MANAGEMENT'S REPORT

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

Management maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded, that transactions are properly authorized and that financial records are properly maintained to facilitate the preparation of consolidated financial statements in a timely manner. Under the supervision of management, an evaluation of the effectiveness of the Company's internal control over financial reporting was carried out for the year ended March 31, 2022. Based on that evaluation, management concluded that the Company's internal control over financing reporting was effective for the year ended March 31, 2022.

The Board of Directors carries out its responsibility for the consolidated financial statements in this annual report principally through its Audit Committee. The Audit Committee, which comprised three non-management Directors during the year ended March 31, 2022, meets periodically with management and with external auditors to discuss the scope and results with respect to financial reporting of the Company. The Audit Committee has reviewed the consolidated financial statements with management and with the independent auditors. The consolidated financial statements have been approved by the Board of Directors on the recommendation of the Audit Committee.

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

B. Jeffrey Parr
Vice Chairman

Daniel Cheng
Chief Financial Officer

TO THE SHAREHOLDERS OF CLAIRVEST GROUP INC.

OPINION

We have audited the consolidated financial statements of Clairvest Group Inc. and its subsidiaries [the "Company"], which comprise the consolidated statements of financial position as at March 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRSs"].

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Fair value measurement of financial assets based on unobservable inputs</td></tr>
<tr><td>
The Company describes its critical accounting estimates, assumptions and judgment in relation to the fair value measurement of financial instruments in note 2 of the consolidated financial statements. As disclosed in note 18 of the consolidated financial statements, the Company has financial assets of $996 million recorded at fair value. Of these, $782 million relates to investments where fair value is based on unobservable inputs and are classified as Level 3 financial instruments within the fair value hierarchy.
Auditing the fair value of Level 3 financial assets requires the application of significant auditor judgment and involvement of valuation specialists in assessing the valuation techniques and unobservable inputs utilized by the Company. Certain valuation inputs used to determine fair value that may be unobservable include the multiple of earnings before interest, taxes, depreciation and amortization ["EBITDA"] or revenue and the estimated adjusted EBITDA or revenue. The use of different valuation techniques and assumptions could produce significantly different estimates of fair value.
</td><td>
Our audit procedures included, among others, evaluating the Company's valuation techniques and testing the significant inputs and assumptions utilized by the Company, including related disclosures. We evaluated the Company's valuation techniques and assessed whether these valuation techniques were reasonable based on the characteristics of the investee company, such as the operations, industry sector and market activity. We also assessed whether the unobservable inputs and assumptions identified by the Company are relevant and if it provided a reasonable basis for the fair value measurement.
The most significant and judgmental unobservable inputs impacting the fair value measurement are the multiple of EBITDA or revenue and the estimated adjusted EBITDA or revenue for the relevant investee company. Our audit procedures included, among others:

Where the multiple of EBITDA or revenue is based on public guideline companies, we reviewed business descriptions of guideline companies selected by management and evaluated if they were reasonable based on the business of the investee company. Where applicable, we performed an independent search for additional guideline companies to benchmark and incorporate trends in the broader industry that impact the fair value measurement.
Where the multiple of EBITDA or revenue is based on a multiple at which the Company invested in the investee company, on follow-on investments or financings, or on partial realization in the investee company, we re-calculated the multiple using the transaction details and assessed whether the transaction continued to be representative of fair value.
We assessed the estimated adjusted EBITDA or revenue based on recent financial information of the investee company, including the most recent audited financial statements, where applicable.
Our assessment of the multiple of EBITDA or revenue and estimated adjusted EBITDA or revenue was also based on certain qualitative factors, including the size and stage of the investee company, nature of business of guideline companies compared to the investee company, developments of the investee company, current economic environment and any relevant subsequent events.

</td></tr>
</table>

OTHER INFORMATION

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Gary Chin.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 27, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at March 31

$000s		2022		2021
ASSETS				
Cash and cash equivalents (notes 3 and 14)	**$**	**218,417**	$	186,795
Temporary investments (note 3)		**130,378**		92,578
Accounts receivable and other assets (note 10(f))		**56,627**		40,502
Loans receivable (note 10(e))		**47,655**		86,313
Derivative instruments (note 15)		**3,222**		1,446
Income taxes recoverable		**4,980**		433
Carried interest from Clairvest Equity Partners III and IV (note 7)		**35,496**		34,318
Corporate investments (note 5)		**849,073**		534,667
Fixed assets (note 8)		**7,295**		7,973
	$	**1,353,143**	$	985,025
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Accounts payable and accrued liabilities (notes 10(h) and 16(d))	**$**	**6,852**	$	8,554
Income taxes payable		**340**		956
Accrued compensation expense (notes 13 and 16(b))		**18,598**		10,507
Share-based compensation (note 13)		**62,008**		65,216
Management participation from Clairvest Equity Partners III and IV (note 7)		**26,997**		25,996
Deferred income tax liability (note 11)		**59,261**		15,989
	$	**174,056**	$	127,218
Contingencies, commitments and guarantees (note 16)				
Shareholders' equity				
Share capital (note 12)	**$**	**80,794**	$	80,827
Retained earnings		**1,098,293**		776,980
		1,179,087		857,807
	$	**1,353,143**	$	985,025

See accompanying notes

On behalf of the Board:

MICHAEL BREGMAN
Director

JOHN KREDIET
Chairman

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended March 31

$000s (except per share information)		**2022**		2021
REVENUE				
Net investment gain (notes 4 and 5)	**$**	**355,620**	$	150,528
Distributions and interest income (notes 5, 6 and 10)		**43,486**		20,561
Carried interest from Clairvest Equity Partners III and IV (note 7)		**5,977**		(9,299)
Dividend income (note 10(g))		**1,754**		1,415
Management fees (note 6)		**11,299**		12,065
Advisory and other fees (note 10(g))		**2,921**		2,453
		421,057		177,723
EXPENSES				
Employee compensation and benefits (notes 13 and 16(b))		**22,825**		17,152
Share-based compensation expenses (note 13)		**13,081**		41,573
Administration and other expenses		**5,111**		5,721
Finance and foreign exchange expenses		**705**		3,935
Management participation from Clairvest Equity Partners III and IV (note 7)		**4,322**		(7,447)
		46,044		60,934
Income before income taxes		**375,013**		116,789
Income tax expense (note 11)		**44,806**		11,950
Net income and comprehensive income for the year	**$**	**330,207**	$	104,839
Basic and fully diluted net income and comprehensive income per share (note 12)	**$**	**21.93**	$	6.96

See accompanying notes

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended March 31

$000s		Share capital		Retained earnings		Total shareholders' equity
As at April 1, 2021	**$**	**80,827**	**$**	**776,980**	**$**	**857,807**
Changes in shareholders' equity						
Net income and comprehensive income for the year				**330,207**		**330,207**
Dividends declared ($0.5696 per share)				**(8,577)**		**(8,577)**
Purchase and cancellation of shares (note 12)		**(33)**		**(317)**		**(350)**
As at March 31, 2022	**$**	**80,794**	**$**	**1,098,293**	**$**	**1,179,087**
As at April 1, 2020	**$**	80,917	**$**	756,498	**$**	837,415
Changes in shareholders' equity						
Net income and comprehensive income for the year				104,839		104,839
Dividends declared ($5.5555 per share)				(83,661)		(83,661)
Purchase and cancellation of shares (note 12)		(90)		(696)		(786)
As at March 31, 2021	**$**	80,827	**$**	776,980	**$**	857,807

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended March 31

$000s		2022		2021
OPERATING ACTIVITIES				
Net income and comprehensive income for the year	**$**	**330,207**	$	104,839
Add (deduct) items not involving a current cash outlay:				
Amortization of fixed assets		**1,144**		1,203
Share-based compensation		**13,508**		43,433
Deferred income tax expense		**43,272**		4,273
Net investment gain		**(355,620)**		(150,528)
Carried interest and management participation from Clairvest Equity Partners III and IV		**(177)**		1,972
Non-cash items relating to foreign exchange forward contracts		**(1,598)**		(3,819)
Non-cash items relating to corporate investments		**476**		1,237
		31,212		2,610
Adjustments for:				
Net proceeds on sale (cost of acquisition) of temporary investments		**(25,529)**		75,524
Net loans repaid by (advanced to) acquisition entities or the CEP Funds (note 10(e))		**38,658**		(66,250)
Proceeds from (cost of) settlement of realized foreign exchange forward contracts		**(178)**		2,458
Investments made in investee companies or acquisition entities		**(54,136)**		(35,761)
Distribution or return of capital from investee companies or acquisition entities		**82,603**		38,492
Settlement of share-based compensation liability		**(16,716)**		(17,256)
		24,702		(2,793)
Net change in non-cash working capital balances related to operations (note 14)		**(14,899)**		(1,399)
Cash provided by (used in) operating activities		**41,015**		(1,582)
INVESTING ACTIVITIES				
Purchase of fixed assets		**(466)**		(114)
Cash used in investing activities		**(466)**		(114)
FINANCING ACTIVITIES				
Cash dividends paid		**(8,577)**		(83,661)
Purchase and cancellation of shares (note 12)		**(350)**		(786)
Cash used in financing activities		**(8,927)**		(84,447)
Net increase (decrease) in cash during the year		**31,622**		(86,143)
Cash and cash equivalents, beginning of year (note 14)		**186,795**		272,938
Cash and cash equivalents, end of year	**$**	**218,417**	$	186,795
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest received	**$**	**5,046**	$	5,462
Distributions received (notes 5 and 10)	**$**	**110,892**	$	47,648
Income taxes paid	**$**	**6,698**	$	1,591
Interest paid	**$**	**775**	$	777

See accompanying notes

1. NATURE OF ACTIVITIES

Clairvest Group Inc. ("Clairvest" or the "Company") is a private equity management firm 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 ("TSX") under the symbol CVG. The Company, which operates in only one business segment, actively seeks to form mutually beneficial investments with entrepreneurial businesses. As at March 31, 2022, Clairvest invests its own capital, and that of third parties, through Clairvest Equity Partners III Limited Partnership ("CEP III"), Clairvest Equity Partners IV Limited Partnership ("CEP IV"), Clairvest Equity Partners IV-A Limited Partnership ("CEP IV-A"), Clairvest Equity Partners V Limited Partnership ("CEP V"), CEP V HI India Investment Limited Partnership ("CEP V India"), Clairvest Equity Partners V-A Limited Partnership ("CEP V-A"), Clairvest Equity Partners VI Limited Partnership ("CEP VI"), Clairvest Equity Partners VI-A Limited Partnership ("CEP VI-A") and Clairvest Equity Partners VI-B Limited Partnership ("CEP VI-B") (together, the "CEP Funds"). CEP III, CEP IV and CEP IV-A are herein referred to as Clairvest Equity Partners III and IV. CEP V, CEP V India, CEP V-A, CEP VI, CEP VI-A and CEP VI-B are herein referred to as Clairvest Equity Partners V and VI.

Clairvest contributes financing and strategic expertise to support the growth and development of its investee companies in order to create realizable value for shareholders.

Clairvest is incorporated under the laws of the Province of Ontario. The Company's head office is located at 22 St. Clair Avenue East, Suite 1700, Toronto, Ontario, Canada, M4T 2S3.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and adoption of new accounting standard

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

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

These consolidated financial statements and related notes of Clairvest for the years ended March 31, 2022 and 2021 ("consolidated financial statements") were authorized for issuance by the Board of Directors on June 27, 2022.

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

Basis of consolidation

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

Consolidated subsidiaries

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

The following entities, which are significant in nature, do not meet the definition of an investment entity and provide investment-related services on behalf of the Company.

Clairvest GP Manageco Inc.
Clairvest GP (GPLP) Inc.
CEP MIP GP Corporation
Clairvest USA Limited
Clairvest General Partner Limited Partnership
Clairvest General Partner III Limited Partnership ("Clairvest GP III")
Clairvest General Partner IV Limited Partnership ("Clairvest GP IV")

Interests in unconsolidated subsidiaries ("acquisition entities")

In accordance with IFRS 10, interests in subsidiaries other than those that provide investment-related services are accounted for at fair value through profit or loss ("FVTPL") rather than consolidating them. As discussed under critical accounting estimates and judgments, management exercised judgment when determining whether subsidiaries are investment entities.

The following entities, which are significant in nature, are controlled by Clairvest either directly or indirectly and are used as acquisition entities of the Company. The entities' principal place of business is in Canada:

2141788 Ontario Corporation ("2141788 Ontario")
2486303 Ontario Inc. ("2486303 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")
Clairvest General Partner V Limited Partnership ("Clairvest GP V")
MIP V Limited Partnership ("MIP V")
CEP VI Co-Investment Limited Partnership ("CEP VI Co-Invest")
MIP VI Limited Partnership ("MIP VI")
Clairvest SLP VI Limited Partnership ("Clairvest SLP VI")

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

Interests in the CEP Funds

Clairvest manages and invests alongside the CEP Funds, which meet the definition of structured entities under IFRS. Clairvest provides loans to and earns priority distributions or management fees and carried interest from the CEP Funds, which are further described in *notes 6 and 7*. 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 and other funds it manages for certain co-investors are not included in Clairvest's consolidated financial statements.

(a) **Classification and recognition of financial instruments**

In accordance with IFRS 9, *Financial Instruments* ("IFRS 9"), financial instruments classified as FVTPL would include cash, cash equivalents and temporary investments ("treasury funds"), loans receivable, derivative instruments and corporate investments. These financial instruments are classified at initial recognition at FVTPL on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company. The Company does not apply hedge accounting to its derivative instruments. Accounts receivable and other assets would include balances relating to its acquisition entities, indirect investee companies ("investee companies") and the CEP Funds as well as other short-term receivables. These receivable balances are recognized at amortized cost in accordance with IFRS 9. Accounts payable and accrued liabilities are considered to be payable in respect of goods or services received up to the consolidated statement of financial position date and are recognized at amortized cost in accordance with IFRS 9.

(b) **Cash and cash equivalents**

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

(c) **Temporary investments and corporate investments**

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

In the absence of an active market, the fair values are determined by management using the appropriate valuation methodologies after considering the history and nature of the business, operating results and financial conditions, the general economic, industry and market conditions, capital market and transaction market conditions, contractual rights relating to the investment, public market comparables, private company transaction 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.

(d) **Foreign currency translation**

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

(e) **Derivative instruments**

The Company and its acquisition entities enter into foreign exchange forward contracts to hedge their exposure to exchange rate fluctuations on their foreign currency-denominated investments and loans. These foreign exchange forward contracts and their underlying investments and loans are valued at exchange rates in effect as at the consolidated statement of financial position dates.

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

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

(f) **Income recognition**

Realized gains or losses on disposition of corporate investments and change in unrealized gains or losses in the value of corporate investments are calculated based on weighted average cost and are included in net investment gain in the consolidated statements of comprehensive income. Management fees and advisory and other fees are recorded as income on an accrual basis when earned. Distributions and interest income are recognized on an accrual basis and dividend income is recognized on the ex-dividend date. Carried interest includes amounts receivable from Clairvest Equity Partners III and IV. Each Clairvest Equity Partners III and IV Fund is separately reviewed as at the consolidated statement of financial position date and an accrual for carried interest is made when the performance conditions are achieved in accordance with IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") based on the assumption that the remaining underlying investments are realized at their estimated fair values. The fair value of the underlying investments is determined consistently with the Company's valuation methodology and is measured at the consolidated statement of financial position date. Carried interest is accrued only in the event it is highly probable that there will not be a significant reversal in future financial periods.

(g) **Income taxes**

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company and its acquisition entities operate and generate taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

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

(h) **Stock-based compensation plans**

The Company's stock option plans allow for cash settlement of stock options. As the economics to choose cash or shares as settlement are the same for all holders, compensation expense is recognized over the applicable vesting period and a corresponding liability is recorded based on the fair value of the outstanding stock options at the consolidated statement of financial position dates. Fair value is measured by use of an appropriate option-pricing model. On the exercise of stock options for shares, the liability recorded with respect to the options and consideration paid by the employees is credited to share capital. On the exercise of stock options for cash, the liability recorded is reduced and any difference between the liability accrued and the amount paid is charged to share-based compensation expense.

(i) **Deferred share unit plans**

Directors of the Company may elect annually to receive all or a portion of their compensation in deferred share units ("DSUs") based on the closing price of a Clairvest common share on the date directors' fees are payable. Upon redemption of DSUs, the Company pays to the participant a lump-sum cash payment equal to the number of DSUs to be redeemed, multiplied by the closing price of a Clairvest common share on the redemption date. A participant may redeem his or her DSUs only following termination of board service. Under the Company's DSU plan, a change to the fair value of the DSUs is charged to share-based compensation expense and recorded as a liability.

Certain directors were also granted appreciation deferred share units ("ADSUs"). Upon redemption of the ADSUs, the Company pays to the participant a lump-sum cash payment equal to the number of ADSUs to be redeemed multiplied by the difference between the closing price of a Clairvest common share on the redemption date and the closing price of a Clairvest common share on the grant date. A participant may redeem his or her ADSUs only following termination of board service. Under the Company's ADSU plan, a change to the fair value of the ADSUs is charged to share-based compensation expense and recorded as a liability.

Certain employees of the Company may elect annually to receive all or a portion of their annual bonuses in employee deferred share units ("EDSUs"). The number of EDSUs granted to a participant is determined by dividing the amount of the elected bonuses to be received by way of EDSUs by the five-day volume-weighted average closing price of the Clairvest common shares. EDSUs may be redeemed for cash or for common shares of the Company. A participant may redeem his or her EDSUs only following termination of employment. Under the Company's EDSU plan, a change to the fair value of the EDSUs is charged to share-based compensation expense and recorded as a liability.

(j) **Book value appreciation rights plan**

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

Fair value of the BVARs is calculated based on the latest book value per share published at the time the value is being determined. As the Company's BVAR plan is a cash-settled plan, a change to the fair value of the BVARs is charged to share-based compensation expense and recorded as a liability.

(k) **Entitlements of partners of a limited partnership**

The Company consolidates subsidiaries which includes various limited partnerships and the entitlements of partners of these limited partnerships that are external to the consolidated group of the Company are recorded as a liability and an expense of the Company. Accordingly, that portion of the carried interest from Clairvest Equity Partners III and IV which are ultimately paid to the limited partners of the corresponding MIP partnerships which are external to the consolidated group are recorded as a management participation liability and a management participation expense on the consolidated financial statements. The amounts ultimately paid to the limited partners of the corresponding MIP Partnerships resulting from carried interest from Clairvest Equity Partners V and VI are accounted for at FVTPL.

(l) **Leases**

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. Each lease payment is allocated between the repayment of the lease liability and finance expenses. Finance expenses are charged to the consolidated statement of comprehensive income over the lease period to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The associated right-of-use assets were measured at an amount equal to the lease liabilities, adjusted for previously recognized lease accruals, in accordance with the transitional provisions of IFRS 16, *Leases* ("IFRS 16"), and entirely comprised real estate premises. The right-of-use assets are included within fixed assets in the consolidated statements of financial position and amortized on a straight-line basis over the shorter of the asset's useful life and the lease term.

(m) **Fixed assets**

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

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

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

(n) **Net income and comprehensive income per share**

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

(o) **Critical accounting estimates, assumptions and judgments**

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

Determination of investment entity

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

Fair value of financial instruments

Certain financial instruments are recorded in the Company's consolidated statements of financial position at values that are representative of or approximate fair value. The fair value of a financial instrument that is traded in active markets at each reporting date is determined by reference to its quoted market price or dealer price quotations. The fair values of certain other financial instruments are determined using valuation techniques. By their nature, these valuation techniques require the use of estimates and assumptions. Changes in the underlying estimates and assumptions could materially impact the determination of the fair value of a financial instrument. Imprecision in determining fair value using valuation techniques may affect net investment gain reported in a particular period.

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

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

Recognition of carried interest and corresponding expenses

The determination of the Company's carried interest recorded on the consolidated statements of financial position is based on the fair values of the financial instruments held by Clairvest Equity Partners III and IV. In accordance with IFRS 15, the calculated carried interest can only be recognized to the extent to which it is highly probable that there will not be a significant reversal when the relevant uncertainty is resolved. This judgment is made on a fund-by-fund basis, based on its specific circumstances, including consideration of: remaining duration of the fund, position in relation to the cash hurdle, the number of assets remaining in the fund and the potential for clawback. The actual amounts of carried interest received and paid will depend on the cash realizations of Clairvest Equity Partners III and IVs' portfolio investments, and valuations may change significantly in future financial periods. As discussed previously, fair values of certain financial instruments are determined using valuation techniques and, by their nature, include 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 carried interest and the resulting accrued liabilities for future payouts relating to the carried interest as at the consolidated statement of financial position dates.

Income taxes

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

3. CASH EQUIVALENTS AND TEMPORARY INVESTMENTS

Cash equivalents consist of deposits in investment and money market savings accounts, which have maturities of less than 90 days from the date of acquisition. As at March 31, 2022, the pre-tax weighted average yield was 0.9% (2021 – 0.7%) per annum.

As at March 31, 2022, temporary investments comprised guaranteed investment certificates, marketable securities, limited recourse capital notes and other fixed income securities as permitted by the Company's treasury policy, which in aggregate may not exceed the lesser of 10% of book value or 20% of treasury funds and with no single issue greater than 1.5% of book value. Guaranteed investment certificates have maturities greater than 90 days from the date of acquisition and through to July 2024. The pre-tax weighted average yield was 4.4% (2021 – 3.2%) per annum. The composition of Clairvest's temporary investments, based on their fair values, as at March 31 was as follows:

	March 31, 2022			March 31, 2021
	Due in 1 year or less	**Due after 1 year**	**Total**	Total
Guaranteed investment certificates	**$ 34,461**	**$ 2,136**	**$ 36,597**	$ 44,248
Marketable securities[(1)]	**—**	**45,587**	**45,587**	31,564
Limited recourse capital notes	**—**	**5,881**	**5,881**	4,173
Other fixed income securities	**37,271**	**5,042**	**42,313**	12,593
	$ 71,732	**$ 58,646**	**$ 130,378**	$ 92,578

(1) 297,258 (2021 – 253,610) common shares of Canadian Imperial Bank of Commerce ("CIBC", TSX:CM) preceding the 2:1 stock split on May 13, 2022.

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

Additionally, Clairvest's acquisition entities held $54.7 million (2021 – $45.7 million) in cash and cash equivalents and $25.8 million (2021 – $20.2 million) in temporary investments as described in *note 5*.

4. NET INVESTMENT GAIN

Net investment gain for the years ended March 31, 2022 and 2021 comprised the following:

	2022	2021
Net investment gain on investee companies (note 5)	**$ 340,868**	$ 119,520
Net investment gain on treasury funds	**12,271**	9,727
Net investment loss on the fair value revaluation of acquisition entities	**(30,046)**	(3,155)
Net change in unrealized gain on corporate investments (note 7)	**323,093**	126,092
Carried interest from Clairvest Equity Partners V and VI (note 7)	**113,509**	73,890
Management participation from Clairvest Equity Partners V and VI (note 7)	**(80,982)**	(49,454)
	$ 355,620	$ 150,528

5. CORPORATE INVESTMENTS

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

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

	March 31, 2022			March 31, 2021		
	Investee companies	**Acquisition entities net assets (liabilities)**	**Total**	Investee companies	Acquisition entities net assets (liabilities)	Total
Held directly by Clairvest Group Inc.	**$ 12,368**	**$ —**	**$ 12,368**	$ 2,674	$ —	$ 2,674
Held through the following acquisition entities:						
2141788 Ontario	**87,484**	**64,774**	**152,258**	64,670	55,591	120,261
2486303 Ontario	**3,680**	**(2,115)**	**1,565**	2,629	(2,958)	(329)
CEP III Co-Invest	**16,496**	**394**	**16,890**	14,814	460	15,274
MIP III	**638**	**(21)**	**617**	593	(15)	578
CEP IV Co-Invest	**87,927**	**(11,299)**	**76,628**	70,301	1,897	72,198
MIP IV	**1,333**	**(21)**	**1,312**	1,065	(13)	1,052
CEP V Co-Invest	**345,695**	**(32,732)**	**312,963**	234,485	(9,805)	224,680
Clairvest GP V	**30,878**	**89,329**	**120,207**	19,107	44,127	63,234
MIP V	**7,410**	**(5)**	**7,405**	5,095	(85)	5,010
CEP VI Co-Invest	**117,475**	**(10,077)**	**107,398**	37,849	(24,979)	12,870
Clairvest SLP VI	**5,710**	**(2)**	**5,708**	5,475	3	5,478
MIP VI	**22,176**	**11,578**	**33,754**	11,696	(9)	11,687
	$ 739,270	**$ 109,803**	**$ 849,073**	$ 470,453	$ 64,214	$ 534,667

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. Clairvest's relationships with CEP III Co-Invest and MIP III, CEP IV Co-Invest and MIP IV, CEP V Co-Invest, Clairvest GP V and MIP V, and CEP VI Co-Invest, Clairvest SLP VI and MIP VI are described in *notes 10(a), 10(b), 10(c) and 10(d)*.

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

During the year ended March 31, 2022, Clairvest made a net additional investment of $0.2 million in CEP III Co-Invest.

Also during the year ended March 31, 2022, CEP IV Co-Invest received cash proceeds of $8.6 million from Centaur Gaming, an investment realized during fiscal 2019, $2.6 million in interest and debt repayments from the Meadowlands, and $1.3 million from County Waste, an investment realized during fiscal 2021. Accordingly, CEP IV Co-Invest made income distributions totalling $12.5 million to its limited partners, $11.5 million of which was received by Clairvest and $1.0 million was received by the limited partners of MIP IV LP.

Also during the year ended March 31, 2022, Clairvest made an additional investment of $1.5 million in CEP V Co-Invest. Clairvest GP V and 2141788 Ontario also made investments of $1.0 million and $0.9 million, respectively, in CEP V Co-Invest during fiscal 2022. Also during the year ended March 31, 2022, CEP V Co-Invest received cash proceeds totalling $111.7 million from the sale of Also Energy. Accordingly, CEP V Co-Invest declared capital distributions totalling $95.6 million, representing 100% of the contributed capital, to its limited partners, $73.8 million of which was paid to Clairvest and the remaining $21.8 million was paid to 2141788 Ontario, Clairvest GP V and MIP V. In addition, CEP V Co-Invest also declared income distributions totalling $16.4 million to its limited partners, $14.3 million of which was ultimately paid to Clairvest and the remaining $2.1 million was paid to 2141788 Ontario.

Also during the year ended March 31, 2022, Clairvest made additional investments totalling US$35.2 million (C$44.0 million) to CEP VI Co-Invest. Clairvest SLP also made investments totalling US$4.5 million (C$5.6 million) to CEP VI Co-Invest during fiscal 2022.

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

	March 31, 2022	March 31, 2021
Assets		
Cash and cash equivalents	**$ 54,698**	$ 45,708
Temporary investments	**25,806**	20,245
Accounts receivable and other assets	**1,359**	816
Derivative instruments	**6,562**	6,720
Income taxes recoverable	**310**	48
Carried interest from Clairvest Equity Partners V and VI	**201,852**	88,343
Loans receivable	**—**	80
Deferred income tax asset	**916**	1,106
	$ 291,503	$ 163,066
Liabilities		
Accounts payable and accrued liabilities	**$ 3,809**	$ 4,390
Income taxes payable	**359**	753
Management participation from Clairvest Equity Partners V and VI	**141,328**	60,346
Loans payable	**22,009**	25,548
Deferred income tax liability	**14,195**	7,815
	$ 181,700	$ 98,852
Net assets	**$ 109,803**	$ 64,214

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

Excluding the net assets from acquisition entities summarized in the table above, the cost and the fair value of the Company's investee companies, aggregated by industry concentration, are summarized below.

	March 31, 2022			March 31, 2021		
	Fair value	**Cost**	**Difference**	Fair value	Cost	Difference
Co-packing	**$ 5,117**	**$ 5,117**	**$ —**	$ 5,117	$ 5,117	$ —
Dental services	**19,689**	**15,902**	**3,787**	14,884	15,902	(1,018)
Equipment rental	**4,439**	**13,591**	**(9,152)**	4,467	13,591	(9,124)
Financial services	**11,042**	**—**	**11,042**	1,782	—	1,782
Gaming	**355,325**	**142,370**	**212,955**	189,551	111,395	78,156
Information technology	**82,607**	**16,351**	**66,256**	22,690	16,351	6,339
Marketing services	**22,835**	**995**	**21,840**	80,951	995	79,956
Renewable energy	**106,999**	**53,110**	**53,889**	61,047	55,292	5,755
Specialty aviation and defence services	**74,357**	**77,046**	**(2,689)**	49,316	64,623	(15,307)
Waste management	**52,167**	**25,618**	**26,549**	36,009	25,618	10,391
Other investments	**4,693**	**2,622**	**2,071**	4,639	2,312	2,327
	$ 739,270	**$ 352,722**	**$ 386,548**	$ 470,453	$ 311,196	$ 159,257

During fiscal 2022, the aggregate fair value of Clairvest's investee companies increased by $268.8 million, comprised $253.7 million in net changes in unrealized gains in investee companies and $51.0 million in new and follow-on investments, net of investment realizations, which had a net fair value of $21.4 million as at March 31, 2021, distributions and interest received totalling $6.8 million and $7.7 million of losses in foreign exchange revaluation excluding the impact from the foreign exchange hedging program.

The fair value of each investee company reflected valuation methodologies as described in *note 18*. The cost and fair value of investee companies do not reflect foreign exchange gains or losses on the foreign exchange forward contracts entered into as economic hedges against these investments *(note 15)*. For those investments which are hedged by acquisition entities, the fair value of these foreign exchange forward contracts was included in the net assets (liabilities) of these acquisition entities. Details of each investee company are described below.

(a) Investments made by CEP III Co-Invest alongside CEP III

As at March 31, 2022 and 2021, CEP III Co-Invest had one investment remaining in Chilean Gaming Holdings, which has a 50% ownership interest in each of Casino Marina del Sol in Concepcion, Chile, and Casino Chillan in Chillán, Chile; and a 73.8% ownership interest in each of Casino Osorno in Osorno, Chile, and Casino Sol Calama in Calama, Chile. As at March 31, 2022 and 2021, CEP III Co-Invest held 30,446,299 limited partnership units of Chilean Gaming Holdings, representing a 36.8% equity interest.

(b) Investments made by CEP IV Co-Invest alongside CEP IV

As at March 31, 2022, CEP IV Co-Invest had three (2021 – three) investments remaining. Significant activities of CEP IV Co-Invest portfolio companies were as follows:

Gaming

New Meadowlands Racetrack

New Meadowlands Racetrack (the "Meadowlands") operates a standardbred horse racing track located in East Rutherford, New Jersey along with retail and mobile sports betting. As at March 31, 2021, CEP IV Co-Invest had invested US$5.4 million (C$5.6 million) in the Meadowlands in the form of secured convertible debentures (the "debentures"). CEP IV Co-Invest also holds warrants which entitle it to invest in equity securities of the Meadowlands subject to certain conditions. CEP IV Co-Invest had also invested US$0.7 million (C$0.9 million) in the Meadowlands in the form of preferred debt, which is junior to the Meadowlands Debentures and advanced a US$0.4 million (C$0.6 million) non-interest-bearing short-term loan.

During fiscal 2022, the Company received full repayment on the non-interest-bearing short-term loan, payments totalling US$0.2 million (C$0.3 million) on the preferred debt, US$0.1 million (C$0.1 million) of which were applied to interest and the remaining to principal, and payments totalling US$1.4 million (C$1.8 million) on the debentures, all of which were applied to interest. As at March 31, 2022, CEP IV Co-Invest held US$5.4 million (C$5.6 million) in debentures, US$0.6 million (C$0.7 million) in preferred debt and warrants of the Meadowlands.

Specialty aviation and defence services

Northco / Top Aces

Northco is a specialty aviation services company operating across Canada and in selected locations internationally. As at March 31, 2022 and 2021, CEP IV Co-Invest held $22.9 million in Northco debentures and 3,867 common shares of Northco at a cost of $0.4 million, which represented 38.7% ownership interest on a fully diluted basis. During fiscal 2022, CEP IV Co-Invest earned and received interest totalling $0.4 million.

Top Aces is a supplier of advanced adversary services across three continents. As at March 31, 2022 and 2021, CEP IV Co-Invest held 722.9719 common shares of Top Aces at a cost of $38.5 million, representing a 17.4% ownership interest on a fully diluted basis. During fiscal 2022, CEP IV Co-Invest advanced US$9.8 million (C$12.4 million) to Top Aces in the form of a promissory note which accrues interest at 12% per annum. The promissory note has a maturity date of October 7, 2022. Subsequent to year end, an additional US$17.8 million was funded to Top Aces under similar terms and conditions.

Momentum Solutions

Momentum Solutions is a Toronto-based, inter-connected network of logistical support companies offering innovative, custom and full-scale solutions to clients globally. As at March 31, 2022 and 2021, CEP IV Co-Invest had a 4.4% ownership interest of Momentum Solutions.

Other investments

Davenport Land Developments hold real estate surrounding a casino in Davenport, Iowa. As at March 31, 2022 and 2021, CEP IV Co-Invest held 1,982.14 units in Davenport Land Developments at a cost of $2.7 million representing a 21.9% ownership interest on a fully diluted basis.

(c) Investments made by CEP V Co-Invest alongside CEP V

As at March 31, 2022, CEP V Co-Invest had nine (2021 – ten) investments. Significant activities of CEP V Co-Invest portfolio companies were as follows:

Dental services

ChildSmiles Group is a multi-specialty dental practice providing oral health care with operations in New Jersey and Pennsylvania. As at March 31, 2022 and 2021, CEP V Co-Invest held 11,836,135 Class B preferred units of ChildSmiles Group at a cost of $15.9 million, representing a 15.0% ownership interest on a fully diluted basis. The Class B preferred units are entitled to a liquidity preference over all other equity of ChildSmiles Group.

Equipment rental

Durante Rentals is a construction equipment rental provider in the New York Metropolitan area. As at March 31, 2022 and 2021, CEP V Co-Invest held 217,121.20 LLC units at a cost of $13.6 million, representing a 20.8% ownership interest on a fully diluted basis.

Gaming

Accel Entertainment

Accel Entertainment is a licensed video gaming terminal operator in the United States. As at March 31, 2022 and 2021, CEP V Co-Invest held 5,069,670 Class A-1 shares and 244,674 Class A-2 shares of Accel Entertainment, together representing a 5.5% (2021 – 6.4%) ownership interest on a fully diluted basis. The Class A-1 shares are publicly listed on the NYSE under symbol ACEL and have a cost basis of $16.0 million. The Class A-2 shares are not publicly listed and the conversion of Class A-2 shares into Class A-1 shares is subject to certain criteria based on share price or earnings.

FSB Technology

FSB Technology is an international business-to-business sports and internet gaming technology supplier based in London, United Kingdom. As at March 31, 2021, CEP V Co-Invest held 7,820,855 Class A common shares and 1,770,804 Class B convertible preferred shares at a cost of $16.0 million, representing a 25.1% ownership interest on a fully diluted basis. The Class B convertible preferred shares are entitled to a liquidity preference over the Class A common shares.

During fiscal 2022, CEP V Co-Invest made follow-on investments totalling GBP£3.0 million (C$5.2 million) for an additional 1,854,545 Class B convertible preferred shares such that as at March 31, 2022, CEP V Co-Invest held 7,820,855 Class A common shares and 3,625,349 Class B convertible preferred shares at a cost of $21.2 million, representing a 25.5% ownership interest on a fully diluted basis.

Also during fiscal 2022, CEP V Co-Invest advanced GBP£1.2 million (C$2.0 million) to FSB Technology in the form of a promissory note which accrues interest at 8% per annum. The promissory note has a maturity date of September 14, 2022. Subsequent to year end, a further GBP£0.6 million (C$1.0 million) was advanced under the same terms and conditions.

Head Digital Works

Head Digital Works is an internet-based technology and gaming company with ownership interest in Ace2Three, a leading platform for online rummy; FanFight, a platform for Daily Fantasy Sport; Cricket.com, a site for cricket analytics; and WittyGames, delivering a mobile social gaming experience to markets in India.

As at March 31, 2022 and 2021, CEP V Co-Invest had invested INR₹1.6 billion (C$33.1 million) in Head Digital Works in the form of 39,412,175 common shares, representing a 29.2% (2021 – 32.4%) ownership interest on a fully diluted basis.

During the third and fourth quarter of fiscal 2022, the industry in which Head Digital Works operates received favourable court rulings in various jurisdictions in India. While various risks remain, these favourable events, as well as valuation indications resulting from fundraising completed by industry competitors of Head Digital Works, resulted in a material valuation change of this investment during fiscal 2022.

Information technology

Meriplex Communications is a provider of managed networking, cybersecurity, and IT services for mid-market customers throughout the United States. As at March 31, 2022 and 2021, CEP V Co-Invest held 5,250 common shares of Meriplex Communications, representing an 15.4% (2021 – 17.7%) ownership interest on a fully diluted basis at a cost of $6.7 million.

During fiscal 2022, Clairvest advanced US$8.0 million (C$10.2 million) to Meriplex Communications in the form of a promissory note which accrues interest at 8% per annum. The promissory note which has been included in loans receivable as described in note 10(e), has a maturity date of April 1, 2024.

Subsequent to year end, CEP V Co-Invest entered into a definitive agreement to partially realize its investment in Meriplex Communications. The closing of this transaction is subject to various conditions including regulatory approvals. As at March 31, 2022, the valuation of this investment reflected the estimated cash proceeds and implied valuation of the roll-over equity based on materialized financial performance and the terms and conditions of the definitive agreement.

Marketing services

Digital Media Solutions operates as a customer lead generation engine for companies in a variety of different industries. As at March 31, 2022 and 2021, CEP V Co-Invest held 6,091,377 Class A common shares of Digital Media Solutions, which are trading on the NYSE under the symbol DMS and representing a 9.8% (2021 – 10.4%) ownership interest on a fully diluted basis. CEP V Co-Invest also held 276,653 publicly traded warrants (NYSE: DMS/WS), which are convertible into Class A common shares at an exercise price of US$11.50 per warrant.

Renewable energy

Also Energy is a global provider of software and hardware solutions that enable the monitoring and control of power production and plant operations for commercial, industrial and utility-scale solar plants. As at March 31, 2021, CEP V Co-Invest held 1,013,062 cumulative convertible preferred shares, 577,609 Class A common shares and 11,037 Class B preferred shares for a combined cost of US$9.0 million (C$11.8 million), representing an ownership interest of 18.0% on a fully diluted basis. In addition, CEP V Co-Invest had also advanced US$4.1 million (C$5.2 million) to Also Energy in the form of a promissory note which accrues interest at 10% per annum.

During fiscal 2022, CEP V Co-Invest sold its interest in Also Energy to STEM, Inc., which is publicly traded on the NYSE under symbol STEM. CEP V Co-Invest received cash proceeds totalling US$82.4 million (C$104.6 million) and 1,091,583 STEM common shares compared to costs totalling US$9.0 million (C$11.8 million). In conjunction with the transaction, CEP V Co-Invest received full repayment on the promissory note previously advanced to Also Energy.

Waste management

DTG Recycle

DTG Recycle is a waste hauling and recycling company with operations concentrated in the greater Seattle-Tacoma area of Washington State. As at March 31, 2022 and 2021, CEP V Co-Invest held 8,657.622 Class A convertible preferred shares of DTG Recycle, representing a 14.6% ownership interest on a fully diluted basis at a cost of $11.3 million. The Class A convertible preferred shares are entitled to a liquidity preference over all other equity of DTG Recycle.

Winters Bros. Waste Systems of Long Island

Winters Bros. Waste Systems of Long Island ("Winters Bros. of LI") is a provider of commercial, industrial, and residential waste collection services across Long Island, New York. As at March 31, 2022 and 2021, CEP V Co-Invest held a 14.5% ownership interest on a fully diluted basis in Winters Bros. of LI and its various affiliates at a cost of $10.6 million.

(d) Investments made by CEP VI Co-Invest alongside CEP VI

As at March 31, 2022, CEP VI Co-Invest had five (2021 – four) investments. Significant activities of CEP VI Co-Invest portfolio companies were as follows:

Co-packing

Brunswick Bierworks is a contract manufacturer of specialty beverages serving Canadian and United States markets. As at March 31, 2022 and 2021, CEP VI Co-Invest held 5,116,616 Class A shares of Brunswick Bierworks, representing a 22.2% ownership interest on a fully diluted basis at a cost of $5.1 million.

Gaming

During fiscal 2022, CEP VI Co-Invest made a US$19.3 million (C$24.6 million) investment in Delaware Park Casino ("Delaware Park"), a racino located in Wilmington, Delaware, serving the Delaware, Maryland, New Jersey, and Pennsylvania markets. The investment was made in the form of 19,269 common shares representing a 18.6% ownership interest in Delaware Park.

Information technology

F12.NET is a provider of managed IT services for Canadian-based small to medium-market customers. As at March 31, 2022 and 2021, CEP VI Co-Invest held 283,144 Class A common shares, representing an ownership interest of 15.9% (2021 – 16.5%) in F12.NET on a fully diluted basis at a cost of $9.6 million.

Renewable energy

NovaSource is a solar operations and maintenance provider serving the global commercial and residential sectors. As at March 31, 2021, CEP VI Co-Invest held 2,932.6160 common shares, representing an ownership interest of 23.0% of NovaSource on a fully diluted basis at a cost of US$29.3 million (C$38.3 million).

During fiscal 2022, CEP VI Co-Invest made follow-on investments totalling US$0.4 million (C$0.4 million) for 34.0740 common shares such that as at March 31, 2022, CEP VI Co-Invest held 2,966.6900 common shares, representing 23.5% of NovaSource on a fully diluted basis at a cost of US$29.7 million (C$38.7 million).

Also during fiscal 2022, CEP VI Co-Invest advanced US$4.7 million (C$6.0 million) to NovaSource in the form of short-term loans which accrue interest at 8% per annum. The short-term loans have a maturity date of October 5, 2022.

Subsequent to year end, NovaSource entered into a definitive agreement for an equity raise where a third-party investor is to acquire a minority ownership interest for US$100.0 million. The closing of this transaction is subject to various conditions including regulatory approvals. As at March 31, 2022, the valuation of this investment reflected the implied valuation of the equity raise transaction discounted for the uncertainty to closing at that time.

Waste management

Arrowhead Environmental Partners is a non-hazardous waste-by-rail operator serving in Northeastern United States markets. As at March 31, 2022 and 2021, CEP VI Co-Invest held 2,706 Class A preferred units, representing an ownership interest of 11.3% in Arrowhead Environmental Partners at a cost of $3.7 million.

(e) Investments directly held

Financial services

As at March 31, 2022, the Company has a residual interest in Wellington Financial, which was realized during fiscal 2018 and which is the residual warrants portfolio, which are being liquidated over time.

During fiscal 2018, Clairvest received a full return of capital on its investment of $17.3 million in Wellington Financial and 194,876 CIBC common shares as a result of CIBC acquiring the loan portfolio of Wellington Fund V and certain assets of the general partner of Wellington Fund V.

During fiscal 2022, Clairvest received an additional 32,291 (2021 – 24,090) CIBC common shares from an earnout provision on the prior sale of Wellington Financial, which has been accounted for and included in marketable securities. Also during fiscal 2022, the performance vesting condition of all future earnouts was waived, and as a result, Clairvest recorded in its corporate investments the future value of the earnout where additional CIBC common shares will be received over time.

During fiscal 2022, Clairvest received distributions totalling $1.0 million (2021 – $2.3 million) from Wellington Financial. As at March 31, 2022, Clairvest had received distributions totalling $63.9 million (2021 – $62.9 million) from Wellington Financial.

Gaming

As at March 31, 2022 and 2021, the Company has an investment in Grey Eagle Casino, which is located on the Tsuu T'ina First Nation reserve lands, southwest of the City of Calgary, Alberta. As at March 31, 2022 and 2021, Clairvest held units of a limited partnership which operates Grey Eagle Casino, entitling Clairvest to between 2.8% and 9.6% of the earnings of the casino until June 30, 2023. Additionally, CEP is entitled to between 8.5% and 28.7% of the earnings of the Grey Eagle Casino until June 30, 2023. As described previously, 2486303 Ontario and Clairvest collectively hold a 100% interest in CEP.

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

During fiscal 2022, Clairvest earned $0.6 million (2021 – $0.2 million) and CEP earned $1.8 million (2021 – $0.5 million) in equity distributions from Grey Eagle Casino.

The following tables summarize, by industry concentration, the net investment gain or loss on investee companies for the years ended March 31, 2022 and 2021. The net investment gain or loss is inclusive of the impact on the foreign exchange hedging activities related to these investments.

Net investment gain (loss), by industry concentration

Year ended March 31, 2022	Net realized gain (loss)	Net unrealized gain (loss)	Foreign exchange gain (loss)(1)	Total
Dental services	$ —	$ 4,916	$ (12)	$ 4,904
Equipment rental	—	—	94	94
Financial services	4,788	4,473	—	9,261
Gaming	2,777	149,255	(5,710)	146,322
Information technology	—	60,141	(187)	59,954
Marketing services	210	(60,090)	2,423	(57,457)
Renewable energy	86,755	63,989	(258)	150,486
Residential services	128	—	—	128
Specialty aviation and defence services	—	11,043	26	11,069
Waste management	(36)	16,503	(125)	16,342
Other investments	(2)	(229)	(4)	(235)
Net investment gain (loss) on investee companies	$ 94,620	$ 250,001	$ (3,753)	$ 340,868

(1) Inclusive of foreign exchange hedging activities

Year ended March 31, 2021	Net realized gain (loss)	Net unrealized gain (loss)	Foreign exchange gain (loss)(1)	Total
Dental services	$ —	$ —	$ 68	$ 68
Equipment rental	850	(1,965)	65	(1,050)
Financial services	2,456	(1,226)	—	1,230
Gaming	37	24,193	(941)	23,289
Information technology	—	5,486	(48)	5,438
Marketing services	81	87,613	(528)	87,166
Renewable energy	—	6,315	(184)	6,131
Residential services	17,421	6,509	—	23,930
Specialty aviation and defence services	116	(36,020)	—	(35,904)
Waste management	(4)	9,421	(2)	9,415
Other investments	—	(39)	(154)	(193)
Net investment gain (loss) on investee companies	$ 20,957	$ 100,287	$ (1,724)	$ 119,520

(1) Inclusive of foreign exchange hedging activities

The Company and its acquisition entities entered into foreign exchange forward contracts as economic hedges against the fair value of its foreign currency-denominated investments and loans in accordance with its foreign exchange hedging policy as approved by the Board of Directors. During fiscal 2022, the net impact of foreign exchange on the investee companies included a gain of $2.3 million (2021 – loss of $0.6 million) on U.S. dollar denominated investments, a loss of $2.0 million (2021 – $3.2 million) on Indian rupee denominated investment, a loss of $4.0 million (2021 – gain of $1.6 million) on Chilean pesos denominated investment, and a loss of $0.1 million (2021 – gain of $0.4 million) on British pound denominated investment.

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

6. GENERAL PARTNER PRIORITY DISTRIBUTIONS AND MANAGEMENT FEES

Clairvest derives revenue from its investment management services for the CEP Funds in the form of general partner priority distributions or management fees. The priority distributions and management fees are calculated as a percentage of committed capital on the most recent CEP Fund and of invested capital less write-downs on the other CEP Funds. The priority distributions and management fees received by Clairvest are reduced proportionately by fees earned by Clairvest from corporate investments of the CEP Funds and other amounts as provided in the respective Limited Partnership Agreements.

For the year ended March 31, 2022 and 2021, general partner priority distributions and management fees from the CEP Funds were as follows:

Priority distributions

		2022		2021
CEP III	$	**131**	$	242
CEP IV		**1,013**		1,092
CEP V		**2,778**		2,751
CEP V India		**616**		616
CEP VI		**4,549**		4,901
	$	**9,087**	$	9,602

Management fees

		2022		2021
CEP IV-A	$	**159**	$	142
CEP V-A		**724**		704
CEP VI-A		**6,368**		6,859
CEP VI-B		**4,048**		4,360
	$	**11,299**	$	12,065

7. CARRIED INTEREST AND MANAGEMENT PARTICIPATION

As governed by the respective CEP Fund Limited Partnership Agreements, certain Clairvest consolidated subsidiaries are entitled to participate in distributions equal to 20% of all net gains (“carried interest”), which is subject to the respective investors of each CEP Fund achieving a minimum net return on their investment. On Clairvest Equity Partners VI, the carried interest increases from 20% to 25% once their investors achieve a net return of two times their aggregate capital contributions.

Clairvest is entitled to 50% of the carried interest realized in each CEP Fund and Clairvest management is entitled to the other 50% of the carried interest through their limited partnership interests in the various MIP partnerships. Clairvest management is also entitled to an 8.25% carried interest from the various CEP Co-Invest partnerships as governed by their respective Limited Partnership Agreements.

As described in *note 2(k)*, Clairvest records the carried interest from Clairvest Equity Partners III and IV and records an expense and a liability on that portion of the carried interest which is payable to Clairvest management. In accordance with IFRS 10, the carried interest from Clairvest Equity Partners V and VI and the corresponding management participation has been included in net investment gain as described in *note 4*.

Carried interest from Clairvest Equity Partners III and IV for fiscal 2022 and 2021 comprised the following:

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

	2022	2021
Realized carried interest	**$ 4,799**	$ 792
Net change in unrealized carried interest	**1,178**	(10,091)
	$ 5,977	$ (9,299)

The following tables detail the carried interest received from Clairvest Equity Partners III and IV and management participation paid for fiscal 2022 and 2021 and the corresponding receivable and payable balances as at the respective balance sheet dates:

	Realized carried interest Received during fiscal		Unrealized carried interest As at March 31	
	2022	**2021**	**2022**	**2021**
CEP	**$ 220**	$ 92	**$ 991**	$ 648
CEP III	**—**	700	**8,089**	7,735
CEP IV	**4,050**	—	**22,794**	22,466
CEP IV-A	**529**	—	**3,622**	3,469
	$ 4,799	$ 792	**$ 35,496**	$ 34,318

	Management participation Paid during fiscal		Management participation Payable as at March 31	
	2022	**2021**	**2022**	**2021**
CEP III	**$ —**	$ 350	**$ 4,044**	$ 3,868
CEP IV	**2,025**	—	**11,397**	11,233
CEP IV-A	**265**	—	**1,811**	1,734
CEP III Co-Invest	**—**	322	**3,313**	3,117
CEP IV Co-Invest	**1,031**	—	**6,432**	6,044
	$ 3,321	$ 672	**$ 26,997**	$ 25,996

During fiscal 2022, no carried interest was received from Clairvest Equity Partners V and VI and no management participation payments were made by Clairvest related to Clairvest Equity Partners V and VI. The following tables detail the carried interest receivable from Clairvest Equity Partners V and VI and management participation payable balances, as at the respective consolidated statement of financial position dates, which have been included in corporate investments:

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

Unrealized carried interest	**Realized carried interest received during the year ended March 31**		**Unrealized carried interest, as at March 31**	
	2022	**2021**	**2022**	**2021**
CEP V and CEP V India	**$ —**	$ —	**$ 149,340**	$ 74,750
CEP V-A	**—**	—	**29,329**	13,593
CEP VI	**—**	—	**6,902**	—
CEP VI-A	**—**	—	**9,955**	—
CEP VI-B	**—**	—	**6,326**	—
	$ —	$ —	**$ 201,852**	$ 88,343

Management participation	**Management participation paid during the year ended March 31**		**Management participation, as at March 31**	
	2022	**2021**	**2022**	**2021**
CEP V and CEP V India	**$ —**	$ —	**$ 74,670**	$ 37,375
CEP V-A	**—**	—	**14,664**	6,796
CEP VI	**—**	—	**3,451**	—
CEP VI-A	**—**	—	**4,978**	—
CEP VI-B	**—**	—	**3,163**	—
CEP V Co-Invest	**—**	—	**37,033**	16,175
CEP VI Co-Invest	**—**	—	**3,369**	—
	$ —	$ —	**$ 141,328**	$ 60,346

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

8. FIXED ASSETS

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

	Aircraft(1)	IT equipment	Furniture, fixtures and equipment	Leasehold improvements	Right-of-use asset(2)	Total
At cost						
Balance as at April 1, 2021	**$ 6,104**	**$ 16**	**$ 296**	**$ 709**	**$ 4,175**	**$ 11,300**
Additions	**461**	**—**	**5**	**—**	**—**	**466**
Balance as at March 31, 2022	**$ 6,565**	**$ 16**	**$ 301**	**$ 709**	**$ 4,175**	**$ 11,766**
Accumulated amortization						
Balance as at April 1, 2021	**$ 1,500**	**$ 16**	**$ 276**	**$ 686**	**$ 849**	**$ 3,327**
Amortization expense	**675**	**—**	**11**	**—**	**458**	**1,144**
Balance as at March 31, 2022	**$ 2,175**	**$ 16**	**$ 287**	**$ 686**	**$ 1,307**	**$ 4,471**
Carrying amount as at March 31, 2022	**$ 4,390**	**$ —**	**$ 14**	**$ 23**	**$ 2,868**	**$ 7,295**
At cost						
Balance as at April 1, 2020	$ 5,990	$ 16	$ 296	$ 709	$ 4,175	$ 11,186
Additions	114	—	—	—	—	114
Balance as at March 31, 2021	$ 6,104	$ 16	$ 296	$ 709	$ 4,175	$ 11,300
Accumulated amortization						
Balance as at April 1, 2020	$ 891	$ 16	$ 255	$ 548	$ 414	$ 2,124
Amortization expense	609	—	21	138	435	1,203
Balance as at March 31, 2021	$ 1,500	$ 16	$ 276	$ 686	$ 849	$ 3,327
Carrying amount as at March 31, 2021	$ 4,604	$ —	$ 20	$ 23	$ 3,326	$ 7,973

(1) A corresponding payable equal to 50% of the net book value of the aircraft had been recorded to reflect the ownership interest of the related parties.

(2) A corresponding accrued liability resulting from future minimum annual lease payments for the use of office space. $0.6 million is due within one year and $2.7 million due after one year but no more than five years. Refer to *note 16(d)* for further details.

9. CREDIT FACILITIES

As at March 31, 2022 and 2021, Clairvest maintained a $100.0 million revolving credit facility, which is participated in by several Schedule 1 Canadian chartered banks. The credit facility, which has a current expiry of December 2026 (2021 – December 2025) and is eligible for a one-year extension on each anniversary date, bears interest at the prime rate plus 1.25% per annum on drawn amounts and a standby fee of 0.70% per annum on undrawn amounts. The prime rate as at March 31, 2022 was 2.70% (2021 – 2.45%) per annum. The amount available under the credit facility as at March 31, 2022 and 2021 was $100.0 million. No amounts had been drawn on the facility during fiscal 2022 and 2021 and as at March 31, 2022 and 2021.

10. RELATED PARTY DISCLOSURES

Investments in acquisition entities and investment-related transactions with acquisition entities are further described in note 5.

(a) CEP III Co-Invest, an investment vehicle established in fiscal 2007, has committed to co-invest alongside CEP III in all investments undertaken by CEP III. 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 III Co-Invest's co-investment commitment is $75.0 million, all of which was funded as at March 31, 2022. CEP III Co-Invest is capitalized by three limited partners, Clairvest, 2141788 Ontario and MIP III. In accordance with the co-investment agreement, the proportion of the commitment amongst its three limited partners is at their own discretion. As at March 31, 2022, MIP III had invested $1.1 million in CEP III Co-Invest. Clairvest, as the general partner of MIP III, is entitled to participate in distributions equal to the realizable value on the $1.1 million invested by MIP III in CEP III Co-Invest. As at March 31, 2022, $2.5 million (2021 – $2.5 million) had been received by Clairvest.

(b) CEP IV Co-Invest, an investment vehicle established in fiscal 2010, has committed to co-invest alongside CEP IV and CEP IV-A in all investments undertaken by CEP IV and CEP IV-A. CEP IV Co-Invest 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 IV Co-Invest's co-investment commitment is $125.0 million, $21.2 million (2021 – $21.2 million) of which remained unfunded as at March 31, 2022. CEP IV Co-Invest is capitalized by two limited partners, Clairvest and MIP IV. In accordance with the co-investment agreement, the proportion of the commitment amongst its two limited partners is at their own discretion. As at March 31, 2022, MIP IV had invested $1.6 million in CEP IV Co-Invest. Clairvest, as the general partner of MIP IV, is entitled to participate in distributions equal to the realizable value on the $1.6 million invested by MIP IV in CEP IV Co-Invest. During fiscal 2022, MIP IV distributed $0.2 million (2021 – nil) to Clairvest. As at March 31, 2022, $6.4 million (2022 – $6.2 million) had been received by Clairvest.

(c) CEP V Co-Invest, an investment vehicle established in fiscal 2015, has committed to co-invest alongside CEP V, CEP V India and CEP V-A in all investments undertaken by CEP V, CEP V India CEP V-A. CEP V Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP V, CEP V India and CEP V-A if it concurrently sells a proportionate number of securities of that corporate investment held by CEP V, CEP V India and CEP V-A.

CEP V Co-Invest's co-investment commitment is $180.0 million, $35.8 million (2021 – $39.2 million) of which remained unfunded as at March 31, 2022. CEP V Co-Invest is capitalized by four limited partners, Clairvest, 2141788 Ontario, Clairvest GP V and MIP V. In accordance with the co-investment agreement, the proportion of the commitment amongst its four limited partners is at their own discretion. Clairvest, as the general partner of Clairvest GP V and MIP V, is entitled to participate in distributions equal to the realizable value on the amounts invested by Clairvest GP V and MIP V in CEP V Co-Invest. As at March 31, 2022, Clairvest GP V and MIP V had invested $10.0 million and $2.4 million, respectively, in CEP V Co-Invest. During fiscal 2022, CGP V and MIP V distributed $7.9 million (2021 – $3.1 million) and $3.1 million (2021 – $0.7 million), respectively, to Clairvest. As at March 31, 2022, Clairvest had received distributions totalling $11.0 million (2021 – $3.1 million) from Clairvest GP V and $3.9 million (2021 – $0.8 million) from MIP V.

(d) CEP VI Co-Invest, an investment vehicle established in fiscal 2020, has committed to co-invest alongside CEP VI, CEP VI-A and CEP VI-B in all investments undertaken by CEP VI, CEP VI-A and CEP VI-B. CEP VI Co-Invest may only sell all or a portion of a corporate investment that is a joint investment with CEP VI, CEP VI-A and CEP VI-B if it concurrently sells a proportionate number of securities of that corporate investment held by CEP VI, CEP VI-A and CEP VI-B.

CEP VI Co-Invest's co-investment commitment is US$230.0 million (C$287.4 million), US$164.5 million (C$205.5 million) (2021 – US$204.1 million (C$256.7 million)) of which remained unfunded as at March 31, 2022. CEP VI Co-Invest is capitalized by three limited partners, Clairvest, Clairvest SLP VI and MIP VI. In accordance with the co-investment agreement, the proportion of the commitment amongst its three limited partners is at their own discretion. As at March 31, 2022, Clairvest SLP VI and MIP VI had invested US$10.0 million (C$12.5 million) and US$2.6 million (C$3.2 million), respectively, in CEP VI Co-Invest. Clairvest, as the general partner of Clairvest SLP VI and MIP VI, is entitled to participate in distributions equal to the realizable value on the amounts invested by MIP VI in CEP VI Co-Invest. As at March 31, 2022, no distributions had been received by Clairvest from Clairvest SLP VI and MIP VI.

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

(e) Changes in loans receivable for the years ended March 31, 2022 and 2021 were as follows:

	April 1, 2021	Net loan advanced (repaid)	March 31, 2022
CEP IV-A[(1)]	$ 220	$ (220)	$ —
CEP V[(1)]	—	4,186	4,186
CEP V-A[(1)]	—	750	750
CEP VI[(1)]	18,262	(15,005)	3,257
CEP VI-A[(1)]	25,651	(21,093)	4,558
CEP VI-B[(1)]	16,380	(13,482)	2,898
CEP IV Co-Invest[(2)]	—	12,000	12,000
CEP V Co-Invest[(2)]	—	2,700	2,700
CEP VI Co-Invest[(2)]	21,789	(18,239)	3,550
2486303 Ontario[(3)]	3,759	—	3,759
	86,061	(48,403)	37,658
Clairvest investee companies[(4)]	—	9,997	9,997
Other	252	(252)	—
	$ 86,313	$ (38,658)	$ 47,655

	April 1, 2020	Net loan advanced (repaid)	March 31, 2021
CEP IV-A[(1)]	—	220	220
CEP V[(1)]	$ 373	$ (373)	$ —
CEP VI[(1)]	3,491	14,771	18,262
CEP VI-A[(1)]	4,885	20,766	25,651
CEP VI-B[(1)]	3,106	13,274	16,380
CEP V Co-Invest[(2)]	190	(190)	—
CEP VI Co-Invest[(2)]	4,259	17,530	21,789
2486303 Ontario[(3)]	3,759	—	3,759
	20,063	65,998	86,061
Other	—	252	252
	$ 20,063	$ 66,250	$ 86,313

(1) Loans advanced to CEP IV, CEP IV-A, CEP V, CEP V India, CEP V-A, CEP VI, CEP VI-A and CEP VI-B bear interest at the reference rate in accordance with the respective Limited Partnership Agreements. Interest of $0.8 million (2021 – $1.2 million) was earned from loans advanced to these counterparties during fiscal 2022.

(2) Loans advanced to these acquisition entities are non-interest bearing.

(3) Loans advanced to 2486303 Ontario bear interest at 10.0% per annum. Interest of $0.4 million (2021 – $0.4 million) was earned from these loans during fiscal 2022.

(4) During fiscal 2022, loans were advanced to Meriplex bearing interest at 8.0% per annum. Interest of $0.4 million was earned from these loans during fiscal 2022.

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

(f) Accounts receivable and other assets comprised the following:

		March 31, 2022		March 31, 2021
Clairvest's investee companies	**$**	**3,028**	$	2,507
CEP III		**—**		45
CEP IV		**392**		61
CEP IV-A		**90**		78
CEP V		**635**		129
CEP V India		**186**		2,287
CEP V-A		**96**		217
CEP VI		**14,071**		8,651
CEP VI-A		**18,003**		11,222
CEP VI-B		**11,458**		7,127
		47,959		32,324
Other accounts receivable and prepaid expenses		**4,980**		5,357
Share purchase loans		**3,688**		2,821
	$	**56,627**	$	40,502

Included in accounts receivable and other assets as at March 31, 2022 were share purchase loans made to certain employees of the Company totalling $3.7 million (2021 − $2.8 million). The share purchase loans bear interest which is paid annually, have full recourse and are collateralized by the common shares of the Company purchased by the employees with a market value of $6.1 million (2021 – $5.3 million) as at March 31, 2022. None of these loans were made to key management. Interest of $53 thousand (2021 – $49 thousand) was earned on these loans during the year.

Additionally, acquisition entities of the Company which were not consolidated by the Company as described in *note 5* held receivables from CEP III totalling $8 thousand (2021 – $11 thousand).

(g) During fiscal 2022, Clairvest earned $2.0 million (2021 – $2.5 million) in distributions and interest income and $2.9 million (2021 – $2.5 million) in advisory and other fees from its investee companies. Additionally, acquisition entities of the Company which were not consolidated by the Company as described in *note 5* earned $6.3 million (2021 – $2.8 million) in distributions and interest income. These acquisition entities did not receive any advisory or other fees from its investee companies (2021 – nil).

(h) Clairvest and a related party of Clairvest, through a limited partnership, own an aircraft that is available for use by both parties. Clairvest and the related party each hold a 50% limited partnership interest. As Clairvest, through a wholly owned subsidiary, is the general partner of the limited partnership, Clairvest had recognized 100% of the net book value of the aircraft and a liability for the 50% ownership held by the related party. The cost of the aircraft had been included in fixed assets and the liability in accounts payable and accrued liabilities.

11. INCOME TAXES

Income tax expense for the years ended March 31, 2022 and 2021 comprised the following:

		2022		2021
Current income tax expense	**$**	**1,534**	$	7,677
Deferred income tax expense		**43,272**		4,273
	$	**44,806**	$	11,950

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

A reconciliation of the income tax expense for the years ended March 31, 2022 and 2021 based on the federal and Ontario statutory rate and the effective rate was as follows:

	2022		2021	
	$	**%**	$	%
Income before income taxes	**375,013**		116,789	
Statutory federal and Ontario income tax rate		**26.50**		26.50
Statutory Canadian income taxes	**99,378**	**26.50**	30,949	26.50
Non-taxable portion of net investment gains and distributions	**(53,743)**	**(14.33)**	(22,331)	(19.12)
Non-taxable portion of carried interest net of management participation	**(3,989)**	**(1.06)**	(2,992)	(2.56)
Non-deductible stock options	**2,624**	**0.70**	6,280	5.38
Other	**536**	**0.14**	44	0.04
	44,806	**11.95**	11,950	10.24

In addition to the income tax expense recorded by Clairvest, acquisition entities of Clairvest recorded an income tax expense of $7.8 million (2021 – $4.7 million) during fiscal 2022, which had been included in the fair value determination of these acquisition entities.

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

	March 31, 2022	March 31, 2021
Temporary differences on corporate and temporary investments	**$ 59,507**	$ 19,845
Temporary differences on derivative instruments	**374**	192
Temporary differences on accrued compensation and share-based compensation	**(14,597)**	(11,545)
Temporary differences on income	**1,723**	179
Temporary differences on unrealized carried interest net of management participation	**9,954**	5,268
Other	**2,300**	2,050
	$ 59,261	$ 15,989

All deferred income tax expenses (recoveries) were recognized in net income during fiscal 2022 and 2021.

12. SHARE CAPITAL

Authorized

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

Unlimited number of common shares

10,000,000 non-voting shares (Series 1)

1,000,000 non-voting shares (Series 2)

Issued and outstanding		**March 31, 2022**		March 31, 2021
	Shares	**Amount**	Shares	Amount
Common shares, beginning of year	**15,058,401**	**$ 80,827**	15,075,301	$ 80,917
Purchased and cancelled under normal course issuer bid	**(6,100)**	**(33)**	(16,900)	(90)
Common shares, end of year	**15,052,301**	**$ 80,794**	15,058,401	$ 80,827

In March 2022, the Company filed a normal course issuer bid enabling it to make market purchases of up to 761,551 (2021 – 760,749) of its common shares in the 12-month period ending March 7, 2023. During fiscal 2022, the Company purchased and cancelled 6,100 common shares under the previous normal course issuer bid for an aggregate cost of $0.4 million.

Common shares of 15,052,301 (2021 − 15,058,401) were outstanding as at March 31, 2022. The weighted average number of common shares outstanding during fiscal 2022 was 15,055,594 (2021 – 15,063,127).

The basic and fully diluted net income per share computations for 2022 and 2021 were as follows:

			2022			2021
	Net income and comprehensive income (000s)	**Weighted average number of shares**	**Per share amount**	Net income and comprehensive income (000s)	Weighted average number of shares	Per share amount
Basic and fully diluted	**$ 330,207**	**15,055,594**	**21.93**	$ 104,839	15,063,127	6.96

No Series 1 or Series 2 Shares had been issued as at March 31, 2022 and 2021.

13. SHARE-BASED COMPENSATION

The Company has a stock option plan (the "Legacy Option Plan") in place, which had no options outstanding as at March 31, 2022 and 2021. As at March 31, 2022 and 2021, 558,856 options under the Legacy Option Plan are available for future grants and 558,856 common shares of the Company have been made available for issuance to eligible participants.

Additionally, the Company has a stock option plan on the Series 2 Shares (the "Non-Voting Option Plan"). Options granted under the Non-Voting Option Plan are exercisable for Series 2 Shares, which are non-voting and have a two times preference over the common shares. The Non-Voting Option Plan has a cash settlement feature. Options granted under this plan vest at a rate of one-fifth of the grant at the end of each year over a five-year period. As at March 31, 2021, 519,947 options were outstanding, 247,910 options of which had vested. During fiscal 2022, Clairvest granted 254,640 (2021 – 77,650) options under the Non-Voting Option Plan. Also during fiscal 2022, 130,029 (2021 – 128,723) options vested, and 184,637 (2021 – 74,498) options were exercised under the cash settlement feature for $15.7 million (2021 – $4.3 million) and 26,431 (2021 – 2,713) options were forfeited. As at March 31, 2022, 563,519 (2021 – 519,947) options were outstanding, 166,871 (2021 – 247,910) of which had vested.

Clairvest recognized share-based compensation expense based upon the fair value of the outstanding stock options as at March 31, 2022 using the Black-Scholes option pricing model with the following assumptions:

As at March 31, 2022

Fiscal year granted	**2022**	**2021**	**2020**	**2019**	**2018**
Number of options granted	**254,640**	**78,400**	**106,667**	**49,487**	**168,829**
Number of options exercised	**—**	**1,576**	**4,208**	**6,580**	**52,996**
Number of options forfeited	**8,777**	**7,056**	**8,274**	**4,387**	**650**
Number of options vested	**—**	**13,949**	**37,671**	**23,109**	**92,142**
Price ($)(1)	**130.55**	**78.75**	**84.11**	**80.66**	**58.54**
Black-Scholes assumptions used					
Expected volatility	**10%**	**10%**	**10%**	**10%**	**10%**
Expected forfeiture rate	**5%**	**5%**	**5%**	**5%**	**5%**
Expected dividend yield	**0.15%**	**0.15%**	**0.15%**	**0.15%**	**0.15%**
Risk-free interest rate	**2.82%**	**2.84%**	**2.76%**	**2.38%**	**1.26%**
Expected life (years)	**4.25**	**3.25**	**2.25**	**1.25**	**0.25**
Value using Black-Scholes (000s)(2)	**$ 2,193**	**$ 3,244**	**$ 4,648**	**$ 2,113**	**$ 9,302**

(1) Based on two times the five-day weighted average closing price of Clairvest common shares at date of grant and is adjusted for special dividends paid by the Company.

(2) Share price for a Clairvest common share as at March 31, 2022 was $64.58 (TSX: CVG).

During fiscal 2022, Clairvest recognized a share-based compensation expense of $9.9 million (2021 – expense of $23.7 million) with respect to the Non-Voting Option Plan.

The Company has an EDSU plan which provides, among other things, that participants may elect annually to receive all or a portion of their annual bonus amounts that would otherwise be payable in cash in the form of EDSUs. EDSUs may be redeemed for cash or for common shares of the Company in accordance with the terms of the plan. Clairvest is required to reserve one common share for each EDSU issued under the EDSU plan. During fiscal 2022, the shareholders of the Company approved an amendment to the EDSU plan whereby the maximum number of Clairvest common shares reserved for the EDSU Plan has been increased to 350,000 common shares, which represented approximately 2.3% of the outstanding number of common shares. During fiscal 2022, 22,225 (2021 – 48,990) EDSUs were issued based on the terms and conditions of the EDSU plan. As at March 31, 2022, a total of 178,711 (2021 – 156,486) EDSUs were outstanding, the accrual in respect of which was $11.5 million (2021 – $10.1 million) and had been included in share-based compensation liability. During fiscal 2022, Clairvest recognized an expense recovery of $36 thousand (2021 – expense of $4.0 million) with respect to EDSUs.

As at March 31, 2022, a total of 237,562 (2021 – 216,284) BVARs were outstanding, the accrual in respect of which was $5.3 million (2021 – $4.7 million) and had been included in share-based compensation liability, and an additional $3.3 million (2021 – $3.0 million) not accrued as those BVARs had not vested. During fiscal 2022, 70,139 (2021 – 35,364) BVARs were granted and 48,861 (2021 – 241,664) BVARs were exercised. For the year ended March 31, 2022, Clairvest recognized an expense of $3.1 million (2021 – $3.5 million) with respect to BVARs.

Compensation paid and payable to key management

In addition to the directors, key management at Clairvest are the Chief Executive Officer ("CEO"), the Vice Chairman and the President. The CEO and the President are entitled to annual discretionary cash bonuses of up to 175% of their individual annual salary based on individual performance. The Vice Chairman is entitled to annual discretionary cash bonuses of up to 100% of annual salary based on individual performance. There is also an annual objective cash bonus, which is based on Clairvest's Incentive Bonus Program as described in *note 16(b)*, the stock option plans, the BVAR Plan and the EDSU Plan. Aggregate compensation paid for the years ended March 31 to the CEO, the Vice Chairman, and the President was as follows:

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

	2022	2021
Paid		
Salaries	$ 1,032	$ 912
Annual incentive plans	1,236	1,780
Stock options	2,936	4,314
Book value appreciation rights	2,444	6,205
	$ 7,648	$ 13,211

Compensation payable to the CEO, the Vice Chairman and the President as at the consolidated statement of financial position dates was as follows:

	March 31, 2022	March 31, 2021
Payable		
Annual incentive plans	$ 6,176	$ 3,125
Stock options	4,463	5,390
Book value appreciation rights	5,314	4,657
Employee deferred share units	3,078	2,675
	$ 19,031	$ 15,847

As at March 31, 2022, 241,174 (2021 – 234,497) DSUs were held by directors of the Company, the accrual in respect of which was $17.4 million (2021 – $16.9 million) and had been included in share-based compensation liability. During fiscal 2022, 6,677 (2021 – 8,480) DSUs were granted. For the year ended March 31, 2022, Clairvest recognized an expense of $0.5 million (2021 – $7.0 million) with respect to DSUs.

As at March 31, 2022, 135,000 (2021 – 135,000) ADSUs were held by directors of the Company, the accrual in respect of which was $6.4 million (2021 – $6.3 million) and had been included in share-based compensation liability. For the year ended March 31, 2022, Clairvest recognized an expense of $40 thousand (2021 – $3.7 million) with respect to ADSUs.

During fiscal 2022, $2.6 million was paid to a director under the Non-Voting Option Plan. As at March 31, 2022, compensation payable to the directors of Clairvest included $0.1 million (2021 – $2.4 million) under the Non-Voting Option Plan.

14. CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	2022	2021
Accounts receivable and other assets	$ (16,125)	$ (6,807)
Income taxes recoverable	(4,547)	7,567
Accounts payable and accrued liabilities	(1,702)	(3,307)
Income taxes payable	(616)	(1,042)
Accrued compensation expense	8,091	2,190
	$ (14,899)	$ (1,399)

Cash and cash equivalents as at March 31, 2022 and 2021 comprised the following:

	March 31, 2022	March 31, 2021
Cash	$ 205,299	$ 159,178
Cash equivalents	13,118	27,617
	$ 218,417	$ 186,795

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

15. DERIVATIVE INSTRUMENTS

The Company and its acquisition entities enters into foreign exchange forward contracts as economic hedges against the fair value of its foreign currency-denominated investments and loans in accordance with its foreign exchange hedging policy. During fiscal 2022, the Company paid costs totalling $0.2 million (2021 – received proceeds totalling $2.5 million) on the settlement of realized foreign exchange forward contracts.

As at March 31, 2022, the Company had unexpired foreign exchange forward contracts to sell US$87.1 million (2021 – US$81.1 million) at an average rate of C$1.2871 per U.S. dollar (2021 – C$1.2765) through to December 2023. The fair value of the forward contracts as at March 31, 2022 was a gain of $3.2 million (2021 – $1.4 million).

The fair value of foreign exchange forward contracts entered into by the Company's acquisition entities to hedge against foreign-denominated investee companies has been included in the fair value of Clairvest's investment in these acquisition entities on the consolidated statements of financial position. The net impact of foreign exchange on the investee companies are described in *notes 5 and 17* under *Currency risk*.

No collateral was funded to the counterparties for Clairvest's foreign exchange forward contracts and those of its acquisition entities as at March 31, 2022 and 2021.

16. CONTINGENCIES, COMMITMENTS AND GUARANTEES

(a) Clairvest has committed a total of $55.5 million (2021 – $55.5 million) in the Wellington Funds, all of which was unfunded as at March 31, 2022 and 2021. As a result of the sale of Wellington Financial to CIBC in January 2018, the Wellington Funds are in the process of being wound up and may no longer invest in new investments.

(b) Under Clairvest's Bonus Program, a bonus of 10% of after-tax cash income and realizations on certain of Clairvest's corporate investments would be paid to management annually as applicable (the "Realized Amount"). As at March 31, 2022, the Realized Amount under the Bonus Program was $0.9 million (2021 − $0.5 million) and had 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 recorded a $13.3 million (2021 − $6.3 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, CEP V Co-Invest and CEP VI Co-Invest.

(c) Clairvest has agreed to guarantee up to $5.0 million to support a credit facility provided to Brunswick Bierworks by its bank. Clairvest would assume the lender's security position that supports the loans provided by the lender should it be called and intends to allocate any amounts called under this guarantee to CEP VI Co-Invest, CEP VI, CEP VI-A and CEP VI-B on a pro-rata basis in accordance with their respective capital commitments in CEP VI.

(d) As at March 31, 2022 and 2021, the Company had an accrued liability resulting from future minimum annual lease payments for the use of office space. The detail of the lease liability recognized is as follows:

		2022		**2021**
Lease liability, beginning of year	**$**	**3,326**	$	3,761
Payments applied during the year		**(458)**		(435)
Lease liability, end of year	**$**	**2,868**	$	3,326

(1) As at March 31, 2022, the incremental borrowing rate was prime plus 1.25% per annum (2021 — prime plus 1.25%)

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

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

17. RISK MANAGEMENT

The private equity investment business involves accepting risk for potential return and is therefore affected by a number of risk factors.

Fair value risk

Fair value risk includes exposure to fluctuations in the fair market value of the Company's investments as described in *note 18*.

The Company's corporate investment portfolio was diversified across 20 investee companies in 10 industries as at March 31, 2022. Concentration risk by industry and by country as at March 31, 2022 and 2021 was as follows:

	March 31, 2022				March 31, 2021			
	Canada	**United States**	**International[1]**	**Total**	Canada	United States	International[1]	Total
Co-packing	**$ 5,117**	**$ —**	**$ —**	**$ 5,117**	$ 5,117	$ —	$ —	$ 5,117
Dental services	**—**	**19,689**	**—**	**19,689**	—	14,884	—	14,884
Equipment rental	**—**	**4,439**	**—**	**4,439**	—	4,467	—	4,467
Financial services	**11,042**	**—**	**—**	**11,042**	1,782	—	—	1,782
Gaming	**4,907**	**112,486**	**237,932**	**355,325**	3,505	88,180	97,866	189,551
Information technology	**8,858**	**73,749**	**—**	**82,607**	9,619	13,071	—	22,690
Marketing services	**—**	**22,835**	**—**	**22,835**	—	80,951	—	80,951
Renewable energy	**—**	**106,999**	**—**	**106,999**	—	61,047	—	61,047
Specialty aviation and defence services	**74,357**	**—**	**—**	**74,357**	49,316	—	—	49,316
Waste management	**—**	**52,167**	**—**	**52,167**	—	36,009	—	36,009
Other investments	**99**	**4,594**	**—**	**4,693**	16	4,623	—	4,639
Total	**$ 104,380**	**$ 396,958**	**$ 237,932**	**$ 739,270**	$ 69,355	$ 303,232	$ 97,866	$ 470,453

(1) Includes investments in India, Chile and the UK

The Company has considered current economic events and indicators in the valuation of its investee companies.

Interest rate risk

Fluctuations in interest rates affect the Company's income derived from its treasury funds. For financial instruments which yield a floating interest rate, the income received is directly impacted by the prevailing interest rate. The fair value of financial instruments which yield a fixed interest rate would change when there is a change in the prevailing market interest rate. The Company manages interest rate risk on its treasury funds 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.

As at March 31, 2022, $217.0 million (2021 – $185.8 million) of the Company's treasury funds are held in accounts which pay interest commensurate with prime rate changes, and $36.6 million (2021 – $44.2 million) of the Company's treasury funds are in guaranteed investment certificates with an average remaining duration of 0.4 years (2021 – 0.5 years). If interest rates were higher or lower by 1.00% per annum, and assuming the renewal rates of these guaranteed investment certificates commensurate with prime rate changes, the potential effect would have been an increase or a decrease of $2.7 million (2021 – $2.3 million) per annum to distributions and interest income on a pre-tax basis.

Certain of the Company's corporate investments are also held in the form of debentures and loans. Significant fluctuations in market interest rates can have a significant impact on the carrying value of these investments as described in *note 18*.

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

Clairvest's investee companies are subject to interest rate risk. Significant changes in interest rates can materially increase the borrowing cost of these investee companies and in turn cause a negative impact to the profitability of these companies, which would have a material impact to the Company's fair value of those corporate investments. The Company manages this risk through oversight responsibilities with existing investee companies and may suggest these investee companies enter into swap derivatives with their banking counterparties to hedge against this risk.

Currency risk

The Company has implemented a hedging strategy because it has, directly and indirectly, several investments outside of Canada, currently in the United States, India, Chile and the United Kingdom. The Company may also advance loans to investee companies which are denominated in foreign currency. The general partner priority distributions and management fees for Clairvest Equity Partners VI are denominated in United States dollars whereas the Company's overhead costs are in Canadian dollars. In order to limit its exposure to changes in the value of foreign denominated currencies relative to the Canadian dollar, Clairvest and its acquisition entities, subject to certain exceptions, entered into hedging positions against these foreign-denominated currencies. As at March 31, 2022, the Company's exposure to foreign-denominated currencies comprised of approximately 60% (2021 – 100%) of the United States dollar-denominated Clairvest Equity Partners VI general partner priority distributions and management fees, while Chilean peso-denominated and Indian rupee-denominated balances are unhedged. In addition, there is a timing difference between the consolidated statement of financial position date and the investment valuation date given the timing of which information is available to make this determination could result in a delay in the implementation of the Company's hedging strategy. Accordingly, significant depreciation in value in these currencies could result in a material impact to the performance of Clairvest, its investment portfolio and the carried interest it could earn from the CEP Funds.

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

Credit risk

Credit risk is the risk of a financial loss occurring as a result of default of a counterparty on its obligations to the Company. For the years ended March 31, 2022 and 2021, there were no material income effects on changes of credit risk on financial assets. The carrying values of financial assets subject to credit exposure as at March 31, 2022 and 2021, net of any allowances for losses, were as follows:

	March 31, 2022			March 31, 2021		
	Clairvest	**Acquisition entities**	**Total**	Clairvest	Acquisition entities	Total
Financial assets						
Cash and cash equivalents	**$ 218,417**	**$ 54,698**	**$ 273,115**	$ 186,795	$ 45,708	$ 232,503
Temporary investments	**84,791**	**25,806**	**110,597**	61,014	20,245	81,259
Accounts receivable(1)	**52,808**	**1,359**	**54,167**	36,081	816	36,897
Loans receivable(2)	**25,646**	**–**	**25,646**	60,765	80	60,845
Derivative instruments	**3,222**	**6,562**	**9,784**	1,446	6,720	8,166
Corporate investments(3)	**–**	**38,044**	**38,044**	–	19,036	19,036
	$ 384,884	**$ 126,469**	**$ 511,353**	$ 346,101	$ 92,605	$ 438,706

(1) Excludes prepaid expenses and receivables from acquisition entities.
(2) Excludes loans receivable from acquisition entities.
(3) Excludes net assets (liabilities) from acquisition entities.

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

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

The Company manages counterparty credit risk on derivative instruments by only contracting with counterparties which are Schedule 1 Canadian chartered banks. As at March 31, 2022, the Company and the Company's acquisition entities held derivative instruments which had a net mark-to-market gain of $9.8 million (2021 – gain of $8.2 million). The Company believes the counterparty risk with respect to its and its acquisition entities' derivative instruments is minimal.

The Company manages credit risk on treasury funds by conducting activities in accordance with the fixed income securities policy, which 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. With respect to the other fixed income securities under temporary investments, the Company reviews the credit quality of the counterparties through underwriting information provided by agents or brokers which are specialized in brokering these investments and in each case the Company's investment in these counterparties represents the most senior security in the counterparty's capital structure. Management's application of these policies is regularly monitored by the Audit Committee. Management and the Audit Committee review credit quality of cash equivalents and temporary investments regularly.

The credit ratings, based on the Dominion Bond Rating Services rating scale, were as follows:

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

	March 31, 2022			March 31, 2021		
	Clairvest	**Acquisition entities**	**Total**	Clairvest	Acquisition entities	Total
Cash	**$ 205,299**	**$ 50,611**	**$ 255,910**	$ 159,178	$ 37,200	$ 196,378
Money market savings accounts						
AA	—	—	—	27,617	8,508	36,125
AA-	**9,505**	**3,510**	**13,015**	—	—	—
A	**3,613**	**578**	**4,191**	—	—	—
Guaranteed investment certificates and investment savings accounts						
AA+	—	—	—	3,050	—	3,050
AA	**4,351**	—	**4,351**	39,072	7,929	47,001
AA-	**15,294**	**2,013**	**17,307**	870	—	870
A+	**101**	—	**101**	—	—	—
A	**100**	**100**	**200**	—	—	—
A-	**10,045**	**161**	**10,206**	301	60	361
BBB	**5,240**	—	**5,240**	—	—	—
BBB-	**101**	**5,038**	**5,139**	302	—	302
Not rated	**1,365**	**5,613**	**6,978**	653	404	1,057
Limited recourse capital notes						
BBB	**1,911**	—	**1,911**	2,052	—	2,052
BB+	**3,970**	—	**3,970**	2,121	—	2,121
Other fixed income securities						
Not rated(1)	**42,313**	**12,880**	**55,193**	12,593	11,852	24,445
Total cash, cash equivalents and fixed income securities	**$ 303,208**	**$ 80,504**	**$ 383,712**	$ 247,809	$ 65,953	$ 313,762

(1) Comprised other fixed income securities as permitted by the Company's treasury policy, which in aggregate may not exceed the lesser of 10% of book value or 20% of treasury funds and with no single issue greater than 1.5% of book value

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 periods. Total unfunded commitments to co-invest alongside the CEP Funds, as described, were $262.5 million (2021 – $332.3 million) as at March 31, 2022. The timing of any amounts to be funded under these commitments is dependent upon the timing of investment acquisitions, which are made at the sole discretion of the Company.

The Company manages liquidity risk by maintaining a conservative liquidity position that exceeds all liabilities payable on demand. The Company invests its treasury funds in liquid assets such that they are available to cover any potential funding commitments and guarantees. In addition, the Company maintains a $100.0 million (2021 – $100.0 million) credit facility, which was undrawn as at March 31, 2022.

As at March 31, 2022, Clairvest had treasury funds, inclusive of those held at acquisition entities, of $429.3 million (2021 – $345.3 million) and access to $100.0 million (2021 – $100.0 million) in credit to support its current and anticipated corporate investments. Clairvest also had access to $0.7 billion (2021 – $0.8 billion) in uncalled committed third-party capital through the CEP Funds as at March 31, 2022 to invest along with Clairvest's capital.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

(a) **Fair value hierarchy**

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

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

The Company's objective is to invest in long-term private equity investments and its holdings may include publicly traded companies which originated from its private equity investments. These companies will likely exhibit share price volatility such that the publicly traded share price may not be the best proxy of value. The Company's investments in these public companies may trade at share prices which are not indicative of the Partnership's realizable value due to factors including illiquidity of the security and potential adverse consequences when a significant shareholder sells its position. Accordingly, when the Company liquidates the investments in these types of public company shares, its ultimate realized proceeds may be materially different than the valuation at the end of any reporting period which is based on the publicly traded share price at that time and subject to certain adjustments as warranted.

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

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

	March 31, 2022			
	Fair value measurements using			Assets/liabilities at fair value
	Level 1	Level 2	Level 3	
Financial assets				
Cash equivalents				
Investment savings accounts	$ **13,118**	$ **—**	$ **—**	$ **13,118**
	13,118	**—**	**—**	**13,118**
Temporary investments				
Guaranteed investment certificates	**—**	**36,597**	**—**	**36,597**
Marketable securities	**45,587**	**—**	**—**	**45,587**
Limited recourse capital notes	**—**	**5,881**	**—**	**5,881**
Other fixed income securities	**—**	**—**	**42,313**	**42,313**
	45,587	**42,478**	**42,313**	**130,378**
Derivative instruments	**—**	**3,222**	**—**	**3,222**
Corporate investments	**101,030**	**8,247**	**739,796**	**849,073**
	$ **159,735**	$ **53,947**	$ **782,109**	$ **995,791**

	March 31, 2021			
	Fair value measurements using			Assets/liabilities at fair value
	Level 1	Level 2	Level 3	
Financial assets				
Cash equivalents				
Investment savings accounts	27,617	—	—	27,617
	27,617	—	—	27,617
Temporary investments				
Guaranteed investment certificates	—	44,248	—	44,248
Marketable securities	31,564	—	—	31,564
Limited recourse capital notes	—	4,173	—	4,173
Other fixed income securities	—	—	12,593	12,593
	31,564	48,421	12,593	92,578
Derivative instruments	—	1,446	—	1,446
Corporate investments	151,704	—	382,963	534,667
	$ 210,885	$ 49,867	$ 395,556	$ 656,308

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

During fiscal 2021, the Company transferred the fair value pertaining to its investment in Accel Entertainment to level 1 from level 2 of their fair value hierarchy upon the expiry of the hold period. Also during fiscal 2021, the Company transferred the fair value pertaining to its investment in Digital Media Solutions to level 1 from level 3 of the fair value hierarchy upon completion of the business combination as described in *note 5* and the subsequent expiry of the hold period.

March 31, 2022 and 2021 (tabular dollar amounts in thousands, except per share information)

(b) **Level 3: Reconciliation between opening and closing balances**

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

	Fair value April 1, 2021	Transfer to (from) Level 3	Amount included in earnings	Purchases of assets / issuances of liabilities	Sales of assets / settlements of liabilities	Fair value March 31, 2022
Financial assets						
Other fixed income securities	**$ 12,593**	**$ —**	**$ 94**	**$ 43,641**	**$ (14,015)**	**$ 42,313**
Corporate investments	**382,963**	**—**	**385,627**	**53,809**	**(82,603)**	**739,796**
	$ 395,556	**$ —**	**$ 385,721**	**$ 97,450**	**$ (96,618)**	**$ 782,109**

	Fair value April 1, 2020	Transfer to (from) Level 3	Amount included in earnings	Purchases of assets / issuances of liabilities	Sales of assets / settlements of liabilities	Fair value March 31, 2021
Financial assets						
Other fixed income securities	$ 7,539	$ —	$ 88	$ 12,505	$ (7,539)	$ 12,593
Corporate investments	349,672	(33,023)	69,045	35,761	(38,492)	382,963
	$ 357,211	$ (33,023)	$ 69,133	$ 48,266	$ (46,031)	$ 395,556

(c) **Level 3: Fair value measurement based on reasonably possible alternative assumptions**

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

Included in corporate investments are investee companies (refer to *note 5*) for which the fair values have been estimated based on assumptions that are not supported by observable inputs. The following tables detail quantitative information on the primary valuation techniques and unobservable inputs based on the form of investment:

March 31, 2022	**Valuation techniques**	**Significant unobservable input**	**Range**
Unquoted equity instruments (including warrants) or partnership units	**Public company comparables**	**EBITDA and earnings multiples**	**4.0x to 11.0x**
		Revenue multiples	**3.4x to 4.0x**
	Recent transactions	**n/a**	**n/a**
Debentures or loans not traded or other finite set of cash flows	**Discounted cash flows**	**Discount rates**	**Up to 12.0% per annum**

March 31, 2021	Valuation techniques	Significant unobservable input	Range
Unquoted equity instruments (including warrants) or partnership units	Public company comparables	EBITDA and earnings multiples	4.0x to 10.0x
		Revenue multiples	2.0x to 5.8x
	Recent transactions	n/a	n/a
Debentures or loans not traded or other finite set of cash flows	Discounted cash flows	Discount rates	4.0% to 20.0%

The most significant unobservable input for fair value measurement is either revenue or earnings before interest, taxes, depreciation and amortization ("EBITDA") and the multiple which is applied to either revenue or EBITDA in valuing 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, 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 $17.3 million or a decrease of $16.2 million to the carrying value of corporate investments and net investment gain, on a pre-tax basis, for the year ended March 31, 2022 (2021 – an increase of $12.6 million or a decrease of $10.2 million). For the 2 investee companies that were valued using the revenue multiple approach, if the Company had used a revenue multiple for each investee company that was higher or lower by 0.5 times, the potential effect would be an increase of $23.7 million or a decrease of $23.7 million to the carrying value of corporate investments and net investment gains, on a pre-tax basis, for the year ended March 31, 2022 (2021 – an increase of $4.6 million or a decrease of $4.6 million). Revenue or earnings multiples used are based on public company valuations as well as private market multiples for comparable companies. Revenues are based on current run-rates adjusted for non-recurring items. Earnings are based on the last twelve-month EBITDA and, if necessary, adjusted for any non-recurring items such as restructuring expenses and annualized pro-forma adjustments from recently completed acquisitions. Adjustments to revenue or EBITDA may also consider forecasted impacts arising from the current economic environment or recent developments of the investee company.

Clairvest may also use information about recent transactions carried out in the market for valuations of private equity investments. When fair value is determined based on recent transaction information, 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. This technique uses observable and unobservable inputs such as discount rates that take into account the risk associated with the investment as well as further cash flows. For those investments valued based on recent transactions or discounted cash flows, Clairvest has determined that there are no reasonable alternative assumptions that would change the fair value materially as at March 31, 2022 and 2021.

19. CAPITAL DISCLOSURES

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

Clairvest's objectives in managing capital are to:

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

As at March 31, 2022 and 2021, Clairvest had no external capital requirements, other than as disclosed in *note 16*.

20. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the fiscal 2022 consolidated financial statements.