



ENDEAVOUR

RHODE ISLAND
STATE INVESTMENT COMMISSION

MAY 27TH, 2020

TABLE OF CONTENTS

I. ENDEAVOUR OVERVIEW

II. INVESTMENT CASE STUDIES

III. PERFORMANCE REVIEW

IV. FUND VIII





ENDEAVOUR

I. ENDEAVOUR OVERVIEW

ENDEAVOUR OVERVIEW

Endeavour is raising Endeavour Capital Fund VIII in support of its long-term strategy of investing in directly sourced, lower middle market growth companies in the Western United States.

History	<ul style="list-style-type: none"> ▪ Founded in 1991 ▪ 60 platform investments to date
Investment Strategy	<ul style="list-style-type: none"> ▪ Direct sourcing from owners and managers in the Western U.S. looking for a partner with a proven track record and philosophy of stewardship ▪ First outside investors, value-add opportunity, moderate leverage
Current Fund	<ul style="list-style-type: none"> ▪ Endeavour Capital Fund VII, a 2016 vintage fund with \$775 million of committed capital
New Fund	<ul style="list-style-type: none"> ▪ Endeavour Capital Fund VIII, targeting \$800 million of committed capital (hard cap of \$850 million)
General Parameters	<ul style="list-style-type: none"> ▪ Companies headquartered in the Western United States with a minimum EBITDA of \$5 million ▪ \$25 - \$100 million in equity per transaction, or more with co-investments from our LPs
Industry Focus	<ul style="list-style-type: none"> ▪ Business Services ▪ Food & Consumer ▪ Healthcare ▪ Industrial Products & Services ▪ Transportation & Logistics

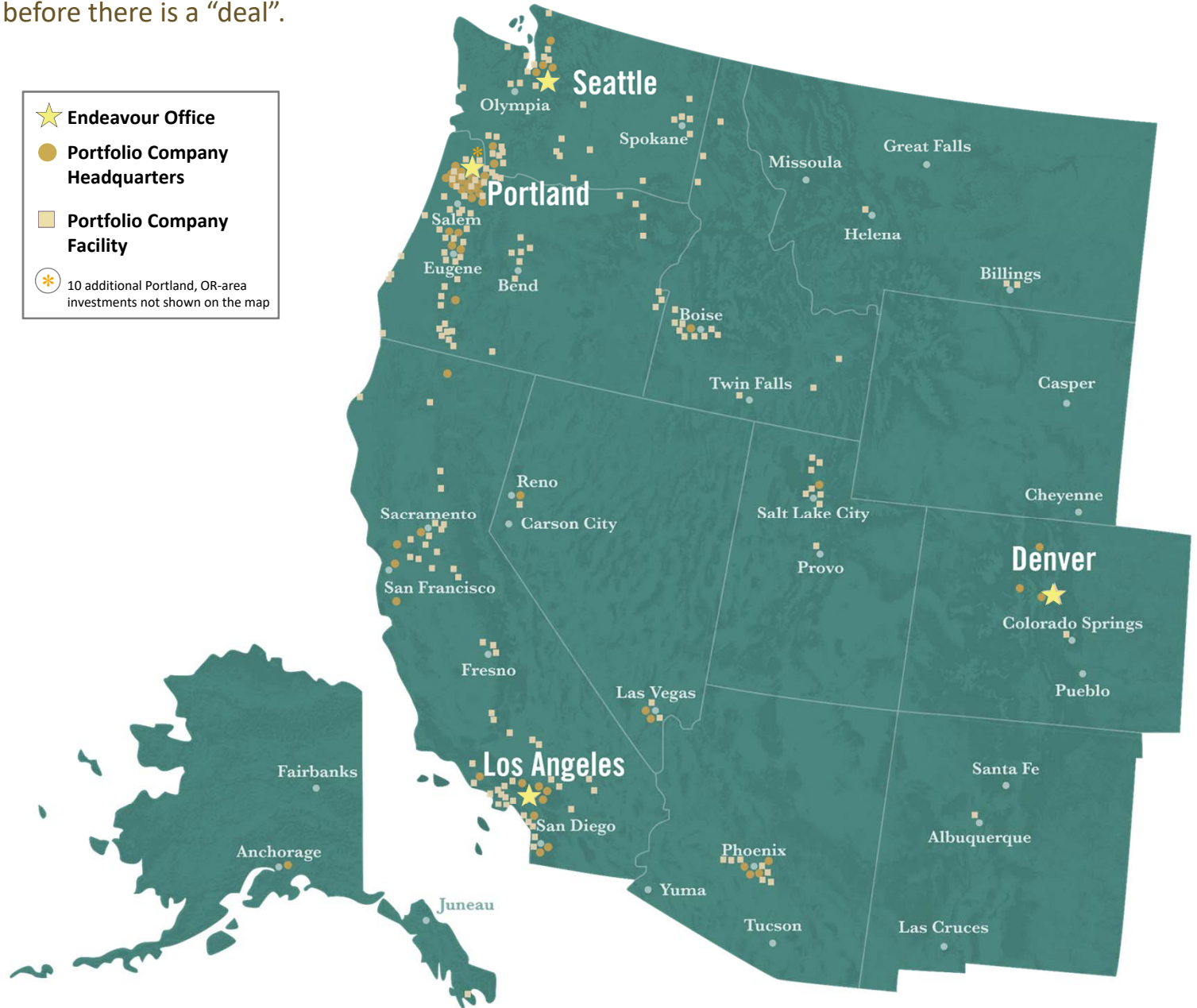
ENDEAVOUR PHILOSOPHY

From our early days as an investor for a single family LP, our local presence and partnership philosophy have been the primary ways in which we differentiate ourselves in a crowded private equity market.

Reputation	<ul style="list-style-type: none">▪ Our reputation is our greatest asset. It is built and preserved by treating people fairly, being good partners and leaving companies in a better position than when we invested.
Genuine Partnership	<ul style="list-style-type: none">▪ Good partnerships are defined by mutual respect, a common commitment and an open sharing of ideas▪ We also believe a management team must have the autonomy to effectively execute the day-to-day operations of the business
Long-Term Commitment	<ul style="list-style-type: none">▪ Great companies and value are created over time. Investors who are purely financial engineers and transaction driven or emphasize immediate returns add little value to the long-term vitality of a company.
Business Ethics	<ul style="list-style-type: none">▪ Business ethics and an equitable deal for our partners are consistent with the creation of long-term value. The needs of employees and all stakeholders are part of our equation.
Stewardship & ESG	<ul style="list-style-type: none">▪ We have a genuine appreciation for a company's legacy and culture; we take stewardship of businesses, their employees and communities seriously▪ ESG considerations and procedures are formally integrated into our investment underwriting and ongoing portfolio management processes

THE ENDEAVOUR GARDEN

The Endeavour “Garden” has been built proactively over 29 years and 130 “partner years” creating relationships with companies and managers before there is a “deal”.



THE ENDEAVOUR TEAM

Deep, experienced team still focused on the lower middle market.

Managing Directors, Principals & Vice Presidents



29 years
Stanford (BA)
Stanford (MBA)

John von Schlegell
*Managing Director /
Co-Founder*



18 years
Stanford (BA)
Stanford (MBA & JD)

Stephen Babson
Managing Director



22 years
Lewis & Clark (BA)
Harvard (MBA)

Mark Dorman
Managing Director



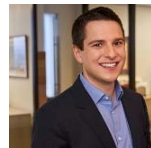
20 years
UC Davis (BA)
Stanford (MBA)

Leland Jones
Managing Director



16 years
Princeton (AB)
Wharton (MBA)

Bradaigh Wagner
Managing Director



9 years
Univ. of WA (BA)
Chicago (MBA)

David Goldberg
Managing Director



24 years
Harvard (AB)
Stanford (MBA)

Aaron Richmond
Managing Director



9 years
Univ. of WA (BA)
Columbia (MBA)

Derek Eve
Principal



7 years
UC Berkeley (BA)
Harvard (MBA)

Rachel Foltz
Principal



6 years
Claremont
McKenna (BA)
Stanford (MBA)

Luke Redfern
Principal



3 years
Yale (BA)
Yale (JD)

Jason Gilliland
Vice President



29 years
University of
Oregon (BA)

Rocky Dixon
Co-Founder, Emeritus

Over 130 “Partner
Relationship Years”
in the Endeavour
Garden

Associates, Talent & Administration

17

Investment Team
Members



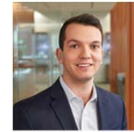
Raul Silva Behrens
Sr. Associate



Taylor Gentry
Sr. Associate



Rahul Lamba
Associate



Jordan Mackler
Associate



Daniel Miller
Associate

31

Total Staff Members



Britney Sussman
Director of Talent



Lauren Adler
CFO



Erin Wallace
CCO

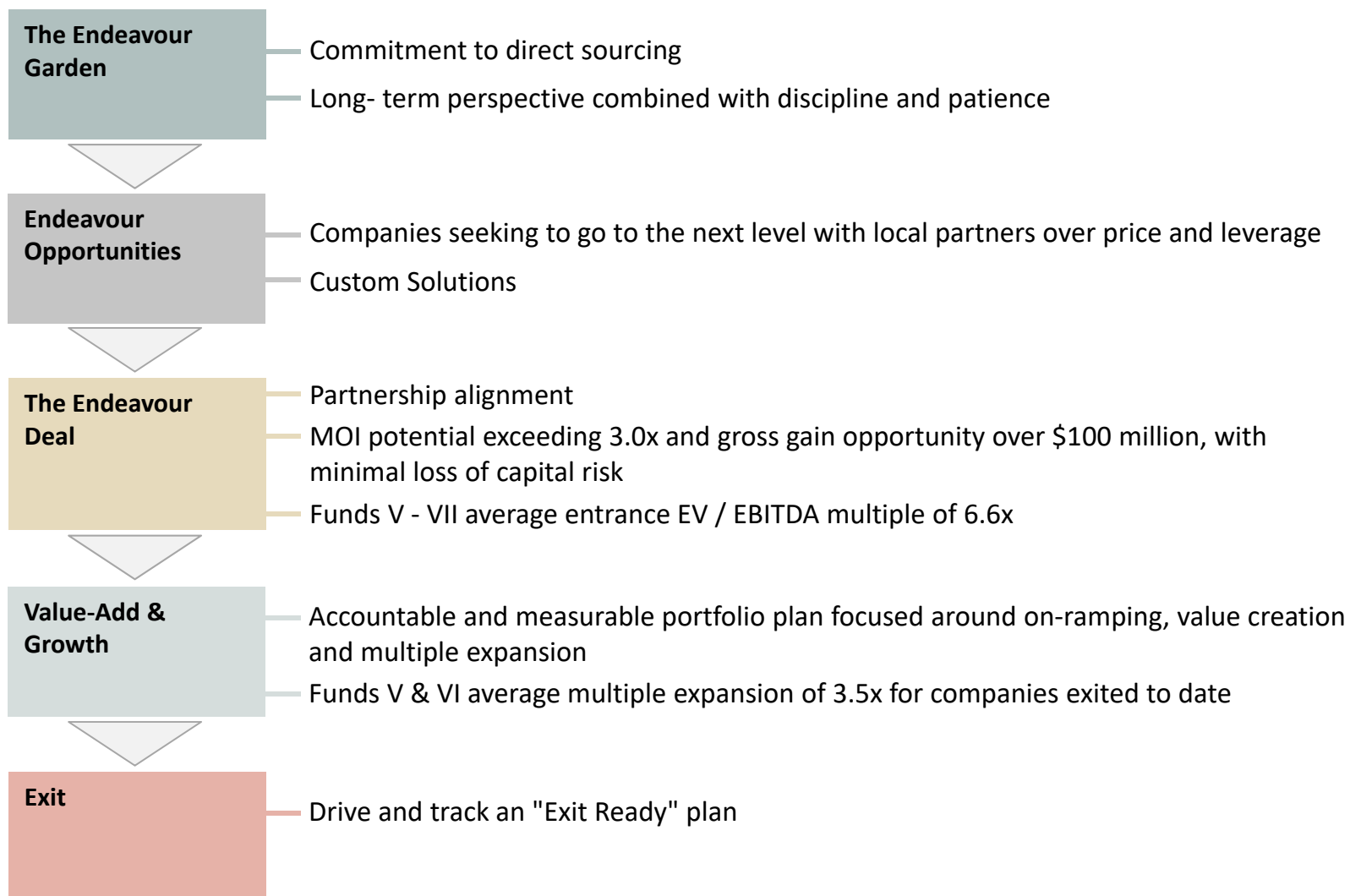


Todd Wolf
VP – Fund Operations



Dalene Rethmeier
Controller

THE ENDEAVOUR INVESTMENT MODEL



Please see important definitions and disclaimers sections in this document

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Since its founding, Endeavour has invested with a stewardship philosophy. In 2018, we formalized an ESG policy that expands on our existing Culture, Values and Governance statement.

- The policy includes guidelines that incorporate ESG considerations into Endeavour’s due diligence and investment decision making process. These are considerations we have always made, but are now recorded in “one pagers” and final investment memos.
- On new investments where Endeavour has determined that ESG questions exist, a third party ESG audit firm may be engaged
- Alongside our formalized ESG policy focused on investment decision making and ongoing portfolio company management, Endeavour continues to place a strong focus on several core ESG-related philosophies that we have consistently sought to follow since our founding in 1991:
 - Being good stewards of our portfolio companies, including their management, employees and communities
 - Emphasizing long-term, sustainable growth vs. financial engineering and over-use of leverage
 - Focusing on providing meaningful employment opportunities and good benefits in our region and beyond; Fund IV – VII portfolio companies have created > 12,000 jobs to date during Endeavour’s ownership, a 35% increase
 - Approaching governance in a transparent and fair manner – with our portfolio companies and limited partners
 - Encouraging active involvement by Endeavour professionals in community, civic and non-profit pursuits
 - Supporting active community involvement at portfolio companies
 - Working to address historic environmental issues and areas of inadequate compliance going forward



ENDEAVOUR

II. INVESTMENT CASE STUDIES

CASE STUDY: PROVIDIEN

COMPANY DESCRIPTION

Provider of diversified contract manufacturing and related services to the healthcare industry



PARTNERSHIP DEVELOPMENT & INVESTMENT DYNAMIC

- Endeavour partnered with two proven industry veterans to execute a build up strategy in the medical contract manufacturing industry
- Endeavour got to know the two executives over a 10 year period, as they successfully grew and exited their prior healthcare company



INVESTMENT RATIONALE

- Back a proven team to execute a build up & consolidation strategy in an attractive and fragmented industry
- Capitalize on industry outsourcing trends by creating a one-stop solution for medical device contract manufacturing needs
- Improve margin profile of acquired businesses, while organically growing blue chip medical device customer base



Value Creation & Growth Initiatives

- Completed four medical contract manufacturing acquisitions; three within the first year of forming the Company
- Integrated and improved the operations, sales and marketing functions of smaller acquired companies
- Grew and professionalized a nationwide sales and marketing function, leading to cross-selling of the Company's integrated services and expansion in the customer base
- Margin growth and a large sales pipeline led to significant multiple expansion at exit

Outcome

- Providien was sold to a large strategic acquiror in 2019

EBITDA Growth	+ 125% (over life of investment)
Employees	Created 400 new jobs
Multiple Expansion	+ 10.0x (EBITDA multiple)
Gross MOI ⁽¹⁾	4.4x

(1) Includes the performance of a medical device developer that was acquired alongside the contract manufacturing strategy. Fund V remained invested in this division as of 12/31/2019.

This case study is being provided at the request of the Rhode Island State Investment Commission. The case study is not intended to be exhaustive and certain case studies have not been included, which, if included, would yield different results. Please see important definitions and disclaimers sections in this document.

CASE STUDY: PROKARMA

COMPANY DESCRIPTION

Global information technology consulting firm providing customized solutions for large companies



PARTNERSHIP DEVELOPMENT & INVESTMENT DYNAMIC

- Endeavour built a relationship with Company founders after being introduced on an exclusive basis through one of its long-standing regional investment banking relationships
- After a year of getting to know the business and the founders, Endeavour made a minority investment in the Company

INVESTMENT RATIONALE

- Partner with an experienced team leading a well-respected company in a growing industry
- Accelerate growth in new service offerings and markets, while increasing focus on cost efficiencies
- Develop an internal 'ProKarma University' and technology practice groups to further establish technical expertise in certain high value service categories
- Act as a consolidator in a highly fragmented industry by acquiring smaller teams with niche capabilities



Value Creation & Growth Initiatives

- Supported the team in developing and executing an organic and acquisition growth plan to more than double revenue in four years
- Built out a national IT services sales organization that led to growth in existing client relationships and a meaningful expansion in new customers
- Developed acquisition roadmap; assisted the company with three add-on acquisitions
- Buy vs. Build evaluation of growth strategy led to green-fielding of new capabilities to augment the acquisition strategy

Outcome

- ProKarma was sold to a large PE firm in 2016

EBITDA Growth	+ 190% (over life of investment)
Employees	Created 1,000 new jobs
Multiple Expansion	+ 6.4x (EBITDA multiple)
Gross MOI	5.0x

This case study is being provided at the request of the Rhode Island State Investment Commission. The case study is not intended to be exhaustive and certain case studies have not been included, which, if included, would yield different results. Please see important definitions and disclaimers sections in this document.



ENDEAVOUR

III. PERFORMANCE REVIEW

PERFORMANCE SUMMARY: FUNDS IV - VII

At December 31, 2019

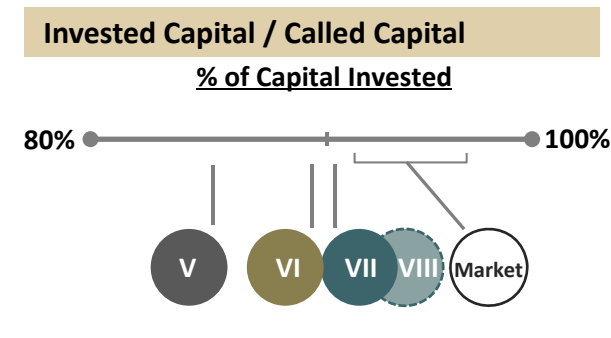
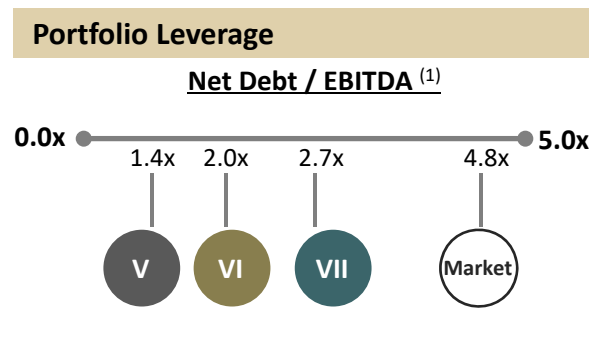
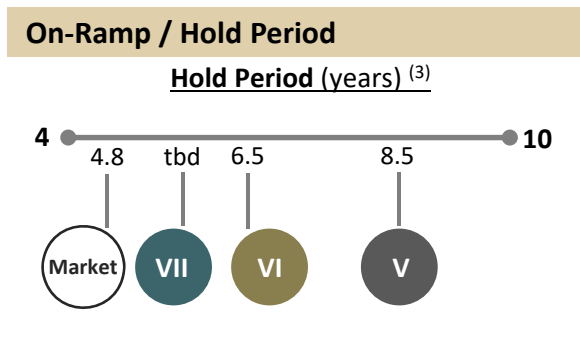
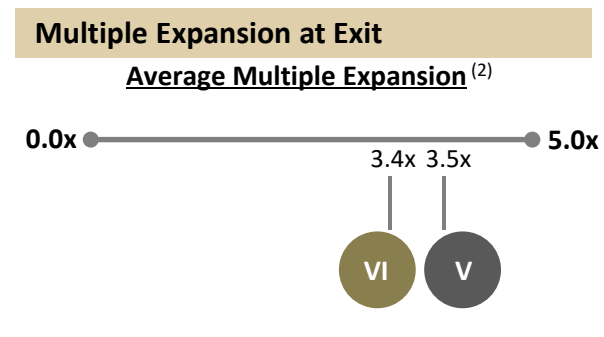
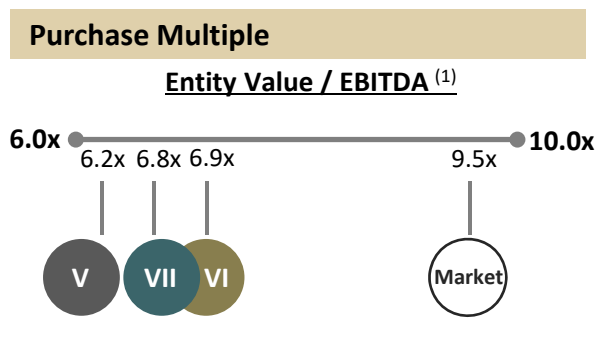
(\$ in 000s)

	Vintage Year	# Investments / # Realized	Realized + Unrealized Investments					
			Invested Capital	Cash Returned + Unrealized Value	Gross MOI	Gross IRR	Net MOI	Net IRR
Fund IV	2004	12 / 12	\$ 233,812	\$ 1,017,969	4.4x	32.4%	3.3x	25.5%
Fund V	2008	11 / 9	403,541	1,102,166	2.7x	15.7%	2.1x	11.3%
Fund VI	2011	12 / 7	579,599	1,158,540	2.0x	15.8%	1.6x	10.8%
Fund VII ⁽¹⁾	2016	10 / 0	502,860	929,729	1.8x	25.1%	1.5x	18.1%
Total: Funds IV - VII		45 / 28	\$ 1,719,812	\$ 4,208,404	2.4x	24.4%	1.9x	17.4%

(1) Endeavour Capital Fund VII Net MOI and Net IRR are comprised of Endeavour Capital Fund VII, L.P. and Endeavour Associates Fund VII, L.P. (Endeavour GP Fund VII, L.P. is excluded).

Please see important definitions and disclaimers sections in this document

VALUE CREATION AND IRR MANAGEMENT



(1) Market Data Source: S&P Global Leveraged Buyout Review, Q4 2019. Market figure represents 2008-2019 average of Buyouts < \$50 million in EBITDA. Fund values represent weighted average values at entrance.

(2) Includes companies that have been exited as of 5/1/2020. Excludes Genesis Financial (BV multiple), Zoom (negative EBITDA) and The Aladdin Group (BV multiple+earnout).

(3) Represents weighted average. Funds V and VI include estimated exit dates for currently held companies. Market represents the average of annual median hold periods for exits occurring 2015-2019 (source: Preqin).

Please see important definitions and disclaimers sections in this document



ENDEAVOUR

IV. FUND VIII

FUND VIII PRINCIPAL TERMS

- Fund size \$800 million, with an \$850 million hard cap
- Preferred return 8%
- Management fee 2% of committed capital during the investment period
- Fee offset 100% for transaction fees paid to the General Partner. 100% for all board and other advisory-type fees. 100% for all break-up fees.
- GP commitment Greater than 3.0%
- Carried interest 80/20 with 120% test for carried interest distributions
- Investment period 6 years
- Fund life 10 years; up to two (2) one year extensions as determined by GP, and up to two (2) additional one year terms, the first with the consent of a majority in interest of the Limited Partners and the second with the consent of 66-2/3% in interest of the Limited Partners.
- Clawback provision Yes
- Suspension provision Yes
- Early termination provision Yes
- Closing “Dry” close (no fees, capital calls) expected, prior to Fund VII being fully committed/reserved

Note: This information is presented as a preliminary summary of certain of the Fund's key terms only and is qualified in its entirety by reference to the “Summary of Terms” in the Fund's Confidential Private Placement Memorandum and the Limited Partnership Agreement of the Fund.



ENDEAVOUR

Q&A

ADDENDUM: DEFINITIONS & DISCLAIMERS

1. The financial data contained herein relating to the valuations and investment performance of the prior funds and related investments are unaudited estimates prepared by Endeavour as of the dates shown on the relevant slide. Except as otherwise explicitly noted, all performance information contained herein is on a “gross” basis before giving effect to taxes, management fees, the general partner’s carried interest and other expenses, the application of which would reduce such rates of return. While Endeavour’s valuations of unrealized investments are based on assumptions that Endeavour believes are reasonable under the circumstances, whether on a cost basis, comparable company analysis, M&A transaction multiple, financial multiple, public market basis or expected realization basis for pending or proposed transactions, all of which approximate fair value, the actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of the sale, all of which may differ from the assumptions on which the valuations used in the prior performance data contained herein are based. Accordingly, the actual realized returns on these unrealized investments may differ materially from the (assumed) returns indicated herein. There can be no assurance that unrealized investments will be realized at the valuations shown. An investment in the Fund does not represent an interest in any indicated investment or investment portfolio of any related or other investment fund, including any investment fund managed directly or indirectly by Endeavour or its affiliates. Totals may not add due to rounding.
2. As noted in the presentation, the gross annual compound internal rate of return (“Gross IRR”) and gross multiple of invested capital (“Gross MOI”) are before giving effect to taxes, management fees, the general partner’s carried interest and other expenses, the application of which would reduce such values. Net IRR gives effect to management fees, the general partner’s carried interest and other expenses. Net MOI is calculated by dividing Limited Partner cash returned and unrealized value, by Limited Partner paid in capital. All IRRs presented are annualized and calculated on the basis of inflows and outflows, in each case of cash and Unrealized Values, utilizing the dates that such inflows and outflows actually occurred, and assumes all unrealized investments were sold at the values shown as of December 31, 2019.
3. Net performance is shown only on a fund-wide basis because fees and expenses are assessed at the fund level and net-of-fees-and-expenses IRR/MOI information cannot be shown on a portfolio company-by-portfolio company basis due to the inherent difficulties in allocating fund-wide fees and expenses to individual portfolio companies in a meaningful manner. In evaluating the performance of individual portfolio companies shown herein, we recommend that, to the extent relevant, you consider such performance in the context of the fund-wide net performance data shown herein, that shows the effect of fund-wide fees and expenses on overall on each Fund’s performance returns earned by investors. Net returns for Endeavour Funds I-IV and consolidated returns across all Funds include capital invested by limited partners and co-investors that were subject to separate and varying structures for management fees and carried interest and net returns would be lower if such capital were excluded. Therefore, an individual limited partner’s net IRR may vary based on the payment of management fees and/or carried interest.
4. To the extent investments were made using proceeds from fund-level borrowings, unless otherwise indicated, Net IRR is measured from the date(s) investors made capital contributions for purposes of repaying the borrowed amounts rather than the date the fund made the investment, resulting in a higher Net IRR than if measured from the date the investment was made using fund-level borrowings. Endeavour Funds intermittently utilize a short-term borrowing facility (up to 90 days) to bridge the time between the close of an investment and receipt of capital pursuant to a capital call notice.
5. Historical portfolio company sales, EBITDA and similar figures presented in this presentation may be reflected on a pro forma basis for material add-on acquisitions and divestitures, and other significant transactions (e.g., material sale-leaseback transactions, etc.), if applicable. Additionally, sales and EBITDA figures contained in these materials are generally unaudited and may be flash or preliminary amounts reported by portfolio company management. Portfolio company EBITDA reported to Endeavour may be adjusted for purposes of determining the estimated fair value of such portfolio company in accordance with Endeavour’s valuation policy. EBITDA figures may have adjustments for management fees and other one-time or non-recurring items.
6. References to aggregate or composite returns reflect cash flows and performance across multiple Endeavour Funds investing in different economic cycles, and do not reflect a group of investments managed as a single portfolio or the experience of any limited partner, and such returns are provided for illustrative purposes only. References to the portfolio companies of the Endeavour Funds should not be considered a recommendation or solicitation for the portfolio company mentioned, nor should individual portfolio company performance be considered representative of all portfolio companies held by the Endeavour Funds.
7. Past performance is not indicative of future results. There can be no assurance that the Fund will achieve results comparable to those shown herein, will be able to avoid losses or will be able to achieve its investment objectives.
8. Unless otherwise specified, performance figures reported herein are as of December 31, 2019. Subsequent to December 31, 2019, there has been an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization formally declared in March 2020 to constitute a global “pandemic.” This outbreak has caused a worldwide public health emergency, significantly constrained global economic production and activity of all kinds, and contributed to both volatility and a severe decline in all financial markets. As a result, economic and market conditions have significantly deteriorated since December 31, 2019. The investment performance presented herein as of December 31, 2019 does not take into account these subsequent events, the effects of which could be adverse to the aggregate investment performance of the Fund and to certain or all of the individual investments described herein.
9. “Invested Capital” represents aggregate capital invested in a portfolio company but does not include committed or reserved capital for pending and targeted investments. It includes capital invested using the proceeds from borrowings and/or recycled capital.
10. “Realized Investments” represents the sum of all proceeds received from or related portfolio investments, including interest and principal payments, accrued and unpaid cash interest, closing and other transaction fees, prepayment penalties, and any cash dividends and any other cash proceeds of any equity investment or participation.
11. “Unrealized” Value and Capital Return: is unaudited and has been determined by the Fund as of December 31, 2019. There can be no assurance that unrealized investments will be realized at the valuations shown.
12. “Cash Returned + Unrealized Value” or “Total Value” represents the sum of total proceeds from Realized Investments and Unrealized Value.

ADDENDUM: DEFINITIONS & DISCLAIMERS (cont.)

All information contained herein has been developed by DVSM, LLC and its affiliates (collectively, “Endeavour,” “Endeavour Capital,” “we” or “us”). This presentation does not constitute an offer to sell or the solicitation of an offer to purchase any security. Recipients of this presentation agree that none of Endeavour or its affiliates or its or their respective partners, members, employees, officers, directors, agents, or representatives shall have any liability for any misstatement or omission of fact or any opinion expressed herein. The information contained herein is preliminary, is provided for discussion purposes only, is only a summary of key information, is not complete, and does not contain certain material information about Fund VIII, including important conflicts disclosures and risk factors associated with an investment in Fund VIII, and is subject to change without notice. Any offer, sale or solicitation of interests with respect to Fund VIII will be made only pursuant to Fund VIII's confidential private placement memorandum (the “Memorandum”), limited partnership agreement, and subscription agreement, and will be subject to the terms and conditions contained in such documents in accordance with applicable securities laws. This presentation is qualified in its entirety by reference to Fund VIII's Memorandum, including without limitation all of the cautionary statements and risk factors set forth therein, the limited partnership agreement and the subscription agreement related thereto, copies of all of which will be made available in the future to qualified investors upon request and should be read carefully prior to any investment in Fund VIII.

The information in this presentation is not presented with a view to providing investment advice with respect to any security, or making any claim as to the past, current or future performance thereof, and Endeavour expressly disclaims the use of this presentation for such purposes. Each recipient should consult its own advisers as to legal, business, tax and other related matters concerning an investment in Fund VIII.

Past performance is not necessarily indicative, or a guarantee, of future results. The historical returns achieved by any prior funds or individual investments are not a prediction of future performance or a guarantee of future results. There can be no assurance that Fund VIII will achieve comparable results as those presented or that Fund VIII will be able to implement its investment strategy or achieve its investment objective. Investors in Fund VIII may lose part or all of their invested capital. Endeavour believes the metrics identified herein can be used to analyze the returns attained in realized and unrealized investments. However, any determination as to the driver of returns is inherently subjective, and there can be no assurance that other third-party analyses of this data would reach the same conclusions as those provided herein or would not attribute returns to other factors such as general economic conditions.

Any Fund VIII securities will be subject to significant restrictions on transfer under the federal securities laws and the limited partnership agreement of Fund VIII. No trading market for Fund VIII's securities may ever develop.

Statements contained in this presentation are based on current expectations, estimates, projections, opinions and beliefs of Endeavour as of the date hereof. Such statements involve known and unknown risks and uncertainties, and undue reliance should not be placed thereon. Neither Endeavour nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of Fund VIII or any other entity. Unless otherwise noted, the information contained herein is unaudited and may be preliminary and subject to change, and Endeavour and its members, partners, stockholders, managers, directors, officers, employees and agents do not have any obligation to update any of such information. Certain figures in this presentation may have been rounded. In addition, certain information contained herein has been obtained from published and non-published sources and/or prepared by third-parties, and in certain cases has not been updated through the date hereof. While such information is believed to be reliable for the purposes of this presentation, Endeavour assumes no responsibility for the accuracy or completeness of such information and such information has not been independently verified by it. The inclusion of any third-party firm and/or company names, brands and/or logos does not imply any affiliation with these firms or companies. None of these firms or companies have endorsed Endeavour, Fund VIII or any Endeavour entities or personnel. Certain information contained herein constitutes “forward-looking statements,” which can be identified by the use of terms such as “may,” “will,” “should,” “could,” “would,” “predicts,” “potential,” “continue,” “expects,” “anticipates,” “projects,” “future,” “targets,” “intends,” “plans,” “believes,” “estimates” (or the negatives thereof) or other variations thereon or comparable terminology. Forward looking statements are subject to a number of risks and uncertainties, some of which are beyond the control of Endeavour, including among others, the risks listed in the Memorandum. Actual results, performance, prospects or opportunities could differ materially from those expressed in or implied by the forward-looking statements. Additional risks of which Endeavour is not currently aware also could cause actual results to differ. In light of these risks, uncertainties and assumptions, prospective investors should not place undue reliance on any forward-looking statements. The forward-looking events discussed in this presentation may not occur. A broad range of risk factors could cause Fund VIII to fail to meet its investment objectives, and there can be no assurance that Fund VIII will achieve these objectives. Endeavour undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No third-party firm or company names, brands, images or logos used in this presentation are Endeavour's trademarks or registered trademarks, and they remain the property of their respective holders and not Endeavour. The inclusion of any third-party firm and/or company names, brands, images and/or logos does not imply any affiliation with these firms or companies. None of these firms or companies has endorsed the investment opportunity described herein, Endeavour, any affiliates of Endeavour, or Endeavour's personnel.