

From: Richard Kahn <[REDACTED]>

To: "jeffrey E." <jeevacation@gmail.com>

Subject: Tencent Music

Date: Fri, 07 Sep 2018 14:34:46 +0000

Attachments: PitchBook_Tencent_Music_Entertainment_Group_20180907091626187.pdf

i spoke with Dominique at David's office who mentioned when Honeycomb bought \$100mm of stock in July (which we could not access due to foreign only) they paid \$9.00 per share
This current tranche is \$9.59 per share which will be IPO price and \$30 billion valuation
Terms are 0% management and 20% performance fee - stock will have 6 month lock up
Attached is report from pitchbook and below David has summarized below his thoughts on Tencent Music

Please advise if you would like to proceed and if so how much? and entity?

STC

IGO LLC (has about 12mm cash after allocating 1.5mm for second great payment)

Thank you

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Begin forwarded message:

From: David Fiszal <[REDACTED]>

Subject: Tencent Music

Date: September 7, 2018 at 10:02:38 AM EDT

To: Richard Kahn <[REDACTED]>

Dominique may have reached out on this but i wanted you to understand my conviction is quite high having spent time last week in Beijing. Dan Sundheim and I went over to visit with the Tencent Music founders as we both have been accumulating shares in this monopoly like 80% market share, fast growth vertically integrated music company.

As an important investor, I just wanted to show you some capacity in a favorite idea we love. We think this \$30B valuation is very attractive in my opinion and we believe it will trade up 20% when they go public next

qtr on its way to a \$50B Company. On our ests we believe its trading at 12.2x 2020 EBITDA for +50% growth.

One of the TME founders will give Honeycomb some more capacity which our Asian sovereign investor is taking the largest portion but we could carve out \$20-\$40m for our honeycomb LPs (they actually sourced the stock for us). The co-investment is like our Spotify co-investments, fees are 0/20 with a 6 month lock up period so we are aligned. Timing will be soon and we will be closing [in 2 weeks](#) so we need to know Monday. There is a chance the seller changes his mind as has happened many times with these things, just a reminder.

David

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