
Recommendation on Advent International GPE VIII, L.P.

To: RISIC
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The purpose of this memo is to provide RISIC with a summary of Cliffwater's recommendation on Advent International GPE VIII, L.P. Cliffwater has completed its investment due diligence and operational due diligence and recommends the Fund.

Summary of Advent International GPE VIII, L.P.

Fund Overview: Advent International GPE VIII, L.P. ("GPE VIII", Fund VIII", or the "Fund") will be comprised of control-oriented investments and minority recapitalizations in mid-market to large cap companies located predominantly in Europe and North America. GPE VIII will opportunistically pursue investments in Latin America and Asia. The Fund is expected to consist of a portfolio of approximately 30 investments with equity commitments of €100 million to €1 billion. The Fund will target five main sectors, specifically business and financial services, industrial, consumer and retail, healthcare, and TMT.

People and Organization: Advent International Corporation ("Advent" or the "Firm") was founded in 1984 by Peter Brooke to invest globally in control-oriented investment opportunities in mid cap to large cap companies. Advent is one of the world's largest and most experienced global private equity firms. Overall, Advent employs 173 investment professionals who operate out of 11 offices in 10 countries. The GPE fund strategy is managed by a large team of 121 dedicated investment professionals organized by industry sector and an additional 12 investment professionals based in Asia who assist with portfolio company operations in the region. The GPE strategy has 25 managing partners and managing directors who have an average of 17 years of private equity experience and 14 years of tenure at the Firm.

Investment Strategy and Process: Advent targets companies that are fundamentally strong, yet undermanaged businesses where the General Partner's involvement can drive a significant change strategically or operationally. Some of the transactions the General Partner pursues include corporate carve-outs, recapitalizations, or traditional public to private transactions. The Firm tends to seek controlling positions with board seats or observation rights in companies that have strong growth potential or are relatively defensive in nature. Advent pursues opportunities across a broad range of deal sizes, with target companies having enterprise values ranging from €200 million to €3 billion. GPE VIII will be diversified across deal size, industry sector and geography.

Performance: As of June 30, 2015, Advent has drawn \$22.4 billion from Limited Partners, distributed \$20.9 billion, and has generated a net return of 1.86 times paid-in capital through its seven GPE funds. Advent's funds have generated a net IRR of 22.1% since inception, outperforming the MSCI Europe Index by 5.0% and the Russell 3000 Index by 6.1%. Notably, GPE IV and GPE V have outperformed both Indices by at least 26.0%. As of March 31, 2015, Advent's mature funds since 2000, specifically GPE IV through GPE VI, rank in the first quartile on both a net IRR and a net TVPI basis when compared against the Cambridge Associates global private equity benchmarks. GPE VII ranks in the second quartile.

Investment Terms: Cliffwater finds the terms outlined in the Limited Partnership Agreement ("LPA"), taken as a whole, to be in accordance with industry standards. There were two chief departures from industry standards: the removal of a preferred return, and GPE VIII will charge a

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management fee once the prior fund is 75% invested. However, GPE VIII may not make its first investment until GPE VII has invested 90% or more of aggregate commitments. The Fund will charge a 1.5% management fee during the six-year investment period, and 1.50% of remaining invested capital thereafter. Management fees will be reduced by 100% of all monitoring, transaction, break-up, directors' and other similar fees. The General Partner will receive 20% of the partnership profits which is subject to a clawback provision. The General Partner commitment will be at least \$360 million.

Cliffwater Recommendation

Cliffwater recommends an investment of \$10 million in Advent International GPE VIII, L.P.