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, 2016. Based on that evaluation, Management concluded that the Company's internal control over financing reporting was effective for the year ended March 31, 2016.

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, 2016, 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, 2016 and 2015, and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, 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, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 22, 2016

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31

$000s	**2016**	2015
ASSETS		
Cash and cash equivalents [notes 3, 13, 16 and 17]	**$ 65,250**	$ 98,644
Temporary investments [notes 3, 16 and 17]	**21,793**	58,511
Accounts receivable and other assets [notes 4[n], 7[d] and 16]	**27,446**	15,055
Loans receivable [notes 4, 7 and 16]	**30,563**	11,451
Income taxes recoverable	**4,888**	120
Derivative instruments [note 14]	**581**	—
Carried interest receivable [note 4[j]]	**64,009**	53,738
Corporate investments [notes 7 and 16]	**353,801**	291,421
Fixed assets [notes 4[p] and 8]	**1,860**	2,267
	$ 570,191	$ 531,207
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities [note 4[p]]	**$ 2,501**	$ 1,820
Income taxes payable	**110**	69
Derivative instruments [note 14]	**—**	4,341
Accrued compensation expense [notes 12 and 15[h]]	**6,860**	6,935
Share-based compensation [note 12]	**17,083**	24,528
Management participation [note 4]	**43,977**	37,756
Deferred income tax liability [note 10]	**14,139**	8,064
	$ 84,670	$ 83,513
Contingencies, commitments and guarantees [note 15]		
Shareholders' equity		
Share capital [note 11]	**$ 81,662**	$ 79,314
Retained earnings	**403,859**	368,380
	485,521	447,694
	$ 570,191	$ 531,207

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

$000s [except per share information]	2016	2015
REVENUE		
Net investment gains [notes 5 and 7]	**$ 37,582**	$ 37,471
Distributions and interest income [notes 4 and 7]	**18,516**	33,516
Net carried interest income [note 6]	**16,101**	31,361
Management fees [notes 4[e] and 4[h]]	**835**	648
Advisory and other fees [note 4[o]]	**1,928**	1,331
	74,962	104,327
EXPENSES		
Employee compensation and benefits [notes 12 and 15[h]]	**10,025**	14,822
Share-based compensation expenses [note 12]	**6,264**	8,566
Administration and other expenses	**4,208**	3,922
Finance and foreign exchange expenses [note 14]	**135**	1,366
Management participation [note 4]	**11,103**	20,359
	31,735	49,035
Income before income taxes	**43,227**	55,292
Income tax expense [note 10]	**3,261**	3,287
Net income and comprehensive income for the year	**$ 39,966**	$ 52,005
Basic and fully diluted net income and comprehensive income per share [note 11]	**$ 2.63**	$ 3.43

See accompanying notes

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended March 31

$000s	Share capital	Retained earnings	Total shareholders' equity
As at April 1, 2015	**$ 79,314**	**$ 368,380**	**$ 447,694**
Changes in shareholders' equity			
Net income and comprehensive income for the year		**39,966**	**39,966**
Dividends declared [$0.2958 per share]		**[4,487]**	**[4,487]**
Issue of shares on exercise of stock options [note 11]	**2,348**		**2,348**
As at March 31, 2016	**$ 81,662**	**$ 403,859**	**$ 485,521**
As at April 1, 2014	$ 79,314	$ 320,146	$ 399,460
Changes in shareholders' equity			
Net income and comprehensive income for the year		52,005	52,005
Dividends declared [$0.2492 per share]		[3,771]	[3,771]
As at March 31, 2015	$ 79,314	$ 368,380	$ 447,694

See accompanying notes

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended March 31

$000s		2016		2015
OPERATING ACTIVITIES				
Net income and comprehensive income for the year	**$**	**39,966**	$	52,005
Add [deduct] items not involving a current cash outlay				
Amortization and impairment of fixed assets		**658**		1,372
Share-based compensation expense		**4,608**		8,767
Deferred income tax expense [recovered]		**6,075**		[1,763]
Net investment gains		**[37,582]**		[37,471]
Unrealized carried interest income and management participation		**[4,050]**		2,063
Non-cash items relating to foreign exchange forward contracts		**[104]**		3,742
Non-cash items relating to corporate investments		**1,322**		[1,053]
		10,893		27,662
Adjustments for:				
Net proceeds on sale of temporary investments		**36,718**		4,484
Loans advanced [notes 4, 7[j] and 7[l]]		**[236,038]**		[84,273]
Receipt of loans advanced [notes 4, 7[j] and 7[l]]		**216,926**		111,078
Loans received [note 4]		**146**		19,945
Repayment of loans received [note 4]		**[146]**		[20,182]
Cost on settlement of realized foreign exchange forward contracts [note 14]		**[4,818]**		[976]
Acquisition of corporate investments		**[40,887]**		[19,066]
Proceeds on sale of corporate investments		**13**		144
Return of capital from corporate investments		**14,754**		10,054
Settlement of share-based compensation liability		**[12,053]**		[2,565]
		[25,385]		18,643
Net change in non-cash working capital balances related to operations [note 13]		**[16,512]**		4,394
Cash provided by [used in] operating activities		**[31,004]**		50,699
INVESTING ACTIVITIES				
Purchase of fixed assets		**[251]**		[81]
Cash used in investing activities		**[251]**		[81]
FINANCING ACTIVITIES				
Cash dividends paid		**[4,487]**		[3,771]
Issuance of share capital [note 11]		**2,348**		—
Cash used in financing activities		**[2,139]**		[3,771]
NET INCREASE [DECREASE] IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**[33,394]**		46,847
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**98,644**		51,797
CASH AND CASH EQUIVALENTS, END OF YEAR [NOTE 13]	**$**	**65,250**	$	98,644
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest received	**$**	**2,284**	$	3,792
Distributions received	**$**	**6,337**	$	8,134
Income taxes paid	**$**	**1,941**	$	5,360
Interest paid, on gross basis	**$**	**752**	$	750

See accompanying notes

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 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 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

[a] **Basis of preparation**

The consolidated financial statements of Clairvest are prepared in accordance with International Financial Reporting Standards ["IFRS"] as issued by the International Accounting Standards Board ["IASB"]. 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.

These audited annual consolidated financial statements and related notes of Clairvest for the years ended March 31, 2016 and 2015 ["consolidated financial statements"] were authorized for issuance by the Board of Directors on June 22, 2016.

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 [$000s], except where otherwise indicated.

[b] **Basis of consolidation**

These consolidated financial statements have been prepared in accordance with IFRS 10, *Consolidated Financial Statements* ["IFRS 10"], 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.

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 the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company 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 Limited Partnership

Interests in unconsolidated subsidiaries ["acquisition entities"]

In accordance with the amendments for investment entities under 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. As discussed under critical accounting estimates and judgments, management exercised judgement when determining whether subsidiaries are investment entities.

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. 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"]
2486303 Ontario Inc. ["2486303 Ontario"]

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.

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 4*. The Company concluded that its ownership interests 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.

[c] **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

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 FVTPL 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 direct and indirect investee companies ["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 FVTPL. The Company includes in this category amounts relating to accounts payable, accrued liabilities and loans payable.

[d] **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.

[e] **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 from 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 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.

[f] **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 consolidated statements of comprehensive income as part of net investments gains.

[g] **Derivative instruments**

The Company and its acquisition entities periodically enter into foreign exchange forward contracts to hedge their exposure to exchange rate fluctuations on their 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 acquisition entities are included in the fair value determination of these acquisition entities.

[h] **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.

[i] **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 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 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 income 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.

[j] **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.

[k] **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 statements of financial position dates multiplied by the difference between the market value of a Clairvest common share on the TSX at the consolidated statements of financial position dates and the market value of a Clairvest common share on the TSX on the grant date.

[l] **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 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 statements of financial position dates of the prior quarter.

[m] **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 fixed 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.

[n] **Net income and comprehensive income per share**

Basic net income and comprehensive income per share are 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.

[o] **Critical accounting estimates, assumptions and judgments**

The preparation of consolidated financial statements in conformity with IFRS required management to make estimates, assumptions and judgments 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 or its various subsidiaries meet 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 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 17*.

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 consolidated statements of financial position dates.

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.

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

3. 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 0.8% and 0.9% per annum [2015 – between 0.2% and 1.1%] with a weighted average rate of pre-tax return of 0.9% per annum [2015 – 1.0%].

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 August 2019. The yield on these investments ranges between 1.6% and 7.8% per annum [2015 – between 1.7% and 8.4%], with a weighted average rate of pre-tax return of 3.6% per annum [2015 – 4.5%]. The composition of Clairvest's temporary investments as at March 31 was as follows:

	March 31, 2016			March 31, 2015
	Due in 1 year or less	**Due after 1 year**	**Total**	Total
Guaranteed investment certificates	**$ 16,336**	**$ –**	**$ 16,336**	$ 38,288
Corporate bonds and loans	**–**	**5,457[1]**	**5,457**	20,223 [1]
	$ 16,336	**$ 5,457**	**$ 21,793**	$ 58,511

[1] In addition to the investments Clairvest made in Light Tower Rentals Inc. and Centaur Gaming as described in *notes 7[c] and 7[e]* respectively, Clairvest held treasury investments in Light Tower Rentals Inc. in the form of US$7.5 million corporate bonds and in Centaur Gaming in the form of US$10.0 million second lien secured loans as at March 31, 2015. During fiscal 2016, the Centaur Gaming second lien loans were redeemed in full. As at March 31, 2016, the US$7.5 million Light Tower Rentals Inc. corporate bonds had a fair market value of US$4.2 million [C$5.4 million] [2015 – US$5.9 million [C$7.4 million]] based on the last bid price as at March 31, 2016.

4. RELATED PARTY DISCLOSURES

Investments in acquisition entities and investment-related transactions with acquisition entities are further described in *note 7*.

[a] The general partner of Clairvest Equity Partners Limited Partnership ["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 [the "carried interest"] of CEP as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% was 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. During fiscal 2016, CEP GP earned $0.3 million [2015 − $0.5 million] in carried interest from CEP, 50% of which or $0.2 million [2015 − $0.2 million] was ultimately paid to Clairvest, and the other 50% or $0.2 million [2015 − $0.2 million] was ultimately paid to the limited partners of Participation Partnership, which reduced the management participation liability. Subsequently, 2486303 Ontario purchased the 10% carried interest entitled by Participation Partnership for $1.2 million which reduced the management participation liability. As at March 31, 2016, CEP had declared and paid distributions to CEP GP totaling $23.6 million [2015 – $23.3 million], 50% of which or $11.8 million [2015 – $11.6 million] was ultimately paid to Clairvest and the other 50% or $11.8 million [2015 – $11.6 million] was ultimately paid to the limited partners of Participation Partnership. During fiscal 2016, $0.8 million [2015 – $0.1 million] was paid by Participation Partnership to key management.

[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% 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 2016, CEP III declared to Clairvest priority distributions of $1.2 million [2015 – $1.4 million]. As per the limited partnership agreement, fees of $0.2 million [2015 – $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. During fiscal 2016, CEP III GPs earned $5.4 million [2015 – $33.3 million] in carried interest from CEP III, 50% of which, or $2.7 million [2015 – $16.6 million], was ultimately paid to Clairvest, and the other 50% or $2.7 million [2015 – $16.6 million] was ultimately paid to the limited partners of MIP III, which reduced the management participation liability. As at March 31, 2016, CEP III had declared and paid distributions to CEP III GP totaling $38.7 million [2015 – $33.3 million], 50% of which, or $19.4 million [2015 – $16.6 million], was ultimately paid to Clairvest and the other 50% or $19.4 million [2015 – $16.6 million] was ultimately paid to the limited partners of MIP III. During fiscal 2016, $1.1 million [2015 − $8.9 million] was ultimately paid to key management.

[c] As described in *note 15[a]*, 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 in addition 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. Clairvest is entitled to the first $0.2 million in carried interest received by MIP III, and the remaining carried interest represents the entitlements of the limited partners of MIP III.

During fiscal 2016, CEP III Co-Invest paid $0.7 million [2015 – $4.1 million] to MIP III with respect to this carried interest entitlement. As at March 31, 2016, CEP III Co-Invest had declared and paid distributions totaling $4.8 million [2015 – $4.1 million] to MIP III. During fiscal 2016, $0.3 million [2015 − $2.1 million] 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. As at March 31, 2016, $1.9 million [2015 – $1.8 million] has been received by Clairvest.

[d] As general partner of CEP IV, Clairvest is entitled to a priority distribution from CEP IV. From January 14, 2011 to January 13, 2016, the priority distribution 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 priority distribution is reduced to the extent of 63.2% of any fees earned by Clairvest from corporate investments of CEP IV. During fiscal 2016, CEP IV declared to Clairvest priority distributions of $4.8 million [2015 – $5.4 million]. As per the limited partnership agreement, fees of $0.6 million [2015 – $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 GPs as at March 31, 2016 and 2015.

[e] As manager of CEP IV-A, Clairvest is entitled to a management fee from CEP IV-A. From January 14, 2011 to January 13, 2016, 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. During fiscal 2016, Clairvest earned management fees of $0.6 million [2015 – $0.6 million] as compensation for its services in the administration of the portfolio of CEP IV-A. As per the limited partnership agreement, fees of $0.3 million [2015 – $0.3 million] from corporate investments of CEP IV-A were 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, 2016 and 2015.

[f] As described in *note 15[b]*, 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 in addition 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 is entitled to participate in the first $0.4 million in carried interest received by MIP IV, and the remaining carried interest represents the entitlements of the limited partners of MIP IV. No carried interest has been declared and paid by CEP IV Co-Invest as at March 31, 2016 and 2015.

Clairvest, as general partner of MIP IV, is also entitled to participate in distributions equal to the realizable value on the $1.6 million invested by MIP IV in CEP IV Co-Invest. No amounts have been received by Clairvest as at March 31, 2016 and 2015.

[g] As general partner of CEP V, Clairvest is entitled to a priority distribution from CEP V. The priority distribution is calculated monthly as follows: [i] from March 2, 2015 to January 13, 2016, 0.1667% of capital allocated to specifically identifiable investments net of any write-downs of capital invested; [ii] from January 14, 2016 to January 13, 2021, 0.1667% of committed capital; and [iii] thereafter, 0.1667% of invested capital net of write-downs of capital then invested. The priority distribution is reduced to the extent of 58.8% of any fees earned by Clairvest from corporate investments of CEP V. During fiscal 2016, CEP V declared to Clairvest priority distributions of $1.8 million [2015 – $30 thousand]. As per the limited partnership agreement, fees of $27 thousand [2015 – nil] from corporate investments of CEP V were netted against the priority distributions.

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 GPs as at March 31, 2016 and 2015.

[h] As manager of CEP V-A, Clairvest is entitled to a management fee from CEP V-A. The management fee is calculated monthly as follows: [i] from March 2, 2015 to January 13, 2016, 0.1667% of capital allocated to specifically identifiable investments net of any write-downs of capital invested; [ii] from January 14, 2016 to January 13, 2021, 0.1667% of committed capital; and [iii] thereafter, 0.1667% of invested capital net of write-downs of capital then invested. The management fee is reduced to the extent of 11.2% of fees earned by Clairvest from corporate investments of CEP V-A and other amounts as provided in the limited partnership agreement. During fiscal 2016, Clairvest earned management fees of $0.3 million [2015 – $6 thousand] as compensation for its services in the administration of the portfolio of CEP V-A. As per the limited partnership agreement, fees of $5 thousand [2015 – nil] from corporate investments of CEP V-A were netted against the management fees.

The general partner of CEP V-A ["CEP V-A GP"], an entity which is controlled by Clairvest, is 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, 2016 and 2015.

[i] As described in *note 15[c]*, 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 in addition is entitled to an 8.25% carried interest in respect of CEP V Co-Invest via the general partner of CEP V Co-Invest, an entity controlled by Clairvest. Clairvest is entitled to the first $1.4 million in carried interest received by MIP V, and the remaining carried interest represents the entitlements of the limited partners of MIP V. No carried interest has been declared and paid by CEP V Co-Invest as at March 31, 2016 and 2015.

Clairvest, as the general partner of MIP V, is also entitled to participate in distributions equal to the realizable value on the $2.4 million invested by MIP V in CEP V Co-Invest. No amounts have been received by Clairvest as at March 31, 2016 and 2015.

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

[j] As at March 31, 2016, if CEP and the CEP Funds were to sell all of their corporate investments at their current fair values, the respective general partners would receive the following in carried interest from CEP and the CEP Funds. As described in *note 2[f]*, Clairvest has recorded these as carried interest receivable on the consolidated statements of financial position.

	March 31, 2016	March 31, 2015
CEP[1]	**$ 2,377**	$ 1,761
CEP III	**17,938**	21,935
CEP IV	**36,212**	24,631
CEP IV-A	**7,482**	5,411
CEP V	**—**	—
CEP V-A	**—**	—
	$ 64,009	$ 53,738

[1] A corresponding $1.2 million in payable to 2486303 Ontario has been recorded to reflect the carried interest entitled by 2486303 Ontario. Also see *note 7[s]*.

[k] If the CEP Funds were to sell all of their corporate investments, CEP III Co-Invest, CEP IV Co-Invest and CEP V Co-Invest [the "CEP Co-Invest Partnerships"] would be required to sell all of their corporate investments at their current fair values and as such, MIP III, MIP IV and MIP V would receive carried interest based on the terms previously described. The following details the carried interest entitlements from the CEP Funds and the CEP Co-invest Partnerships that will be ultimately paid to non-Clairvest participants, which are recorded as a management participation liability on the consolidated statements of financial position.

	March 31, 2016	March 31, 2015
CEP	**$ —**	$ 880
CEP III	**8,969**	10,968
CEP IV	**18,106**	12,316
CEP IV-A	**3,741**	2,705
CEP V	**—**	—
CEP V-A	**—**	—
	30,816	26,869
CEP III Co-Invest[1]	**4,467**	4,716
CEP IV Co-Invest[1]	**8,694**	6,171
CEP V Co-Invest[1]	**—**	—
	$ 43,977	$ 37,756

[1] Represents the entitlements of the limited partners of MIP III, MIP IV and MIP V respectively as described in *notes 7[c], 7[f] and 7[i]*.

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

[l] Changes in loans receivable were as follows:

	April 1, 2015	Loans advanced	Loans repaid	March 31, 2016
CEP III[1]	**$ —**	**$ 9,388**	**$ [9,388]**	**$ —**
CEP IV[2]	**3,428**	**45,655**	**[44,075]**	**5,008**
CEP IV-A[2]	**567**	**6,049**	**[6,616]**	**—**
CEP V[2]	**—**	**67,719**	**[67,719]**	**—**
CEP V-A[2]	**—**	**17,485**	**[17,485]**	**—**
CEP III Co-Invest[3]	**—**	**3,756**	**[3,756]**	**—**
CEP IV Co-Invest[3]	**4,684**	**20,183**	**[14,087]**	**10,780**
CEP V Co-Invest[3]	**—**	**39,152**	**[38,610]**	**542**
MIP III[3]	**35**	**—**	**[35]**	**—**
2486303 Ontario[4]	**—**	**11,016**	**[115]**	**10,901**
	8,714	**220,403**	**[201,886]**	**27,231**
Clairvest investee companies[5]	**2,622**	**14,309**	**[13,624]**	**3,307**
Other	**115**	**1,326**	**[1,416]**	**25**
	$ 11,451	**$ 236,038**	**$ [216,926]**	**$ 30,563**

	April 1, 2014	Loans transferred to acquisition entities	Loans advanced	Loans repaid	March 31, 2015
CEP III[1]	$ 15,600	$ [2,500]	$ 2,500	$ [15,600]	$ —
CEP IV[2]	8,735	[3,860]	24,473	[25,920]	3,428
CEP IV-A[2]	777	—	3,760	[3,970]	567
CEP V[2]	—	—	18,855	[18,855]	—
CEP V-A[2]	—	—	3,580	[3,580]	—
CEP IV Co-Invest[3]	3,733	—	19,751	[18,800]	4,684
MIP III[3]	—	—	100	[65]	35
2141788 Ontario[3]	1,049	—	—	[1,049]	—
	29,894	[6,360]	73,019	[87,839]	8,714
Clairvest investee companies[5]	3,269	—	9,225	[9,872]	2,622
Other	5,093	—	2,029	[7,007]	115
	$ 38,256	$ [6,360]	$ 84,273	$ [104,718]	$ 11,451

[1] Loans advanced to CEP III bear interest at the prime rate in accordance with CEP III's limited partnership agreement. Interest of $1 thousand [2015 – $0.1 million] was earned from loans advanced to CEP III during fiscal 2016.

[2] Loans advanced to CEP IV, CEP IV-A, CEP V and CEP V-A bear interest at the Reference Rate in accordance with the respective limited partnership agreements. Interest of $1.3 million [2015 – $0.9 million] was earned from loans advanced to these partnerships during fiscal 2016. Subsequent to year end, an additional $1.8 million of these loans were repaid.

[3] Loans advanced to these acquisition entities are non-interest bearing loans. Subsequent to year end, an additional $1.5 million of these loans were repaid.

[4] Loans advanced to 2486303 Ontario bear interest at 10.0% per annum. Interest of $0.3 million [2015 – nil] was earned from these loans during fiscal 2016.

[5] Comprised loans advanced to Discovery Air Inc. and a Canadian subsidiary of Momentum Aerospace Group. See *notes 7[j] and 7[l]*.

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

[m] Changes in non-interest bearing loans payable to acquisition entities were as follows:

	April 1, 2015	Loans received	Repayment of loans received	March 31, 2016
CEP III Co-Invest	**$ —**	**$ 146**	**$ [146]**	**$ —**

	April 1, 2014	Loans received	Repayment of loans received	March 31, 2015
CEP III Co-Invest	$ 237	$ 17,522	$ [17,759]	$ —
MIP III	—	23	[23]	—
MIP V	—	2,400	[2,400]	—
	$ 237	$ 19,945	$ [20,182]	$ —

[n] Included in accounts receivable and other assets as at March 31, 2016 are share purchase loans made to certain officers of the Company totaling $2.3 million [2015 − $2.2 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 $2.9 million [2015 – $3.2 million]. None of these loans were made to key management. Also included in accounts receivable and other assets as at March 31, 2016 are other loans made to certain officers of a company affiliated with Clairvest totaling $0.9 million [2015 − $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 $62 thousand [2015 – $54 thousand] was earned on these loans during the year. Accounts receivable and other assets comprised the following:

	March 31, 2016	March 31, 2015
Clairvest's investee companies	**$ 1,644**	$ 2,867
CEP	**—**	3
CEP III	**432**	1,036
CEP IV	**12,942**	6,205
CEP IV-A	**109**	264
CEP V	**4,984**	1,065
CEP V-A	**988**	189
	21,099	11,629
Other accounts receivable and prepaid expenses	**3,159**	647
Share purchase loans and loans to officers of affiliated company	**3,188**	2,779
	$ 27,446	$ 15,055

Additionally, acquisition entities of the Company which were not consolidated by the Company as described in *note 7* held receivables from CEP III totaling $1 thousand [2015 – $0.1 million], from CEP IV totaling $0.5 million [2015 – $0.3 million], from CEP V totaling $0.1 million [2015– nil] and from Clairvest's investee companies totaling $1.7 million [2015 – $1.2 million].

[o] During fiscal 2016, Clairvest earned $4.6 million [2015 – $2.3 million] in distributions and interest income and $1.9 million [2015 – $1.3 million] in advisory and other fees from its investee companies. Additionally, acquisition entities of the Company which were not consolidated by the Company as described in *note 7* earned $12.8 million [2015 – $8.5 million] in distributions and interest income, $0.5 million [2015 – $1.0 million] in dividend income and $0.6 million [2015 – $0.5 million] in advisory and other fees from its investee companies.

[p] 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. The related party has the right to sell its portion of the ownership of the aircraft to Clairvest at

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the fair market value determined at the time of sale. Accordingly, Clairvest has recognized 100% of the net book value of the aircraft and a liability for the 50% ownership the Company does not own.

5. NET INVESTMENT GAINS

Net investment gains for the years ended March 31, 2016 and 2015 comprised the following:

	2016	2015
Net realized gains [losses]	**$ 13**	$ [2,096]
Previously recognized net unrealized losses	–	2,115
Net changes in unrealized gains during the year	**37,569**	37,452
	$ 37,582	$ 37,471

6. NET CARRIED INTEREST INCOME

Net carried interest income for the years ended March 31, 2016 and 2015 comprised the following:

	2016	2015
Realized carried interest income *[notes 4[a], 4[b] and 4[c]]*	**$ 5,708**	$ 33,991
Net changes in unrealized carried interest *[notes 4[a], 4[b], 4[d] and 4[e]]*	**10,393**	[2,630]
	$ 16,101	$ 31,361

7. CORPORATE INVESTMENTS

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

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 4[c], 4[f] and 4[i]*. During the year ended March 31, 2016, Clairvest made additional investments totaling $3.7 million [2015 – $13.4 million] in CEP IV Co-Invest and $22.2 million [2015 – $3.6 million] in CEP V Co-Invest.

During fiscal 2016, Clairvest advanced $11.0 million to 2486303 Ontario, a wholly-owned acquisition entity of Clairvest. Subsequently, 2486303 Ontario purchased 100% of the limited partnership units of CEP for $9.8 million and 50% of the limited partnership units of CEP GP, the entity that earns a carried interest from CEP, for $1.2 million. Prior to the purchase, CEP was an investment fund held by third party investors whose portfolio had been liquidated except for an equity participation interest in the Grey Eagle Casino as described in *note 7[s]*.

During fiscal 2016, CEP III Co-Invest received total net cash proceeds of $14.3 million as a result of the realization events involving Casino New Brunswick as described in *note 7[a]*. CEP III Co-Invest declared distributions totaling $3.0 million to Clairvest. CEP III Co-Invest also declared distributions totaling $5.0 million and $0.1 million to 2141788 Ontario and MIP III, respectively. CEP III Co-Invest also declared and paid $0.7 million to the general partner, all of which was then declared and paid to the limited partners of MIP III as described in *note 4[c]*.

Also during fiscal 2016, MIP III declared and paid distributions totaling $0.1 million to Clairvest as described in *note 4[c]*.

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

The following table details the fair value of Clairvest's direct investments and acquisition entities, which are controlled by Clairvest but which are not part of the consolidated group:

	March 31, 2016			March 31, 2015		
	Investee companies	**Acquisition entity net assets [liabilities]**	**Total**	Investee companies	Acquisition entity net assets [liabilities]	Total
Held directly by Clairvest Group Inc.	**$ 26,071**	**$ —**	**$ 26,071**	$ 22,394	$ —	$ 22,394
Held through the following acquisition entities:						
2486303 Ontario	**10,272**	**[10,424]**	**[152]**	—	—	—
2141788 Ontario	**40,223**	**27,060**	**67,283**	42,954	20,572	63,526
CEP III Co-Invest	**22,152**	**16,486**	**38,638**	23,763	12,476	36,239
MIP III	**886**	**660**	**1,546**	952	500	1,452
CEP IV Co-Invest	**193,458**	**[2,917]**	**190,541**	163,978	[5,264]	158,714
MIP IV	**3,649**	**[55]**	**3,594**	3,238	[104]	3,134
CEP V Co-Invest	**25,607**	**[1,563]**	**24,044**	3,658	[71]	3,587
MIP V	**2,381**	**[145]**	**2,236**	2,422	[47]	2,375
Total	**$ 324,699**	**$ 29,102**	**$ 353,801**	$ 263,359	$ 28,062	$ 291,421

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

	March 31, 2016	March 31, 2015
Assets		
Cash	**$ 34,901**	$ 20,513
Temporary investments	**10,501**	10,392
Accounts receivable and other assets	**2,426**	1,550
Loans receivable	**3,095**	10,568
Income taxes recoverable	**2,184**	—
Derivative instruments	**6,165**	—
Deferred income tax asset	**92**	—
	$ 59,364	$ 43,023
Liabilities		
Accounts payable and accrued liabilities	**$ 3,736**	$ 503
Loans payable	**22,223**	35
Income taxes payable	**37**	6,229
Derivative instruments	**—**	7,998
Deferred income tax liability	**4,266**	196
	$ 30,262	$ 14,961
Net assets	**$ 29,102**	$ 28,062

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

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 investee companies, are summarized below.

	March 31, 2016			March 31, 2015		
	Fair value	**Cost**	**Difference**	Fair value	Cost	Difference
Investments made by CEP III Co-Invest alongside CEP III						
Casino New Brunswick	**$ —**	**$ —**	**$ —**	$ 8,324	$ 9,798	$ [1,474]
Chilean Gaming Holdings[1]	**43,674**	**28,754**	**14,920**	34,703	28,754	5,949
Light Tower Rentals Inc.	**—**	**2,403**	**[2,403]**	11,629	2,403	9,226
Lyophilization Services of New England Inc.	**16,017**	**7,077**	**8,940**	9,380	7,451	1,929
Investments made by CEP IV Co-Invest alongside CEP IV						
Centaur Gaming	**68,672**	**14,644**	**54,028**	50,355	14,644	35,711
Cieslok Media Inc.	**10,640**	**4,015**	**6,625**	7,411	4,015	3,396
County Waste of Virginia, LLC	**11,981**	**7,308**	**4,673**	8,210	6,690	1,520
CRS Contractors Rental Supply Limited Partnership	**22,009**	**10,573**	**11,436**	16,984	10,573	6,411
Davenport Land Investments	**2,858**	**2,196**	**662**	3,465	3,059	406
Discovery Air Inc.	**30,685**	**32,243**	**[1,558]**	33,036	29,606	3,430
Linen King, LLC	**—**	**—**	**—**	809	2,525	[1,716]
Momentum Aerospace Group	**5,600**	**3,838**	**1,762**	3,980	2,787	1,193
New Meadowlands Racetrack, LLC	**8,551**	**5,580**	**2,971**	7,942	5,580	2,362
Rivers Casino	**26,202**	**7,508**	**18,694**	25,362	7,508	17,854
Winters Bros. Waste Systems of CT, LLC	**9,907**	**8,053**	**1,854**	9,662	8,053	1,609
Investments made by CEP V Co-Invest alongside CEP V						
Accel Entertainment Inc.	**12,646**	**12,910**	**[264]**	—	—	—
Digital Media Solutions, LLC	**7,987**	**8,254**	**[267]**	—	—	—
Winters Bros. Waste Systems of Long Island Holdings, LLC	**10,927**	**8,236**	**2,691**	9,713	7,215	2,498
Grey Eagle Casino[2]	**14,076**	**11,017**	**3,059**	2,709	1	2,708
Wellington Financial	**20,852**	**14,631**	**6,221**	18,069	14,375	3,694
	323,284	**189,240**	**134,044**	261,743	165,037	96,706
Other investments	**1,415**	**1,486**	**[71]**	1,616	1,686	[70]
	$ 324,699	**$ 190,726**	**$ 133,973**	$ 263,359	$ 166,723	$ 96,636

[1] Comprised CEP III Co-Invest's investment in Casino Marina del Sol, Casino Osorno and Casino Sol Calama.

[2] Fair value includes the portion owned directly by Clairvest and the portion owned indirectly through 2486303 Ontario. Fair value excludes the amount of $1.2 million which represents Clairvest's 50% entitlement of the carried interest of CEP as described in *note 4[a]*.

The cost and fair value of 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 14]*. For those investments which are hedged by acquisition entities, the fair value of these foreign exchange forward contracts was included in the net assets [liabilities] of these acquisition entities. Details of each investee company are described below.

[a] **Casino New Brunswick**

Casino New Brunswick is a gaming entertainment complex located in Moncton, New Brunswick. As at March 31, 2015, 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 which entitled 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.

During fiscal 2016, CEP III Co-Invest completed the sale of Casino New Brunswick and received proceeds of $14.3 million against a carrying value as at March 31, 2015 of $8.3 million and its original investment of $9.8 million. The proceeds included $10.9 million in full repayment of debentures and interest, as well as $3.4 million in distributions from the entity which owned Casino New Brunswick and $13 thousand in fees. Subsequently, CEP III Co-Invest distributed the net proceeds to its unitholders in accordance with its limited partnership agreement. In addition, Clairvest received $0.5 million in fees related to a guarantee it had provided to Casino New Brunswick as described in *note 15[i]*. As part of the transaction, rather than an escrow holdback, Clairvest agreed to a net guarantee of $13.5 million to fund any valid claims made by the purchaser under the indemnity provisions of the sale for a specified period. Any funding pursuant to the guarantee will be allocated 25% to CEP III Co-Invest and 75% to CEP III.

[b] **Chilean Gaming Holdings**

Chilean Gaming Holdings is a limited partnership which had a 50% 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. During fiscal 2016, Chilean Gaming Holdings increased its ownership in Casino Osorno and in Casino Sol Calama, through a buyout of the operating partner of Casino Osorno and Casino Sol Calama by the entity which owns Casino Marina del Sol. Upon completion of this transaction, Chilean Gaming Holdings increased its ownership in each of Casino Osorno and Casino Sol Calama from 48.8% to 73.8%, and continues to hold a 50% ownership in Casino Marina del Sol. As at March 31, 2016 and 2015, CEP III Co-Invest held 30,446,299 limited partnership units of Chilean Gaming Holdings, representing a 36.8% equity interest.

During fiscal 2016, CEP III Co-Invest earned dividends totaling $0.5 million [2015 – $1.0 million] through its investment in Chilean Gaming Holdings, bringing dividends earned to March 31, 2016 to $9.5 million [2015 – $9.0 million].

[c] **Light Tower Rentals Inc.**

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

As at March 31, 2016 and 2015, CEP III Co-Invest held 3,985,604 common shares of Light Tower Rentals representing a 6.7% ownership interest on a fully diluted basis.

[d] **Lyophilization Services of New England Inc.**

Lyophilization Services of New England Inc. ["LSNE"] is a Manchester, New Hampshire-based contract manufacturing organization focused on providing lyophilization services to biotech, pharmaceutical and medical device manufacturers. As at March 31, 2015, CEP III Co-Invest held 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. These 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 at CEP III Co-Invest's discretion and dividends are forfeited on conversion.

During fiscal 2016, LSNE repaid in full the US$0.4 million in demand promissory notes and its accrued interest. As at March 31, 2016, CEP III Co-Invest held 6,406,000 Series A 10% cumulative preferred shares and 1,250,000 Series B 10% cumulative preferred shares of LSNE.

As at March 31, 2015, Clairvest had advanced short-term working capital loans totaling US$0.8 million [C$1.0 million] to LSNE. During fiscal 2016, additional loans totaling US$1.0 million [2015 – US$0.6 million] were made by Clairvest to LSNE. Subsequently, these loans and loans previously advanced were repaid in full [2015 – nil].

[e] **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.

As at March 31, 2016 and 2015, 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.

[f] **Cieslok Media Inc.**

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

As at March 31, 2016 and 2015, CEP IV Co-Invest held 4,014,989 common shares of Cieslok representing a 23.5% ownership on a fully diluted basis.

[g] **County Waste of Virginia, LLC**

County Waste of Virginia, LLC ["County Waste"] is a private regional solid waste collection company headquartered in Albany, New York. As 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.

During fiscal 2016, CEP IV Co-Invest invested an additional US$0.5 million [C$0.6 million] for 460.36 Class B units of County Waste to support the growth of its operations. As at March 31, 2016, CEP IV Co-Invest held 6,942.64 Class B units of County Waste representing a 12.5% [2015 – 12.5%] ownership interest on a fully diluted basis.

[h] **CRS Contractors Rental Supply Limited Partnership**

CRS Contractors Rental Supply Limited Partnership ["CRS"] is a provider of equipment rental services and related merchandise across Ontario, Canada.

As at March 31, 2015, CEP IV Co-Invest held 199,900 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.

During fiscal 2016, 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 27,002 Class B units of CRS at $34 thousand, which was funded by a return of capital from CRS. As at March 31, 2016, CEP IV Co-Invest held 226,902 Class B units and 10,572,805 Class C units of CRS, representing a 13.6% 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 2016, CEP IV Co-Invest earned distributions totaling $0.5 million [2015 **–** $0.4 million] from CRS, bringing distributions earned to March 31, 2016 to $1.4 million [2015 – $0.9 million].

[i] **Davenport Land Investments**

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

As at March 31, 2015, CEP IV Co-Invest had 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. Additionally, CEP IV Co-Invest had advanced a US$0.6 million non-interest bearing promissory note to a partner to help fund its 50% ownership in Davenport North.

During fiscal 2016, Davenport South sold certain of its real estate holdings for proceeds of US$1.0 million [C$1.2 million], which had been distributed to an acquisition entity of CEP IV Co-Invest, bringing total distributions from Davenport South, on an after tax basis, to 110% of invested capital. As a result of CEP IV Co-Invest's investment in Davenport South requiring certain acquisition entities in the United States, CEP IV Co-Invest, through its acquisition entities, incurred U.S. income tax obligations totaling $0.2 million during fiscal 2016. Also during fiscal 2016, the promissory note was amended such that interest accrues at a stated rate of 10% per annum commencing October 1, 2015. As at March 31, 2016, CEP IV Co-Invest had invested US$1.4 million [C$1.6 million] for an 18.7% ownership in Davenport North and US$0.8 million [C$0.9 million] for a 13.4% ownership interest in Davenport South in addition to a US$0.6 million promissory note with a stated interest rate of 10% per annum.

[j] **Discovery Air Inc.**

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

As at March 31, 2015, CEP IV Co-Invest had invested $22.0 million in secured convertible debentures ["Debentures"]. The Debentures, which have a 5.5-year term from issuance on September 23, 2011 and are subject to certain early redemption rights in favour of Discovery Air, accrue interest at a rate of 10% per annum and interest is paid in-kind and compounded on an annual basis. During fiscal 2016, CEP IV Co-Invest earned $2.9 million [2015 – $2.8 million] in interest from the Debentures, all of which has been provided for [2015 – $0.7 million] and none of which [2015 – $1.6 million] was received during fiscal 2016. As at March 31, 2016, the Debentures have a gross accrued value of $32.1 million [2015 – $29.2 million], the maturity of which was extended from March 22, 2017 to September 30, 2017. The Debentures which are convertible into 2,775,218 common shares of Discovery Air at a conversion price of $11.56 [2015 – $10.51] per share. As at March 31, 2016, the closing quoted market price of a Discovery Air common share was $0.21 [2015 – $0.23] per share.

As at March 31, 2015, CEP IV Co-Invest held 19,337,975 common shares of Discovery Air and Clairvest held 471,940 common shares of Discovery Air, which collectively represent a 24.2% ownership interest on a fully diluted basis. During fiscal 2016, CEP IV Co-Invest invested an additional $0.4 million to acquire 1,420,825 common shares of Discovery Air. Clairvest also invested $10 thousand to acquire 34,675 common shares of Discovery Air. As at March 31, 2016, Clairvest and CEP IV Co-Invest collectively held 21,265,415 common shares representing a 25.9% ownership interest on a fully diluted basis.

As at March 31, 2015, Clairvest had advanced to Discovery Air $1.7 million in the form of promissory notes. During fiscal 2016, Clairvest advanced an additional $7.4 million [2015 – $1.7 million] to Discovery Air in the form of promissory notes. Also during fiscal 2016, Discovery Air repaid $6.8 million of these loans and loans previously advanced such that $2.3 million remained outstanding as at March 31, 2016. Interest of $0.3 million [2015 – $1 thousand] was earned from these promissory notes to Discovery Air during fiscal 2016. The $2.3 million promissory note bears interest at 8.0% per annum and was repayable on May 15, 2016. Subsequent to year-end, the maturity date of this promissory note was extended to September 15, 2016.

During fiscal 2016, Clairvest entered into a guarantee agreement with a lender of Discovery Air to support up to $10.0 million of its credit facility with a bank. The guarantee is callable by the lender under certain circumstances and should it be called, Clairvest will assume the lender's security position that supports the loans provided by the lender. Clairvest intends to allocate any amounts called under this guarantee to CEP IV Co-Invest, CEP IV and CEP IV-A on a pro-rata basis in accordance with their respective capital commitments in CEP IV. As at March 31, 2016, the total contingent exposure under this guarantee is $7.4 million, $2.0 million of which would be assumed by CEP IV Co-Invest if called. Any additional guarantee is subject to Clairvest's consent at its sole discretion.

During fiscal 2016, CEP IV Co-Invest committed to advance up to $3.8 million to Discovery Air in the form of a secured revolving credit facility with interest at 12% per annum on drawn amounts, $3.2 million of which may be drawn upon request and the remaining $0.6 million is subject to CEP IV Co-Invest's consent. As at March 31, 2016, $2.2 million of this facility has been drawn.

[k] **Linen King, LLC**

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

As at March 31, 2015, CEP IV Co-Invest held 2,529,209 Class A units of Linen King, representing a 21.7% ownership interest.

During fiscal 2016, CEP IV Co-Invest realized on its investment in Linen King and received proceeds of US$0.6 million [C$0.8 million] against its original investment of US$2.5 million [C$2.5 million]. Substantially all of the investment losses had been recorded in prior years.

[l] **Momentum Aerospace Group**

Momentum Aerospace Group ["MAG"] is a U.S.-based specialty aviation and intelligence, surveillance and reconnaissance service provider. As at March 31, 2015, CEP IV Co-Invest held 26,499 Class A stock of MAG, representing a 9.6% ownership interest on a fully diluted basis. The Class A stock has a stated dividend rate of 10% per annum and each Class A stock is convertible into 1.0114 common stock of MAG at CEP IV Co-Invest's discretion and dividends are forfeited on conversion.

During fiscal 2016, CEP IV Co-Invest invested an additional US$0.8 million [C$1.1 million] to acquire 6,237 Class A stock in MAG to support the growth of its operations. As at March 31, 2016, CEP IV Co-Invest held 32,736 Class A stock of MAG, representing a 10.3% ownership interest on a fully diluted basis.

As at March 31, 2015, Clairvest had provided $0.9 million of working capital loans to MAG Canada, a Canadian subsidiary of MAG, in support of its operations. During fiscal 2016, Clairvest advanced a further $6.9 million [2015 − $7.5 million] to MAG Canada. Also during fiscal 2016, $6.8 million [2015 − $9.9 million] of these loans and loans previously advanced were repaid such that $1.0 million [2015 − $0.9 million] was outstanding as at March 31, 2016 and have been included in loans receivable. Interest of $29 thousand [2015 – $50 thousand] was earned from loans to MAG Canada during fiscal 2016.

[m] **New Meadowlands Racetrack, LLC**

New Meadowlands Racetrack, LLC [the "Meadowlands"] operates a standardbred horseracing track located in East Rutherford, New Jersey.

As at March 31, 2016 and 2015, Clairvest has 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 2016, Clairvest agreed to the entire 15% interest to be entirely payable in-kind for a period commencing January 1, 2016. Clairvest earned $0.6 million [2015 – $0.6 million] in cash interest and $0.6 million [2015 – $0.3 million] in accrued interest on its investment in the Meadowlands secured debentures. Cash interest of $0.8 million [2015 – $0.4 million] was received during the year.

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.

[n] **Rivers Casino**

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

As at March 31, 2016 and 2015, CEP IV Co-Invest held 9,021,917 units of Rivers Casino, representing a 5.0% ownership on a fully diluted basis.

CEP IV Co-Invest earns quarterly distributions and fees as an investor in Rivers Casino. During fiscal 2016, CEP IV Co-Invest earned $4.9 million [2015 – $4.5 million] in quarterly distributions and $0.6 million [2015 – $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 $1.8 million [2015 – $1.5 million] during fiscal 2016.

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

[o] **Winters Bros. Waste Systems of CT, LLC**

Winters Bros. Waste Systems of CT, LLC ["Winters Bros. of CT"] is a regional solid waste collection, recycling and disposal company based in Danbury, Connecticut.

As at March 31, 2016 and 2015, CEP IV Co-Invest held 76,284.8 Class C units of Winters Bros. of CT, representing 13.4% ownership interest on a fully diluted basis.

[p] **Accel Entertainment Inc.**

Accel Entertainment Inc. ["Accel Entertainment"] is a licensed video gaming terminal operator in Illinois.

During fiscal 2016, CEP V Co-Invest invested US$9.7 million [C$12.9 million] to acquire 283,478 Class D preferred shares of Accel Entertainment. As at March 31, 2016, CEP V Co-Invest's ownership interest in Accel Entertainment was 9.3%. Subject to post-closing purchase price adjustments, CEP V Co-Invest's investment may be increased to up to US$12.1 million.

[q] **Digital Media Solutions, LLC**

Digital Media Solutions, LLC ["Digital Media Solutions"] operates as a lead generation engine for companies in a variety of different industries.

During fiscal 2016, CEP V Co-Invest invested US$6.2 million [C$8.3 million] to acquire 6,150,000 Class B units of Digital Media Solutions. The Class B units are entitled to certain preference over all other equity units in Digital Media Solutions. As at March 31, 2016, CEP V Co-Invest's ownership interest in Digital Media Solutions was 13.9%.

[r] **Winters Bros. Waste Systems of Long Island Holdings, LLC**

Winters Bros. Waste Systems of Long Island Holdings, LLC ["Winters Bros. of LI"] is a regional solid waste collection, recycling and disposal company based in Long Island, New York.

As at March 31, 2015, CEP V Co-Invest held 1,398,507 Class C units of Winters Bros. of LI, representing a 14.0% ownership on a fully diluted basis.

During fiscal 2016, CEP V Co-Invest invested an additional US$0.5 million [C$0.7 million] to acquire 89,266 Class C units of Winters Bros. of LI. Also during fiscal 2016, CEP V Co-Invest invested US$0.3 million [C$0.3 million] for 256,037 units of WBLI II, LLC ["WBLI II"], an affiliated company of Winters Bros. of LI which is owned proportionately by the same unitholders of Winters Bros. of LI. As at March 31, 2016, CEP V Co-Invest held 1,487,773 Class C units of Winters Bros. of LI and 256,037 units of WBLI II, representing a 14.0% ownership interest on a fully-diluted basis in the respective entities.

[s] **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. As at March 31, 2015, 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 2016, 2486303 Ontario, a wholly-owned acquisition entity of Clairvest, invested $11.0 million to increase the equity participation interest in the Grey Eagle Casino through the purchase of CEP. As described above, the purchase included 100% of the limited partnership units of CEP for $9.8 million and 50% of the limited partnership units of CEP GP, the entity that earns the carried interest from CEP, for $1.2 million. The purchase entitles 2486303 Ontario to 8.5% to 28.7% of the earnings of the Grey Eagle Casino until December 18, 2022.

During fiscal 2016, Clairvest earned $0.9 million [2015 – $0.8 million] and 2486303 Ontario earned $1.1 million [2015 – nil] in equity distributions from Grey Eagle Casino.

[t] **Wellington Financial**

Wellington Financial, through various Wellington Funds, 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 $25.2 million representing a 12.6% interest in WF Fund IV Limited Partnership ["Wellington Fund IV"] as at March 31, 2015. Clairvest continues to own an interest in the residual of WF Fund III Limited Partnership ["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 2016, Clairvest funded an additional $0.4 million [2015 – $0.5 million] to Wellington Fund IV, bringing total amount funded to $14.8 million [2015 – $14.4 million] against the $25.2 million commitment. Subsequently, Clairvest committed $30.3 million to WF Fund V Limited Partnership ["Wellington Fund V"], a $300 million successor fund to Wellington Fund IV. In conjunction with the raising of Wellington Fund V, Wellington Fund V purchased Wellington Fund

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

IV's loan portfolio. As a result of these transactions, Clairvest received a return of capital of $14.8 million from Wellington Fund IV and invested $14.6 million in Wellington Fund V. Clairvest is also entitled to participate in the profits of the general partner of various Wellington Financial Funds, and holds a residual limited partner interest in Wellington Fund III and Wellington Fund IV. As at March 31, 2016, $14.6 million of Clairvest's $30.3 million commitment had been funded representing a 10.1% ownership in Wellington Fund V.

During fiscal 2016, Clairvest received distributions totaling $3.3 million from Wellington Financial, bringing total distributions received from current and prior Wellington Funds to $26.6 million [2015 – $23.3 million].

8. FIXED ASSETS

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

	Aircraft	IT equipment [1]	Furniture, fixtures and equipment	Leasehold improvements	Total
At cost					
Balance as at April 1, 2015	**$ 3,603**	**$ 724**	**$ 391**	**$ 2,480**	**$ 7,198**
Additions	**—**	**77**	**69**	**105**	**251**
Balance as at March 31, 2016	**$ 3,603**	**$ 801**	**$ 460**	**$ 2,585**	**$ 7,449**
Accumulated amortization					
Balance as at April 1, 2015	**$ 1,648**	**$ 638**	**$ 368**	**$ 2,277**	**$ 4,931**
Amortization expense	**356**	**111**	**9**	**182**	**658**
Balance as at March 31, 2016	**$ 2,004**	**$ 749**	**$ 377**	**$ 2,459**	**$ 5,589**
Carrying amount as at March 31, 2016	**$ 1,599**	**$ 52**	**$ 83**	**$ 126**	**$ 1,860**
At cost					
Balance as at April 1, 2014	$ 3,603	$ 665	$ 371	$ 2,478	$ 7,117
Additions	—	59	20	2	81
Balance as at March 31, 2015	$ 3,603	$ 724	$ 391	$ 2,480	$ 7,198
Accumulated amortization					
Balance as at April 1, 2014	$ 624	$ 604	$ 360	$ 1,971	$ 3,559
Amortization expense	224	34	8	306	572
Impairment charges	800	—	—	—	800
Balance as at March 31, 2015	$ 1,648	$ 638	$ 368	$ 2,277	$ 4,931
Carrying amount as at March 31, 2015	$ 1,955	$ 86	$ 23	$ 203	$ 2,267

[1] Comprised computer equipment and computer software.

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

9. 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 as at March 31, 2016 and 2015 is $75.0 million. No amounts were drawn during fiscal 2016 and 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 as at March 31, 2016 was 2.70% [2015 – 2.85%]. The amount available under the credit facility as at March 31, 2016 and 2015 was $20.0 million, which is based on debt covenants within the banking arrangement. No amounts were drawn during fiscal 2016 and 2015.

10. INCOME TAXES

Income tax expense for the years ended March 31, 2016 and 2015 comprised the following:

	2016	2015
Current income tax expense	**$ [2,814]**	$ 5,050
Deferred income tax expense [recovery]	**6,075**	[1,763]
	$ 3,261	$ 3,287

A reconciliation of the income tax expense for the years ended March 31, 2016 and 2015 based on the Federal and Ontario statutory rate and the effective rate were as follows:

	2016		2015	
	$	**%**	$	%
Income before income taxes	**43,227**		55,292	
Statutory Federal and Ontario income tax rate		**26.50**		26.50
Statutory Federal and Ontario income taxes	**11,455**	**26.50**	14,652	26.50
Non-taxable portion of net investment gains and distributions	**[5,128]**	**[11.86]**	[8,954]	[16.19]
Non-taxable portion of carried interest net of management participation	**[1,285]**	**[2.97]**	[2,098]	[3.80]
Non-deductible [taxable] portion of foreign exchange cost [gains]	**128**	**0.29**	[167]	[0.30]
Non-deductible portion of other expenses	**22**	**0.05**	964	1.74
Foreign income tax rate differences	**[276]**	**[0.64]**	[514]	[0.93]
Tax recoveries regarding prior year	**[778]**	**[1.80]**	[193]	[0.35]
Other	**[877]**	**[2.03]**	[403]	[0.73]
	3,261	**7.54**	3,287	5.94

In addition to the income tax expense recorded by Clairvest, acquisition entities of Clairvest recorded $3.2 million [2015 - $5.8 million] in income tax expense during fiscal 2016, which is included in the fair value determination of these acquisition entities.

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

	March 31, 2016	**March 31, 2015**
Temporary differences on corporate and temporary investments	**$ 13,699**	$ 8,126
Temporary differences on derivative instruments	**77**	[575]
Temporary differences on accrued compensation and share-based compensation	**[4,565]**	[4,046]
Temporary differences on income	**1,534**	677
Temporary differences on unrealized carried interest net of management participation	**2,654**	2,118
Other	**740**	1,764
	$ 14,139	$ 8,064

All deferred income tax expenses [recoveries] were recognized in net income during fiscal 2016 and 2015.

11. 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, 2016**		March 31, 2015	
	Shares	**Amount**	Shares	Amount
Common shares, beginning of year	**15,134,095**	**$ 79,314**	15,134,095	$ 79,314
Issued on exercise of stock options [note 12]	**80,000**	**2,348**	—	—
Common shares, end of year	**15,214,095**	**$ 81,662**	15,134,095	$ 79,314

During fiscal 2016, the Company filed a normal course issuer bid enabling it to make market purchases of up to 760,704 [2015 – 756,705] of its common shares in the 12-month period commencing March 7, 2016 [2015 – March 5, 2015]. During fiscal 2016 and 2015, 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 current and all previous normal course issuer bids as at March 31, 2016 and 2015. An additional 934,200 common and 2,230,954 non-voting shares have been purchased for cancellation outside of the normal course issuer bid.

Common shares of 15,214,095 [2015 − 15,134,095] were outstanding as at March 31, 2016. The weighted average number of common shares outstanding during fiscal 2016 was 15,179,547 [2015 − 15,134,095].

The basic and fully diluted net income per share computations for 2016 and 2015 were as follows:

	2016			2015		
	Net income and comprehensive income [000s]	**Weighted average number of shares**	**Per share amount**	Net income and comprehensive income [000s]	Weighted average number of shares[1]	Per share amount
Basic and fully diluted	**$ 39,966**	**15,179,547**	**$ 2.63**	$ 52,005	15,134,095	$ 3.43

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

12. SHARE-BASED COMPENSATION

Under the Company's stock option plan, 558,856 [2015 – 1,113,856] common shares of the Company have been made available for issuance to eligible participants. As at March 31, 2016, no options [2015 – 555,000] were outstanding under the plan, and an additional 558,856 [2015 – 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.

During fiscal 2016, 555,000 [2015 – 10,000] options were exercised, 80,000 [2015 – nil] of which were exercised for shares, increasing share capital by $2.3 million [2015 – nil]. The remaining 475,000 [2015 – 10,000] options were exercised under the cash settlement plan and had no impact on share capital. No options were granted during fiscal 2016 and 2015.

A summary of the status of the Company's stock option plan as at March 31, 2016 and 2015 and changes during the years ended March 31, 2016 and 2015 are presented below:

	Number of options	Weighted average exercise price per share[1]
Options outstanding, April 1, 2014	565,000	$ 10.60
Options exercised	[10,000]	8.84
Options outstanding, March 31, 2015	555,000	10.36
Options exercised	[555,000]	10.36
Options outstanding, March 31, 2016	—	$ —

[1] Adjusted for special dividends where applicable

Clairvest recognized share-based compensation expense based upon the fair value of the outstanding stock options using the Black-Scholes option-pricing model. As at March 31, 2015, all options granted were fully vested and $9.7 million was accrued under the Company's stock option plan and included in share-based compensation liability. For the year ended March 31, 2015, Clairvest recognized a share-based compensation expense of $2.3 million. The composition was as follows:

As 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

[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 price as at March 31, 2015 was $27.81 per share [TSX: CVG].

As at March 31, 2016, 243,402 [2015 – 229,103] DSUs were held by directors of the Company, the accrual in respect of which was $6.9 million [2015 – $6.5 million] and has been included in share-based compensation liability. During fiscal 2016, no DSUs

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

[2015 – 13,577] were exercised and 14,299 [2015 – 16,545] DSUs were granted. For the year ended March 31, 2016, Clairvest recognized an expense of $0.4 million [2015 **–** $1.4 million] with respect to DSUs.

As at March 31, 2016, 120,000 [2015 – 105,000] ADSUs were held by directors of the Company, the accrual in respect of which is $1.6 million [2015 – $1.6 million] and has been included in share-based compensation liability. During fiscal 2016, no ADSUs [2015 – nil] were exercised and 15,000 [2015 – nil] ADSUs were granted. For the year ended March 31, 2016, Clairvest recognized an expense recovery of $2 thousand [2015 **–** expense of $0.4 million] with respect to ADSUs.

As at March 31, 2016, a total of 1,119,348 [2015 – 1,105,692] BVARs were held by employees and a director of Clairvest, the accrual in respect of which was $8.5 million [2015 – $6.6 million] and has been included in share-based compensation liability, and a further $5.7 million [2015 – $6.2 million] not accrued as those BVARs have not vested. During fiscal 2016, 204,994 [2015 – 189,994] BVARs were exercised and 23,014 [2015 – 42,401] BVARs were forfeited. Also during fiscal 2016, 241,664 [2015 – 188,551] BVARs were granted. For the year ended March 31, 2016, Clairvest recognized an expense of $5.5 million [2015 – $4.9 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 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 15[h]*, a stock option plan and a BVAR plan. Compensation paid for the years ended March 31 to the Co-CEOs was as follows:

	2016	2015
Paid		
Salaries	**$ 652**	$ 652
Annual incentive plans[1]	**1,649**	3,293
Stock options	**9,903**	—
	$ 12,204	$ 3,945

[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 to the Co-CEOs at the consolidated statements of financial position dates was as follows:

	March 31, 2016	March 31, 2015
Payable		
Annual incentive plans	**$ 2,261**	$ 2,243
Stock options	**—**	9,036
Book value appreciation rights	**1,100**	489
	$ 3,361	$ 11,768

In addition to DSU and ADSU plans previously discussed, compensation payable to the directors of Clairvest included $1.3 million [2015 – $0.7 million] under the BVAR plan.

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

13. CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	2016	2015
Accounts receivable and other assets	**$ [12,391]**	$ [3,535]
Income taxes recoverable	**[4,768]**	6,817
Accounts payable and accrued liabilities	**681**	[458]
Income taxes payable	**41**	30
Accrued compensation expense	**[75]**	1,540
	$ [16,512]	$ 4,394

Cash and cash equivalents comprised the following:

	March 31, 2016	March 31, 2015
Cash	**$ 2,704**	$ 8,743
Cash equivalents	**62,546**	89,901
	$ 65,250	$ 98,644

14. 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 2016, the Company paid $4.8 million [2015 – $1.0 million] to various counterparties to settle realized foreign exchange forward contracts.

As at March 31, 2016, 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$7.6 million [2015 – US$28.9 million] at an average rate of Canadian $1.3751 per U.S. dollar [2015 – $1.1175] through to August 2016. The fair value of the forward contracts as at March 31, 2016 is a gain of $0.6 million [2015 – loss of $4.3 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$133.1 million [2015 – sell US$99.9 million and buy US$0.6 million] at an average rate of Canadian $1.3451 per U.S. dollar [2015 – $1.2010] through to September 2016. The fair value of the forward contracts as at March 31, 2016 is a gain of $6.2 million [2015 – loss of $6.8 million].

Foreign exchange forward contracts to sell 14.7 billion Chilean Pesos ["CLP"] [2015 – 14.7 billion] at an average rate of Canadian $0.001881 per CLP [2015 – $0.001909] through to January 2017. The fair value of these contracts as at March 31, 2016 is a loss of $17 thousand [2015 – $1.1 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. No collateral [2015 – $4.9 million] was funded to the counterparty for Clairvest's foreign exchange forward contracts and those of its acquisition entities as at March 31, 2016. Any amounts funded are included in cash and cash equivalents on the consolidated statements of financial position.

15. CONTINGENCIES, COMMITMENTS AND GUARANTEES

[a] 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 [2015 – $15.2 million] of which remains unfunded as at

March 31, 2016. 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.

[b] 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, $28.4 million [2015 – $40.3 million] of which remains unfunded as at March 31, 2016. 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.

[c] 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, $146.7 million [2015 – $169.9 million] of which remains unfunded as at March 31, 2016. 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.

[d] Clairvest has committed $25.2 million to Wellington Fund IV [2015 – $25.5 million], all of which became unfunded upon a 100% return of capital during fiscal 2016 [2015 – $10.8 million unfunded] as described in *note 7[t]*. As specified in the limited partnership agreement, upon the closing of Wellington Fund V, Wellington Fund IV may no longer invest in new investments.

[e] Clairvest has also committed $30.3 million to Wellington Fund V, $15.7 million of which remained unfunded as at March 31, 2016.

[f] As at March 31, 2016, Clairvest has received profit distributions totaling $5.7 million [2015 – $4.6 million] through its ownership interest in the General Partners of Wellington Fund III and Wellington Fund IV. As a result of Wellington Fund V purchasing the loan portfolio from Wellington Fund IV at fair market value and the limited partners of Wellington Fund IV have earned their return threshold as specified in the limited partnership agreement, no amounts are required to be repaid by Clairvest. Clairvest has guaranteed up to amounts received by the General Partner, the clawback provisions entered into by the General Partner in the event the limited partners of Wellington Fund V do not meet their return threshold as specified in the respective limited partnership agreements. As at March 31, 2016 and 2015, there were no accruals made with respect to the clawback as no amounts have been distributed by the General Partner of Wellington Fund V.

[g] Clairvest had guaranteed up to US$10.0 million of CEP III's obligations to a schedule 1 Canadian chartered bank under CEP III's foreign exchange forward contracts with the bank.

[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"]. As at March 31, 2016, the Realized Amount under the Bonus Program was $0.6 million [2015 − $1.4 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 $3.5 million [2015 − $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.

[i] Clairvest had guaranteed to fund any cash flow or debt service shortfalls of Casino New Brunswick for a specified period of time. During fiscal 2016, the guarantee was extinguished upon the sale of Casino New Brunswick. In conjunction with the sale of Casino New Brunswick, Clairvest agreed to a net guarantee of $13.5 million to fund any valid claims made by the purchaser under the indemnity provisions of the sale for a specified period. Any funding pursuant to the guarantee will be

allocated 25% to CEP III Co-Invest and 75% to CEP III. As at March 31, 2016, no amounts with respect to this guarantee have been funded.

[j] An acquisition entity of Chilean Gaming Holdings and other investors of Casino Sol Calama had entered into a joint and several guarantee to fund any operating deficiencies of Casino Sol Calama for a specified period. Latin Gaming Chile S.A., Casino Sol Calama's operator, had indemnified this acquisition entity with respect to this guarantee. As at March 31, 2016, the guarantee was extinguished and no amounts with respect to this guarantee had been funded.

[k] As part of the holding structure of Chilean Gaming Holdings, acquisition entities of CEP III Co-Invest had loans totaling $41.9 million as at March 31, 2016 [2015 − $40.7 million] from an unrelated financial institution, while another acquisition entity of CEP III Co-Invest held term deposits totaling $41.9 million as at March 31, 2016 [2015 − $40.7 million] with the same financial institution as security for these loans. CEP III Co-Invest's ownership of both acquisition entities was 36.8% as at March 31, 2016 and 2015.

[l] Clairvest has agreed to guarantee up to $10.0 million to support Discovery Air's credit facility with its bank. The guarantee is callable by the lender under certain circumstances and should it be called, Clairvest will assume the lender's security position that supports the loans provided by the lender. Clairvest intends to allocate any amounts called under this guarantee to CEP IV Co-Invest, CEP IV and CEP IV-A on a pro-rata basis in accordance with their respective capital commitments in CEP IV. As at March 31, 2016, the total contingent exposure under this guarantee is $7.4 million, $2.0 million of which would be assumed by CEP IV Co-Invest if called. Any additional guarantee is subject to Clairvest's consent at its sole discretion.

[m] As at March 31, 2016, the Company had future minimum annual lease payments under non-cancellable operating leases for the use of office space of $0.4 million due within one year [2015 − $0.3 million] and $1.3 million due after one year but not more than five years [2015 − $1.7 million].

[n] 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.

16. 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, 2016 and 2015, there were no material income effects on changes of credit risk on financial assets. The carrying values of financial assets subject to credit exposure as at March 31, 2016 and 2015, net of any allowances for losses, were as follows:

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

	March 31, 2016	March 31, 2015
Financial assets		
Cash and cash equivalents	**$ 65,250**	$ 98,644
Temporary investments	**21,793**	58,511
Accounts receivable[1]	**24,287**	14,408
Loans receivable[2]	**8,340**	6,732
Derivative instruments	**581**	–
Corporate investments[3]	**324,699**	263,359
	$ 444,950	$ 441,654
Financial liabilities		
Accounts payable	**$ 117**	$ 315
Derivative instruments	–	4,341
	$ 117	$ 4,656

[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 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 investee companies regularly.

The Company is also subject to credit risk on its accounts receivable and loans receivable, 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 conditions of its investee companies regularly, and through its fiduciary duty as manager or general partner of the CEP Funds and by maintaining sufficient uncalled capital for the CEP Funds to settle obligations as they come due.

The Company manages counterparty credit risk on derivative instruments by only contracting with counterparties which are Schedule 1 Canadian chartered banks. As at March 31, 2016, the Company’s derivative instruments have a fair value of $0.6 million. Additionally, the Company’s acquisition entities held derivative instruments with fair value of $6.2 million as at March 31, 2016. The Company believes the counterparty risk with respect to its and its acquisition entities’ derivative instruments is nominal.

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 & Poor's rating scale, for the Company's cash, cash equivalents and temporary investments were as follows:

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

	March 31, 2016	March 31, 2015
Cash	**$ 2,704**	$ 8,743
Money market savings accounts		
R1-High	**39,023**	41,262
Guaranteed investment certificates and investment savings accounts		
AA	**36,683**	76,603
A+	**2,570**	2,534
A	**202**	7,588
BBB+[1]	**101**	101
BBB[1]	**101**	–
BBB-[1]	**101**	–
Not rated[1]	**101**	101
Corporate bonds and loans		
B[2]	**–**	20,223
B-[2]	**5,457**	–
Total cash, cash equivalents, temporary investments and restricted temporary investments	**$ 87,043**	$ 157,155

[1] Principal protected by the Canada Deposit Insurance Corporation.
[2] Pertains to Clairvest's treasury investments in Light Tower Rentals Inc. and Centaur Gaming as described in *note 3.*

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 [together, "treasury funds"]. 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 $0.8 million [2015 – $1.4 million] to distributions and interest income on a pre-tax basis for the year ended March 31, 2016.

The Company's corporate investment portfolio is diversified across 18 investee companies in 8 industries and 3 countries as at March 31, 2016. Concentration risk by industry and by country was as follows:

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

	March 31, 2016				March 31, 2015			
	Canada	**United States**	**Chile**	**Total**	Canada	United States	Chile	Total
Contract manufacturing	**$ —**	**$ 16,016**	**$ —**	**$ 16,016**	$ —	$ 9,380	$ —	$ 9,380
Defense services	**15,343**	**5,601**	**—**	**20,944**	16,518	3,980	—	20,498
Equipment rental	**22,009**	**—**	**—**	**22,009**	16,984	11,629	—	28,613
Financial services	**20,852**	**—**	**—**	**20,852**	18,069	—	—	18,069
Gaming	**14,076**	**116,070**	**43,674**	**173,820**	11,033	83,659	34,703	129,395
Marketing services	**10,641**	**7,987**	**—**	**18,628**	7,411	—	—	7,411
Specialty aviation	**15,342**	**—**	**—**	**15,342**	16,518	—	—	16,518
Textile rental service	**—**	**—**	**—**	**—**	—	809	—	809
Waste management	**—**	**32,815**	**—**	**32,815**	—	27,585	—	27,585
Other	**1,415**	**2,858**	**—**	**4,273**	1,616	3,465	—	5,081
Total	**$ 99,678**	**$ 181,347**	**$ 43,674**	**$ 324,699**	$ 88,149	$ 140,507	$ 34,703	$ 263,359

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 investee companies denominated in a 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 their foreign investments 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 on 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 loans or 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 $190.3 million as at March 31, 2016 [2015 – $225.4 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. In addition to its commitments to co-invest alongside the CEP Funds, the Company has unfunded commitments of $25.2 million and $15.7 million to Wellington Fund IV and Wellington Fund V, respectively, as described in *notes 15[d]* and *15[e]*.

The Company manages liquidity risk by maintaining a conservative liquidity position that exceeds all liabilities payable on demand. The Company invests its 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.

As at March 31, 2016, Clairvest had treasury funds of $87.0 million [2015 – $157.2 million] and access to $95.0 million [2015 – $95.0 million] through its credit facilities to support its current and anticipated corporate investments. Clairvest also has access to $45.4 million [2015 – $30.9 million] in treasury funds held by acquisition entities of Clairvest.

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

17. 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[c]* 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 FVTPL 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

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

	March 31, 2016			
	Fair value measurements using			Assets/liabilities at fair value
	Level 1	Level 2	Level 3	
Financial assets				
Cash equivalents				
Money market savings accounts	$ 39,023	$ —	$ —	$ 39,023
Investment savings accounts	23,523	—	—	23,523
	62,546	—	—	62,546
Temporary investments				
Guaranteed investment certificates	—	16,336	—	16,336
Corporate bonds and loans	—	5,457	—	5,457
	—	21,793	—	21,793
Derivative instruments	—	581	—	581
Corporate investments	—	—	353,801	353,801
	$ 62,546	$ 22,374	$ 353,801	$ 438,721

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

	March 31, 2015			
	Fair value measurements using			Assets/liabilities at fair value
	Level 1	Level 2	Level 3	
Financial assets				
Cash equivalents				
Money market savings accounts	$ 41,262	$ —	$ —	$ 41,262
Investment savings accounts	48,639	—	—	48,639
	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

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, 2016, the Company transferred its investment in Discovery Air common shares from Level 2 to Level 3 as a result of the market for the shares becoming inactive following the additional purchases made by Clairvest together with its co-investors as discussed in *note 7[j]*. There were no other transfers between the various levels of the fair value hierarchy for the years ended March 31, 2016 and 2015.

[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:

March 31, 2016 and 2015 [tabular dollar amounts in thousands, except per share information]

	Fair value April 1, 2015	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, 2016	Unrealized gains and foreign exchange revaluations included in earnings for assets and liabilities for the year ended March 31, 2016 for positions still held
Financial assets						
Corporate investments	**$ 291,312**	**$ 36,366**	**$ 40,877**	**$ [14,754]**	**$ 353,801**	**$ 36,353**
	$ 291,312	**$ 36,366**	**$ 40,877**	**$ [14,754]**	**$ 353,801**	**$ 36,353**

	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

[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 investee companies [refer to *note 7*] 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:

March 31, 2016	Valuation techniques	Significant unobservable input	Range
Unquoted equity instruments [including warrants] or partnership units	**Public company comparables** **Recent transactions**	**EBITDA multiples** **n/a**	**5.1x to 7.7x** **n/a**
Corporate bonds, debentures or loans not traded or other finite set of cash flows	**Discounted cash flows**	**Discount rates**	**8.0% to 19.0%**

March 31, 2016 and 2015 [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 or other finite set of cash flows	Discounted cash flows	Discount rates	6.0% to 27.5%

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 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. Nine 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 $20.3 million or decrease of $20.0 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, 2016 [2015 – increase of $23.9 million or decrease of $27.4 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 a 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 that there are no alternative assumptions that would change the fair value significantly as at March 31, 2016 and 2015.

18. 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.

As at March 31, 2016 and 2015, Clairvest had no external capital requirements, other than as disclosed in *note 16*.

19. 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, 2018 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.

20. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the fiscal 2016 consolidated financial statements.