

million, make it a potential buyer of choice in these transactions.

Maturity of fund interests

The mid-sized fund segment of the market is further differentiated through the maturity of fund interests targeted.

Some strategies target interests in immature buyout funds which are between 15% and 50% drawn down. These strategies do a primary style analysis of the blind pool portion of the portfolio – focusing on the capability of the Fund Sponsor to invest the remaining commitments well, alongside a secondary pricing analysis of the existing assets. Complementary to this, some secondaries funds target interests in Fund Sponsors that are considered by their primary fund investment businesses to be of high quality on the basis that these interests, even if bought at close to par value, represent a compelling purchase.

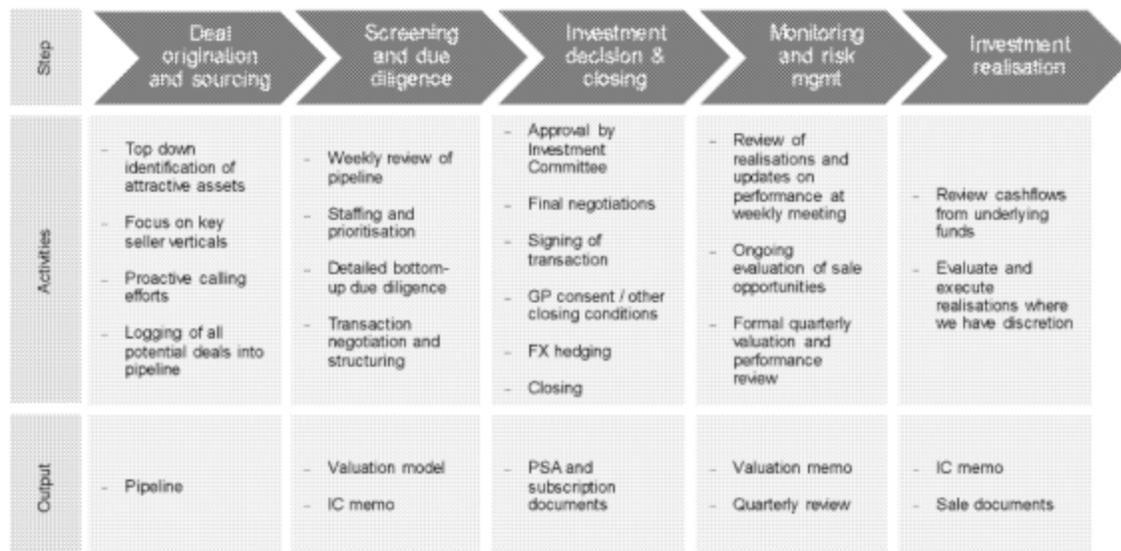
In contrast to these approaches, the Fund will focus only on mature fund interests (at least 50% drawn, typically over 80% drawn). This approach provides the Manager with visibility on the underlying assets and reduces reliance on the Fund Sponsor to select strong investment opportunities (reduces 'blind pool risk').

Investment Process

Overview

The Glendower SOF Team has developed a robust and selective investment process to support its focused and disciplined investment strategy.

Exhibit 20: Secondaries Investment Process



Deal origination and sourcing

The Glendower SOF Team will seek to purchase funds in exclusive or minimally competitive negotiated transactions through its own extensive network of industry relationships, which includes financial sponsors, Fund Sponsors, portfolio companies, intermediaries/placement agents, and investment banks.

The Glendower SOF Team will seek to proactively identify private equity funds through a combination of top-down and bottom-up analysis.

Top-down identification of assets: an extensive private equity database listing certain funds is maintained with recent