

Glendower Capital Secondary Opportunities Fund IV, LP

SOF IV is being established by Glendower Capital as the successor fund to the SOF Funds to pursue the same investment strategy as the SOF Funds in the secondary market and will follow processes established by the Glendower SOF Team in the SOF Program.⁴²

Investment Strategy

In line with the focused and disciplined investment strategy that has generated strong returns in the SOF Funds to date,⁴³ the Fund will target the acquisition, holding and disposition of a diverse portfolio of investments including buyout, growth capital, venture capital, special situations, turnaround, mezzanine and distressed opportunities, real estate and infrastructure assets on the secondary market.

The Fund will target globally, but primarily in the U.S. and Europe, three types of investment:

1. Fund Secondaries, the purchase of LP interests in existing private equity funds;
2. GP-led Secondaries, which can often involve greater complexity than traditional Fund Secondaries, and include spin-in/spin-outs, tail-end restructuring, asset liquidations and LP tenders; and
3. Single Asset Deals into individual private equity companies, either at the time of the original acquisition, or later from an investor seeking early liquidity.

The Manager will primarily allocate capital between these three strategies depending on its assessment of the relative attractiveness of the transactions available at any point in time. During the Investment Period the relative weightings of each of the three strategies may vary as the Manager's assessment of their relative attractiveness changes.

The Fund will focus on smaller Fund Secondaries of US\$5 million to US\$100 million sourced from a mix of small institutions, family offices and private investors coupled with the opportunistic pursuit of larger transactions sourced from financial institutions, corporate and alternative funds. This will, in the Manager's view, enable the Manager to select the most attractive investment opportunities on a global basis.

The Fund will target GP-led Secondaries of US\$100 million to US\$250 million, focusing on funds with attractive assets managed by fundamentally sound managers who have 'hit a bump in the road,' or have investors who have lost patience or changed strategy and are therefore looking for liquidity. The Manager believes it will be one of few Managers who have the capabilities to execute such transactions at this size range – most Managers target larger transactions to justify the higher level of resources necessary to execute GP-led Secondaries.

The Fund will opportunistically invest into Single Asset Deals where the Manager believes it has identified a situation where its capital can add value to the transaction or help unlock a situation.

In addition to the three strategies described above, the Fund will have the ability to allocate up to 15% of aggregate commitments to select primary fund investments and other opportunities to invest in funds where less than 50% of aggregate capital commitments of the relevant fund have been drawn down.

The Fund will target attractive, risk-adjusted returns in excess of 20% Net IRR (after fees, expenses and carried interest) on a portfolio basis.⁴⁴

⁴² Prospective investors should note that while at Deutsche Asset Management, the SOF Team was able to make use of platform personnel and resources in connection with the SOF Program that will not be available to the Glendower SOF Team in connection with the management and operation of SOF IV.

⁴³ Past performance of the SOF Funds is not a prediction of future performance of either the SOF Funds or the Fund. Actual returns on unrealized investments may differ materially from returns indicated herein.

⁴⁴ There can be no assurance that the Fund will achieve its investment objective or its target return.