

Investor Presentation

Prepared for the Retirement System of Rhode Island





Important Notice

- The “Important Information Regarding this Presentation” section (pages 21-25) is an integral part of these materials and contains important information and disclosures regarding PCP which should be reviewed by investors.
- PCP Managers, LP and PCP Managers II, LP (collectively “PCP”) are the successors to Parthenon Capital, Inc. (“the Predecessor Entity”). Current members of the PCP investment team (“PCP Team”), as detailed on page 4, joined after Parthenon Investors II, LP (“Fund II”) was raised in late 2000 by the Predecessor Entity.
- All PCP Team performance data herein, unless otherwise indicated, excludes any investments originated by Parthenon Investors I, LP (“Fund I”) and investments in Fund II originated by the Predecessor Entity. For a full list of investments in Fund II is available upon request.
- Unless otherwise indicated, the amounts shown herein are gross of fees (including management fees), expenses, carried interest and taxes, which, when taken in the aggregate, are substantial, and do not represent the amounts distributed to investors.
- **Past performance is not indicative of future results.** Specifically, there is no guarantee any portfolio company discussed in these materials will achieve any of the goals stated, or that an investment in such portfolio company will meet the expectations outlined in these materials.

Parthenon Capital

Quick Facts

- ~40 professionals organized into investment/industry team, resource/operating team and administration
- Target areas: technology-oriented businesses in the healthcare, financial services and business and technology services sectors
- Offices in Boston, San Francisco and Austin
- Currently investing Fund V, a 2016 vintage \$1.0B fund (LP capital)
- Fund VI closing soon, \$1.5B target with a \$1.8/1.9B cap (LP capital)
- Target 13-16 portfolio companies per fund (target of 3-5 new investments per year)
- Starting platforms typically between \$50 and \$500MM of enterprise value and >\$7.5MM of EBITDA
- Considered a 2002 “re-start” of the original Parthenon Capital
 - Leadership team has been in place since 2002/2003
 - State of Rhode Island was an investor in the early years of Parthenon Capital
 - We don’t talk about the former entity much anymore, but are happy to if you have questions

Parthenon Capital

Big Picture Strategy Overview

- **Growth oriented strategy**
 - 75+% growth buyout, 25% growth equity
 - Average internal growth of portfolio 20+ % per year
 - Lower leverage approach, typically 1 to 2 multiple points below available market leverage
- **Almost always the first institutional investor into our companies**
 - Entrepreneur-owned and privately-held businesses, owners are generally “fiercely private” and selective in who they will work with
 - Partnership orientation with an emphasis on control recaps/rollover and/or backing management teams
- **Deep commitment to industry specialization...industry expertise drives everything we do**
 - Healthcare services, financial/insurance services, Business and Technology services
 - Heavy emphasis on tech-enabled solutions, software and technology
 - Very “niche” focused; we’ve built our industry expertise one niche at a time
 - Idea generation and niche industry work generally done years before we invest
- **Proven approach to transforming companies with a heavy emphasis on market-oriented strategic buildups**
 - Parthenon companies undergo significant change during our ownership period, we bring a “transformational” mind-set
 - 70%+ of portfolio companies have completed at least one follow-on acquisition (with an average of 8 for those that do)
 - Our team is built to deploy this transformational strategy and apply specialized and dedicated strategic and operating resources where mid-market companies need assistance
- **Best known for our sourcing strategy and ability to find and create companies**
 - We start with a niche, not a company
 - IdeaShare → Deep Dive → Investment

Targeted and Thematic

It All Starts With the Deep Dive Process

Deep Dive Mission After 18 years of deep dives, the mission is ingrained in our team: *find new niches, become “insiders” in those niches, get to know all the companies and talent, find the right starting place and subsequent puzzle pieces, create a blueprint for building the market leader, then execute*

- Focus on \$1-5B market niches (large enough to matter, small enough where we can build the market leader)
- ~250+ Deep Dives conducted internally by the team in our history (we don't outsource this process to consultants)
- 55 Deep Dives and IdeaShares currently being actively pursued
- The Deep Dive process is tightly managed week-to-week to ensure the team is spending the right amount of time in the right places
- Information and activity is closely tracked in our customized Salesforce.com reporting system
- 100% of new investments should emanate from this deep dive process

All Deep Dives by Status							
	Status	Start Date	Lead/Team	Targets	Contacted	Met	High Priority
Deep Dive - Active (21)				1030	434	150	133
	DD-Active	3/21/16	JEC/ACD/LJS;JLD	100	16	11	8
	DD-Active	5/15/17	ZFS/LJS;GTH;CKV	24	12	8	3
	DD-Active	11/18/15	ZFS/LJS	7	2	2	3
	DD-Active	1/28/19	SDB/LJS;ATN;BIT	7	3	2	6
	DD-Active	7/16/18	SDB/DIA/LJS;SDB;CKV	43	19	7	5
	DD-Active	3/29/18	GTH/LJS;NAD	54	21	16	6
	DD-Active	3/23/15	ZFS/LJS;GTH;JBS	33	15	10	6
	DD-Active	3/25/18	JEC/LJS;CKV;BIT	78	30	3	6
	DD-Active	2/25/19	DQW/LJS;KAB	38	18	0	0
	DD-Active	6/3/16	ACD/LJS;AJO;JEC	240	122	17	9
	DD-Active	2/22/16	ZFS/LJS;GTH;CKV	65	38	8	4
	DD-Active	1/13/17	KAB/LJS;KAB;MEL	73	33	12	10
	DD-Active	9/7/18	KAB/ATN;DQW	21	0	6	3
	DD-Active	5/7/18	AJO/ACD/LJS;TSF	18	4	9	8
	DD-Active	5/15/18	ZFS/LJS;GTH;CKV	46	19	7	7
	DD-Active	2/1/19	SDB/BIT	23	14	0	15
	DD-Active	7/15/16	AJO/ACD/LJS;SJB	32	15	6	7
	DD-Active	1/13/17	KAB/LJS;KAB;MEL	29	6	10	8
	DD-Active	1/28/19	SDB/LJS;ATN;BIT	25	12	2	2
	DD-Active	1/28/19	SDB/LJS;ATN;BIT	39	15	9	11
	DD-Active	9/26/18	AJO/ACD/LJS;JEC	35	20	5	6
Deep Dive - Monitor (34)				1582	630	146	155
	DD-Monitor	10/16/17	JEC/LJS;CKV	17	10	0	0
	DD-Monitor	2/21/13	BPG/LJS;SDL	26	17	1	0
	DD-Monitor	4/11/16	JEC/LJS;MEL	37	6	0	1
	DD-Monitor	3/17/14	KAB/LJS;GTH;DQW	18	10	1	0
	DD-Monitor	6/12/12	AJO/BPG/LJS;SDL	97	56	17	5
	DD-Monitor	6/1/17	KAB/LJS;MEL;TSF	45	4	7	0
	DD-Monitor	8/1/17	SDB/LJS	27	13	2	0
	DD-Monitor	9/1/17	LJS;ZFS;GTH	10	1	5	4
	DD-Monitor	6/21/13	KAB/LJS;MEL	12	9	2	1
	DD-Monitor	1/5/15	DIA/KAB	1	0	0	0
	DD-Monitor	6/5/16	AJO/MEL;AAA	14	6	4	3
	DD-Monitor	10/21/15	AJO/LJS;SDL;MEL	66	43	5	2
	DD-Monitor	6/8/16	ZFS/LJS;AJO	56	45	1	13
	DD-Monitor	1/1/08	ACD/BPG/LJS;AJO;JEC	13	5	4	4
	DD-Monitor	5/25/15	JEC/ACD/BPG/LJS;AJO	16	13	1	0
	DD-Monitor	3/5/14	JEC/ACD/BPG/LJS;SDL	74	46	1	1
	DD-Monitor	3/31/11	BPG/LJS;SDL;ZFS	24	14	3	0
	DD-Monitor	3/20/17	KAB/LJS;MEL	20	7	7	2
	DD-Monitor	4/4/16	KAB/DIA/LJS;MEL	48	22	13	6
	DD-Monitor	4/28/19	SDB/BIT	0	0	0	0
	DD-Monitor	4/12/12	KAB/LJS;GTH	12	8	1	0
	DD-Monitor	3/6/17	LJS;GTH	25	14	0	6
	DD-Monitor	9/25/17	GTH/NAD	4	2	2	1
	DD-Monitor	3/24/15	ACD/LJS;MRW;AJO;TSF	402	127	25	7
	DD-Monitor	10/30/17	LJS;GTH	19	8	4	1
	DD-Monitor	10/27/14	KAB/LJS;BRB	10	7	0	0
	DD-Monitor	7/30/17	LJS;GTH;JLD	58	35	1	8
	DD-Monitor	1/1/18	JEC/LJS;JLD;ALW;BIT	238	46	12	40
	DD-Monitor	12/3/12	ACD/LJS;AJO;TSF;JLD	32	20	4	9
	DD-Monitor	7/15/13	ACD/CRL/LJS;SDL;ELB	0	0	0	0
	DD-Monitor	10/12/15	JEC/LJS;BIT	39	1	0	0
	DD-Monitor	7/9/18	JEC/LJS;JLD;ALW	22	9	4	15
	DD-Monitor	8/3/15	/ACD/LJS;SDL;AJO;JEC;1	80	20	19	13
	DD-Monitor	12/1/18	DQW/DIA/LJS;KAB;NAE	20	6	0	13
Idea Share - Active (34)				432	138	38	78
	IS-Active	3/18/19	AJO/NAD	0	0	0	0
	IS-Active	9/16/13	KAB/LJS;TSF	7	4	0	0
	IS-Active	2/15/19	JEC/TSF	0	0	0	0
	IS-Active	1/11/16	ZFS/LJS;GTH;JEC	22	2	3	10
	IS-Active	2/18/19	AJO/ACD;JBS	5	0	0	1
	IS-Active	7/30/17	GTH/LJS;CKV	14	8	3	5
	IS-Active	12/5/16	AJO/LJS;ZFS;MEL	26	4	3	0
	IS-Active	6/1/19	AJO/MEL	0	0	0	0
	IS-Active	9/21/16	ZFS/LJS	7	5	0	0

Extending From The Deep Dive Process

- Our deep dive process positions us to:
 - Select market niches that are less understood today but have the potential to be highly attractive in 3-5 years
 - Develop a vision for what the market leader and the market itself will look like in the future
 - Be bold about taking positions in specific niches that have yet to come of age
 - “Line up the pieces” well in advance of the first investment
- Our execution capabilities and buildup approach enables us to:
 - Start with an initial company that may not be an obvious platform (ie, not the typical private equity “buildup”)
 - Parthenon looks for 15 specific “discount criteria” that we believe result in reasonable purchase multiples at entry yet (importantly) can be addressed over our investment period
 - Address the discount criteria to drive multiple expansion and business performance
 - Ambitiously build companies based on our vision of the market and market leader
- When we do our job right, we are known for:
 - Being bold in our transformational approach
 - Positioning ourselves to unveil both a highly attractive niche market and the market leader in that niche
 - Constructing companies at discounted purchase multiples (average EBITDA multiple in the last three years <10x)
 - Capturing numerous value drivers (including multiple arbitrage) as we address discount criteria

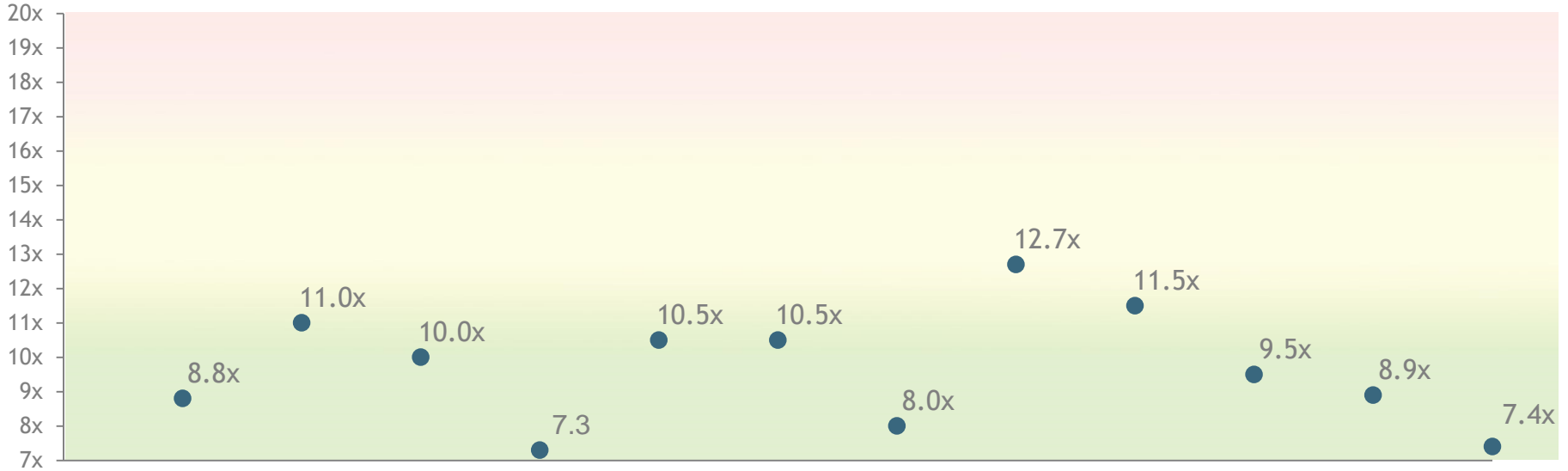
Purchase Multiple Trendline

Average EBITDA purchase multiple of <10.0x

EBITDA
Purchase
Multiple

June 2015

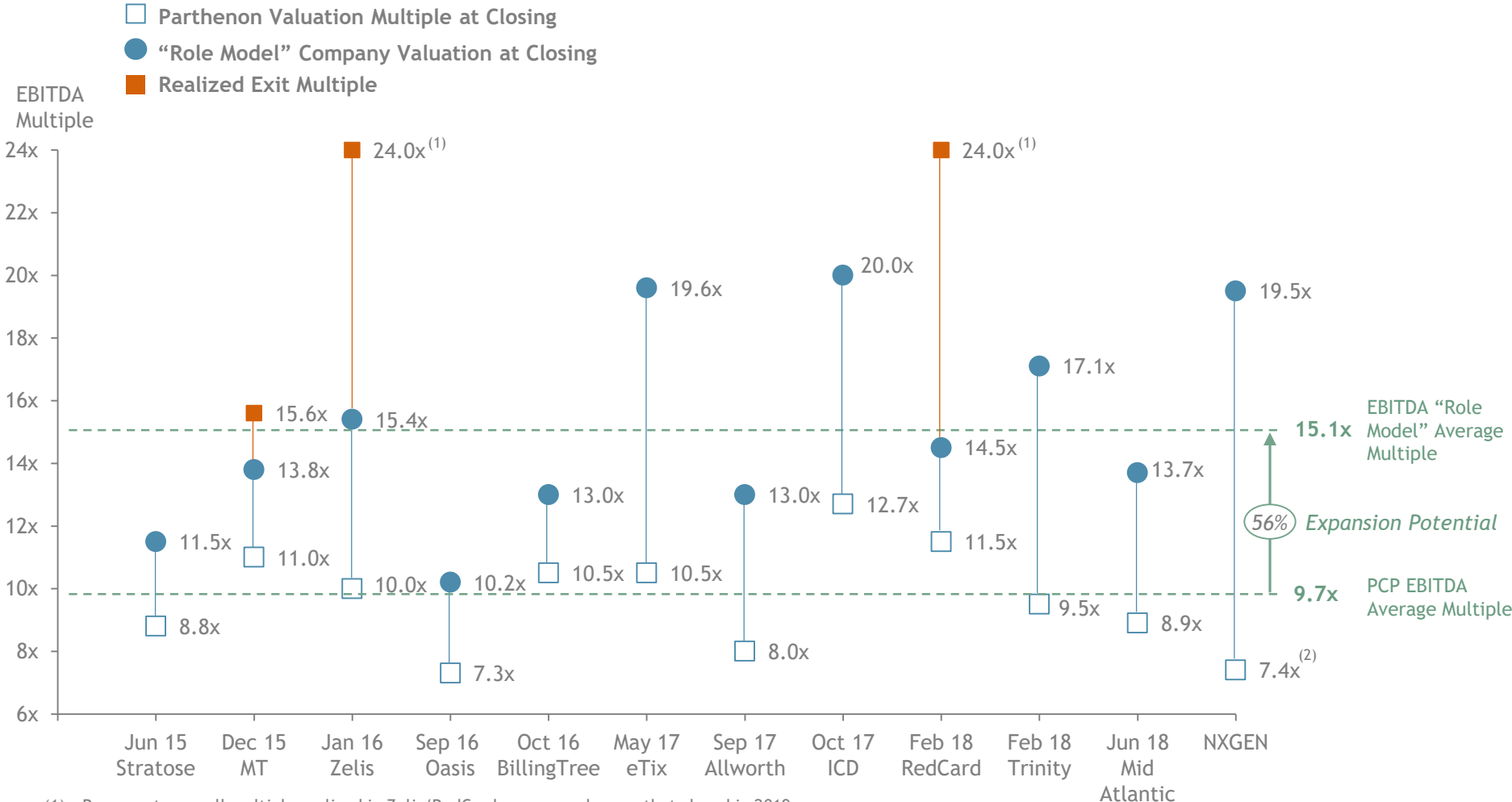
June 2019



<p>Network Management Deep Dive</p>	<p>Healthcare Payments Payment Integrity Deep Dives</p>	<p>Integrated Payments Biller Direct Deep Dives</p>	<p>RIA Deep Dive</p>	<p>Healthcare Payments Enrollment Deep Dives</p>	<p>John Moody Partnership Deep Dive</p>
<p>Outsourced Benefits Administration Deep Dive</p>	<p>Litigation Finance Idea Share</p>	<p>Event Ticketing Software Deep Dive</p>	<p>Treasury Mgmt Technology & Solutions Deep Dive</p>	<p>HEOR Deep Dive</p>	<p>Payments: Best in Class ISO Deep Dive</p>

Discount Criteria: Valuation Multiple Analysis

Our Discount Criteria represent value drivers in an overvalued environment. By addressing these issues and transforming assets into franchise leaders, we often realize exit multiples in-line with sector “role models”



(1) Represents overall multiple realized in Zelis/RedCard merger and recap that closed in 2019.
 (2) Blended valuation multiple at cost following the completion of the Payroc transaction will be 11x '19F PF EBITDA
 (3) Past performance is not indicative of future results.

Parthenon Team

Built to bring industry expertise and functional recourses to our companies

Investment / Industry Team



David Ament
Managing Partner
Co-CEO *
16 Years with PCP



Brian Golson
Managing Partner
Co-CEO *
17 Years with PCP



William Kessinger
CIO *
18 Years with PCP



Andrew Dodson
Managing Partner
14 Years with PCP



Zach Sadek
Partner
15 Years with PCP



Kurt Brumme
Principal
7 Years with PCP



Anthony Orazio
Principal
5 Years with PCP



Steven Bressler
Vice President
2 Years with PCP



Jim Chappell
Vice President
4 Years with PCP



Tom Hough
Vice President
6 Years with PCP



Matt Lentz
Vice President
4 Years with PCP



Jared Pomerance
Vice President
New Hire



Don Wu
Vice President
1 Year with PCP

Associate
Program
6-8
associates

Analyst
Program
2-4
analysts

Summer
Intern
Program
Feeder
system

Execution / Resource Team



William Winterer
Partner *
Capital Markets
16 Years with PCP



Scott Levine
Director,
Human Capital
14 Years with
PCP



Max Pinto
Director,
Strategy &
Implementation
3 Years with
PCP



Lesly Schlender
Director, Research,
Outreach
& Development
7 Years with PCP



Jeff Stein
Finance and
Audit
17 Years with
PCP



Kyle Sarausk
Director,
Technology
Strategy
Recent Hire



Mara Edgar
Director, Human
Resources &
Portfolio Talent
Management
Recent Hire

Other Senior Team Members



Jill Aiello
Chief Financial
Officer
8 Years with PCP



Jim Koopman
Controller
12 Years with
PCP



Paul Marnoto
General Counsel
3 Years with
PCP



Molly Fazio Kloos
Director, Investor
Communications
16 Years with PCP

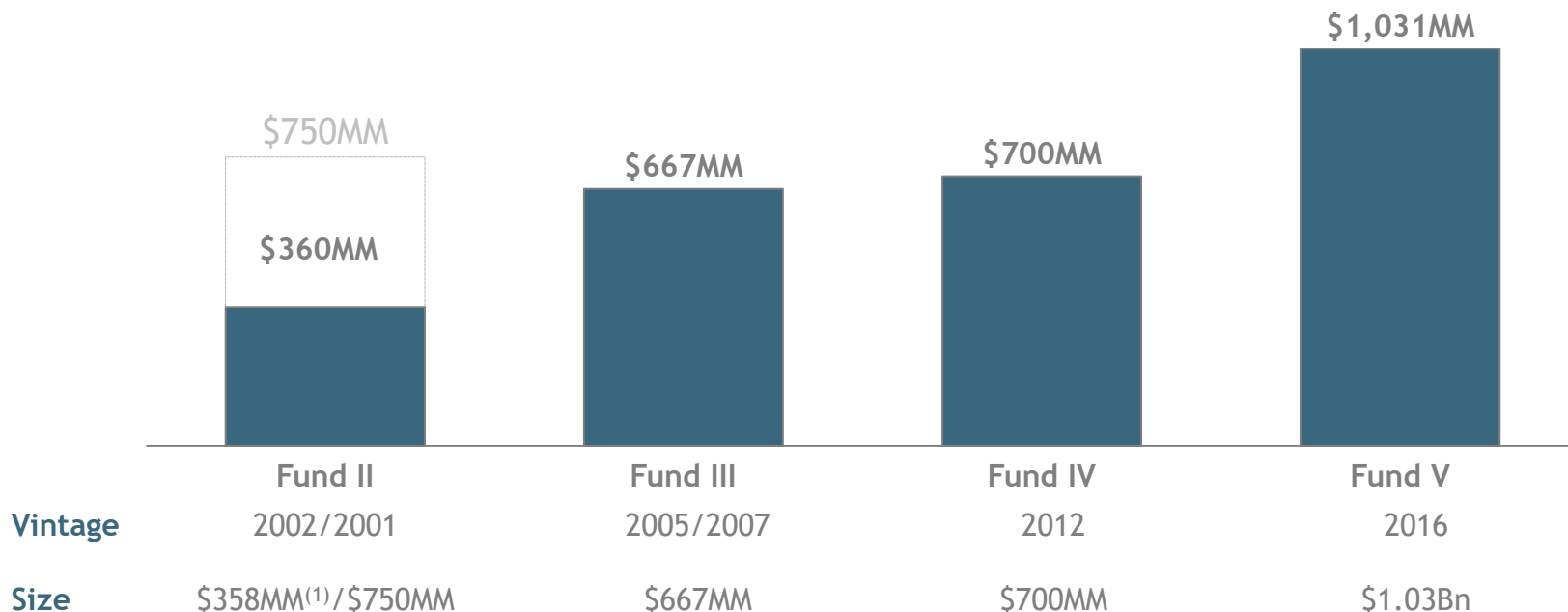
* Member of Investment Committee

Track Record as of September 30, 2019

Summary of Investment Performance of PCP Investments^{2,3}

\$ million as of September 30, 2019

PCP Investments	Number of Investments	Equity Invested	Realized Value	Unrealized Value	Total Value	Gross MoM	Net MoM	Gross IRR	Net IRR
Realized / Partially Realized	29	\$1,200.41	\$4,235.03	\$670.20	\$4,905.23	4.1x	na	42.5%	na
Unrealized	20	\$914.13	\$0	\$1,725.50	\$1,725.50	1.9x	na	17.9%	na
Total	49	\$2,114.54	\$4,235.03	\$2,395.70	\$6,630.73	3.1x	2.4x	38.8%	24.1%
Fund II (PCP Team)	11	\$358.36	\$1,203.21	\$14.43	\$1,217.63	3.4x	2.4x	85.2%	44.7%
Fund III	15	\$625.12	\$1,087.15	\$321.31	\$1,408.46	2.3x	1.8x	13.2%	9.5%
Fund IV	14	\$638.94	\$1,944.76	\$1,103.96	\$3,048.73	4.8x	3.7x	48.3%	39.7%
Fund V	9	\$492.13	\$9.10	\$946.80	\$955.90	1.9x	1.6x	46.9%	37.3%



(1) Represents total Fund II amount invested by the PCP Team.

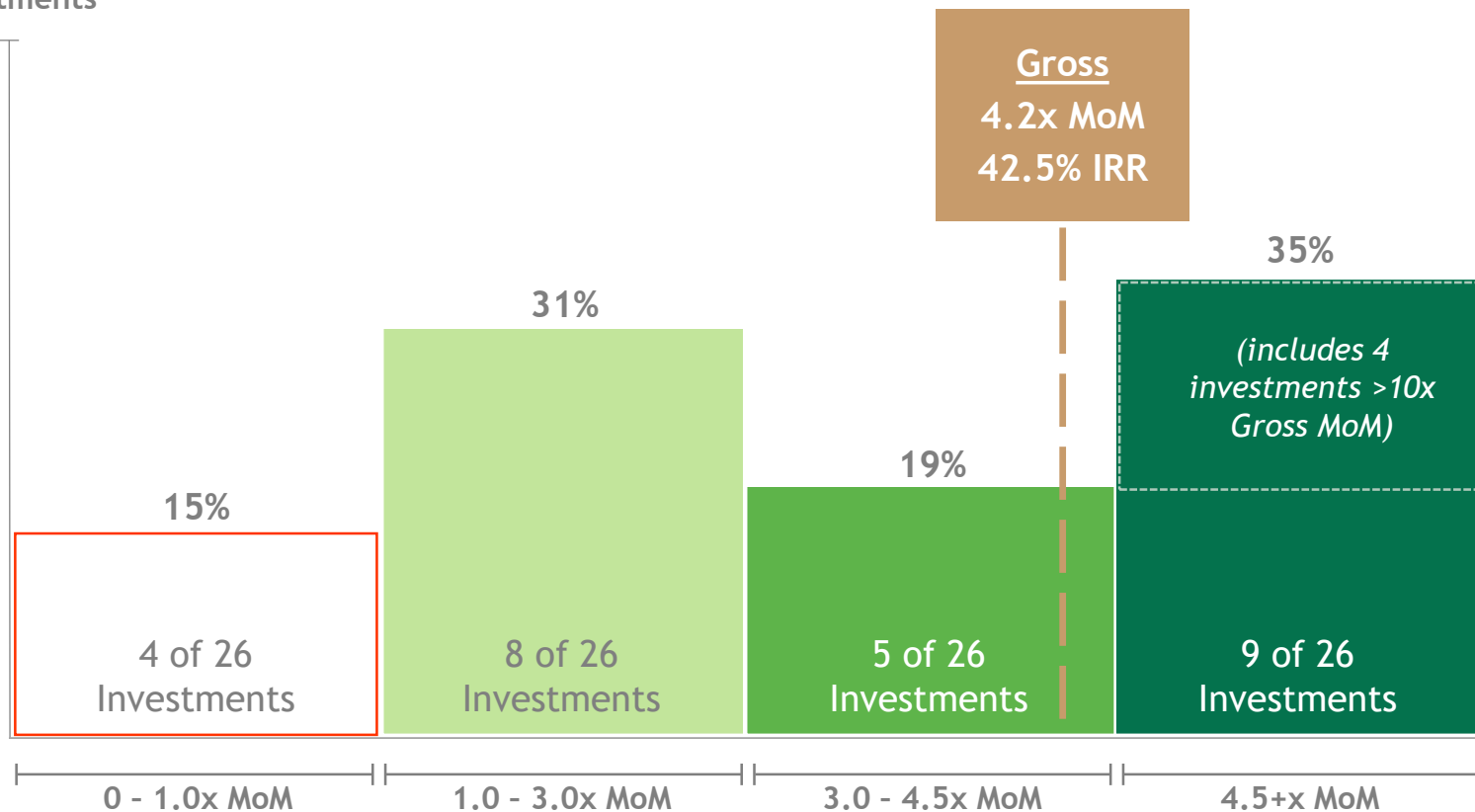
(2) 5 of the 49 investments were in multiple funds.

(3) Past performance is not indicative of future results.

Parthenon Capital

Distribution of Realized and Partially Realized Investments As of June 30th, 2019

% of Realized and
Partially Realized
Investments



Note: MoM and IRR data presented gross of management fees, expenses, carried interest and taxes. Information as of 6/30/19 and proforma for “Project Relish” transaction. 26 realized and partially realized investments represent a total value of \$4.8 billion of which \$598 million is unrealized. A list of all PCP Team investments is available upon request. Data assumes Bryant & Stratton rounds to >1x MoM. Past performance is not indicative of future results.

Parthenon Investors VI, L.P.

The following is not a complete summary of the proposed terms of Parthenon Investors VI, L.P. For specific terms please refer to the Fund's Private Placement Memorandum and Partnership Agreement

Structure:	Two parallel vehicles
Target Size:	\$1.8/1.9 billion (LP Capital)
GP Commitment:	Expected to be 5+% of LP subscriptions; flexibility to increase post close
Investment Period:	5 years
Term:	13 years; subject to extension with Advisory Board consent
Management Fee:	2% of capital subscriptions until end of Investment Period 1.5% of active invested capital for the remainder of the Term. No Management Fee during Term extensions without LP consent
Other Fees:	Management Fee reduced by 100% of Fund's share of ancillary fees
Carried Interest:	20% until Threshold reached; 25% thereafter Threshold: distributions to investors plus their share of FMV of unrealized investments equals or exceeds 200% of capital contributions
Preferred Return:	Yes, 8%
Clawback:	Yes, including on an interim basis after end of investment period
Expenses:	Fund bears up to \$3M of org. expenses, and ongoing Fund expenses



Case Study

Zelis Healthcare

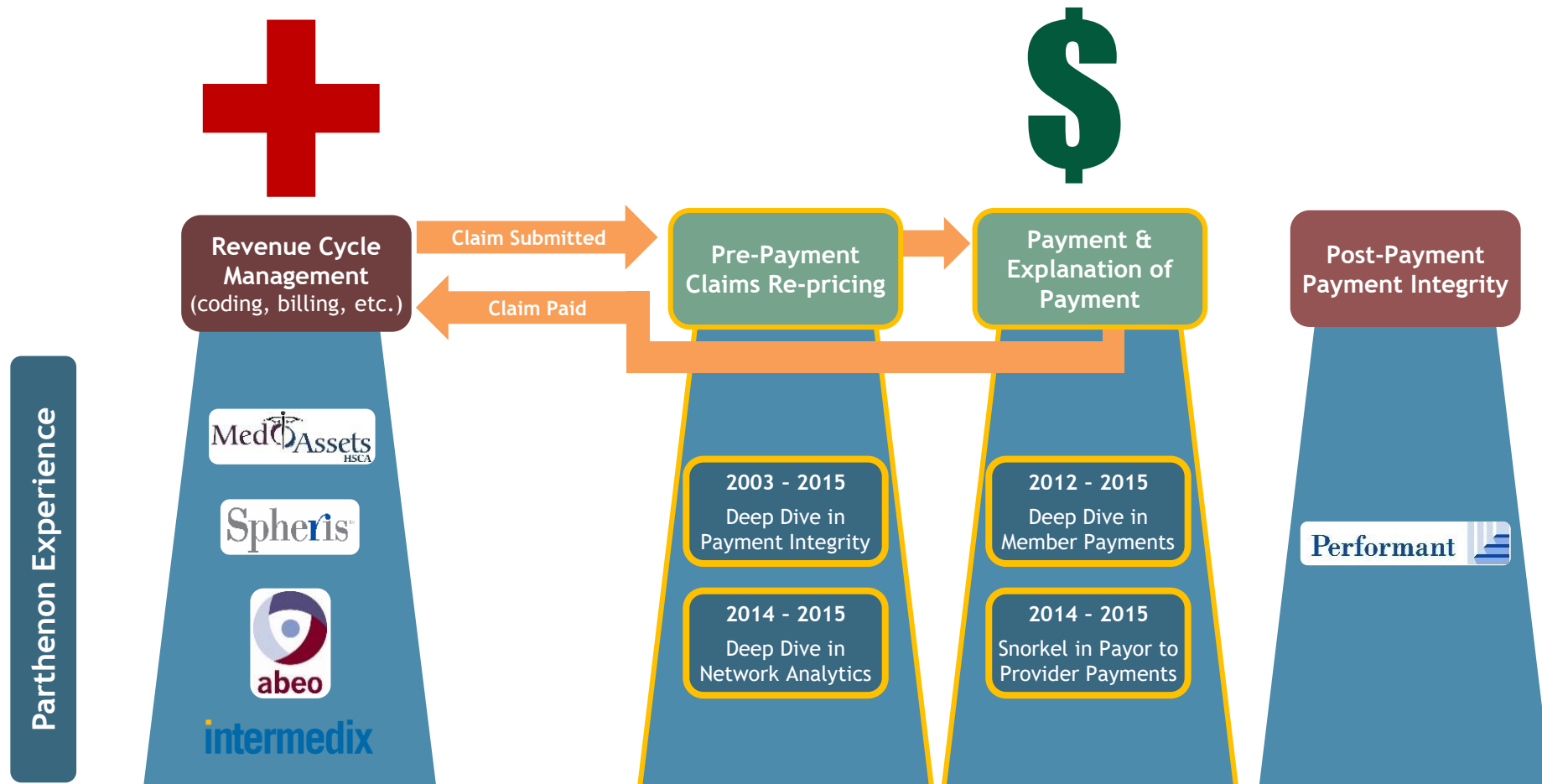
Healthcare Claim Processing

Prior to launching Zelis, Parthenon conducted multiple deep dives over 10+ years in a specific niche of healthcare claim processing, in addition to buying ~25 companies across 5 platforms in tangential areas

For many years, the “pre-payment through payment” area of the claim flow was a high potential area of focus where we planned to build a company

Provider (Hospital, Physician, etc.)

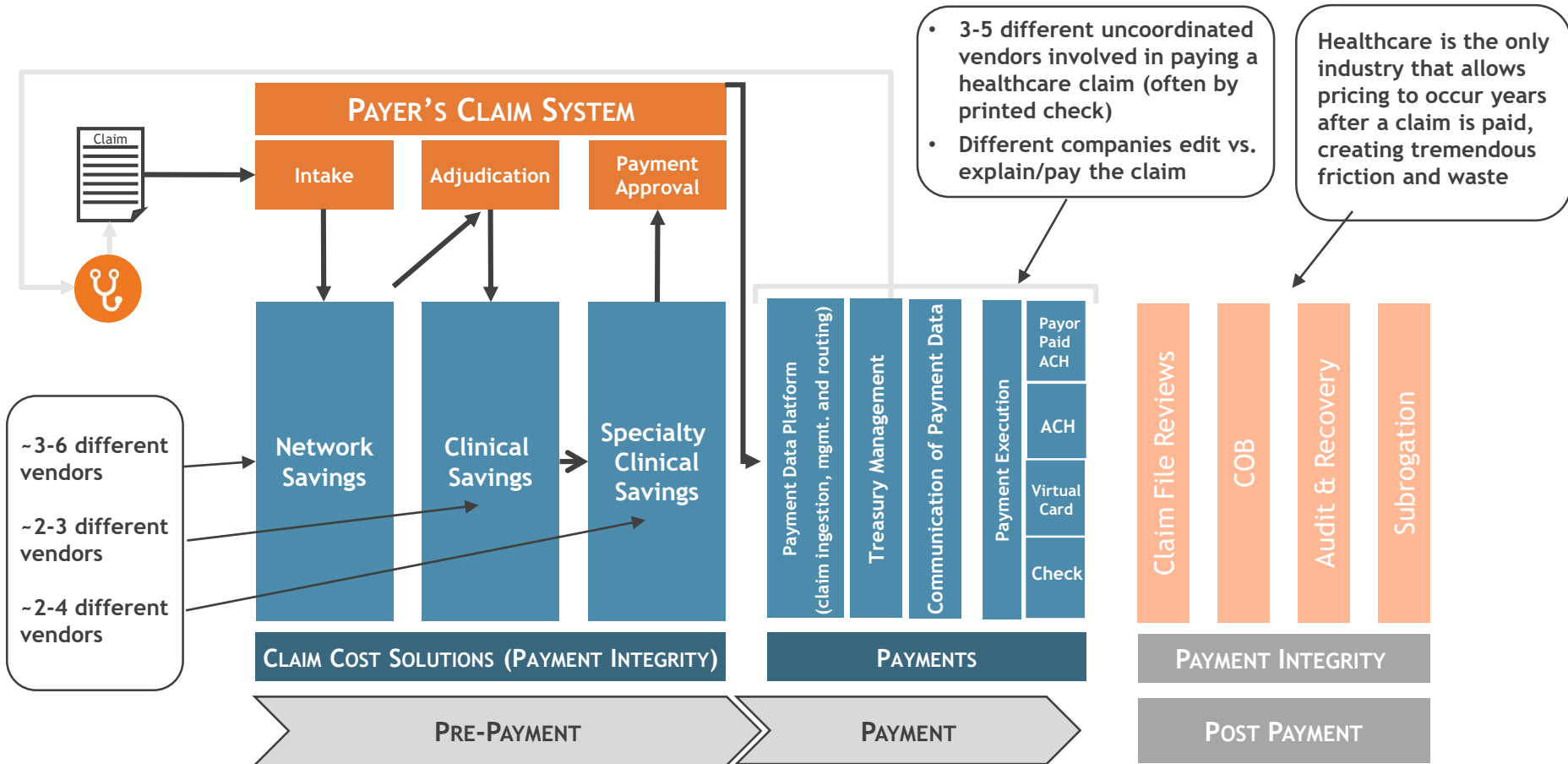
Payor (Health Plan, Self-Insured, etc.)



Payor Vendor Ecosystem

Prior to Zelis, our research indicated payors utilized 12-14 different niche vendors in the ~10 day “pre-payment though payment” claims window or were forced to properly price a claim after they paid it

Our vision for “NewCo” was to put all 12-14 functions into one company that could price and pay a healthcare claim in one integrated technology offering, all in the pre-payment environment





Appendix

Investment Strategy

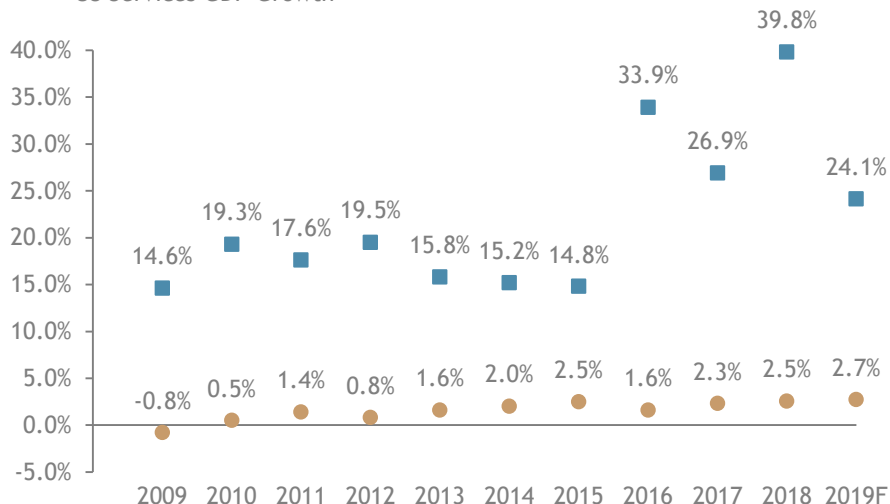
More Growth, Less Leverage

- PCP generates the majority of its returns through growth and multiple expansion, not high leverage
- Lower leverage affords growing companies greater flexibility and is more in keeping with recap structure

More Growth (a)

PCP Portfolio Company Growth vs. US Services GDP Growth⁽¹⁾⁽²⁾⁽³⁾

- PCP Portfolio Internal Growth
- US Services GDP Growth

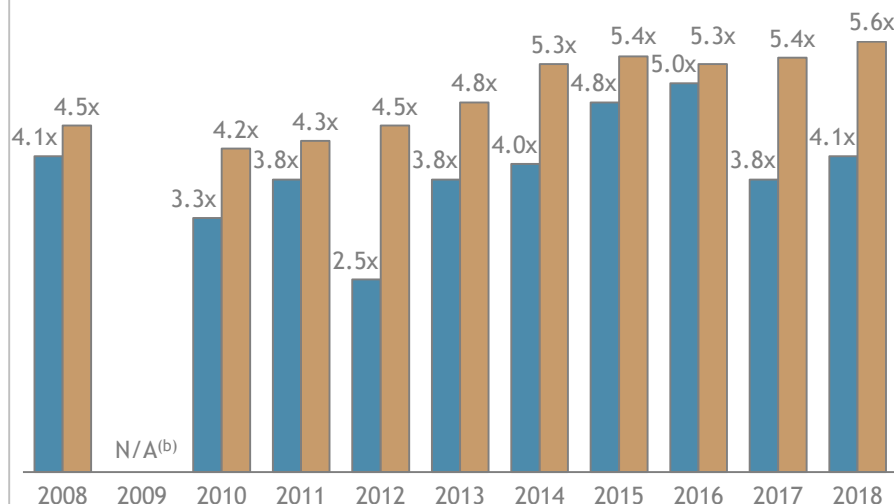


Source: Bureau of Economic Analysis
 (a) 2019F GDP figure reflects OECD US Real GDP growth forecast for 2019, and 2019F PCP Internal Growth reflects portfolio company forecasted growth for 2019.

Less Leverage

PCP Leverage at Acquisition vs. Market⁽⁴⁾

- PCP Average
- Industry Average (Source: S&P LCD)



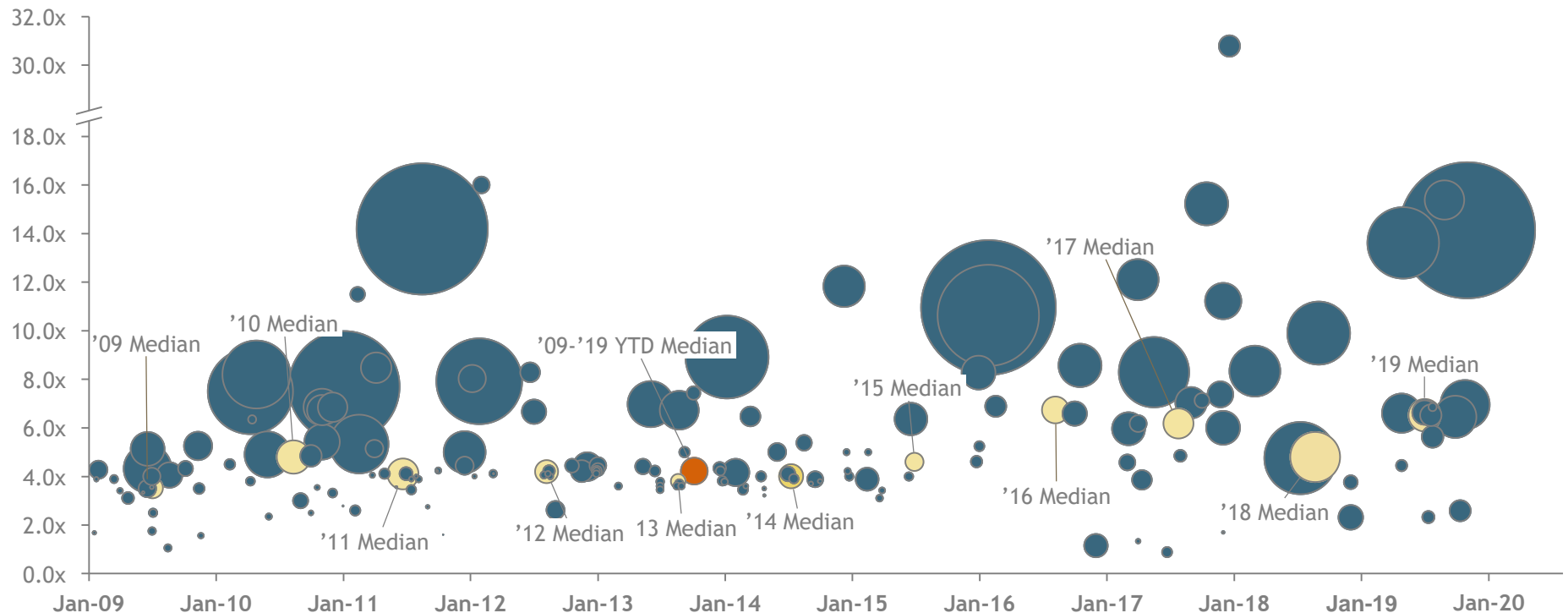
(b) PCP transactions closed in 2009 had either no leverage or were specialty finance businesses with no enterprise leverage.

- 1) PCP Portfolio Company Growth excludes public companies and companies valued on a non-EBITDA or pre-tax net income basis. PCP Portfolio Company growth includes organic EBITDA growth and acquisitions funded by internal cash flow.
- 2) Represents PCP Portfolio Company Growth excluding portfolio outliers. Year-over-year growth does not include companies in the year in which the investment is made. Year over year growth includes companies in the year in which the investment is exited.
- 3) PCP Portfolio Company Growth is based on financial information provided by the portfolio companies, which may be unaudited and in certain instances may be based on estimates, budgets or annualized information. In certain instances EBITDA growth has been reported proforma for acquisitions or adjusted for certain one-time expenses or losses or other adjustments that PCP has determined to be reasonable and appropriate.
- 4) PCP Weighted Average Debt/EBITDA excludes companies leveraged on a non-EBITDA basis. Middle Market LBOs defined as issuers with EBITDA of less than \$50M.

Portfolio Add-On Acquisitions

- **2009 - 2019 YTD Activity: 180 portfolio acquisitions**
 - 6.3x average EBITDA multiple, 4.2x median multiple¹
 - \$9.6MM average purchase price, \$1.5MM average EBITDA¹
- **2017-2019 YTD Activity: 38 portfolio acquisitions**
 - 7.1x average EBITDA multiple, 6.5x median multiple¹
 - \$15.5MM average purchase price, \$2.2MM average EBITDA¹

EBITDA Multiple



(1) Excludes MNA Insurance Services (AMWINS, June '11), OpenLane (ADESA, August '11) and imortgage (loanDepot, September '13) acquisitions, PHX (Stratose, January '16), PayPlus (Stratose, January '16), Payroc (NxGen, October '19), all CANONGATE acquisitions and 6 small breakeven acquisitions.



Important Information Regarding this Presentation

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This presentation (“Presentation”) is provided for the exclusive use of the Rhode Island State Investment Commission (“Commission”) on behalf of the Employees’ Retirement System of Rhode Island. No regulatory body has reviewed or approved or passed upon these materials or the merits of any investment discussed herein.

The following notes and considerations are an integral part of this Presentation and contain important information and disclosures regarding the portfolio companies and funds described herein. This Presentation is provided for informational purposes only and is not intended to be a comprehensive summary of any fund’s investment portfolio or any single investor’s interest in any fund. This Presentation does not contain all of the information that may be required to evaluate an investment and the Commission should conduct its own independent analysis of the data referred to herein. Accordingly, this Presentation should not be relied upon in making any investment decision. Please refer to each fund’s financial statements and other periodic reports and statements, which provide detailed operating results and investment performance information and additional information and disclosures pertaining to the portfolio companies set forth herein, as well as an investor’s investment in the funds. The performance data included herein, including valuations of unrealized investments, is as of the date indicated, is unaudited and is subject to change.

Past performance is not indicative of future results. Specifically, there is no guarantee any portfolio company or fund discussed in this Presentation will achieve any of the goals stated, or that an investment in any fund will meet the expectations outlined in these materials. Private equity investing is subject to many risks, including the risk of loss of capital. Nothing contained herein shall constitute any representation or warranty as to future performance.

This Presentation is neither an offer to sell nor a solicitation of any offer to purchase any securities, investment product or any investment advisory services. Any offer to invest in a PCP fund would be made pursuant to a formal offering memorandum which would contain more complete information necessary to make an investment decision, including the risks associated with investing in the fund. Such offerings are made, and investment advisory services are offered, in general, only to persons who are “accredited investors” as defined in Rule 501(a) under the Securities Act of 1933, as amended. Any decision to invest in a fund should be based solely on the information contained in such fund’s offering memorandum.

This Presentation and the related discussions may include material non-public information regarding the funds managed by PCP and their underlying portfolio investments. It is a violation of U.S. Securities laws for a person in possession of material non-public information concerning an issuer to purchase or sell securities of such issuer or to communicate such information to another person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell securities.

PCP Managers, LP and PCP Managers II, LP (collectively “PCP”) are the successors to Parthenon Capital, Inc. (“the Predecessor Entity”). Current members of the PCP investment team (“PCP Team”) joined after Parthenon Investors II, LP (“Fund II”) was raised in late 2000 by the Predecessor Entity. All PCP Team performance data herein excludes any investments originated by Parthenon Investors I, LP (“Fund I”), which was sponsored by the Predecessor Entity, and investments in Fund II originated by the Predecessor Entity because the performance was achieved prior to the PCP Team joining PCP. The Predecessor Entity’s professionals used a different investment strategy than that employed by the PCP Team. No individual or entity other than the PCP Team was responsible for the investment performance data included for the PCP Team investments included in the performance information herein. For Fund II, 100% of fund-level fees and expenses are allocated to the PCP Team Fund II investments based on the capital invested in each such investment relative to the total invested capital of Fund II, and carried interest is allocated to the PCP Team Fund II investments based on the gross profit in each such investment relative to the total gross profit of Fund II.

Certain information contained in this Presentation is not purely historical in nature, but constitute “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate” “project” “estimate” “intend,” “continue” or “believe” or negatives thereof or other variations thereon or other comparable terminology. These statements are based on certain assumptions. Due to various risks and uncertainties, actual events or results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements, and there can be no assurance that unrealized investments used to calculate the return information set forth herein will ultimately be realized for their assumed values. As a result, investors should not rely on such forward-looking statements.

Important Information Regarding This Presentation

The investment returns contained herein (the “Performance Information”) include projected investment returns on unrealized investments, which are based in part on hypothetical assumptions and for certain assets, projected performance. Such information is presented for illustrative purposes only and is based on various assumptions, which are not described herein. No representation or warranty is made as to the reasonableness of such assumptions or as to any other financial information contained in the Performance Information (including the assumptions on which they are based). Assumptions have certain inherent limitations and will be affected by any changes in the structure or assets of the funds or operations of the portfolio companies.

The actual performance of any portfolio company or fund will differ, and may differ substantially, from that set forth in the Performance Information, including the possibility of losses to investors. No representation is made that such Performance Information is accurate or complete or does not contain errors, or that alternative valuation techniques or assumptions would not be more appropriate or produce significantly different results. The Performance Information is provided on the understanding that a sophisticated investor will understand and accept its inherent limitations and will not rely on it in making any investment decision. None of PCP and its affiliates assumes any responsibility for the accuracy or validity of the results of the Performance Information. None of PCP and its affiliates have any duty to update any of the information in this Presentation. Investing in a fund includes significant risks, including the loss of an investor’s capital.

This Presentation is intended as a summary of the types of investments managed by PCP. Each fund is organized as a blind pool investment vehicle, and it is not currently anticipated that any future fund sponsored by PCP will invest in any of the companies described herein.

The Performance Information for any fund does not represent the actual investment returns of any particular investor’s investment in such fund, the amount actually distributed to any particular investor, or income allocated to the investor. Any single investor’s actual return on their investment in a fund will depend on various factors, including, without limitation, the investment performance of the fund’s unrealized investments, the date such investor was actually admitted to the fund, the timing of an investor’s actual capital contributions, any interest required to be paid by an investor admitted after the initial closing of the fund, the timing and amount of actual distributions, reinvestment by the fund, fund-level fees and expenses, borrowings by the fund, and withholdings and other taxes borne by the fund or otherwise allocable to the investor.

These materials are intended to be read as a whole. Excerpts cannot be removed without sacrificing the meaning of any portion. Many statements herein represent abbreviated commentary regarding individual portfolio companies. These statements are in no way intended to be a full outline of a portfolio company’s operations or outlook.

Some portions of this Presentation include the use of various charts or graphs. These are intended as visual aids only, and are not to be construed as a means to make investment decisions of any kind. Amounts reflected in this Presentation may differ slightly from amounts reported in the applicable fund’s financial statements and other periodic reports due to rounding differences.

Certain portions of this Presentation include information regarding companies in private equity portfolios managed by PCP. Specific information related to each of these presented portfolio companies, and in some cases, information regarding competitors, market shares, or outlooks, is obtained from the portfolio company in question. While PCP may have access to the management and operations of each portfolio company, the information provided herein with regard to these portfolio companies is still nonetheless based on information provided by portfolio company management. While believed to be reliable, such information is not necessarily independently verified by PCP and PCP does not assume responsibility for the accuracy of such information (or updating the Presentation based on facts learned following its publication). Certain statements herein are based on information that is deemed valid as of the date of the Presentation. Changes in circumstances, even minor ones, can materially alter the economic outlook, the outlook for a given portfolio company or for an entire fund. For updated information, investors and prospective investors should contact PCP. Accordingly, such information should not be relied upon in making any investment decisions.

Any grades assigned herein (including without limitation to grades assigned to management teams and CEOs) solely represent the PCP Team’s subjective opinion, and are based on certain objective and subjective criteria, the weight and value of which has been determined by the PCP Team in their sole discretion.

Certain portions of this Presentation may include information regarding the performance of various sectors, industries, portfolio company competitors, or the economy in general. Such information is taken from various sources, and while believed to be reliable, is not necessarily independently verified by PCP, and accordingly, such information should not be relied upon in making any investment decisions.

Important Information Regarding This Presentation

Important Definitions

Certain capitalized terms used in this Presentation are used as defined below:

“EBITDA” (generally defined as earnings before interest, taxes, depreciation and amortization) is a valuation metric frequently used by PCP to determine the enterprise value of a portfolio company. EBITDA is a non-GAAP measure of financial performance. PCP generally relies on portfolio company reported adjusted EBITDA for valuation purposes, although in certain situations PCP may elect to use alternative metrics for portfolio company valuations, such as steady-state net operating cash flow, pre-tax income, book value or other valuation metric that PCP or portfolio company management determines to be appropriate under the circumstances. The relevant valuation metric is typically adjusted for certain one-time, non-recurring items as portfolio company management or PCP determines in their sole judgment. The relevant valuation metric is typically adjusted for certain one-time liabilities or indemnification costs, management fees, severance payments, legal & professional fees, etc. EBITDA (or other valuation metric) for certain investments may be presented pro forma or normalized for certain events, such as add-on acquisitions or tuck-ins or anticipated earnings from recently executed customer contracts or other recent or anticipated events or circumstances. There is no assurance that a portfolio company will achieve the pro forma or normalized earnings, and actual results may vary from the pro forma or normalized EBITDA (or other valuation metric) presented. The Unrealized Value of an investment determined by reference to a multiple of pro forma or normalized EBITDA (or other valuation metric) will likewise vary due to actual performance and as a result of other adjustments made by PCP in determining the investment’s relevant valuation metric.

“Investment Amount” with respect to a fund refers to the amount of capital invested by the applicable fund in the applicable portfolio company as of the date specified, but not third-party co-investors, and does not take into account capital called for operating expenses and organizational expenses incurred by the fund or any holding company structures.

“Realized Value” represents all cash proceeds realized as of the reporting date set forth above from the sale of companies, dividends received, fees, the return of principal, interest payments earned and any proceeds resulting from mezzanine or equity participation payments related to equity-oriented debt instruments, all before fund-level expenses, carried interest and taxes borne by investors, and third-party fees and expenses incurred as a result of the relevant holding company structure used to hold the investment, all of which will reduce net returns to investors. The estimated value of the unrealized portion of a partially realized investment reflects Unrealized Value, as described below.

“Unrealized Value” with respect to an unrealized investment, in the absence of readily ascertainable market value, reflects its estimated fair value as determined by PCP as of the reporting date set forth above. Unrealized Value is subject to change. For purposes of each fund’s financial statements, all unrealized investments in privately-held companies are carried at fair value. Publicly traded securities have been valued based on their Publicly Traded Value, as described below. Unrealized investments in privately-held companies have been valued based in part on portfolio company financial information available as of the reporting date set forth above and may include forecasts or estimates of financial results for the reporting period presented.

The determination of the Unrealized Value of a privately-held company is subjective, is based on various assumptions as to past or future performance, reflect adjustments for one-time, non-recurring items, and may be calculated on a pro forma basis for certain events (at the portfolio company or comparable issuer), such as a recent acquisition, or anticipated earnings from recently executed customer contracts, subsequent round of financing, recapitalizations or other transactions across the capital structure, in each case as PCP determines in its sole judgment to be relevant to its determination of the value of an asset. Fair value is determined by reference to, but not limited to, historical and projected operating results and balance sheets, recent public or private transactions and valuations of comparable publicly traded companies. In determining fair value, consideration was also given to other pertinent information, including the types of securities held and restrictions on disposition.

Two methods often used to estimate the fair value of private investments are: (1) the market approach, whereby fair value is derived by reference to observable valuation measures for comparable companies or assets (e.g., multiplying a key performance indicator of the portfolio company, such as EBITDA, by a relevant valuation multiple observed in the range of comparable publicly-traded or private companies or transactions), and (2) the income approach, which considers the projected operating performance of the portfolio company (e.g., discounted cash flow analysis). The selection of appropriate valuation approach may be affected by the availability of relevant inputs as well as the relative reliability of the inputs. In some cases, one valuation approach may provide the best indication of fair value while in other circumstances, multiple valuation approaches may be appropriate. PCP may elect to apply discounts to the multiples used to determine a valuation, taking into consideration asset quality relative to the comparison group (such as size, past and expected future growth rate, business model, and liquidity), and other factors as PCP determines relevant. All investment valuations are subjective in nature, do not conform to any particular standard (if such standard exists) and do not necessarily represent the ultimate realizable value of an investment. Please refer to the funds’ financial statements for a detailed discussion of PCP’s valuation procedures and fair value hierarchy used to prioritize the inputs to valuation techniques used to measure fair value of an unrealized investment.

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The actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of relatively comparable assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations are based. In addition, the valuation methodologies described herein are used solely for purposes of determining portfolio company valuations and are not necessarily used for purposes of determining actual distributions by any fund. Accordingly, the actual realized returns on unrealized investments may differ materially from the projected returns indicated herein.

“**Publicly Traded Value**” represents the closing stock price as of the last business day of the reporting period set forth above. The Publicly Traded Value is for financial statement purposes only and does not reflect any discount for the applicable fund's ownership level, lack of liquidity, underwriting discounts or expenses associated with the disposition of the stock, which would reduce the actual realized value of such securities. Amounts ultimately realized upon the sale of all or a significant portion of such publicly-held securities could be higher or lower than the reported valuation.

“**Total Value**” is the sum of Realized Value and Unrealized Value.

No assumption should be made that the investments described in this Presentation as having any Unrealized Value will be realized at such value or will be profitable. The ultimate return on unrealized investments and on the unrealized portion of partially realized investments depends on several factors and assumptions, all of which are outside the control of PCP. Thus, the return for each such investment calculated after its complete realization most likely will vary from the return shown for that investment in this Presentation. Similarly, if a fund has unrealized or partially realized investments, the return for the fund calculation after the complete realization of all of its investments most likely will vary from the return shown for such fund in the aggregate.

“**Gross IRR**” are gross internal rates of return, meaning aggregate, compound, annual gross rates of return on realized and unrealized investments, calculated on a monthly basis from the date of the investment to the date the fund makes distributions back to the investors from the applicable investment. Gross IRRs are calculated before fund-level expenses, fees, carried interest and taxes borne by investors and for realized investments post-transaction ongoing third-party fees and expenses incurred by the relevant holding company structure used to hold the investment, all of which will reduce net returns to investors. The portion of Gross IRRs with respect to realized investments reflect the actual timing of daily cash inflows and outflows. The portion of Gross IRRs with respect to unrealized investments are calculated based either on the estimated Unrealized Value of such investments as of the reporting date set forth above (unless otherwise noted) assuming a current liquidation event or, where the circumstances warrant, at a future date based on available information (e.g., an anticipated indemnity escrow release date with respect to the portion of the proceeds from a disposed investment that has been escrowed). See the definition of Unrealized Value for further information. The actual Gross IRR for a portfolio company or a fund could be significantly lower than that presented if the actual value of an investment is lower than PCP's estimated Unrealized Value for such investment.

The total Gross IRR for a fund is calculated using the aggregated (sometimes referred to as “pooled”) cash flows of the relevant investments by reference to the dates in which they arise, treating all cash flows across such investments as if they arose from a single investment so that the total Gross IRR for the relevant investments is the Gross IRR for a hypothetical single investment. Gross IRR calculations are as of the reporting date set forth above, and are subject to change. To our knowledge, there are no established standards for the calculation of internal rates of return for private equity portfolios. The use of another methodology would be expected to result in different, and possibly lower, internal rates of return.

“**Gross Total Value as a Multiple of Investment**” or “**Gross MoM**” is a gross multiple of invested capital from capital contributions, which is the ratio of the gross return on an investment relative to the original amount of capital contributions for the investment by the applicable fund (excluding any third-party co-investors), and does not take into account capital called for operating expenses and organizational expenses of the fund. Gross MoM equals the quotient of (a) the sum of (i) Realized Value plus (ii) Unrealized Value of the applicable investment, and (b) the cumulative amount of dollars invested by the fund in such investment. For Performant, dividend proceeds of \$28.9 million were reinvested in Performant stock and are excluded from the denominator for purposes of calculating its MoM as those proceeds do not represent investors' capital contributions. Occasionally, a fund may sell-down a portion of its initial investment to a co-investor or management. Returned capital from such dispositions are excluded for purposes of calculating the Gross MoM for such investments. Gross MoM calculations are as of the reporting date set forth above and are subject to change.

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“Net IRR” is an annualized net compounding internal rate of return on realized and unrealized investments, calculated on a monthly basis from the date the investors are required to contribute capital to the relevant fund with respect to the applicable investment (not date of investment) and the date the fund makes distributions back to the investors from the applicable investment, and reflects deductions only of fund-level expenses (including management fees) and carry paid to PCP, but not taxes. Net IRR is calculated with respect to fee-paying limited partners only. The portion of Net IRRs with respect to realized investments reflect the actual timing of daily cash inflows and outflows. Net IRRs for realized investments do not reflect post-transaction ongoing third-party fees and expenses incurred by the relevant holding company structure used to hold an investment, which reduce net returns to investors. The portion of Net IRRs with respect to unrealized investments are calculated based either on the estimated Unrealized Value of such investments as of the reporting date set forth above assuming a current liquidation event or, where the circumstances warrant, at a future date based on available information (e.g., an anticipated indemnity escrow release date with respect to the portion of the proceeds from a disposed investment that has been escrowed). See the definition of Unrealized Value for further information. The actual Net IRR for a fund could be significantly lower than that presented if the actual value of one or more of the fund’s unrealized investments is lower than PCP’s estimated Unrealized Value for such investment. The Net IRR for a fund is calculated using the aggregated (sometimes referred to as “pooled”) cash flows of the relevant investments by reference to the dates in which they arise, treating all cash flows across such investments as if they arose from a single investment so that the Net IRR for the relevant fund is the Net IRR for a hypothetical single investment. Net IRR calculations are as of the reporting date set forth above, and are subject to change. The funds typically borrow on a short-term basis to bridge the time between the closing of an investment and the eventual capital call for the investment. This has the effect of enhancing the applicable fund’s Net IRR, particularly early in a fund’s life. To our knowledge, there are no established standards for the calculation of internal rates of return for private equity portfolios. The use of another methodology would be expected to result in different, and possibly lower, internal rates of return.

“Net MoM” is the Gross MoM on an investment and reflects the deduction only of fund-level expenses (including management fees) and carry paid to PCP, but not taxes. Net MoM is calculated with respect to fee-paying limited partners only. Net MoMs for realized investments do not reflect post-transaction ongoing third-party fees and expenses incurred by the relevant holding company structure used to hold an investment, which reduce net returns to investors. The portion of Net MoMs with respect to unrealized investments are calculated based either on the estimated Unrealized Value of such investments as of the reporting date set forth above assuming a current liquidation event or, where the circumstances warrant, at a future date based on available information (e.g., an anticipated indemnity escrow release date with respect to the portion of the proceeds from a disposed investment that has been escrowed). See the definition of Unrealized Value for further information. The actual Net MoM for a fund could be significantly lower than that presented if the actual value of one or more of the fund’s unrealized investments is lower than PCP’s estimated Unrealized Value for such investment. Net MoM calculations are as of the reporting date set forth above and are subject to change.

Net IRR and net MoM cannot be provided for individual investments because the fees and expenses associated with an individual investment, other investment activities of the applicable fund and operating expenses of the applicable fund, are applied in the aggregate at the applicable fund level.

The IRRs and MoMs include all returns (and anticipated returns) from reinvested distributions. If such returns were not included, the returns shown could differ materially. The returns shown for any fund or any portfolio company investment do not represent the actual investment returns of any particular investor’s investment in the fund, the amount actually distributed to any particular investor, or income allocated to the investor from such investment. Any single investor’s actual return on their investment in a fund will depend on various factors, including, without limitation, the date such investor was actually admitted to the fund, the timing of an investor’s actual capital contributions, any interest required to be paid by an investor admitted after the initial closing of the fund, the amount and timing of actual distributions, reinvestment by the fund, fund level fees and expenses, borrowings by the fund, the tax treatment of the particular structure through which investors participate in investments, and withholdings and other taxes borne by the fund (or the particular alternative investment vehicle) or otherwise allocable to the investor. Please refer to PCP’s ADV and the applicable fund’s governing documents for a discussion of the fees and expenses incurred by the funds.

The IRR for investments held less than one year are not reported, unless Parthenon determines that the value of the investment has increased significantly since the date of investment. The IRR for investments that have been permanently written down or that have otherwise generated a MoM of 1.0x or less generally are not reported as they are not meaningful, but the cash flows pertaining to such investments from inception to the date of such write down or disposition are taken into account when determining the IRR for the relevant Fund.
