



CONVERSUS CAPITAL, L.P.

INTERIM FINANCIAL REPORT (UNAUDITED)

For the period from July 6, 2007 (commencement of operations)
through September 30, 2007

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CONVERSUS AT A GLANCE

Note: All amounts set forth in this report are in thousands, except for per unit data. All dollar amounts are in U.S. dollars.

Our Company	<p>Conversus Capital, L.P. (“Conversus LP”)</p> <ul style="list-style-type: none"> • Guernsey Limited Partnership • Listed on Euronext Amsterdam • Symbol – CCAP • 73,402 units issued and outstanding • Website: www.conversus.com
Investment Manager	<p>Conversus Asset Management, LLC (“CAM”)</p> <ul style="list-style-type: none"> • Investment Committee comprised of senior CAM, Bank of America Corporation (“BAC”) and Oak Hill Investment Management (“OHIM”) personnel • Senior Investment Team members have an average of 15 years of experience in private equity and alternative asset management. • Twenty plus investment professionals with over 200 years of private equity experience
Investment Objective	To generate long-term capital appreciation by investing in a portfolio of seasoned, diversified and high-quality private equity investments
Our Strengths	<ul style="list-style-type: none"> • Immediate access to a high-quality and seasoned portfolio • An experienced investment team • Access to top performing private equity fund managers • Leverage private equity market insight from BAC and OHIM • Direct private equity investments and secondary market purchases may enhance our returns

	At July 6, 2007 (commencement of operations)	At September 30, 2007	Increase / (Decrease)
Units Issued and Outstanding	73,402	73,402	0.0%
Unit Price	\$25.00	\$23.50	(6.0)%
Portfolio Net Asset Value	\$1,835,050	\$2,032,499	10.8%
Portfolio Net Asset Value per unit	\$25.00	\$27.69	10.8%
Funded Assets	\$1,843,045	\$2,040,973	10.7%
Unfunded Commitments	\$583,000	\$778,964	33.6%

NOTE ON NAMING CONVENTIONS

Conversus Capital, L.P. (“Conversus LP”) makes all of its investments through Conversus Investment Partnership, L.P. (“Investment Partnership”), a Guernsey limited partnership. Conversus LP and the Investment Partnership together in this report are referred to as Conversus. Where we use the terms “we,” “ours,” “us” and other such terms, we refer to Conversus.

Bank of America Corporation (together with its affiliates, subsidiaries and predecessor companies) is referred to as “BAC” and Oak Hill Investment Management, L.P. (together with OHIM Investors, L.P.) as “OHIM.”

In most cases net asset value (“NAV”) of our private equity fund investments is recorded based on the value reported by the general partner of the funds in which we have invested. However, in line with our valuation policy (see Note 2 of the unaudited combined financial statements), if other factors lead us to conclude that the value assigned by the general partner does not represent actual fair value, we will adjust the value of the investment.

OPERATING SUMMARY

The table below sets forth a summary of our operating results for the period from July 6, 2007 (commencement of operations) through September 30, 2007:

Summary Operating Results For the Period Ended September 30, 2007	
Unrealized Portfolio Appreciation	\$164,885
Realized Gains	\$ 71,212
Investment Income	\$ 5,792
Total Expenses	\$ 37,828
Increase in Net Assets	\$204,061

- The unrealized appreciation of \$164.9 million is comprised of net unrealized appreciation of \$184.9 million related to private holdings, partially offset by net unrealized losses of \$20.0 million related to the public holdings held on the balance sheets of the private equity partnerships in which we are invested.
- Net investment income of \$5.8 million is mainly dividend and interest income.
- Total expenses of \$37.8 million included \$27.8 million of management fees to the Investment Manager and performance fees to Conversus Participation Company, L.L.C. (“CPC”), an affiliate of the Investment Manager, \$4.6 million of non-recurring organizational costs and \$2.5 million of management fees and expenses paid to the private equity funds in which we have invested. The remaining \$2.9 million represents the general operating expenses of Conversus, which consist primarily of professional services fees, compensation expense and operating expenses reimbursed to CAM, pursuant to a services agreement.
- The cash balance as of September 30, 2007 was \$22.8 million.
- There were \$1.0 million of notes outstanding under our collateralized fund obligation program as of September 30, 2007.
- The increase in net assets of \$204.1 million resulted in earnings per unit issued and outstanding of \$2.78.

BUSINESS OVERVIEW

Conversus is registered as a Guernsey limited partnership, designed to offer unit holders long-term capital appreciation through a seasoned, diversified and high quality portfolio of private equity investments. We invest in private equity by making commitments to new funds, purchasing funds on the secondary market and making direct co-investments in individual companies.

Conversus was formed through the execution of a global offering of approximately \$1,835.1 million in July 2007 and the use of those proceeds, as well as issuances of notes under our collateralized fund obligation program (see Note 3 of the unaudited combined financial statements), to purchase a seasoned, diversified and high quality portfolio of private equity fund interests from BAC. This initial portfolio included 168 private equity fund interests managed by approximately 104 managers, representing a portfolio net asset value of approximately \$1,917.2 million and unfunded commitments of approximately \$616.5 million. This initial portfolio was transferred to us by BAC at the March 31, 2007 NAV reported by the fund managers, as adjusted for cash movements from that date to the applicable transfer date.

The private equity funds in our initial fund portfolio were selected by Conversus and OHIM from BAC's larger private equity fund portfolio. The initial fund portfolio was substantially seasoned, with an aggregate weighted average fund life of approximately 6.5 years and an aggregate weighted average investment duration at the portfolio company level of approximately 3.6 years, in each case as of March 31, 2007. A majority of these funds are substantially invested and have already begun making distributions from realized investments. Approximately 60% of the funds in the initial fund portfolio with vintage years of 2003 or older have generated first quartile returns, and approximately 90% of such funds have generated first or second quartile returns, in each case from inception through March 31, 2007. Of the funds in our initial fund portfolio with vintage years more recent than 2003, approximately 80% are managed by fund managers that generated first quartile returns in their most recent prior fund.

We intend to maintain a seasoned portfolio of high-quality diversified private equity investments on an ongoing basis by reinvesting substantially all of the distributions generated by our investment portfolio. Our core investment strategy is to invest in new private equity funds managed by fund managers with a history of strong performance. To augment returns from this core strategy, we will also pursue opportunities to make secondary market purchases of interests in existing private equity funds with risk exposures and vintages that diversify our portfolio, are favorably priced or are otherwise attractive to us. Additionally, we may invest up to 20% of our total investments over time in direct private equity co-investments which will allow us to select specific portfolio company investments with the potential for superior returns, in part because of the possibility of reduced fees and carried interest. We believe our investment strategy allows unit holders to share in the value created over time by new funds to which we make commitments, while benefiting from the current cash flows generated by the more seasoned funds in our portfolio.

Since our portfolio is mature and cash flowing, we can operate with low levels of cash. All of the capital we raised was immediately invested. We currently expect to meet capital calls on unfunded commitments from the cash flow on existing assets or through our \$650.0 million committed credit facility. We believe our investment policy allows us to keep our capital invested in high quality assets and that this is one of our key competitive advantages.

CAM implements our investment policies and procedures and carries out the day-to-day management and operations of our business pursuant to a services agreement. CAM is owned by BAC, OHIM, certain members of CAM's management, and our strategic investors, the California Public Employees

Retirement System (“CalPERS”) and affiliates of Harvard Management Company, Inc. (an investment vehicle for the Harvard University Endowment) (“Harvard”). CAM will leverage the platforms of BAC and OHIM in sourcing and evaluating investments on behalf of Conversus. We believe the depth and breadth of the commercial activities of BAC and OHIM will provide valuable perspective into general market and industry trends, which should enhance the ability of CAM to manage our investments and identify attractive investment opportunities.

Our portfolio is managed by the investment team comprised of employees of CAM and OHIM. The senior members of this group average 15 years of experience in private equity and alternative asset management. CAM’s Investment Committee includes senior investment professionals from CAM, BAC and OHIM.

INVESTMENT RESULTS

Since Conversus commenced operations, our investment performance has been strong, as evidenced by the increase in NAV of the portfolio. This is in part based on our negotiation of the purchase of the initial portfolio for a price equal to the March 31, 2007 NAV, adjusted for cash flows through the transfer date of each fund. Thus, our NAV increase reflects realized and unrealized gains in the initial portfolio from April 1 to September 30, 2007 even though we purchased the portfolio on July 6, 2007. As of September 30, 2007, we had approximately \$2,041.0 million of funded assets with \$779.0 million of unfunded commitments and an estimated portfolio NAV of \$2,032.5 million, or \$27.69 per unit. By comparison, our initial aggregate portfolio NAV was \$1,835.1 million, or \$25.00 per unit. This represents an increase in portfolio NAV of approximately 10.8% since our initial offering in July 2007. In October, our estimated portfolio NAV further increased by 1.3% to \$2,058.4 million, or \$28.01 per unit.

Since the commencement of operations, through September 30, 2007, Conversus has contributed \$100.2 million in capital calls relating to investments, and collected \$221.3 million in distributions. These cash flows exclude capital calls relating to management fees paid to the funds in which we have invested, distributions of unused capital and the purchase of the initial portfolio.

PORTFOLIO SUMMARY

We used all of the net proceeds from the global offering to purchase from BAC an initial fund portfolio that included 168 private equity fund interests managed by 104 managers at an aggregate purchase price of \$1,917.2 million, with unfunded commitments of approximately \$616.5 million. The purchase price was 100% of the March 31, 2007 NAV of the assets as reported by the fund managers, adjusted for cash movements from April 1, 2007 through the applicable transfer date.

Since July 6, 2007 and through September 30, 2007, we closed commitments to eight primary fund investments totaling \$226.0 million and one \$25.0 million direct co-investment sourced from BAC. The primary commitments include Apollo Overseas Partners VII, L.P., TPG Asia V, L.P., New Mountain Partners III, L.P., OCM (Oaktree) Opportunities Fund VII, L.P., OCM (Oaktree) Opportunities Fund VII-B, L.P., PAI Europe V-2, Carlyle Partners V, L.P. and Bay City Capital Fund V, L.P.

Subsequent to September 30, 2007 and through October 31, 2007, we closed three commitments totaling \$75.0 million, including \$50.0 million in total to two primary funds (Bain Capital Fund X, L.P. and TCV VII (A), L.P.) and one \$25.0 million direct co-investment. This brings our total number of fund investments and direct investments to 178 as of October 31, 2007. This recent portfolio activity reflects our desire to increase portfolio exposure to managers focusing on Asia, Europe and special situations, primarily distressed, and to add direct co-investments that are attractive on their own and also represent an efficient use of our capital by avoiding general partners' management fees and carried interest.

Portfolio Allocation as of September 30, 2007				
	Number of Investments	Net Asset Value	Unfunded Commitments	Total Exposure
Direct Co-investments	1	\$ 25,000	\$ -	\$ 25,000
Publicly Held Securities (*)	1	928	-	928
Fund Investments	176	2,015,045	778,964	2,794,009
Total Private Equity Investments	178	\$ 2,040,973	\$ 778,964	\$ 2,819,937
(*) Represents directly held public securities as opposed to those held indirectly through our fund investments				

Commitment Summary as of September 30, 2007		
	Fund Investments	Direct Co-investments
Fund commitments at commencement date (July 6, 2007)	\$583,000	\$ -
Commitments transferred from BAC after July 6, 2007 ^(^)	33,500	-
New commitments	226,000	25,000
Net commitments funded	(63,536)	(25,000)
Unfunded commitments as at September 30, 2007	\$778,964	\$ -
(^) Relate to funds in the initial portfolio transferred subsequent to July 6, 2007		

INVESTMENT STRATEGY AND CAPITAL DEPLOYMENT

Our goal is to maintain a mature, diversified and high quality portfolio of private-equity investments. We believe our current portfolio is consistent with that goal. On a go forward basis, we expect at least 80% of our total investments will be invested in new private equity fund interests and interests in existing funds purchased on the secondary market and no more than 20% of our total investments will be invested in direct private equity co-investments. However, we may deviate from these percentages if CAM deems it advisable. In terms of concentrations, we currently expect that no more than 15.0% of our total investments will be invested in any single fund manager, no more than 7.5% will be invested in any single fund and no more than 5.0% will be invested in any single direct co-investment. Our investment policies do not contain fixed requirements, and these limits may be exceeded under certain circumstances.

To maintain our attractive position on the private equity J-curve, we will continue to focus on making direct co-investments and purchasing fund interests on the secondary market. Our direct co-investments can serve as a way to increase exposure to a fund's most promising investments, frequently with partial or complete avoidance of fees and carried interest. Secondaries generally represent more seasoned portfolios, and they may offer more appealing risk-reward-liquidity profiles than their primary counterparts. Secondaries may also provide a useful tool for vintage year, investment stage, industry, geographic and other diversifications. The secondary market has seen fewer transactions since the summer's market dislocation; however, we have observed a recent increase in the number of secondary sales processes launched or communicated to the market. We have recently committed to two purchases and are optimistic that increased supply over the coming months will create opportunities for those with market insight, liquidity and execution capability.

Over the near term, we will continue to focus on increasing exposure to portfolio companies outside of the United States, reflecting our desire to manage risk by diversifying further and increase our returns by investing in faster growing economies. In light of recent activity levels in the buyout market and the credit markets broadly, we believe that our portfolio would benefit from additional exposure to special situations, particularly distressed, and we will seek to make investments in this area as appropriate. The best managers have always emphasized operational improvements that grow cash flow and build franchises in their portfolio companies, and that capability will be particularly critical in the current environment. We will continue to focus on those managers who we believe are best positioned to execute those improvements successfully.

We have a five year, \$650.0 million collateralized fund obligation program with Citigroup (see Note 3 of the unaudited combined financial statements for further information on this program). Notes issued under this program bear interest at LIBOR plus a fixed margin. We currently expect to utilize leverage averaging 10% to 15% of our total assets over time and that the amount of leverage utilized at any time will vary substantially.

During the period ended September 30, 2007, we funded \$100.2 million in capital calls relating to investments and collected \$221.3 million in distributions. These cash flows exclude capital calls relating to management fees paid to the funds in which we have invested, distributions of unused capital and the purchase of the initial portfolio. Subsequent to September 30, 2007 and through October 31, 2007, estimated capital calls and distributions from fund investments have been \$28.7 million and \$48.5 million, respectively. In addition, we funded \$25.0 million for a direct co-investment subsequent to September 30, 2007.

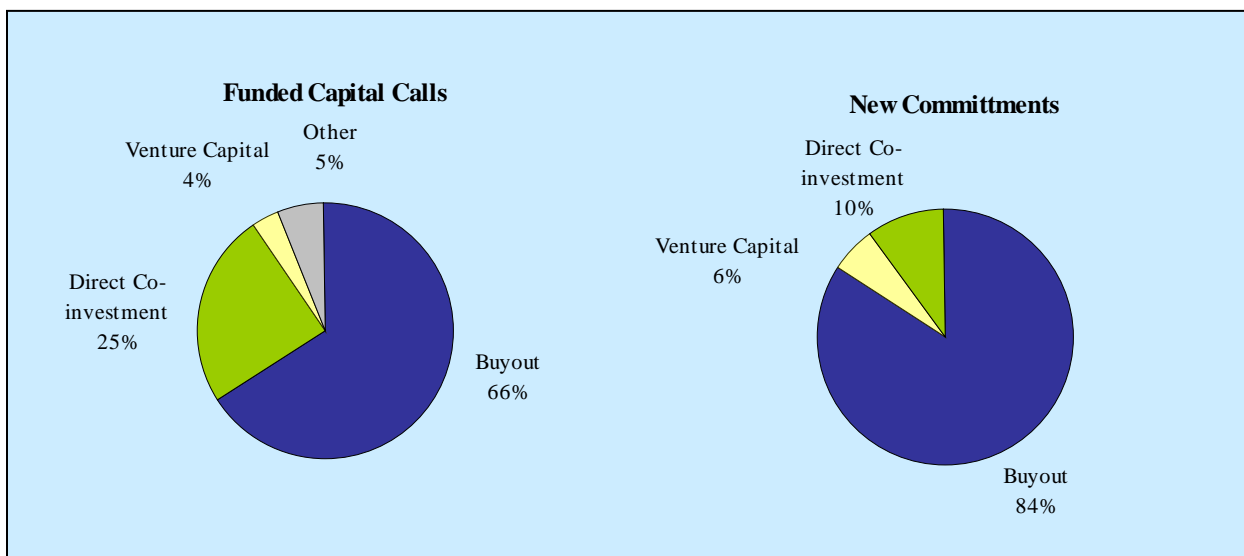
Conversus Capital, L.P.

Unaudited Financial Report and Combined Financial Statements

For the period from July 6, 2007 (commencement of operations) through September 30, 2007

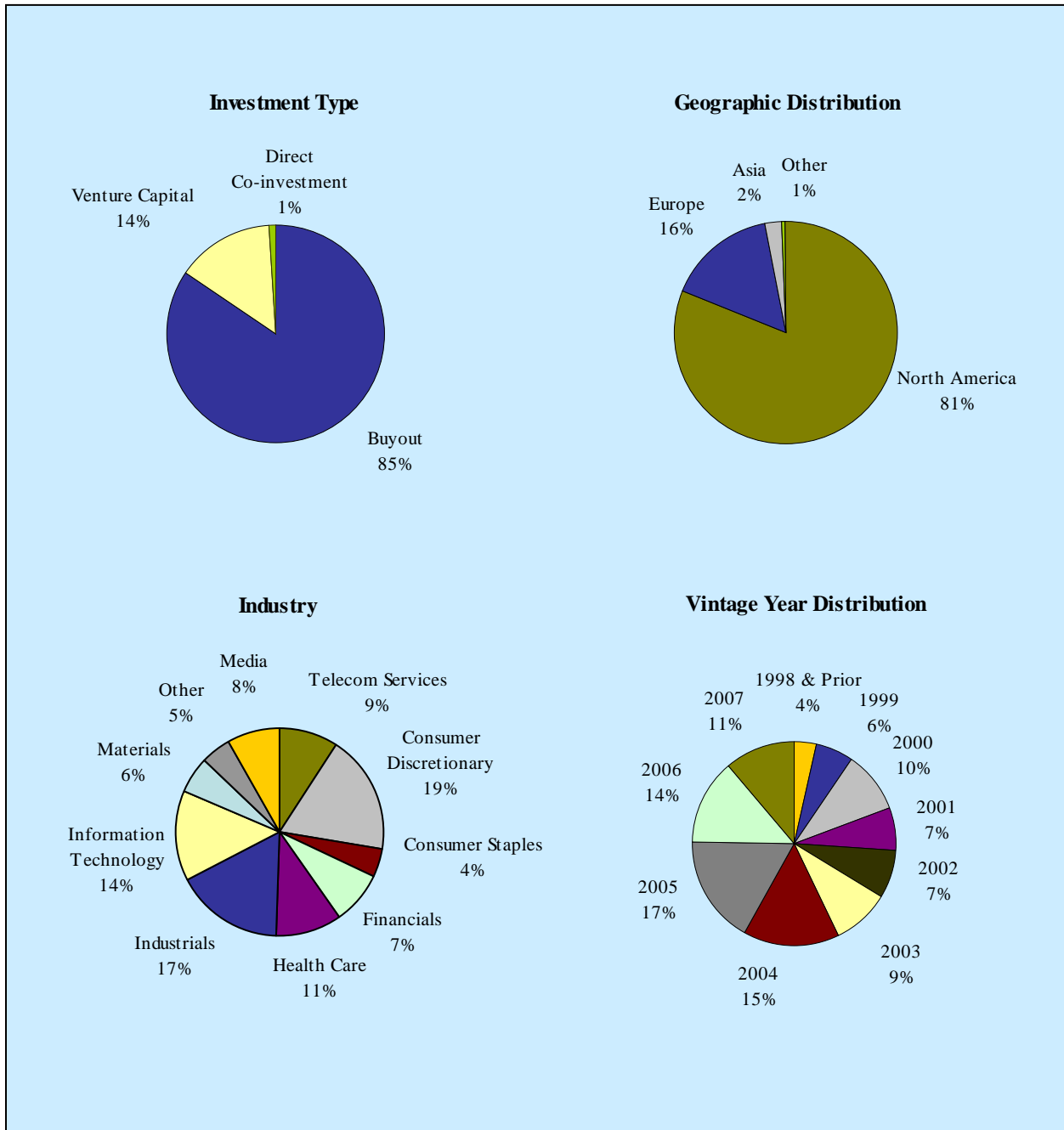
Buyout funds, which accounted for 65.6% of capital called through September 30, 2007, were the predominant source of the calls activity. Direct co-investments comprised 25.0% of the total capital called and venture capital (“VC”) comprised 3.7%. With respect to sector distribution, calls were concentrated in Industrials (39.4%), Consumer Discretionary (19.8%) and Information Technology (14.9%). The 39.4% share in Industrials was driven by one co-investment of \$25.0 million. Without this investment, the Industrials share of total capital called would have been 14.4%. Of the capital called, 38.8% was from 2006 vintage year funds, while 10.7% was from 2005 vintage year funds. Combined, 2005 and 2006 vintage year funds and our co-investment represent approximately 74.5% of the calls made during the period.

The following charts display our funded capital calls and new commitments for the period ended September 30, 2007, broken down by investment type.



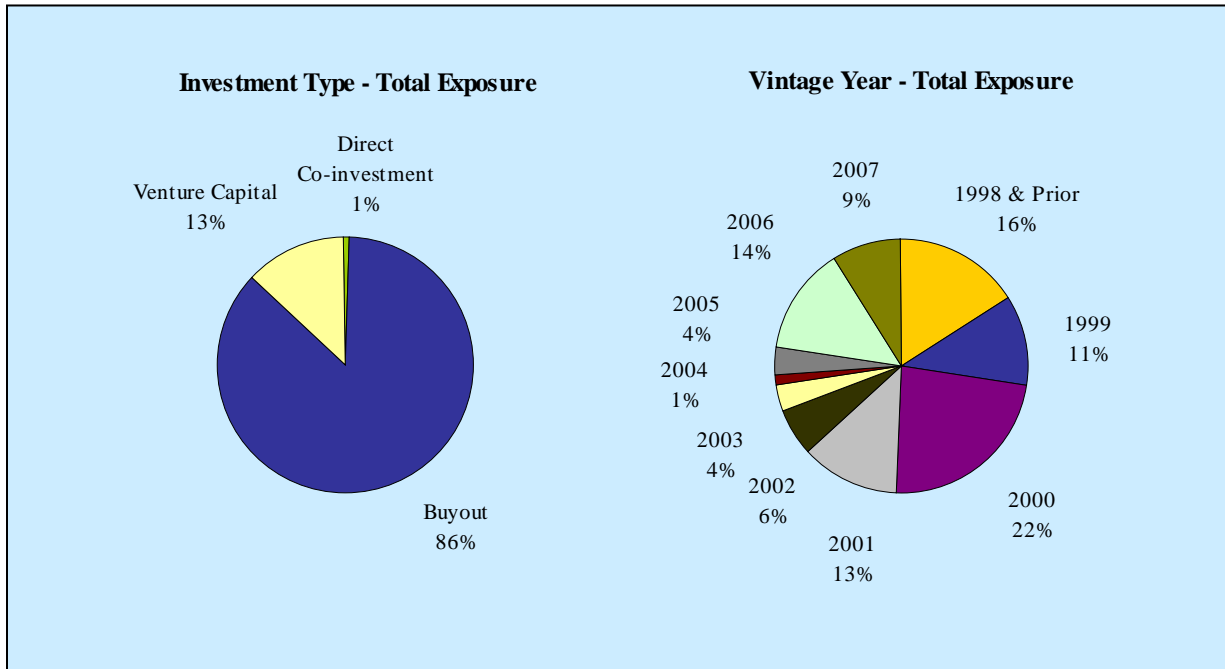
PORTFOLIO DIVERSIFICATION - NAV

The charts below break down our private equity investment portfolio based on NAV at the underlying portfolio company level, as of September 30, 2007, with the exception of the investment type chart, which is determined at the fund level.



PORTFOLIO DIVERSIFICATION – FUND LEVEL TOTAL EXPOSURE

The charts below break down our private equity investment portfolio based on total exposure (NAV plus unfunded commitments) at the fund level.



PORTFOLIO AND INVESTMENT ACTIVITY

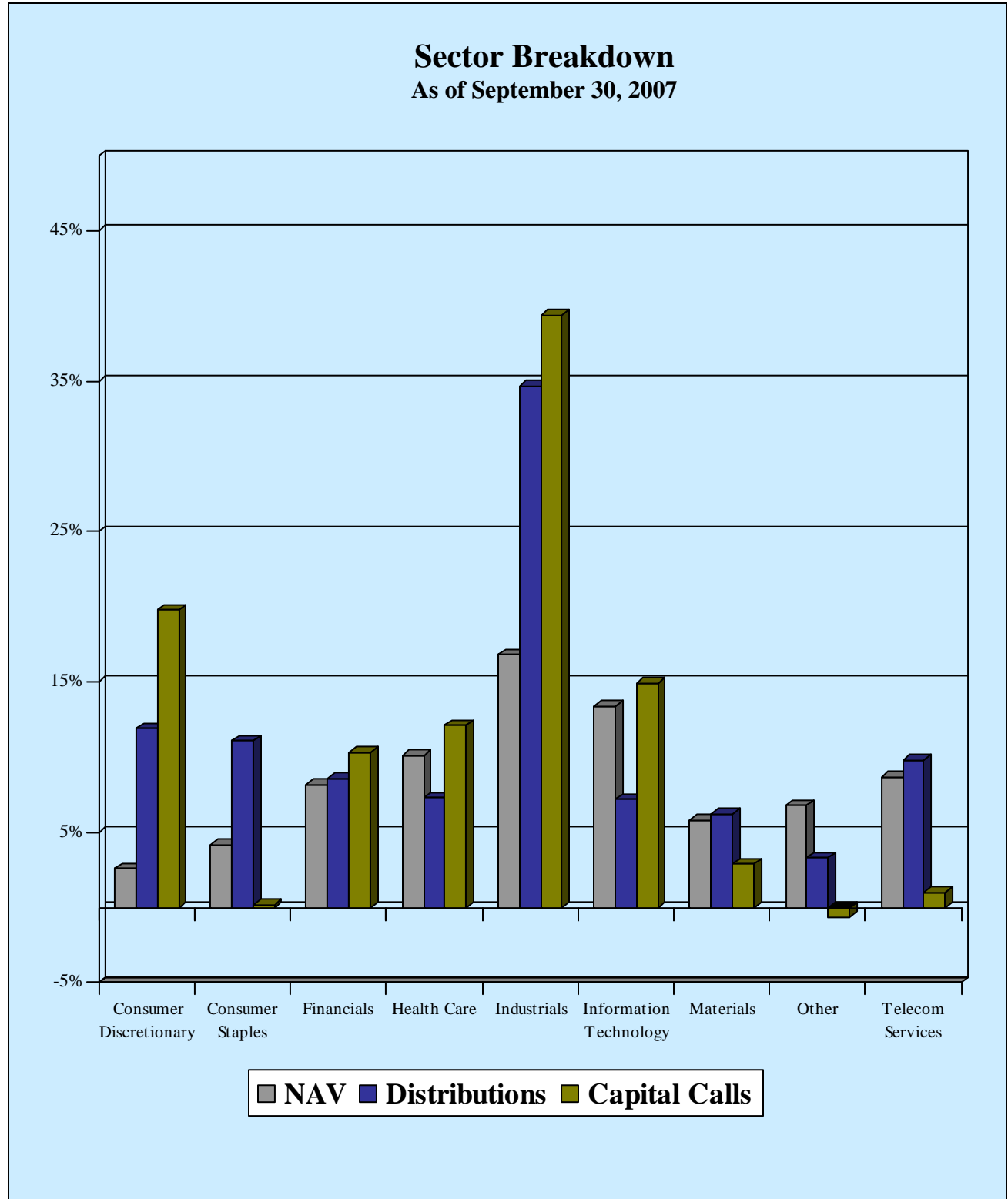
We received total distributions of \$221.3 million for the quarter, consisting of \$145.0 million in return of capital and \$76.3 million of income-related distributions. Industrials (34.7%), Consumer Discretionary (11.9%) and Consumer Staples (11.1%) were the sectors with the highest levels of total distributions. The surplus of distributions to calls, plus utilization of modest leverage, supports our objective of servicing capital calls on unfunded commitments from the proceeds of existing investments. As expected, most distributions are from older vintage year funds, consistent with our mature starting point on the private equity J-curve. Specifically over 85.0% of our distributions were from funds in vintage years 2000 (34.3%), 1999 (22.5%), 2001 (10.8%), 1997 (10.7%) and 1998 (7.1%). Most of the distributions received by Conversus were from buyout funds (92.4%). VC funds contributed approximately 6.0% of distributions received during the quarter.

During the period ended September 30, 2007, unrealized gains of \$164.9 million and realized gains of \$71.2 million were recognized. Of the \$164.9 million unrealized gains that were recorded, 70.6% came from four sectors: Information Technology (29.6%), Consumer Discretionary (16.6%), Materials (12.9%) and Industrials (11.5%). In total, 87.3% of unrealized gains came from buyout funds. VC contributed 12.7%. The majority of these unrealized gains were received from underlying portfolio companies with vintage years 2000 (37.6%) and 2001 (26.3%).

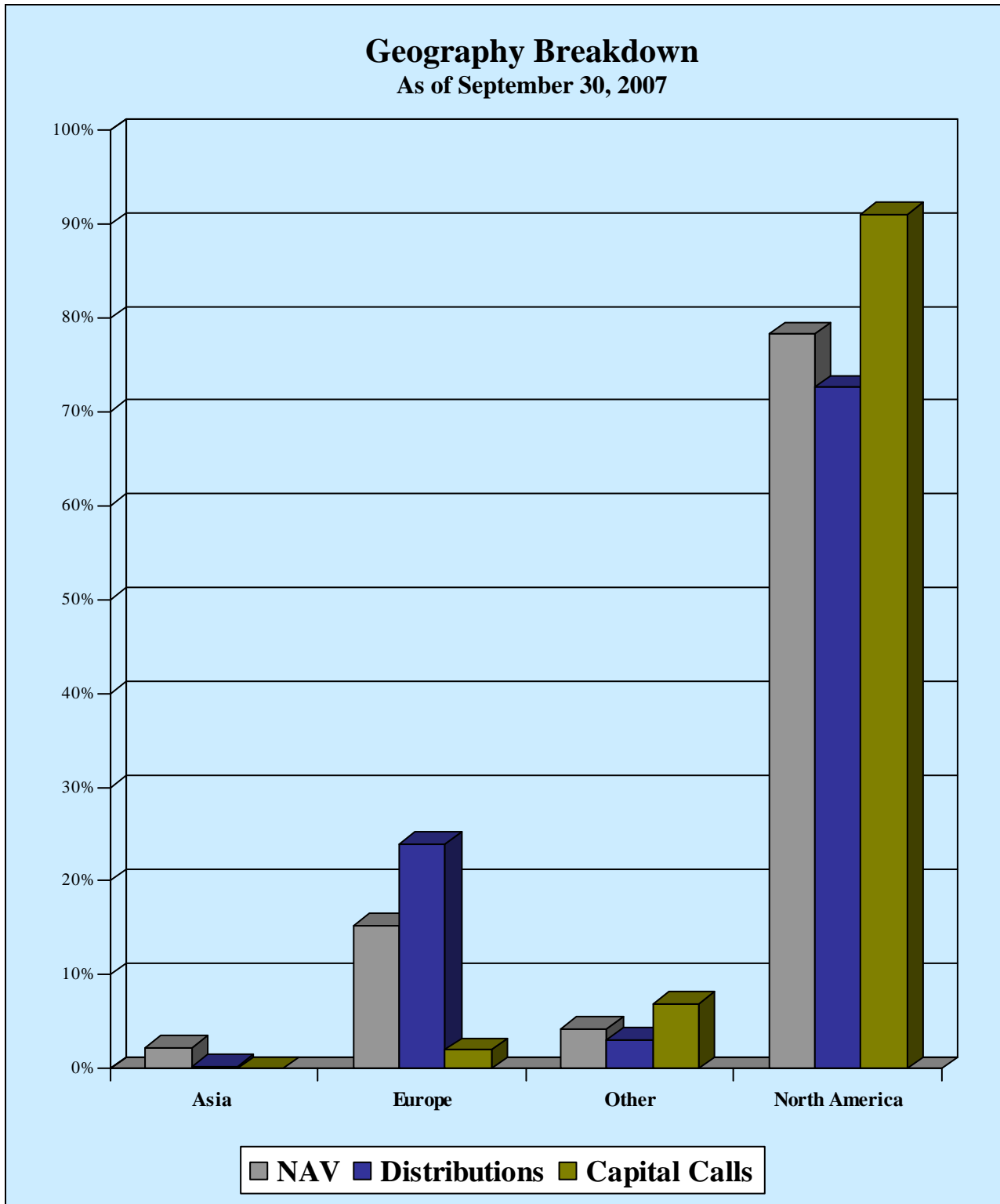
The majority of the realized gains (69.6%) came from two sectors: Industrials (48.8%) and Consumer Staples (20.8%). Of the net realized gains, 89.4% came from buyout funds. VC contributed 10.6%. A total of 76.3% of the realized gains came from two vintage years: 1999 (42.6%) and 2000 (33.7%). An additional 10.7% of realized gains were recorded for portfolio companies with a 2001 vintage year.

Overview of Investment Activity as of September 30, 2007		
	Fund Investments	Direct Co-investments
Capital calls / Investments funded	\$ 75,233	\$25,000
Return of capital	\$144,987	\$ -
Realized gains	71,212	-
Dividends, Interest and Other income	5,106	
Total Distributions	\$221,305	\$ -

The chart below provides a summary of capital calls and distributions for the period ended September 30, 2007 and portfolio NAV as of September 30, 2007 by industry sector.



The chart below provides a summary of capital calls and distributions for the period ended September 30, 2007 and portfolio NAV as of September 30, 2007 by geographic region.



INVESTMENT PORTFOLIO

The table below shows the composition of our portfolio based on NAV as of September 30, 2007.

Composition of Portfolio Investments as of September 30, 2007			
	# of funds	NAV	Total Exposure ^(^)
Buyout Funds >\$5 billion	10	\$ 253,002	\$ 441,678
Buyout & Special Situation Funds \$3-\$5 billion	21	389,987	660,019
Buyout Funds \$1-\$3 billion	33	386,279	467,831
Buyout Funds \$500 million-\$1 billion	24	340,426	418,630
Buyout Funds <\$500 million	46	355,305	443,109
Total Buyout & Special Situation Funds	134	1,724,999	2,431,267
Venture Capital Funds	42	290,046	362,742
Total Funds	176	2,015,045	2,794,009
Direct Investments	1	25,000	25,000
Publicly Held Securities ^(*)	1	928	928
Total Investment Portfolio	178	\$2,040,973	\$2,819,937

^(^) Total Exposure represents NAV plus remaining unfunded commitments.
^(*) Represents directly held public securities as opposed to those held indirectly through our fund investments

The table below indicates, in alphabetical order, our twenty-five largest private equity fund investments as of September 30, 2007, based on portfolio NAV. These funds represent 40.6% of our total investment portfolio NAV as of September 30, 2007.

Top Twenty-Five Fund Investments as of September 30, 2007
Apollo Investment Fund IV, L.P.
Apollo Investment Fund V, L.P.
Atlantic Equity Partners III, L.P.
Blackstone Capital Partners IV, L.P.
Bruckmann, Rosser, Sherrill & Co. II, LP
CCG Investment Fund, L.P.
Clayton, Dubilier & Rice Fund VII, LP
Fenway Partners Capital Fund II, LP
Financial Technology Ventures II (Q), L.P.
Hicks, Muse, Tate & Furst Equity Fund V, L.P.
KKR 1996 Fund
KKR 2006 Fund, L.P.
KKR Millennium Fund, L.P.
M/C Venture Partners V, L.P.
Nautic Partners V, L.P. (f.k.a. Navis Partners V)
Spectrum Equity Investors IV, L.P.
TPG Partners III, L.P.
Thomas H. Lee Equity Fund VI, L.P.
Thomas H. Lee Equity Fund V, L.P.
Trident III, L.P.
U.S. Equity Partners II (Offshore), L.P.
Warburg Pincus International Partners, L.P.
Warburg Pincus Private Equity VIII, L.P.
Welsh, Carson, Anderson & Stowe VIII, L.P.
Welsh, Carson, Anderson & Stowe IX, L.P.

OVERVIEW OF PUBLICLY HELD SECURITIES

The table below lists, in alphabetical order, our twenty largest public holdings, held indirectly through one or more private equity funds, as of September 30, 2007, based on NAV. These twenty publicly held securities totaled \$227.6 million in NAV or 50.7% of our total publicly held securities portfolio of \$448.8 million as of September 30, 2007.

In total the publicly held securities represented 22.0% of the total investment portfolio NAV as of September 30, 2007, while the top twenty positions listed below comprised 11.2% of the total investment portfolio NAV as of September 30, 2007. No individual position represented more than 1.5% of total investment portfolio NAV as of September 30, 2007.

Top Twenty Publicly Held Securities as of September 30, 2007
Allied Waste Industries, Inc. Burger King CB Richard Ellis Centennial Communications Corp. (f.k.a. Centennial Cellular) Eurand N.V. (f.k.a. Eurand Pharmaceuticals Holding B.V.) Gemalto ^(^) Goodman Global Holdings, Inc. Hertz Corp Hughes Communications IX Holdings ^(^) J. Crew Group, Inc. Legrand S.A. ^(^) MetroPCS, Inc. Rental Service Corporation Rockwood Holdings SAVVIS, Inc. Sealy Corporation Sirius Satellite Radio Inc Universal American Financial Corporation (f.k.a. MemberHealth-MHRx) Warner Music Group
^(^) Publicly held securities traded outside of the U.S.

MARKET COMMENTARY

We believe the long-term prospects for investment returns in private equity remain bright, and Conversus is well positioned to capitalize on those prospects. Conversus' seasoned portfolio has a weighted average life of approximately 3.5 years at the individual portfolio company level as of September 30, 2007. Our portfolio, taken as a whole, is a diverse group of mature investments made by managers with strong track records over different market cycles reflecting various levels of purchase price multiples, leverage levels, covenant terms, macroeconomic environments and competitive environments.

With respect to new investments, we believe the opportunity set for private equity continues to expand globally and it extends well beyond the public to private transactions that capture disproportionate media attention. Purchase price multiples have diminished now that excess liquidity has been removed from the market, thereby preserving attractive investment opportunities even in the face of less generous financing terms. Moreover, with less levered capital structures, we believe that the current environment presents particularly attractive risk-adjusted opportunities.

While the dollar volume of private equity deals has slowed, we believe that the pace will increase as investors adjust to the new lending and valuation environments. Historically, periods of dislocation have provided exceptional opportunities for the best private equity managers. We believe Conversus offers the opportunity to access the historic, current and future investments of some of these top tier private equity managers.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made and relate to expectations, beliefs, projections (including anticipated economic performance and financial condition), future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts and are subject to risks and uncertainties including, but not limited to, statements as to:

- our future operating results;
- our business prospects and the prospects of our investments and private equity as a whole;
- the impact on private equity returns of market trends, including the availability of capital;
- the impact of investments that we expect to make;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the ability of our investments to achieve their objectives;
- differences between our investment objectives and the investment objectives of the private equity funds in which we invest;
- the rate at which we deploy our capital in private equity investments, co-investments and opportunistic investments;
- our expected financings and investments;
- the continuation of the Investment Manager as our service provider and the continued affiliation with the Investment Manager of its key investment professionals;
- the adequacy of our cash resources and working capital; and
- the timing of cash flows, if any, from the operations of our underlying private equity funds and our underlying portfolio companies.

In some cases, forward-looking statements can be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will," and "would," or the negative of those terms or other comparable terminology.

The forward-looking statements are based on beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Factors and events that could cause our business, financial condition, liquidity and results of operations to vary materially include, among other things, general economic conditions, securities market conditions, private equity market conditions, the level and volatility of interest rates and equity prices, competitive conditions, liquidity of global markets, international and regional political conditions, regulatory and legislative developments, monetary and fiscal policy, investor sentiment, availability and cost of capital, technological changes and events, outcome of legal proceedings, changes in currency values, inflation, credit ratings and the size, volume and timing of transactions, as well as other risks described elsewhere in this report and other documents filed with the Netherlands Authority for the Financial Markets ("AFM").

The foregoing is not a comprehensive list of the risks and uncertainties to which we are subject. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect any change in our expectations, or any changes in events, conditions or circumstances on which the forward-looking statement is based. In light of these risks, uncertainties and assumptions, the events described by our forward-looking statements might not occur. We qualify any and all of our forward-looking statements by these cautionary factors.

STATEMENT OF RESPONSIBILITY

Substantially all Conversus' investments are made through the Investment Partnership and its subsidiaries. Therefore, in order to present meaningful financial statements, the accounts of Conversus LP and the Investment Partnership have been combined as permitted under accounting principles generally accepted in the United States of America ("U.S. GAAP"). All material balances between Conversus LP and the Investment Partnership have been eliminated.

We prepare combined financial statements on an annual and quarterly basis in accordance with U.S. GAAP. Our fiscal year ends on December 31. We have received approval from the AFM to prepare our statements in accordance with U.S. GAAP rather than Dutch GAAP or International Financial Reporting Standards. We plan to continue to report in accordance with U.S. GAAP until the Netherlands Minister of Finance decides otherwise or specific contradictory legislation is passed.

These combined financial statements are the responsibility of the Managing General Partner, acting through its Board of Directors. The Managing General Partner is responsible for preparing combined financial statements which give a true and fair view of the state of affairs of Conversus and of the profit or loss of Conversus for the applicable period, in accordance with applicable Guernsey Law, the rules of Euronext Amsterdam and in accordance with U.S. GAAP. In preparing this financial report, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that Conversus will continue in business.

The Directors confirm that they have complied with the above requirements in preparing these combined financial statements. The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of Conversus. They are also responsible for safeguarding the assets of Conversus and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CERTAIN INFORMATION

Liquidity and Capital Resources

We use our cash primarily to make investments through the Investment Partnership and its subsidiaries, to make distributions to Conversus LP's unit holders in accordance with Conversus LP's distribution policy and to pay our operating expenses.

Our initial source of liquidity consisted of the net proceeds of the global offering and the initial issuance on the closing date of the global offering of notes under Conversus LP's collateralized fund obligation program. Current and future liquidity will depend primarily on cash distributions generated by the private equity fund investments, direct private equity investments and temporary investments that we make, capital contributions that we receive in connection with the issuance of additional common units or other securities (if any) and issuances of notes under our collateralized fund obligation program.

Conversus LP depends on the Investment Partnership to distribute cash to it in a manner that allows it to meet its expenses as they become due and to make distributions to unit holders in accordance with Conversus LP's distribution policy. If Conversus LP does not receive cash distributions from the Investment Partnership or other entities in which Conversus LP has an interest, it may not be able to meet its expenses when they become due and it may be required to delay or cancel the cash distributions it intends to make to Conversus LP's unit holders pursuant to Conversus LP's distribution policy.

Conversus LP has entered into a collateralized fund obligation program with Citigroup Global Markets Inc. or one of its affiliates (the "Purchaser") pursuant to which Conversus LP has the ability to issue up to \$650.0 million of notes to the Purchaser on a continuous basis.

Because we employ an over-commitment strategy when making investments in private equity funds, the amount of capital we commit for future private equity investments may exceed our available cash at a given time. Any available cash that we hold is temporarily invested in accordance with our cash management policy, which provides liquidity for funding capital calls that may be made by the private equity funds in which we have made commitments.

We receive cash from time to time from the investments in our portfolio. This cash is in the form of distributions and dividends on equity investments, payments of interest and principal on fixed income investments and cash consideration received in connection with the disposal of investments.

DISTRIBUTION POLICY

We have adopted a distribution policy under which we intend to make quarterly cash distributions to unit holders that, on an annual basis (when combined with any withholding taxes paid by us on our unit holders' behalf that would be creditable by or refundable to a U.S. unit holder), will equal, in the aggregate, at least (i) 10% of the estimated realized long-term capital gains (including any realized built-in gains) and qualified dividend income realized during the calendar year plus (ii) 20% of the estimated amount of other taxable income realized during the calendar year, each as determined under the U.S. tax code. We currently expect this policy to equate to a 2% to 3% annual dividend yield. These quarterly cash distributions may not be sufficient to cover all of the current year tax liabilities of a U.S. taxable investor in respect of an investment in our common units or restricted depository units ("RDUs") (although when viewed over the entire period that an investor holds common units or RDUs, the aggregate amount of quarterly tax distributions may, depending upon the circumstances, largely offset or perhaps exceed the aggregate amount of tax liabilities because such quarterly tax distributions take into account realized built-in gains, which will correspondingly increase a U.S. holder's tax basis in the common units (or RDUs), and may not be sufficient to cover all of the tax liabilities of other taxable investors.

RDUs represent ownership interests in Conversus LP's common units that are on deposit with the Bank of New York, as depository, under a restricted deposit agreement among Conversus LP, the depository and all registered holders and beneficial owners from time to time of the restricted depository receipts ("RDRs"). RDRs are security certificates that evidence ownership of RDUs.

DIRECTORS, ADVISORS AND KEY INFORMATION

<p><i>Independent Board of Directors</i> Paul Guilbert (Chairman) Laurance R. (Laurie) Hoagland, Jr., Victor Holmes</p> <p><i>Non-Voting Advisors</i> J. Taylor Crandall Peter F. Dolan J. Chandler Martin Leon Shahinian</p> <p>The address of each person named above is: c/o Conversus GP, Limited., Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, Guernsey, Channel Islands.</p>	<p><i>Investor Information</i> Exchange: Euronext Amsterdam Trading symbol: CCAP Listing date: June 29, 2007 Currency: USD Bloomberg: CCAP NA Reuters: CCAP.AS Yahoo! Finance: CCAP.AS Google Finance: Ams:CCAP</p>
<p><i>Registered Office</i> Conversus Capital, L.P c/o Conversus GP, Limited Trafalgar Court, Les Banques St. Peter Port, Guernsey, GY1 3QL, Channel Islands ccap@conversus.com Tel: +44 1481 745175 Fax: +44 1481 745176</p>	<p><i>Independent Auditors and Accountants</i> PricewaterhouseCoopers CI LLP P.O. Box 321 National Westminster House, Le Truchot, St. Peter Port, Guernsey, GY1 4ND, Channel Islands Tel: +44 1481 752000 Fax: +44 1481 752001</p>
<p><i>Investment Manager</i> Conversus Asset Management, LLC</p> <p>One South Wacker Drive, 34th Floor Chicago, Illinois, 60606 Tel: +1 312 261 9700 Fax: +1 312 261 9701</p> <p>Bank of America Plaza 101 South Tryon Street, Suite 2440 Charlotte, North Carolina, 28280 Tel: +1 704 307 4865</p>	<p><i>Independent Valuator</i> Duff and Phelps 55 East 52nd Street, 31st Floor New York, NY 10055 Attention: Paul J. Viscio, Managing Director Phone: +1 212 871 6267 Fax: +1 212 523 0854 Email: pj.viscio@duffandphelps.com</p>

Conversus Capital, L.P.

Unaudited Financial Report and Combined Financial Statements

For the period from July 6, 2007 (commencement of operations)
through September 30, 2007

<p><i>Depository Bank</i> The Bank of New York 101 Barclay Street, 22 West New York, New York 10286 United States Attention: Conversus Capital, L.P. Telephone: +1 212 815 4502 or +1 212 815 2715 Facsimile: +1 212 571 3050</p>	<p><i>Paying Agent</i> ABN AMRO Bank N.V. Client Service Desk Securities Operations Kemelstede 2 4817 ST BREDA The Netherlands</p>
<p><i>Investor Relations Contacts</i> Timothy A. Smith Chief Financial Officer Conversus GP, Limited Trafalgar Court, Les Banques St. Peter Port, Guernsey GY1 3QL Channel Islands Tel: +44 1481 745 175 Fax: +44 1481 745 176 e-mail: tim.smith@conversuscapital.com</p>	<p>Andrew Greenebaum / Anne Rakunas Investor Relations Integrated Corporate Relations e-mail: anne.rakunas@icrinc.com</p>



CONVERSUS CAPITAL, L.P.

COMBINED FINANCIAL STATEMENTS **(UNAUDITED)**

For the period from July 6, 2007 (commencement of operations)
through September 30, 2007

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Report of Independent Accountants


To the Board of Directors of the General Partner and shareholders of Conversus Capital, L.P.

We have reviewed the accompanying combined statement of net assets of Conversus Capital, L.P. and Conversus Investment Partnership, L.P. (collectively "Conversus"), including the combined condensed schedule of investments as of 30 September 2007, and the related combined statements of operations, of changes in net assets, and of cash flows for the period from 6 July 2007 (commencement of operations) to 30 September 2007, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the responsibility of management and the General Partner of Conversus Capital, L.P.

A review consists principally of inquiries of Conversus' personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with the auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

This report has been prepared for and only for the General Partner and shareholders of Conversus Capital, L.P. as a body, and for no other purpose. We do not accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Based on our review, we are not aware of any material modifications that should be made to the accompanying combined interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.



PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands

26 November 2007

COMBINED STATEMENT OF NET ASSETS

As of September 30, 2007

(In thousands except for per unit amounts)

Assets

Investments, at fair value (cost \$1,876,088)	\$2,040,973
Cash and cash equivalents	22,816
Receivables and prepaid expenses	824
Total Assets	<u>2,064,613</u>

Liabilities

Management fees payable (<i>Note 2</i>)	5,812
Performance fees payable (<i>Note 2</i>)	21,939
Notes and interest payable	1,016
Other	3,347
Total Liabilities	<u>32,114</u>

NET ASSETS	<u>\$2,032,499</u>
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Net Assets Consist of:

General Partner's capital contribution	\$ -
Limited Partners' capital contributions (73,402 units issued and outstanding)	1,828,438
Net increase in net assets resulting from operations	204,061
NET ASSETS	<u>\$2,032,499</u>

NET ASSET VALUE PER UNIT ISSUED AND OUTSTANDING	<u>\$ 27.69</u>
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The accompanying notes are an integral part of the combined financial statements

COMBINED STATEMENT OF OPERATIONS

*For the period from July 6, 2007 (commencement of operations)
through September 30, 2007*

(US\$ in thousands except for per unit amounts)

Investment Income

Dividends	\$ 3,825
Interest and other income	1,967
Total Investment Income	<u>5,792</u>

Expenses

Management fees and other expenses paid to fund investments	2,503
Management fees (<i>Note 2</i>)	5,812
Performance fees (<i>Note 2</i>)	21,939
Organizational costs	4,623
Other general and administrative expenses	2,951
Total Expenses	<u>37,828</u>

Net Investment Loss	<u>(32,036)</u>
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Realized/Unrealized Appreciation/(Depreciation) on Investments

Realized gain/(loss) on investments	71,212
Net change in unrealized appreciation/(depreciation) on investments	164,885
Net Realized and Change in Unrealized Appreciation on Investments	<u>236,097</u>

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u><u>\$204,061</u></u>
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EARNINGS PER UNIT ISSUED AND OUTSTANDING	<u><u>\$ 2.78</u></u>
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The accompanying notes are an integral part of the combined financial statements

COMBINED STATEMENT OF CHANGES IN NET ASSETS

For the period from July 6, 2007 (commencement of operations)

through September 30, 2007

(US\$ in thousands)

Increase/(Decrease) in assets resulting from operations

Net investment loss	\$ (32,036)
Net change in realized gain/(loss) on investments	71,212
Net change in unrealized appreciation/(depreciation) on investments	<u>164,885</u>
Net increase in net assets from operations	<u>204,061</u>

Increase/(Decrease) in assets resulting from capital transactions

Partners' capital contributions	1,835,050
Offering costs	<u>(6,612)</u>
Net increase in net assets from capital transactions	<u>1,828,438</u>

NET INCREASE IN NET ASSETS	<u>2,032,499</u>
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NET ASSETS AT BEGINNING OF PERIOD	-
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NET ASSETS AT END OF PERIOD	<u><u>\$2,032,499</u></u>
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The accompanying notes are an integral part of the combined financial statements

COMBINED STATEMENT OF CASH FLOWS

*For the period from July 6, 2007 (commencement of operations)
through September 30, 2007
(US\$ in thousands)*

Cash flows from operating activities

Net increase in net assets resulting from operations	\$ 204,061
Adjustments to reconcile the net increase in net assets resulting from operations to net cash used in operating activities:	
Net change in realized gain/loss on investments	(71,212)
Net change in unrealized appreciation/depreciation on investments	(164,885)
Changes in operating assets and liabilities:	
Net increase in receivables and prepaid expenses	(824)
Net increase in management fees payable	5,812
Net increase in performance fees payable	21,939
Net increase in interest and other payables	3,363
Purchase of initial investment portfolio	(1,917,236)
Purchase of investments	(103,838)
Distributions from underlying investments	216,198
Net cash used in operating activities	<u>(1,806,622)</u>

Cash flows from financing activities

Proceeds from issuance of common units	1,835,050
Offering costs	(6,612)
Notes issued	155,000
Repayment of notes	(154,000)
Net cash provided by financing activities	<u>1,829,438</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>22,816</u>
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CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-
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CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 22,816</u>
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Supplemental cash flow disclosure

Cash paid for interest	\$ (542)
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The accompanying notes are an integral part of the combined financial statements

COMBINED CONDENSED SCHEDULE OF INVESTMENTS

As of September 30, 2007

(US\$ in thousands)

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Total Net Assets</u>	<u>Unfunded Commitment</u>
FUND INVESTMENTS				
U.S.				
Buyout	\$1,416,129	\$1,548,361	76.18%	\$650,975
Venture Capital	269,233	290,084	14.27	72,695
Total U.S.	<u>1,685,362</u>	<u>1,838,445</u>	<u>90.45</u>	<u>723,670</u>
Non-U.S.				
Buyout	164,720	176,601	8.69	55,294
Total Non-U.S.	<u>164,720</u>	<u>176,601</u>	<u>8.69</u>	<u>55,294</u>
Total Fund Investments	<u>1,850,082</u>	<u>2,015,046</u>	<u>99.14</u>	<u>778,964</u>
DIRECT CO-INVESTMENTS				
U.S.				
Industrials	25,000	25,000	1.23	-
PUBLICLY HELD SECURITIES				
U.S.				
Information Technology	1,006	927	0.05	-
Total	<u>\$1,876,088</u>	<u>\$2,040,973</u>	<u>100.42%</u>	<u>\$778,964</u>

The accompanying notes are an integral part of the combined financial statements

COMBINED CONDENSED SCHEDULE OF INVESTMENTS

As of September 30, 2007

(US\$ in thousands)

Industry ⁽¹⁾	<u>Fair Value</u>	<u>% of Total Net Assets</u>
Consumer Discretionary	\$ 366,792	18.04%
Industrials	342,821	16.87
Information Technology	274,006	13.48
Health Care	205,996	10.14
Telecommunication Services	185,882	9.15
Media	162,393	7.99
Financials	142,030	6.99
Materials	117,851	5.80
Consumer Staples	86,106	4.24
Other Industries	93,713	4.61
Other (Net other assets held by underlying funds)	63,383	3.11
Total	<u>\$2,040,973</u>	<u>100.42%</u>

⁽¹⁾ Industry diversification of investments is determined at the underlying portfolio company level for private equity fund investments and at the company level for direct co-investments.

The accompanying notes are an integral part of the combined financial statements

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. Business Overview

Conversus Capital, L.P. (“Conversus LP”) is a Guernsey limited partnership established on May 29, 2007. Conversus LP is composed of a general partner, Conversus G.P., Limited (“Conversus GP”), a Guernsey limited company which holds 100% of the voting interests of Conversus LP, and the limited partners of Conversus LP, represented by 73,402,000 common units that are non-voting. Conversus LP currently trades on the regulated market of Euronext Amsterdam N.V., Eurolist by Euronext (“Euronext”) under the symbol “CCAP.”

Conversus LP currently owns all of the Class A limited partner interests in Conversus Investment Partnership, L.P. (“Investment Partnership”), a Guernsey limited partnership through which substantially all of the company’s investments are made directly or indirectly through the subsidiaries of the Investment Partnership. The Investment Partnership is composed of Conversus LP and a general partner, Conversus Investment G.P. Limited (“Investment GP”), a Guernsey limited company, which holds 100% of the voting interests of the Investment Partnership. Conversus LP and the Investment Partnership are collectively called Conversus.

Immediately following the private and public global offerings, Conversus Participation Company, L.L.C. (“CPC”) made a cash contribution to the Investment Partnership in exchange for Class B limited partner interests in the Investment Partnership. Class C limited partner interests in the Investment Partnership have been issued to Conversus Asset Management, L.L.C. (“CAM”) in connection with the profits interest portion of the management fee (see Note 2).

CAM and CPC are both owned by Bank of America Corporation (together with its affiliates, subsidiaries and predecessor companies, “BAC”), Oak Hill Investment Management, L.P. (“OHIM”), California Public Employees Retirement System (“CalPERS”), affiliates of Harvard Management Company, Inc. (an investment vehicle for the Harvard University Endowment) (“Harvard”) and certain members of CAM’s management. CAM is Conversus’ investment manager and carries out the day-to-day management and operations of Conversus’ business, pursuant to a services agreement (see Note 5). CPC has no operations and is a vehicle through which its owners will receive their performance fee from the Investment Partnership.

The Class B limited partner interests are held only by CPC and entitle it to receive a performance fee from the Investment Partnership, based on CAM’s investment performance (see Note 2). The Class C limited partner interests are held only by CAM and entitle it to receive the profits interest portion of its management fee (see Note 2).

Conversus LP makes substantially all of its investments through the Investment Partnership and its subsidiaries and expects that Conversus LP’s only investment assets will be Class A limited partner interests in the Investment Partnership and a 1% economic interest in certain of the Investment Partnership’s subsidiaries. Conversus GP or the Investment Partnership controls each of these subsidiaries.

The Investment Partnership holds investments through a series of Delaware limited partnerships and non-U.S. corporations, none of which individually hold more than 20% of the Investment Partnership’s gross assets. The Investment Partnership does not have and does not expect to have more than 20% of the gross assets of the Investment Partnership invested in any single underlying

entity. Investment GP and the Investment Partnership will control each of these subsidiaries. Conversus LP owns 1% of the economic interests in certain of these subsidiaries and the Investment Partnership owns the remaining 99%.

Conversus LP received gross proceeds of approximately \$1,835.1 million in connection with its global offering of common units, before giving effect to fees and expenses of the global offering of \$6.6 million, resulting in aggregate net proceeds to Conversus of approximately \$1,828.4 million. The fees and expenses related to the offering were reflected as a reduction of capital in the combined statement of net assets. All of the net proceeds from the global offering were used to purchase the funds in the initial fund investment portfolio on July 6, 2007 from affiliates of BAC, at a purchase price (including transaction costs) of approximately \$1,843.0 million. In addition, there was a reimbursement on July 6, 2007 to BAC of approximately \$5.2 million for fees paid on behalf of Conversus LP prior to its commencement of operations. Additional funding for the portfolio purchase, cash for operations and future investments came from Conversus LP's issuance, on the closing date of the global offering, of \$145.0 million of notes under Conversus LP's collateralized fund obligation program (see Note 3).

Subsequent to the closing of the global offering on July 6, 2007, the acquisition of the final fund interests in the initial portfolio purchased from BAC was completed. The complete initial fund portfolio included 168 private equity fund interests managed by approximately 104 managers, representing an aggregate purchase price of approximately \$1,917.2 million, with unfunded commitments of approximately \$616.5 million. The aggregate initial purchase price was based on the March 31, 2007 NAV of the assets as reported by the fund managers, adjusted for cash movements from April 1, 2007 through the applicable transfer date.

2. Summary of Significant Accounting Policies

Basis of Presentation

The combined financial statements for Conversus are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Conversus has received approval from the Netherlands Authority for the Financial Markets to prepare its statements in accordance with U.S. GAAP rather than Dutch GAAP or International Financial Reporting Standards. Conversus plans to continue to report in accordance with U.S. GAAP until the Netherlands Minister of Finance decides otherwise or specific contradictory legislation is passed.

As disclosed in Note 1, Conversus LP owns all of the Class A limited partner interests in the Investment Partnership. Conversus LP does not own the general partner interests of the Investment Partnership, and therefore does not control the Investment Partnership. However, Conversus GP and Investment GP are controlled by the same Guernsey charitable trust. Therefore, Conversus LP and the Investment Partnership are under common control.

Substantially all of Conversus' investments are made through the Investment Partnership and its subsidiaries. Therefore, in order to present meaningful financial statements, the accounts of Conversus LP and the Investment Partnership have been combined as permitted under U.S. GAAP.

Principles of Combination

These combined financial statements include the accounts of Conversus LP combined with the Investment Partnership. All material balances between Conversus LP and the Investment Partnership have been eliminated.

Currency

Conversus' functional currency is the U.S. dollar as a majority of its investments are denominated in U.S. dollars. When valuing investments that are denominated in currencies other than the U.S. dollar, Conversus converts the values of such investments into U.S. dollars based on prevailing exchange rates as of the end of the applicable accounting period.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Valuation of Investments

Investments are carried at fair value in accordance with U.S. GAAP. Conversus GP's Board of Directors is responsible for reviewing and approving valuations of investments using the best information it has available at a point in time to estimate fair value.

Investments in private equity funds do not have a readily available market and are valued using pricing based on the fair value of each private equity fund, which necessarily incorporates estimates made by fund managers. Conversus believes that this value, in most cases, represents fair value as of the relevant statement date, although if other factors lead Conversus to conclude that fair value provided by the fund manager does not represent actual fair value, Conversus will adjust the value of the investment. There is no single method for determining fair value, and there may be significant variations in the valuations used by different fund managers in Conversus' portfolio. Due to the time lags in receiving valuation information from fund managers, Conversus typically does not have up to date information from all underlying funds at the time it estimates the fair value of its investments. In such cases Conversus estimates fair value based on publicly available information and the most recent financial information provided by the fund manager, as adjusted for cash flows since the date of the most recent financial information. Additionally, the value of any public security known to be owned by the private equity funds, based on the most recent information reported to Conversus by the fund managers, has been marked to market and a discount applied to such securities based on an estimate of the discount (to account for restrictions or other constraints) applied by the fund managers in calculating net asset values.

Direct co-investments are carried at the value, to the extent known to Conversus, assigned to such investment by the fund with which Conversus has co-invested. If Conversus believes this value does not reflect fair value, Conversus will assign its own estimate of fair value and may engage the services of a third party valuation firm to attest to its valuation of the asset. To the extent that Conversus assigns its own estimate of the fair value of these direct co-investments, the value attributed to the investment will generally be based on the enterprise value at which the underlying company could be sold in an orderly disposition over a reasonable period of time, in a transaction between willing parties other than in a forced sale or liquidation. In these instances, market multiples considering specified financial measures (such as EBITDA, adjusted EBITDA, cash flow, net income, revenues or net asset value) and/or a discounted cash flow or liquidation analysis will be used. Consideration may also be given to such factors as the company's historical and projected financial data, valuations given to comparable companies, the size and scope of the company's operations, the company's strengths, weaknesses, applicable restrictions on transfer, industry information and assumptions, general economic and market conditions and other factors deemed relevant.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in the bank and liquid investments with maturities, at the date of acquisition, not exceeding 90 days.

Transactions in Foreign Currency

Foreign currency transactions during the period are translated at the rate of exchange prevailing on the date of the transaction. The value of investments that are denominated in currencies other than the U.S. dollar are stated by converting the value of such investment into U.S. dollars based on the rate in effect on the last business day of each applicable accounting period, and the related gains/losses are included in the net change in unrealized appreciation/depreciation on investments in the combined statement of operations.

Income

Interest Income

Conversus may earn interest income from its direct co-investments in private companies, from underlying portfolio companies in private equity funds and from Conversus' cash and cash equivalents. Interest is recorded when earned, or when it is reported to Conversus by the private equity funds in which it has invested.

Dividend Income

Conversus may earn dividend income from its direct co-investments in private companies, from its publicly held securities or from underlying portfolio companies in private equity funds. To the extent that a dividend represents a distribution of operating income, it is recorded when declared, or when it is reported to Conversus by the fund managers. When a dividend represents a distribution resultant from a recapitalization, it is recorded as a return of capital and the related realized gain or loss is recognized.

Realized Gains and Losses on Investments

Realized gains and losses are recognized when Conversus is made aware of a transaction, which in the case of underlying portfolio companies in private equity fund investments normally occurs when the distribution is received. For publicly traded companies, realizations will be recorded on the trade date. Direct co-investments will have the associated realized gains or losses recorded on the date of the transaction closing.

Expenses

Other general and administrative expenses represent professional fees and administrative expenses, including compensation to Conversus' officer and directors, operating expenses reimbursed to CAM pursuant to the services agreement, as well as transaction and other costs incurred in conjunction with investment activity.

Management Fees and Other Expenses Paid to Fund Investments

Management fees and partnership expenses are charged by the general partners' of the funds that Conversus has invested in and are expensed in the period to which they relate.

Management Fees

CAM is entitled to management fees from the Investment Partnership in an aggregate amount of (i) up to 1.0% per annum of the value of Conversus' non-cash assets and (ii) up to 0.5% per annum of Conversus' aggregate unfunded commitments. Of such amount, one-third is paid quarterly in cash, in arrears, and two-thirds is earned in the form of a profits interest in the Investment Partnership. This profits interest is paid quarterly, in arrears, to the extent that there has been sufficient appreciation in

Conversus' net asset value to cover the amount of the profits interest for the period. To the extent that there has not been sufficient appreciation in Conversus' net asset value, this profits interest will be accrued, but will only be paid to CAM at such time as there has been a sufficient increase in Conversus' net asset value. The management fee accrued and due to CAM as of September 30, 2007 was \$5.8 million.

Performance Fees

Performance fees are calculated at the end of each applicable quarter, based on the results to date. Each quarter, CPC is entitled to a 10% performance fee from the Investment Partnership based on increases in net asset value; subject to a 7% preferred return to the Investment Partnership and a high water mark calculated over a three year period. For the quarter ended September 30, 2007, the performance fees accrued and due to CPC were \$21.9 million.

Income Taxes

The Limited Partnerships are not subject to taxation in Guernsey.

Under current Guernsey law, any of Conversus' income that is wholly derived from international operations and any distributions paid to Conversus LP's unit holders are not regarded as arising or accruing from a source in Guernsey in the hands of that unit holder if, being an individual, the unit holder is not solely or principally resident in Guernsey or, being a company, is not resident in Guernsey. It is the intention of Conversus GP and the Investment GP to ensure that Conversus' business is conducted in such a way as to constitute international operations for the purposes of the relevant legislation.

Conversus LP has made a protective election to be treated as a partnership for U.S. federal income tax purposes, and manages its affairs so that it should not be treated as a publicly traded partnership that is taxable as a corporation. An entity that is treated as a partnership for U.S. federal income tax purposes is not a taxable entity and incurs no U.S. federal income tax liability. Instead, each partner is required to take into account its allocable share of items of income, gain, loss and deductions of the partnership in computing its U.S. federal income tax liability, regardless of whether cash distributions are made.

Investments made in entities that generate U.S. source income may subject Conversus LP and or the Investment Partnership to certain U.S. federal and state income tax consequences. A U.S. withholding tax at the rate of 30 percent may be applied on the distributive shares of any U.S. source dividends and interest (subject to certain exemptions) and certain other income that we receive directly or through one or more entities treated as either partnerships or disregarded entities for U.S. federal income tax purposes.

Income from an investment that is effectively connected with a U.S. trade or business may be subject to U.S. federal and state income taxation. The U.S. requires withholding on effectively connected income at the highest U.S. rate (generally 35 percent). Conversus may also be subject to a branch profits tax at the rate of up to 30 percent on its income effectively connected with a U.S. trade or business.

Unit holders in certain jurisdictions could have tax consequences from ownership of Conversus LP's units. Conversus LP has not taken such tax consequences into account in the preparation of these combined financial statements.

New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 157, “Fair Value Measurements.” This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to U.S. GAAP from the application of this standard relate to the definition of fair value, the methods used to measure fair value and the expanded disclosures about fair value measurements. Although Conversus is still evaluating the possible impact of Statement No. 157 on its combined financial statements, if implemented as proposed, Conversus’ preliminary belief is that the implementation of Statement No. 157 may have the net effect of increasing the fair value reported by fund managers under U.S. GAAP due to the prohibition on the use of blockage factors (including certain types of discounts), which are commonly used today by fund managers. Additional disclosures may also be required about the inputs used to develop the fair value measurements.

3. Collateralized Fund Obligation Program

Concurrently with the closing of the global offering, for the purpose of providing Conversus with an additional source of liquidity, Conversus LP entered into a collateralized fund obligation program pursuant to which Conversus LP has the ability to issue up to \$650.0 million of notes to the purchaser on a continuous basis, subject to certain conditions precedent. The collateralized fund obligation has a term of five years and Conversus LP has the right to repurchase some or all of the outstanding notes at any time. Conversus LP has the option to terminate the program on six months notice upon payment of an early termination fee. This early termination fee is calculated as the difference between a fixed percentage of \$200.0 million (the minimum average outstanding notes balance) and this fixed percentage applied to all notes issued over a three year period.

The program is secured by a first priority security interest in the cash accounts maintained by Conversus. All distributions from Conversus’ private equity fund investments and Conversus’ direct private equity investments must be deposited into these accounts.

After the occurrence of an event of default or trigger termination event as defined in the collateralized fund obligation program, the notes may become immediately due and payable. In such case, or if a payment would result in a trigger termination event, no payments out of the cash accounts will be permitted without the prior written consent of the purchaser, except to meet capital calls and similar obligations required by Conversus’ private equity investments and to make distributions to pay management fees or performance fees, as defined in Note 2.

The program contains certain investment guidelines that include concentration limits with respect to the diversification of Conversus’ private equity fund portfolio. Mandatory repayments will be required if Conversus fails to maintain certain ratios.

Depending on their classification, the notes bear interest at a rate equal to the overnight, one, two or three month LIBOR rate plus a fixed premium. The outstanding Class A notes of \$1.0 million as of September 30, 2007 bear interest at a rate of 6.76%.

To the extent that less than \$200.0 million of notes are outstanding, on average, during the first three years of the program, Conversus LP will be liable to pay the purchaser specified fees. These fees are

calculated as a fixed percentage of \$200.0 million for three years less the actual interest accrued over the first three years of the program. No fees have been accrued as of September 30, 2007 as Conversus LP believes that it will meet the minimum outstanding notes requirement. No other fees or costs are included in the collateralized fund obligation program.

Conversus LP entered into the program and issued \$145.0 million of notes on the closing date for the global offering, based on the estimated purchase price. Subsequently, Conversus LP has repurchased and issued notes based on liquidity needs. The following schedule details the aforementioned transactions:

Summary of Activity for the period ended September 30, 2007			
	Class A Notes	Class B Notes	Total
Opening Balance	\$ -	\$ -	\$ -
Notes Issued	1,000	154,000	155,000
Notes Repurchased	-	(154,000)	(154,000)
Closing Balance	\$1,000	\$ -	\$ 1,000
Interest Charged	\$ 16	\$ 542	\$ 558

4. Partners' Capital

Conversus LP's common units represent limited partner interests in Conversus LP and are issued in registered form. Holders of common units are not entitled to the withdrawal or return of capital contributions in respect of Conversus LP's common units, except to the extent, if any, that distributions are made to such holders pursuant to Conversus LP's limited partnership agreement. Except to the extent expressly provided in Conversus LP's limited partnership agreement, a holder of Conversus LP's common units does not have priority over any other holder of Conversus LP's common units, either as to the return of capital contributions or as to profits, losses or distributions. The holders of common units are not granted any preemptive or other similar right to acquire additional interests in Conversus LP. In addition, the holders of Conversus LP's common units do not have any right to have their common units redeemed by Conversus LP.

Conversus LP currently owns all of the Class A limited partner interests in the Investment Partnership. Class A interests are not entitled to the withdrawal or return of any capital contributions in respect of Class A limited partner interests, except to the extent, if any, which distributions are made to such holders in terms of the Investment Partnership's limited partnership agreement, upon the liquidation of the Investment Partnership or otherwise required by applicable law. The Class B limited partner interests in the Investment Partnership are held only by CPC. Class B interests have no preemptive or other similar rights to acquire any additional interests in the Investment Partnership. The Class C limited partner interests in the Investment Partnership are held only by CAM. Class C interests have no preemptive or other similar rights to acquire any additional interests in the Investment Partnership.

5. Related Parties

The sole shareholders of Conversus GP and Investment GP are two Guernsey charitable trusts, Conversus Charitable Trust I and Conversus Charitable Trust II. Conversus Charitable Trust I is considered the ultimate controlling party. The trustee of each of the Charitable Trusts is Northern Trust Fiduciary Services (Guernsey) Limited, which is independent of each of CAM, BAC and OHIM and is formed under the laws of Guernsey. The trust administration fees for the Charitable Trusts are paid by the Investment Partnership. The applicable fees are currently a minimum annual fee of \$15,000 per trust plus initial one-time set up fees of \$10,000 per trust. The trustee for the Charitable Trusts is affiliated with Conversus' Guernsey administrator, Northern Trust International Fund Administration Services (Guernsey) Limited. The Trustee's duties are to the Charitable Trusts and not to Conversus LP or the Investment Partnership and no material fees are payable by Conversus under the trust administration arrangements.

Conversus LP, Conversus GP, Investment GP, the Investment Partnership and the Investment Partnership's subsidiaries (the "Service Recipients") have entered into a single services agreement with CAM pursuant to which CAM has agreed to carry out the day-to-day management and operations of the respective businesses. Under the services agreement, CAM is entitled to management fees, as discussed in Note 2, as well as the reimbursement of certain expenses.

Concurrently with the closing of the global offering, CAM entered into a subadvisory and services agreement with OHIM. Under the subadvisory and services agreement, OHIM performs those functions and has such authority as may be delegated to it by CAM. Pursuant to the subadvisory and services agreement, CAM is required to reimburse OHIM for their portion of certain fees and expenses incurred by CAM investment professionals, which are not reimbursed to CAM by the Service Recipients, as well as other fees, costs and expenses incurred by OHIM. Pursuant to the services agreement, the Service Recipients are required to reimburse CAM for certain out of pocket and other administrative fees paid to OHIM. These fees and expenses are reimbursed quarterly in arrears.

BAC and OHIM, who both own CAM, are also unit holders of Conversus LP. From time to time, Conversus may invest alongside these unit holders in private equity fund investments, or direct co-investments.

Conversus GP has retained Northern Trust International Fund Administration Services (Guernsey) Limited and its affiliates to act as the Group's Guernsey administrator to provide certain accounting services.

As outlined in the terms of the Offering Memorandum, dated June 19, 2007, to the extent that managers of the private equity funds in the initial fund portfolio reported aggregate actual NAV's at June 30, 2007 that were less than 97% of the aggregate actual fund reported NAV at March 31, 2007, as adjusted for capital calls and distributions from April 1, 2007 to June 30, 2007, BAC would reimburse Conversus in cash for the amount by which the aggregate actual fund reported NAV at March 31, 2007, as adjusted for capital calls and distributions from April 1, 2007 to June 30, 2007, exceeded the aggregate actual fund reported NAV at June 30, 2007, and would pay interest on such amount at the 30-day LIBOR rate.

The actual aggregate fund reported NAV as at June 30, 2007, as adjusted for capital calls and distributions was greater than 97% of the aggregate actual fund reported NAV at March 31, 2007,

adjusted for capital calls and distributions, therefore BAC is not liable to reimburse Conversus in this regard.

The table below shows the fund reported NAV's at March 31, 2007 and June 30, 2007, adjusted for capital calls and distributions.

Aggregate Adjusted Fund Reported NAV's	
Aggregate Adjusted Actual Fund Reported NAV at March 31, 2007	\$1,917,236
Aggregate Adjusted Actual Fund Reported NAV at June 30, 2007	\$2,142,476
June 30, 2007 as a % of March 31, 2007	111.75%

6. Commitments and Contingencies

Conversus holds interests in approximately 178 private equity investments, including private equity funds, direct co-investments and publicly held securities with remaining unfunded commitments of approximately \$779.0 million as of September 30, 2007. In addition, Conversus intends to commit to make capital contributions to private equity funds from time to time in the future and will make purchases of existing private equity funds in the secondary market, many of which will be subject to additional funding requirements. Conversus generally employs an over-commitment strategy when making investments in private equity funds in order to maximize the amount of its capital that is invested at any given time. When an over-commitment strategy is employed, the aggregate amount of capital committed by Conversus to private equity funds at a given time may exceed the aggregate amount of cash that Conversus has available for immediate investment. Because the managers of private equity funds will typically be permitted to make calls for capital contributions following the expiration of a relatively short notice period, employing an over-commitment approach requires Conversus to time investments and manage available cash in a manner that allows the funding of its capital commitments as and when capital calls are made. In addition, Conversus may be required to fund capital calls that may be made by fund managers to recoup past distributions as a result of liabilities incurred in respect of prior investments. CAM is primarily responsible for managing Conversus' cash and the timing of its investments. CAM takes into account expected cash flows to and from investments, including cash flows to and from investments in private equity funds and amounts available from the issuance of notes under the collateralized fund obligation program, when planning investment and cash management activities with the objective of seeking to ensure that Conversus is able to honor its commitments to funds as and when they become due.

As described in Note 3, Conversus has entered into a collateralized fund obligation program allowing it to issue notes to the purchaser of up to \$650.0 million on a continuous basis. When permitted by the terms of the collateralized fund obligation program, Conversus may incur additional long-term indebtedness in connection with future investment activity.

7. Earnings per Unit Issued and Outstanding

The earnings per unit due to the increase in net assets resulting from operations, for the period from July 6, 2007 (commencement of operations) to September 30, 2007, is calculated by dividing the increase in net assets for the period by the weighted average number of units issued and outstanding for the period, as outlined in the table below:

Earnings per Unit Issued and Outstanding for the period ended September 30, 2007	
Net increase in net assets resulting from operations	\$204,061
Weighted average number of units issued and outstanding	73,402
Earnings per unit issued and outstanding	\$2.78

8. Risks

Conversus is exposed to a number of market risks due to the types of investments it makes. Its exposure to market risks relates, among other things, to changes in the values of publicly traded and private securities that are held for investment, movements in prevailing interest rates and changes in foreign currency exchange rates. CAM, as the service provider under the services agreement, is responsible for monitoring all market risks and for carrying out risk management activities relating to Conversus' investments.

Securities Market Risks

Conversus and the private equity funds in which it invests may make investments in portfolio companies whose securities are offered to the public in connection with the process of exiting an investment. The market prices and values of publicly traded securities of companies in which Conversus has investments may be volatile and can fluctuate due to a number of factors beyond its control, including actual or anticipated fluctuations in the quarterly and annual results of such companies or of other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, industry conditions, changes in government regulation, differences in operating results from levels forecasted by securities analysts, the general state of the securities markets and other material events, such as significant management changes, re-financings, acquisitions and dispositions. In accordance with U.S. GAAP, Conversus is required to value investments in publicly traded securities based on current market prices at the end of each accounting period, which could lead to significant changes in the net asset values and operating results that Conversus reports from quarter to quarter.

Interest Rate Risks

As described above, Conversus will, from time to time, incur indebtedness to support its liquidity needs. An increase in interest rates could increase the cost of making payments on the notes or make it more difficult or expensive for Conversus to obtain debt financing in the future, and could decrease the returns that its investments generate.

Conversus is subject to additional risks associated with changes in prevailing interest rates due to the fact that its capital is invested in private equity funds that hold (or Conversus may invest directly in) portfolio companies whose capital structures may have a significant degree of indebtedness.

Foreign Currency Risks

Conversus' functional currency is the U.S. dollar because a majority of its investments are denominated in U.S. dollars. As a result, the investments that are carried as assets in the combined financial statements are stated in U.S. dollars. When valuing investments that are denominated in currencies other than the U.S. dollar, the values of such investments are converted into U.S. dollars based on prevailing exchange rates as of the end of the applicable accounting period. Due to the foregoing, changes in exchange rates between the U.S. dollar and other currencies could lead to significant changes in net asset values from quarter to quarter.

Hedging Arrangements and Risk Management

When managing its exposure to market risks and foreign currency exposure risk, Conversus may use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates. Conversus anticipates that the scope of risk management activities it undertakes will vary based on the level and volatility of interest rates, prevailing foreign currency exchange rates, the type of investments that are made and other changing market conditions. The use of hedging transactions and other derivative instruments to reduce the effects of a decline in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines. However, such activities can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of the position. Such transactions may also limit the opportunity for gain if the value of a position increases. Moreover, it may not be possible to limit the exposure to a market development that is so generally anticipated that a hedging or other derivative transaction cannot be entered into at an acceptable price.

Although Conversus may enter into hedging transactions in order to reduce its exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, Conversus may not seek or be successful in establishing a perfect correlation between the instruments used in a hedging or other derivative transaction and the position being hedged. An imperfect correlation could prevent Conversus from achieving the intended result and create new risks of loss. In addition, it may not be possible to fully or perfectly limit Conversus' exposure against all changes in the values of its investments, because the values of its investments are likely to fluctuate as a result of a number of factors, some of which will be beyond Conversus' control, and it may not be able to respond to such fluctuations in a timely manner or at all.

Conversus may also invest in private equity related derivative instruments to enhance its returns as part of its investment strategy. Such efforts may prove unsuccessful and result in losses in excess of amounts invested.

As at September 30, 2007 there were no such derivatives or hedging instruments outstanding.

9. Subsequent Events

On October 18, 2007, Conversus issued 90,192 common units, in the form of restricted depository units (“RDUs”), to OHIM. The units issued were subscribed to by OHIM in partial fulfillment of OHIM’s obligation to invest 25.0% of its performance fee until it reaches a \$25.0 million commitment level as set forth in the Offering Memorandum dated June 19, 2007. The issuance was based on the Conversus LP average closing price for the ten days prior to the end of the period ended September 30, 2007 and related to an estimate of the performance fees due to CPC for the period ended September 30, 2007.

On November 19, 2007, Conversus issued 12,299 common units, in the form of RDUs, to OHIM. The units issued were subscribed to by OHIM in partial fulfillment of OHIM’s obligation to invest 25.0% of its performance fee until it reaches a \$25.0 million commitment level as set forth in the Offering Memorandum dated June 19, 2007. The issuance was based on the Conversus LP average closing price for the ten days prior to the end of the quarter ended September 30, 2007 and related to the final calculation of the performance fees due to CPC for the period ended September 30, 2007.

For the fourth quarter of 2007, OHIM has elected to increase the level of reinvestment of its performance fee from 25.0% to 37.5%.

FINANCIAL HIGHLIGHTS

For the period from July 6, 2007 (commencement of operations)
through September 30, 2007

(US\$ in thousands except per unit amounts)

<u>Per Unit Operating Performance</u>	<u>September 30, 2007</u>
NET ASSET VALUE AT BEGINNING OF PERIOD	\$ -
Partners' capital contributions	25.00
Offering costs	(0.09)
Increase from operating activities	
Net investment loss	(0.44)
Realized gain on investments	0.97
Net increase in unrealized gain on investments	2.25
Total increase from operating activities	<u>2.78</u>
NET ASSET VALUE PER UNIT AT END OF PERIOD	<u>\$27.69</u>
TOTAL RETURN – Before Performance fees	11.96%
Performance fees	(1.20)
TOTAL RETURN – After Performance fees	<u>10.76%</u>
<u>Supplemental information</u>	
Weighted average net assets at end of period	<u>\$1,952,175</u>
Percentage to weighted average net assets:	
Net investment loss	1.64%
Performance fees	1.12%
Organizational costs	0.24
Operating expenses ⁽¹⁾	2.31
Total expenses	<u>3.67%</u>
Realized gain on investments	3.65%
Net increase in unrealized gain on investments	8.45%

⁽¹⁾ Operating expenses, which includes all expenses other than performance fees and organizational costs, have been annualized.