dates are as follows:

	March 31, 2015	March 31, 2014	April 1, 2013
Payable:			
Annual incentive plans	\$ 2,243	\$ 1,889	\$ 1,341
Stock options	9,036	6,902	6,000
Book value appreciation rights	489	109	—
	\$ 11,768	\$ 8,900	\$ 7,341

Compensation paid and payable to the directors of Clairvest comprises those made under the DSU and ADSU plans previously discussed.

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14. CONSOLIDATED STATEMENTS OF CASH FLOWS

The net change in non-cash working capital balances related to operations is detailed as follows:

	2014	2013
Accounts receivable and other assets	\$ [3,535]	\$ 677
Income taxes recoverable	6,817	[2,256]
Accounts payable and accrued liabilities	[458]	[419]
Income taxes payable	30	[1,902]
Accrued compensation expense	1,540	1,412
	\$ 4,394	\$ [2,488]

Cash and cash equivalents comprised the following:

	March 31, 2015	March 31, 2014	April 1, 2013
Cash	\$ 8,743	\$ 1,637	\$ 1,266
Cash equivalents	89,901	50,160	111,703
	\$ 98,644	\$ 51,797	\$ 112,969

15. DERIVATIVE INSTRUMENTS

The Company and its acquisition entities entered into foreign exchange forward contracts as economic hedges against the fair value of its foreign-denominated investments and loans unless a specific exemption is approved by the Board of Directors. During fiscal 2015, the Company realized a \$1.0 million loss [2014 – \$0.1 million] on expired foreign exchange forward contracts, which has been recorded in finance and foreign exchange expense in the consolidated statements of income.

As at March 31, 2015, the Company had entered into foreign exchange forward contracts as economic hedges against its foreign-denominated investments and loans as follows:

Foreign exchange forward contracts to sell US\$28.9 million [March 2014 – US\$118.8 million; April 2013 – sell US\$60.0 million and buy US\$4.2 million] at an average rate of Canadian \$1.1175 per U.S. dollar [March 2014 – \$1.0969; April 2013 – US\$1.0126 million] through to August 2015. The fair value of the forward contracts at March 31, 2015 is a loss of \$4.3 million [March 2014 – \$1.6 million; April 2013 – \$0.2 million].

Additionally, acquisition entities of Clairvest had entered into foreign exchange forward contracts as economic hedges against its foreign-denominated investments as follows:

Foreign exchange forward contracts to sell US\$99.9 million [March 2014 – US\$40.2 million; April 2013 – US\$31.6 million] and buy US\$0.6 million [March 2014 – nil; April 2013 – nil] at an average rate of Canadian \$1.2010 per U.S. dollar [March 2014 – \$1.1074; April 2013 – \$0.9838] through to January 2016. The fair value of the forward contracts at March 31, 2015 is a loss of \$6.8 million [March 2014 – \$16 thousand; April 2013 – loss of \$1.0 million].

Foreign exchange forward contracts to sell 14.7 billion Chilean Pesos ["CLP"] [March 2014 – 14.7 billion; April 2013 – 14.7 billion] at an average rate of Canadian \$0.001909 per CLP [March 2014 – \$0.001976; April 2014 - \$0.002022] through to January 2016. The fair value of these contracts at March 31, 2015 is a loss of \$1.1 million [March 2014 – loss of \$0.3 million; April 2013 – loss of \$1.9 million].

The fair value of the foreign exchange forward contracts entered into by these acquisition entities has been included in the fair value of Clairvest's investment in these acquisition entities on the consolidated statements of financial position.

Included in cash and cash equivalents on the consolidated statements of financial position at March 31, 2015, was \$4.9 million [March 2014 – nil; April 2013 – nil] Clairvest had funded to the counterparty as a collateral for its foreign exchange forward contracts and those of its acquisition entities.

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16. CONTINGENCIES, COMMITMENTS AND GUARANTEES

- [a] Clairvest has committed to co-invest alongside CEP in all investments undertaken by CEP. Clairvest's total co-investment commitment is \$54.7 million, \$3.5 million [March 2014 – \$3.5 million; April 2013 – \$3.5 million] of which remains unfunded at March 31, 2015. Clairvest may only sell all or a portion of a corporate investment that is a joint investment with CEP if it concurrently sells a proportionate number of securities of that corporate investment held by CEP.
- [b] CEP III Co-Invest has committed to co-invest alongside CEP III in all investments undertaken by CEP III. CEP III Co-Invest's co-investment commitment is \$75.0 million, \$15.2 million [March 2014 – \$15.2 million; April 2013 – \$15.2 million] of which remains unfunded at March 31, 2015. In accordance with the co-investment agreement, the proportion of the commitment amongst Clairvest, 2141788 Ontario and MIP III is at their own discretion. CEP III Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP III if it concurrently sells a proportionate number of securities of that corporate investment held by CEP III.
- [c] CEP IV Co-Invest has committed to co-invest alongside CEP IV and CEP IV-A in all investments undertaken by CEP IV and CEP IV-A. CEP IV Co-Invest's co-investment commitment is \$125.0 million, \$36.8 million [March 2014 – \$46.6 million; April 2013 – \$73.1 million] of which remains unfunded at March 31, 2015. In accordance with the co-investment agreement, the proportion of the commitment between Clairvest and MIP IV is at their own discretion. CEP IV Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP IV and CEP IV-A if it concurrently sells a proportionate number of securities of that corporate investment held by CEP IV and CEP IV-A.
- [d] CEP V Co-Invest has committed to co-invest alongside CEP V and CEP V-A in all investments undertaken by CEP V and CEP V-A. CEP V Co-Invest's co-investment commitment is \$180.0 million, \$169.9 million [March 2014 – \$180.0 million] of which remains unfunded at March 31, 2015. In accordance with the co-investment agreement, the proportion of the commitment between Clairvest, 2141788 Ontario and MIP V is at their own discretion. CEP V Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP V and CEP V-A if it concurrently sells a proportionate number of securities of that corporate investment held by CEP V and CEP V-A.
- [e] Clairvest has also committed \$25.2 million to Wellington Fund IV [March 2014 – \$25.1 million; April 2013 – \$25.1 million], \$10.8 million [March 2014 – \$11.3 million; April 2013 – \$13.0 million] of which remains unfunded at March 31, 2015.
- [f] At March 31, 2015, Clairvest has received profit distributions totaling \$4.6 million [March 2014 – \$4.1 million; April 2013 - \$3.3 million] through its ownership interest in the General Partners of Wellington Fund III and Wellington Fund IV. Subject to clawback provisions, Clairvest may be required to repay up to \$1.1 million [March 2014 – \$0.8 million; April 2013 – \$0.4 million] of these distributions in the event the limited partners of Wellington Fund IV do not meet their return threshold as specified in the respective Limited Partnership Agreements. At March 31, 2015, March 31, 2014 and April 1, 2013, there were no accruals made with respect to the clawback.
- [g] Clairvest had guaranteed up to US\$15.0 million of CEP III's obligations to a schedule 1 Canadian chartered bank under CEP III's foreign exchange forward contracts with the bank. The guarantee was reduced to US\$10.0 million during fiscal 2015.
- [h] Under Clairvest's Bonus Program, a bonus of 10% of after-tax cash income and realizations on certain of Clairvest's corporate investments would be paid to management annually as applicable [the "Realized Amount"]. At March 31, 2015, the Realized Amount under the Bonus Program was \$1.4 million [March 2014 – \$0.4 million; April 2013 - \$0.6 million] and has been accrued under accrued compensation expense liability.

In accordance with IFRS, Clairvest is also required to record a liability equal to a bonus of 10% of the after-tax cash income and realizations which are applicable but which have yet to be realized. Accordingly, Clairvest also recorded a \$2.8 million [March 2014 – \$2.7 million; April 2013 – \$2.0 million] accrued compensation expense liability that would only be payable to management when the corresponding realization events have occurred.

The Bonus Program does not apply to the income generated from investments made by Clairvest through CEP III Co-Invest, CEP IV Co-Invest and CEP V Co-Invest.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

- [i] Clairvest has guaranteed to fund any cash flow or debt service shortfalls of Casino New Brunswick for a specified period of time. The amount of the guarantee is allocated, at Clairvest's discretion, 75% to CEP III, to the extent that the amounts paid thereunder are within the limits of the CEP III Limited Partnership Agreement, with the remainder being allocated to CEP III Co-Invest. Any amounts paid under the guarantee will result in additional debentures being granted to CEP III Co-Invest and CEP III, allocated on the same basis as the participation between CEP III Co-Invest and CEP III in the guarantee funding. As at March 31, 2015, no amounts subject to this guarantee have been funded.
- [j] An acquisition entity of Chilean Gaming Holdings and other investors of Casino Sol Calama have entered into a joint and several guarantee to fund any operating deficiencies of Casino Sol Calama for a specified period of time. Casino Sol Calama's operator has indemnified this acquisition entity with respect to this guarantee. As at March 31, 2015, no amounts subject to this guarantee have been funded or are owing.
- [k] As part of the holding structure of Chilean Gaming Holdings, an acquisition entity of CEP III Co-Invest had loans totaling \$40.7 million at March 31, 2015 [March 2014 – \$42.0 million; April 2013 - \$44.6 million] from an unrelated financial institution, while another acquisition entity of CEP III Co-Invest held term deposits totaling \$40.7 million at March 31, 2015 [March 2014 – \$42.0 million; April 2013 - \$44.6 million] with the same financial institution as security for these loans. CEP III Co-Invest's ownership of both acquisition entities was 36.8% at March 31, 2015.
- [l] At March 31, 2015, the Company's had future minimum annual lease payments under non-cancellable operating leases for the use of office space of \$0.3 million due within one year and \$1.7 million due after one year but not more than five years.
- [m] In connection with its normal business operations, the Company is from time to time named as a defendant in actions for damages and costs allegedly sustained by plaintiffs. While it is not possible to estimate the outcome of the various proceedings at this time, the Company does not believe that it will incur any material loss in connection with such actions.

17. RISK MANAGEMENT

The private equity investment business involves accepting risk for potential return, and is therefore affected by a number of economic factors, including changing economic environments, capital markets and interest rates. As a result, the Company faces various risk factors, inherent in its normal business activities. These risk factors and how the Company manages these risk factors are described below.

Credit risk

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. For the years ended March 31, 2015 and 2014, there were no material income effects on changes of credit risk on financial assets. The carrying values of financial assets subject to credit exposure at March 31, 2015, March 31, 2014 and April 1, 2013, net of any allowances for losses, were as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

	March 31, 2015	March 31, 2014	April 1, 2013
Financial Assets			
Cash and cash equivalents	\$ 98,644	\$ 51,797	\$ 112,969
Temporary investments	58,511	62,995	59,708
Accounts receivable ^[1]	14,408	10,743	8,227
Loans receivable ^[2]	6,732	33,474	5,365
Restricted temporary investments	-	-	5,425
Corporate investments ^[3]	263,359	251,207	183,567
	\$ 441,654	\$ 410,216	\$ 375,261
Financial Liabilities			
Accounts payable	\$ 315	\$ 130	\$ 133
Derivative instruments	4,341	1,575	190
	\$ 4,646	\$ 1,705	\$ 323

[1] Excludes prepaid expenses and receivables from acquisition entities

[2] Excludes loans receivable from acquisition entities

[3] Excludes net assets [liabilities] from acquisition entities

The Company manages credit risk on corporate investments through thoughtful planning, strict investment criteria, significant due diligence of investment opportunities and oversight responsibilities with existing indirect investee companies and by conducting activities in accordance with investment policies that are approved by the Board of Directors. Management's application of these policies is regularly monitored by the Board of Directors. Management and the Board of Directors review the financial condition of its indirect investee companies regularly.

The Company is also subject to credit risk on its accounts receivable and loans receivables, a significant portion of which is with its investee companies and the CEP Funds. The Company manages this risk through its oversight responsibilities with existing investee companies by reviewing financial condition of its indirect investee companies regularly, and through its fiduciary duty as manager of the CEP Funds and by maintaining sufficient uncalled capital for the CEP Funds to settle obligations as they come due.

The Company manages credit risk on cash, cash equivalents and temporary investments by conducting activities in accordance with the fixed income securities policy that is approved by the Audit Committee. The Company also manages credit risk by contracting with counterparties which are Schedule 1 Canadian chartered banks or through investment firms where Clairvest's funds are segregated and held in trust for Clairvest's benefit. Management's application of these policies is regularly monitored by the Audit Committee. Management and the Audit Committee review credit quality of cash equivalents and temporary investments regularly. The credit ratings, based on the Dominion Bond Rating Services rating scale, with the exception of corporate bonds and loans which are based on Standard and Poor's rating scale, for the Company's cash, cash equivalents and temporary investments were as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

	March 31, 2015	March 31, 2014	April 1, 2013
Cash	\$ 8,743	\$ 1,637	\$ 1,265
Money market savings accounts			
R1-High	41,262	7,849	93,463
Guaranteed investment certificates and investment savings accounts, including restricted temporary investments			
AA	76,603	79,555	59,764
AA-	–	7,850	2,704
A+	2,534	5,359	5,561
A	7,588	–	3,032
BBB+ ^[1]	101	–	–
Not rated ^[1]	101	–	–
Corporate bonds and loans			
BB- ^[2]	–	5,854	6,117
B ^[2]	20,223	–	–
CCC+ ^[2]	–	6,688	6,196
Total cash, cash equivalents, temporary investments and restricted temporary investments	\$ 157,155	\$ 114,792	\$ 178,102

[1] Principal protected by the Canada Deposit Insurance Corporation.

[2] Pertains to Clairvest's treasury investments in Light Tower Rentals and Centaur Gaming as described in *note 4*.

Market risk

Market risk includes exposure to fluctuations in the market value of the Company's investments, currency rates and interest rates.

Fluctuations in market interest rates affect the Company's income derived from cash, cash equivalents, and temporary investments. For financial instruments which yield a floating interest income, the interest received is directly impacted by the prevailing market interest rate. The fair value of financial instruments which yield a fixed interest income would change when there is a change in the prevailing market interest rate. The Company manages interest rate risk on cash, cash equivalents and temporary investments by conducting activities in accordance with the fixed income securities policy that is approved by the Audit Committee. Management's application of these policies is regularly monitored by the Audit Committee.

If interest rates were higher or lower by 1% per annum, the potential effect would be an increase or decrease of \$1.4 million [2014 – \$0.8 million] to distributions and interest income on a pre-tax basis for the year ended March 31, 2015.

The Company's corporate investment portfolio is diversified across 18 indirect investee companies in 9 industries and 3 countries as at March 31, 2015. Concentration risk by industry and by country is as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

	March 31, 2015				March 31, 2014				April 1, 2013			
	Canada	United States	Chile	Total	Canada	United States	Chile	Total	Canada	United States	Chile	Total
Business services	\$ —	\$ —	\$ —	\$ —	\$ —	\$22,930	\$ —	\$22,930	\$ —	\$12,678	\$ —	\$12,678
Contract manufacturing	—	9,380	—	9,380	—	8,187	—	8,187	—	7,573	—	7,573
Defense services	16,518	3,980	—	20,498	14,037	2,884	—	16,921	12,761	1,904	—	14,665
Equipment rental	16,984	11,629	—	28,613	12,504	36,302	—	48,806	10,573	24,580	—	35,153
Financial services	18,069	—	—	18,069	15,667	—	—	15,667	15,563	—	—	15,563
Gaming	11,003	83,659	34,703	129,395	6,537	67,893	29,421	103,851	4,879	39,185	39,486	83,550
Health and medical related	—	—	—	—	—	—	—	—	—	25	—	25
Outdoor advertising	7,411	—	—	7,411	4,015	—	—	4,015	—	—	—	—
Specialty aviation	16,518	—	—	16,518	14,037	—	—	14,037	12,760	—	—	12,760
Textile rental service	—	809	—	809	—	706	—	706	—	788	—	788
Waste management	—	27,585	—	27,585	—	15,525	—	15,525	—	—	—	—
Other	1,616	3,465	—	5,081	562	—	—	562	812	—	—	812
Total	\$88,149	\$140,507	\$34,703	\$263,359	\$67,359	\$154,427	\$29,421	\$251,207	\$57,348	\$86,733	\$39,486	\$183,567

The Company has considered current economic events and indicators in the valuation of its corporate investments.

The Company has implemented a hedging strategy because it has, directly and indirectly, several investments outside of Canada, currently in the United States and in Chile. The Company has also advanced loans to indirect investee companies which are denominated in foreign currency. In order to limit its exposure to changes in the value of foreign denominated currencies relative to the Canadian dollar, Clairvest and its acquisition entities hedge 100% of the fair value of its foreign investments unless a specific exemption is approved by the Board of Directors.

A number of indirect investee companies are subject to foreign exchange risk. A significant change in foreign exchange rates can have a significant impact to the profitability of these entities and in turn the Company's fair value of these corporate investments. The Company manages this risk through oversight responsibilities with existing investee companies and by reviewing the financial condition of investee companies regularly.

Certain of the Company's corporate investments are also held in the form of subordinated debentures. Significant fluctuations in market interest rates can have a significant impact on the fair value of these investments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. Accounts payable, loans payable, and derivative instruments have maturities of less than one year. Management participation liability, share-based compensation liability, and amounts accrued under the Bonus Program are only due upon cash realization or completion of the respective vesting period. Total unfunded commitments to co-invest alongside the CEP Funds, as described are \$225.4 million as at March 31, 2015 [March 2014 – \$245.3 million; April 2013 – \$91.8 million]. The timing of any amounts to be funded under these commitments is dependent upon the timing of investment acquisitions, which are made at the sole discretion of the Company.

The Company manages liquidity risk by maintaining a conservative liquidity position that exceeds all liabilities payable on demand. The Company invests its cash, cash equivalents and temporary investments [together, "treasury funds"] in liquid assets such that they are available to cover any potential funding commitments and guarantees. In addition, the Company maintains various credit facilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

At March 31, 2015, Clairvest had treasury funds of \$157.2 million [March 2014 – \$114.8 million; April 2013 – \$172.7 million] and access to \$95.0 million [March 2014 - \$95.0 million; April 1, 2013 – \$95.0 million] through its credit facilities to support its current and anticipated corporate investments.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash, cash equivalents, temporary investments, corporate investments, and derivative instruments are carried at fair value in accordance with the Company's accounting policy as described in *note 2[a]* to the consolidated financial statements. All other financial instruments, including receivables and payables, are short-term in nature.

[a] Fair value hierarchy

The Company classifies financial instruments measured at fair value through profit or loss according to the following hierarchy, based on the lowest level of significant input used in measuring fair value.

Level	Fair value input description	Financial instruments
Level 1	Quoted prices [unadjusted] from active markets	Quoted equity instruments Quoted corporate bonds Money market and investment savings accounts
Level 2	Inputs other than quoted prices included in Level 1 that are observable either directly [i.e. as prices] or indirectly [i.e. derived from prices]	Quoted equity instruments which are not actively traded [i.e. significant ownership positions] Guaranteed investment certificates Quoted corporate bonds or loans which are not actively traded
Level 3	Inputs that are not based on observable market data	Unquoted equity instruments or partnership units Corporate bonds, debentures or loans not traded

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

The following table presents the financial instruments measured at fair value classified by the fair value hierarchy:

March 31, 2015				
	Fair value measurements using			Assets/liabilities at fair value
	Level 1	Level 2	Level 3	
Financial assets				
Cash equivalents				
Investment savings accounts	\$ 48,639	\$ —	\$ —	\$ 48,639
Money market savings accounts	41,262	—	—	41,262
	89,901	—	—	89,901
Temporary investments				
Guaranteed investment certificates	—	38,288	—	38,288
Corporate bonds and loans	—	20,223	—	20,223
	—	58,511	—	58,511
Corporate investments	—	109	291,312	291,421
	\$ 89,901	\$ 58,620	\$ 291,312	\$ 439,833
Financial liabilities				
Derivative instruments	\$ —	\$ 4,341	\$ —	\$ 4,341
	\$ —	\$ 4,341	\$ —	\$ 4,341

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

March 31, 2014				Assets / liabilities at fair value
Fair value measurements using				
	Level 1	Level 2	Level 3	
Financial assets				
Cash equivalents				
Investment savings accounts	\$ 42,311	\$ —	\$ —	\$ 42,311
Money market savings accounts	7,849	—	—	7,849
	50,160	—	—	50,160
Temporary investments				
Guaranteed investment certificates	—	50,453	—	50,453
Corporate bonds and loans	—	12,542	—	12,542
	—	62,995	—	62,995
Corporate investments				
	55	—	243,974	244,029
	\$ 50,215	\$ 62,995	\$ 243,974	\$ 357,184
Financial liabilities				
Derivative instruments				
	\$ —	\$ 1,575	\$ —	\$ 1,575
	\$ —	\$ 1,575	\$ —	\$ 1,575

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

April 1, 2013				
Fair value measurements using			Assets / liabilities at fair value	
Level 1	Level 2	Level 3		
Financial assets				
Cash equivalents				
Investment savings accounts	\$ 18,240	\$ —	\$ —	\$ 18,240
Money market savings accounts	93,463	—	—	93,463
	111,703	—	—	111,703
Temporary investments				
Guaranteed investment certificates	—	44,335	—	44,335
Corporate bonds and loans	3,061	12,312	—	15,373
	3,061	56,647	—	59,708
Restricted temporary investments				
	—	5,425	—	5,425
Corporate investments				
	126	—	210,109	210,235
	\$ 114,890	\$ 62,072	\$ 210,109	\$ 387,071
Financial liabilities				
Derivative instruments				
	\$ —	\$ 190	\$ —	\$ 190
	\$ —	\$ 190	\$ —	\$ 190

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization [based on the lowest level input that is significant to the fair value measurement as a whole] at the end of each reporting period. Transfers between levels of fair value hierarchy are deemed to have occurred at the date of event.

During the year ended March 31, 2015, the Company transferred its direct investment in Discovery Air common shares from level 1 to level 2 as a result of the market for the shares becoming inactive following the significant purchases made by Clairvest together with its co-investors as discussed in *note 8[m]*. There were no other transfers between the various levels of the fair value hierarchy for the years ended March 31, 2015 and 2014.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

[b] Level 3: Reconciliation between opening and closing balances

The following table presents the changes in fair value measurements for instruments included in Level 3 of the fair value hierarchy set out in IFRS 13:

	Fair value April 1, 2014	Total realized / unrealized gains and foreign exchange revaluations included in earnings	Purchases of assets / issuances of liabilities	Sales of assets / settlements of liabilities	Fair value March 31, 2015	Unrealized gains and foreign exchange revaluations included in earnings for assets and liabilities for the year ended March 31, 2015 for positions still held
Financial assets						
Corporate investments	243,974	38,604	18,932	[10,198]	291,312	38,585
	243,974	38,604	18,932	[10,198]	291,312	38,585

	Fair value April 1, 2013	Total realized / unrealized gains and foreign exchange revaluations included in earnings	Purchases of assets / issuances of liabilities	Sales of assets / settlements of liabilities	Fair value March 31, 2014	Unrealized gains and foreign exchange revaluations included in earnings for assets and liabilities for the year ended March 31, 2014 for positions still held
Financial assets						
Corporate investments	210,109	39,454	3,534	[9,123]	243,974	39,479
	210,109	39,454	3,534	[9,123]	243,974	39,479

[c] Level 3: Fair value measurement based on reasonably possible alternative assumptions

While Clairvest considers its fair value measurements to be appropriate, the use of reasonably possible alternative assumptions could result in different fair values. For a given measurement date, it is possible that other market participants could measure a same financial instrument at a different fair value, with the valuation techniques and inputs used by these market participants still meeting the definition of fair value. The fact that different fair value measurements exist reflects the judgment, estimates and assumptions applied as well as the uncertainty involved in determining the fair value of these financial instruments.

Included in corporate investments are indirect investee companies [refer to *note 8*] for which the fair values have been estimated based on assumptions that are not supported by observable inputs. The following tables present quantitative information on the primary valuation techniques and unobservable inputs based on the form of investment:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

March 31, 2015	Valuation techniques	Significant unobservable input	Range
Unquoted equity instruments [including warrants] or partnership units	Public company comparables	EBITDA multiples	4.2x to 9.5x
	Recent transactions	n/a	n/a
Corporate bonds, debentures or loans not traded	Discounted cash flows	Discount rates	6.0% to 15.0%

March 31, 2014	Valuation techniques	Significant unobservable input	Range
Unquoted equity instruments [including warrants] or partnership units	Public company comparables	EBITDA multiples	4.4x to 8.9x
	Recent transactions	n/a	n/a
Corporate bonds, debentures or loans not traded	Discounted cash flows	Discount rates	6.0% to 15.0%

April 1, 2013	Valuation techniques	Significant unobservable input	Range
Unquoted equity instruments [including warrants] or partnership units	Public company comparables	EBITDA multiples	3.4x to 7.1x
	Recent transactions	n/a	n/a
Corporate bonds, debentures or loans not traded	Discounted cash flows	Discount rates	6.0% to 10.0%

The most significant unobservable input for fair value measurement is the multiple of earnings before interest, taxes, depreciation and amortization ["EBITDA"] used for each individual indirect investee company. In determining the appropriate multiple, Clairvest considers i) public company multiples for companies in the same or similar businesses; ii) where information is known and believed to be reliable, multiples at which recent transactions in the industry occurred; and iii) multiples at which Clairvest invested directly or indirectly in the company, or for follow-on investments or financings. The resulting multiple is adjusted, if necessary, to take into account differences between the investee company and those the Company selected for comparisons and factors include public versus private company, company size, same versus similar business, as well as with respect to the sustainability of the company's earnings and current economic environment. Twelve indirect investee companies are valued using the earnings multiple approach. If the Company had used an earnings multiple for each investee company that was higher or lower by 0.5 times, the potential effect would be an increase of \$23.9 million or decrease of \$27.4 million to the carrying value of corporate investments and net changes in unrealized gains or losses on corporate investments, on a pre-tax basis for the year ended March 31, 2015 [March 2014 – increase of \$22.4 million or decrease of \$21.8 million; April 2013 – increase of \$19.3 million or decrease of \$19.4 million]. Earnings multiples used are based on public company valuations as well as private market multiples for comparable companies.

Clairvest may also use information about recent transactions carried out in the market for valuations of private equity investments when this value is the most representative indication of fair value. The fair value of corporate bonds, debentures or loans is primarily determined using discounted cash flow technique which uses observable and unobservable inputs such as discount rates that take into account the risk associated with the investment as well as future cash flows. For those investments valued based on recent transactions or discounted cash flows, Clairvest has

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2015 and 2014 [tabular dollar amounts in thousands, except per share information]

determined that there are no alternative assumptions that would change the fair value significantly at March 31, 2015, March 31, 2014 and April 1, 2013.

19. CAPITAL DISCLOSURES

Clairvest considers the capital it manages to be shareholders' equity. Clairvest also manages the third-party capital committed or invested in the CEP Funds and co-investments made by other investors.

Clairvest's objectives in managing capital are to:

- Preserve a financially strong company with substantial liquidity to pursue new acquisitions and growth opportunities as well as to support its operations and the growth of its existing corporate investments;
- Achieve an appropriate risk adjusted return on capital;
- Build the long-term value of its corporate investments; and
- Have appropriate levels of committed third-party capital available to invest along with Clairvest's capital. The management of third-party capital also provides management fees and/or priority distributions to Clairvest and the ability to enhance Clairvest's returns by offsetting a portion of its operating costs and by earning a carried interest.

At March 31, 2015, March 31, 2014 and April 1, 2013, Clairvest had no external capital requirements, other than as disclosed in *note 16*.

20. FUTURE CHANGES IN ACCOUNTING POLICIES

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 [2009, 2010 and 2013] is permitted if the date of initial application is before February 1, 2015. The Company is currently assessing the impact of IFRS 9 and plans to adopt the new standard on the required effective date.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

SHAREHOLDER INFORMATION

As at, and for the year ended, March 31, 2015

SHAREHOLDER COMMUNICATION

Clairvest has both the obligation and desire to provide its shareholders with full and continuous disclosure, on a timely basis, throughout the fiscal year. Annual and quarterly reports are provided as part of this process and the company releases information on material events through the press, as required. Further disclosure can be found on the company's website, www.clairvest.com, and on the SEDAR website, www.sedar.com.

VALUATION MEASURES

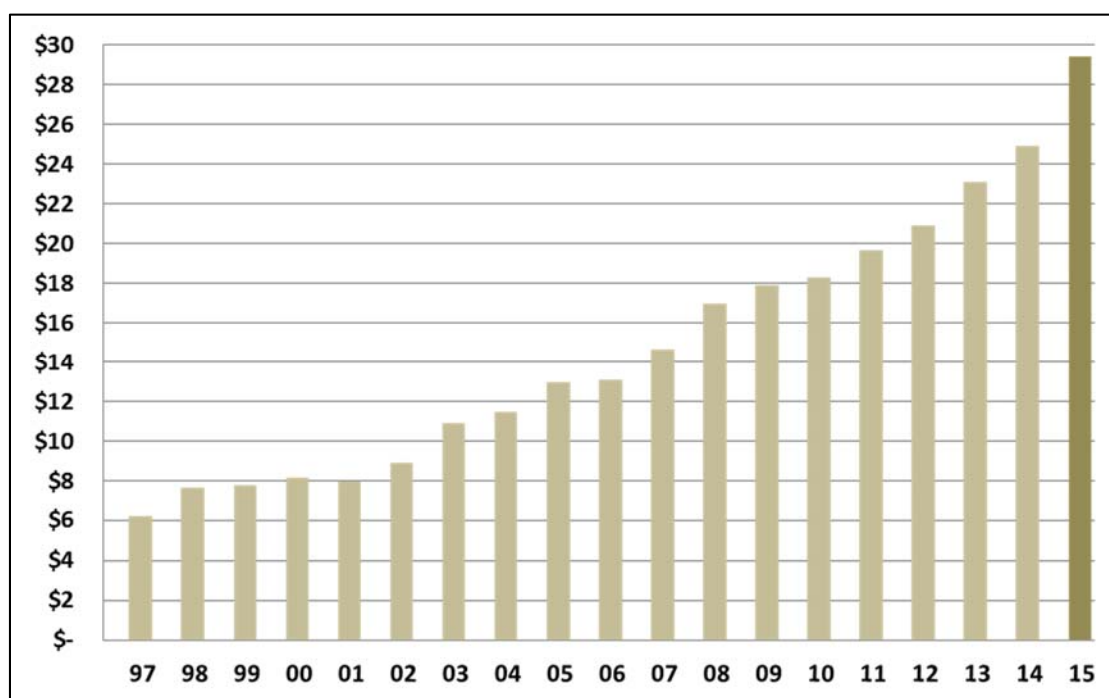
Clairvest's focus is on building the longterm value of its investments. Accordingly, the results are reflected in the value of our investments. The fair value method, however, is not without its limitations. Clairvest's investments are often carried at values which may vary from the actual realizations.

OUTSTANDING SECURITIES

Share structure	Common Shares ^[3]	
Common shares outstanding		15,134,095
Less holders of 10% or more		9,857,822
Public float ^[1,2]		5,276,273
Market capitalization ^[1]	\$	431,321,708
Market value of public float ^[1,2]	\$	150,373,781
Stock market	Toronto Stock Exchange	
Stock symbol	CVG	

[1] As at June 2, 2015. [2] Excludes holders of 10% or more of the outstanding common shares. [3] During the year, Clairvest filed a new Normal Course Issuer Bid.

BOOK VALUE PER SHARE^[1] AT MARCH 31

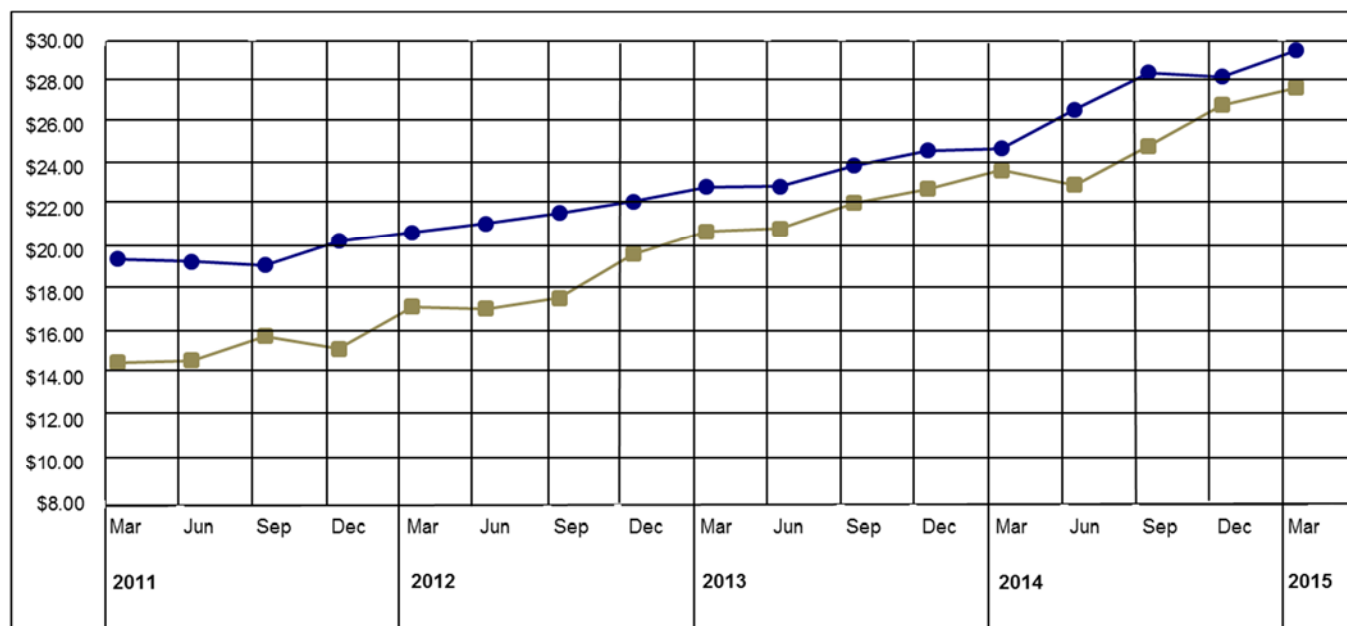


[1] Book value per share presented under Part V "Pre-changeover accounting standards" of the Handbook for Chartered Professional Accountants Canada ["Canadian GAAP"] for all periods up to March 31, 2014.

SHAREHOLDER INFORMATION

As at, and for the year ended, March 31, 2015

SHARE PRICE VS BOOK VALUE PER SHARE^[1]



● Book Value ■ Share Price

[1] Book value per share presented under Part V "Pre-changeover accounting standards" of the Handbook for Chartered Professional Accountants Canada ["Canadian GAAP"] for all periods up to March 31, 2014.

SHARE TRADING VOLUME FISCAL 2015

Common shares	High	Low	Close	Volume
Year to March 31, 2015				
First Quarter	24.24	22.34	23.20	289,800
Second Quarter	25.24	22.96	25.05	108,200
Third Quarter	26.99	24.75	26.99	31,600
Fourth Quarter	28.23	26.99	27.81	23,600
Year to March 31, 2014				
First Quarter	22.95	20.98	21.02	46,700
Second Quarter	22.74	20.83	22.35	77,700
Third Quarter	23.11	21.70	23.01	64,400
Fourth Quarter	23.95	23.01	23.90	94,300

SHAREHOLDER INQUIRIES

Maria Klyuev, Director, Investor Relations & Marketing

tel: 416.925.9270

fax: 416.925.5753

email: mariak@clairvest.com

TRANSFER AGENT AND REGISTRAR

Investors are encouraged to contact CST Trust Company for information regarding their security holdings.

Information can be obtained at:

P.O. Box 4202, Station A

Toronto, Ontario, M5W 0E4

Answerline: 1.800.387.0825

Web: www.canstockta.com

Email: inquiries@canstockta.com

CORPORATE INFORMATION

CORPORATE OFFICE

22 St. Clair Avenue East, Suite 1700

Toronto, Ontario M4T 2S3

Tel: 416.925.9270 Fax: 416.925.5753

Web: www.clairvest.com

AUDITORS

Ernst & Young LLP

THE ANNUAL MEETING OF SHAREHOLDERS

August 12, 2015

St. Andrews Club & Conference Centre,

150 King Street West, 27th Floor

Toronto, Ontario Canada

All Shareholders are encouraged to attend.