

# Glendower Capital Secondary Opportunities Fund IV, LP

Global Private Equity Secondaries

2<sup>nd</sup> Quarter 2018

## The Offering

Glendower Capital Secondary Opportunities Fund IV, LP<sup>1</sup> ("SOF IV" or the "Fund") is being formed by Glendower Capital ("GC"):

- An independent secondary manager spun-off from Deutsche Asset Management in August 2017
- Fully owned by its partners who worked together for 15 years
- Established 23-strong team with US\$3 billion in total client assets and offices in London and New York

Glendower's mission is to deliver outstanding results for its investors

- Strong buyout-like performance with an attractive risk profile, early cash flows, and negligible loss ratio
- Mature program at 1.7x TVPI and >20% Net IRR and overall program at 1.5x TVPI and 23% Net IRR<sup>2</sup>

SOF IV will continue the successful secondary strategy pursued since 2006:

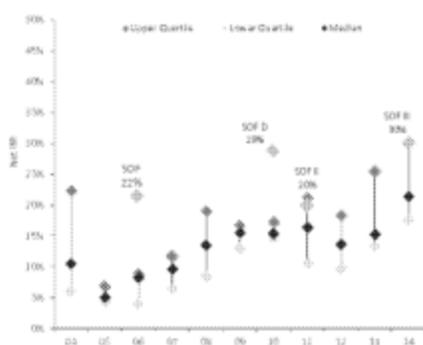
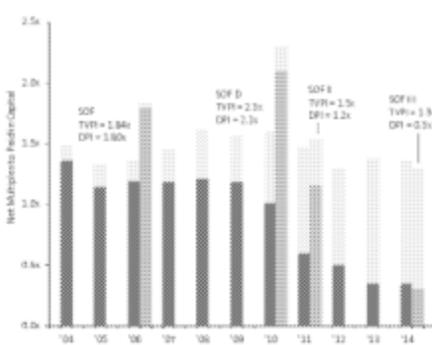
- Aiming to build a globally diversified portfolio of seasoned funds, GP-led transactions and co-investments on the secondary market
- Value creation through in-depth fundamental analysis as opposed to deal structuring
- Seeking US\$1.75 billion in commitments with same key terms as prior fund

## Strong and consistent track record<sup>2</sup>

Fund	SOF	SOF I <sup>3</sup>	SOF II	SOF III	Total
Vintage (development stage)	2006 (harvesting)	2010 (harvesting)	2011 (maturing)	2014 (early stage)	
Fund size	US\$565m	US\$147m	US\$614m	US\$1,654m	US\$2,980m
Transactions, funds, companies <sup>4</sup>	21 / 154 / 1,774	1 / 28 / 193	29 / 75 / 737	35 / 149 / 2,837	
Net multiple (TVPI)	1.8x	2.3x	1.5x	1.3x	1.5x
Net distributed (DPI)	1.8x	2.1x	1.2x	0.3x	0.9x
Net IRR	22%	29%	20%	30%	23%
Peak net contributed capital	26%	51%	42%	44%	

## Consistent top returns among peers:

### SOF Funds vs Cambridge Associates' secondary funds performance<sup>5,6,7</sup>

Secondary funds: Net IRR to limited partners<sup>5</sup>Secondary funds: Net multiple to limited partners<sup>5</sup>

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## Fund key terms<sup>10</sup>

### Target size:

US\$1.75 billion

### Currency:

US\$

### Investment Period:

4 years from final closing

### Term:

7 years + extensions (5x1year)

### Structure:

English L.P.

### General partner share:

- 1.25% p.a. of commitments during Investment Period
- 1.00% p.a. of Invested Capital<sup>11</sup> in the following two years
- Thereafter greater of 90% of previous year and 0.25% of Invested Capital

### Carried Interest:

12.5% on a whole fund basis

### Hurdle rate:

8%

### Team commitment:

Min 1% of total fund size

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