

**VERSA CAPITAL FUND II, L.P. AND  
VERSA CAPITAL FUND II-A, L.P.**  
(Delaware Limited Partnerships)

Combined Financial Statements

March 31, 2018

(Unaudited)

**VERSA CAPITAL FUND II, L.P. AND  
VERSA CAPITAL FUND II-A, L.P.**  
(Delaware Limited Partnerships)

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**VERSA CAPITAL FUND II, L.P. AND**  
**VERSA CAPITAL FUND II-A, L.P.**  
 (Delaware Limited Partnerships)  
**Combined Statement of Assets, Liabilities, and Partners' Capital**  
**March 31, 2018**

<b>Assets</b>	<b>Total</b>
Investments, at fair value (cost \$415,489,109)	\$ 425,000,000
Cash	13,307,614
Other assets	617,291
Total assets	<u>\$ 438,924,905</u>
<b>Liabilities and Partners' Capital</b>	
Liabilities:	
Accounts payable and accrued expenses	\$ 418,515
Accounts payable – affiliates	109,234
Total liabilities	<u>527,749</u>
Partners' capital:	
General Partner	26,095,710
Limited Partners	412,301,446
Total partners' capital	<u>438,397,156</u>
Total liabilities and partners' capital	<u>\$ 438,924,905</u>

VERSA CAPITAL FUND II, L.P. AND  
 VERSA CAPITAL FUND II-A, L.P.  
 (Delaware Limited Partnerships)  
**Combined Schedule of Investments**  
**March 31, 2018**

Investments <sup>(1)</sup>	Principal Operating Business	Industry	Headquarters	Date of initial investment	Cost	Fair value	% of Partners' Capital
		Defense	Philadelphia, PA	12/17/2009	\$89,000,000	\$150,000,000	34.22%
		Retail	Rochelle Park, NJ	4/13/2012	3,073,705	45,000,000	10.26%
		Commercial Equip. & Services	Durham, NC & Rochester, NY	4/15/2011	43,204,400	90,000,000	20.53%
		Hospitality	Hemdon, VA	5/1/2013	43,376,204	93,000,000	21.21%
		Media	Charlotte, NC	5/18/2011	49,457,930	3,000,000	0.68%
		Manufacturing	New Bern, NC	8/6/2013	34,813,999	43,000,000	9.81%
		Retail	Meriden, CT	8/18/2008	152,562,871	1,000,000	0.23%
					<u>\$ 415,489,109</u>	<u>\$ 425,000,000</u>	<u>96.94%</u>

(1) The Partnership invests in each of the Principal Operating Businesses through a special purpose vehicle represented by the Investments.

**VERSA CAPITAL FUND II, L.P. AND**  
**VERSA CAPITAL FUND II-A, L.P.**  
 (Delaware Limited Partnerships)  
**Combined Statement of Operations**  
**Period ended March 31, 2018**

	<b>Total</b>
Income:	
Investment income	\$ 4,684,386
Total income	4,684,386
Expenses:	
Management fees	2,374,563
Interest expense	55,260
Professional fees	296,825
Other expenses	149,146
Total expenses	2,875,794
Net investment income	1,808,592
Unrealized and realized gain from investments:	
Net change in unrealized gain on investments	(28,572)
Net realized gain on investments	593,996
Total net unrealized and realized gain on investments	565,424
Net increase in partners' capital resulting from operations	\$ 2,374,016

VERSA CAPITAL FUND II, L.P. AND  
VERSA CAPITAL FUND II-A, L.P.  
(Delaware Limited Partnerships)

**Combined Statement of Changes in Partners' Capital  
Period ended March 31, 2018**

	<b>Combined Partnerships</b>		
	<b>General Partner</b>	<b>Limited Partners</b>	<b>Total</b>
Partners' capital, January 1, 2018	\$ 25,972,056	\$ 410,339,092	\$ 436,311,148
Contributions	-	-	-
Distributions	(193,990)	(94,018)	(288,008)
Operations:			
Net investment income	283,991	1,524,601	1,808,592
Net change in unrealized gain on investments	(1,701)	(26,871)	(28,572)
Net realized gain on investments	35,354	558,642	593,996
Net increase in partners' capital resulting from operations	317,644	2,056,372	2,374,016
Partners' capital, March 31, 2018	<u>\$ 26,095,710</u>	<u>\$ 412,301,446</u>	<u>\$ 438,397,156</u>

**VERSA CAPITAL FUND II, L.P. AND**  
**VERSA CAPITAL FUND II-A, L.P.**  
 (Delaware Limited Partnerships)  
**Combined Statement of Cash Flows**  
**Period ended March 31, 2018**

	<b>Total</b>
Cash flows from operating activities:	
Net increase in partners' capital resulting from operations	\$ 2,374,016
Adjustments to reconcile net increase in partners' capital resulting from operations to net cash provided by operating activities:	
Amortization of deferred financing fees	27,969
Proceeds from investments	593,996
Purchases of investments	(5,028,572)
Net change in unrealized gain on investments	28,572
Net realized gain on investments	(593,996)
Changes in assets and liabilities:	
Other assets	(113,922)
Accounts payable and accrued expenses	(725,341)
Accounts payable – affiliates	(1,692,450)
Net cash used in operating activities	(5,129,728)
Cash flows from financing activities:	
Distributions	(288,008)
Net cash used in financing activities	(288,008)
Net decrease in cash and cash equivalents	(5,417,736)
Cash and cash equivalents:	
Beginning of year	18,725,350
End of year	\$ 13,307,614
Supplemental disclosure:	
Cash paid for interest	\$ 37,352

## **Supplemental Information**



VERSA CAPITAL FUND II, L.P. AND  
 VERSA CAPITAL FUND II-A, L.P.  
 (Delaware Limited Partnerships)  
**Combining Statement of Assets, Liabilities, and Partners' Capital**  
**March 31, 2018**

Assets	Versa Capital Fund II, L.P.	Versa Capital Fund II-A, L.P.	Eliminations	Combined Total
Investments, at fair value	\$ 300,137,550	\$ 124,862,450	\$ -	\$ 425,000,000
Cash	9,012,961	4,294,653	-	13,307,614
Interfund receivable	386,208	-	(386,208)	-
Other assets	478,987	138,304	-	617,291
Total assets	<u>\$ 310,015,706</u>	<u>\$ 129,295,407</u>	<u>\$ (386,208)</u>	<u>\$ 438,924,905</u>
<b>Liabilities and Partners' Capital</b>				
Liabilities:				
Interfund payable	\$ -	\$ 386,208	\$ (386,208)	\$ -
Accounts payable and accrued expenses	295,558	122,957	-	418,515
Accounts payable – affiliates	89,508	19,726	-	109,234
Total liabilities	<u>385,066</u>	<u>528,891</u>	<u>(386,208)</u>	<u>527,749</u>
Partners' capital:				
General Partner	18,428,970	7,666,740	-	26,095,710
Limited Partners	291,201,670	121,099,776	-	412,301,446
Total partners' capital	<u>309,630,640</u>	<u>128,766,516</u>	<u>-</u>	<u>438,397,156</u>
Total liabilities and partners' capital	<u>\$ 310,015,706</u>	<u>\$ 129,295,407</u>	<u>\$ (386,208)</u>	<u>\$ 438,924,905</u>

**VERSA CAPITAL FUND II, L.P. AND**  
**VERSA CAPITAL FUND II-A, L.P.**  
 (Delaware Limited Partnerships)  
**Combining Statement of Operations**  
**Period ended March 31, 2018**

	<u>Versa Capital Fund II, L.P.</u>	<u>Versa Capital Fund II-A, L.P.</u>	<u>Eliminations</u>	<u>Combined Total</u>
Income:				
Investment income	\$ 3,308,141	\$ 1,376,245	\$ -	\$ 4,684,386
Total income	<u>3,308,141</u>	<u>1,376,245</u>	<u>-</u>	<u>4,684,386</u>
Expenses:				
Management fees	1,649,387	725,176	-	2,374,563
Interest expense	39,025	16,235	-	55,260
Professional fees	209,620	87,205	-	296,825
Other expenses	105,328	43,818	-	149,146
Total expenses	<u>2,003,360</u>	<u>872,434</u>	<u>-</u>	<u>2,875,794</u>
Net investment income	<u>1,304,781</u>	<u>503,811</u>	<u>-</u>	<u>1,808,592</u>
Unrealized and realized gain from investments:				
Net change in unrealized gain on investments	(20,178)	(8,394)	-	(28,572)
Net realized gain on investments	<u>419,484</u>	<u>174,512</u>	<u>-</u>	<u>593,996</u>
Total net unrealized and realized gain on investments	<u>399,306</u>	<u>166,118</u>	<u>-</u>	<u>565,424</u>
Net increase in partners' capital resulting from operations	<u>\$ 1,704,087</u>	<u>\$ 669,929</u>	<u>\$ -</u>	<u>\$ 2,374,016</u>

**Versa Capital Fund II, L.P.**  
**Investor Contributions and Distributions**



**Pennsylvania Public School Employees' Retirement System  
 (PSERS)**

**Committed Capital**

**\$150,000,000.00**

Contribution Summary		
		% of Commitment
Capital Called	\$(150,000,000.00)	-100.0 %
Capital Recycled	(16,500,000.00)	-11.0 %
Contributions	<u>\$(166,500,000.00)</u>	-111.0 %
Net (Contribution)/Distribution	\$ (96,715,458.51)	-64.5 %
Remaining Funding Obligation <sup>(1)</sup>	\$ 17,996,547.30	12.0 %

Distribution Summary		
		% of Commitment
Recyclable	\$ 34,496,547.30	23.0 %
Non-recyclable	35,287,994.19	23.5 %
Distributions <sup>(1)</sup>	<u>\$ 69,784,541.49</u>	46.5 %
Preferred Return	\$ 44,872,091.21	
Return of Capital	24,912,450.28	
Additional Return	-	
Distributions	<u>\$ 69,784,541.49</u>	
Distributions as % of Contributions		41.9 %

**Contributions**

**Distributions**

<i>Date</i> <sup>(2)</sup>	<i>Amount</i>	<i>Date</i>	<i>Preferred Return</i>	<i>Return of Capital</i>	<i>Additional Returns</i>	<i>Total</i>
6/17/2008	\$1,261,294.64	7/01/2008	\$77,260.27	\$202,191.78		\$279,452.05
7/03/2008	\$67,247.02	1/01/2009	\$92,208.90			\$92,208.90
7/25/2008	\$101,666.67	4/01/2009	\$93,750.00			\$93,750.00
8/26/2008	\$69,791.67	7/01/2009	\$93,750.00			\$93,750.00
11/14/2008	\$4,500,000.00	10/01/2009	\$187,500.00			\$187,500.00
6/25/2009	\$3,000,000.00	4/01/2010	\$93,750.00			\$93,750.00
12/02/2009	\$15,000,000.00	6/10/2010	\$649,038.53			\$649,038.53
2/16/2010	\$3,000,000.00	7/01/2010	\$93,750.00			\$93,750.00
12/03/2010	\$3,750,000.00	10/01/2010	\$93,750.00			\$93,750.00
3/21/2011	\$7,500,000.00	1/01/2011	\$93,750.00			\$93,750.00
5/11/2011	\$10,500,000.00	4/01/2011	\$93,750.00			\$93,750.00
6/17/2011	\$7,500,000.00					

\* - Represents amounts prior to the effective date of the transfer.

<sup>(1)</sup> As used herein, 'recycle' refers to distributions eligible for re-investment, and does not include all amounts that may be recallable under the limited partnership agreement.

<sup>(2)</sup> Capital contributions are stated as of the capital call due date.

Note: Statement may reflect immaterial rounding differences.

**Contact Information:**

SS&C Fund Administration  
 versa@sscdirect.com



# Versa Capital Fund II, L.P.

## Investor Contributions and Distributions



Pennsylvania Public School Employees' Retirement System  
(PSERS)

Committed Capital

**\$150,000,000.00**

Contributions		Distributions				
Date <sup>(2)</sup>	Amount	Date	Preferred Return	Return of Capital	Additional Returns	Total
1/30/2012	\$7,500,000.00	7/01/2011	\$93,750.00			\$93,750.00
4/27/2012	\$11,250,000.00	10/03/2011	\$93,750.00			\$93,750.00
7/11/2012	\$7,500,000.00	1/03/2012	\$93,750.00			\$93,750.00
11/19/2012	\$7,500,000.00	2/27/2012	\$586,252.11	\$19,517.12		\$605,769.23
2/07/2013	\$15,000,000.00	4/02/2012	\$93,750.00			\$93,750.00
5/17/2013	\$7,500,000.00	6/13/2012	\$2,307,692.31			\$2,307,692.31
7/29/2013	\$7,500,000.00	7/02/2012	\$93,750.00			\$93,750.00
11/01/2013	\$10,500,000.00	9/12/2012	\$2,307,692.31			\$2,307,692.31
4/09/2014	\$7,500,000.00	10/01/2012	\$93,750.00			\$93,750.00
7/31/2014	\$6,000,000.00	1/03/2013	\$93,750.00			\$93,750.00
1/30/2015	\$7,500,000.00	2/12/2013	\$4,407,692.31			\$4,407,692.31
10/21/2015	\$6,000,000.00	4/01/2013	\$93,750.00			\$93,750.00
1/05/2017	\$9,000,000.00	4/17/2013	\$3,576,923.08			\$3,576,923.08
	<u>\$166,500,000.00</u>	7/01/2013	\$93,750.00			\$93,750.00
		7/31/2013	\$2,607,692.31			\$2,607,692.31
		9/25/2013	\$6,110,775.52	\$9,039,224.48		\$15,150,000.00
		10/02/2013	\$93,750.00			\$93,750.00
		12/30/2013	\$2,878,149.80	\$6,006,465.64		\$8,884,615.44
		1/02/2014	\$90,305.49	\$3,444.51		\$93,750.00
		4/01/2014	\$93,750.00			\$93,750.00
		5/01/2014	\$3,000,000.00			\$3,000,000.00
		7/01/2014	\$77,661.40			\$77,661.40
		9/29/2014	\$5,560,169.83	\$9,617,003.39		\$15,177,173.22
		10/01/2014	\$62,213.93	\$24,603.36		\$86,817.29
		1/12/2015	\$87,562.02			\$87,562.02
		1/13/2015	\$1,304.28			\$1,304.28
		4/02/2015	\$69,529.09			\$69,529.09

\* - Represents amounts prior to the effective date of the transfer.

(1) As used herein, 'recycle' refers to distributions eligible for re-investment, and does not include all amounts that may be recallable under the limited partnership agreement.

(2) Capital contributions are stated as of the capital call due date.

Note: Statement may reflect immaterial rounding differences.

### Contact Information:

SS&C Fund Administration  
versa@sscdirect.com



**Versa Capital Fund II, L.P.**

**Investor Contributions and Distributions**



**Pennsylvania Public School Employees' Retirement System  
(PSERS)**

**Committed Capital**

**\$150,000,000.00**

<b>Contributions</b>		<b>Distributions</b>				
<i>Date</i> <sup>(2)</sup>	<i>Amount</i>	<i>Date</i>	<i>Preferred Return</i>	<i>Return of Capital</i>	<i>Additional Returns</i>	<i>Total</i>
		4/09/2015	\$2,813.68			\$2,813.68
		7/01/2015	\$72,818.20			\$72,818.20
		10/01/2015	\$75,086.38			\$75,086.38
		1/08/2016	\$76,036.94			\$76,036.94
		4/11/2016	\$83,622.57			\$83,622.57
		7/14/2016	\$83,975.68			\$83,975.68
		10/05/2016	\$84,786.66			\$84,786.66
		1/12/2017	\$85,169.50			\$85,169.50
		4/10/2017	\$91,380.34			\$91,380.34
		7/12/2017	\$92,198.67			\$92,198.67
		10/11/2017	\$105,061.56			\$105,061.56
		10/20/2017	\$7,500,000.00			\$7,500,000.00
		1/12/2018	\$94,017.55			\$94,017.55
			<u>\$44,872,091.22</u>	<u>\$24,912,450.28</u>	<u>\$0.00</u>	<u>\$69,784,541.50</u>

\* - Represents amounts prior to the effective date of the transfer.

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