



**PAINE SCHWARTZ
PARTNERS**

SUSTAINABLE FOOD CHAIN INVESTING



Paine Schwartz Food Chain Fund V, L.P.
Presentation to the Rhode Island State Investment Commission

May 23, 2018

Paine Schwartz Partners – Sustainable Food & Agribusiness Investing

Firm Overview

- PSP is a leading PE investor in the food and agribusiness industry, one of the largest and fastest growing global segments
- 40+ professionals with more than 500 years of combined food & agribusiness industry experience
- Executive Team, led by Dexter Paine and Kevin Schwartz, have worked together for more than 13 years
- Currently seeking capital commitments of \$1.2 billion for Fund V

Investment Strategy

- Target value-added and differentiated companies primarily in upstream segments of the food & agribusiness value chain
- Thesis-driven sourcing process centered on sub-sector deep dives to access attractive investment opportunities
 - All 16 food and agribusiness platform investments created through this process
- Leverage extensive industry expertise to create value within investments
 - Food Chain Advisory Board comprising thought leaders in the industry
 - Dedicated Portfolio Excellence Platform
 - Extensive strategic relationships within the industry

Performance⁽¹⁾

- 16 food & agribusiness platform investments representing \$1.9 billion of invested capital, a 36% Gross IRR and a 1.8x Gross MOIC
 - Realized Investments: 90% Gross IRR, 2.6x Gross MOIC
- Over \$720 million in co-investment created across food & agribusiness investments since inception of Fund II

Note: Past performance is not indicative of future results. In 1997 W. Dexter Paine, III co-founded a private equity firm known as Fox Paine & Company (the “Predecessor Firm”). Kevin Schwartz was a Managing Director at the Predecessor Firm before co-founding Paine Schwartz Partners with Dexter Paine. These statistics include activity by Paine Schwartz Partners as well the Predecessor Firm as of March 31, 2018.

1. Returns calculated as of March 31, 2018 using time-zero methodology and excluding co-invest. Net returns cannot be provided for individual investments or for the aggregate of investments in the food & agribusiness sector because the fees and expenses associated with individual investments and other activities are applied in the aggregate at the level of the fund. For fund-level net returns, please refer to the Investment Performance section. This performance includes all food & agribusiness investments executed by PSP and its predecessor across all of its prior funds – and such performance figures exclude all prior investments executed by PSP and its predecessor not related to food & agribusiness. Advanta and Seminis were portfolio companies of the Predecessor Firm’s Fund II portfolio. Fund II ceased to be managed by PSP investment professionals in December 2007. Seminis and substantially all of Advanta were exited before December 2007. The unrealized portion of Advanta, valued at \$16 million as of December 31, 2007, was held as a structured investment with Syngenta and was subsequently realized by Fund II. Meadow Foods includes mark-to-market put option FX asset with a cost of \$5 million and a FMV of \$2 million.



Expertise in Food & Agribusiness

Food & agribusiness platform with deep domain expertise and significant sourcing advantages

KEY STATISTICS

20+

Years of Food & Ag Investing

500+

Years of Industry Experience

\$1.9B

Equity Capital Deployed

46

Food & Ag Investments⁽¹⁾

\$4.1B

Total Acquisition Value

**90% IRR /
2.6x MOIC**

Strong Realized Returns⁽²⁾

\$10 - 120M

Co-invest opportunity per investment with co-investment available

69%

of food & ag deals have generated co-invest

72¢

of co-invest generated for every \$1 invested in Fund IV

Realized Invested Capital

(USD in Millions)

\$1,629

■ Fund ■ Co-Invest

\$634

\$182

\$452

Invested Capital

\$448

\$1,181

Realized Value⁽³⁾

Total Invested Capital

(USD in Millions)

\$3,177

■ Fund ■ Co-Invest

\$1,941

\$722

\$1,220

Total Invested Capital

\$1,011

\$2,165

Realized & Unrealized Value

Note: Past performance is not indicative of future results. These statistics include activity by Paine Schwartz Partners as well the Predecessor Firm as of March 31, 2018. Combined team industry figure includes food & agribusiness experience of all investment team members and operating directors. Equity Capital Deployed figure includes co-investment. This is for illustrative purposes only. No representation is made that any investment products or future offerings will achieve similar results.

1. Includes platform and add-on acquisitions completed by Paine Schwartz as well as the Predecessor Firm.

2. Returns calculated as of March 31, 2018 using time-zero methodology and excluding co-invest. Net returns cannot be provided for individual investments or for the aggregate of investments in the food & agribusiness sector because the fees and expenses associated with individual investments and other activities are applied in the aggregate at the level of the fund. For fund-level net returns, please refer to the Investment Performance section. This performance includes all food & agribusiness investments executed by PSP and its predecessor across all of its prior funds – and such performance figures exclude all prior investments executed by PSP and its predecessor not related to food & agribusiness. Advanta and Seminis were portfolio companies of the Predecessor Firm's Fund II portfolio. Fund II ceased to be managed by PSP investment professionals in December 2007. Seminis and substantially all of Advanta were exited before December 2007. The unrealized portion of Advanta, valued at \$16 million as of December 31, 2007, was held as a structured investment with Syngenta and was subsequently realized by Fund II. Meadow Foods includes mark-to-market put option FX asset with a cost of \$5 million and a FMV of \$2 million.

3. Represents substantially realized investments that include \$19 million of unrealized value.



Team Overview

Executive Team



Food Chain Advisory Board

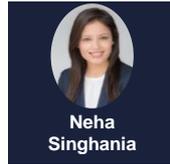
PSP has also established the Food Chain Advisory Board ("FCAB"), comprising a group of thought leaders in the food & ag industry who give the firm access to an additional level of intellectual capital

Investment Team

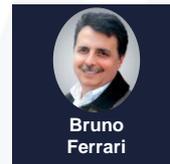
Portfolio Excellence Platform ("PEP")

Operating Directors

IR & Firm Admin



Senior Advisors



Food Chain Advisory Board

High-impact group of senior advisors providing value-added expertise and perspective to areas such as firm strategy, portfolio company management and industry networks



John Atkin

Former COO of Syngenta

Relevant Board Seats:
Chairman of Spearhead International and AgBiTech; Driscoll's



Wout Dekker

Former CEO of Nutreco

Relevant Board Seats:
Koninklijke FrieslandCampina N.V.; Former Chairman of the Supervisory Board of Rabobank



Betsy Holden

Former Co-CEO of Kraft Foods

Relevant Board Seats:
Lyons Magnus; Diageo



Miles Reiter

Former CEO and current Chairman of Driscoll's



Sunil Sanghvi

Senior Partner at McKinsey focused on agricultural projects

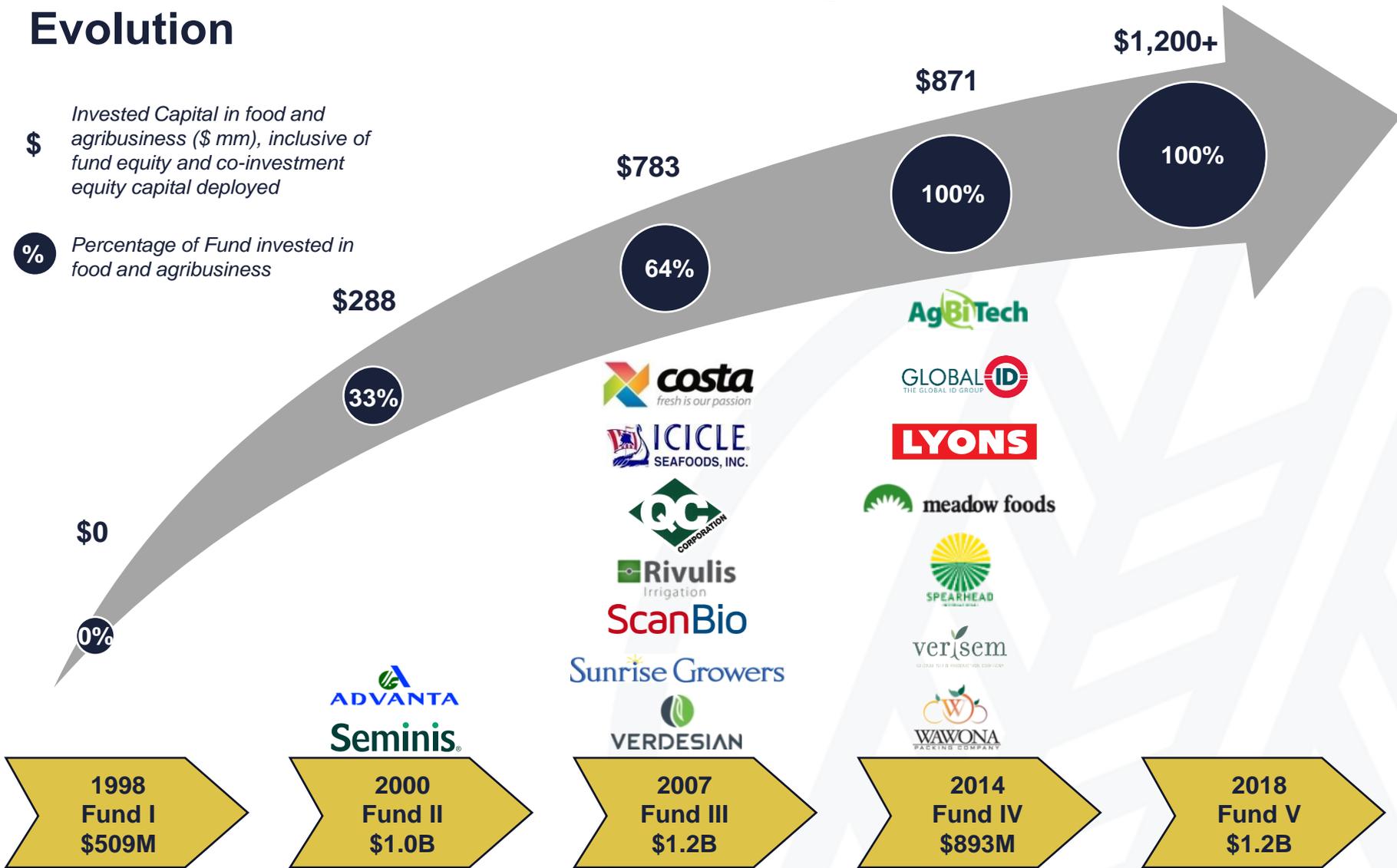


Rajiv Shah

Former USAID Administrator; President of the Rockefeller Foundation



Paine Schwartz Partners Food and Agribusiness Firm Evolution



Note: \$ in millions. Advanta and Seminis were portfolio companies of the Predecessor Firm's Fund II portfolio. Invested Capital figures as of March 31, 2018 and inclusive of co-investment. Invested Capital for Fund V is anticipated.



Experience and Proactive Thesis-Driven Methodology

PSP drives proprietary deal flow through disciplined, thesis-based proactive efforts to identify attractive sectors and target companies

- 1 Industry relationships built over the past 20+ years
- 2 Utilize Partners and Operating Directors with significant industry experience
- 3 Conduct extensive primary research including segment “deep dives” and broader industry research initiatives with thought leaders
- 4 Partnership with McKinsey & Company to provide consulting services regarding:
 - Joint research initiatives (e.g. Ag 2025)
 - Strategy for new investments
 - Due diligence
 - Portfolio operational improvements
- 5 PSP maintains a disciplined focus on upstream and value-added segments of the value chain
- 6 Continuous focus on ESG and sustainability as key elements of the overall portfolio and due diligence process

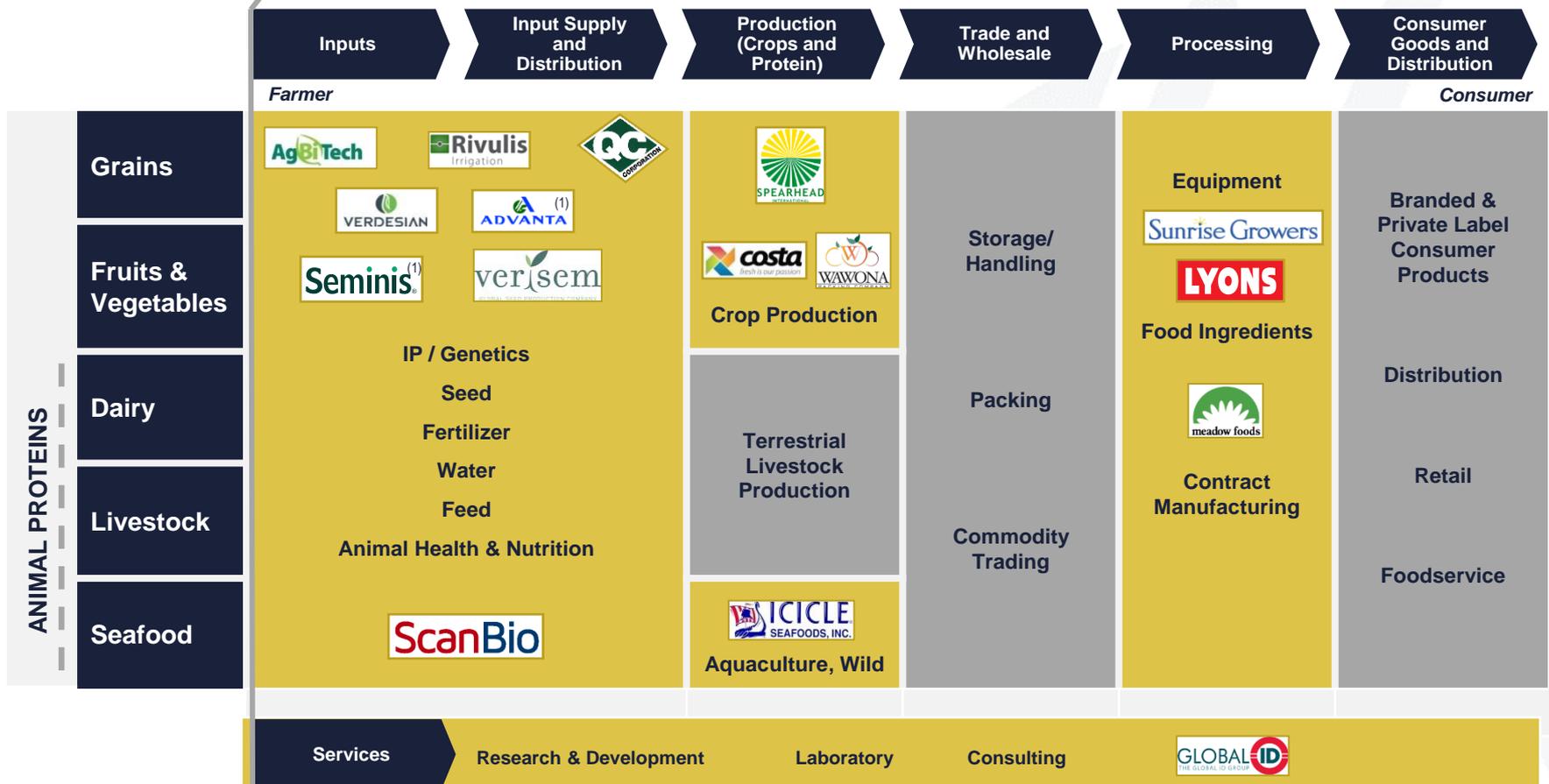


Thesis-Driven Approach has Led to Focused Value Chain Investment Strategy

This focused strategy mitigates traditional food & agribusiness commodity exposure and limits private equity competition

 PSP Area of Focus

Geographies – OECD headquarters, international operations, derivative exposure to developing countries



1. Advanta and Seminis were portfolio companies of the Predecessor Firm's Fund II portfolio.

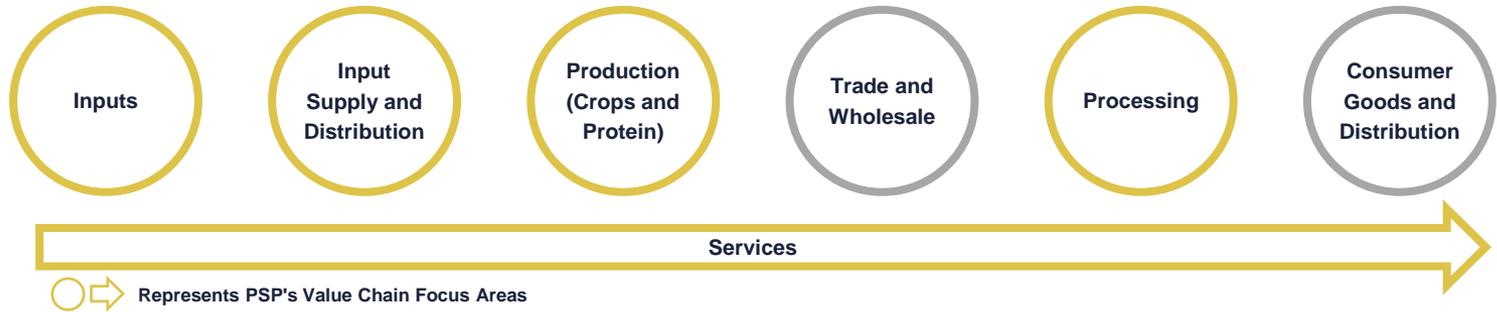


Proprietary Deal Flow in the Food & Agribusiness Space

68

Food & Ag.
Deep Dives
Performed

Deep Dives Performed Across the Value Chain



16

Platforms
Actioned
from Deep
Dive
Work⁽¹⁾

Deep Dives Actioned

Plant Health & Nutrition			Produce Production & Processing				
2012	2014	2015	2011	2013	2015	2017	2017
Seeds			Seafood & Aquaculture				
2003 ⁽¹⁾	2004 ⁽¹⁾	2015	2007		2011		
Food Safety		Dairy			Water & Irrigation		
2016		2016			2013		

Substantial and proprietary intellectual capital developed over 15+ years drives strong and consistent deal flow

1. Includes Advanta and Seminis, which were portfolio companies of the Predecessor Firm's Fund II portfolio.



Expertise Leads to Significant Value Creation

PSP leverages its extensive domain expertise to create significant value and position each investment for exit

Recruit Experienced Senior Talent

- Access to the Food Chain Advisory Board, Operating Directors and extensive industry connections allows PSP to find top talent to bolster management teams
- PSP employed these resources to hire a new CFO, product development manager and regional LATAM head for AgBiTech and a new CEO, Chairman and Independent Board Director for Global ID

Expand into New Geographic Markets and Broaden Customer Base

- Prior industry experience and networks in a wide range of geographic locations provides PSP with valuable global awareness of target geographies, industry dynamics and relevant customers
- PSP expanded production for Sunrise Growers into Mexico and Costa Rica and expanded distribution for Verisem in Europe, Africa, the Middle East and the US

Source, Diligence and Execute M&A Opportunities

- Proprietary research and strong connection to McKinsey, in conjunction with PSP's deep network in the industry, generates extensive knowledge to appropriately source, diligence and execute M&A opportunities
- PSP completed an add-on acquisition for Global ID to expand geographical presence and led negotiation, diligence and financing of six add-on acquisitions for Verdesian

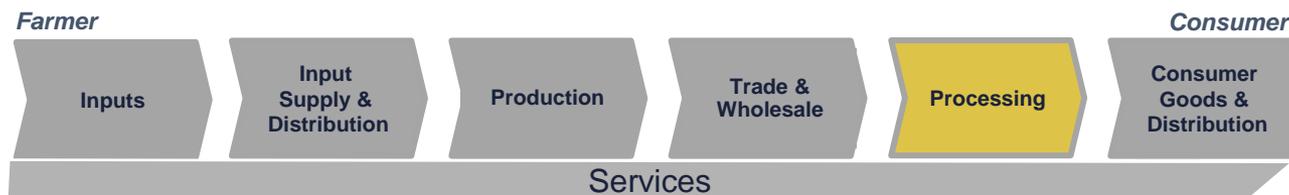
Position for Exit

- PSP has experience building businesses into attractive acquisitions for strategic buyers
- PSP utilized this expertise to successfully sell Sunrise Growers to a strategic buyer and to complete four divestitures to strategic acquirers for Advanta¹

1. The divestitures for Advanta were completed by the Predecessor Firm.



Lyons Magnus Case Study



Business Overview

- Founded in 1852 and based in Fresno, California, Lyons Magnus is an industry leading developer, manufacturer and marketer of fruit and flavor solutions for the foodservice, healthcare and industrial dairy channels
- Product portfolio includes fruit, beverage and cocoa-based products, including beverage syrups, nutritional beverages and toppings
- Loyal customer base of blue-chip food service accounts, including national chain accounts and foodservice distributors
- Two strategically-located state-of-the-art facilities in Fresno, CA and Walton, KY, totaling over 1 million square feet

- ✓ **Built Board of Directors with industry expertise to help drive strategic objectives**
- ✓ **Successfully completed search for new CEO to facilitate succession planning**
- ✓ **Executing on identified margin improvement opportunities**
- ✓ **Pursuing high priority acquisition candidates to broaden platform**

Investment Thesis

- Leading foodservice supplier with strong market positions and barriers to entry
- Strong operational capabilities and visible margin expansion opportunities
- Well-established relationships with blue-chip customer base
- Broad product portfolio with extensive in-house R&D capabilities
- Strong, consistent financial profile with multiple growth opportunities

Investment Performance

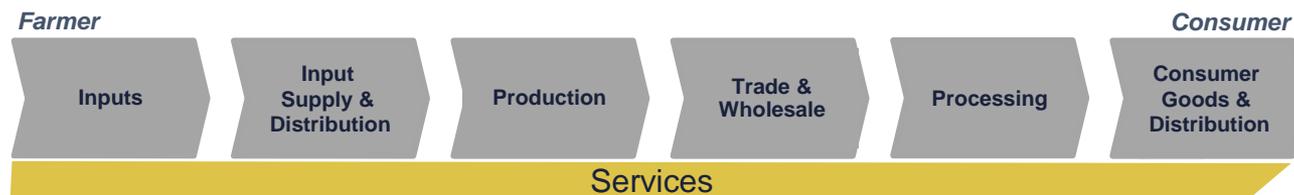
(\$ in millions)



Note: Past performance is not indicative of future results. Investment Performance as of 03/31/18.



Global ID Case Study



Business Overview

- Market leading platform dedicated to providing food safety and food quality solutions
- Operates through three primary segments: Genetic ID, CERT ID and FoodChain ID, which together provide a comprehensive suite of food testing, food certification, and supply chain compliance software and services solutions
- Global footprint with locations in Fairfield, Iowa; Sutton Coldfield, UK; Augsburg, Germany; and Port Alegre, Brazil and customers in over 100 countries
- Global ID was identified during primary research on the sector at one of PSP's semi-annual offsites

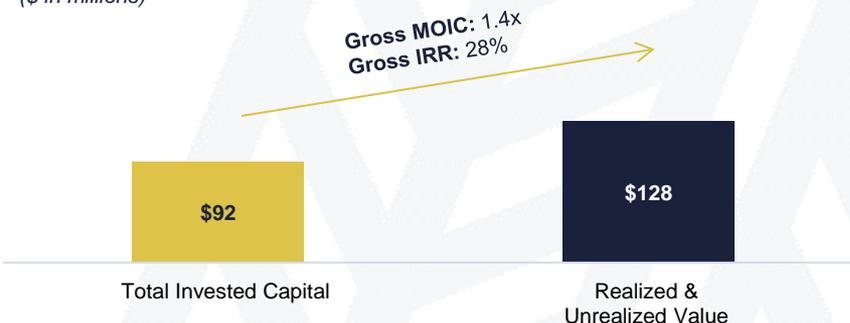
Investment Thesis

- Strong food safety market tailwinds from increased focus on food supply chain and regulations to drive growth
- Leading reputation in GMO testing and certification space as first mover in the Non-GMO Project label program
- Best-in-class testing technology is well-positioned in niche markets and is supported by customer demand for fast and reliable results
- Entrenched customer base to offer full suite of food safety solutions with significant cross-selling opportunity

- ✓ **Comprehensive service offerings capitalize on high-demand supply chain needs (safety & quality)**
- ✓ **Leading reputation in GMO testing and certification provides platform for expansion**
- ✓ **“Sticky” service offerings lead to entrenched customer base**
- ✓ **Diverse, global customer network creates opportunity for significant cross-selling**

Investment Performance

(\$ in millions)



Note: Past performance is not indicative of future results. Investment Performance as of 03/31/18.



Food and Agribusiness Performance as of Q1 2018

COMPANY	INVESTED DATE	INVESTED CAPITAL	VALUE			GROSS	
			Realized	Unrealized	Total	MOIC	IRR
 (1)	Sep-04	\$75	\$322	\$16	\$337	4.5x	643%
	Oct-11	86	196	--	196	2.3x	21%
	Sep-07	119	73	--	73	0.6x	N/A
 (1)	Sep-03	123	389	--	389	3.2x	115%
	Mar-13	49	182	4	186	3.8x	81%
Realized Investments		\$452	\$1,162	\$19	\$1,181	2.6x	90%
	Dec-15	\$34	\$--	\$34	\$34	1.0x	N/A
	Sep-16	92	--	128	128	1.4x	28%
	Nov-17	90	--	90	90	1.0x	N/A
 (2)	Sep-16	76	--	155	155	2.0x	61%
	Jan-13	75	--	101	101	1.4x	7%
	Nov-11	87	--	89	89	1.0x	1%
	Jul-15	73	--	79	79	1.1x	3%
	Sep-12	101	4	140	144	1.4x	8%
	Nov-15	50	--	73	73	1.5x	17%
	Apr-17	90	--	90	90	1.0x	N/A
Unrealized Investments		\$768	\$4	\$980	\$984	1.3x	11%
Food & Agribusiness Total		\$1,220	\$1,166	\$999	\$2,165	1.8x	36%

Notes: Past performance is not indicative of future results. \$ in millions. Numbers may not add due to rounding. IRRs are calculated on a monthly basis. Aggregate returns calculated as of March 31, 2018 using time-zero methodology and excluding co-invest. Using conventional methodology, gross fund IRR would be 157%. Net returns cannot be provided for individual investments or for the aggregate of investments in the food and agribusiness sector because the fees and expenses associated with individual investments and other activities are applied in the aggregate at the level of the fund. Fund-level net returns as of March 31, 2018 are as follows: Fund I has generated a 1.4x net MOIC and a 7% net IRR. Fund II has generated a 2.1x net MOIC and a 33% net IRR. Fund III has generated a 1.3x net MOIC and a 4% net IRR. Fund IV has generated a 1.1x net MOIC and a 7% net IRR. Net figures for Fund IV are calculated after giving effect to the deduction of fund-level fees (including management fees), expenses, carried interest, and mark-to-market cost of fund-level hedging as of March 31, 2018.

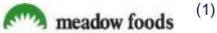
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2. Includes mark-to-market put option FX asset with a cost of \$5 million and a FMV of \$2 million.



Fund IV Performance as of Q1 2018

Fund IV Performance

COMPANY	INVESTED DATE	INVESTED CAPITAL	VALUE			GROSS	
			Realized	Unrealized	Total	MOIC	IRR
 AgBiTech	Dec-15	\$34	\$--	\$34	\$34	1.0x	N/A
 GLOBAL-ID	Sep-16	92	--	128	128	1.4x	28%
 LYONS	Nov-17	90	--	90	90	1.0x	N/A
 meadow foods ⁽¹⁾	Sep-16	76	--	155	155	2.0x	61%
 SPEARHEAD	Jul-15	73	--	79	79	1.1x	3%
 ver sem	Nov-15	50	--	73	73	1.5x	17%
 WAWONA	Apr-17	90	--	90	90	1.0x	N/A
Fund IV Total		\$505	\$--	\$649	\$649	1.3x	18%
Net Returns⁽²⁾						1.1x	7%

Note: Past performance is not indicative of future results. \$ in millions. Numbers may not add due to rounding. IRRs are calculated on a monthly basis. Aggregate returns calculated as of March 31, 2018 using time zero methodology and excluding co-invest. Pursuant to U.S. Generally Accepted Accounting Principles, the valuation data reflected above has not been adjusted for any transaction costs that may occur upon exit. Net figures for Fund IV are calculated after giving effect to the deduction of fund-level fees (including management fees), expenses, carried interest, and mark-to-market cost of fund-level hedging as of March 31, 2018.

1. Includes mark-to-market put option FX asset with a cost of \$5 million and a FMV of \$2 million.

2. Net returns include a mark-to-market forward option FX liability of \$16 million.



Fund V Summary Term Sheet

Fund Name	Paine Schwartz Food Chain Fund V, L.P.
Target Size	\$1.2 billion
GP Commitment	2% cash commitment
Term	10 years from final closing, subject to extension
Investment Period	5 years from initial closing
Preferred Return	8%
Carried Interest	20%
Management Fee	2% of commitments during commitment period; 2% of net invested capital thereafter
Fee Offset	100%
Waterfall	European





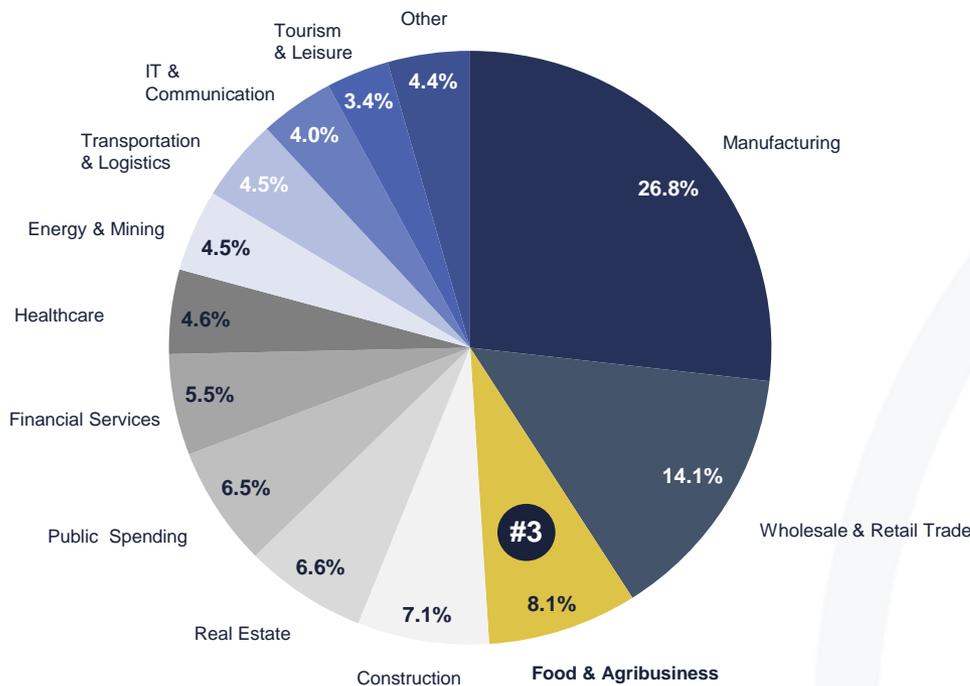
Appendix



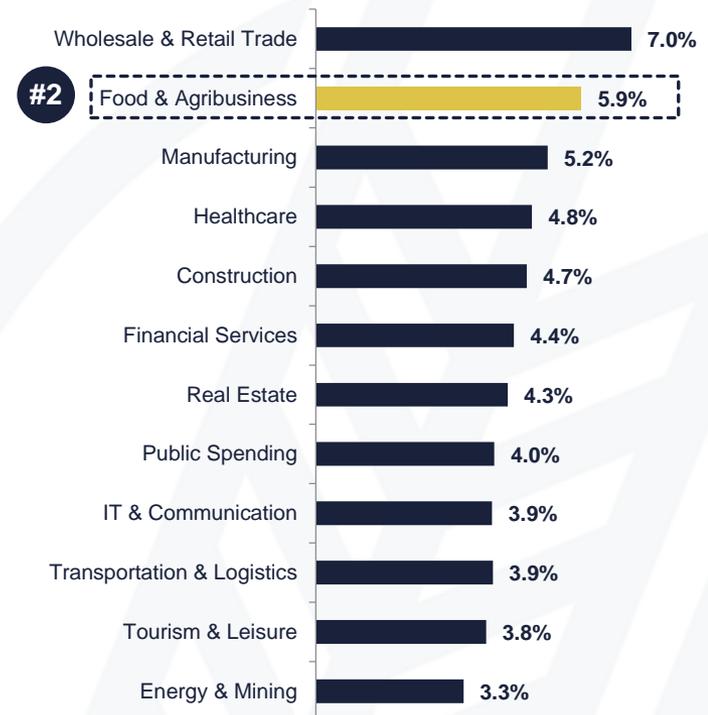
Food & Agribusiness is a Large and Growing Industry

Food & Agribusiness comprises 8.1% (\$12.1 trillion) of global GDP, growing faster than nearly all other sectors over the past decade

2017 Total Global Output



CAGR by Sector



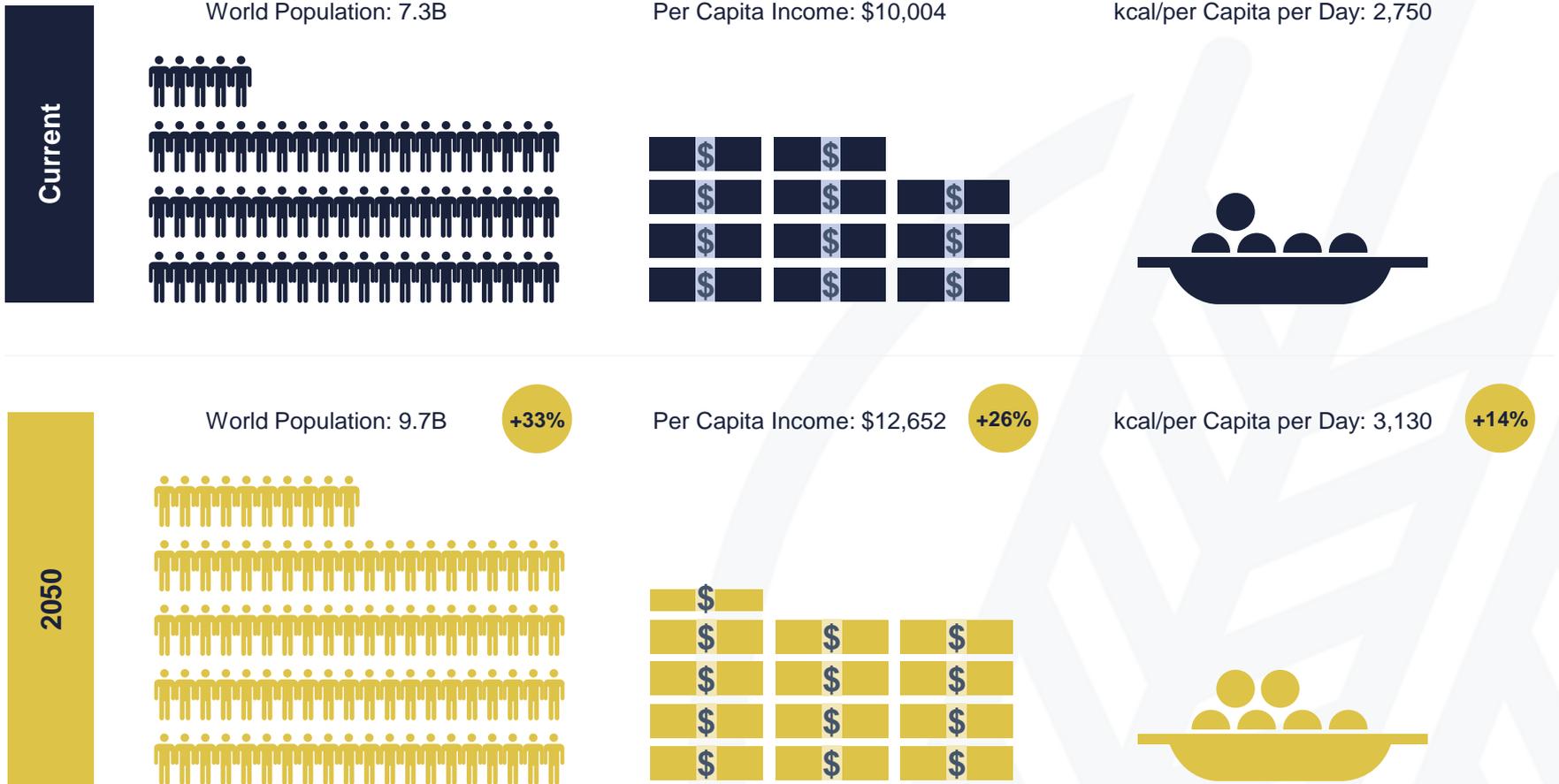
Source: IHS Global Insight Industry Database, April 2017.

Note: "Food & Agribusiness" includes (i) Agriculture, Forestry, and Fishing, (ii) manufacturing of food, beverages, and tobacco, (iii) manufacture of fertilizers and nitrogen compounds, (iv) manufacture of pesticides and other agrochemical products, (v) manufacture of agricultural and forestry machinery, and (vi) manufacture of machinery for food, beverage, and tobacco. CAGR represents data from 2006 to 2017.



Long-Term Demand for Food is Strong

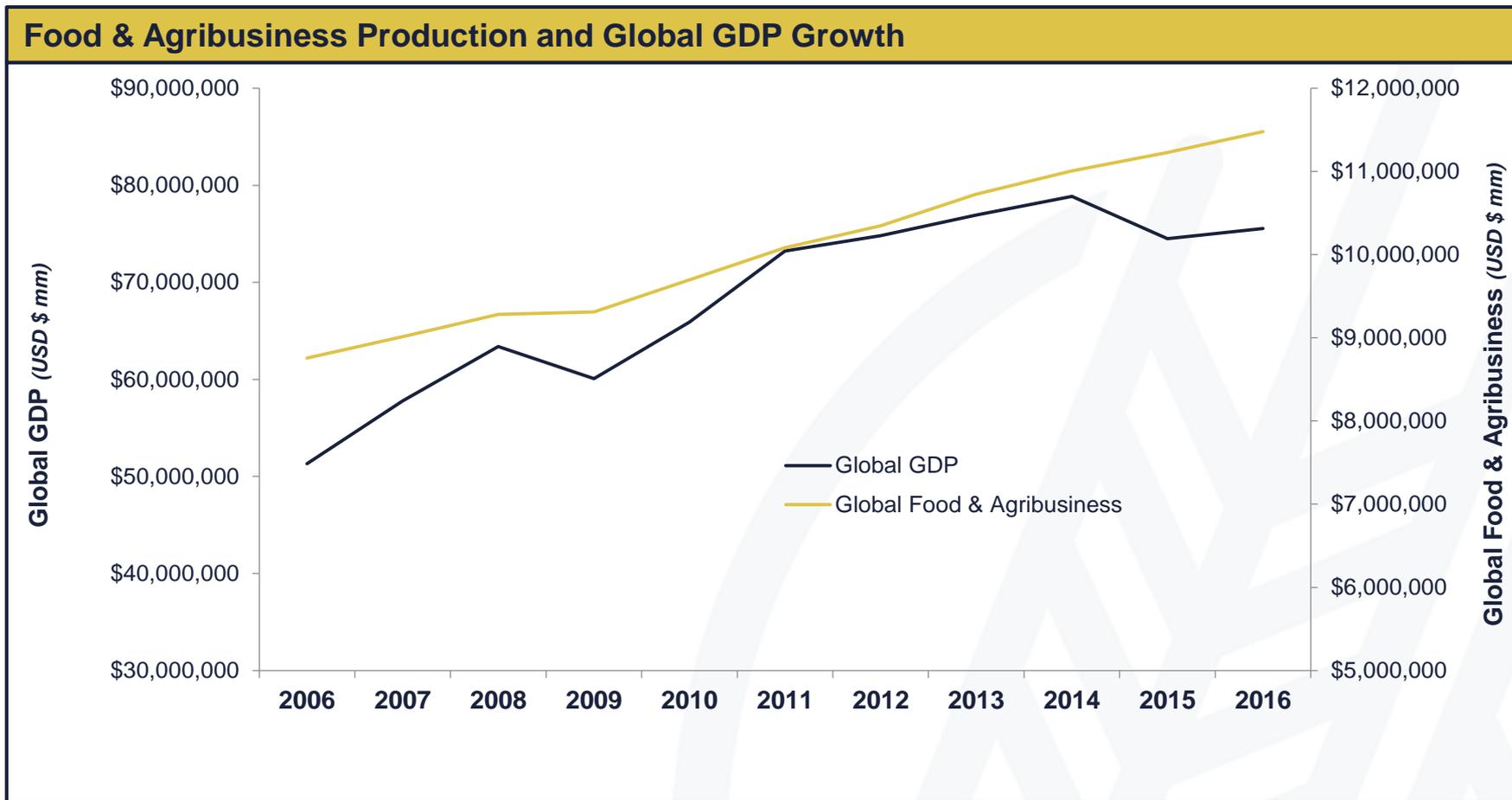
Population growth, coupled with increasing wealth and resulting animal protein consumption, creates multiplicative impact on upstream production requirements



Note: Estimates are inherently uncertain and subject to change.
Source: McKinsey & Company, December 2016.



Uncorrelated Market Growth



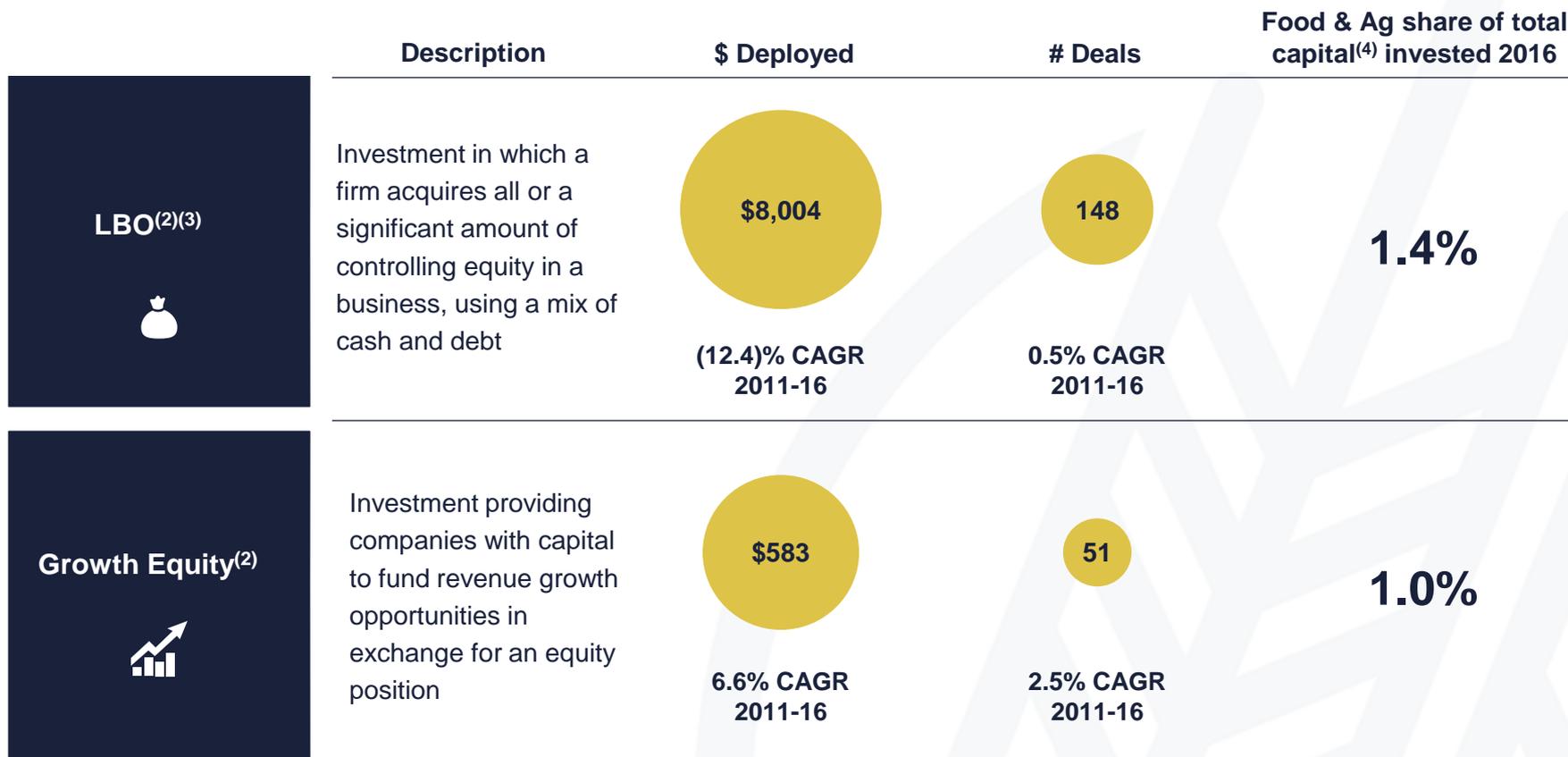
The food & agribusiness industry has grown consistently across various business cycles while Global GDP has fluctuated

Source: World Bank national accounts data, and OECD National Accounts data files; IHS Global Insight Industry Database, April 2017.



Food & Agribusiness Investment is Underrepresented Relative to Industry Size

Food & agribusiness comprises 8.1% of total global output⁽¹⁾, but only 1-2% of investment activity



Source: IHS Global Insight Industry Database, April 2017. PitchBook; AgFunder. Note: Pitchbook search criteria includes the following industry categories: Business Products and Services (B2B) > Commercial Products > Distributors/Wholesale, Industrial Supplies and Parts, Machinery (B2B), Commercial Services > Logistics; Consumer Products and Services (B2C) > Consumer Non-Durables > Food Products; Materials and Resources > Agriculture, Chemicals and Gases > Agricultural Chemicals, Containers and Packaging.

1. "Output" reflects overall annual revenue from sales of the 75 largest global economies.

2. Includes reported deal amounts only (18 of 51 GE deals and 29 of 148 LBO deals).

3. Excludes 3G Capital \$55B Kraft and Heinz merger.

4. Includes only transactions with disclosed deal values.



Investment Performance Notes

General Notes

In considering any performance information contained herein, prospective investors should bear in mind that past or projected performance is not necessarily indicative of future results, and there can be no assurance that any Paine Schwartz fund will achieve comparable results or that target returns, if any, will be met. Unrealized Value, Total Value, Gross IRR and Gross MOIC (as defined below) are for illustrative purposes only. Performance information is presented on a combined basis for the applicable fund and its parallel investment vehicles.

Terminology and Definitions

References in this Pitchbook to (A) “**Invested Capital**” mean, with respect to a fund, the cash invested by the fund in its portfolio companies (co-investment is excluded unless otherwise noted); (B) “**Realized Value**” includes interest and distributions, if any, as well as equity realizations, but does not give effect to fees (including management fees), expenses and carried interest paid or to be paid by the funds; (C) “**Unrealized Value**” means the fair value, consistent with valuations determined in accordance with U.S. GAAP (see “Valuation of Unrealized Investments” below); (D) “**Total Value**” means, with respect to a portfolio company, the sum of its Realized Value and Unrealized Value; and (E) “**Gross MOIC**” means, with respect to a portfolio company a group of companies or a fund, the ratio of Total Value to Invested Capital.

Co-investment is defined as additional capital raised and invested through Fund I, Fund II, Fund III, and Fund IV affiliated vehicles. Coinvestment financial information is determined based on the date of the co-investment and the fund in which the investment was made. Coinvestment returns are determined based on the Realized Value and Unrealized Value of the applicable portfolio investments of the applicable fund as of the applicable valuation dates set forth above. Co-investment Unrealized Values are determined based on the fair value of the applicable portfolio investment of the applicable fund. Co-investment IRRs are determined based on the date of the co-investment and the fund in which the investment was made.

IRR Calculations

All IRRs include Realized Values and Unrealized Values, as applicable (see below, “Valuation Methodology” and “Valuation of Unrealized Investments”). All IRR and other return or performance information calculations are unaudited and include all returns generated by reinvested capital and proceeds. Where used in this Offering Memorandum, unless otherwise indicated, “**Gross IRR**” is the IRR before the deduction of fees (including management fees), expenses and carried interest to be borne by investors (which amounts are expected to be substantial and, if reflected, would reduce returns). For Gross IRR calculations, “N/A” means not applicable and denotes a Gross IRR that cannot be calculated due to negative performance (as illustrated by the respective MOIC figures) and the limitation of the XIRR function in Excel. Unless otherwise indicated, all IRRs and other return or performance information are presented on a “Gross” basis.

Individual investment IRRs are calculated on a daily basis; all other IRRs are calculated on a monthly basis.

Paine Schwartz Partners uses the “time-zero” IRR calculation methodology to calculate returns for the food and agribusiness portfolio. Using conventional methodology, Gross IRR would be 157%. Net figures for food and agribusiness sector investments are not available because the fees and expenses associated with individual investments and other activities are applied in the aggregate at the level of the fund.

“Time-zero” IRR calculation methodology treats all investments as occurring at a common point in time, “time-zero.” Important characteristics of the “time-zero” methodology are: (i) the IRR is calculated by weighting size of investment, capital returned and length of time investments are held; and (ii) the IRR calculation yields the same results independent of the order in which the investments were made.

For example, assume that two investments of \$10 are made, with the first investment made today and the second investment made one year from today. The investments are held three years each and yield IRRs of 25% and 75%, respectively. The “time-zero” IRR of the two investments combined is 54%, regardless of which investment was completed first. In contrast to the “time-zero” method, an IRR calculation based on the order investments were made attributes to earlier investments a higher weighting than later investments. Continuing the above example, assuming an “order-dependent” IRR, if the 25% IRR investment is made one year prior to the 75% IRR investment, the combined “order-dependent” IRR is 49%. Alternatively, if the 75% IRR investment is made one year prior to the 25% IRR investment, the combined “order-dependent” IRR is 59%. This methodology yields different combined IRRs despite the identical performance of the two investments.

