



Shamrock Capital Advisors Co-Investment, L.P. SPV - Staff Memo

RECOMMENDATION: Approve a commitment of up to \$10 million in the Shamrock Capital Content Fund II Co-investment, L.P. SPV. ERSRI committed \$20 million to the Shamrock Capital Content Fund II, a 2020 vintage fund.

ASSET CLASS: Private Credit

SUB-STRATEGY: Specialty finance

ALLOCATION: The private credit allocation was established in 2017 with a target allocation of 3.2%. As of 8/31 the allocation is 1%. The pacing plan consists of committing \$150 million per year to 2 - 3 funds per year at \$30 - \$70 million per fund. This co-investment opportunity allows ERSRI to deploy additional capital with an existing manager to help achieve the target allocation in a fee reduced arrangement.

PORTFOLIO FIT: ERSRI's private credit portfolio is primarily comprised of direct lending strategies and augmented with specialty finance strategies that provide additional diversification. This SPV will target content intellectual property across TV, film, music and gaming which pay royalties. ERSRI does not have any other purely content IP dedicated managers.

MERITS: Shamrock Capital has a long history and positive reputation in the entertainment industry. Given this history and the investment team's background they are able to source unique assets on a proprietary or semi-proprietary basis, value these assets appropriately and work with affiliated parties to achieve performance objectives.

CONCERNS: The vehicle may not be fully deployed and lead to concentration in one or two assets. However, the 0% management fee eliminates the "fee drag" risk, and assets that will require co-investment will typically be larger assets or catalogues that inherently have some level of diversification themselves.

FEES: Fees are attractive at 0% management fee and 0% carry.