2016 ANNUAL MEETING

THE CATALYST FUNDS III AND IV/IV-PP JOINT ANNUAL MEETING

Presented by The Catalyst Capital Group Inc.

Tuesday, April 4, 2017 at 1:30 p.m. to 3:00 p.m. EST
at the offices of Fasken Martineau DuMoulin LLP, Toronto, ON
Algonquin, Escarpment & Huron Boardrooms – 24th floor

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I. Introductory Comments

I. Introductory Comments:

- This presentation focuses exclusively on matters related to Funds III, IV, and IV-PP. Broader issues related to the economy, investment environment, and a Catalyst operational update will be discussed at 9 a.m. tomorrow at the "General Observations" meeting

- This AGM format is new for Catalyst and is in part the result of requests by investors to shorten our AGM process:

  - The changes have reduced our AGMs from three days to two, and from seven total meetings to five
  - Further consolidation may be possible in coming years, if desired by the investors
  - Catalyst remains of the view that the AGMs are valuable in that they provide an opportunity for the investors to meet collectively with Fund management and provide insight/opportunity to discuss both explicit and implicit risks
  - Risk adjusted returns remain, in our view, far more important than absolute returns and, therefore, an explicit discussion regarding overall risk in each portfolio is a necessity for any investor herein to truly understand their investment
  - Therefore, it is our goal to provide investors as granular information as possible, and specifically such regarding explicit and implicit risk in the Funds they own

I. Introductory Comments:

2016 Funds III, IV, and IV-PP Highlights:

- Intentional intense focus on monetizations in 2016:
  - To be completed in 2017, in most cases
  - Fund III currently expected to be left with only one or two portfolio interests by end of process, well ahead of "fund life" schedule
  - Fund IV likely to also be holding only one or two positions (jointly owned with Fund V) and will participate with Fund V on new investments until end of Fund IV investment period (June 30, 2017)

- Completed partial monetizations in 2016 and early 2017 included:
  - Geneba (Infineon HQ sale)
  - Advantage (completion of fleet refinancing)
  - Great Canadian Gaming (sale of entire position)
  - Gateway (return of capital from recapitalization)
  - SFX Entertainment (repaid in full)
  - The Fresh Market (tendered in full to going private led by Apollo)
  - Corus (repaid in full)
  - Tervita (repaid in full)

- Introduced internal "cost of capital" process to address historical error of potentially holding positions too long
  - See Geneba as example of improved process and benefits thereof
  - Result is further improved MOIC (due to recycling) and improving IRRs from already top performing levels
  - The more recent the Fund, likely the bigger the impact due to fact earlier Funds are past their Investment Periods

I. Introductory Comments:

2016 Funds III, IV, and IV-PP Highlights (continued):

- No new major entrants into Canadian distressed space; in fact barriers to entry rose
  - Point North did raise small amount for Canadian focused activist and distressed fund
    - Have only done equity "activist" deal(s) so far
    - Deal size too small for Catalyst
- Best performing Canadian private equity fund manager (and one of the best in the world)
- Returns are expected to accelerate as growth plans and newly deployed capital combine with planned monetizations
  - Volatility and foreign exchange did help to upside in 2016, just as they hurt to downside in 2015
- Fund III doing "ok" but not up to Catalyst standards (over 1.6x gross multiple and 18.4% gross IRR on invested capital, with regard to foreign exchange and litigation claims, and over 1.5x gross multiple and 15.3% gross IRR on invested capital without regard to litigation claims, since inception – and rising)
  - Significant leverage to upside (and possible volatility) via Callidus and outstanding PanAm and Wind litigation claims
- Funds IV/IV-PP have over 1.6x gross multiple and 32.0% gross IRR on invested capital, with regard to foreign exchange and litigation claims, and a 1.4x gross multiple and 20.8% gross IRR on invested capital without regard to litigation claims, since inception

I. Introductory Comments (continued):

Errors in 2016:

- Funds III and IV continued to be in a position of insufficient liquidity:
  - Fund IV-PP was too little, too late
  - Fund III - approximately 102.5% invested and committed (Investment Period has ended)
  - Fund IV - approximately 96.6% drawn at year end and 91.4% invested and committed (with approximately three months remaining in Investment Period in which it has right to partner with Fund V in new investments)
  - Fund IV-PP - approximately 78.0% drawn at year end and 74.6% invested and committed

- Liquidity issues combined with: (a) failure to monetize investments earlier in Funds lives, and (b) current market conditions, resulted in both Funds III and IV having fewer positions than Catalyst target of 18-22:
  - Fund III finished Investment Period at ten positions during its fund life (four full and four partial monetizations to date)
  - Fund IV currently at eleven positions including litigation claims (six full and three partial monetizations to date)
    - Given sharing with Fund V and current liquidity position, possibly one more position before end of Investment Period
  - Larger funds would have by definition allowed for additional number of investments as well as increase in average position size
    - Hurt Fund IV in particular (see experience in Pacific)
  - Given capital constraints, Catalyst focused on ways other than diversification to reduce portfolio risk generally, and inherent internal capital at risk ("VaR") for each fund specifically

- Likely a year late in executing plan for senior team development/additions
  - Well underway currently

I. Introductory Comments (continued):

<u>Errors in 2016 (continued):</u>

- All current portfolio investments, except NMRC, contributing significant positive performance since inception:
  - Focused on immediate monetization of those positions at or below "internal cost of capital", while accelerating gains elsewhere
    - See Gateway, Callidus, and Advantage as examples of execution of potential gains acceleration

- If successful in execution, expect returns to accelerate going forward, but also risk of being highly volatile in interim – especially Callidus and litigation claims
  - Callidus was up substantially in 2016 (over 134%)
    - Expect Funds III and IV to benefit from going private/restart of growth
  - Early in process re: litigation claims and expect refinement of view as process evolves

- Expect to reduce volatility risk by prioritization of monetizations other than via public markets

- Fundraising:
  - Fund IV was clearly too small
    - Evidenced by concentration, as well as total and timing of capital deployed
    - Fund IV-PP was an attempt to alleviate both concentration and size issues and explains why Fund IV-PP was open only to existing Fund IV investors
  - Fund V likely also too small
    - Nearly 50% deployed at December 31, 2016, but only 15 months old, MOIC and IRR already at 1.6x and 145.4% respectively

I. Introductory Comments (continued):

Errors in 2016 (continued):

- Portfolio concentration and Fund liquidity – too high and too low, respectively, in both Funds III and IV
  - Results to date show Catalyst found other means of controlling "embedded" and other risks normally associated with concentration issues
  - Fund III liquidity was less available than expected, which in turn accelerated Fund IV deployment – thus exacerbating Fund IV's liquidity issue; Fund III reduced liquidity likely partly due to Fund II liquidity issue
  - Clearly an issue that must be addressed – structure/size of next fund must be sufficient to break the cycle
    - Increased discipline regarding timing of monetizations resulting in improved recycling should help, but not a complete solution

- Returned to market at least 12 months ahead of schedule for Fund V, and now going to happen again with Fund VI
  - Fund V first close was March 27, 2015, and final close was effective September 30, 2015
  - Closed Fund V at "hard cap" of US$1.53B
  - Given opportunity set (+) amount already deployed (as well as gains thereon), will have to raise Fund VI in 2H 2017
    - Approximately 12 months ahead of schedule

I. Introductory Comments (continued):

Issues to be Discussed at Today's AGM:

- Concentration situation improved, but will not meet target of 18-22 positions
  - Additional positions not possible for Fund III due to expiration of Investment Period
  - Limited ability in Fund IV due to percent of capital already deployed, proportionate sharing formula with Fund V, and imminent end to Investment Period
  - Pacific was intentionally only new deal in 2016 due to Catalyst's view of cost/returns in corporate credit markets
    - Pacific was incredibly unique situation
  - Increased investment in existing portfolio situations (for example, Advantage) now must also formally meet "internal cost of capital" metrics
- 2017 expected monetizations and potential impact of such on the Funds' go-forward liquidity position
  - Will distribute all gains realized from Geneba imminently and from Gateway, Sonar, and Advantage when completed
- Review of foreign exchange policy
- Treatment of litigation claims and disclosure thereof
- Any remaining issues re: Funds IV/IV-PP and V not discussed during the other Annual Meetings

II. 2016 Review

II. 2016 Review:
(a) Financial Review
(1) Portfolio Positions

Litigation Claims

- Have "contingent assets" of PanAm claim (Fund III only) and Wind (1/3 Fund III and 2/3 Fund IV)
- Wind litigation in particular extremely material
- Recent PSP/Saba litigation wherein PSP sued Saba for undervaluing certain assets
  - Given secondary P/E market, this kind of issue likely to increase
  - Belongs to Funds, so deserves improved transparency counter-balanced by litigation/confidentiality concerns
- Disclosed in each Fund on "best current information" and discounted value basis
  - Amount and approach in Notes
  - Disclosing impact on return "with" and "without" basis so investors can treat as they decide
  - Could be source of volatility going forward – both up and down
- Given impact on Catalyst generally (PR, etc.) more fully discussed at "General Observations" Annual Meeting

II. 2016 Review:
(a) Financial Review
(1) Portfolio Positions (continued)

Wind Litigation (Catalyst v VimpelCom):

- On May 31, 2016, Catalyst commenced an action against West Face Capital Inc., VimpelCom Inc., Globalive Inc., UBS Canada Inc., Tennenbaum Capital Partners LLC, LG Capital Investors LLC, 64 NM Holdings GP LLC, 64 NM Holdings, Serruya Private Equity Inc. and Novus Wireless Communications Inc. (the "West Face Consortium")

- The claim arises out the purchase by the West Face Consortium of Wind Mobile from VimpelCom Ltd. and Globalive Capital Inc. in September 2014
  - Catalyst had an exclusivity agreement with VimpelCom on the Wind opportunity until mid-August 2014

- The action seeks $1.3 billion, plus interest and costs, in damages pursuant to a number of torts and breach of contract
  - This number results from the fact that Wind was subsequently apparently sold by the West Face Consortium for gross proceeds of $1.6 billion (net of the purchase price, profit proceeds of $1.3 billion) on a primarily spectrum-asset basis to Shaw Communications Inc.

- The proceeding is at a preliminary stage – to date, all defendants but UBS Canada Inc. have filed a statement of defence and all of the defendants have filed motions to strike the VimpelCom Action

- Catalyst's view, based on all available information, including but not limited to the documents and evidence currently available, is that the claims alleged in the VimpelCom Action have a reasonable likelihood of success at trial on a balance of probabilities standard
  - Certain critical information/emails/evidence was filed in the trial record of the Moyse litigation

II. 2016 Review:
a) Financial Review
(1) Portfolio Positions (continued)

Callidus Capital Corporation ("Callidus"):

The information being given to you in this presentation concerning Callidus Capital Corporation is being provided to you as an investor in one or more Catalyst Funds. Callidus is a publicly-traded company. As a result, our discussion herein shall be limited to publicly available information only.

- Fund ownership:
  - Fund II owns 1.73MM shares of Callidus or 3.5% of the Company, net of "carry shares"
  - Fund II-PP owns 0.51MM shares of Callidus or 1.0% of the Company, net of "carry shares"
  - Fund III owns 18.6MM shares of Callidus or 37.2% of the Company, net of "carry shares"
  - Fund IV owns 8.8MM shares of Callidus or 17.6% of the Company, no "carry shares" created in IPO

- At 2016 year-end, stock was C$18.46, resulting in year-over-year gain of 134%
  - 110% share price appreciation
  - 17% resulting from exercise of DRIP
  - 7% resulting from FX

- Risk in loan book down substantially YoY
  - 15 loans repaid or recovered in 2016, an additional six in first three months of 2017
  - Gross yield for 2016 was 19.5%, a 60 bps (3%) increase from 2015
  - ROE(1) for 2016 was 31.0% (ROE as reported was 0.2%) compared to 17.7% for 2015 (ROE as reported was 12.9%)
  - Loan book has increased 2.8x since IPO to C$1,314 million at December 31, 2016
  - Growth restarted with C$1.4 billion pipeline and total liquidity at December 31, 2016 able to support ~ C$300 million of new loans (~C$600 million at March 31, 2017).
  - Opportunity to leverage portfolio to significantly increase ROE

(1) before provisions and yield enhancements and after non-IFRS yield enhancements

II. 2016 Review:
a) Financial Review
(1) Portfolio Positions (continued)

Callidus (continued):

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- As promised, Callidus addressed the disconnect between public stock value and inherent value with both an operational focus and a four-part capital markets plan:
  - Highly focused on operational performance
  - As discussed in public filings, especially the Q4 2015 MD&A, overhauled certain key internal processes
  - Increased disclosure and transparency where possible, and via both data and performance, refuted the various current/expected inaccuracies in the market
    - This included improved transparency regarding yield enhancement – a key part of our business and ROE
  - The four-step capital markets plan designed to help mitigate the operational performance/stock price disconnect included:
    - Normal Course Issuer Bid ("NCIB") - **DONE**
    - Introduced a dividend, and repeatedly increased such (initially C$0.70/year, now C$1.20/year) – **DONE**
    - Substantial Issuer Bid, and repeatedly increased such (Initially at C$14/share and ultimately raised to C$16.50/share which was at "substantial and material premium" to initial C$14/share SIB price) – **DONE**
    - "Go-private" transaction – **IN PROCESS**

II. 2016 Review:
a) Financial Review
(1) Portfolio Positions (continued)

Callidus (continued):

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Business Update:

- Results before provisions and yield enhancements:
  - Net Income - C$89.3 million for the year, up C$1.1 million or 1% from last year;
  - EPS (diluted) - C$1.77 for the year, up C$0.03 per share or 2% from last year; and
  - ROE of was 16.7%, a decrease from 17.7% in 2015
- Provision for loan losses of C$134.3 million, non-IFRS unrecognized yield enhancements of C$122.7 million. Provision primarily related to:
  - The decrease in appraisal values for hard assets such as land or machinery and equipment or "yellow metal" of borrowers (approximately one third of the total); and
  - Overall decrease in enterprise values used to assess loan loss provisions as a result of lower updated forecasts and market comparatives in specific industries including scrap metal and aluminum castings (approximately one fifth of the total)
- Results after provisions and yield enhancements:
  - Net Income - C$1.2 million;
  - EPS (diluted) - C$0.02, a decrease from C$1.22/share in 2015; and
  - ROE of 0.2%, a decrease from 12.9% in 2015

II. 2016 Review:
a) Financial Review
(1) Portfolio Positions (continued)

Callidus (continued):

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Business Update (continued):

- Total revenue of C$188 million for the year, an increase of C$17 million or 10% from 2015
- Gross yield for the year was 19.5%, an increase from 18.9% last year
- Leverage ratio of 40.4% at the end of the current year, a decrease from 50.9% at the end of last year, as cash from repayments during year was used to reduce amounts outstanding on the various facilities, including the Catalyst bridge
- Obtained a new, investment grade, low-cost, scalable, senior financing vehicle in December 2016 to fund growth
  - C$167 million (US$125 million) securitization facility with four investment grade tranches, ranging from AAA(sf) to BBB(sf), which represents ~ 60% of the initial issue size
  - Provides a lower cost of funds (by approximately 200 bps) than other facilities
- Increased the dividend twice during the year - first from C$0.70/share to C$1.00/share per year in May 2016, and then to C$1.20/share in October 2016 - a 70% increase since it was introduced in September 2015
- Completed the SIB in December 2016, taking up and cancelling ~ 2.8 million shares
- Announced an NCIB to begin in 2017 to purchase up to approximately 2.5 million common shares, representing 5% of the float

II. 2016 Review:
a) Financial Review
(1) Portfolio Positions (continued)

Callidus (continued):

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Business Update (continued):

On March 31, 2017, the Company announced:

- Pipeline of potential new loans stands at approximately C$1.4 billion
  - Signed back term sheets of approximately C$145 million
  - Liquidity at the end of March 2017 can support approximately C$600 million in new loans
- Total debt (net of cash and cash equivalents) of C$531 million before derecognition, or 40% of gross loans receivable at December 31, 2016
- 10 loans repaid in the normal course during 2016, five were fully recovered under the Catalyst guarantee, for total cash proceeds of C$244 million
- In 2017, six loans repaid to date, for total proceeds of C$378 million, including the largest loan in the portfolio, largely financed by Catalyst's Participation (C$206 million of C$309 million)
- Privatization Update –19 interested parties signed non-disclosure agreements to enter the Process
  - Second stage - focusing on structure and value - is being conducted with a smaller group, which will not exceed six in number
  - Early expressions of interest support initial valuations that would translate into a price received by tendering shareholders that is consistent with the previously disclosed valuation range provided by National Bank Financial (C$18/share to C$22/share) that accompanied the SIB in April 2016

II. 2016 Review:
a) Financial Review
(1) Portfolio Positions (continued)

Callidus (continued):

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Business Update (continued):

Highlights from the fourth quarter, relative to the third quarter

- Average loan portfolio outstanding was C$1,283 million, an increase of 5% (C$65 million) from Q3-16, and an increase of 8% (C$90 million) from Q4-15
- Gross yield of 20.1% in Q4 2016 compared to 19.0% in Q3-16 and 19.1% in Q4-15
- Results before provisions and yield enhancements:
  - ROE was 17.4%, an increase from 17.1% in Q3-16 and a decrease from 20.9% in Q4-15;
  - Net income was C$22.4 million, an increase of 2% (C$0.2 million) from Q3-16 and a decrease of 15% (C$3.9 million) from Q4-15; and
  - EPS (diluted) of C$0.45 per share, increased 5% (C$0.02 per share) from Q3-16 and 13% (C$0.07 per share) from Q4-15
- Provision for loan losses for the fourth quarter was C$86.3 million (see disclosure on 2016 provision for main elements)
- During the fourth quarter of 2016, four loans representing C$61.2 million outstanding were fully repaid in accordance with their original terms; proceeds were used to reduce outstanding amounts under financing facilities

II. 2016 Review:
a) Financial Review
(1) Portfolio Positions (continued)

Geneba Properties N.V. ("Geneba") (formerly known as "Homburg"):

Please note this investment is owned 33%/67% by Funds III and IV/IV-PP. Investment figures below represent aggregate position

Capital Invested:	
Prior Capital Invested:	$263,165
Additional Capital Invested:	$35,356
Total Current Capital Invested:	$298,521
Realized Proceeds to Date:	$102,306
Unrealized Value:	$330,233
Total Value:	$432,538
Gross IRR:	19.5%
Multiple on Cash Invested:	1.5x

Securities Purchased:	Mortgage Bonds, Unsecured Bonds, Equity
Original Investment Date:	Oct-12

II. 2016 Review:
(a) Financial Review
(1) Portfolio Positions (continued)

Geneba (continued):

- Since Geneba's emergence from its multi-jurisdictional bankruptcy process, including its Montreal CCAA filing on March 27, 2014, Catalyst has increased its equity ownership from 43% to 86%
- At emergence, Catalyst's 43% stake in Geneba had an implied plan value of ~€95MM:
  - This value was a ~40% discount to the market value of €153MM (as determined by Deloitte, acting as the Court Monitor)
  - Post execution of Catalyst turnaround plan, was actually a cash yield of >20% (4x higher than comparable market yields)
- Catalyst then extended a €58.3MM bridge term loan, which was subsequently converted into equity as part of a €206MM Rights Offering backstopped by Catalyst:
  - Rights Offering done at a discount to the CCAA implied plan value, allowing Catalyst to further arbitrage entry price and inherent value
  - Proceeds were utilized in 2015 and 2016 to improve the quality and diversification of the asset portfolio, and improve the operational platform
- Catalyst's $298.5MM investment in Geneba has a total value of $432.5MM as of Dec. 31, 2016
  - This represents a 28%/year and 1.65x MOIC excluding the Euro FX effect or 20%/year return and 1.45x MOIC including FX effect
- Credit Suisse engaged to lead a strategic alternatives process
  - A sale or large dividend recap is targeted to be completed in Q2 2017

II. 2016 Review:
(a) Financial Review
(1) Portfolio Positions (continued)

<u>Geneba (continued):</u>

- Catalyst positioned Geneba as a growth platform with a focus on logistics and light industrial properties in Germany and the Netherlands
    - Catalyst chairs the Board and the Investment Committee, having veto power on any and all acquisitions/dispositions
    - Throughout 2016, Geneba completed nine logistics and light industrial property acquisitions representing an incremental value of €112MM and an 11% equity yield (~2x the yield at which comparable public REITs trade)
    - These acquisitions strengthened Geneba's portfolio in Europe
        - Very high credit quality tenants
        - Long term leases averaging 10 years
        - Current tenants include the likes of BMW, Siemens, and ABB (all investment grade issuers)
- Catalyst and Geneba have identified a strong property acquisition pipeline
    - Geneba completed two new, self-funded acquisitions 1Q 2017 totaling €52MM
    - Has strengthened the CSFB process with likely result of "premium valuation"
- In Q4 2016, Geneba entered into an agreement with Infineon, the tenant at Geneba's largest property, wherein Infineon exercised its right to buy its headquarters from Geneba
    - Proceeds of €113MM were received on Dec. 30, 2016, and Geneba contemporaneously approved a distribution of the sale proceeds to shareholders of which €96.8MM ($102.1MM) was distributed to Catalyst (its proportionate share)

II. 2016 Review:
(a) Financial Review
(1) Portfolio Positions (continued)

Advantage Rent A Car (“Advantage”):

(All figures below in thousands of U.S. dollars as of December 31, 2016)

Capital Invested:	
Max Capital Invested	$302,900
Net Repayments	($32,724)
Current Capital Invested:	$270,176
Realized Proceeds - Interest: [1]	$7,763
Unrealized Value:	$513,200
Total Value:	$553,687
Gross IRR:	30.1%
Multiple on Cash Invested:	1.8x

Current Securities Held:	Shareholder Loans and 85% of the Equity
Original Securities Held:	DIP Facility
Original Investment Date	Nov-13

(1) Represents cash interest received

II. 2016 Review:
(a) Financial Review
(1) Portfolio Positions (continued)

Advantage (continued):

- Catalyst has built Advantage into the fourth largest rental car company in the U.S.
  - Nationwide footprint that captures 85% of all airport passengers in the top 50 airports with 46 stations (74 counters) across the Advantage and EZ brands
  - Dual branded strategy enables Advantage to pursue customers in the premium and leisure segments
- Since taking control of Advantage, Catalyst has executed on its operational turnaround plan which included:
  - Shedding 33 unwanted locations (from 73 to 40), addressing handicaps from legacy Hertz 'relationship', restructuring critical contracts (i.e. fleet), and realigning operations based on proven best practices
  - Gaining scale and operational leverage by acquiring E-Z in 2015, adding ~10,000 vehicles to Advantage's fleet, creating a successful dual-branded strategy, opening the company up to new locations, and realizing on operational synergies between the companies
- Both the Working Capital and Fleet Financing lines were repaid, de-risking Catalyst's investment position
- Partial monetization via fleet refinancing of $31MM in Q4 2016 (additional $21MM in January 2017), reducing Catalyst's current investment to $270MM
- Including effects of EZ acquisition, it appears:
  - Acquired/formed current Advantage at a 4.2x forward 2017 multiple
    - Public comparables currently trading at ~8x forward 2017 multiple
- As 4th largest in U.S., enormous strategic value to party needing U.S. presence – and huge disadvantage to the numerous strategic players that lose such opportunity since not replicable

II. 2016 Review:
(a) Financial Review
(1) Portfolio Positions (continued)

Advantage (continued):

New Developments

- Catalyst and Advantage have been working together to execute on strategic opportunities:
  - Partnership with Europcar has: (a) positively impacted profitability and (b) solidified the relationship between Advantage and Europcar (one of three main potential acquirers aiming to expand their own footprints in the U.S.)
  - Currently implementing ride sharing and mobility solutions under which additional investment is *de minimus*
- Advantage's EBITDA has improved from ($31MM) in 2015 to $15MM normalized in 2016 with a $33MM target in 2017 and a $45MM target in 2018 (not including estimated $30-50MM in EBITDA cost reduction synergies)
  - If succeed operationally, means up to $95MM EBITDA target by end of 2018
- Advantage is working with Morgan Stanley to execute a monetization in the next 12-18 months
  - Main consideration is optimizing the balance between value creation, return on capital, and execution risk
  - Given the extensive barriers to entry that Advantage's real estate creates, Advantage holds key strategic value to any international rental car company looking to enter or defend their presence in the U.S. market
    - Europcar, Sixt, Localiza, and Goldcar are interested in doing so; nascent interest from Asian players also exists
  - Catalyst is intentionally positioning the business so that a strategic acquirer will be able to achieve significant EBITDA cost synergies well in excess of 10% of Advantage's revenue (excludes significant potential revenue synergies)

II. 2016 Review:
(a) Financial Review
(1) Portfolio Positions (continued)

Advantage (continued):

New Developments (continued)

- Additional opportunities to grow EBITDA through operational initiatives include:
  - Increasing revenue by using advanced technology systems to adapt prices in local markets hundreds of times per day and investing in a highly talented revenue management team
  - Optimizing the fleet by station and season in order to maximize utilization
  - Drive revenue on ancillary (counter-sold) products by bringing pricing in line with peer companies (this has already been achieved with no impact on volume)
  - Further increased focus on fleet management
    - Make sure in-fleeting, de-fleeting, repairs and any other downtime is limited to make the most of the “400 day life” of the vehicle

II. 2016 Review:
a) Financial Review
(2) Position Review – Cumulative Fund Investment Returns Since Inception (as of December 31, 2016) [1]

Fund III in US$	Date of Initial Investment	Date of Substantial Realization [2]	Total Capital Committed [3]	Total Capital Invested [4]	Total Realized Proceeds [5]	Unrealized Value [6]	Total Value	Multiple of Cost	Gross IRR [7]	Net IRR [7]	Net Multiple of Cost
Catalyst Fund Limited Partnership III											
Realized and Partially Realized Investments											
Callidus Capital Corporation - Sr. Secured Loan	Sep-09	Apr-14		197,521,300	231,431,016	-	231,431,016	1.2x	15.4%		
Callidus Capital Corporation - Common Shares [9]	Sep-09	N/A	204,000,000	136,528,748	58	275,720,207	275,720,265	2.0x	29.7%		
Callidus Capital Corporation - Bridge Loan [9]	Nov-14	N/A		52,277,908	13,458,708	52,277,908	65,736,616	1.3x	11.0%		
Xchange Technology Group [14]	Mar-16	N/A	20,000,000	18,276,237	-	3,132,667	3,132,667	0.2x	NM		
Callidus Capital Corporation - Total				**404,604,193**	**244,889,781**	**331,130,782**	**576,020,563**	**1.4x**	**20.1%**		
Canwest	Oct-09	Oct-10		24,215,118	33,053,997	-	33,053,997	1.4x	24.7%		
Gateway Casinos & Entertainment Inc. [10]	Sep-09	Sep-10	160,000,000	153,479,560	75,758,785	391,713,936	467,472,721	3.0x	25.0%		
YRC Worldwide	Apr-10	Dec-11		41,360,394	57,778,060	-	57,778,060	1.4x	32.2%		
Mobilicity	Sep-12	Jul-15		23,962,135	28,898,561	-	28,898,561	1.2x	9.0%		
Great Canadian Gaming	Mar-12	May-16		64,129,870	93,576,491	-	93,576,491	1.5x	15.0%		
Geneba [15]	Oct-12	N/A	100,977,200	99,510,315	34,101,911	110,077,528	144,179,439	1.4x	19.5%		
Advantage Rent-A-Car [16]	Nov-13	N/A	100,977,200	100,975,231	13,501,282	171,066,667	184,567,948	1.8x	30.1%		
Total Realized and Partially Realized Investments				**$ 912,236,817**	**$ 581,558,868**	**$ 1,003,988,913**	**$ 1,585,547,781**	**1.7x**	**22.9%**		
Unrealized Investments											
Natural Market Restaurants Corp. [12]	Apr-10	N/A	215,000,000	207,232,126	-	26,635,808	26,635,808	0.1x	NM		
Sonar Entertainment Inc. [13]	May-10	N/A	204,000,000	140,309,848	4,231,242	230,638,322	234,869,564	1.7x	16.2%		
Wind Litigation Claim [18]	N/A	N/A		-	-	148,953,601	148,953,601	NM	NM		
PanAm Litigation Claim [19]	N/A	N/A		-	-	18,395,770	18,395,770	NM	NM		
Total Unrealized Investments				**$ 347,541,974**	**$ 4,231,242**	**$ 424,623,501**	**$ 428,854,743**	**1.2x**	**6.7%**		
Total Fund III Investments - With Litigation Claims				**$ 1,259,778,790**	**$ 585,790,110**	**$ 1,428,612,414**	**$ 2,014,402,524**	**1.6x**	**18.4%**	**11.7%**	**1.5x**
Total Fund III Investments - Without Litigation Claims				**$ 1,259,778,790**	**$ 585,790,110**	**$ 1,261,263,043**	**$ 1,847,053,153**	**1.5x**	**15.3%**	**8.9%**	**1.3x**

(Footnotes in Appendix 4)

II. 2016 Review:
a) Financial Review
(2) Position Review – Cumulative Fund Investment Returns Since Inception (as of December 31, 2016) (1)

Fund IV & IV-PP in US$

	Date of Initial Investment	Date of Substantial Realization (2)	Total Capital Committed (3)	Total Capital Invested (4)	Total Realized Proceeds (5)	Unrealized Value (6)	Total Value	Multiple of Cost	Gross IRR (7)	Net IRR (7)	Net Multiple of Cost
Catalyst Fund Limited Partnership IV & IV-PP											
Realized and Partially Realized Investments											
Callidus Capital Corporation - Sr. Secured Loan	Jun-12	Apr-14		179,155,489	203,169,682	-	203,169,682	1.1x	14.1%		
Callidus Capital Corporation - Common Shares (9)	Apr-14	N/A	201,954,400	116,877,217	57	120,528,773	120,528,830	1.0x	1.3%		
Callidus Capital Corporation - Bridge Loan (9)	Nov-14	N/A		197,529,025	27,237,193	197,529,025	224,766,218	1.1x	10.8%		
Xchange Technology Group (14)	Mar-16	N/A	40,000,000	36,552,474	-	6,265,333	6,265,333	0.2x	NM		
Callidus Capital Corporation - Total				**530,114,204**	**230,406,932**	**324,323,131**	**554,730,063**	**1.0x**	**3.6%**		
Mobilicity	Sep-12	Jul-15		47,924,269	57,797,123	-	57,797,123	1.2x	9.0%		
Relativity Media	Jun-15	Jul-15		55,043,290	55,947,165	-	55,947,165	1.0x	94.1%		
SFX Entertainment, Inc.	Dec-15	Feb-16		3,334,135	3,764,926	-	3,764,926	1.1x	277.2%		
The Fresh Market, Inc.	Dec-15	Apr-16		7,216,032	9,666,796	-	9,666,796	1.3x	189.0%		
Corus Entertainment Inc.	Feb-16	May-16		203,889	205,025	-	205,025	1.0x	5.7%		
Tervita Corporation (formerly "Project Vinci")	Sep-15	Dec-16		16,723,338	20,685,383	-	20,685,383	1.2x	36.8%		
Geneba (15)	Oct-12	N/A	201,954,400	199,020,630	68,203,822	220,155,057	288,358,879	1.4x	19.5%		
Advantage Rent-A-Car (16)	Nov-13	N/A	201,954,400	201,950,462	27,002,563	342,133,333	369,135,896	1.8x	30.1%		
Total Realized and Partially Realized Investments				**$ 1,061,530,249**	**$ 473,679,735**	**$ 886,611,521**	**$ 1,360,291,256**	**1.3x**	**15.9%**		
Unrealized Investments											
Pacific Exploration & Production (17)	Jun-16	N/A	114,955,073	70,085,150	2,957,164	183,758,285	186,715,449	2.7x	596.7%		
Wind Litigation Claim (18)	N/A	N/A		-	-	297,907,202	297,907,202	NM	NM		
Total Unrealized Investments				**$ 70,085,150**	**$ 2,957,164**	**$ 481,665,487**	**$ 484,622,651**	**6.9x**	**4220.6%**		
Total Fund IV & IV-PP Investments - With Litigation Claims				**$ 1,131,615,399**	**$ 476,636,899**	**$ 1,368,277,008**	**$ 1,844,913,907**	**1.6x**	**32.0%**	**24.5%**	**1.6x**
Total Fund IV & IV-PP Investments - Without Litigation Claims				**$ 1,131,615,399**	**$ 476,636,899**	**$ 1,070,369,806**	**$ 1,547,006,705**	**1.4x**	**20.8%**	**14.2%**	**1.3x**

(Footnotes in Appendix 4)

II. 2016 Review:
b) Operations
(1) Risk/Return Found in the Portfolios

Funds III, IV, and IV-PP Jointly Held Positions

Investee	Type of Company	Original Type of Security Purchased	Current Type of Security Held
Callidus	Public	Senior Secured Debt	Public Equity Bridge Loans
Geneba	Quasi-public	Senior Secured Mortgage Bonds Unsecured Bonds	Quasi-public Equity Residual Homburg Claims
Advantage	Private	Senior Secured Bonds	Senior Secured Debt Equity (Fleet Financing Fully Paid Out)
Litigation Claims	N/A	Cash/de facto Secured	Claim on cash proceeds de facto set aside

II. 2016 Review:
b) Operations
(2) Potential Conflicts between Funds III and IV:

- Callidus
  - Funds II, II-PP, III, and IV own approximately 3.8MM, 0.7MM, 20.1MM, and 8.8MM shares, respectively, as of December 31, 2016
  - Net of "carry shares", Funds II, II-PP, III, and IV own approximately 1.7MM, 0.5MM, 18.6MM, and 8.8MM shares, respectively, as of December 31, 2016
  - Effect of difference in Fund terms likely to be that Fund II sells its stake in Callidus ahead of Fund III, and Fund IV sells along with Fund III (proportionately or otherwise to be determined at a later date when all information at that time becomes available)
  - No conflict therefore currently envisioned as between Funds III and IV
- Geneba/Advantage
  - Fund III owns approximately 1/3 of each of Geneba, and Advantage, while Fund IV owns 2/3 of each
  - Given such are scheduled formally or otherwise for complete monetizations, no material conflict is currently envisioned
- If/when any potential conflict arises, such will be immediately taken to the Advisory Panel of the respective Funds as required by the LPA
  - Catalyst's approach has always been to focus on the best interests of the investment first as priority #1

II. 2016 Review:
b) Operations
(3) Current Status of the Funds' Capital Position

Over time it is always the Catalyst approach to have the secured debt allocation move to the unsecured and deeply subordinated categories as Funds age, subject to adjustment depending on the status of the credit cycle. The intended effect is to then boost realized returns without undue additional/incremental <u>capital</u> at risk. However, it appears (confirmed by experience and now being confirmed by math) that market correlation – and therefore volatility - increases in the Catalyst Funds as this shift occurs.

This shift does potentially increase volatility only on that portion of investments either correlated to equity or subsequently acquired as such – but not generally on the original principal given the fact 86% of everything acquired since 2008 has been super-senior secured. Part of this effect occurs naturally as funds convert debt to equity pursuant to applicable restructuring processes (i.e. exercise options for "free equity" (or near free equity) by attempting to use the discount portion of the purchased debt to acquire 'new' equity).

II. 2016 Review:
b) Operations
(3) Current Status of the Funds’ Capital Position (cont’d): Fund III

- Fund III risk/return and detailed capital positions were discussed in the joint Fund II/Fund III meeting

II. 2016 Review:
b) Operations
(3) Current Status of the Funds’ Capital Position (cont’d): Fund IV

- Fund IV and IV-PP risk/return and detailed capital positions will be discussed at the Fund IV only AGM

II. 2016 Review:
b) Operations
(3) Current Status of the Funds' Capital Position (cont'd):

Pro-forma 2017 Monetizations:

- For Fund III, already discussed in joint Fund II/III AGM
- For funds IV/IV-PP to be discussed in the Fund IV/IV-PP only AGM

II. 2016 Review:
b) Operations
(4) Funds' Administration

Catalyst does not maintain the accounts or the general ledger for the Funds. This approach is intended to provide investors with the assurance that the Fund manager cannot manipulate or inappropriately alter the Funds' records. As of March 31, 2015 – SS&C GlobeOp ("SS&C") formally replaced Citi Private Equity Services for this function.

SS&C as Fund Administrator will continue to: (a) maintain the books and records of the Funds, (b) prepare the month-end financial statements, (c) distribute the monthly letters, and (d) ensure all LPs have access to their Fund account information via their secured Web-access account. Catalyst will continue to maintain a set of separate, unofficial records to ensure the accuracy of SS&C's reporting, as well as to expedite the month-end, year-end, and other processes.

Combined with the Funds' custodian (CIBC-Mellon), the intention is the continued maintenance of a "lock-box" for our investors' capital. At all times, the following equation must be in balance, and is supposed to be continuously reviewed by internal (CFO, Managing Partner) and external parties (SS&C and CIBC Mellon):

Capital Drawn = Original Cost of Invested Capital (+) Expenses (+) Cash

III. Action Plan Review

IV. Action Plan Review

- **2017 Action Plan for Funds III/IV/IV-PP**

	2017 Action Items	Timing
A.	Complete "open" 2016 Action Items	2017
B.	Execute Callidus "going private" and re-start loan book growth	End of Q2 2017
C.	Geneba Monetization	1H 2017
D.	Continue monetization process of Advantage	2017
E.	Advance litigations claims process	Q4 2017/1H 2018

IV. Action Plan Review (continued)

- **Review of 2016 Fund III Action Plan:**

	2016 Action Items for Fund III	Timing	Comments
A.	Complete “open” 2015 action items	Done	
B.	Monetize Great Canadian Gaming	Done	
C.	Close Callidus valuation gap	Partially Complete	Share value up approximately 134% year-over-year; current going private process scheduled to be completed by end of Q2 2017
D.	Gateway partial monetization	Done	Recap resulted in return of capital, looking to next steps in late 2017
E.	Overall, alleviate/resolve liquidity issue(s)	Done/In Process	

IV. Potential Questions and Answers

V. Potential Questions and Answers

- Issues for discussion:
  - What happened to Catalyst's desire to examine market correlation/ 'β risk'?
  - Why did it take Catalyst so long to develop a formal "internal cost of capital" analysis?
  - Liquidity situation: Are there any external factors that could re-introduce this issue, especially for Fund III? What if market conditions remain 'unfavourable'?
  - Callidus: What if "going private" does not yield a price acceptable to the Funds? What is go-forward posture/strategy if in fact successful with the "go private" transaction?
  - Why introduce value of litigation claims now and in this specific manner?

V. Appendices

Appendix 1: Geneba Properties N.V. ("Geneba")

Business Description

Geneba (the "Company") is a real estate company with assets in Europe. Its predecessor company, Homburg Invest Inc. ("Homburg"), was based in Canada and filed for CCAA protection in Montreal, Quebec, on September 9, 2011. The Company's assets comprise commercial, retail, industrial and development properties. Catalyst reviewed and worked on this situation for more than two years prior to its investment.

Investment Thesis and Update

Catalyst believed the deal's unique multi-jurisdictional dynamics, process and capital structure complexity, and potential hidden fundamental value, provided an attractive risk-adjusted return profile. Catalyst discovered what has now been confirmed to be the fulcrum security and began acquiring it in Q4 2012. Catalyst accelerated its investment strategy later in Q4 2012 and Q1 2013, which included gaining influence/control through multiple series of bonds and claims across the capital structure, once key information was released by the Company in October 2012. This information confirmed, among other things, Catalyst's thesis and view on the fulcrum security.

Catalyst used its unique understanding of the opportunity to insert itself in the process and became the first and only fund to provide initial offers for the mortgage bonds in Q4 2012 and then, in Q1 2013, launched a tender offer backed by a media campaign and the back office infrastructure to purchase mortgage bonds, unsecured bonds, and claims from a pool of approximately 17,000 bondholders. Catalyst continued to build-out its position and enhance its influence/control since that time through the positioning of its creditor rights and challenging the failed process management of others, while also demonstrating a viable path to a value-creating recapitalization plan.

As a result of this strategy, Catalyst became Homburg's largest single creditor and used its activist and control-oriented investment approach to lead the restructuring as the recapitalization plan sponsor. Under the recapitalization plan, creditors had the option to sell their equity entitlement in a restructured new company, now called Geneba, comprising the core properties of the entire Homburg portfolio, to Catalyst at 0.59x book value at exit and a 20% cash flow yield in return for immediate liquidity ("Cash-Out Option"). Catalyst engaged in further public relations efforts to promote its Cash-Out Option, including influencing the media, convening independent bondholder meetings, mailing Catalyst's own informational material to creditors and leveraging its already established back-office infrastructure.

Catalyst's activist approach was successfully validated at the official Creditors' Meeting on May 30, 2013, when Catalyst won broad support for its recapitalization plan with 49.1% of creditors selecting the Cash-Out Option. On June 5, 2013, the recapitalization plan was sanctioned by the Superior Court of Quebec, and Catalyst's acquisition of Geneba closed on March 27, 2014. Post-Plan implementation, Catalyst was Geneba's controlling shareholder with an approximate 43% equity stake, which has increased to 86% through market purchases and a December 2014 rights offering.

Appendix 1: Geneba (continued)

Investment Thesis and Update (continued)

Catalyst's investment in Homburg via its CCAA recapitalization plan resulted in the creation of Geneba's total equity at a valuation of €95MM while the recapitalization plan exit value determined by the Court-appointed Monitor (required by law to be essentially "fair value") was €153MM, which combined with Catalyst's purchases of bonds and claims at that time resulted in a 1.6x multiple on invested capital. Following Catalyst's operational turnaround, Geneba properties have 97% occupancy, 10+ year lease terms and 70% of assets in Germany - at a cash flow yield in excess of 20% when similar REITs trade at a 4-6% cash flow yield. At the end of 2014, Geneba's FFO yield exceeded 20% in proportion to Catalyst's equity creation value.

As part of its Recapitalization Plan, Catalyst backstopped a put option offer that was open from July 7 through October 6, 2014. This put option offer gave Geneba shareholders the right to sell their shares to Catalyst at an effective equity value of €63.33MM. This represented a further 33% discount from Catalyst's original Cash-Out Option equity value of €95MM and consequently a greater discount to the €153MM CCAA plan equity value of the assets. Through the put option offer Catalyst acquired 1.5MM shares for $4.5MM (€3.5MM), increasing Catalyst's share count by 13.2%.

Also in 2014, Catalyst extended a €58.3MM bridge term loan facility which was used to purchase Geneba's property mortgage debt at a discount to par value and to fund the acquisition of two properties in Germany for a total value of €49.1MM with yields of approximately 15%.

In Q4 2014, Geneba filed a prospectus for a €206MM rights offering, with Catalyst serving as the backstop investor for such. The rights offering received approval from the Dutch Financial Market Authority and Geneba's shareholders in December of 2014. Through the rights offering, Catalyst converted its €58.3MM bridge term loan into equity and together with an additional €28.1MM in cash bought 31.1MM shares at €2.78 per share, a 6% discount to book value as of December 31, 2014 and a 45% discount to the then market value

In Q3 2015, Catalyst provided an additional €16.2MM of financing to Geneba under the rights offering. This funding enabled Geneba to complete three acquisitions totaling €133.3MM of property value at a combined FFO yield of ~14%, which is almost 3x the yield at which comparable German and Dutch REITs trade.

In Q4 2015, Catalyst provided an additional €44.2MM of financing to Geneba under the rights offering. This funding enabled Geneba to complete three acquisitions totaling €96.6MM of property value at a combined FFO yield of 11%. Catalyst also provided a €22.5MM bridge loan to allow Geneba to refinance an existing property mortgage. As of Dec. 31, 2015, the bridge loan had been substantially repaid and refinanced, leaving €1.7MM outstanding.

Appendix 1: Geneba (continued)

Investment Thesis and Update (continued)

The rights offering was fully invested in 2015 and Q1 2016, resulting in the Funds deploying an additional $126MM with an instantaneous positive arbitrage relative to public comps of at least 2x.

In Q1 2016, Geneba closed three acquisitions totaling €75.3MM in property value at a combined FFO yield of 13%, which is over 2.5 - 3x the yield at which comparable REITs trade. Catalyst also extended an incremental €5.5MM bridge loan to refinance an existing mortgage. The bridge loan was fully converted to equity by the end of Q1 2016.

In Q2 2016, Geneba closed two acquisitions totaling €43.3MM in property value at a combined FFO yield of 12%, which is 2.5 – 3.0x the yield at which comparable REITs trade.

In Q3 2016, Geneba completed one acquisition for €15MM at a FFO yield of 13.5%, which is ~3x the yield at which comparable German and Dutch REITs trade.

In December 2016, Geneba announced that it had reached an agreement with Infineon, the tenant at Geneba's largest property, on the early exercise of the 2020 buyout right on their Munich global headquarters. The sale price of €113MM was received on Dec. 30, 2016. Also on Dec. 30, 2016, Geneba held an Extraordinary General Meeting to approve a distribution of nearly all of the Infineon sale proceeds to shareholders. This distribution totalled €112.1MM, of which €96.8MM (US$102.1MM) was distributed to Catalyst.

Also in Q4 2016, Catalyst engaged Credit Suisse to review strategic alternatives, including a potential M&A process, IPO or debt raise. On the M&A process, Catalyst has received strong initial indications of value from a highly competitive group of leading private equity sponsors and strategic investors. Final binding offers are expected to be received by mid-April.

In Q1/2017, Geneba completed the acquisition of two properties for €52MM at an FFO yield of 10%, which is ~2x the yield at which comparable German and Dutch REITs trade.

Appendix 2: Advantage Rent A Car ("Advantage")

Business Description

Advantage Rent A Car ("Advantage") was originally created from Hertz's required spin out of assets by the US Federal Trade Commission ("FTC") following its acquisition of Dollar Thrifty. Hertz, to avoid competition, sold Advantage to TSX listed Franchise Services of North America ("FSNA"). FSNA was a "weak hands" buyer who had only operated franchises and never a stand alone business. For competitive reasons, Hertz intentionally left Advantage with an aging, unattractive fleet, few/poor/inadequate systems, a management team illogically dispersed across North America, and cumbersome financial liabilities which intentionally handicapped the Company. With Catalyst as the "White Knight", The Company filed for Chapter 11 protection in the U.S. Bankruptcy Court of the Southern District of Mississippi on November 5, 2013. Catalyst led the Company through its restructuring, and provided the financial, operational and strategic support to negotiate with major stakeholders such as Hertz and the FTC.

Catalyst provided the Company with $85MM of debtor-in-possession financing. Catalyst successfully credit bid the DIP for Advantage's assets in a Chapter 11 Bankruptcy Code Section 363 sale held on December 9, 2013. The Court approved the sale on January 2, 2014, and the transaction closed on April 30, 2014. Catalyst subsequently started a new corporate strategy and rebranding effort.

Advantage closed on its announced purchase of E-Z Rent-A-Car ("E-Z") in June 2015. Advantage is operating a dual-brand strategy with E-Z, introducing both brands in all non-overlapping locations, while also evaluating new locations that fit within the combined business strategy.

Advantage is the 4th largest rental car company in the U.S., with all of its now 73 locations on or near a major U.S. airport. The new Advantage is currently focused on the domestic and international leisure traveler. Advantage has a partnership with Europcar, which is the fourth largest Car Rental company globally, and among the top three in Europe. Through this partnership, Europcar sends Advantage inbound European customers and shares numerous strategic benefits. Europcar has indicated their attraction to the strength of Advantage's current U.S. footprint and the plans to expand within the commercial market, signaling the possibility of an outright purchase.

Appendix 2: Advantage (continued)

Investment Thesis and Update

Advantage was formed as a result of an FTC decree that certain U.S. assets be spun-out of the Hertz/Dollar Thrifty merger in August 2012. The assets were purchased by Franchise Services of North America ("FSNA"), a Canadian publicly listed car rental franchisor. Macquarie Capital provided the initial funding in December 2012, and in May 2013, completed a reverse merger with FSNA.

The U.S. rental car market represents a $25B+ opportunity in annual revenue and accounts for 50% of the global market, split evenly between corporate and leisure customers.

The Company had a large set of profitable, high-quality and highly valuable rental concessions at major U.S. airports; however, it was subject to the disadvantages outlined above. FSNA lacked the capital and resolve to address those issues, and ultimately misunderstood the business operations.

Catalyst leveraged its unique cross-border experience and relationships to gain access to the deal, in that its cooperative approach with management differentiated it from other major U.S. private equity firms involved in the process. On April 30, 2014, Catalyst completed the full acquisition of the business including: locations, vehicle fleet, the Advantage brand, cash and other assets for approximately $40MM or half of the fair market value of the assets. The majority of Catalyst's capital commitment related to Advantage was used for the purchase of new vehicles to improve Advantage's fleet, and does not represent incremental capital-at-risk for Catalyst.

In addition, Catalyst successfully auctioned 22 unprofitable airport concessions previously valued at $0, receiving total consideration of approximately $20MM and negotiations with Hertz resulted in payments to Catalyst's controlled Advantage of an additional $2.75MM. The original footprint of over 40 U.S. airport locations post-sale gave Advantage access to approximately 80% of domestic deplaning passengers. Catalyst effectively purchased Advantage's core operations for approximately 5x run-rate EBITDA (pre-Catalyst operational restructuring and/or growth initiatives) and 3x run-rate EBITDA (considering Catalyst's first year operational improvements), while peers trade in the 10x-14x EBITDA range. Moreover, the airport concession rights held by Advantage have an appraised value of over $150MM. Combined with the fact that the majority of the capital committed by Catalyst is being used to fund deposits and fleet equity (therefore not 100% capital at risk), these values confirm Catalyst's baseline collateral value of the situation.

Appendix 2: Advantage (continued)

Investment Thesis and Update (continued)

The Chapter 11 process has greatly benefited Advantage by allowing the Company to shed unwanted concessions, restructure contracts and realign operations. Catalyst has developed a comprehensive business plan for Advantage to both stabilize near-term profitability and be positioned for future growth. This plan is centered on: 1) reducing the initial location footprint to 40 core, profitable locations with strategic value and national importance; 2) re-fleeting the Company to enhance flexibility and optimize yield; 3) implementing new systems, processes and controls; 4) supplementing and strengthening the management team; 5) fostering relationships with corporate customers, airlines, hotels and international partners; and 6) investing in marketing, including a best-of-class loyalty program and frequent use promotions.

Advantage closed on its announced purchase of E-Z Rent-A-Car ("E-Z") in June 2015. Advantage is operating a dual-brand strategy with E-Z, introducing both brands in all non-overlapping locations, while also evaluating new locations that fit within the combined business strategy. The transaction provides significant combined benefits for the merged entity, including:

- Synergies - Advantage and E-Z are complementary and offer significant synergy opportunities, including additional market share, improved utilization and pricing, improved fleet costing and sale flexibility, management teams consolidation, and negotiating power with suppliers.
- Growth - Advantage and E-Z's combined locations provide a large base to build a dual-brand strategy and capture meaningful market share. The merger brings E-Z from its existing 13 locations into the 43 Advantage locations for a growth in number of locations of over 300%+;
- Market Share Growth - Advantage is positioned as the leading value brand in the U.S., presenting a strong foundation to leverage a competitive dual-brand strategy. Advantage's Europcar partnership provides opportunity to increase E-Z's market share and brand recognition and capture greater international market share.

Catalyst, together with the management teams of Advantage and E-Z, has developed and are executing on a merger integration plan, expected to generate synergies of over $20MM annually (1x or more of E-Z's own EBITDA). As a result of this transaction, Catalyst has achieved a return of over 2x on the equity of Advantage on a standalone basis, and due to the impact of synergies, Catalyst's investment is expected to generate a return on capital of greater than 5x for the newly combined business.

Catalyst and Advantage are working with Morgan Stanley to maximize the investment monetization value. Advantage has already begun specific discussions with a key potential buyer. If these discussions do not generate an acceptable bid, then Advantage will pursue a more broadly auctioned process. Potential buyers who are likely bidders are the international rental car companies including: Europcar, Goldcar, Sixt, and Localiza.

Appendix 3: Valuation Methodology: Canadian GAAP, AcG-18

AcG-18 = FAS 157 = Topic 820

Valuation of investments:

Portfolio investments include debt, debt-related, equity-related and equity investments made by the General Partner on behalf of the Fund.

In accordance with the Chartered Professional Accountants of Canada Handbook Accounting Guideline 18, Investment Companies ("AcG-18"), the Fund records its investments at fair value with changes in fair value recognized in the year in which the changes occur.

The General Partner applies the following guidelines in the following order when valuing portfolio investments:

(i) investments are recorded at expected realizable value using arm's length third party offers, when available; and/or

(ii) investments are recorded using the last sale price at period end for those investments which are publicly traded and which are not restricted from trading and held in liquid and readily tradeable form; and/or

Appendix 3: Valuation Methodology: Canadian GAAP, AcG-18 (continued)

(iii) investments are recorded using an adjustment to the last sale price at period end for those investments which are publicly traded but may be restricted for trading and/or are not held in readily tradeable form; and/or

(iv) investment values are confirmed using valuation techniques including discounted cash flow methods, multiples of earnings and/or comparison with other similar securities; and/or

(v) investments are valued at the lower of cost and net realizable value.

The process of estimating fair value for investments often requires significant judgment and estimation and the resulting values may differ significantly when actually realized.

Appendix 4: Footnotes

1) Past performance of any investments described herein is provided for illustrative purposes only and is not indicative of future investment results. There can be no assurance that future Funds will achieve comparable results, be able to implement its investment strategy or be able to avoid losses. In addition, there can be no assurance that investments with an unrealized value will be realized at the valuations shown, as actual realized returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained herein are based. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein.
2) The "Date of Substantial Realization" is the date on which a position was exited or an investment was disposed of. In the case of multiple exits or dispositions, the "Date of Substantial Realization" is deemed to be the date of sale or distribution of the substantial portion of the net proceeds from the portfolio company.
3) The "Total Capital Committed" represents aggregate capital committed by Fund I, Fund II, Fund III, Fund IV, and Fund V including capital that has already been invested as represented in the "Total Capital Invested" column.
4) The "Total Capital Invested" represents the aggregate capital respectively invested by Fund I, Fund II, Fund III, Fund IV and Fund V. The "Total Capital Invested" includes investments that were treated as bridge financings and includes recycled capital.
5) The "Total Realized Proceeds" represent gross proceeds to Fund I, Fund II, Fund III, Fund IV or Fund V, as applicable, generated from the distribution of its interests in portfolio companies, interest, dividends and distributions in respect of the applicable portfolio company investments.
6) The "Unrealized Value" is based on audited valuations in accordance with the Catalyst Funds' valuation criteria or policies as described in footnotes 8 - 19. Actual realized returns will depend on various factors, including future operating results, market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of disposition, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based. Accordingly, the actual realized returns may differ materially from the returns indicated herein.
7) The "Gross IRR" means an aggregate, compounded annually, gross internal rate of return that does not reflect the deduction of any fees or carried interest borne by investors. IRRs for investments with a remaining interest have been calculated by assuming that the remaining interest has been sold as of the reporting date at the unrealized value.
The "Net IRR" for Fund I means the gross IRR excluding the effect of uninvested cash but after the deduction of all fees and carried interest borne by investors. The Net IRR including the effect of holding excess cash is 21.1% for Fund I. Unlike other funds, Fund I at times had to hold substantial excess cash for a number of reasons including but not limited to the mechanisms of trading in the bank debt market wherein trades can take 6+ months or longer to settle. No investor cash was at risk while held by Catalyst awaiting use, such as bank trades, and therefore should be excluded so as to allow the reader to compare net returns on an "apple to apple" basis. Catalyst established lines of credit for later Catalyst Funds as to avail this issue on a go-forward basis.

The "Net IRR" for Fund II, III, IV, and V means an aggregate, compounded annually, net internal rate of return earned by investors that includes the deduction of all fees and carried interest. Net IRRs have been calculated by assuming that the remaining interest has been sold as of the reporting date at the unrealized value.
8) The "Unrealized Value" for Quad/Graphics, Inc. is based on value attributed to recovery from ongoing litigation.
9) The "Unrealized Value" for Callidus Capital Corporation is based on the market trading price for the Funds' investment in common shares, and amortized cost for the Funds' investment in Callidus' bridge loan facility and loan participations.
10) The "Unrealized Value" for Gateway Casinos & Entertainment Limited is based on using DCF and EBITDA multiple methodologies.
11) The "Unrealized Value" for Therapure Biopharma Inc. is based on a fair valuation of the company's individual assets, which includes present values of the company's: (i) Contract Development and Manufacturing (CDMO) division; (ii) proprietary product development (Products) division; (iii) proprietary drug pipeline assets; (iv) investments in other drug developers; and (v) claim to the company's predecessor entities' tax loss carry forwards.
12) The "Unrealized Value" for Natural Market Restaurants Corp. is based on using an EBITDA multiple methodology, less required capex investment.
13) The "Unrealized Value" for Sonar Entertainment Inc. is based on using DCF and public trading multiple methodologies.
14) The "Unrealized Value" for Xchange Technology Group is based on liquidation analysis and supported by public trading multiple methodologies.
15) The "Unrealized Value" for Geneba is based on using a run-rate FFO multiple methodology and a NAV methodology.
16) The "Unrealized Value" for Advantage-Rent-A-Car's operations is based on using DCF and EBITDA multiple methodologies. The "Unrealized Value" for Advantage-Rent-A-Car's fleet is based on the fair market value of the equity in the fleet.
17) The "Unrealized Value" for Pacific Exploration & Production is based on the market trading price.
18) The "Unrealized Value" for the Wind Litigation Claim is based on damages claimed in the Wind Litigation
19) The "Unrealized Value" for the PanAm Claim is based on the estimated damages claimed in the PanAm Litigation

Appendix 5: Guiding Principles

Principle 1: Excellence.

Catalyst is a firm dedicated to the pursuit of excellence, adhering to the very highest standards of integrity. As a result, Catalyst embraces the fact that excellence is an ongoing and evolving process, and defined from our investors' perspective only. We at Catalyst are committed to continually preserving, pursuing and building upon this dedication to excellence, which by our definition includes the pursuit of the highest standards of integrity, in all that we do. On behalf of our investors, Catalyst's culture of excellence is both our mandate and our mission.

Principle 2: Superior Analytics. Our ability to deliver exceptional, insightful and unique analytics is our foremost competitive advantage. It is what unquestionably sets us apart and what will unquestionably be the "catalyst" for our lasting success. We don't pretend to be the smartest; we strive to be the hardest working and most thorough analytical team. We will approach every assignment with vigor and absolute resoluteness. We will mentor and coach each other to ensure we continuously hone, invest in, and master our analytical excellence.

Principle 3: The Details. The crux of our work is in the details. We dig deep into the minutiae to reveal what others have missed. It is this search in the details that allows us to discover true value and find the very best answers. We will never settle for the status quo because of our commitment to excellence and because we know that hidden within the details is, by definition, reduced risk and/or improved returns for our investors.

Principle 4: Intellectual Curiosity. We recognize that it takes constant intellectual curiosity to fully explore the possibilities. We will therefore go to extraordinary lengths to explore issues and situations to their logical end maintaining an environment where such exploration is encouraged and supported. We will always ask questions, even when we feel certain that we know the answers. Regardless of role within the organization, we are all expected to passionately and meaningfully debate all of the issues we encounter. We will do this respectfully, keeping in mind that it is not personal; it is driven by our commitment to the fact that the investors' best interests are always our #1 concern. After all, it is intellectual curiosity that will ensure we identify and uncover all the angles and subtleties of a situation, and enable our continued collective and personal development.

Principle 5: Team. We are only truly empowered as a team. As individuals we cannot possibly anticipate all of the nuances of a situation. Our combined intellect/insight exceeds the sum of our parts, and our ability to work collectively, leveraging all insights, experiences and abilities, is the key to our continued success. While individual creativity and independent thinking are always encouraged, we will only reap the most remarkable results when we capitalize on the intellectual collective of our different perspectives. As a member of the Catalyst team we will hold each other accountable for imparting our knowledge to each other and acknowledge that for our continued success and the protection of our investors' best interests, our individual expertise must be shared.

Principle 6: Reputation. Our reputation is at the heart of our business. The quality of our people, the work we do, and our dedication to excellence and integrity are paramount to our reputation. We will hold ourselves up to the highest levels of integrity and ethical standards, and instill pride in the Catalyst name. We will lead by example, treating our team members, our investors and all of our stakeholders with the utmost respect. Our reputation for excellence is and will continue to be our greatest asset.