



Thoma Bravo Fund XIV, L.P.
Thoma Bravo Discover Fund III, L.P.

Presentation to Employees' Retirement System of Rhode Island (ERSRI)

June 24, 2020

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Thoma Bravo Private Equity at a Glance

Strong PERFORMANCE

- Realized Software track record: 3.8x Gross MoM and 49.7% Gross IRR¹

Experienced ORGANIZATION

- Focused on Software investing for nearly two decades
- Managing Partners have been together for 14+ years
- Responsible for 260 Software acquisitions since 2003² representing about \$76B³ of Enterprise Value

Expanding Software MARKET

- About \$6.0T Software public market capitalization, +490% increase since 2008⁴
- Most mature Software companies are privately owned⁵
- Market lacks operational discipline, allows for Thoma Bravo value-add advantage

Differentiated STRATEGY

- Strategy centered around accelerating growth through operational excellence

Repeatable PROCESS

- Consistent execution of the strategy enabled by Thoma Bravo's proprietary processes, business metrics and Operating Partners

Thoma Bravo is an asset manager with over \$40B under management and a long history of strong performance in a growing Software market

Past performance is not an indicator of future results and all data is qualified by the Notes to Presentation. The complete investment history of Thoma Bravo is available in materials provided to the staff of ERSRI. 1) Returns are the result of Realized Investments in Software made by or under the supervision of persons now part of the Thoma Bravo investment staff while at Thoma Bravo or its predecessor firm, Thoma Cressey Bravo, Inc. Since in some cases the investments constituted only a portion of the funds in which they were made, no fund investor could have made such an investment and no investor received the returns indicated. The performance of an investment and the aggregate performance of investments were calculated using actual cash flows and the Value of Remaining Interests in the investments for the period from closing of the first investment in January 2003 through 3/31/20. The aggregate performance calculations were made as if each investment was made by one continuous fund beginning in January 2003. 2) Includes add-on acquisitions. 3) As of 3/31/20. Although Thoma Bravo's typical strategy is to acquire control positions in its Equity Funds' portfolio companies, number also represents full value of acquisitions when investments were non-control, minority investments. 4) Source: S&P Capital IQ. Current market capitalizations are based on the end of the trading day on 3/31/20; 2008 is as of 12/31/08. See Notes to Presentation. 5) Source: S&P Capital IQ. See Notes to Presentation.

Performance Summary

EQUITY FUND PERFORMANCE SUMMARY AS OF 3/31/20

FUND	VINTAGE YEAR	FUND SIZE	NET MOM (TVPI)	NET IRR TO LPs
Fund VII	2000	\$554M	2.1x	24.8%
Fund VIII	2005	\$765M	2.9x	18.3%
Fund IX	2008	\$823M	3.8x	44.7%
Fund X	2011	\$1,275M	2.8x	38.7%
<i>SOFI</i> ¹	2013	\$418M	2.6x	33.4%
Fund XI	2014	\$3,662M	2.8x	29.3%
<i>SOFII</i> ¹	2015	\$1,065M	2.0x	20.5%
Discover Fund	2015	\$1,074M	1.9x	33.5%
Fund XII	2016	\$7,604M	1.3x	14.1%
Discover Fund II	2017	\$2,438M	1.0x	-1.4%
Fund XIII	2018	\$12,595M	1.1x	13.9%

The historical returns achieved by any prior fund or individual investment are not a prediction of future performance or a guarantee of future results, and there can be no assurance that these or comparable returns will be achieved by investments made by a fund individually or in the aggregate. To the extent values include unrealized investments, Thoma Bravo believes the values used for such investments are reasonable and appropriate for these types of investments; however, there can be no assurance that proceeds will be realized on these investments or that, if and when realized, the proceeds will be equal to the values used. All data is qualified by the Notes to Presentation. 1) See Notes to Presentation.

Organization

INVESTMENT TEAM LEADERSHIP

Managing Partners
together since 2005

Managing Partners and
Partners responsible
for all of the Firm's
Software investments

No Partner turnover
since founding

Seth Boro
Managing Partner



Orlando Bravo
Managing Partner



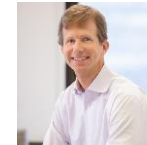
Scott Crabill
Managing Partner



Lee Mitchell
Managing Partner



Holden Spaht
Managing Partner



Carl Thoma
Managing Partner



Jack Le Roy
Partner



A.J. Rohde
Partner



Robert (Tre) Sayle
Partner



Hudson Smith
Partner



Chip Virnig
Partner

OPERATING PARTNER GROUP

OPERATING PARTNERS / ADVISORS¹

- Operating Partner model is well established, with some having served for 10+ years
 - Many are former Thoma Bravo portfolio company executives
- Broad experience and select areas of expertise: sales, marketing, R&D, finance

CULTURE

CULTURE OF COLLABORATION AND RESULTS

- No third-party ownership, creating strong alignment with limited partners
- Approximately 100 total team members with limited turnover²

Our mission: to deliver superior value to our investors and companies by forming collaborative partnerships

Note: As of 3/31/20. 1) The title "Senior Operating Partner", "Operating Partner", or "Operating Advisor" is not intended to indicate that a team member with this title is a partner, principal, employee or affiliate of Thoma Bravo or any Thoma Bravo fund or other affiliate. Persons with these titles provide expertise to Thoma Bravo and its portfolio companies. They are independent contractors and may also be employees of current or former portfolio companies and may have business or investment activities unrelated to Thoma Bravo. See, Notes to Presentation. 2) Excluding Operating Partners and Operating Advisors.

Thoma Bravo Breadth of Software Investing Experience

APPLICATION SOFTWARE



INFRASTRUCTURE SOFTWARE



SECURITY SOFTWARE



Responsible for about 260 Acquisitions¹ Since 2003 Representing over \$76 billion¹ of Enterprise Value

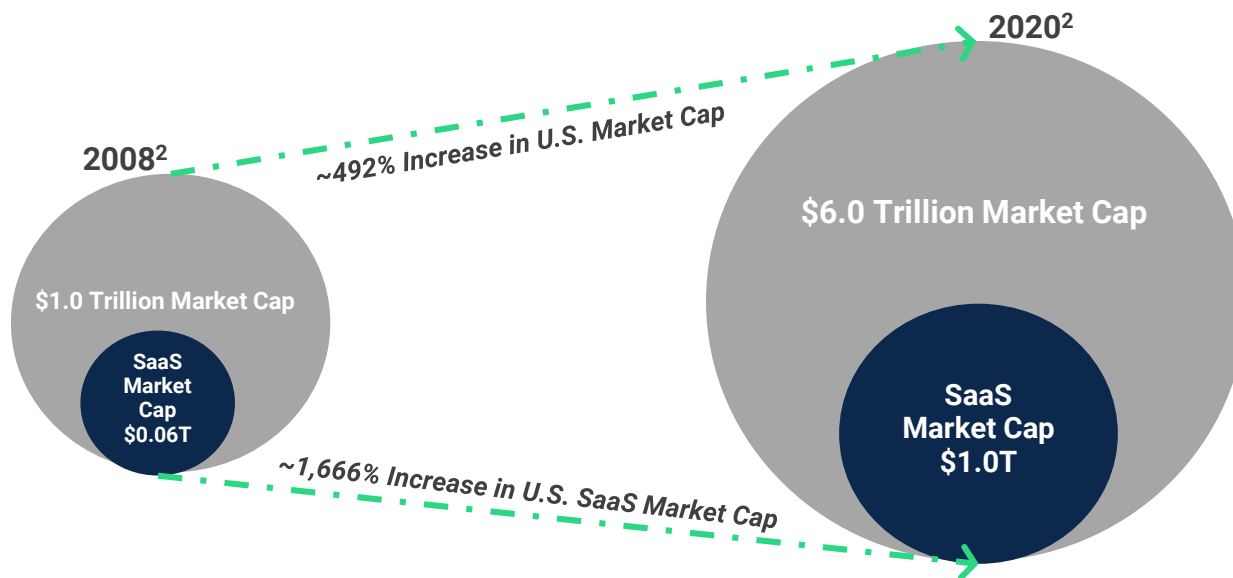
Representative software-related past and current portfolio companies shown; does not include all investments made by Thoma Bravo Equity Funds. The companies whose logos appear on this slide include both portfolio companies acquired with an equity investment by a Thoma Bravo fund and add-on investments acquired by a portfolio company without an equity investment by a Thoma Bravo fund. Not all investments have been successful. 1) Includes only Software acquisitions (including add-ons) as of 3/31/20.

Software: An Expanding Market

The market opportunity available to Thoma Bravo has expanded considerably in past few years:

- SaaS transition disruptive for software companies
- Public market performance pressure limits strategic options
- Acceptance of private equity as a form of ownership in the technology industry has increased

Total Addressable Market: Public Software¹ Companies



1) Software is defined as US-based Interactive Media and Services, Software and Services, Internet Software, Website Security Software, Application Hosting Services, Personal Mobile Applications, Multimedia Streaming Services, Financial Data Feeds, Electronic Document Processing Services, Internet Service Providers, IT Services, Internet Services and Infrastructure, Software, or Communications Equipment as defined by Capital IQ's Industry Classifications. See Notes to Presentation. 2) Source: S&P Capital IQ as of 3/31/20. Market capitalization figures have been rounded to one significant figure. See Notes to Presentation.

Strategy of Accelerating Growth Through Operational Excellence¹

APPLIED ACROSS THE PORTFOLIO:

- 1 **VALUE** orientation with **CONTROL** position
- 2 Buy **HIGH QUALITY** revenue²
- 3 Use **OPERATIONAL CAPABILITY** to deliver step function improvement in earnings
- 4 Employ **CONSOLIDATION EXPERIENCE** to grow the business

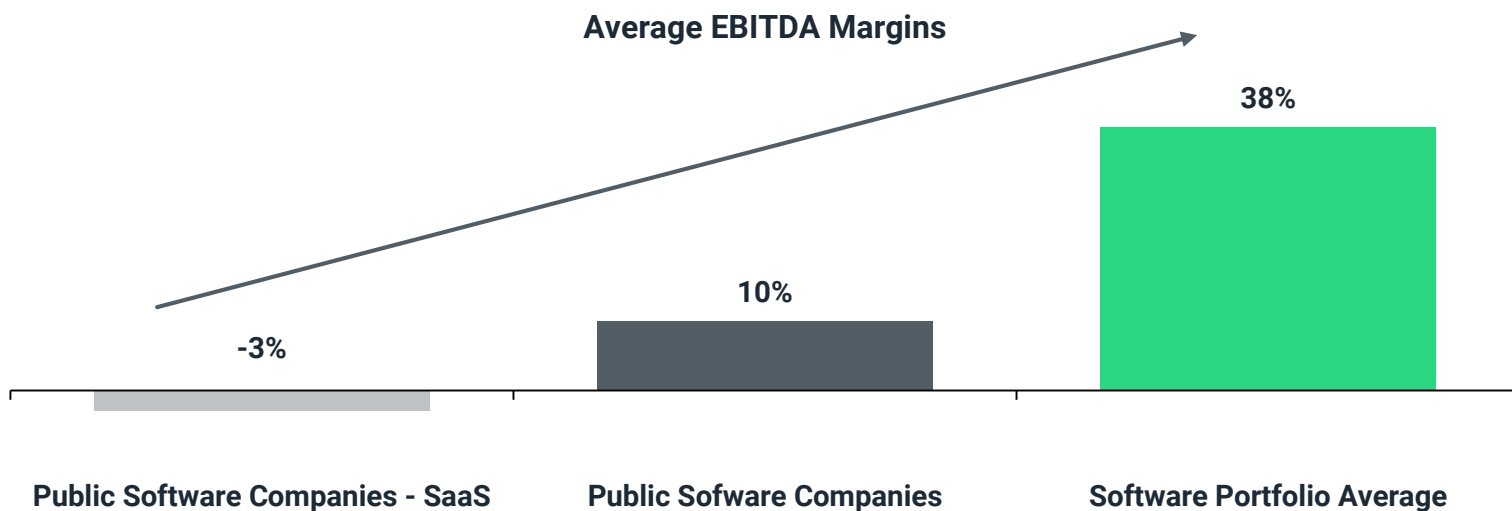


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PLATFORM INVESTMENTS¹

1) While this slide illustrates Thoma Bravo's general equity investment strategy, the strategy has not necessarily been applied fully for all investments as each investment is unique. Thoma Bravo's typical strategy is to acquire control positions in its Equity Funds' portfolio companies, although non-control, minority investments are also included. Consists of only software and technology-enabled services investments as of 3/31/20. 2) For example, revenue from recurring payments that do not require recurring sales efforts, revenue from products or services that are critical to their customers or revenue from relationships that would be costly or disruptive for the customer to change.

Thoma Bravo Value Creation Advantage

As the software market has expanded and new companies are created and scaled, the average software company operating profile has not changed



Margin improvement opportunity can be between ~25 – 40%, a dynamic that persists in various market environments

Source: Software Equity Group LLC – 2020 Annual Report, available at: <https://softwareequity.com/seg-2020-annual-software-industry-report/> and SunTrust Software Update – February 2020. The average public software universe EBITDA margin was calculated using the 2020 estimated EBITDA margin of the companies in SunTrust Robinson Humphrey's public software company universe with \$34M-\$2.5B 2020 estimated revenue, a range that would include the current Software portfolio companies of the Thoma Bravo funds. Please refer to data provided to ERSRI staff for detail regarding 38% EBITDA margin.

Select Case Study: imprivata®

Investment Date	September 2016
Previous Ownership	Publicly Traded
Sector	Healthcare IT / Security Software
Company Description	Leading provider of authentication, identity and access solutions to the healthcare industry
Headquarters	Lexington, MA
Year Founded	2001
CEO	Gus Malezis; former President of Tripwire, a leading global provider of endpoint detection and response, security and compliance solutions and prior portfolio company of Thoma Bravo

Investment Thesis:

1. Large greenfield and competitive replacement opportunity
2. Attractive valuation with high quality revenue
3. Significant opportunity to implement Thoma Bravo operational best practices to drive increased growth and margin
4. Opportunity to apply Thoma Bravo expertise in security software and healthcare IT sectors

Thoma Bravo Impact:

Successfully executed a transformational restructuring plan, driving EBITDA from negative to positive following acquisition

Completed strategic acquisition of Caradigm (carve-out from GE Healthcare) in 2017

Leveraged the Thoma Bravo network to enhance the management team

The complete investment history of Thoma Bravo is available upon request.

Thoma Bravo in the Current Market

- **Thoma Bravo's approach to Software investing is centered around acquiring:**
 - High-quality revenue, measured in part by recurring revenue and renewal rates
 - Mission critical and value-added solutions for corporate customers
 - Promising technologies
- **We have strong conviction in recurring revenues continuing to be resilient based on:**
 - Discussions between our portfolio companies and their thousands of corporate customers
 - The importance of our portfolio companies' software solutions to their corporate customers
 - A demonstrated history that these recurring revenue streams remain relatively stable through crises
- **We have taken actions across the portfolio with the goal of achieving EBITDAs at or near pre-crisis budgets for 2020**
- **Portfolio companies are operating at an average EBITDA margin of 38%¹, providing them with cushion to be able to sustain potential dislocations in demand**

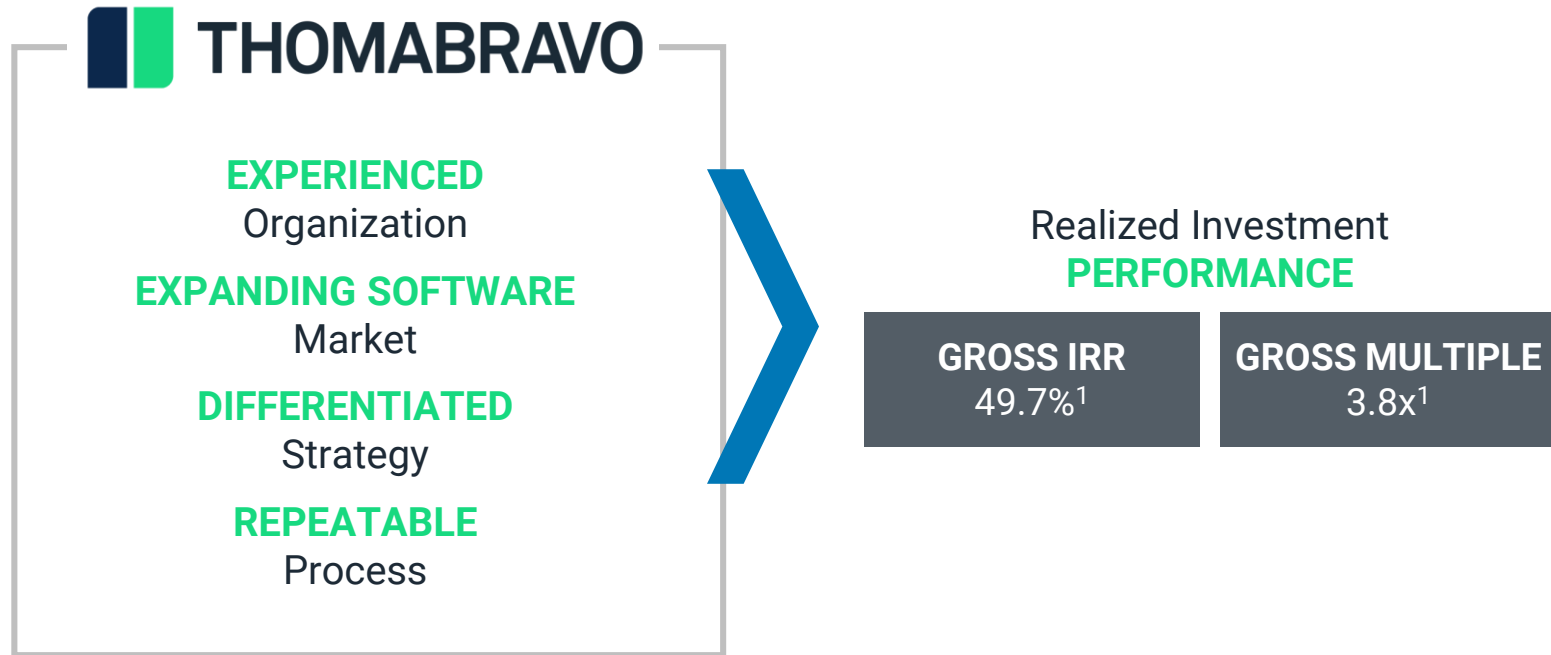
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Summary Fund Terms – Fund XIV and Discover Fund III

	Fund XIV	Discover III
FUND SIZE – HARD CAP	\$16.5B	\$3.5B
GP COMMITMENT	Not less than \$600M	Not less than \$60M
MANAGEMENT FEE	1.5%	2.0%
CARRIED INTEREST	20%	20%
HURDLE RATE / PREFERRED RETURN	N/A; Fair value test is applied	N/A; Fair value test is applied

This slide summarizes certain fund terms. It is incomplete and does not address many other important fund terms. Accordingly, it should not be relied upon when making an investment decision. Please refer to each fund's governing documents for complete terms.

Summary



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Available in Materials Provided to ERSRI Staff



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