The Management's Discussion and Analysis ["MD&A"] of financial condition and results of operations analyzes significant changes in Clairvest Group Inc.'s consolidated financial results, financial position, risks and opportunities. It should be read in conjunction with the audited annual consolidated financial statements and related notes for the year ended March 31, 2016 ["consolidated financial statements"].

The following MD&A is the responsibility of Management and is as of June 22, 2016. The Board of Directors carries out its responsibility for review of this disclosure through its Audit Committee. The Audit Committee reviews the disclosure and recommends its approval to the Board of Directors. The Board of Directors has approved this disclosure.

INTRODUCTION

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

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

Clairvest provides loans to and earns priority distributions or management fees and carried interest from the CEP Funds, which meet the definition of structured entities under IFRS. 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.

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

2141788 Ontario Corporation ["2141788 Ontario"]
CEP III Co-Investment Limited Partnership ["CEP III Co-Invest"]
MIP III Limited Partnership ["MIP III"]
CEP IV Co-Investment Limited Partnership ["CEP IV Co-Invest"]
MIP IV Limited Partnership ["MIP IV"]
CEP V Co-Investment Limited Partnership ["CEP V Co-Invest"]
MIP V Limited Partnership ["MIP V"]
2486303 Ontario Inc. ["2486303 Ontario"]

2141788 Ontario, a limited partner of CEP III Co-Invest and CEP V Co-Invest, is a wholly-owned acquisition entity of Clairvest. 2486303 Ontario is a wholly-owned acquisition entity of Clairvest which purchased the limited partnership interest of Clairvest Equity Partners Limited Partnership ["CEP"] in December 2015. CEP was an investment fund held by third party investors prior to being purchased by 2486303 Ontario. Clairvest's relationship with CEP III Co-Invest and MIP III, CEP IV Co-Invest and MIP IV, and CEP V Co-Invest and MIP V are described in the Transactions with Related Parties and Off-Statement of Financial Position Arrangements sections of the MD&A.

As at March 31, 2016, Clairvest, through these acquisition entities, had 18 core investments in 9 different industries and 3 countries. Three are joint investments with CEP III, ten are joint investments with CEP IV and CEP IV-A [together, the "CEP IV Fund"], and three are joint investments with CEP V and CEP V-A [together, the "CEP V Fund"]. Clairvest also holds investments in the Grey Eagle Casino and Wellington Financial.

The table below summarizes Clairvest's direct and indirect investee companies ["investee companies"] as at March 31, 2016:

SUMMARY OF CLAIRVEST'S INVESTEE COMPANIES AS AT MARCH 31, 2016

Investee Company	Industry Segment	Geographic Segment	Ownership Percentage[19]	Cost of Investment [millions]	Net Cash Investment [millions][20]	Fair Value of Investment [millions][21]	Description of Business
INVESTMENTS MADE BY CEP III CO-INVEST ALONGSIDE CEP III							
Chilean Gaming Holdings[1]	Gaming	Chile	36.8%	$ 28.8	$ 20.2	$ 43.7	An investment vehicle which holds an equity interest in various gaming entertainment complexes in Chile. CEP III owns 37.7% of Chilean Gaming Holdings.
Light Tower Rentals Inc. ["Light Tower Rentals"][2]	Equipment Rental	United States	6.7%	$ 2.4	$ [32.2]	$ –	An oilfield equipment rental company operating in major oil and gas drilling basins in the United States. CEP III owns 20.0% of Light Tower Rentals.
Lyophilization Services of New England Inc. ["LSNE"][3]	Contract Manufacturing	United States	12.3%	$ 7.1	$ 6.9	$ 16.0	A Manchester, New Hampshire based contract manufacturing organization focused on providing lyophilization services to biotech, pharmaceutical and medical device manufacturers. CEP III owns 36.8% of LSNE.
INVESTMENTS MADE BY CEP IV CO-INVEST ALONGSIDE CEP IV/CEP IV-A							
Centaur Gaming [4]	Gaming	United States	Debt interest with stapled warrants	$ 14.6	$ 11.8	$ 68.7	The owner and operator of the Hoosier Park Racing & Casino in Anderson, Indiana and the Indiana Grand Casino and Indiana Downs Racetrack ["Indiana Grand Casino"] in Shelbyville, Indiana. CEP IV and CEP IV-A have debt interests with stapled warrants.
Cieslok Media Ltd. ["Cieslok"][5]	Marketing Services	Canada	23.5%	$ 4.0	$ 4.0	$ 10.6	A leading Canadian outdoor advertising firm, operating predominantly large format digital and static billboards throughout major cities in Canada. CEP IV and CEP IV-A own 55.4% and 8.8% of Cieslok respectively.
County Waste of Virginia, LLC ["County Waste"][6]	Waste Management	United States	12.5%	$ 7.3	$ 7.3	$ 12.0	A private regional solid waste collection company headquartered in Albany, New York. CEP IV and CEP IV-A own 29.5% and 4.7% of County Waste respectively.
CRS Contractors Rental Supply Limited Partnership ["CRS"][7]	Equipment Rental	Canada	13.6%	$ 10.6	$ 9.3	$ 22.0	An Ontario based equipment rental provider focused on commercial, industrial and infrastructure sectors. CEP IV and CEP IV-A own 32.1% and 5.1% of CRS respectively.
Davenport Land Investments[8]	Other	United States	18.7% [Davenport North] & 13.4% [Davenport South]	$ 2.2	$ 1.7	$ 2.9	Comprised of two entities ["Davenport North" and "Davenport South"] holding real estate surrounding a casino development in Davenport, Iowa. CEP IV and CEP IV-A own 44.1% and 7.0% of Davenport North and 31.6% and 5.0% of Davenport South respectively.
Discovery Air Inc. ["Discovery Air"][9]	Specialty Aviation	Canada	25.9% and debt interest	$ 32.2	$ 30.3	$ 30.7	A specialty aviation services business operating across Canada and in selected locations internationally. CEP IV and CEP IV-A have debt interest and own 32.6% and 5.2% of Discovery Air respectively.

[1] Clairvest owns 30,446,299 units of Chilean Gaming Holdings which holds a 50% interest in Casino Marina del Sol and a 73.8% interest in each of Casino Osorno and Casino sol Calama.
[2] Clairvest owns 3,985,604 common shares in Light Tower Rentals. Clairvest also holds US$7.5 million in Light Tower Rentals corporate bonds in its treasury funds.
[3] Clairvest owns 6,406,000 Series A 10% cumulative convertible preferred shares and 1,250,000 Series B 10% cumulative preferred shares.
[4] Clairvest invested $14.6 million in Centaur Gaming by way of unsecured term loans with stapled warrants which, subject to regulatory approval, are convertible upon exercise into 9.9% of Class A and Class B units of Centaur Gaming.
[5] Clairvest owns 4,014,989 common shares in Cieslok.
[6] Clairvest owns 6,942.64 Class B units in County Waste.
[7] Clairvest owns 226,902 Class B and 10,572,805 Class C limited partnership units in CRS. Clairvest has the right to receive proceeds equal to an additional 2.2% economic interest in CRS until Clairvest has received three times its invested capital.
[8] Clairvest owns 1,408.81 units in Davenport North, 1,298.21 units in Davenport South and a US$0.6 million loan to a partner of Davenport Land Investments.
[9] Clairvest owns 21,265,415 common shares, $22.0 million in Discovery Air convertible debentures with a stated interest rate of 10% per annum and $2.2 million in secured loans with a stated interest rate of 12% per annum. Clairvest also hold $2.3 million of short-term promissory notes with a stated rate of 8% per annum included in its loans receivable.

Investee Company	Industry Segment	Geographic Segment	Ownership Percentage[19]	Cost of Investment [millions]	Net Cash Investment [millions][20]	Fair Value of Investment [millions][21]	Description of Business
INVESTMENTS MADE BY CEP IV CO-INVEST ALONGSIDE CEP IV/CEP IV-A							
Momentum Aerospace Group ["MAG"][10]	Specialty Aviation	United States	10.3%	$ 3.8	$ 3.8	$ 5.6	A U.S.-based speciality aviation and intelligence, surveillance and reconnaissance service provider. CEP IV and CEP IV-A have Class A stock convertible to 24.3% and 3.9% equity interest respectively.
New Meadowlands Racetrack LLC [the "Meadowlands"][11]	Gaming	United States	Debt interest and equity investment rights	$ 5.6	$ 4.4	$ 8.6	Operates North America's premier standardbred horse racing track located in East Rutherford, New Jersey. CEP IV and CEP IV-A have debt interests and equity investment rights.
Rivers Casino [12]	Gaming	United States	5.0%	$ 7.5	$ [16.9]	$ 26.2	A gaming entertainment complex located in Des Plains, Illinois. CEP IV and CEP IV-A own 11.8% and 1.9% of Rivers Casino respectively.
Winters Bros. Waste Systems of CT, LLC ["Winters Bros. of CT"][13]	Waste Management	United States	13.4%	$ 8.1	$ 8.1	$ 9.9	A regional solid waste collection, recycling and disposal company based in Danbury, Connecticut. CEP IV and CEP IV-A own 31.6% and 5.0% of Winters Bros. of CT respectively.
INVESTMENTS MADE BY CEP V CO-INVEST ALONGSIDE CEP V/CEP V-A							
Accel Entertainment Inc. ["Accel Entertainment"][14]	Gaming	United States	9.3%	$ 12.9	$ 12.9	$ 12.6	A licensed video gaming terminal operator in Illinois. CEP V and CEP V-A own 18.2% and 3.5% of Accel Entertainment respectively.
Digital Media Solutions, LLC ["Digital Media Solutions"][15]	Marketing Services	United States	13.9%	$ 8.3	$ 8.3	$ 8.0	A digital media company which operates as a lead generation engine for companies in a variety of different industries. CEP V and CEP V-A own 27.3% and 5.2% of Digital Media Solutions respectively.
Winters Bros. Waste Systems of Long Island Holdings, LLC ["Winters Bros. of LI"][16]	Waste Management	United States	14.0%	$ 8.2	$ 8.2	$ 10.9	A private regional solid waste management company based in Long Island, New York. CEP V and CEP V-A own 27.5% and 5.2% of Winters Bros. of LI respectively.
STANDALONE INVESTMENTS							
Grey Eagle Casino[17]	Gaming	Canada	Equity participation	$ 11.0	$ 2.9	$ 14.1	A charitable casino on Tsuu T'ina First Nation reserve lands, located southwest of the city of Calgary, Alberta.
Wellington Financial[18]	Financial Services	Canada	10.1%	$ 14.6	$ 14.6	$ 20.8	Provides debt capital and operating lines to venture capital backed technology, biotechnology, communications and industrial product companies in Canada and the United States.
OTHER				$ 1.5	$ 1.5	$ 1.4	
TOTAL				**$ 190.7**	**$ 107.1**	**$ 324.7**	

[10] Clairvest owns 32,736 Class A stock in MAG.

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

[12] Clairvest owns 9,021,917 units in Rivers Casino. Cost of investment and net cash investment [proceeds] exclude the $1.6 million which were funded by MIP IV as described in note 4[f] to the consolidated financial statements.

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

[14] Clairvest owns 283,478 Class D preferred shares of Accel Entertainment.

[15] Clairvest owns 6,150,000 Class B units of Digital Media Solutions.

[16] Clairvest owns 1,487,773 Class C units in Winters Bros. of LI. And 256,037 units in WBLI II, LLC, an affiliate to Winters Bros. of LI which is owned proportionately by the same unitholders as Winters Bros. of LI. Cost of investment and net cash investment [proceeds] exclude the $2.4 million which were funded by MIP V as described in note 4[i] to the consolidated financial statements.

[17] Clairvest had funded $5.6 million to Grey Eagle Casino by way of 16% debentures which were repaid in full during fiscal 2012. During fiscal 2016, Clairvest increased its equity participation interest in the Grey Eagle Casino, through the purchase of CEP by 2486303 Ontario, to between 11.25% to 38.25% of the earnings of Grey Eagle Casino until December 2022. Cost and fair value excludes $1.2 million which represent Clairvest's direct entitlement through the general partner of CEP ("CEP GP").

[18] Clairvest has a $30.3 million limited partner commitment to Wellington Financial Fund V, $14.6 million of which had been funded as at March 31, 2016. Clairvest also holds a residual interest in Wellington Financial Fund III and Wellington Financial Fund IV, and has an interest in the general partner of various Wellington Funds.

[19] Ownership percentage calculated on a fully diluted basis as at March 31, 2016.

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

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

OVERVIEW OF FISCAL 2016

An overview of the significant events during fiscal 2016 follows:

Overall and Corporate

- Clairvest's book value increased by $37.8 million, or $2.33 per share, to $485.5 million or $31.91 per share. The increase was primarily due to net income and comprehensive income ["net income"] of $2.63 per share, net of $0.2958 per share in dividends paid. Also during fiscal 2016, 80,000 common shares were issued as a result of options exercised for shares, bringing number of common shares outstanding to 15,214,095.
- For the year ended March 31, 2016, Clairvest recorded $75.0 million in total revenue, comprised $37.6 million in net investment gains, $18.5 million in distributions and interest income, $16.1 million in net carried interest income from the CEP Funds and $2.8 million in other income. Total revenue for the prior fiscal year was $104.3 million.
- Net income for the year ended March 31, 2016 was $40.0 million compared to $52.0 million in the prior fiscal year.
- Clairvest supported Wellington Financial through its raising of Wellington Fund V with a $30.3 million limited partner commitment and continuing support of the general partner. Further details are on page 16 of the MD&A.
- Clairvest filed a new normal course issuer bid enabling it to make market purchases of up to 760,704 of its common shares in the 12-month period commencing March 7, 2016. No purchases have been made under this bid to June 22, 2016. As at June 22, 2016, Clairvest had repurchased a total of 6,595,049 common and non-voting shares for $68.3 million over the last twelve years.
- Clairvest paid an annual ordinary dividend of $0.10 per share and a special dividend of $0.1958 per share. The dividends were paid on July 24, 2015 to common shareholders of record as of July 8, 2015. The dividends were eligible dividends for Canadian income tax purposes.

Clairvest and CEP

- Clairvest invested $11.0 million to increase its profit participation interest in the Grey Eagle Casino through the purchase of CEP by 2486303 Ontario. As a result of the purchase, Clairvest increased its profit distribution entitlement, either directly or indirectly through 2486303 Ontario, to between 11.25% to 38.25% of the earnings of the Grey Eagle Casino until December 2022. Further details are on page 15 of the MD&A.
- Upon the sale as described above, the third party investors of CEP ceased to have any entitlements to CEP. In aggregate, CEP returned 1.7 times capital to its third party investors, or an internal rate of return of 12%.

Clairvest/CEP III Co-Invest and CEP III

- CEP III Co-Invest and CEP III realized on Casino New Brunswick. CEP III Co-Invest and CEP III realized proceeds of $58.0 million which equaled to 1.5 times invested capital. Clairvest and CEP III Co-Invest's portion of the proceeds was $14.8 million. Further details are on page 11 of the MD&A.
- Upon completion of the above transaction pertaining to Casino New Brunswick, CEP III Co-Invest distributed $8.1 million to its limited partners, which include Clairvest, 2141788 Ontario and MIP III. The distributions from CEP III Co-Invest to its limited partners resulted in total distribution income of $3.0 million and net investment gains of $5.1 million for Clairvest as reported in the consolidated financial statements.
- In addition, CEP III declared and paid $5.4 million in carried interest, 50% of which or $2.7 million was ultimately paid to Clairvest, and the other 50% or $2.7 million was ultimately paid to the limited partners of MIP III which is accounted for as management participation.
- Chilean Gaming Holdings increased its ownership in Casino Osorno and in Casino Sol Calama, both located in Chile, through a buyout of the operating partner by the entity which owns Casino Marina del Sol. Upon completion of this transaction, Chile Gaming Holdings increased its ownership in each Casino Osorno and Casino Sol Calama from 48.8% to 73.8%, and continues to hold a 50% ownership in Casino Marina del Sol.

Clairvest/CEP IV Co-Invest and the CEP IV Fund

- CEP IV Co-Invest, the CEP IV Fund and other co-investors in Discovery Air [collectively the "Discovery Air Investor Group"] invested an additional net $9.0 million and made additional commitments to Discovery Air during fiscal 2016. The investments and commitments included a credit revolving facility, a guarantee as well as promissory notes and additional common shares. Clairvest and CEP IV Co-Invest's aggregate investment during fiscal 2016 was $3.2 million. Further details are on page 13 of the MD&A.
- CEP IV Co-Invest and the CEP IV Fund realized on Linen King, LLC ["Linen King"], a textile rental company based in Oklahoma. CEP IV Co-Invest's portion of the proceeds was US$0.6 million, or 0.2 times invested capital.

Clairvest/CEP V Co-Invest and the CEP V Fund

- CEP V Co-Invest and the CEP V Fund invested US$20.5 million in Digital Media Solutions, a digital media company which operates as a lead generation engine for companies in a variety of different industries. CEP V Co-Invest's portion of the investment in Digital Media Solutions was US$6.2 million.
- CEP V Co-Invest and the CEP V Fund invested US$32.5 million in Accel Entertainment, a licensed video gaming terminal operator in Illinois. CEP V Co-Invest's portion of the investment in Accel Entertainment was US$9.7 million. Subject to post-closing purchase price adjustments, CEP V Co-Invest's investment may be increased to up to US$12.1 million.

OUTLOOK

As at March 31, 2016, Clairvest's current management team has made 42 platform investments and has realized or partially realized on 28 investments which have in aggregate generated 2.9 times invested capital. From inception, the Company has invested its own capital in every investment. Clairvest's team of professionals have all invested significant amounts of capital in the Company which allows Clairvest to approach each investment as owners and shareholders.

As a long-term investor, Clairvest is focused on building value in its investee companies by contributing strategic expertise, guiding management through volatile times and helping its investee companies capitalize on new opportunities that arise.

As at March 31, 2016, Clairvest and its controlled acquisition entities had $693.1 million of capital available for future acquisitions through its cash, cash equivalents and temporary investments ["treasury funds"], credit facilities and uncalled capital in the CEP Funds. The table below summarizes the status of the CEP Funds as at June 22, 2016:

Status of Clairvest Equity Partnerships

[$millions, except number of investments]						Number of Investments	
	Year of Fund	Third Party Capital	Clairvest Commitment	Total Capital	Percentage Drawn	Total	Currently Held
Clairvest Equity Partners ["CEP"] – Terminated in December 2015	2001	164	55	219	N/A	9	—
Clairvest Equity Partners III ["CEP III"]	2006	225	75	300	79.8%	8	3
Clairvest Equity Partners IV ["CEP IV"]	2010	342	125	467	77.3%	11	10
Clairvest Equity Partners V ["CEP V"]	2015	420	180	600	18.5%	3	3

FINANCIAL POSITION AND BOOK VALUE

The following table summarizes the Company's financial position and book value:

Financial Position

As at, [$000's, except number of shares and per share amounts]	**March 31, 2016**	March 31, 2015
Cash, cash equivalents and temporary investments ["treasury funds"]	**$ 87,043**	$ 157,155
Carried interest receivable from the CEP Funds	**64,009**	53,738
Corporate investments, at fair value	**353,801**	291,421
Total assets	**570,191**	531,207
Management Participation	**43,977**	37,756
Total liabilities	**84,670**	83,513
Book value	**485,521**	447,694
Book value per share	**31.91**	29.58
Dividend per share	**0.2958**	0.2492
Number of common shares outstanding	**15,214,095**	15,134,095

As at March 31, 2016, Clairvest had total assets of $570.2 million, an increase of $39.0 million during fiscal 2016. The increase was primarily due to increase in the fair value of corporate investments as described below.

As at March 31, 2016, the Company's treasury funds of $87.0 million were held in cash, money market savings accounts rated not below R1-High, investment savings accounts and guaranteed investment certificates rated not below BBB-, and treasury investments in corporate bonds of Light Tower Rentals [see Notes 3 and 16 to the consolidated financial statements for a detailed discussion of the Company's treasury funds]. 2141788 Ontario Limited also held $41.6 million in cash, investment savings accounts and guarantee investment certificates with consistent ratings to the above. Clairvest also has access to $3.8 million in cash held in various other acquisition entities which are controlled by Clairvest.

Clairvest has a $75.0 million, committed credit facility with a maturity date of April 30, 2020. The credit facility is unsecured and bears interest at the rate of 11.0% per annum on drawn amounts and 1.0% per annum on undrawn amounts. The amount available under the credit facility as at March 31, 2016 is $75.0 million.

Clairvest also has a $20.0 million credit facility with a Canadian chartered bank. The credit facility, which is subject to annual renewal, is unsecured and bears interest at the bank prime rate plus 0.5% per annum. The amount available under the credit facility as at March 31, 2016 is $20.0 million, which is based on debt covenants and certain restrictions within the banking arrangement.

As at March 31, 2016, Clairvest had corporate investments with a carrying value of $353.8 million, an increase of $62.4 million during fiscal 2016, $325.8 million of which represents the fair value of Clairvest's investee companies and the remaining $28.0 million of which represents other net assets [liabilities] held by Clairvest's acquisition entities.

Excluding net assets [liabilities] held by Clairvest's acquisition entities, the aggregate carrying value of Clairvest's investee companies increased by $61.3 million during fiscal 2016, which primarily comprised the following:

- A $12.9 million investment in Accel Entertainment;
- The acquisition of limited partner and general partner interests in CEP for $11.0 million. CEP holds an equity participation interest in the Grey Eagle Casino;
- A $8.3 million investment in Digital Media Solutions;
- Follow-on investments net of return of capital totaling $4.3 million in existing investee companies;
- Net changes in unrealized gains on its investee companies of $32.4 million;
- Interest accrued on debenture investments of $0.5 million and foreign exchange revaluations of $1.0 million; partially offset by

- The sale of Casino New Brunswick which had a carrying value of $8.3 million as at March 31, 2015;
- The sale of Linen King which had a carrying value of $0.8 million as at March 31, 2015.

Clairvest has implemented a foreign exchange hedging strategy to limit its exposure to changes in the value of foreign denominated currencies relative to the Canadian dollar by hedging 100% of the fair value of its foreign investments and loans unless a specific exemption is approved by the Board of Directors. As a result, the foreign exchange adjustments made in Clairvest's investee companies is primarily offset by the foreign exchange adjustments made in the forward exchange forward contracts used to support its foreign exchange hedging strategy. The foreign exchange adjustments made in the forward exchange forward contracts are described in the Derivative Financial Instruments section of the MD&A.

The table below details the cost and fair value of Clairvest's investee companies as at March 31, 2016 and 2015:

	March 31, 2016			March 31, 2015		
	Fair value	**Cost**	**Difference**	Fair value	Cost	Difference
CEP III CO-INVEST INVESTMENTS						
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	**—**	**2,403**	**[2,403]**	11,629	2,403	9,226
LSNE	**16,017**	**7,077**	**8,940**	9,380	7,451	1,929
CEP IV CO-INVEST INVESTMENTS						
Centaur Gaming	**68,672**	**14,644**	**54,028**	50,355	14,644	35,711
Cieslok	**10,640**	**4,015**	**6,625**	7,411	4,015	3,396
County Waste	**11,981**	**7,308**	**4,673**	8,210	6,690	1,520
CRS	**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	**30,685**	**32,243**	**[1,558]**	33,036	29,606	3,430
Linen King	**—**	**—**	**—**	809	2,525	[1,716]
MAG	**5,600**	**3,838**	**1,762**	3,980	2,787	1,193
The Meadowlands	**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. of CT	**9,907**	**8,053**	**1,854**	9,662	8,053	1,609
CEP V CO-INVEST INVESTMENTS						
Accel Entertainment	**12,646**	**12,910**	**[264]**	—	—	—
Digital Media Solutions	**7,987**	**8,254**	**[267]**	—	—	—
Winters Bros. of LI	**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 the Transactions with Related Parties section of the MD&A.

The cost and fair value of these investee companies do not reflect foreign exchange gains or losses on the foreign exchange forward contracts entered into as economic hedges against the Company's foreign-denominated investments which are described in note 14 to the consolidated financial statements. A discussion on the activity in each investee company held as at March 31, 2016 follows:

INVESTMENTS MADE BY CEP III CO-INVEST ALONGSIDE CEP III

Casino 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. The interest, which had been waived between March 1, 2011 and December 31, 2012, had resumed effective January 1, 2013, with 45% of the interest payable in cash and the remaining 55% payable in-kind. CEP III Co-Invest also holds units of a limited partnership which operated Casino New Brunswick, which entitled CEP III Co-Invest to 22.5% of the earnings of the casino until December 31, 2030. At March 31, 2015, CEP III Co-Invest's carrying value of Casino New Brunswick was $8.3 million.

During fiscal 2016, CEP III Co-Invest completed the sale of Casino New Brunswick and received proceeds of $14.3 million. The proceeds included $10.9 million in full repayment of debentures and interest, as well as $3.4 million in distributions from the limited partnership which operated Casino New Brunswick. 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] to the consolidated financial statements. 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.

Over the life of the investment, Clairvest and CEP III Co-Invest received aggregate proceeds of $15.6 million against the original investment of $9.8 million.

Chilean Gaming Holdings

As at March 31, 2016 and 2015, CEP III Co-Invest held 30,446,299 limited partnership units in Chilean Gaming Holdings, representing a 36.8% ownership interest on a fully diluted basis.

During fiscal 2016, Chilean Gaming Holdings increased its ownership in each of Casino Osorno and 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 the 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.

During fiscal 2016, CEP III Co-Invest earned dividends totaling $0.5 million through its interest in Chilean Gaming Holdings, bringing total dividends earned to March 31, 2016 to $9.5 million.

Also during fiscal 2016, management determined that the fair value of Chilean Gaming Holdings should be adjusted upward by $10.4 million. The fair value of $43.7 million as at March 31, 2016 compares to a fair value of $34.7 million at March 31, 2015 and a cost of $28.8 million. The increase in fair value was due to improved operating performance and the fair value is adjusted for foreign exchange fluctuations.

Light Tower Rentals

As at March 31, 2016 and 2015, CEP III Co-Invest held 3,985,604 common shares in Light Tower Rentals, representing a 6.7% ownership interest on a fully diluted basis. As at March 31, 2016 and 2015, Light Tower Rentals had returned proceeds totaling US$37.9 million, or 4.7 times of the gross invested capital of US$8.1 million, to CEP III Co-Invest through a series of transactions which occurred during fiscal 2015.

During fiscal 2016, the fair value of Light Tower Rentals was adjusted downwards to nil. The fair value as at March 31, 2016 compares to a fair value of $11.6 million at March 31, 2015 and an adjusted cost of $2.4 million.

LSNE

As at March 31, 2015, CEP III Co-Invest held 6,406,000 Series A 10% cumulative preferred shares, 1,250,000 Series B 10% cumulative preferred shares and US$0.4 million in 10% demand promissory notes in LSNE. The Series A 10% cumulative preferred shares are convertible into a 12.3% ownership interest on a fully diluted basis at CEP III Co-Invest's discretion and dividends are forfeited on conversion. The Series B preferred shares are not convertible. In addition, Clairvest had advanced short-term loans totaling $0.8 million to LSNE which were outstanding as at March 31, 2015.

During fiscal 2016, LSNE repaid in full the US$0.4 million in demand promissory notes and its accrued interest. LSNE also repaid in full the short-term loans which were advanced by Clairvest. 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.

Also during fiscal 2016, management determined that the fair value of LSNE should be adjusted upward by $6.3 million. The fair value of $16.0 million as at March 31, 2016 compares to a fair value of $9.4 million at March 31, 2015 and a cost of $7.1 million. The increase in fair value was due to improved operating performance and the fair value is adjusted for foreign exchange fluctuations.

INVESTMENTS MADE BY CEP IV CO-INVEST ALONGSIDE CEP IV

Centaur Gaming

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 B units in Centaur Gaming.

During fiscal 2016, management determined that the fair value of Centaur Gaming should be adjusted upward by $17.3 million. The fair value of $68.7 million as at March 31, 2016 compares to a fair value of $50.4 million at March 31, 2015 and a cost of $14.6 million. The increase in fair value was due to continuing growth in operating performance and reduced debt levels. The fair value is adjusted for foreign exchange fluctuations.

Cieslok

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

During fiscal 2016, management determined that the fair value of Cieslok should be adjusted upward by $3.2 million. The fair value of $10.6 million as at March 31, 2016 compares to a fair value of $7.4 million at March 31, 2015 and a cost of $4.0 million. The increase in fair value was due to growth in operating performance.

County Waste

As at March 31, 2015, CEP IV Co-Invest owned 6,482.28 Class B units in County Waste.

During fiscal 2016, CEP IV Co-Invest invested an additional US$0.5 million for 460.36 Class B units in County Waste. As at March 31, 2016, CEP IV Co-Invest held 6,942.64 Class B units in County Waste representing a 12.5% ownership interest on a fully diluted basis.

During fiscal 2016, management determined that the fair value of County Waste should be adjusted upward by $3.1 million. The fair value of $12.0 million as at March 31, 2016 compares to a cost of $7.3 million. The increase in fair value was due to growth in operating performance and the fair value is adjusted for foreign exchange fluctuations.

CRS

As at March 31, 2015, CEP IV Co-Invest held 199,900 Class B units and 10,572,805 Class C units in CRS.

During fiscal 2016, CEP IV Co-Invest exercised its right to purchase Class B limited partnership units in CRS from a departing unitholder of CRS at a pre-determined price. CEP IV Co-Invest purchased 27,002 Class B units in CRS for $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 in CRS, representing a 13.6% ownership interest on a fully diluted basis. CEP III Co-Invest has 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, management determined that the fair value of CRS should be adjusted upward by $5.0 million. The fair value of $22.0 million as at March 31, 2016 compares to a fair value of $17.0 million at March 31, 2015 and a cost of $10.6 million. The increase in fair value was due to continuing growth in operating performance.

Also during fiscal 2016, CEP IV Co-Invest earned $0.5 million in distributions from CRS. As a result of CRS' flow-through status for tax purposes, Clairvest incurred income tax obligations totaling $0.5 million as a result of its investment in CRS.

Davenport Land Investments

As at March 31, 2015, CEP IV Co-Invest had invested $1.6 million in Davenport North and $0.9 million in Davenport South. CEP IV Co-Invest had also 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 real estate and distributed pre-tax proceeds of US$1.0 million to 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 advanced by CEP IV Co-Invest was amended such that interest accrues at a stated rate of 10% per annum commencing October 1, 2015.

The fair value of $2.9 million as at March 31, 2016 compares to a cost of $2.2 million. The fair value is adjusted for foreign exchange fluctuations.

Discovery Air

As at March 31, 2015, CEP IV Co-Invest held 10% secured convertible debentures ["Debentures"] with a principal amount of $22.0 million and a grossed accrued value of $29.2 million, and 19,337,975 common shares in Discovery Air. Clairvest also held 471,940 common shares in Discovery Air and had advanced $1.7 million in promissory notes bearing interest at 8.0% per annum.

During fiscal 2016, the Discovery Air Investor Group invested an additional $1.4 million to acquire 4,546,260 common shares in Discovery Air, with CEP IV Co-Invest and Clairvest investing $0.4 million and $10 thousand to acquire 1,420,825 and 34,675 common shares in Discovery Air respectively. As at March 31, 2016, CEP IV Co-Invest and Clairvest collectively held 21,265,415 common shares in Discovery Air representing a 25.9% ownership interest on a fully diluted basis. The Discovery Air Investor Group collectively held 66,422,606 common shares in Discovery Air representing an 81.0% ownership interest on a fully diluted basis. Clairvest controls the voting of these common shares. At as March 31, 2016, the closing quoted market price of a Discovery Air common share was $0.21 per share.

Also during fiscal 2016, the maturity date of the Debentures was extended from March 22, 2017 to September 30, 2017. As at March 31, 2016, the Debentures have a grossed accrued value of $32.1 million and are convertible into 2,775,218 common shares in Discovery Air at a conversion price of $11.56 per share. As at March 31, 2016, the grossed accrued value of the Debentures held by the Discovery Air Investor Group was $101.9 million.

Also during fiscal 2016, Clairvest advanced an additional $7.4 million to Discovery Air in the form of 8% promissory notes, bringing total advances under these promissory notes to $9.1 million. Subsequently Discovery Air repaid $6.8 million of these promissory notes such that $2.3 million remained outstanding as at March 31, 2016. The maturity date of this $2.3 million promissory note was May 15, 2016 and which had subsequently been extended to September 15, 2016.

Also during fiscal 2016, the Discovery Air Investor Group committed to advance up to $12.0 million to Discovery Air in the form of secured revolving credit facility with interest at 12% per annum on drawn amounts, $10.0 million of which may be drawn upon request and the remaining $2.0 million is subject to Clairvest's consent. Interest is payable monthly and any drawn amounts under the facility is repayable in full on December 31, 2016. As at March 31, 2016, $7.0 million of this facility has been drawn. CEP IV Co-Invest's commitment of this secured revolving credit facility is $3.8 million, $2.2 million of which has been drawn as at March 31, 2016.

Also 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 Clairvest Equity Partners 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.

As at March 31, 2016, management determined that the fair value of CEP IV Co-Invest's investment in Discovery Air was $30.7 million, comprised $28.5 million on the Debentures and $2.2 million on the secured revolving credit facility. The common shares in Discovery Air were carried at nil. The aggregate fair value of $30.7 million as at March 31, 2016 compares to a cost of $32.2 million. In addition, Clairvest is carrying the $2.3 million promissory notes at accrued value in loans receivable.

Linen King

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

During fiscal 2016, CEP IV Co-Invest realized on its investment in Linen King and received proceeds of $US0.6 million against its original investment of US$2.5 million.

MAG

As at March 31, 2015, CEP IV Co-Invest held 26,499 Class A stock in MAG. The Class A stock have a stated dividend rate of 10% per annum and each Class A stock is convertible into 1.0114 common stock of MAG 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 to acquire 6,237 Class A stock in MAG. As at March 31, 2016, CEP IV Co-Invest held 32,736 Class A stock in MAG, representing a 10.3% ownership interest on a fully-diluted basis.

The fair value of $5.6 million as at March 31, 2016 compares to a cost of $3.8 million, with the difference being attributable to accrued dividends on the Class A stock and is adjusted for foreign exchange fluctuations.

Additionally, Clairvest had advanced working capital loans totaling $1.0 million to a Canadian subsidiary of MAG ["MAG Canada"] which is included in loans receivable.

The Meadowlands

As at March 31, 2016 and 2015, CEP IV Co-Invest held US$5.4 million in secured convertible debentures in the Meadowlands which accrue interest at a rate of 15% per annum, 10% of which is payable quarterly in cash and 5% accrued quarterly. CEP IV Co-Invest also held warrants which entitle it to invest in equity securities of the Meadowlands subject to certain conditions.

During fiscal 2016, CEP IV Co-Invest agreed to the entire 15% interest to be entirely payable in-kind for a period commencing January 1, 2016.

The fair value of $8.6 million as at March 31, 2016 compares to a fair value of $7.9 million at March 31, 2015 and a cost of $5.6 million. The fair value is adjusted for foreign exchange fluctuations.

Rivers Casino

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

During fiscal 2016, CEP IV Co-Invest earned $4.9 million in quarterly distributions and $0.6 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 during fiscal 2016.

The fair value of $26.2 million as at March 31, 2016 compares to a fair value of $25.4 million at March 31, 2015 and a cost of $7.5 million. The fair value is adjusted for foreign exchange fluctuations.

Winters Bros. of CT

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

The fair value of $9.9 million as at March 31, 2016 compares to a fair value of $9.7 million at March 31, 2015 and a cost of $8.1 million. The fair value is adjusted for foreign exchange fluctuations.

INVESTMENTS MADE BY CEP V CO-INVEST ALONGSIDE CEP V

Accel Entertainment

During fiscal 2016, CEP V Co-Invest invested US$9.7 million to acquire 283,478 Class D preferred shares in Accel Entertainment, representing a 9.3% ownership interest on a fully diluted basis. Subject to post-closing adjustments, CEP V Co-Invest's investment may be increased up to US$12.1 million.

The fair value of $12.6 million as at March 31, 2016 compares to a cost of $12.9 million. The fair value is adjusted for foreign exchange fluctuations.

Digital Media Solutions

During fiscal 2016, CEP V Co-Invest invested US$6.2 million to acquire 6,150,000 Class B units in Digital Media Solutions, representing a 13.9% ownership interest on a fully diluted basis. The Class B units are entitled to certain preference over all other equity units in Digital Media Solutions.

The fair value of $8.0 million as at March 31, 2016 compares to a cost of $8.3 million. The fair value is adjusted for foreign exchange fluctuations.

Winters Bros. of LI

As at March 31, 2015, CEP V Co-Invest held 1,398,507 Class C units in Winters Bros. of LI.

During fiscal 2016, CEP V Co-Invest invested an additional US$0.5 million to acquire 89,266 Class C units in Winters Bros. of LI. Also during fiscal 2016, CEP V Co-Invest invested US$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, Clairvest 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.

The fair value of $10.9 million as at March 31, 2016 compares to a cost of $8.2 million. The fair value is adjusted for foreign exchange fluctuations.

OTHER INVESTMENTS

Grey Eagle Casino

As at March 31, 2015, Clairvest held units in a limited partnership which operates Grey Eagle Casino, entitling Clairvest between 2.8% and 9.6% of the earnings of the casino until December 18, 2022.

During fiscal 2016, 2486303 Ontario, a wholly owned acquisition entity of Clairvest, invested $11.0 million to increase its equity participation interest in Grey Eagle Casino through the purchase of CEP. 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 Grey Eagle Casino until December 18, 2022.

During fiscal 2016, Clairvest earned $0.9 million and 2486303 Ontario earned $1.1 million in equity distributions from Grey Eagle Casino.

The aggregate fair value of $14.1 million as at March 31, 2016 compares to a cost of $11.0 million.

Wellington Financial

As at March 31, 2015, Clairvest had funded $14.4 million of its $25.2 million limited partner commitment in WF Fund IV Limited Partnership [“Wellington Fund IV”]. Clairvest also has an interest in the general partner of various Wellington Financial funds and retained residual limited partner interest in WF Fund III Limited Partnership [“Wellington Fund III”].

During fiscal 2016, Clairvest funded an additional $0.4 million to Wellington Fund IV bringing total amount funded to $14.8 million. 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 IV's loan portfolio at fair market value. As result of these transactions, Clairvest received a return of capital of $14.8 million from Wellington Fund IV and funded $14.6 million in Wellington Fund V.

As at March 31, 2016, Clairvest had funded $14.6 million of its $30.3 million limited partner commitment to Wellington Fund V, representing a 10.1% ownership interest in Wellington Fund V. Clairvest is also entitled to participate in the profits received by 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, Clairvest had received distributions from Wellington Financial totaling $26.6 million.

The fair value of $20.9 million as at March 31, 2016 reflects management's estimated realizable value of Clairvest's entitlement as a limited partner of various Wellington Financial funds and general partner interest in Wellington Financial.

LIABILITIES

As at March 31, 2016, Clairvest had $84.7 million in total liabilities, which included $6.9 million in accrued management and director compensation, $17.1 million in share-based compensation, $44.0 million in management participation and $14.1 million in deferred tax liability. $47.5 million of these liabilities were payable only upon the cash realization of certain investments of Clairvest or the CEP Funds.

FINANCIAL RESULTS

Clairvest's operating results reflect revenue earned from its corporate investments and cash, cash equivalents and temporary investments and realized gains and net changes in unrealized gains and losses on its corporate investments. These results are net of all costs incurred to manage these assets.

Net income for the year ended March 31, 2016 was $40.0 million compared with net income of $52.0 million for the year ended March 31, 2015. The following table summarizes the composition of net income for the years ended March 31:

Financial Results

Year ended March 31, [$000's, except number of shares and per share amounts]	**2016**	2015
Net investment gains [losses]		
- Investee companies inclusive of foreign exchange hedging activities	**$ 32,577**	$ 55,391
- Acquisition entities including distributions, interest, dividends and fees received from investee companies and net of distributions or dividends made to Clairvest	**5,005**	[17,920]
	37,582	37,471
Distributions, interest income, dividends and fees		
- CEP Funds	**9,955**	8,580
- Investee companies	**6,548**	3,628
- Treasury funds[1]	**517**	1,227
- Acquisition entities and other	**4,259**	22,060
	21,279	35,495
Net carried interest income – realized and unrealized changes	**16,101**	31,361
Total expenses, excluding income tax	**31,735**	49,035
Net income before tax	**43,227**	55,292
Income tax	**3,261**	3,287
Net income and comprehensive income	**39,966**	52,005
Net income and comprehensive income per share	**2.63**	3.43
Net income and comprehensive income per share - fully diluted	**2.63**	3.43

[1] Includes market value changes to Clairvest's treasury funds

The Company fair values its acquisition entities which hold Clairvest's investee companies as well as other assets and liabilities. Distributions, interest, dividends and fees earned from and realized gains and net changes in unrealized gains on the investee companies held by acquisition entities, including foreign exchange fluctuations and the hedging activities related to managing the foreign currency exposure of these investments, are reflected in net investment gains until the proceeds are distributed out of acquisition entities, at which point the Company would record a distribution or a dividend from acquisition entities and reverse the net investment gains or losses which had previously been recorded.

During fiscal 2016, CEP III Co-Invest completed the sale of Casino New Brunswick and distributed substantially all of the proceeds to its unitholders. As a result, Clairvest recorded $3.7 million in distributions received from CEP III Co-Invest. During fiscal 2015, CEP III Co-Invest completed the sale of Kubra Data Transfer Limited and a recapitalization of Light Tower Rentals, Inc. Clairvest recorded $16.8 million in net distributions from CEP III Co-Invest subsequent to these realizations and recorded a corresponding net investment loss on the revaluation of CEP III Co-Invest subsequent to the distribution.

The net changes in unrealized gains or losses on investee companies for the years ended March 31, excluding the impact of foreign exchange hedging activities, are summarized as follows:

Net changes in unrealized gains [losses] on investee companies

Year ended March 31, [$000's]	2016	2015
Casino New Brunswick[1]	**$ —**	$ 3,917
Centaur Gaming	**17,251**	5,270
Cieslok	**3,228**	3,396
Chilean Gaming Holdings	**10,433**	4,915
County Waste	**3,068**	—
CRS	**5,025**	4,480
Davenport Land Investments	**222**	—
Discovery Air	**[4,993]**	[3,008]
Grey Eagle Casino	**268**	579
Light Tower Rentals	**[11,531]**	50
LSNE	**6,277**	—
MAG	**483**	306
Rivers Casino	**165**	538
Wellington Financial	**2,528**	1,954
Winters Bros. of LI[2]	**—**	2,400
	32,424	24,797
Other investments	**1**	[82]
Net changes in unrealized gains on corporate investments	**$ 32,425**	$ 24,715

[1] Casino New Brunswick was realized during fiscal 2016.

[2] The net changes in unrealized gains for Winters Bros. of LI during fiscal 2015 was the result of Clairvest's entitlement to MIP V's investment as described in note 4[i] to the consolidated financial statements.

During fiscal 2016, CEP III Co-Invest recorded $1.5 million in realized gains as a result of the completed the sale of Casino New Brunswick and recorded $1.3 million in cost on the foreign exchange hedging activities. During fiscal 2015, CEP III Co-Invest recorded $31.3 million in realized gains as a result of the completed the sale of Kubra Data Transfer Limited and a recapitalization of Light Tower Rentals, Inc. and recorded $0.6 million in cost on the foreign exchange hedging activities.

The Company and its acquisition entities also receive distributions, interest, dividends or fees from various investee companies. The following table summarizes the income earned by the Company and its acquisition entities for the years ended March 31:

Distributions, Interest, Dividends, and Fees from Investee Companies

Year ended March 31, [$000's]	2016	2015
Distributions and interest income		
Casino New Brunswick	**$ 1,136**	$ 282
Centaur Gaming	**59**	38
County Waste	**—**	113
CRS	**465**	408
Davenport Land Investments	**378**	108
Discovery Air	**253**	2,111
Grey Eagle Casino	**1,957**	800
LSNE	**196**	—
MAG	**69**	49
The Meadowlands	**1,203**	968
Rivers Casino	**4,896**	4,483
Wellington Financial	**3,375**	1,439
	13,987	10,799
Dividend income		
Chilean Gaming Holdings	**501**	981
Other	**25**	—
	526	981
Advisory and other fees	**2,556**	1,870
Distributions, interest, dividends and fees from investee companies	**$ 17,069**	$ 13,650

The Company also receives distributions, fees and interest from the CEP Funds as described in the Transaction with Related Parties section of the MD&A. During fiscal 2016, the Company earned $7.8 million in general partner distributions, $0.8 million in management fees and $1.4 million in interest from the CEP Funds, compared with $6.9 million in general partner distributions, $0.6 million in management fees and $1.1 million in interest from the CEP Funds during fiscal 2015. Acquisition entities of Clairvest also earned $0.9 million in interest from the CEP Funds during fiscal 2016, and $0.1 million in interest from the CEP Funds during fiscal 2015.

Also included in distributions and interest income was income on treasury funds of $0.5 million. Income from treasury funds for the year ended March 31, 2016 included unrealized losses of $1.8 million on the US$7.5 million Light Tower Rentals corporate bonds purchased under Clairvest's treasury portfolio. During fiscal 2015, income on treasury funds of $1.2 million included unrealized losses of $1.5 million on the US$7.5 million Light Tower Rentals corporate bonds net of $0.9 million of unrealized gains on Centaur Gaming second lien loans purchased under Clairvest's treasury portfolio. Acquisition entities of Clairvest earned interest from its treasury funds totaling $0.4 million during fiscal 2016 and 2015.

The Company also earns carried interest income from the CEP Funds, as described in the Transaction with Related Parties section of the MD&A. The following table summarizes net carried interest income earned by the Company for the years ended March 31:

Net carried interest income

Year ended March 31, [$000's]	**2016**	2015
Realized carried interest from the CEP Funds	**$ 5,708**	$ 33,991
Net change in unrealized carried interest from the CEP Funds	**10,393**	[2,630]
Net carried interest income	**$ 16,101**	$ 31,361

Total expenses for the year were $31.7 million, compared with $49.0 million for the year ended March 31, 2015. The following table summarizes expenses incurred by the Company for the years ended March 31:

Total Expenses, excluding Income Taxes

Year ended March 31, [$000's]	**2016**	2015
Employee compensation and benefits[1]	**$ 10,025**	$ 14,822
Share-based compensation expenses	**6,264**	8,566
Administration and other expenses		
Domain and due diligence expenses[2]	**120**	1,024
Professional fees [recovered]	**740**	[303]
Office and other expenses	**3,348**	3,201
	4,208	3,922
Finance and foreign exchange expense		
Interest and bank charges	**871**	1,126
Foreign exchange loss [gain]	**[736]**	240
	135	1,366
Management participation	**11,103**	20,359
Total expenses, excluding income taxes	**$ 31,735**	$ 49,035

[1] Year ended March 31, 2015 included $4.8 million in management compensation paid upon the closing of CEP V.

[2] Domain and due diligence expenses with respect to investments made alongside CEP V and CEP V-A are allocated to CEP V Co-Invest. These expenses are therefore included in the fair value determination of Clairvest's acquisition entities.

Included in share-based compensation expenses for the year ended March 31, 2016 was $0.8 million for stock based compensation and $5.5 million for appreciation of book value appreciation rights ["BVARs"], compared to $2.3 million for stock based compensation, $4.9 million for appreciation of BVARs and $1.4 million for appreciation of DSUs and ADSUs for the year ended March 31, 2015. Refer to notes 2[h], 2[i], 2[j] and 12 to the consolidated financial statements for details of these compensation plans.

Management participation is further described in the Transaction with Related Parties section of the MD&A.

SUMMARY OF QUARTERLY RESULTS

[$000's except per share information]	Gross Revenue $	Net Income [Loss] $	Net Income [Loss] Per Common Share* $	Net Income Per Common Share Fully Diluted* $
March 31, 2016	27,878	17,265	1.14	1.14
December 31, 2015	18,279	11,930	0.78	0.78
September 30, 2015	8,072	2,882	0.19	0.19
June 30, 2015	20,733	7,889	0.52	0.52
March 31, 2015	32,524	19,009	1.25	1.25
December 31, 2014	4,330	[2,907]	[0.19]	[0.19]
September 30, 2014	45,432	26,362	1.74	1.74
June 30, 2014	22,041	9,541	0.63	0.60

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

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

FOURTH QUARTER RESULTS

Net income for the fourth quarter of fiscal 2016 was $17.3 million compared with a net income of $19.0 million for the fourth quarter of fiscal 2015. Gross revenue for the fourth quarter of fiscal 2016 was $27.9 million compared with $32.5 million for the fourth quarter of fiscal 2015. Expenses before income tax for the fourth quarter of fiscal 2016 were $9.3 million compared to $10.5 million for the fourth quarter of fiscal 2015. The Company incurred $1.3 million in tax expense during the fourth quarter of fiscal 2016, compared to $3.0 million in tax expense for the same quarter last year.

Gross revenue for the fourth quarter of fiscal 2016 comprised $14.6 million of net investment gains, $5.1 million of distributions, interest, dividends and fees, and $8.2 million of net carried interest income. This compares with net investment gains of $2.6 million, $21.3 million of distributions, interest, dividends and fees and 8.5 million of net carried interest income for the fourth quarter of fiscal 2015.

The net investment gains of $14.6 million for the fourth quarter of fiscal 2016 resulted from $13.7 million in net unrealized gains from Clairvest's investee companies inclusive of foreign exchange hedging activities and $0.9 million from Clairvest's acquisition entities. This compared with $18.4 million in net unrealized gains from Clairvest's investee companies inclusive of foreign exchange hedging activities net of $15.8 million in net unrealized losses from Clairvest's acquisition entities for the fourth quarter of fiscal 2015. The net unrealized losses from Clairvest's acquisition entities were the result of distributions made by CEP III Co-Invest during the fourth quarter of fiscal 2015.

Distributions, interest, dividends and fees for the quarter included income on treasury funds of $0.7 million, general partner distributions and interest earned from the CEP Funds of $3.0 million, distributions and interest earned from investee companies of $0.9 million and $0.5 million from acquisition entities. This compared with $1.2 million in income on treasury funds, $2.2 million earned from the CEP Funds, $1.3 million earned from investee companies and $16.6 million in distributions from Clairvest's acquisition entities for the same quarter last year.

Net carried interest income of $8.2 million for the fourth quarter of fiscal 2016 comprised entirely of unrealized carried interest payable by the CEP Funds. Net carried interest income of $8.5 million for the fourth quarter of fiscal 2015 comprised of $8.3 million in unrealized carried interest payable by the CEP Funds and $0.2 million in realized carried interest from CEP. Net carried interest income from the CEP Funds is further described in the Transaction with Related Parties section of the MD&A.

Expenses for the fourth quarter of fiscal 2016 included $3.8 million of management and director compensation expenses, $5.4 million of management participation, $0.6 million in administrative expenses, and $0.4 million in finance and foreign exchange expense recoveries. This compares with $3.1 million of management and director compensation expenses, $6.0 million of management participation, $1.2 million in administrative expenses and $0.2 million in finance and foreign exchange expenses for the fourth quarter of fiscal 2015. Management participation is further described in the Transaction with Related Parties section of the MD&A.

UPDATED SHARE INFORMATION

As at March 31, 2016 and June 22, 2016, Clairvest had 15,214,095 common shares issued and outstanding. As at March 31, 2016 and June 22, 2016, there were no stock options outstanding.

During fiscal 2016 and up to June 22, 2016, Clairvest did not purchase or cancel any common shares under its current and previous normal course issuer bids. As at June 22, 2016, Clairvest had repurchased a total of 6,595,049 common and non-voting shares for total consideration of $68.3 million over the last twelve years.

During fiscal 2016, 555,000 options were exercised, 80,000 of which were exercised for shares, increasing share capital by $2.3 million. The remaining 475,000 were exercised under the cash settlement plan and had no impact on share capital.

Clairvest paid an ordinary dividend of $0.10 per share on the common shares in each of fiscal 2016 and, fiscal 2015 and fiscal 2014. During fiscal 2016, and 2015 and 2014, Clairvest also paid a special dividend of $0.1958 and, $0.1492 and $0.1312 per share respectively.

Subsequent to year end, Clairvest declared an annual ordinary dividend of $0.10 per share, and a special dividend of $0.2191 per share. The dividends will be payable to common shareholders of record as of July 6, 2016. The dividend will be paid on July 22, 2016. Both dividends are eligible dividends for Canadian income tax purposes.

CRITICAL ACCOUNTING ESTIMATES

For a discussion of all significant accounting policies, refer to Note 2 of the notes to the consolidated financial statements.

Fair value of financial instruments

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

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

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

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

Recognition of carried interest and corresponding expenses

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

Deferred income taxes

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

TRANSACTIONS WITH RELATED PARTIES

The general partner of CEP ["CEP GP"], an entity which is controlled by Clairvest, is entitled to participate in distributions made by CEP equal to 20% of net gains [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. During fiscal 2016, CEP GP earned $0.3 million in carried interest from CEP, 50% of which or $0.2 million was ultimately paid to Clairvest, and the other 50% or $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, 50% of which or $11.8 million was ultimately paid to Clairvest and the other 50% or $11.8 million was ultimately paid to the limited partners of Participation Partnership.

As at March 31, 2016, if CEP were to sell all of its corporate investments at their current fair values, CEP GP would receive up to $2.4 million in carried interest from CEP. In accordance with IFRS, Clairvest has recorded the $2.4 million as carried interest receivable on the consolidated statements of financial position, with a $1.2 million payable owed to 2486303 Ontario.

As a general partner of CEP III, Clairvest is entitled to a priority distribution from CEP III. From January 13, 2011, the priority distribution is calculated monthly as 0.1667% of invested capital net of write-downs of capital then invested. The priority distribution is reduced to the extent of 75% of any fees earned by Clairvest from corporate investments of CEP III. During fiscal 2016, CEP III declared to Clairvest priority distributions of $1.2 million. As per the limited partnership agreement, fees of $0.2 million from corporate investments of CEP III were netted against the priority distributions.

The general partners of CEP III ["CEP III GPs"] are entitled to a 20% carried interest in respect of CEP III as governed by its limited partnership agreement. 10% of the carried interest is allocated to Clairvest and the remaining 10% is allocated to MIP III, the general partner of which is Clairvest and the limited partners of which are principals and employees of Clairvest. The limited partners of MIP III have purchased, at fair market value, units of the MIP III. From time to time, additional units in MIP III may be purchased by the limited partners of MIP III. During fiscal 2016, CEP III GPs earned $5.4 million in carried interest from CEP III, 50% of which, or $2.7 million, was ultimately paid to Clairvest, and the other 50% or $2.7 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 GPs totaling $38.7 million, 50% of which, or $19.4 million, was ultimately paid to Clairvest and the other 50% or $19.4 million was ultimately paid to the limited partners of MIP III.

As at March 31, 2016, if CEP III were to sell all of its corporate investments at their current fair values, CEP III GPs would receive up to $17.9 million in carried interest from CEP III. In accordance with IFRS, Clairvest has recorded the $17.9 million as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of MIP III, or $9.0 million recorded as a management participation liability on the consolidated statements of financial position.

Clairvest is required to co-invest alongside CEP III in all investments undertaken by CEP III. CEP III Co-Invest was established in fiscal 2007 as the investment vehicle for this purpose. CEP III Co-Invest has three limited partners, Clairvest, 2141788 Ontario and MIP III. MIP III has invested $1.1 million in CEP III Co-Invest and 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 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 to MIP III. As at March 31, 2016, if CEP III Co-Invest were to sell its corporate investments at their current fair values, the limited partners of MIP III would receive up to $4.5 million in carried interest from CEP III Co-Invest based on the terms described above, the amount of which has been recorded as a management participation liability on the consolidated statements of financial position.

Clairvest, as the general partner of MIP III, is also 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 has been received by Clairvest.

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. As per the limited partnership agreement, fees of $0.6 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.

As at March 31, 2016, if CEP IV were to sell all of its corporate investments at their current fair values, CEP IV GPs would receive up to $36.2 million in carried interest from CEP IV. In accordance with IFRS, Clairvest has recorded the

$36.2 million as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of MIP IV, or $18.1 million, recorded as a management participation liability on the consolidated statements of financial position.

As manager of CEP IV-A, Clairvest is entitled to a management fee from CEP IV-A. 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 as compensation for its services in the administration of the portfolio of CEP IV-A. As per the limited partnership agreement, fess of $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.

As at March 31, 2016, if CEP IV-A were to sell all of its corporate investments at their current fair values, CEP IV-A GP would receive up to $7.5 million in carried interest from CEP IV-A. In accordance with IFRS, Clairvest has recorded the $7.5 million as carried interest receivable on the consolidated statements of financial position, with the 50% entitlement that will be ultimately paid to the limited partners of MIP IV, or $3.7 million recorded as a management participation liability on the consolidated statements of financial position.

Clairvest is required to co-invest alongside CEP IV and CEP IV-A in all investments undertaken by CEP IV and CEP IV-A. CEP IV Co-Invest was established in fiscal 2010 as the investment vehicle for this purpose. CEP IV Co-Invest has two limited 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 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.

As at March 31, 2016, if CEP IV Co-Invest were to sell all of its corporate investments at their current fair values, MIP IV would receive up to $8.7 million in carried interest from CEP IV Co-Invest based on the terms described above, the amount of which has been recorded as a management participation liability on the statements of financial position. To date, CEP IV Co-Invest has not made any carried interest payments to MIP IV.

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.

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. As per the limited partnership agreement, fees of $27 thousand 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.

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 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 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.

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.

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.

Key management at Clairvest are the Co-Chief Executive Officers ["Co-CEOs"] and its directors. The Co-CEOs are entitled to annual discretionary cash bonuses of up to 175% of their individual annual salary based on individual performance. There is also an annual objective cash bonus which is based on Clairvest's Incentive Bonus Program, a stock option plan and a book value appreciation rights ["BVAR"] plan. Annual salaries and compensation under these plans paid to the co-CEOs during fiscal 2016 was $12.2 million. As at March 31, 2016, the total amounts payable to the co-CEOs under the aforementioned plans were $3.4 million. Compensation paid to the directors of Clairvest under its Deferred Share Units ["DSU"] plan and its Appreciation Deferred Share Units ["ADSU"] plan during fiscal 2016 was $0.4 million. As at March 31, 2016, the total amounts payable to the directors of Clairvest under the BVAR, DSU and ADSU plans were $9.8 million.

As at March 31, 2016, Clairvest had loans receivable from certain officers of Clairvest [the "Officers"] totaling $2.3 million. The loans are interest bearing, have full recourse to the individual and are collateralized by the common shares of Clairvest owned by the Officers with a market value of $2.9 million. None of these loans were made to key management. As at March 31, 2016, Clairvest also had loans receivable from certain officers of a company affiliated with Clairvest totaling $0.9 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 was earned on these loans during fiscal 2016.

During fiscal 2016, the Company had advanced to CEP III $9.4 million in loans bearing interest at the prime rate in accordance with CEP III's limited partnership agreement. These loans were repaid in full during fiscal 2016. Interest of $1 thousand was earned from loans to CEP III during fiscal 2016.

During fiscal 2016, the Company had advanced to CEP III Co-Invest $3.8 million in non-bearing interest loans. These loans were repaid in full during fiscal 2016.

As at March 31, 2015, the Company had advanced to CEP IV $3.4 million in loans bearing interest at the Reference Rate in accordance with CEP IV's limited partnership agreement. During fiscal 2016, additional loans totaling $45.7 million were made by the Company to CEP IV. Also during fiscal 2016, $44.1 million of these loans were repaid such that $5.0 million remained outstanding as at March 31, 2016. Interest of $0.6 million was earned from loans to CEP IV during fiscal 2016. Subsequent to year end, an additional $1.8 million of these loans were repaid.

As at March 31, 2015, the Company had advanced to CEP IV-A $0.6 million in loans bearing interest at the Reference Rate in accordance with CEP IV-A's limited partnership agreement. During fiscal 2016, additional loans totaling $6.0 million were made by the Company to CEP IV-A. Also during fiscal 2016, these loans were repaid in full. Interest of $0.1 million was earned from loans to CEP IV-A during fiscal 2016.

As at March 31, 2015, the Company had advanced to CEP IV Co-Invest $4.7 million in non-bearing interest loans. During fiscal 2016, additional loans totaling $20.2 million were made by the Company to CEP IV Co-Invest. Also during fiscal 2016, $14.1 million of these loans were repaid such that $10.8 million remained outstanding as at March 31, 2016. Subsequent to year end, an additional $1.3 million of these loans were repaid.

During fiscal 2016, the Company had advanced to CEP V $67.7 million in loans bearing interest at the Reference Rate in accordance with CEP V's limited partnership agreement. These loans were repaid in full during fiscal 2016. Interest of $0.5 million was earned from loans to CEP V during fiscal 2016.

During fiscal 2016, the Company had advanced to CEP V-A $17.5 million in loans bearing interest at the Reference Rate in accordance with CEP V-A's limited partnership agreement. These loans were repaid in full during fiscal 2016. Interest of $0.1 million was earned from loans to CEP V-A during fiscal 2016.

During fiscal 2016, the Company had advanced to CEP V Co-Invest $39.1 million in non-bearing interest loans. Also during fiscal 2016, $38.6 million of these loans were repaid such that $0.5 million remained outstanding as at March 31, 2016. Subsequent to year end, an additional $0.2 million of these loans were repaid.

During fiscal 2016, the Company had advanced to 2486303 Ontario $11.0 million in loans bearing interest at 10% per annum. Also during fiscal 2016, $0.1 million of these loans were repaid such that $10.9 million remained outstanding as at March 31, 2016.

During fiscal 2016, Clairvest earned $4.6 million in distributions and interest income and $1.9 million in advisory and other fees from its investee companies. Additionally, acquisition entities of Clairvest which were not consolidated in accordance with IFRS earned $12.8 million in distributions and interest income, $0.5 million in dividend income and $0.6 million in advisory and other fees from its investee companies.

As at March 31, 2016, Clairvest had accounts receivable from its investee companies totaling $1.6 million, from CEP III totaling $0.4 million, from CEP IV totaling $12.9 million, from CEP IV-A totaling $0.1 million, from CEP V totaling $5.0 million and from CEP V-A totaling $1.0 million. Additionally, acquisition entities of Clairvest which were not consolidated in accordance with IFRS held receivables from CEP III totaling $1 thousand, from CEP IV totaling $0.5 million, from CEP V totaling $0.1 million and Clairvest's investee companies totaling $1.7 million.

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 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.

OFF-STATEMENT OF FINACIAL POSITION ARRANGEMENTS

CEP III Co-Invest has committed to co-invest alongside CEP III in all investments undertaken by CEP III. CEP III Co-Invest's co-investment commitment is $75.0 million, $15.2 million of which remains unfunded 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.

CEP IV Co-Invest has committed to co-invest alongside CEP IV and CEP IV-A in all investments undertaken by CEP IV and CEP IV-A. CEP IV's total co-investment commitment is $125.0 million, $28.4 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.

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 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.

Clairvest has committed $25.2 million to Wellington Fund IV, all of which became unfunded upon a 100% return of capital during fiscal 2016. As specified in the limited partnership agreement, upon the closing of Wellington Fund V, Wellington Fund IV may no longer invest in new investments.

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

As at March 31, 2016, Clairvest has earned profit distributions totaling $5.7 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 provision 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.

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.

Under Clairvest's Bonus Program, a bonus of 10% of after-tax cash income and realizations on certain Clairvest's corporate investments would be paid to management annually as applicable [the "Realized Amount"]. As at March 31, 2016, the Realized Amount under the Bonus Program was $0.6 million and has been accrued under accrued compensation expense liability. In accordance with IFRS, Clairvest is also required to record a liability equal to a bonus of 10% of the after-tax cash income and realizations which are applicable but which have yet to be realized. Accordingly, Clairvest also recorded a $3.5 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.

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 the purchaser under the indemnity provisions of the sale for a specified period of time. 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 subject to this guarantee have been funded or are owing.

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 upon the opening of Casino Sol Calama for a specified period of time. Latin Gaming Chili 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 subject to this guarantee had been funded.

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 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 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.

Clairvest has agreed to guarantee up to $10 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 Clairvest Equity Partners 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.

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 and $1.3 million due after one year but not more than five years.

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

RISK MANAGEMENT

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

Credit risk

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. For the year ended March 31, 2016, there were no material income effects on changes of credit risk on financial assets. The Company manages credit risk on corporate investments through thoughtful planning, strict investment criteria, significant due diligence of investment opportunities and oversight responsibilities with existing 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 receivables, a significant portion of which is with its investee companies and its CEP Funds. The Company manages this risk through its oversight responsibilities with existing investee companies by reviewing financial conditions of its 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 a 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.

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 its 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%, the potential effect would be an increase or decrease of $0.8 million to distributions and interest income on a pre-tax basis for the year ended March 31, 2016.

Included in corporate investments are investee companies for which the fair values have been estimated based on assumptions that may not be supported by observable market prices. The most significant unobservable input is the multiple of earnings before interest, taxes, depreciation and amortization ["EBITDA"] used for each individual investee company. In determining the appropriate multiple, Clairvest considers i] public company multiples for companies in the same or similar businesses; ii] where information is known and believed to be reliable, multiples at which recent transactions in the industry occurred; and iii] multiples at which Clairvest invested directly or indirectly in the company, or for follow-on investments or financings. The resulting multiple is adjusted, if necessary, to take into account differences between the investee company and those the Company selected for comparisons and factors include public versus private company, company size, same versus similar business, as well as with respect to the sustainability of the company's earnings and current economic environment. 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 a decrease of $20.0 million to the aggregate 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. Earnings multiples used are based on public company valuations as well as private market multiples for comparable companies.

Clairvest may also use information about recent transactions carried out in the market for valuations of private equity investments when this value is the most representative indication of fair value. The fair value of corporate bonds, debentures or loans is primarily determined using discounted cash flow technique which uses observable and unobservable inputs such as discount rates that take into account the risk associated with the investment as well as future cash flows. For those investments valued based on recent transactions or discounted cash flows, Clairvest has determined there are no alternative assumptions that would change the fair value significantly as at 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. 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 which are denominated in foreign currency. In order to limit its exposure to changes in the value of foreign denominated currencies relative to the Canadian dollar, as at March 31, 2016, Clairvest and its acquisition entities hedge 100% of the fair value of its foreign investments and loans unless a specific exemption is approved by the Board of Directors.

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

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. Financial obligations arising from off-statement of financial position arrangements have been previously discussed. Accounts payable, loans payable, and derivative instruments have maturities of less than one year. Management participation liability, share-based compensation liability, and amounts accrued under the Bonus Program are only due upon cash realization or completion of the respective vesting period. Total unfunded commitments to co-invest alongside the CEP Funds are $190.3

million as at March 31, 2016. 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 $15.6 million to Wellington Fund IV and Wellington Fund V respectively.

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

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

DERIVATIVE FINANCIAL 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 specific exemption is approved by the Board of Directors. During fiscal 2016, the Company paid $4.8 million to various counterparties to settle realized foreign exchange forward contracts.

As at March 31, 2016, Clairvest had entered into foreign exchange forward contracts to sell US$7.6 million at an average rate of Canadian $1.3751 per U.S. dollar through to August 2016. The fair value of the forward contracts as at March 31, 2016 is a gain of $0.6 million. Additionally, acquisition entities of Clairvest had entered into foreign exchange forward contracts to sell US$133.1 million at an average rate of Canadian $1.3451 per U.S. dollar through to September 2016 and foreign exchange forward contracts to sell 14.7 billion Chilean Pesos ["CLP"] at an average rate of Canadian $0.001881 per CLP through to January 2017. The fair value of the U.S. dollar contracts held by these acquisition entities as at March 31, 2016 is a gain of $6.2 million and the fair value of the CLP contracts as at March 31, 2016 is a loss of $17 thousand. These contracts have been included in the fair value of Clairvest's investments in these acquisition entities.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the Canadian Securities Administrators ["CSA"], Management has evaluated the effectiveness of Clairvest's disclosure controls and procedures as of March 31, 2016 and concluded that the disclosure controls and procedures are effective in ensuring that information required to be disclosed by the Company in its corporate filings is recorded, processed, summarized and reported within the required time period for the year then ended.

National Instrument 52-109 also requires certification from the Chief Executive Officers and Chief Financial Officer to certify their responsibilities for establishing and maintaining internal controls with regards to the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management has evaluated Clairvest's design and operational effectiveness of internal controls over financial reporting for the year ended March 31, 2016. Management has concluded that the design of internal controls over financial reporting are effective and operating as designed as of March 31, 2016 based on this evaluation. There were no changes in internal controls during the most recent interim period that has materially affected, or is reasonably likely to materially affect, internal controls over financial reporting. The Company has not identified any weakness that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

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

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

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

REGULATORY FILINGS

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

USE OF NON-IFRS MEASURES

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