

**CREDIT SUISSE FIRST BOSTON INTERNATIONAL  
EQUITY PARTNERS, L.P. AND SUBSIDIARIES  
(A Limited Partnership)**

**Independent Auditors' Report  
Consolidated Financial Statements for the  
Year ended December 31, 2015**

**CREDIT SUISSE FIRST BOSTON INTERNATIONAL EQUITY PARTNERS,  
L.P. AND SUBSIDIARIES**

*(A Limited Partnership)*

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KPMG LLP  
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New York, NY 10154-0102

## Independent Auditors' Report

The Partners

Credit Suisse First Boston International Equity Partners, L.P. and Subsidiaries:

We have audited the accompanying consolidated financial statements of Credit Suisse First Boston International Equity Partners, L.P. and Subsidiaries (the "Fund"), which comprise the consolidated statement of assets, liabilities and partners' capital as of December 31, 2015, and the related consolidated statements of operations, changes in partners' capital, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Credit Suisse First Boston International Equity Partners, L.P. and Subsidiaries as of December 31, 2015, and the results of their operations, changes in their partners' capital and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



*Emphasis of Matter*

As discussed in Note 1, during 2015, the remaining investments of the Fund were disposed of, and, in accordance with the terms of the Agreement, the dissolution of the Fund commenced. The Fund distributed the final distribution to partners on January 8, 2016. Following the final distribution, management liquidated the Fund in an orderly manner, and as a result, the Fund will no longer continue as a going concern. Our opinion is not modified with respect to this matter.

KPMG LLP

April 21, 2016

**CREDIT SUISSE FIRST BOSTON INTERNATIONAL EQUITY PARTNERS, L.P.  
AND SUBSIDIARIES**  
*(A Limited Partnership)*

**CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES AND PARTNERS' CAPITAL  
DECEMBER 31, 2015**

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ASSETS

Cash and cash equivalents (Note 2) \$ 154

TOTAL ASSETS \$ 154

LIABILITIES AND PARTNERS' CAPITAL

Payable to affiliates \$ 154  
Total liabilities 154

Partners' capital -  
TOTAL LIABILITIES AND PARTNERS' CAPITAL \$ 154

See accompanying notes to consolidated financial statements.

**CREDIT SUISSE FIRST BOSTON INTERNATIONAL EQUITY PARTNERS, L.P.  
AND SUBSIDIARIES**  
*(A Limited Partnership)*

**CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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NET INVESTMENT LOSS (Note 2):

Income:		
Other income	\$	2,498
Interest on cash and cash equivalents		<u>3</u>
Total income		<u>2,501</u>
Expenses:		
Professional fees		24,784
Other expenses		<u>38,429</u>
Total expenses		<u>63,213</u>
Net investment loss		<u>(60,712)</u>

REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS (Note 2):

Net realized loss on investments		(32,518,057)
Net change in unrealized depreciation on investments		<u>32,620,662</u>
Net realized and unrealized gain on investments		<u>102,605</u>
Net income	\$	<u>41,893</u>

See accompanying notes to consolidated financial statements.

**CREDIT SUISSE FIRST BOSTON INTERNATIONAL EQUITY PARTNERS, L.P.  
AND SUBSIDIARIES**  
*(A Limited Partnership)*

**CONSOLIDATED STATEMENT OF CHANGES IN PARTNERS' CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>General Partner</u>	<u>Limited Partners</u>	<u>Total</u>
BALANCE, December 31, 2014	\$ 1,745	\$ 12,377	\$ 14,122
Net investment loss (Note 2)	(7,490)	(53,222)	(60,712)
Net realized loss on investments (Note 2)	(4,011,274)	(28,506,783)	(32,518,057)
Net change in unrealized depreciation on investments	4,023,930	28,596,732	32,620,662
Distributions	(6,911)	(49,104)	(56,015)
BALANCE, December 31, 2015	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

See accompanying notes to consolidated financial statements.

**CREDIT SUISSE FIRST BOSTON INTERNATIONAL EQUITY PARTNERS, L.P.  
AND SUBSIDIARIES**  
*(A Limited Partnership)*

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM:

OPERATING ACTIVITIES:

Net income	\$ 41,893
Adjustments to reconcile net income to net cash provided by operating activities:	
Net realized loss on investments	32,518,057
Net change in unrealized depreciation on investments	(32,620,662)
Decrease in due from affiliates	46,171
Decrease in payable to affiliates	(34,423)
Decrease in accrued expenses	<u>(24,434)</u>

Investment transactions:

Proceeds from sale of investments	<u>102,605</u>
Net cash provided by operating activities	<u>29,207</u>

FINANCING ACTIVITIES:

Distributions	<u>(56,015)</u>
Net cash used in financing activities	<u>(56,015)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (26,808)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 26,962

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 154

See accompanying notes to consolidated financial statements.



# **CREDIT SUISSE FIRST BOSTON INTERNATIONAL EQUITY PARTNERS, L.P. AND SUBSIDIARIES**

*(A Limited Partnership)*

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015**

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### **1. ORGANIZATION AND NATURE OF BUSINESS**

Credit Suisse First Boston International Equity Partners, L.P. and Subsidiaries (the "Fund") is a Guernsey, Channel Islands limited partnership which was formed in accordance with the Agreement of Limited Partnership of Credit Suisse First Boston International Equity Partners, L.P., dated March 13, 1997. The Fund commenced operations on April 23, 1997, and its partnership agreement was amended and restated in accordance with the Amended and Restated Agreement of Limited Partnership of Credit Suisse First Boston International Equity Partners, L.P. dated as of May 21, 1998 (the "Agreement"). Under the Agreement, the partners of the Fund include Credit Suisse First Boston International Private Equity Partners, L.P., a Guernsey, Channel Islands limited partnership, as general partner (the "General Partner"), and various institutional investors as limited partners (the "Limited Partners" and, together with the General Partner, the "Partners"). One of the Limited Partners, CS LP Holding AG, a Swiss corporation, is an affiliate of the General Partner. The general partner of the General Partner is a wholly-owned subsidiary of Credit Suisse Group AG.

The Fund held a third and final closing on May 21, 1998, with total capital commitments of \$608,000,000. Effective September 30, 2001, the Limited Partners approved an amendment to the Agreement which had the effect of reducing the capital commitments of the Partners to 83% of their respective original commitments. As a result, the original commitments of \$608,000,000 were reduced to \$504,640,000. This amendment also resulted in a termination of the commitment period of the Fund, and as such, no new investments will be made in the Fund.

The principal office of the Fund is located at Mill Court, La Charroterie, St. Peter Port, Guernsey, Channel Islands.

During 2008 the Limited Partners consented to a second and final one-year extension of the Fund's term through June 13, 2009, pursuant to Section 10.1 of the Fund's Limited Partnership Agreement. During 2015, the remaining investments of the Fund have been disposed of and the General Partner commenced the liquidation and dissolution of the Fund. The Fund paid the remaining amount payable to affiliates on January 8, 2016 and the Fund was liquidated and dissolved in accordance with the Agreement.

The purpose of the Fund is to make privately negotiated investments in unlisted or illiquid equity or equity-related securities of companies principally located outside the United States, Canada, Russia, Ukraine, Africa and the Middle East; manage, supervise and dispose of such investments; and engage in activities related thereto.

Pursuant to the Agreement, the Fund is obligated to pay all costs incurred by, among others, Credit Suisse Asset Management, LLC ("LLC"), the Investment Advisor to the Fund, and an affiliate of the General Partner, in identifying, evaluating, structuring, negotiating, acquiring, selling or otherwise disposing of all or any portion of any investment or potential investment, whether or not such potential investment is consummated. The Fund accrues an expense for such costs, and includes them as Administrative fees on the Consolidated Statement of Operations.

Capitalized terms used but not defined herein shall have the meaning assigned to them in the Agreement.

# CREDIT SUISSE FIRST BOSTON INTERNATIONAL EQUITY PARTNERS, L.P. AND SUBSIDIARIES

(A Limited Partnership)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

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### 2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The Fund is an investment company and follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946. The Fund's functional currency is the United States dollar. The consolidated financial statements include accounts of the Fund and all of its subsidiary companies. In consolidation, all significant intercompany accounts and transactions are eliminated. The subsidiary companies are holding entities for the sole purpose of investing in the underlying investments shown in the Consolidated Schedule of Investments.

The preparation of consolidated financial statements in accordance with U.S. GAAP requires the General Partner to make estimates and assumptions that affect the amounts and disclosures in the consolidated financial statements. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

Investment transactions are recorded upon closing of the transaction. Investment income and expenses are recognized on the accrual basis of accounting. Dividend income is recognized on the ex-dividend date.

Realized gains and losses, if any, on investments are determined on the basis of specific identification of the cost of securities sold. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in fair value of investments held. Such changes, if any, are included with the realized and unrealized gain or loss on investments.

For purposes of the Consolidated Statement of Cash Flows, the Fund considers short-term money market investments with original maturities of three months or less to be cash equivalents. In addition, as the operations of the Fund are comprised principally of investment activities, all such activities have been categorized as operating activities.

The Fund is not subject to United States federal, state or local income taxes. Each Partner takes into account separately on their tax return their share of the taxable income, gains, losses, deductions or credits for the Fund's taxable year. Accordingly, no provisions have been made in the accompanying consolidated financial statements for income taxes.

The Fund adopted the authoritative guidance for uncertainty in income taxes. The General Partner evaluates tax positions taken or expected to be taken in the course of preparing the Fund's consolidated financial statements to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions with respect to tax at the partnership level not deemed to meet the "more-likely-than-not" threshold would be recorded as an expense in the current year. The General Partner has concluded that there was no impact on the results of operations of the Fund for the year ended December 31, 2015. The General Partner's assessments regarding tax positions will be subject to review and may be adjusted at a later date based on factors including, but not limited to, on-going analyses of tax laws, regulations and interpretations thereof.

The following are the major tax jurisdictions for the Fund and the earliest tax year subject to examination: United States – 2012.

**CREDIT SUISSE FIRST BOSTON INTERNATIONAL EQUITY  
PARTNERS, L.P. AND SUBSIDIARIES**  
*(A Limited Partnership)*

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

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**3. PARTNERS' CAPITAL ACCOUNTS**

Capital contributions are to be made in accordance with the Agreement. Capital contributions may be made from time to time for the purpose of making investments, paying Fund expenses (which may be called at any time by the General Partner), and satisfying indemnification obligations, if any.

Net income or net loss is to be allocated in accordance with the Agreement. For the year ended December 31, 2015, all allocations were based on the General Partner and the Limited Partners' respective commitments in the Fund.

The amount of distributions a Partner receives is defined in the Agreement using a five-step order of priorities. In brief, after the General Partner and the Limited Partners have received 100% of their respective investment and expense capital contributions, plus a 9% return (compounded annually) on realized investments, the General Partner is entitled to a 20% preferred return (the "Carried Interest"). The Carried Interest is subject to reduction and return to the Fund as provided in the Agreement.

Pursuant to the Agreement, the Partners of the Fund may make certain investments through alternative investment vehicles. On August 9, 1999, one such vehicle made an investment in [REDACTED]. As such, this investment did not affect the Partner's capital balances in the Fund, rather they were reflected in the partners' accounts of Credit Suisse First Boston Helvetia Equity Partners, L.P. (the "AIV"). Capital contributions for this investment had, however, decreased the Partners' unfunded commitment to the Fund. The AIV sold its investment in [REDACTED] on October 5, 2001.

In accordance with the Agreement, the General Partner has offered to Limited Partners Co-Investments in Portfolio Companies under certain circumstances. Such Co-Investments are made through limited partnerships formed for such purpose (a "Co-Investment Partnership") as contemplated by the Agreement. Limited Partners who participate in such Co-Investments may be subject to decreases in distributions from the Fund. If the general partner of the Co-Investment Partnership reasonably determines that proceeds received by the Co-Investment Partnership will be insufficient to reimburse the General Partner or its affiliate for payments made on such Co-Investment Partnership's behalf, the General Partner may withhold from any distribution otherwise payable to a Limited Partner from the Fund such unreimbursed amounts.

**4. ADVISORY FEES**

Pursuant to an Advisory Agreement, LLC performs investment advisory services for the Fund. Effective January 1, 2007, the fee was reduced to 2% per annum of the aggregate Invested Capital (net of any portion of Invested Capital attributable to an Investment that has been permanently written-down) of the Partners with respect to Investments that remain outstanding on the date of payment of such fee. Effective July 1, 2010, the LLC no longer charges an Advisory Fee to the Fund.

# CREDIT SUISSE FIRST BOSTON INTERNATIONAL EQUITY PARTNERS, L.P. AND SUBSIDIARIES

(A Limited Partnership)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2015

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### 5. UNFUNDED CAPITAL COMMITMENTS

At December 31, 2015, the Limited Partners committed to contribute \$442,390,000 to the capital of the Fund (and any alternative investment vehicles). Effective April 1, 2010, the General Partner elected to voluntarily reduce the amount of remaining unfunded commitments of the Fund by \$37,947,029. As of December 31, 2015, the Limited Partners and General Partners' remaining unfunded commitment was \$0.

Of the amounts above, \$18,967,532 of capital contributions (net of a return of capital of \$2,735,648) were made through the AIV.

As of December 31, 2015, the ratio of total contributed capital to total adjusted committed capital of the Fund is 98.9%.

### 6. FINANCIAL HIGHLIGHTS

The following are the financial highlights attributable to Limited Partners of the Fund, in the aggregate as a class, for the year ended December 31, 2015:

	<u>Ratio to Average Partners' Capital</u> <sup>(3)</sup>
Net Investment Loss Ratio <sup>(1)(2)</sup>	(690.55%)
Expense Ratio <sup>(2)</sup>	719.02%

The Internal Rate of Return ("IRR") since inception of the Limited Partners, net of all fees, is 4.82% through December 31, 2015 and 4.82% through December 31, 2014. The IRR was computed based on the actual dates of the cash inflows (capital contributions), outflows (cash distributions) and the Partners' Capital at the end of the period for the Limited Partners' capital account as of each measurement date. An individual Limited Partner's IRR may vary from these returns based on participation in Fund investments, fee arrangements and the timing of capital transactions.

- (1) Net investment loss includes income, other than realized and unrealized gains and losses, less all expenses.
- (2) The net investment loss and the expense ratios for individual Limited Partners may vary from these ratios based on participation in Fund investments, fee arrangements and the timing of capital transactions.
- (3) Average Partners' Capital is measured using the Limited Partners' weighted average partners' capital at the end of each quarter.

### 7. SUBSEQUENT EVENTS

The General Partner has considered the circumstances under which the Fund should recognize or make disclosures regarding events or transactions occurring subsequent to the consolidated statement of assets, liabilities and partners' capital date April 21, 2016 which represents the date the consolidated financial statements are available to be issued. Adjustments or additional disclosures, if any, have been included in these consolidated financial statements.

The Payable to affiliates was paid on January 8, 2016. Upon this payment the Partnership was liquidated and dissolved.

Credit Suisse First Boston International Equity Partners, L.P. and Subsidiaries  
 Schedule of Partner's Capital Account  
 December 31, 2015

Commonwealth of Pennsylvania Public School Employees' Retirement System

	<b>For the Quarter Ended December 31, 2015</b>	<b>Year-to-Date December 31, 2015</b>
<b>Partner's Capital at Beginning of Period</b>	\$ 17,672	\$ 2,321
Net investment gain (loss)	(8,460)	(9,984)
Realized gain (loss) on investments	-	(5,348,365)
Net change in unrealized depreciation on investments	-	5,365,240
Capital Distributions	(9,212)	(9,212)
<b>Partner's Capital, December 31, 2015</b>	\$ -	\$ -

Original Commitment	\$ 100,000,000
Reduction pursuant to Amendment No. 3 to the Partnership Agreement	(17,000,000)
Reduction as of April 1, 2010	(6,241,288)
Adjusted Commitment	\$ 76,758,712

Unfunded Commitment at December 31, 2015	\$ -
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