Private Equity Fund III LP

Private Placement Memorandum

May 2018

USD XX,000,000,000

Legal

For additional information, please contact:

Private Equity Advisors LLC
404 X Avenue
4th Floor
New York, NY 10101
Phone: 212-777-5588
Fax: 212-777-5589

The GP Partner may retain placement agents for the Fund.

Table of Contents

Table of Exhibits

This page intentionally left blank.

I. Executive Summary

Private Equity Fund III LP

Private Equity Fund III LP (the "**Fund**") is being raised to continue the investment program established through Fund I LP and Fund II LP (together with its parallel, alternative and related funds and accounts, "**Fund I**" and "**Fund II**", respectively). The Fund intends to capitalize on attractive investment opportunities to acquire Private Equity ("**PE**") assets or portfolios of PE companies which are owned by expiring fund vehicles where the sellers seek liquidity. The Fund is seeking to raise USD XX billion in capital commitments, including a USD XX million Private Equity Commitment at the first closing.

The Fund is expected to follow the investment strategy of Fund II and focus predominantly on GP Partner led transactions ("**GP-led Transactions**") and other relevant adjacent transactions (see below, under "Opportunistic Adjacent Investments"). GP-led Transactions involve partnering with incumbent GPs to acquire assets from older PE funds ("**Underlying Funds**") (typically in years 8+) to gain exposure to their remaining unrealized portfolio companies ("**Underlying Companies**"). These transactions facilitate the availability of liquidity options to current limited partners ("**LPs**") in target funds. To execute a GP-led Transaction, Private Equity typically capitalizes a new SPV that acquires the assets out from the selling fund and negotiates new terms on which the incumbent GP will manage the assets with structured incentives and under active governance rights for Private Equity. As a result, these transactions provide additional time, capital and strategic support for the incumbent GP to maximize value at the Underlying Companies.

Private Equity began investing in September 2015, when it closed the Metal transaction that represents almost all the capital deployed in Fund I. In June 2017, Private Equity held the final close of Fund II, at approximately USD XX billion. Private Equity has successfully executed on its strategy within both Fund I and Fund II, completing XX transactions and deploying XX million in equity commitments as of June 2018.

Exhibit 1.1: Summary Returns Snapshot

($ in millions) Investment Vehicle	Vintage	Fund Size	Capital Committed	MOIC Gross	MOIC Net Exc. Bridge	MOIC Net Inc. Bridge	IRR Gross	IRR Net Exc. Bridge	IRR Net Inc. Bridge
Fund I	2014	$200	100%	1.20x	1.10x	-	16%	12%	-
Fund II	2016	1050	65%	1.14x	1.12x	2.03x	51%	38%	180%

A performance summary of each fund's external capital gross and net returns proceeds are set forth above as well as the net returns to limited partners, including the impact of Fund II's bridge facility. Fund size includes PRIVATE EQUITY's parallel commitments.

Exhibit 1.2: Asset Level Returns Snapshot

($ in millions) Investment Vehicle	Number of Transactions	Cumulative Cost	Realized Value	Unrealized Value	Total Value	Multiple of Cum. Cost Realized Value	Multiple of Cum. Cost Unrealized Value	Multiple of Cum. Cost Total Value	IRR
Fund I	2	$130	$86	$130	$210	0.60x	1.02x	1.50x	20%
Fund II	8	420	140	530	701	0.30x	1.25x	1.48x	55%

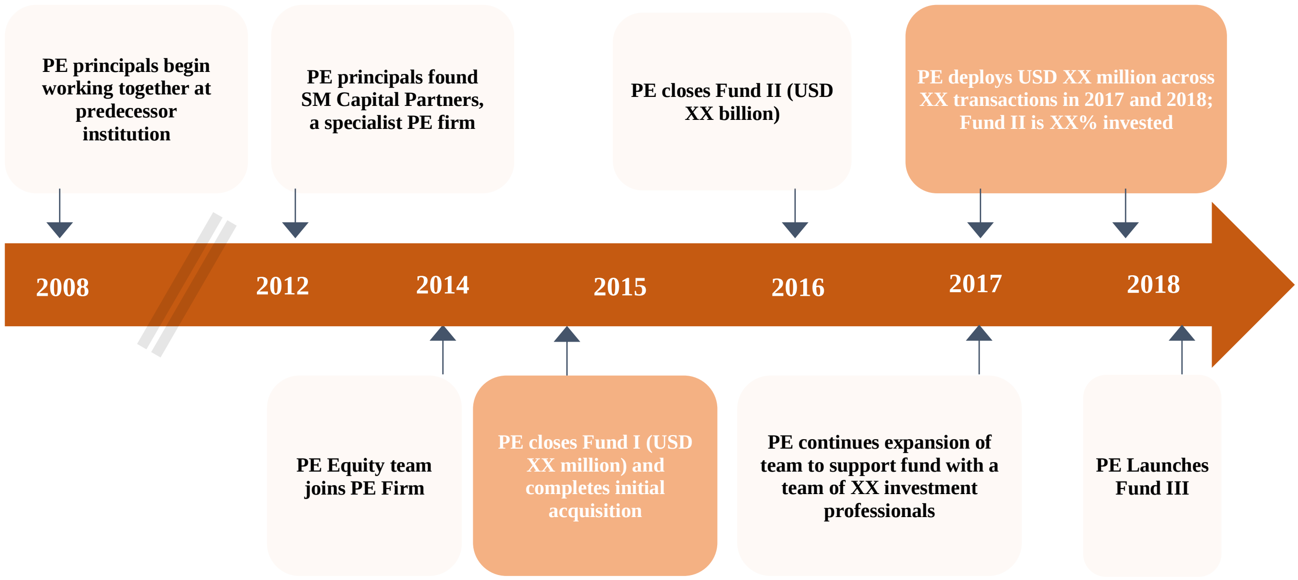
Source: PRIVATE EQUITY. Data as of December 31, 2017

Set forth above are Private Equity's asset level returns, which are gross of the underlying GP fees as well as Private Equity's fees and expenses.

Experienced Investment Team

Private Equity is led by ABC, XYZ and PQR, who have worked together for XX years developing the team's strategy and executing GP-led Transactions, PE buyouts and direct PE portfolio acquisitions.

Exhibit 1.3: Private Equity Timeline



Private Equity believes that the investment team benefits from certain key advantages, including:

- **Deep and specialized experience –** The investment team, comprised of XX professionals, was built with a Private Equity mindset at its core with significant experience executing both direct PE and structured secondary portfolio transactions gained from over XX firms. Each transaction is staffed with several investment professionals to leverage both transaction experience and skillsets
- **Differentiated execution capabilities –** Utilizing the investment team's asset buyout investment experience, all transactions are evaluated on an asset-by-asset basis when conducting intensive underwriting diligence. This approach allows Private Equity to develop high conviction on concentrated PE portfolios, which other conventional secondary market participants typically avoid because of heightened emphasis on manager selection and asset concentration
- **Ability to provide credible and active governance –** Private Equity has extensive experience in directly managing PE companies, which allows the investment team to obtain and exercise enhanced governance rights. These governance rights allow Private Equity to influence change at the Underlying Company level and to drive key strategic GP decisions (such as selling assets). Private Equity professionals will typically participate on the boards of the material underlying portfolio companies, either as observer or with voting rights

Attractive Investment Attributes

GP-led transactions, as an asset class, involve a unique set of dynamics, which Private Equity believes create compelling investment attributes that can result in attractive risk-adjusted returns:

- Diversified portfolios of PE assets acquired in a single transaction
- Ability to conduct extensive asset-level underwriting diligence on identified portfolios of PE assets
- Ability to acquire PE assets at meaningfully below typical prevailing market entry multiples
- Typically portfolios of seasoned companies with relatively low leverage

- Shorter holding periods for new or restructured investment vehicles (typically only up to a five-year term)
- Near-term realizations and interim cash distributions from early asset sales and/or dividend recapitalizations
- Partnership with incumbent GPs who have a unique knowledge of and long histories managing the target portfolios
- Enhanced governance rights for Private Equity
- Limited direct competition as few market participants have the ability or desire to lead GP-led Transactions due to the level of complexity, relative concentration, requisite fund scale and the required diligence/governance capabilities to drive performance
- High ratio of funded/unfunded capital at closing (typically 80%+)

Identified Transaction Catalysts

Private Equity's market opportunity is generated by the lack of liquidity in mature PE fund structures and the constraints on the Underlying Companies. The primary catalysts that give rise to GP-led Transactions include:

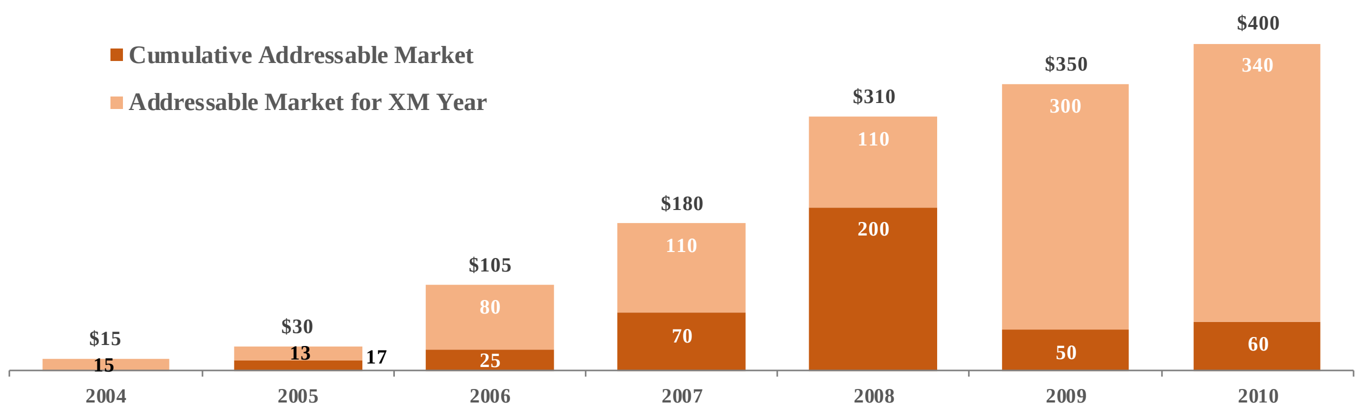
- **Ageing vehicles** – Asset(s) held beyond the intended investment horizon that could benefit from additional time or capital which is not provided for within the current ownership structure
- **Ownership dynamics** – Investor(s) seeking liquidity options for their interest in assets due to internal, regulatory or other exogenous pressures
- **Misaligned incentives** – Inadequate economic incentives for GPs to manage or dispose of Underlying Companies or drive for future value creation given the potential divergence of interests between LPs seeking liquidity and the GPs' desire to extend the investment duration

Private Equity's transaction counterparties (GPs and LPs) require tailored solutions to address the dynamics that constrain value creation in the portfolio.

Market Opportunity

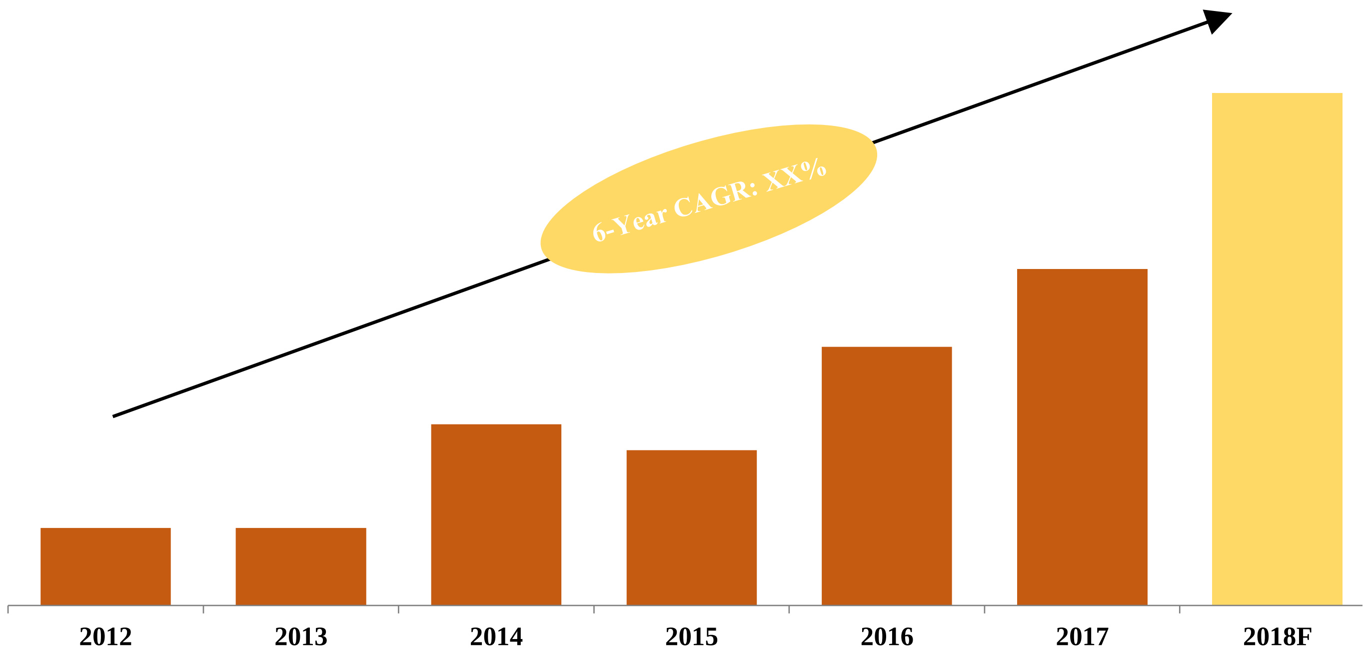
The addressable universe of potential GP-led Transactions is estimated to be over USD XX billion, based on Private Equity's proprietary analysis of the cumulative unrealized NAV in mature PE funds, which are managed by GPs based in US and Europe and which may have been adversely impacted by disruptive factors and/or events.

Exhibit 1.4: Cumulative Unrealized NAV in US and Europe by Fund III M (USD billion)



As illustrated in Exhibit 1.5, the GP-led market has experienced significant growth over the last five years, from USD XX billion in 2012 to USD XX billion in 2017. Growth in the GP-led Transaction volume is driven by continued maturation of pre-crisis funds, heightened awareness and market activity, LPs seeking to concentrate GP relationships, GPs seeking to realign incentives in mature funds, and increased sophistication of specialized advisors. The market is expected to continue to benefit from these core growth drivers and is forecasted to hit USD XX billion in total volume for 2018, according to ABC Market Trends & Outlook, January 2018.

Exhibit 1.5: Growth in GP-led Transaction volumes



Source: Based on Private Equity analysis and GS Market Trends & Outlook, January 2018

Limited Competition

Private Equity believes the GP-led Transaction market to have favorable competitive dynamics, which include:

- **Limited market participants –** Private Equity estimates fewer than five firms have the necessary capital to underwrite at least USD XX million into a single GP-led Transaction
- **Manager focused perspective** – Conventional secondary funds employ a historically passive investment strategy that is geared more heavily towards GP manager underwriting rather than individual asset evaluation. While manager quality is an important component to the Private Equity strategy, it is of less importance relative to the evaluation of inherent asset quality and entry valuation which we believe to be primary determinant of investment success. Private Equity's enhanced governance rights and active post-acquisition management allow the team to augment the incumbent GP's efforts and mitigates concerns on GP track record
- **Preference for diversification –** Conventional secondary funds attempt to mitigate risk associated with lack of asset due diligence through portfolio diversification. Private Equity seeks to construct portfolios that are well diversified from a direct Private Equity perspective but significantly more concentrated by a conventional secondary investor's standard
- **Governance experience** – Conventional secondary investment professionals have limited experience with direct PE management or board governance nor are they staffed to support active investment / asset level involvement. Private Equity has significant board experience and is capable of managing Underlying Companies should there be a need to remove the underlying GP

Proactive Sourcing Strategy with Significant Deal Flow

Since inception of Private Equity, the investment team has had access to quality deal flow in North America and Europe, allowing the team to be selective with respect to transactions they have completed. The investment team has sourced and evaluated transactions within the Fund's identified investment universe driven by:

- **Focused origination and proprietary target database –** Private Equity maintains a proprietary database of GP-led Transaction targets which drives and informs its rigorous outbound sourcing efforts. The team endeavors to proactively build relationships with relevant stakeholders (existing GPs, LPs and specialist advisors) prior to the launch of a formal process
- **Extensive intermediary and advisor relationship network –** The investment team has active dialogues with the specialized advisors and the intermediary community. The team positions itself as a thought leader on GP-led Transactions, given the experience executing XX deals since XXX

Value-oriented Approach and Disciplined Asset Underwriting

Private Equity believes that the Fund's investment strategy is highly differentiated in the market place driven by the following critical elements:

- **Value-oriented pricing –** Private Equity will seek to evaluate and price investments at attractive entry valuations based on fundamental metrics, discounts to market comparables throughout the economic cycle and cash flow analysis at each Underlying Company
- **Extensive asset-level diligence –** The Private Equity team applies its direct PE buyout experience to conduct extensive asset-level diligence on the key assets in each target portfolio. Private Equity requires direct access to portfolio Company management teams and, where appropriate, engages specialized industry consultants to advise on potential commercial risks and issues for the key assets. Throughout the diligence process, Private Equity assesses and seeks to verify the financial projections and key assumptions for future exit values at each portfolio Company
- **Scenario evaluation** – Private Equity scenario-tests both individual assets and portfolios for asset-specific, market-specific, macroeconomic and exogenous risks factors to ensure the underwriting is downside protected with a keen focus on capital preservation. Value-oriented entry pricing and focus on early realization / capital de-risking events further mitigates cycle risk and improves transactions' resiliency
- **Reduced GP reliance** – Private Equity's asset-level diligence and PE experience allows the team to develop independent underwriting perspectives, reducing Private Equity's reliance on the underlying GP's judgment and forecasts. In each of its investments, Private Equity seeks to ensure that it has the authority and the capability to influence the behavior and performance of the underlying GP in order to optimize investment outcomes

Enhanced Alignment and Governance

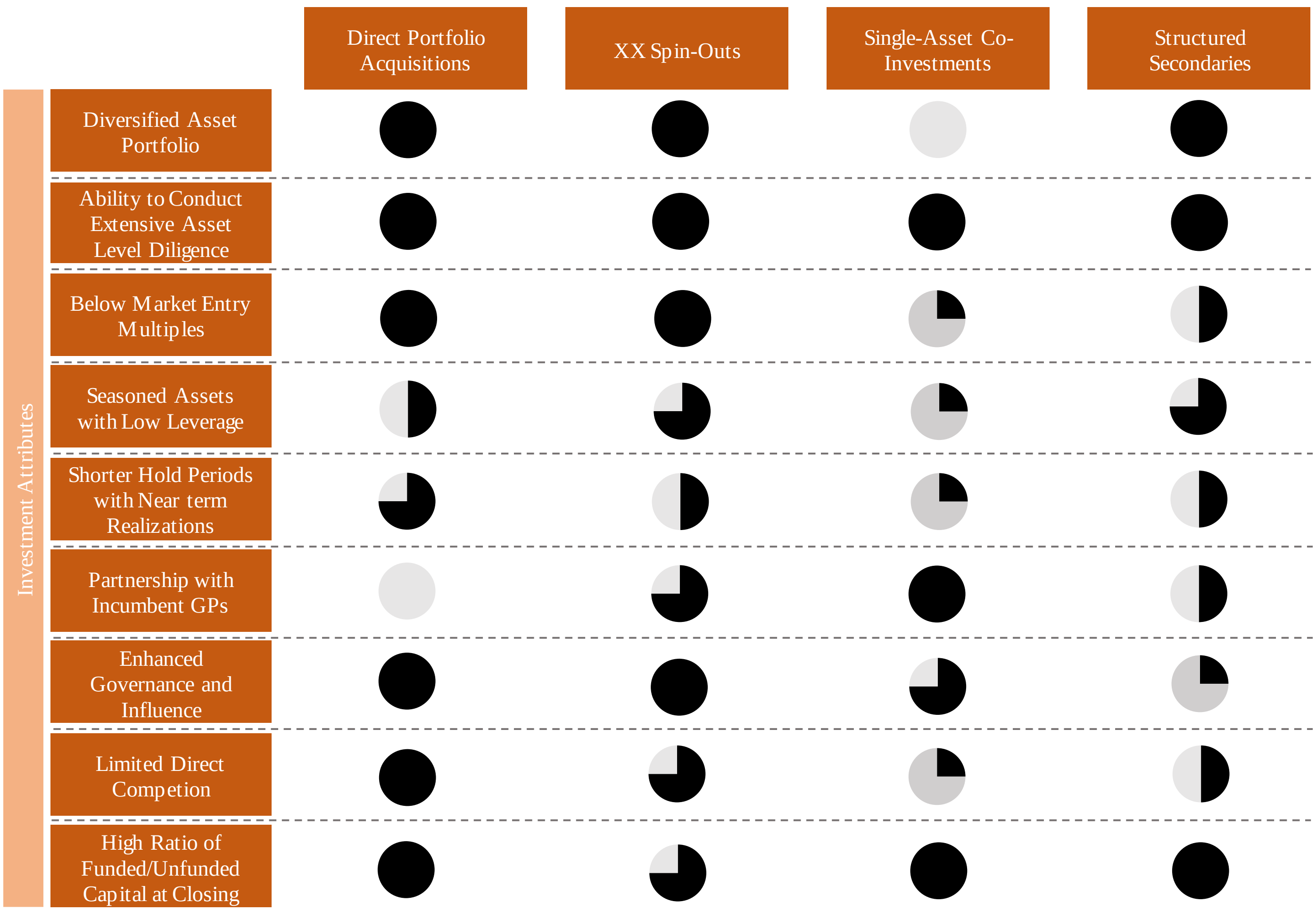
Private Equity believes that a strong alignment of interests between the GP and the Fund is critical for the success of the Fund's target investments. As such, Private Equity typically seeks to negotiate tailored economic incentives and governance rights, which may include, without limitation:

- **Significant new GP investment –** Private Equity always expects a significant commitment from the incumbent GP and new investment alongside the Fund investment
- **Restructured GP incentives –** Private Equity seeks to negotiate new partnership terms for each investment, including structured economic incentives for the GP which are typically multi-tiered hurdles based on IRR and MoIC targets designed to maximize future realized value in the portfolio companies
- **Governance rights and GP supervision –** Private Equity seeks to secure appropriate information and governance rights to ensure that the GP is managing the underlying portfolio companies in line with the agreed plan to realize attractive exit values

Opportunistic Adjacent Investments

Outside of the primary GP-led Transaction addressable market, Private Equity has identified adjacent investment opportunities that contain many (if not all) of the afore mentioned attractive attributes of GP-led Transactions and are well-suited for the team's investment approach. These opportunities include, but are not limited to, (i) direct portfolio acquisitions (without a GP), (ii) GP spin-outs, (iii) single-asset co-investments with existing GP relationships, and (iv) structured secondary. While this adjacent opportunity set may be smaller than that for GP-led Transactions, Private Equity has successfully executed three transactions in these adjacent areas within Fund II, with aggregate commitments of USD XX million (or XX % of Fund II invested cost). The transactions without an incumbent go-forward GP in place, like the XX transaction, require greater involvement and resources dedicated from Private Equity and as such, will likely remain a minority of the Fund's transactions.

Exhibit 1.7: Investment Attributes of Adjacent Investment Opportunities



Portfolio Construction and Potential Co-investment Opportunities

- **Portfolio diversification –** The Fund intends generally to make equity investments of between USD XX million and USD XX million in each transaction which would result in the Fund having approximately eight to twelve portfolio investments. On average, Private Equity's transactions contain approximately XX Underlying Companies, which further diversifies the Fund's underlying exposure
- **Limited unfunded commitments in underlying investments –** The Fund is expected to target investments in Underlying Funds which are at least 78% funded at the time of the Fund's investment and for which any unfunded capital is limited primarily to follow-on investments in existing portfolio companies

II. Summary of Principal Fund Terms

The following information is presented as a summary of the Fund's key terms and by the limited partnership agreement of the Fund (as amended, restated or otherwise modified from time to time, the "**Partnership Agreement**").

Fund:	**Private Equity Fund III LP ("Fund III"), a Delaware limited partnership**
Investment Objective:	The principal investment objective of the Fund is to achieve long-term capital appreciation through a portfolio of direct or indirect private investments, which will consist of purchases of interests in established PE funds through GP-led Transactions, direct investments in portfolio companies and other secondary transactions
Fund Size:	USD XX billion
PRIVATE EQUITY Commitment:	USD XX million – at first closing
Investment Period:	XX years from the Final Closing Date (as defined below) of the Fund, subject to extension with the consent of Limited Partners
Term:	XX years from the Final Closing Date (as defined below) of the Fund, subject to extensions for two successive one-year periods at the discretion of the GP Partner
Investment Limitations:	No more than XX% of aggregate Capital Commitments in any one Underlying Company. No more than XX% of aggregate Capital Commitments in any one investment
Preferred Return:	XX% per annum
Carried Interest:	XX% of Net Profits (as defined below) subject to the Preferred Return; XX% of net profits subject to a XX% net IRR with 100% catch-up
Clawback:	If the XX% preferred return has not been paid in full or carried interest distributions exceed the Carried Interest
Management Fees:	XX% per annum of each Limited Partner's Capital Commitment during the Investment Period and XX% per annum of invested capital after the Investment Period, subject to certain reductions, applied incrementally and on a sliding scale, applicable to Limited Partners that have aggregate Capital Commitments in excess of USD XX million and/or are admitted to the Fund on or prior to a designated date
Management Fee Offset:	100% of all commitment, closing, origination, transaction, break-up, directors', monitoring, management, amendment and other similar fees.
Recycling:	Amounts distributed as a return of Capital Contributions within XX months of making the relevant Investment or which have been returned to such Partner during the Investment Period. In addition, any amounts that are themselves subject to recall by the Underlying Fund may be recalled

III. Private Equity Fund III

Key Transaction Catalysts: Identified Structural Liquidity Constraints

Private Equity's investment opportunity is generated by the lack of liquidity in mature Private Equity fund structures and the constraints on the Underlying Companies. The primarily catalysts that give rise to potential GP-led Transactions include:

- **Ageing vehicles:** PE funds are typically established with a ten-year contractual term, with up to two years of extension. At the latter stage of a fund's life, GPs and their LPs must engage to agree upon a revised portfolio realization strategy, which includes negotiations around fund term, management fees, and options for LPs seeking immediate liquidity. Mature funds can fail to appropriately maximize value for Underlying Companies as the GP becomes increasingly perceived as a "forced-seller" by potential acquirers, limiting the GPs ability to drive for premium valuations. Further, value maximization can be constrained due to limited or no remaining unfunded commitments within the vehicle. Follow-on commitments, typically included in GP-led Transactions, enable GPs to execute on growth initiatives, add-on acquisitions, or other investments necessary to preserve or grow the value of the portfolio
- **Ownership dynamics**: Investors in Private Equity are continually evolving their investment allocations, strategies, and core manager relationships, which, in many cases, no longer match commitments they made ten years previously. Consequently, LPs will often elect to receive liquidity in legacy investments in order to better align their allocations with their current investment strategy and active GP relationships
- **Misaligned incentives**: Alignment between a GP and its LPs can quickly break down when funds are underperforming against carry incentive hurdle rates (i.e. diminished prospects for GPs to achieve carry). For example, with no carry incentive prospects, GPs are more financially incentivized to extend a portfolio's duration in order to maximize the ongoing management fees and are not appropriately aligned to create incremental value or seek optimal exits within the portfolio. GP-led Transactions present an opportunity for the GP to add incremental investment into the portfolio and to realign the economic interests with a reset carry incentive scheme that is tailored to the prospects of the current portfolio

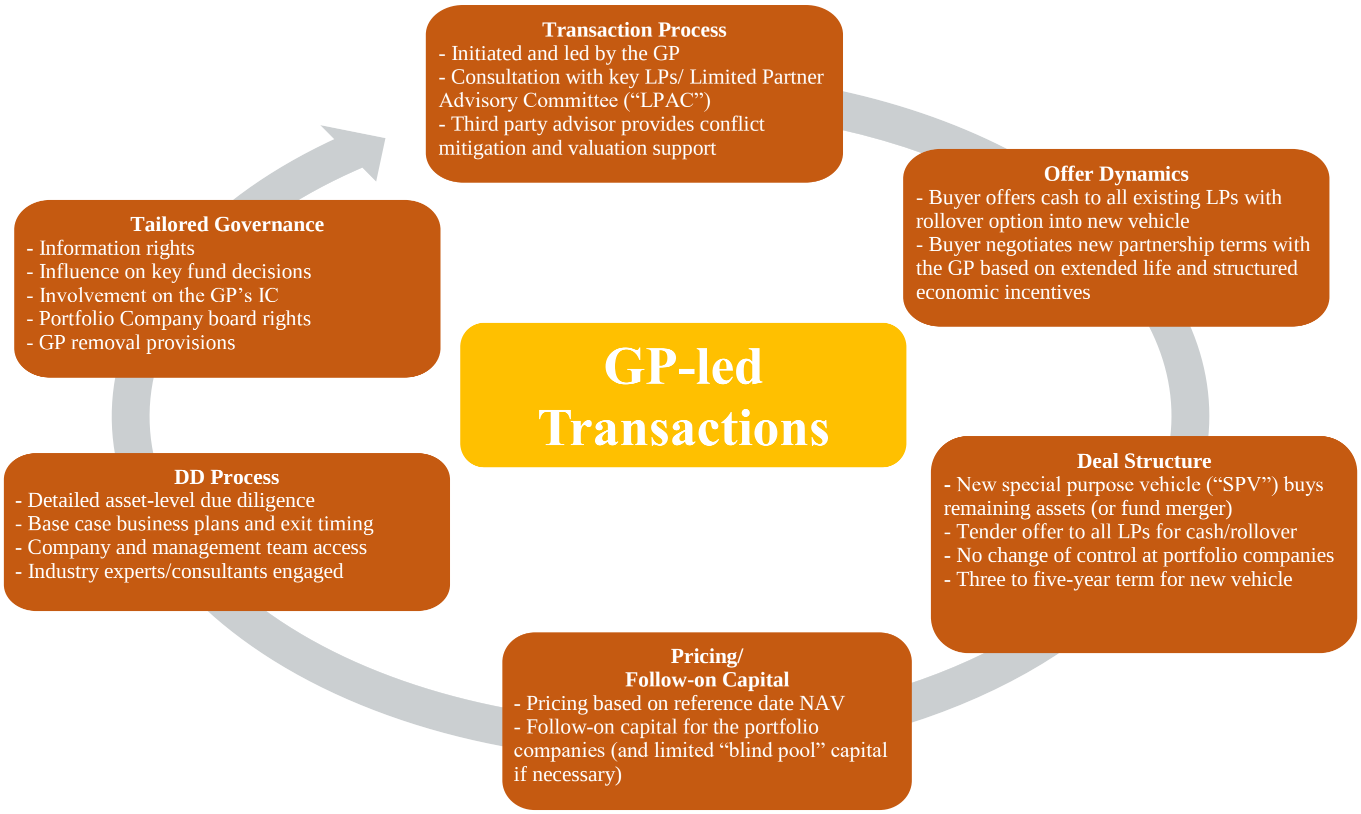
Private Equity's transaction counterparties (GPs and LPs) require customized solutions to address the unique value limiting constraints in each situation. These pressures left unaddressed can result in suboptimal or value destroying outcomes, including: forced asset(s) or interest dispositions, inability to support capital needs of the asset(s) and key team member or asset-level executive departures. Private Equity believes whole-fund liquidity options provide clear benefits to LPs, GPs and the Underlying Company management teams, addressing each stakeholder's issue through a comprehensive solution.

Investment Opportunity Overview

GP-led Transactions

Private Equity expects GP-led Transactions will continue to be the primary opportunity for Fund III, consistent with the portfolio construction within Funds I and II. A GP-led Transaction typically involves partnering with GPs to execute the equivalent of a "management buyout" of their existing mature asset portfolios. The transactions provide comprehensive liquidity solutions for entire portfolios of Private Equity assets, often in closed-ended vehicles nearing the end of their fixed terms (generally 10+ years). Importantly, GP-led Transactions typically involve the acquisition of 100% of the existing portfolio assets, providing existing LPs a comprehensive liquidity option and the incumbent GPs an opportunity to reset the investment horizon and incentives for the go-forward portfolio. During the complex, multi-party negotiations involved in these transactions, Private Equity is typically able to secure enhanced governance and significant influence over the restructured vehicle and underlying portfolio asset(s) in the new limited partnership agreement, which is not possible through conventional secondary transactions. Although GP-Led Transactions may take varying forms and consist of different transaction dynamics, there are several key elements that typically exist as outlined in Exhibit 3.1

Exhibit 3.1: Elements of a Typical GP-led Transaction



Since 2015, Private Equity has executed XX GP-led Transactions, deploying USD XX millions of commitments, relative to the estimated USD XX billion of market completed transactions. It is our belief that PRIVATE EQUITY Strategy Equity Fund III is well-positioned to deliver attractive risk-adjusted returns given GP-led Transactions' attractive characteristics:

- **Portfolios of PE assets** – Target transactions involve acquiring seasoned portfolios of operating companies, typically with embedded diversification across sectors
- **Comprehensive asset-level underwriting** – Target transactions involve portfolios of identifiable assets on which Private Equity can perform extensive underwriting diligence on the financial projections, the executive management teams and key assumptions driving exit values for each of the portfolio companies
- **Relatively low leverage** – Transactions typically involve buying assets from older and more mature PE funds with portfolio companies which usually have deleveraged over time and are more conservatively capitalized
- **Near term realizations and interim cash distributions** – Target portfolios typically include a mix of assets that can be realized in the near term together with longer term holdings to drive capital appreciation
- **Shorter holding period** – The new equity investor(s) in the target PE fund typically create(s) a new investment vehicle with only up to a five-year term for the GP to realize its portfolio of investments due to the maturity of the investment as opposed to a new PE buyout
- **Partnership with incumbent GPs** – Private Equity typically partners with incumbent GPs who have an established history and experience managing the target portfolio of companies. The incumbent GPs also provide insightful historical knowledge and strong ongoing relationships with the Underlying Company management teams which assists in our evaluation of the go-forward valuation creation prospects

- **Limited direct competition for lead investors** – To date, only a limited group of market participants have been willing or desire to lead GP-led Transactions due to the level of complexity, relative concentration, requisite fund scale and the required diligence/governance capabilities to drive performance
- **Follow-on capital for the portfolio and limited unfunded commitment in underlying investments** – Target transactions usually include the provision of additional follow-on capital reserves to benefit the existing portfolio companies

Opportunistic Adjacent Transactions

Through our evaluation of over XXX transactions since the beginning of 2017 and the continued evolution of the PE market, Private Equity has identified adjacent investment opportunities that may exhibit elements of constraint and attractive investment attributes similar to those of GP-led Transactions. Private Equity will continue to opportunistically pursue transactions across the Private Equity spectrum, which complement the existing GP-led Transaction strategy, including:

- **Direct portfolios:** A direct liquidity solution for a concentrated portfolio of PE asset(s) or illiquid securities, whereby the seller or incumbent GP will typically no longer maintain any go-forward involvement
- **GP spin-outs:** Providing a liquidity solution (partial or complete) to a parent Company to divest PE portfolios and the managing GP
- **Single-asset co-investment:** Partnering with GPs with whom Private Equity has strong existing relationships to support the acquisition of Private Equity asset(s)
- **Structured secondary:** A liquidity solution for a predetermined portion of interests from multiple LPs in a single fund or a purchase of all interests from a single LP across a fund(s)

Unlike GP-led Transactions with complex multi-party negotiations, these adjacent transactions frequently are a bi-lateral negotiation between Private Equity and the seller which provides increased execution certainty. The transactions without an incumbent go-forward GP typically benefit by having limited to no ongoing incentive economic drag; however, they require greater involvement and resources from Private Equity and as such, will likely remain a minority of the Fund’s transactions.

Investment Strategy

Private Equity believes that the Fund's investment strategy and team is highly differentiated in the marketplace. Key to this differentiation is the Private Equity approach to investing based on the following critical elements:

1. **Direct Private Equity approach**, leveraging investment professionals' direct Private Equity experience in the underwriting, evaluation and execution of portfolio transactions
2. **Value-oriented pricing**, by remaining consistently price disciplined to acquire quality Private Equity assets at below market multiples
3. **Addressing fund structural challenges**, by establishing new vehicles with appropriate term duration, follow-on capital and realigned economic incentives to maximize value creation
4. **Active management with enhanced alignment and governance**, to leverage direct PE experience and drive value creation within the portfolio asset(s)

1. Direct Private Equity Approach

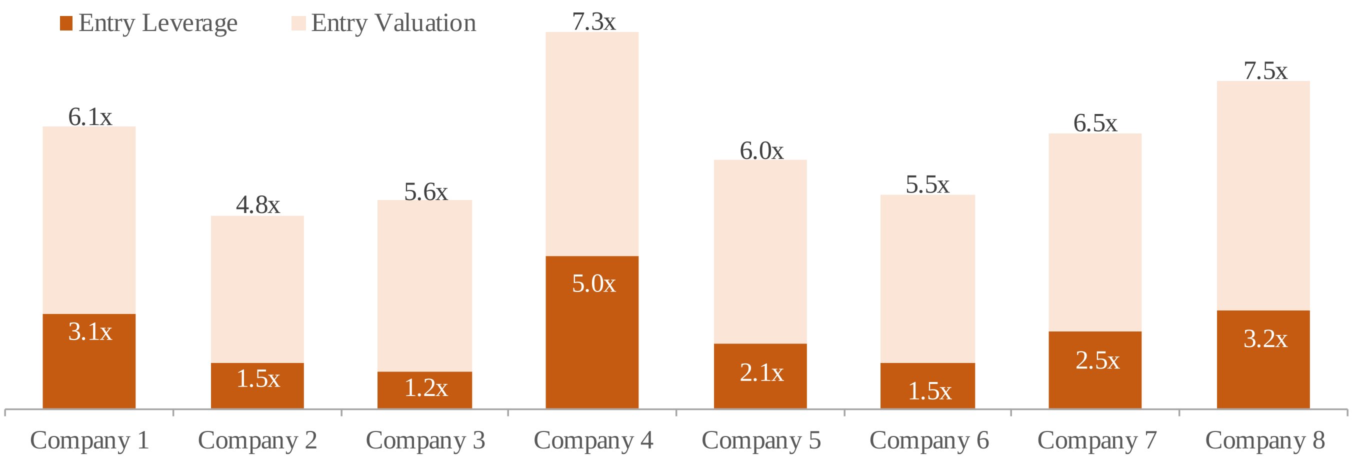
Private Equity has built its team of investment professionals with strong backgrounds and experience in direct Private Equity. The team is led by a former direct Private Equity buyout professional and aims to only hire individuals with directly applicable PE investing experience. The current Private Equity team of XX dedicated professionals have significant direct Private Equity investment experience gained at over XX firms. Private Equity believes this experience drives its disciplined and rigorous process in identifying and screening potential investment opportunities. The investment team takes an asset-level due diligence and valuation approach that is closely aligned to that of a Private Equity buyout strategy.

This asset buyout investment experience directly influences the lens in which Private Equity evaluates transactions. All target portfolios under consideration are deconstructed and analyzed on a stand-alone basis with a view towards gaining a deep understanding of business fundamentals and risk parameters of each constituent element of the portfolio. The investment team then develops detailed base case assumptions which drive the expected financial projections, cash flows and exit values. Pricing and returns are then subsequently derived from the aggregation of the individual asset assumptions into a fund level analysis. The evaluation and assumptions of the transaction will evolve over the course of due diligence which may include (i) Underlying Company site visits, (ii) meetings with all critical Company management teams, (iii) engaging industry experts and consultants to carry out specialized supplemental due diligence, and (iv) 3rd party legal diligence reviews.

2. Value-Oriented Pricing

As evidenced by its completed transactions in Exhibit 3.2, Private Equity has customarily purchased Private Equity assets at meaningfully below typical prevailing market entry and leverage multiples. In our view, these acquisition valuations provide an attractive entry point for strong future upside potential as well as downside risk mitigation.

Exhibit 3.2: Enterprise Value and Leverage Multiples at Entry



3. Address Fund Structural Challenges

The majority of transactions reviewed by Private Equity face pressures that are inherent in ageing or structurally constrained vehicles, which include, but are not limited to, (i) a mismatch of optimal asset duration with vehicle term, (ii) a lack of availability of follow-on capital, (iii) LP / investor base requirement for liquidity and (iv) insufficient economics to support or retain the GP's in order to manage the portfolio. Private Equity transactions seek to identify and address all structural constraints through the establishment of new vehicles with appropriate durations, committed undrawn follow-on capital and renegotiated tailored GP economics (management fees and carried interest programs) for the GP's investment professionals. We believe this framework positions the underlying assets to achieve value maximizing outcomes.

4. Enhanced Alignment and Governance with Active Post-Acquisition Portfolio Management

Private Equity believes that a strong alignment of interests between the GP and the Fund is critical for the success of the Fund's target investments. Private Equity expects to negotiate new partnership terms for each investment, including structured economic incentives for the GP which are typically multi-tiered hurdles based on IRR and MoIC designed to maximize future realized value in the portfolio companies. In addition, Private Equity generally requires a significant new commitment from the GP alongside the Fund investment. The average GP commitment in Fund II stands at XX%, representing an approximate XX% increase in commitments from the GPs in the new fund vehicles.

Private Equity typically seeks to reach agreement with each GP on the appropriate plan to maximize value and establish a clear path to exit for Fund's portfolio companies as part of the pre-investment diligence process. For each investment, Private Equity seeks to secure appropriate information and governance rights to ensure that the GP is effectively managing the portfolio companies in line with the agreed plan to realize attractive exit values. Private Equity typically seeks to negotiate tailored governance rights as the lead/co-lead investor in the transaction. Such governance and supervisory rights may include, without limitation:

- Participation on the boards of portfolio companies, either as observer or with voting rights
- Detailed rights to Underlying Fund / portfolio Company information and regular interaction with the GP
- Presence on the investment committee of the GP, either as observer or with voting rights
- No fault GP removals which enable Private Equity to directly manage the assets if necessary
- Rights to force liquidity events for portfolio companies which remain unsold after a prescribed period

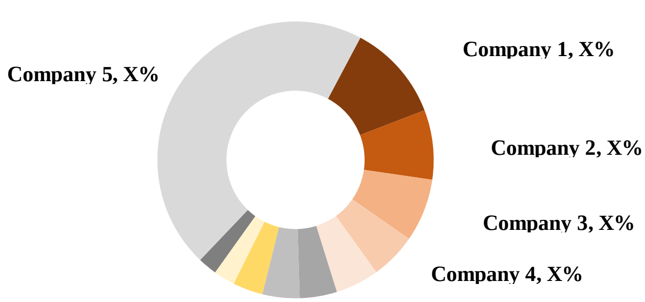
Portfolio Construction

Fund III will seek to achieve diversification across companies, end-markets, macroeconomic sensitivity, cash generative characteristics, and portfolios managed by specific GPs. The Fund intends to make investments of between USD XX million and USD XX million per transaction. This target should result in the Fund holding approximately X to X portfolio investments. The Fund will be subject to certain investment limitations as set out in the LPA, including a restriction on the capital commitments that may be invested (directly or indirectly) in any single portfolio Company or Fund. We expect Fund II to have a similar portfolio construction as Fund II as seen in Exhibit 3.4

Exhibit 3.4: Fund II Portfolio Breakdown by Invested Cost

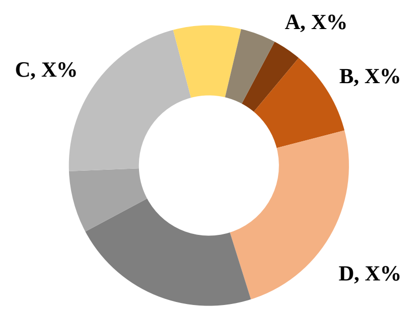
Gross Invested Cost by Asset

Concentrated portfolio with top XX assets representing XX% of invested cost



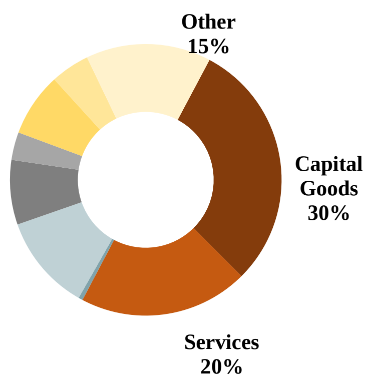
Gross Invested Cost by Investee Fund

Invested cost distributed amongst xx investee funds with limited concentration



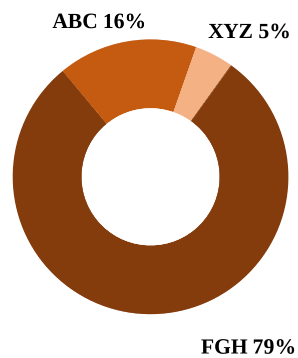
Gross Invested Cost by Industry

Capital deployment across a diversified set of industries



Gross Invested Cost by Country

Little regional risk with portfolio focused on US and Western European-based transactions

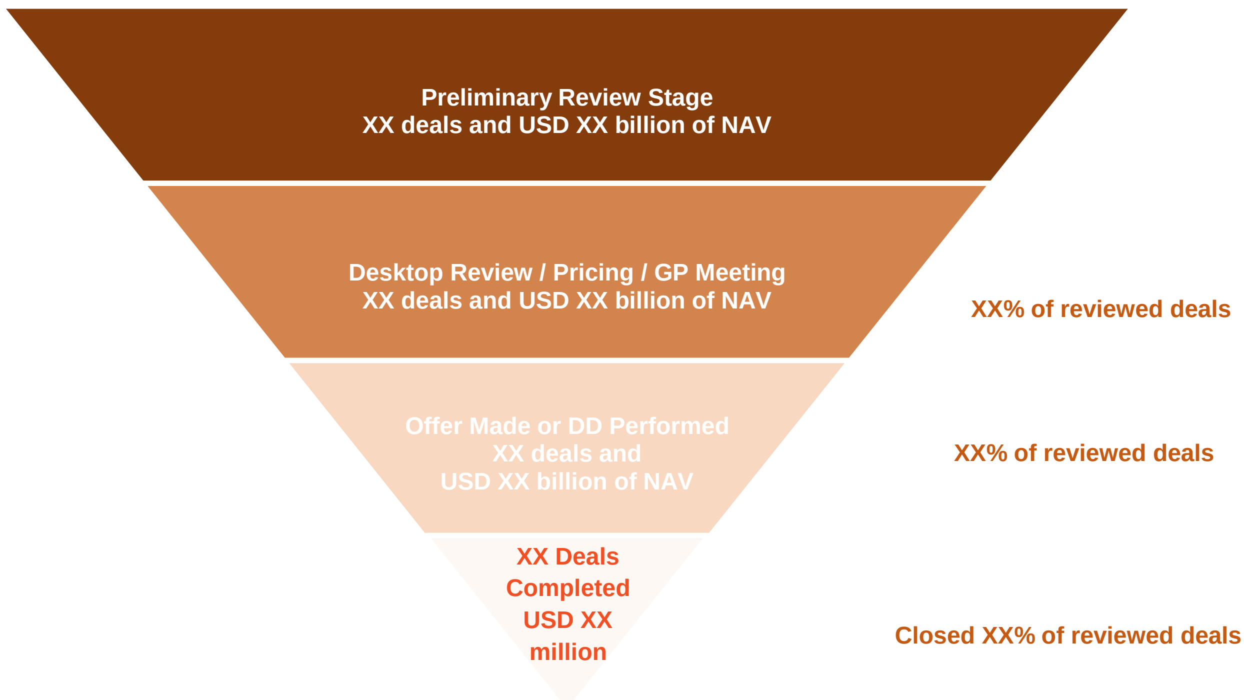


Sourcing Process

Private Equity seeks to proactively build and maintain relationships with target GPs, intermediaries and key LPs in order to generate a strong pipeline of investment opportunities, as well as keeping and actively maintaining a proprietary database of the Private Equity funds and GPs within the identified investment universe.

Private Equity believes that it possesses a robust sourcing platform and a highly selective and disciplined approach for evaluating potential investment opportunities. Since the beginning of 2017, the investment team sourced and evaluated XX transactions within the Fund's identified investment universe. XX of those transactions the investment team met management, or carried out initial due diligence. Private Equity made offers on or conducted further due diligence on XX of those transactions. The total value of all transactions reviewed had an estimated value of USD XX billion. Exhibit 3.5 provides a breakdown from Preliminary Review to Execution across Private Equity's investment universe. Private Equity believes that its historic deal flow experience demonstrates the robustness of the its sourcing platform as well as the highly selective and Private Equity like approach the investment team follows throughout the investment process.

Exhibit 3.5: Historical Deal Flow and Funnel (since January 2017)



Investment Decision Making Process

Private Equity believes that it follows a disciplined, rigorous process to identify and screen potential investment opportunities based on a fundamental approach to valuation and asset-level diligence.

Origination/Preliminary Screening

Once a potential target transaction has been identified as active, the team conducts an initial assessment. The assessment typically evaluates the transaction dynamics, valuation levels, portfolio/asset quality, return expectations and GP quality.

If the investment team wishes to further pursue an investment opportunity, a New Deal Summary memorandum containing the initial assessment findings is prepared and reviewed by the Investment Committee during a regularly scheduled weekly meeting. This early step in the investment process is critical in bringing together the collective experience of senior members of the investment team to pursue the most compelling investment opportunities.

Seller Engagement

Once a potential transaction has been previewed and the Investment Committee agrees to move forward with further diligence, the investment team performs an extensive review of the key companies in the target portfolio, or individual asset, based on both public and confidential information provided by the GP/seller or advisor. The investment team develops a pricing model for the portfolio/asset, based on a detailed asset-level analysis.

At this stage, the investment team typically also meets with the seller or existing GP team who manage the target portfolio companies / company, to discuss the key trends and business plans for the asset(s). Private Equity typically consults with industry experts for the key companies and reviews third-party due diligence market research on the relevant sectors of the target portfolio.

Investment Committee Approval ("ICA")

As the investment team prepares to make a preliminary, non-binding offer to acquire a portfolio/asset, a more detailed analysis of the target asset(s) is performed before submitting a comprehensive report to the Investment Committee for conditional approval to pursue the investment opportunity. During the ICA stage, the investment team meets with the Investment Committee to discuss: (i) the portfolio companies/company, (business model, financial projections, end-markets, profitability, growth prospects, capital structures and exit options); (ii) pricing, base case portfolio returns and proposed GP terms; and (iii) GP quality and any key risks and/or issues to be investigated in confirmatory diligence.

The Investment Committee typically provides the deal team with feedback on the transaction, as well as establishing the critical risks and issues of the diligence efforts if the transaction is pursued. After receiving Investment Committee approval, a non-binding letter of intent is signed, typically with exclusivity provisions and the investment team is authorized to progress to the final diligence phase.

Comprehensive Diligence and Legal Documentation

During the final diligence phase, the investment team typically conducts site visits and seeks to meet with representatives from the executive management teams of each target portfolio Company with a view to obtain relevant information to undertake a critical analysis of their prospects. This generally includes an analysis of business plans, developments since acquisition, financial indebtedness/covenant considerations, earnings trajectory, cash flow generation and the potential timing, means and valuations of realizations.

The investment team typically engages third-party advisors and consultants with specialized industry expertise to report on the commercial risks, issues and assumptions for the key assets, which assist the investment team in finalizing portfolio pricing and base case returns projections. In addition, Private Equity performs diligence on the GP by referencing and cross-checking information obtained from the GP with other independent sources, including, without limitation, LPs, co-investors, lenders, consultants, databases and publications.

In parallel with the confirmatory diligence process, the investment team typically negotiates the necessary legal documentation to execute the investment.

Final Investment Committee Approval

Following completion of the comprehensive diligence process, the investment team presents its findings and final investment recommendation to the Investment Committee for final approval. The investment team prepares a memorandum detailing the significant attributes of the transaction, including:

- Material diligence findings, including the findings of third-party advisors and consultants
- The investment team's assessment of significant identified risks and potential exposures
- Final proposed pricing, terms, structure, governance and target returns, based on the agreed base case financial model

Any decision of the Investment Committee requires a quorum of three members comprising at least Ben and Sam in order to proceed with the investment and to enter into binding legal documentation.

ESG

Private Equity takes environmental, social and governance ("ESG") factors seriously and through its ESG framework has policies and practices grounded throughout the firm. Not only does this commitment to responsible investment reflect the firm's philosophy and core values, but it also mirrors the expectations of PRIVATE EQUITY's fund investors. This has been a theme from PRIVATE EQUITY's fund investors and shareholders, and also reflects the Firm's investment philosophy. After researching various options, PRIVATE EQUITY decided to adopt the CCC Guidelines, which the firm regards as the leading benchmark in the field. PRIVATE EQUITY's priority is clear: to act responsibly and cautiously as guardians of its investors' capital in portfolio companies. PRIVATE EQUITY favors a mainstream approach where ESG criteria are considered at all stages, from due diligence to exit.

The Fund's portfolio will be covered by PRIVATE EQUITY's Responsible Investment Policy, which also covers AA, BB, CC, DD, EE and PRIVATE EQUITY PQR (PRIVATE EQUITY's Real Estate Division). PRIVATE EQUITY's Responsible Investment Policy focuses primarily on pre-investment due diligence and portfolio monitoring. The full policy is available on PRIVATE EQUITY's website.

Private Equity's investment executives conform to PRIVATE EQUITY's Responsible Investment policy based on the integration of ESG into the investment process. This process has been formalized to fit the specificities of the investment activity, in which PRIVATE EQUITY's city to influence portfolio companies' ESG strategy varies depending on the transaction. PRIVATE EQUITY believes the opportunity to fully understand the ESG implications of an investment are largely at the time of initial investment. At the closing of each transaction Private Equity issues each incumbent GP with an ESG questionnaire which; (i) identifies any existing ESG policies of its own, (ii) whether dedicated professionals are assigned to ESG, and, (iii) how it monitors ESG factors within their own portfolio. Through various training modules and input from the Responsible Investment Committee, PRIVATE EQUITY's investment executives are provided with the skills necessary to identify and investigate ESG issues during the pre-investment stage of an investment. In the case that additional expertise is required, Private Equity will engage third-party specialist ESG consultants to supplement due diligence.

Following an investment, it is important that ESG remains part of portfolio monitoring. This is achieved in two ways: through engagement with any incumbent GPs, or Company management, and through internal training to ensure staff has the skills and understanding to monitor ESG issues.

IV. Private Equity Track Record

Private Equity began investing in 2015, in conjunction with closing the Metal Investment in Fund I. Fund I held its final closing in September 2015 with total fund size of USD XX million. Fund II held its final closing in 2017 with total fund size of USD XX million and is currently XX invested.

A performance summary of each fund's gross and net returns proceeds are set forth below as well as the net returns to limited partners, including the impact of PRIVATE EQUITY's bridge facility.

Exhibit 4.1: Fund Level Return Summary

				MOIC			IRR		
($ in millions)		Fund	Capital		Net Exc.	Net Inc.		Net Exc.	Net Inc.
Investment Vehicle	Vintage	Size	Committed	Gross	Bridge	Bridge	Gross	Bridge	Bridge
Fund I	2	$300	95%	2.55x	2.41x	-	17%	12%	-
Fund II	8	1000	75%	2.45x	2.44x	1.90x	55%	48%	175%

Fund II Detail

Set forth below are the returns for Fund II for each of the six transactions Private Equity has completed since 2015. The below returns are transaction level returns, net of the fees and expenses from the underlying GPs, but excluding fees and expenses from Private Equity.

Exhibit 4.2: Fund II Transaction Level Return Summary

			As a Multipleof Cum. Cost			
($ in millions)	Capital	Capital	Realized	Unrealized	Total	
Transaction	Committed	Invested	Value	Value	Value	IRR
Company 1	$25	$20	0.50x	1.05x	1.50x	35%
Company 2	65	50	1.15x	0.25x	1.40x	35%
Company 3	120	105	0.20x	1.30x	1.45x	25%
Company 4	125	110	0.07x	1.35x	1.50x	95%
Company 5	50	35	0.04x	1.78x	1.78x	250%
Company 6	125	110	-	1.40x	1.35x	210%
Aggregate	**$510**	**$430**	**0.33x**	**1.19x**	**1.50x**	**108.3%**

Set forth below are Private Equity's asset level returns for Fund II, which are gross of the underlying GP fees as well as Private Equity's fees and expenses.

Exhibit 4.3: Fund II Asset Level Returns Summary

($ in millions) Transaction	Capital Invested	As a Multipleof Cum. Cost Realized Value	Unrealized Value	Total Value	As a Multiple of Capital Invested Realized	Unrealized	Total Value	IRR
Asset-Level Returns on Realized/Substantially Realized Assets								
Company 1	$6.0	$8.0	$1.9	$9.9	1.33x	0.32x	1.65x	80%
Company 2	48.0	70.0	3.7	73.7	1.46x	0.08x	1.54x	40%
Company 3	28.0	25.0	0.5	25.5	0.89x	0.02x	0.91x	5%
Company 4	8.0	7.0	1.2	8.2	0.88x	0.15x	1.03x	40%
Company 5	2.0	1.5	0.9	2.4	0.75x	0.43x	1.18x	15%
Company 6	-	-	-	-	-	-	-	-
Total Asset-Level Returns on Realized Assets	**$92.0**	**$111.5**	**$8.2**	**$119.7**	**0.88x**	**0.16x**	**1.05x**	**30%**
Asset-Level Returns on Unrealized								
Company 1	$11.2	$2.5	$15.3	$17.8	0.22x	1.37x	1.59x	30%
Company 2	5.5	-	15.8	15.8	-	2.87x	2.87x	75%
Company 3	105.5	16.0	135.0	151.0	0.15x	1.28x	1.43x	30%
Company 4	95.5	12.0	160.0	172.0	0.13x	1.68x	1.80x	95%
Company 5	32.5	-	65.0	65.0	-	2.00x	2.00x	520%
Company 6	114.0	-	165.0	165.0	-	1.45x	1.45x	250%
Total Asset-Level Returns on Realized Assets	**$364.2**	**$30.5**	**$556.1**	**$586.6**	**0.08x**	**1.77x**	**1.86x**	**75%**
Total Asset-Level Returns	**$456.2**	**$142.0**	**$564.3**	**$706.3**	**0.48x**	**0.97x**	**1.45x**	**60%**

Fund I Detail

Set forth below are the returns for Fund I for each of the two transactions Private Equity has completed since 2015. The below returns are transaction level returns, net of the fees and expenses from the underlying GPs, but excluding fees and expenses from Private Equity.

Exhibit 4.4: Fund I Transaction Level Return Summary

($ in millions) Transaction	Capital Committed	Capital Invested	As a Multipleof Cum. Cost Realized Value	Unrealized Value	Total Value	IRR
Metal	$150	$120	0.7x	0.8x	1.5x	18%
SC Partners	-	6	-	1.1x	1.1x	14%
Aggregate	150	126	0.7x	1.9x	2.6x	32%

Co-Investment Vehicle Detail

The team has historically invited its LPs to participate in co-investment vehicles that invest alongside Private Equity in its transactions. The table below sets forth the net and gross returns of each of the three co-investment vehicles PRIVATE EQUITY Strategy Equity has syndicated to LPs since 2015.

Exhibit 4.6: Co-Investment Vehicle Track Record

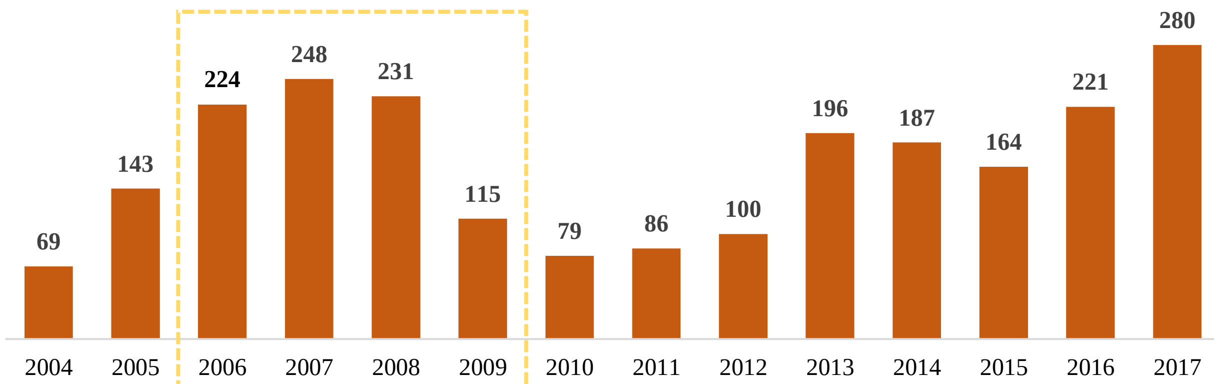
($ in millions)	Number of	Total	MOIC		IRR	
Investment Vehicle	Transactions	Commitment	Gross	Net	Gross	Net
Investment Vehicle 1	1	$50	1.40x	1.40x	30%	21%
Investment Vehicle 2	1	110	1.50x	1.50x	95%	95%
Investment Vehicle 3	1	5	1.30x	1.30x	170%	170%

V. Market Opportunity

Addressable Market Overview

The majority of Private Equity's investment opportunities are expected to come from mature Private Equity funds that are eight or more years old and most likely to encounter some or all of the key transaction catalysts. As shown in Exhibit 5.1 below, the size of this market opportunity is currently generated by a significant volume of capital raised in Private Equity in the XX years between 2006 – 2009 (i.e. funds now entering their 9th or 12th year of operation).

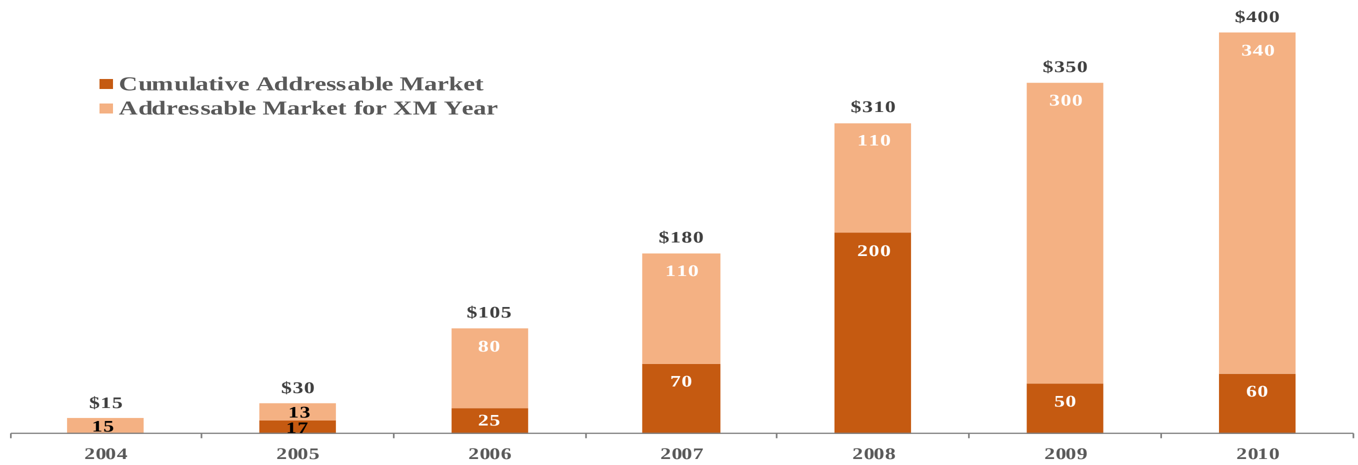
Exhibit 5.1: Global PE Buyout Fundraising Volume (USD billions)



Source: Preqin total global buyouts data as of May 2018

Based on Private Equity's proprietary analysis of target funds, the total addressable market is estimated to be over USD450billion of NAV across more than 680 mature Private Equity funds in North America and Europe. The addressable market is made up primarily of Private Equity funds raised in the 2006 – 2009 timeframe that were adversely impacted by the 2008/2009 financial crisis or have extended their investment hold period. These extended duration funds face headwinds from potential misaligned incentives, investor fatigue, or capital constraints.

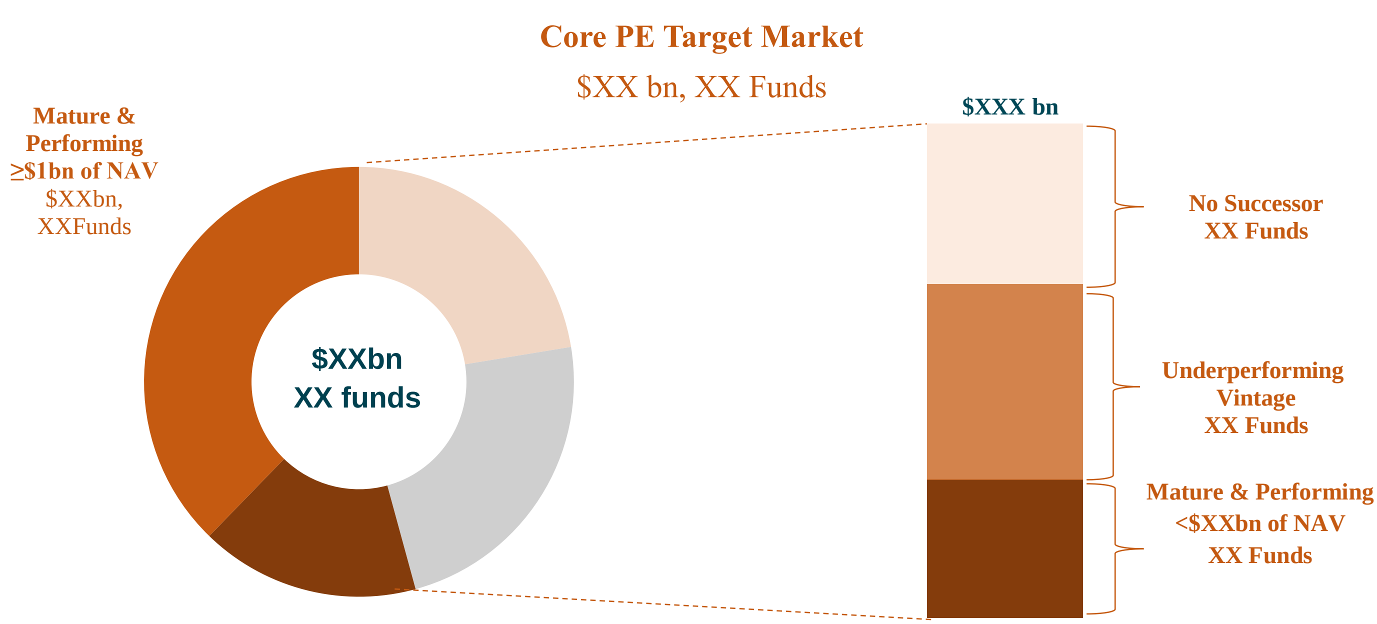
Exhibit 5.2: Cumulative Unrealized NAV by XM (USD billions)



Source: Based on Private Equity analysis of Preqin data as of May 2018

Within the broader addressable market, Private Equity has identified a core target market of 567 funds with USD252 billion of NAV which includes funds that are underperforming (i.e. unlikely to achieve carry), have no successor fund (i.e. unlikely to remain a core manager for limited partners), or are mature funds with less than USD1 billion of remaining NAV.

Exhibit 5.3: Breakdown of Addressable Market (USD billions)

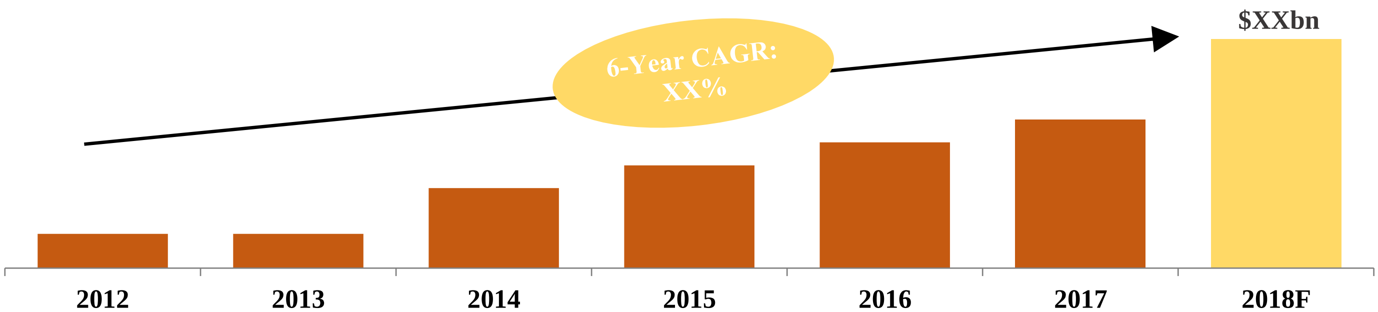


Source: Based on Private Equity analysis of PN data as of May 2018

Market Evolution Overview

As shown in exhibit 5.4, the OPQ market has experienced significant growth over the last five years, from USD X billion in 2012 to USD Y billion in 2017. Growth in the OPQ transaction volume is driven by continued maturation of pre-crisis funds, heightened awareness and market activity, JJJ, RRR and increased sophistication of specialized advisors. The market is expected to continue to benefit from these core growth drivers and is forecasted to hit USD20 billion in total volume for 2018, according to ABCMarket Trends & Outlook, January 2018.

Exhibit 5.4: Growth in GP-led Transaction volumes



Increasingly, large (greater than USD XX billion of NAV) and performing Private Equity funds have executed GP-led Transactions in recent years as a way to better align the remaining investment hold period with the underlying portfolio Company business plans and to allow existing LPs an opportunity to receive liquidity. In most cases, Private Equity has found the larger performing GP-led transactions to exhibit inferior risk / return dynamics relative to Private Equity's core target market as conventional secondary firms offer premium pricing for investments of size and with GPs who are perceived to be top-tier.

Although unlikely to be a core focus of the Private Equity investment program, we believe the entrance of larger and performing funds to be a positive development in the market, which further enhances the awareness of these solutions and motivates a growing number of middle market Private Equity managers to pursue GP-led Transactions.

Competitive Landscape

Private Equity primarily competes with a limited number of GGG funds that invest in OPQ Transactions and have capital to underwrite at least USD XX million into a single transaction. Private Equity's competitors have historically focused on the conventional PQR market and employ a passive investment strategy that relies heavily on GP manager selection rather than asset evaluation. Consequently, Private Equity's competitors will seek to invest in top quartile managers and maintain a high degree of diversification which is complementary to a passive investment strategy. Conventional competitors have limited or no experience direct PE investing, do not typically sit on boards of Underlying Companies, and are not equipped to exercise appropriate governance over GPs.

Unlike the conventional secondary firms, Private Equity is comprised of direct Private Equity investment professionals and seeks to build working relationships with its GPs which includes active engagement and board representation at the underlying portfolio Company level. While manager quality is an important component of the Private Equity strategy, it is secondary to the evaluation of inherent asset quality and entry valuation which we believe to be primary determinates of investment success. Private Equity seeks to construct portfolios that are well diversified from a direct Private Equity perspective but significantly more concentrated by a conventional secondary investors' standards. Private Equity's enhanced governance rights and active post-close engagement allows the team to augment the incumbent GPs efforts and mitigates concerns on GP quality.

VI. Management of the Fund

The Investment Team and Investment Committee

The Fund's day-to-day investment activities will be overseen by an experienced team of investment professionals that includes XX and XX. The Fund's investment professionals operate from offices in HHH and III.

Furthermore, Private Equity believes that the Fund will benefit from the perspective and significant investment experience of Mr. Ben (PRIVATE EQUITY Chief Investment Officer).

In addition to the Firm's global investment insights and relationships, PRIVATE EQUITY has substantial finance, client management, compliance, legal and information technology teams that will participate in the management of the Fund. PRIVATE EQUITY's internal processes and infrastructure have been developed and refined over XX years of investing.

Private Equity believes that the Fund's investment team is highly differentiated based on a combination of the following factors:

- **Cohesion** – XX and YY have worked together for the past XX years. They led numerous direct secondary portfolio buyouts at ABC Capital Partners and, in 20XX, founded and led ABC, a specialist firm in the PQR asset class
- **Private Equity Capabilities** – The cornerstone of Private Equity's investment capabilities is its investment team's direct Private Equity investing experience. This experience enables the execution of complex portfolio, or individual asset, acquisitions based on asset-level diligence and management assessments. Private Equity leverages the investment team's Private Equity experience to execute its governance and GP supervisory rights in order to seek to drive value and realizations in target portfolios
- **Accumulated Experience** – Cumulatively, Private Equity and its Investment Committee members have originated, executed and/or managed over USD XX billion in Private Equity transactions through multiple cycles and decades. Private Equity believes this accumulated experience is differentiated and valuable to the Fund's strategy
- **Relationships** – The members of the Private Equity investment team have built strong relationships with GPs and the advisors who serve them through their years of investing. PRIVATE EQUITY, in turn, has built deep, time-tested relationships with PE sponsors in its NN-year history and, as a result, has developed a network of partnerships with key individuals and institutions that are active in the PE market
- **PRIVATE EQUITY Platform** – In addition to leveraging GP relationships, as previously discussed, Private Equity leverages the extensive knowledge of sectors and securities which resides throughout PRIVATE EQUITY. Private Equity also benefits from PRIVATE EQUITY's extensive finance, treasury, legal and fund administration capabilities

The Investment Committee

The Investment Committee of the Fund will be responsible for the approval of all investments and will oversee the management of the Fund's portfolio of investments. The Investment Committee of the Fund is A, B, C, and D, consistent with the Fund II committee composition.

The Fund's Investment Committee brings a depth of global investment experience to the decision-making and monitoring processes, with an average of over MM years of experience. Any decision of the Investment Committee requires a quorum of three members comprising at least A and B. Private Equity believes the composition of the Investment Committee with insight from PRIVATE EQUITY's Chief Investment Officer and Chief Executive Officer offers global market intelligence gained through his seat on multiple Investment Committees and capitalizes upon the firm's collective investment experiences.

Further details on the Investment Committee and investment team are outlined below:

Exhibit 6.1: Private Equity Investment Committee

Investment Professional	Key Responsibilities	Years of Experience
Ben	Chief Executive Officer	30
Alan	Head of Private Equity Solutions	25
Chris	Managing Director	15
Rick	Managing Director	15

VII. PE Capital Group

PRIVATE EQUITY History

Established in 19YY, PRIVATE EQUITY is a leading private debt, credit and equity provider, with investment portfolios in Europe, Asia Pacific and North America and over XX employees across XX cities worldwide, as at 31 December 2016. Since its founding, PRIVATE EQUITY has completed over USD XX billion of private investments.

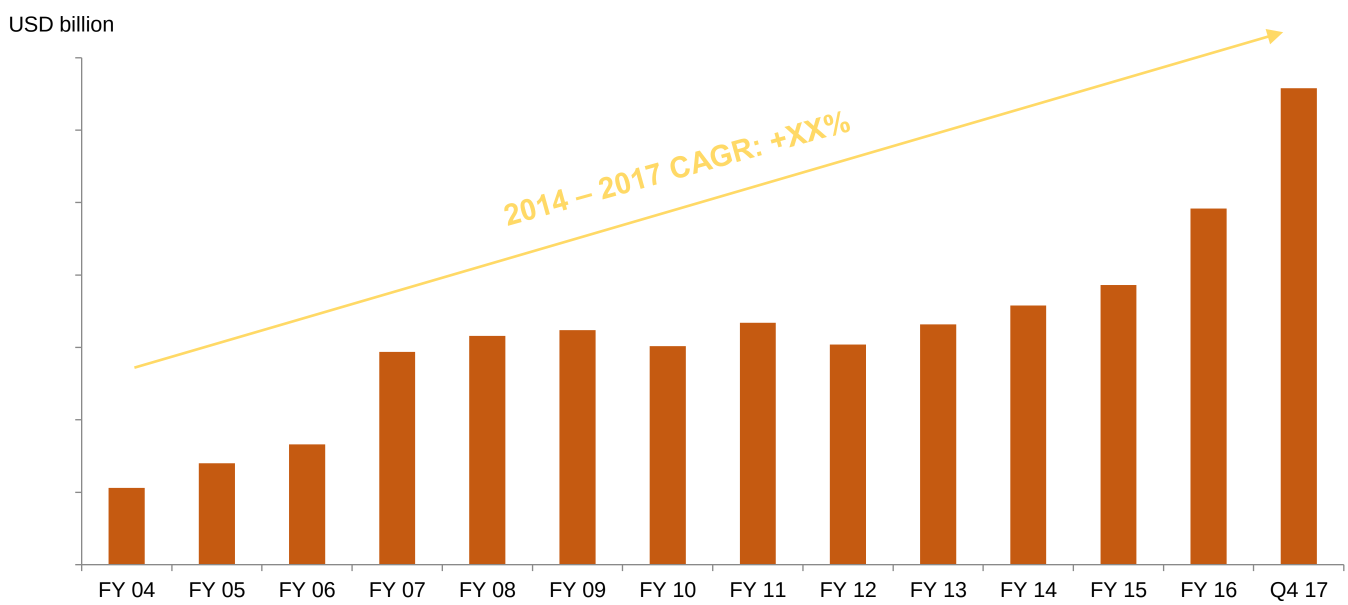
PRIVATE EQUITY has expanded globally from its ABC headquarters through the opening of local offices throughout the world and raising funds targeting particular geographic areas and/or market opportunities. PRIVATE EQUITY's growth strategy was founded on combining its global investment expertise with local market knowledge and transaction sourcing. Further third-party DEF funds, GHI funds and OPQ funds have recently been launched to invest in private debt, credit and equity opportunities.

Private Equity believes that PRIVATE EQUITY's global investment platform provides investors in PRIVATE EQUITY funds with access to local market specialists with strong relationships in the markets in which they operate, coupled with the implementation of PRIVATE EQUITY's investment strategy which seeks to prioritize the preservation of capital.

PRIVATE EQUITY Assets Under Management

PRIVATE EQUITY had USD XX billion of total managed assets as of December 31, 2016, of which USD XX billion is held through the PRIVATE EQUITY balance sheet. PRIVATE EQUITY is listed on the Exchange under the ticker "XXX" and is a member of the CCC. As of December 31, 2017, PRIVATE EQUITY had a market capitalization of approximately USD XX billion.

Exhibit 7.2: PRIVATE EQUITY AUM Growth



Source: PRIVATE EQUITY analysis. Data as at March 31 for Financial Year ("FY"). Q4 17 data as of December 31, 2017.

Metal

Large restructuring of diversified US middle market PE portfolio

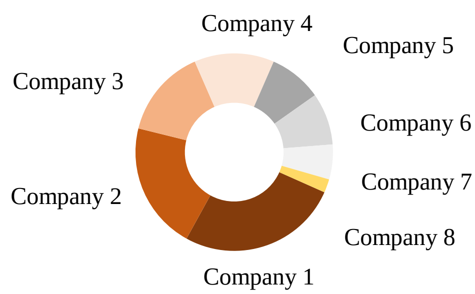
Key Transaction Stats

Target Fund (Seller)	XX PE Funds	**Funded %**	XX% funded at close
# of Assets	XX assets, four of which cover XX% of entry cost	**Effective Discount**	XX%
# of Assets Realized	XX	**PRIVATE EQUITY Entry Price**	XXx EV / EBITDA(4)
Board Seats(1)/ Material Assets(2)	0 / XX	**PRIVATE EQUITY Entry Leverage**	XXx net debt / EBITDA(4)
Closing Date	January 01, 2015	**Asset Level Realized Proceeds / Invested Cost(5)**	0.0x
PRIVATE EQUITY Total Commitment	$ XX m	**Gross MoIC(6)**	0.0x
PRIVATE EQUITY Total Invested Cost(3)	$ XX m	**Gross IRR(6)**	0%
% Fund Ownership	XX%		

Deal Overview

- Restructuring of a well diversified portfolio of assets, all based in the US across relatively uncorrelated industries
- 10-year old PE fund with senior team departures at the GP
- Strong relationships with the GP and advisor which led to early identification of the opportunity
- PRIVATE EQUITY investment led transaction controlling 65% of LP vote with co-lead
- Largest asset in the portfolio (accounting for XX% of PRIVATE EQUITY's cost basis) was in a merger process to create the #1 Oil & Gas Company which was expected to yield meaningful in annual synergies
- Significant near term liquidity was expected and subsequently executed via a dividend recap in the largest asset which returned XX% of PRIVATE EQUITY's investment cost in XX

Entry Cost by Asset



As of December 31, 2017, Fund I has a Gross MoIC and IRR of XXx/XX% and a Net MoIC and IRR of XXx/XX%(7)

Investment Thesis

- ✓ **Diversification:** Well diversified portfolio of assets based in the US across relatively uncorrelated industries
- ✓ **Value Uplift:** Expected a material uplift in portfolio NAV resulting from a XX% effective discount to December 31, 2015 NAV as valuations increased between reference date and closing
- ✓ **Low Entry Valuation:** Attractive weighted average entry multiple of XXx EV / EBITDA(8) across good quality assets
- ✓ **Modest Leverage:** Weighted average portfolio leverage entry multiple of XXx net debt / EBITDA(8)
- ✓ **Identified Value Creation Plan:** Company, the largest asset in the portfolio (accounting for XX% of PRIVATE EQUITY's cost basis), was in a merger process with ABC to create the #1 pure-play Oil & Gas business which was expected to yield meaningful annual synergies
- ✓ **Liquidity:** Significant near term distribution was expected and subsequently executed via a dividend recap in ABC, which returned XX% of PRIVATE EQUITY's investment cost in June 2015

PRIVATE EQUITY Involvement

- ✓ **Portfolio Company Engagement:** Worked extensively with Metal and management to exit portfolio companies and maximize value creation
  - **Company 1:** Engaged with management alongside Metal to determine key areas of expansion due to Trump election and announced polices of expanding Medicaid. Pro-active involvement in sourcing and installing new management
  - **Company 2:** Assisted Metal to evaluate and negotiate bids for the business, ultimately leading to the strategic sale to United Rentals
  - **Company 3:** Provided strategic guidance to the GP throughout the auction process and was supportive in evaluating bids, resulting in an attractive exit to a strategic buyer
  - **Company 4:** Worked with Metal to evaluate refinancing options for the business and positioned the company for sale
- ✓ **Quarterly Reviews:** On-going monitoring of company performance with the GP where PRIVATE EQUITY regularly provides strategic and operational advice to maximize value creation in the portfolio

Gross performance excludes deductions for management fees and carried interest, each payable to PRIVATE EQUITY in respect of the aggregate performance of the Fund, and organization and other expenses, which in the aggregate may be substantial. The effect of these expenses on net performance can be material. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

(1) Includes board and observer seats on material assets. (2) Material assets defined as companies that represent over 20% of cost at entry. (3) Represents net-gross invested capital (net of underlying fund fees and carry). (4) Excludes tail end assets and companies where EBITDA is not relevant metric. (5) Represents gross realized proceeds and invested capital at portfolio company level. Excludes fees and balance sheet items at the underlying fund and PRIVATE EQUITY level. (6) Represents actual net-gross performance (net of underlying fees, carry and expenses, but gross of PRIVATE EQUITY fees, carry and expenses) for all capital excluding PRIVATE EQUITY investment vehicles as of December 31, 2017. Please see gross performance disclaimer on page 3. (7) Fund I performance metrics excludes PRIVATE EQUITY plc balance sheet co-investment and other PRIVATE EQUITY vehicles as of December 31, 2017. (8) Excludes tail end assets and companies where EBITDA is not relevant metric.