

**P10, Inc. NYSE:PX**

# **Investor Day**

**Thursday, September 19, 2024 1:30 PM GMT**

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# Call Participants

## EXECUTIVES

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Managing Partner, VP & Head of RCP  
Customized Solutions - RCP Advisors

### Amanda Coussens

EVP, CFO & Chief Compliance Officer

### Arjay Jensen

EVP, Head of Strategy and M&A

### Kate Simpson

Partner- TrueBridge Capital

### Luke A. Sarsfield, III

Chairman of the Board & CEO

### Mark Hood

EVP, Chief Administrative Officer

### Michael Korengold

President, CEO & Board of Directors -  
Enhanced Capital

### Tom Danis, Jr.

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### Jonathan Bass

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### Glen Gardner

### Joshua Beers

### Kris Kapoor

### Woodson Whitehead

## ANALYSTS

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### Christoph Kotowski

Oppenheimer & Co. Inc., Research  
Division

# Presentation

## **Mark Hood**

*EVP, Chief Administrative Officer*

Good morning, everyone, and welcome to the New York Stock Exchange. It's great to have you here today. We've got a nice crowd and appreciate you being here, and also welcome to those of you joining over the webcast. I'm Mark Hood, EVP and Chief Administrative Officer at P10. Today, the management team and strategy leadership will present a comprehensive overview of P10. We will discuss the compelling qualities of our investment strategies, our growth levers and our shared services model. We will also provide an overview of GPScout, which is our data platform, review our financial model and provide a longer-term financial outlook. We will also host a roundtable with guests and clients and conclude the day with a question-and-answer period.

Before we get started, I'd like to remind everybody that we will be making forward-looking statements regarding the company's presentation today, the business and the financials and the financial performance, including giving projections. ---[Technical difficulties]--- Before we get started, we want to remind you that we'll be making forward-looking statements regarding the company's business and financial performance, including giving projections. These forward-looking statements are subject to a number of risks and uncertainties that could cause our actual results to differ from those forward-looking statements.

More information regarding these risks and uncertainties is included in our most recent annual report on Form 10-K, subsequently filed on Form 10-Q and the company's other filings with the SEC. Including today's presentation, we assume no obligation to update any forward-looking statements made in the presentation, except as required by law. We have a great day planned. So please welcome P10's Chairman and Chief Executive Officer, Luke Sarsfield.

## **Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

Thank you very much. Good morning. I'm Luke Sarsfield, Chairman and Chief Executive Officer of P10. And for at least the next 4 hours, you don't have to worry about what the Fed is going to do. So welcome. Welcome. We're very glad to have you. From all of us at P10, including our Board of Directors, I want to extend a very warm welcome. I want to thank you for coming today for spending time with us to hear the very exciting P10 story. On behalf of all of us at the company, we're really united in our enthusiasm about the future of our business, and we're eager to share that enthusiasm with you here today.

As you can see from the slide, we have a very full agenda, and we really want to share with you what we think is great and differentiated about our business. The goal of today is for you to understand what is special and unique about the P10 story and opportunity. To use a phrase, we believe that we can be the absolute category killer in specialty, niche and fragmented areas of alternatives with a disciplined focus on the middle and lower middle markets, and we have all the requisite attributes to deliver on that vision. We have an incredibly impressive stable of existing strategies across private equity, private credit and venture capital. Those strategies have incredible long-term track records of successful alpha generation, both individually and collectively.

One of our important key differentiators is the power of the platform, including our unique position in the ecosystem, and we're going to highlight the many ways in which that accelerates our success. There are so many compelling and differentiated attributes of our business model. We have many multiple avenues for growth, both organically and inorganically. We fostered a robust OneP10 culture that helps drive and underpin our success. And ultimately, we want to convey to you today why we believe the future of P10 is so bright and at a high level what that future can look like.

To that end, you're going to hear from many of our P10 colleagues in attendance today, including Tom Danis, Michael

Korengold, Kate Simpson, Arjay Jensen, Mark Hood, Alex Abell, Amanda Coussens and of course, yours truly. I'd also like to acknowledge so many other of our P10 colleagues who are in the room, many of whom made this event possible and particularly acknowledge and welcome Sarita Narson Jairath, our new Global Head of Client Solutions. And importantly, we are joined by a number of our special friends and LPs, including Josh Beers, Glen Gardner, Kris Kapoor and Woodson Whitehead. We really appreciate their participation today and look forward to speaking with and hearing from them as part of the LP panel later on.

I think before we talk about the forward, it's important to remember the history of P10, including our incredible lineage and track record of success. We have a very strong foundation, coupled with a relentless focus on our core where we have differentiated expertise, data, access and insights. Our track record of execution since our IPO almost 3 years ago has generated strong operating results. And more recently, the progress we've made in 2024 against our key strategic initiatives, including optimizing our leadership team, laying the appropriate foundations for accelerating organic and inorganic growth, ensuring that we have efficient systems and processes that drive collaboration across our platform and of course, enhancing our transparency and shareholder dialogue, which, frankly, is a big reason for why we're all here today. And needless to say, we're laser-focused on executing in a world-class way that will allow us to take P10 to the next level.

Given we're on the cusp of our third anniversary as a public company, we thought it would be interesting and instructive to look back at what we've achieved over the last 3 years. As you can see, fee-paying AUM is up more than 65%. Total revenue has more than doubled and adjusted EBITDA is nearly twice what it was at the time of our IPO. I think it's also very important to note the growth in our LP base over this period. We never forget that LPs are the absolute lifeblood of our business. The trusted relationship we have with our LPs are absolutely foundational to our franchise, and we do well when we achieve success on their behalf. We're going to talk much more about this throughout the day.

Many of you will recall the 5 strategic initiatives for 2024 that we laid out on the February earnings call. We feel really great about the progress we made against all 5 of these initiatives. We established the right organizational structure, and we've made some very impressive additions to our senior leadership team in addition to augmenting our corporate governance. I'm going to talk more about this in a minute.

We highlighted the importance of organic growth and the progress is tangible, having achieved 60-plus percent of our full year fundraising target over the first 2 quarters of 2024, but there is so, so much more to do and such a big opportunity set for us here in the quarters and years to come. We talked about building a disciplined process-driven M&A engine. You're going to hear more about this later from Arjay Jensen, the architect of this effort. And you can see the tangible evidence of it in the very exciting Qualitas Funds transaction that we announced earlier this week, which we'll spend time on.

We're relentlessly focused on our operational infrastructure and in particular, how we can use and leverage data and analytics to accelerate our business. This is another topic you're going to hear a lot more about today. And finally, we delivered an enhanced transparency for our shareholders. We rolled out new industry standard KPIs around fee-related revenue, fee-related earnings and FRE margin, and we will introduce some new additional and very relevant KPIs later in this presentation.

When I joined as Chief Executive Officer last October, I took a lot of input on my listening tour, both internally and externally and collected a lot of feedback as to what the optimal corporate organizational structure for P10 could and should look like. Ultimately, we settled on an organization with 4 critical areas of excellence: finance and compliance, administration and operations, strategy and corporate development, client solutions and capital formation. With Amanda, continuing as our Chief Financial Officer and Chief Compliance Officer; Mark's promotion to Chief Administrative Officer; Arjay's hiring in February as Head of Strategy and M&A; and finally, with Sarita starting this past Monday, the senior team is established and complete, and I couldn't be more excited about the opportunity to work closely with these world-class professionals.

We've also made real progress in enhancing our control and governance processes. Tracey Benford joined the Board of Directors and became our first lead independent director, and we hired Melodie Craft as our first General Counsel. As a result of all this, our culture has never been stronger. The collective sense of joint purpose of collaboration, coordination and communication infuses every part of the P10 organization. We're truly operating together in a OneP10 fashion and everyone tip to tail is excited and energized about the future.

So let's bring it all together. As I previously noted, the foundation of P10 is exceptionally strong. We have a market leadership position in the middle and lower middle market that is the envy of the industry and a clear competitive differentiator. Our broad, diverse and global LP base views us as the partner of choice to access these market segments. And our business model, which you'll hear much more about today is, we believe, really compelling from a shareholder perspective. Building on this foundation, the sky is the limit and you're going to hear a whole lot about how we plan to capitalize on the massive opportunity set in front of us.

Now let's turn to the very core of our business, our investing strategies. We have market-leading strategies with incredible investment talent and long and differentiated track records of success. You will note that this grouping of strategies is a slightly different presentation than we've used in the past and one that we intend to maintain on the forward. Our enhanced capital strategy is a market leader in impact credit. But at the core, it is a credit strategy with meaningful linkages to our broader credit platform. And we see some clear opportunities to grow that combined credit platform on the forward that Michael Korengold will expand upon later.

Another thing that's really noteworthy is the breadth and diversity of strategies. One of the implications of this is that regardless of the macro environment, where we are in the cycle, what's going on in the wider world, there is always client demand for what we're doing at P10. And the longevity of our strategies is also particularly noteworthy. These franchises have been around since 2001, since 1980, since 2007. We've been doing this for a very long time across vintages, cycles and market environments.

Now, you might say, "Well, that all sounds really great. But perhaps what matters most is performance. So what does the performance look like?" And as you can clearly see, our performance and our record of alpha generation, both individually and collectively, is nothing short of outstanding. Here, we specifically highlight the performance of all of our P10 family of funds that have reached a level of maturity, and we couldn't be prouder of the results that we've generated for our LP clients and their precious capital.

Not only are the returns impressive, but in so many cases, they are better than the expectations we communicated to LPs when these funds were being marketed. Needless to say, we're incredibly proud of our investment track record, and we're passionate about maintaining and enhancing our performance investing culture every single day. Now I think of this as a really important slide because it highlights the power of our ecosystem and our network and the self-reinforcing virtuous cycle that we have in our areas of focus. Obviously, alternative asset management is an attractive market segment. So many factors underpin this and there's no shortage of data and analytics that will confirm this dynamic.

But even against that macro industry positive backdrop, we operate in specialized and fragmented parts of the market that are even more attractive and differentiated relative to the overall broader alternatives market. Within these favorable segments, we command prime position, given our focus on the middle and lower middle market. The key benefits of this approach abound less competition for assets, structurally lower valuations, lower utilization of leverage.

This focus of ours, coupled with our incredible team and culture, and our differentiated data advantage leads to great investing prowess, which makes us the clear partner of choice for clients and the durability of our franchise results in an increasing and accelerating competitive advantage. And it is this systemic and compounding competitive advantage that allows us to be the absolute category killer in the segments we're focused on, as I referenced earlier.

Now, I mentioned that we're the partner of choice for LPs and our client base is something that we're incredibly proud of.

We've had real success in growing that LP base, which is a testament to our teams and our track records. And we believe that there is increasing and accelerating demand for what we do with both existing and prospective clients. We're already very deep in the ultra-high net worth and wealth channels and with family offices, public pensions and endowments and foundations. We have a strong and growing base with insurance companies and intermediaries, and we see a really big opportunity to expand with corporate pensions and other very large pools of capital around the world like sovereign wealth funds. And we've already had success cultivating LPs around the world, apart and separate from the Qualitas Funds transaction, about 25% of our existing LP base is international, with particular depth and strength in Europe.

Ultimately, this all comes together and is manifested in our business model and the financial and operating results that we achieve. We have a very pure model with long-term contractually committed capital. 98% of our revenues and EBITDA are truly fee-related. The fact that carried interest remains overwhelmingly with our strategy investing teams creates the right alignment between those teams and our LPs and eliminates volatility in our financial reporting. You've already seen our impressive investing track records, which enable us to have success in partnering with LPs. Based on the strength of our client franchise that I just highlighted, we enjoy LP re-up rates of around 85% across our whole client base. And as you've seen, we've also had great success in cultivating new LPs.

The net effect of all this is a business model virtuous cycle that results in stable, predictable earnings with strong growth and attractive margins, yielding robust cash flow generation, which allows us to reinvest in our business, execute on value-creating M&A, and importantly, consistently return capital to our shareholders through dividends and share repurchase.

So where are we going? Well, we're focused on the right market segments with the right strategy and a world-class team at every level of the organization. The power of our ecosystem gives us long-term structural advantages in our areas of focus. Our clients want and need us to help navigate these market segments, and they continually put their trust and confidence in us. Our culture of collaboration and communication underpins our one P10 approach in everything we do.

We have many multiple avenues for future growth, both organically and inorganically. And we are laser-focused on executing against this attractive opportunity set. Ultimately, our alignment with you, our shareholders, is incredibly high. P10 insiders collectively own more than 45% of the company. So we are all incredibly motivated to drive our franchise together to greater heights.

Now you're going to hear about our network of strategies across private equity, private credit and venture capital solutions. With that, I'd like to introduce Tom Danis, one of the founders and managing partners of RCP, who's going to talk about our private equity solutions. Tom?

**Tom Danis, Jr.**

*Managing Partner - RCP Advisors*

Thanks, Luke. That's not an easy act to follow. So I want to try and reset your expectations. My name is Tom Danis. I am one of the co-founders of RCP Advisors, I am the managing partner. I'm on the Investment Committee, and I also lead our fundraising efforts. My job for you today is to introduce you to the 2 private equity strategies within the P10 Alts platform, one being RCP Advisors, which is focused on the North American small buyout market, through fund of funds, co-investment funds and secondary fund strategies, and then Bonaccord, which is a GP Stakes investor, which is also focused on the middle market as well.

Both of these franchises are really category killers in their respective niches, and benefit not only from a very unique and robust proprietary data set that gives us an asymmetric information advantage in what are fundamentally inefficient and opaque markets.

But in addition, we have a complementary ecosystem that allows us to really benefit from each other's activities, both from a market intelligence as well as a relationship perspective. So who's RCP? RCP Advisors is a private equity fund of funds, secondary fund and co-investment fund sponsor based in Chicago, focused on the North American small buyout market. How do we define that? We invest in funds primarily less than \$1 billion in size. About 95% of our commitments go to managers that take control-oriented positions and companies with enterprise values on the low end of \$25 million and at the high end of \$250 million. We invested in this space for 4 specific reasons. Historically, it's been the most consistent outperforming subsector of private equity over the last 10, 20 and 30 years.

Number two, it's got a very attractive illiquidity duration. Over the last 23 years through 3 market dislocations, the average hold period from the day we buy a company to the day we sell that company is about just under 5 years. That contrasts very favorably with other private equity strategies that you might consider. You're compounding long enough to generate a nice ROIC, but you're not waiting forever to get your money back.

Third is the lack of correlation with the public markets in our harvest period. That's because very rarely do we take companies public as a means of exiting them. 98% of our exits are sales for cash at close to either a strategic buyer or a larger financial buyer. Finally, even though distributions will be cyclical, just like every other part of the private equity market, the severity of our cyclicalities is much less than other strategies.

If you look at the average private equity strategy, whether you're talking about venture capital, if you're talking about large buyout, if you're talking about Asian private equity, distributions are down 70% or 80% in today's environment since the high of 2021. Our distributions are only down about 30%. So we're still getting money back to our LPs in a time where they really need it, and that's really important.

Also, as Luke said, we're very fortunate to have a very client-centric approach. As I like to joke, when it takes you 2 years to raise your first fund over across 1,000 meetings and you raised a \$92 million vehicle, you tend to appreciate your clients more than perhaps others do. And so I think we really stand out for our transparency, for our responsiveness, for our customization and the fact that we just bend over backwards for our clients. And that's really important. It's really contributed to that 85% re-up rate.

So RCP evolved over time from being just a primary fund investor when we began the firm in '01 to then getting into the co-investment business through our fund of funds in '07, then getting into the secondary business in '09. Finally, we got into the small and emerging manager business, which is where we're investing in funds that are raising less than \$300 million in size and are on I or II in their fund series. And this serves as sort of a farm system, if you will, to use a baseball analogy to then feed those most promising and great performing managers into our flagship fund to funds, but it's also a great source of co-investment as well as secondary deal flow.

Finally, in 2021, we had a conversation with a very significant institutional investment consultant and I wanted to understand why we did just a little bit of business with them, but not a lot of business with them. And they informed us that the ease of access for their clients by having all of our strategies, primary, secondary and co-invest, wrapped into 1 vehicle would be much more attractive than some of our other clients' preferences, which is to custom allocate across secondaries, primaries, and co-invest.

So in partnership with them, we were able to raise a \$300 million multi-strat fund, which is 50% primary, 25% co-investment and 25% secondaries. We're also just about to finish up the fundraising for our second vehicle which is also performing very well from a fundraising perspective as well as an investment perspective.

One of the nice things about having all these strategies wrapped into 1 product is it blunts the J curve, and that's becoming increasingly important, especially in the high net worth channel for our clients.

Finally, as you'll hear from Alex Abell, who runs our customized solutions program, we really got into the SMA business

in 2008 with a key relationship strategically with a large sovereign wealth fund. And we continue to expand that business. It's probably the highest growth part of our business over the last 5 to 10 years and all the credit for that goes to Alex.

So as Luke talked about, the only reason you're going to attract capital is if you perform and everyone at RCP and across the P10 platform realizes that. And what I think is really powerful about this slide is the fact that we are meeting or exceeding our return targets in 18 of our 23 co-mingled funds that are mature enough to have a meaningful IRR. Some of these funds are completely wound down. Others are just 50% invested.

But to be able to say that, 18 out of 23, we are meeting or exceeding our return targets is very unique. And in those cases where we did not meet our return targets, we still made money for our clients. We just didn't make as much money as we should have. That said, the last fund of ours that has not met its performance targets was a vintage 2012 fund. When I think that goes to show that when we do make mistakes, we learn from them and we don't repeat them.

So let's talk about Bonaccord, which is in the GP stakes business, which is a burgeoning business that's really kind of come on over the last 10 years. What is really unique about Bonaccord, it is the category killer in the middle market. I'm sure everyone in the room is sort of Dyal and Blackstone and Petershill, which is part of Goldman and a number of other of these very, very large GP stakes firms.

Bonaccord, just like RCP, focuses on a more opaque and efficient niche, which is the middle market. So they're investing in managers across private credit. They're investing in managers across real estate and real assets and then, of course, private equity as well, both in North America as well as in Europe. And these managers are typically on their third or fourth fund, they're somewhere between \$1 billion and \$10 billion in fee-paying AUM. On average, it's about \$4.2 billion when they buy in. And they built multiple products, right? So they're not just 1 product, but maybe they've got a buyout fund, with now a Mezz fund and maybe a small cap fund as well. So they diversified their business and makes them very attractive as potential investments.

Also, it's important to note that this is a very value-added strategy. So when you think about why a sponsor would want to take a minority stake from someone like a Bonaccord, it not only provides them a liquidity event, but it also provides them cash flow for their GP commitment and as well as an ability to seed new product launches.

It also is very helpful in terms of providing succession enablement if you will, because that's one of the things that most private equity firms really struggle with. How do you pass the GP stake from the founding generation down to the next generation? And Bonaccord provides a great solution for that. Finally, the ability to optimize the tax and estate planning for those sponsors is something that Bonaccord does and is very, very helpful.

But they're value-add beyond that, right? So they've got 9 professionals that are in their portfolio services group that assist the underlying managers of which they're 15 to date that they've invested in, with thought leadership and best practice sharing, fundraising, which we call strategic capital formation, balance sheet optimization, making sure that they're optimizing the way they run their business. Obviously, talent management, both in terms of recruiting and evaluation. And then finally, branding and marketing.

Remember, these are firms that are institutionalized. They're established but they're now trying to make the jump from being that to a truly global brand. And Bonaccord really serves the bridge, if you will, to enable them to do so. So often we get asked, why does the small buyout market outperform the large buyout market? And there are a number of reasons. But I would say the 1 fundamental reason is right here, and this is our famous inverted triangle slide we've been using for 23 years. 85% of all the capital that comes into the North American buyout market goes to managers raising greater than a \$1 billion in size. Only 15% makes its way into our market. And people might say, well, if it's so attractive, why isn't more capital coming in? And the answer is 60% of all the money that comes into the North American buyout market comes from very, very large pools of capital. Public pensions, corporate pensions, some of the very, very

large endowments and then, of course, sovereign wealth funds. Their minimum commitment is \$100 million, \$200 million, \$500 million.

The average fund that we invest in is \$500 million in size. They can't invest in our space. There is a natural moat around our space that keeps the capital from flooding in and creating more efficiencies. And this has only gotten better over time. If you were to look at this slide from 20 years ago, it was actually about 75% of the capital went into managers raising more than \$1 billion and 25% where we are. So the inefficiency only continues to improve for us. But it goes beyond that because fundamentally, what our managers are doing 80% of the time is buying businesses through founders and families. They're institutionalizing them and professionalizing them. They're growing them both organically as well as through acquisition. And then they are selling them in the most robust auction process you can possibly imagine.

As a result, we make money differently than the large market. Because keep in mind, the higher you go up the market cap, the more leverage people are going to use, the average debt-to-equity ratio in one of our transactions at acquisition is 1:1. So if you're buying something on average for 8x, it's 4x of debt and 4x of equity.

So you're only making about 30% of your return from the impact of leverage. Where you're really making a return is from EBITDA growth and multiple expansion. And you often hear, well, multiple expansion is a capital markets phenomenon. It's unpredictable, it's cyclical. And the answer to that is, yes, but no because when you have a mountain of capital above you that is dying for us to build businesses big enough for them to then acquire and take to the next level. They are more than willing to pay you a higher multiple than you paid for that business because you professionalized it, you've institutionalized it. You've grown it and you've made it a better business.

So yes, in certain markets, maybe your market -- your multiple expansion will be 1 or 2 turns, others there might be 3 or 4, but it's always there if you execute. As you get larger and larger of the market cap chain, that becomes harder and harder to accomplish. Also keep in mind that when we source these transactions, certainly, there are very, very effective intermediaries out there, folks like Piper and William Blair and Baird and the rest. But they only have about a 15% market share, whereas when you think about the large end, Morgan Stanley, Goldman Sachs, Merrill Lynch and the like, they're going to run the most robust auctions you can possibly imagine. It's going to be the highest price that can be paid. And as we all know, that ends up with the winner's curse.

Well, on the small buyouts side, it's only 15% of the intermediaries are really particularly sophisticated on the rest of the market, you're dealing with business brokers and other intermediaries that don't have the sophistication, don't have the resources. And as a result, they're going to run much smaller processes, that lack of competition is going to result in lower purchase price multiples, which is going to not only reduce risk but give a really ample opportunity for us to generate that multiple expansion I just talked about.

Finally, and this is something that we really can't emphasize enough. It's the alignment of interest with the underlying managers. Think about this, the average fund that we invested is \$500 million in size. That's been the case since '01. It has not gone up. It has not gone down. We've been incredibly disciplined about our area of market focus.

That said, what happens over time is you're going to see that these managers inevitably get bigger, right? And they cross that \$1 billion threshold. And that's pretty much when we waived them good bye because as you get larger and larger, it becomes more of a fee -- management fee game in terms of wealth creation for these managers and not as much about the carried interest because if you do a 25% gross return on a \$500 million fund, you're going to make less in total fees and carry than someone that's got a \$2 billion fund that did a 15% IRR.

So you can understand why the managers want to move up, but you can understand why we like the alignment of interest down where we play. I could go on and on about this slide to again make the case for the small buyout space, but hopefully, that's been somewhat adequate.

The same can be said in terms of the market dynamics, as that Bonaccord enjoys. So as you can see here, the largest players in the market Dyal, Blackstone, Petershill, are much, much larger than Bonaccord. And as you look to the right, they've got a much more competitive and frankly, smaller installed base of investment opportunities than Bonaccord does.

And so the diversification, the lack of competition and the opportunity to really grow because the larger you are, the harder it is to grow, right? The smaller you are, the easier it is to grow. And so if you've got the right partner like Bonaccord, you can actually realize that sort of potential.

Also, it's important to note that there are 3 ways that folks can exit these GP stakes, and that's always been the big question about this investment strategy, right? You can take it public. You can sell to a strategic, but more and more often, we believe the opportunity is going to be for us to sell our stakes to these larger players as we continue to build these franchises large enough to attract them.

Luke talked about this, but there is this complementary ecosystem that creates this virtuous cycle across all of the P10 strategies, but particularly in the case of Bonaccord and RCP. If you look at the graph here to the left, you can see that we're investing in managers that ultimately are going to find their way up into Bonaccord's strike zone in terms of where they like to invest. They benefit incredibly from our market intelligence, our proprietary data as well as our relationships so that we can break ties for them when they are in competition to try and take a stake. As a matter of fact, in 5 of the 9 cases where they've invested in middle-market buyout funds as a GP stake in the management company, 5 of those are folks that we were long-term investors with and where we played a hand in at least 2 of those to help make that a reality in terms of the closed investment.

So I'm not going to steal as much of Alex's thunder he thinks I am. But one of the things that I think we've talked about today, and I'd like to just preview for you set the table so that Alex can dive a little bit deeper is our manager research, portfolio company monitoring and analytical database, which we call GPScout. If you were to ask our clients, and of course, we have 4 here, I think all of them would tell you that the most compelling differentiation that RCP and P10 have is this proprietary database that we've been building for over 23 years. We follow over 31,000 private equity-owned companies in the small buyout space. And keep in mind, these are companies that are less than \$250 million in enterprise value. They don't have public debt. There are no public filings.

And the last thing a small buyout manager wants to do is provide their proprietary KPIs on their companies, their firm, their fund to a Preqin, to a Capital IQ, to a PitchBook, or any other publicly available database. But who do they give that information to? They give it to prospective limited partners and they give it to limited partners. Every time they go to fundraise, they put together a data room that's got all that information and then some. We just happened to be one of the folks that made the investment early on to download every single one of those and have a 10-person team that actually gets that information into the database. And it truly gives us an asymmetrical information advantage that Alex will actually display for you so you can actually see it for yourself.

So with that, I'd like to summarize by just talking about what we believe are the 5 key points of differentiation, yes, for RCP as well as Bonaccord. Number one is team. We've enjoyed extraordinary team continuity across both platforms. RCP specifically, we've only lost 3 senior investment professionals in our 23 years, 2 were founders that have since retired and 1 was a VP back in '05.

So that means 3 things. Number one, I think we've got a very, very strong and positive culture that makes people want to stick around. Number two, we spread the economics liberally throughout the organization, and we've got that very unique position to do so because we not only have, obviously, base and bonus but carried interest and then, of course, stock options as well. So that's something that's very important.

But also and most important is because we have this team continuity, this 23-year track record that we claim, we can actually claim full attribution for it. All the lessons learned, all the success, all the tribal knowledge. And as a result, I think that's why our investors trust us with their capital.

Number two has just been disciplined. Our first fund was \$92 million. We invested in 14 underlying partnerships. The average fund size amongst those partnerships was \$450 million, right where you would think it would be if we were going to be in a small buyout space. Well, fast-forward 21 years, 18 fully committed fund to funds, the average fund that we've invested in over that period of time is \$500 million. So extraordinary investment discipline and market discipline.

Third is the track record. We've talked about it. 18 of our 23 co-mingled funds have met or exceeded their return targets. We've never lost money for a client. Bonaccord can make the same claim. Their first fund is enjoying returns that are right in line with the clients' expectations. And the second fund is exceeding those expectations pretty significantly.

Fourth is that client centricity, and we talked about that, so I won't go into it anymore. But I think it's displayed by the fact that 4 of our key clients across the platform of taking time out of their day to be on this LP panel. And frankly, we couldn't be more grateful to them for taking the time out to do so. It's quite a compliment .

And then, of course, fifth is our proprietary data advantage. And I really can't emphasize enough how much of a difference it makes, not only for RCP and our investment process, but it's actually an incredible marketing tool. Right? So when we're talking to investors and you have an initial pitch and you're trying to get them to that next meeting, where they hopefully come on site, that intermittent step is always the hard thing. What we often do is we'll take them through a case study of our underwriting process. Could be a primary, could be a co-investment, could be a secondary. But ultimately, they get to see how this proprietary data allows us to make better and more informed investment decisions, but also learn from our mistakes over time.

So with that, I'd like to thank you very much for the opportunity to speak with you today. And I'd like to turn it over to Michael Korengold to talk about the private credit solutions.

**Michael Korengold**

*President, CEO & Board of Directors – Enhanced Capital*

Thanks, Tom. I don't have -- well, I can look at the slides here. So first of all, happy to be here, honored to be presenting on behalf of all the firms that make up private credit solutions. I'm Michael Korengold, the President and CEO of Enhanced Capital. We are a 25-year lender, and I'm going to tell you more about us and the other firms. And we've all been at this long time and is best reflected by that picture. Private Credit Solutions is a robust and important part of P10. 4 of the now 8 affiliates at P10 are in the Private Credit space. And I'm going to tell you about the common characteristics that all of the firms share and the tailwinds that support all of us.

So taking a deeper dive, I want to highlight really the following. First, each of our private credit solutions is a differentiated private credit firm with specialization and expertise in their areas. All our focus on market segments with fewer players and less competition than more conventional private credit strategies. And that in turn is important because it really drives deal selection and ultimately, pricing power. Each of the Private Credit Solutions strategies brings a deep experience, was typically a first mover in their specialized area in respective focus area. And that expertise and experience is reflected in long, robust track records, and Luke alluded earlier to the performance of the private credit group as a whole.

Each team has designed and implemented a sourcing and underwriting platform that's really tailored to their strategy and incorporates their years of experience. And as I'll talk about, there have been tremendous tailwinds, I think, that most people are familiar with. In private credit, in general, we'll talk about specifically how those tailwinds support our strategies.

In sum, our Private Credit Solutions group delivers a diversified and differentiated approach to private credit. So these are the different strategies that make up Private Credit Solutions. So first is project finance for real estate and climate projects, all of which is impact. NAV lending, venture debt, small business lending and Mezzanine Finance. We collectively currently manage \$5.1 billion in fee-paying AUM across 2,500 companies and projects with over 50 dedicated private credit investment professionals. We have vast experience and expertise in these strategies and all focused on the lower middle market. And that focus in turn, provides great synergies across not just private credit solutions, but P10 in general, as Tom was just describing.

So there's been a lot of press around the growth of private credit, and it has been impressive. What this slide shows is that the growth of private credit has actually outpaced the growth of other private assets and is projected to continue to do so. So in general, as there continues to be a shift from public assets into private assets, that's going to continue to favor private credit portfolios. And when you think about the growth of private credit, it's also going to be helped by the continued consolidation of banks. And obviously, banks are subject to increasingly stringent capital requirements that have really favored the private credit industry in general. Most important, as Luke alluded to, the returns have been compelling. And so it makes an important part of any private asset portfolio.

So now let me take you into a deeper dive on the specific strategies that make up private credit solutions. So starting with my firm Enhanced Capital. We are, as Luke mentioned, an important part of private credit solutions. We also have a tax credit and finance business, and everything we do is impact. And that's why it may not always have been presented as private credit, but we are, in fact, a pure private credit firm. We focus on making loans both projects in renewable energy and real estate, and then we make corporate loans to small businesses.

In both cases, all of our investments do have to meet our impact criteria, which is why we're also categorized as an impact firm. And those are here. We have to only invest in businesses or projects located in underserved areas that promote climate or sustainability that are run by members of underrepresented communities. And that continues to be an important part of our strategy. So we were founded in 1999. Again, the theme here is long-standing participation in each of our unique markets. We have 36 employees. We currently manage \$2 billion of fee-paying AUM and have completed over 1,500 transactions.

So let me go a little bit deeper into project lending because this is both an area that a lot of people aren't as familiar with, but also, I think, helps to underscore some of the unique strategies that Private Credit Solutions brings to bear.

So in this strategy Enhanced is making loans to developers of projects that are eligible for tax credits or other incentives. So think about like a solar project or the renovation of a historic building. The problem is that the developers of those projects don't actually get the money that comes in through those tax incentives until that project is complete. And so we provide a loan against those tax incentives to allow them to complete construction of the project. In this case, as you see, a theater or a solar installation. And then upon completion, that contract that's already been in place to buy those tax credits, repays our loan.

So in this case, our 25-year tax credit expertise actually supports the lending side of our business. And it's a good example of where that unique subject matter expertise really does drive deal selection and pricing power. And just by 1 example, we were just repaid on a deal. It was a microgrid, so solar panels plus battery storage on tribal land in California. And there was a contract in place to provide a Department of Energy loan and tax credits once the project was complete. So we provide that loan. It was built, the tax credit money came in and we were repaid. So again, the consistent theme, unique subject matter expertise, I don't know who else would have seen that deal if we had not financed it.

So Enhanced also has a small business lending vertical. And here, we make loans to small businesses located in underserved areas throughout the country. So think of rural areas, low-income communities, highly distressed areas or businesses owned or led by women or people of color. And from an impact standpoint, these loans have created tens of

thousands of jobs in these underserved areas. So again, a differentiated approach to small business lending and the know-how of how to both originate, underwrite and execute those transactions is a skill set that we've developed over our 25-year history is a critical part of our success.

So now I want to pivot to a strategy that's an excellent example of where they're really a first mover in a specialized area of private credit. So Hark is one of the leading providers of NAV loans. So that is loans against net asset value of private equity and venture funds. In each case, Hark makes a loan to a portfolio company of the fund but that loan is in turn, guaranteed by that fund's net asset value. And while Hark was an early mover in the space, the space itself has gained tremendous momentum.

Most players in this space have tended to focus upmarket from where Hark focuses, and their focus has remained in the lower middle market in the U.S. and Europe. And again, as you heard from Tom and Luke, this has allowed us to capitalize on the data held by P10's various strategies that are similarly focused.

So Hark's strategy effectively provides double diversification. So as you see here, they target 20 to 30 loans in any given fund, and yet the underlying guarantee is also diversified because it's supported by all of the portfolio companies in that fund. And the uses for Hark have grown. Typically, these are funds past their investment period or with low liquidity to meet the ongoing needs of a particular portfolio company. So founded in 2013, Hark has 11 employees, is based in New York and manages just under \$1 billion of fee-paying AUM.

So there's been a lot of excitement and attention around the NAV lending space. And from the usage side of the equation, there are meaningful drivers for the capital gap that we fill with Hark. So first, NAV loans sit between capital call lines on the one hand, which typically bridge the obligation to fund a particular deal usually secured by uncalled LP commitments. And the secondaries market, which usually takes investors out of positions for various reasons, but typically at or near the end of the fund. But in between a myriad reasons that funds lack liquidity but still seek to preserve the underlying value of a particular portfolio company. And again, because the fund is on the hook as the guarantor, these are not rescue financings. Instead, these are typically proactive ways to support the portfolio's liquidity need. Without dilution, maybe past their investment period can no longer call an additional LP capital.

The market characteristics around what's happened in the lower middle market in U.S. and Europe continue to give us confidence in Hark's ability to grow. So here, you really see that. There's been tremendous growth in NAV lending just as an asset class, 30% per annum over the last 5 years. But as you see, that growth has continued -- is projected to continue.

So our view is that NAV Lending is likely just scratch the surface when you think about, one, the proliferation of funds in the lower middle market in the U.S. and Europe. And then two, a lot of those funds are holding on to assets longer than they did historically. And as long as there is a weaker M&A market, they will need to continue to find ways to support those portfolio companies. Hark is in that way complementary to the other focus areas of P10.

So I want to turn to our venture debt strategy. So founded in 1980, our oldest strategy, WTI is the preeminent venture lender. So WTI makes loans to venture-backed companies. And in so doing captures upside typically through warrants, but while maintaining a senior secured position in the capital stack. So WTI focuses on a broad range of both seed-stage companies all the way up to pre-IPO companies and has really built their business by partnering with preeminent venture firms and top management teams.

WTI is naturally based in Silicon Valley, but with offices in New York, L.A. and Boston. It has 33 employees and has invested -- currently invest \$1.7 billion of fee-paying AUM and has invested across over 1,500 portfolio companies. So I'm not going to read them all, but you just look at some of the household name here, household names here are the various firms that they've touched, it's really quite extraordinary.

So to me, this slide really captures the essence of WTI's value proposition and offering. On the one hand, WTI provides equity upside, but does so with conventional debt structural protections. So on the debt side, the instrument provides classic senior secured protection in the capital stack and creditors' remedies consistent with other private credit lenders. And so with most other debt structures, they're receiving cash flow in a portfolio mix where we really focus on low losses. The exciting part is really on the right side, which is in spite of those structural protections, WTI captures the upside typically in warrants and occasionally through direct equity investment.

So it's an opportunity to capture that venture upside, but without some of the volatility and valuation fluctuation. The strategy objective has really been rewarded with their historical returns. WTI's loss rates are consistent with debt indices across the board, if not better, and yet WTI's return profile is a significant multiple of what you typically see in those debt indices.

Last, I want to turn to Five Points, our Mezzanine Lender. So Five Points is Mezzanine Lender providing junior capital for buyouts, recaps and acquisitions. We participate in the small business investment company program, which is administered by SBA, so the U.S. government program that provides 2 turns of low-cost government-backed leverage. The program is designed to incentivize investment into the lower middle market of the U.S., again, a consistent theme. Five Points has a very flexible mandate, so can play up and down the capital stack, as you see here. Founded in 1997, again, consistent with long-standing participation in Five Points' market, currently manages \$1.1 billion in fee-paying AUM, has 28 employees in the space in Winston-Salem.

So consistent with the other private credit solutions firms, Five Points targets an area of the market where they are rewarded for bringing know-how and long-term market focus, again, resulting in both deal selection and pricing power. So my key takeaway is -- the first and most important takeaway is that we have a robust private credit solutions platform at P10. And moreover, the private credit solutions provides diversified exposure to attractive specialized strategies. Each of the P10 Private Credit Solutions strategies has specialization and expertise in market segments with fewer players and less competition than more conventional private credit strategies.

Private Credit Solutions includes Enhanced, as you've heard. So again, as a private credit firm, first and foremost. And all of our private credit solutions strategies operate in the lower middle market that have substantial significant room to grow. The differentiated strategies that make up private credit solutions have unique market dynamics that reward first movers, like you've heard about, and longtime participants like all of us are. And we think there are meaningful opportunities to grow both organically and inorganically, including by providing investors with access to the diversified and differentiated private credit solutions as a whole.

So with that, I will welcome Kate to talk about venture.

**Kate Simpson**

*Partner- TrueBridge Capital*

Good morning. I'm Kate Simpson. I'm honored to be here today representing TrueBridge, P10's Venture Capital Strategy and Expert. At TrueBridge, our sole focus is on vesting in the very best opportunities in the venture capital asset class. With our team's long tenure in the business, the relationships and insight and judgment that we've built over that time, we can identify and access the premier often hard to access opportunities. We also leverage a unique data set, thanks to our partnership with Forbes to help build those relationships, to build our brand and importantly inform our investment decisions.

Our products align with our strategies and provide our underlying clients exposure to the broad spectrum across venture capital. And we're proud that all of this has culminated in consistently strong performance across multiple market cycles.

At a very high level, we do 2 things. We invest in the top-tier venture capital funds, and we invest directly in high-growth

tech companies alongside our VC partners. Over time, we've just gone deeper and wider in the venture capital asset class. We raised and manage a series of co-mingled fund of funds. At the firm's inception in 2007, we had just a single flagship fund that invested in premier early-stage venture capital funds. If you fast forward earlier this year, we closed on our eighth flagship fund. And we're proud to say we were oversubscribed and we reached our legal hard cap in size.

So now we also offer commingled funds that specialize in limited partner secondaries and blockchain investments in directs and seeded micro-VC funds. This decoupling over time of these complementary strategies into their own dedicated funds has allowed us to thoughtfully grow while keeping the size of the flagship fund appropriate. And finally, we also work with sophisticated partners in a customized way, building portfolios for them that meet their unique needs and objectives.

You can see here on the bottom of this time line that we've been investing in these various venture capital strategies for a long time. And you can see above the time line, some of the VC partners and firms that we've backed over the years. A few of these names may be familiar, like Andreessen Horowitz or Founders Fund, both of these we backed early on before they became the highly successful firms they are today.

And a few of these names are legendary like Excel and benchmark. These have been fixtures in the venture industry for many decades. And a few of the names like Y Combinator and Craft Ventures are relative newcomers that ascended rapidly in terms of their brand and reputation.

I've mentioned relationships a couple of times already. Venture is a relationship-driven business. Our personal and collective networks at TrueBridge are one of our key differentiators. And we spend a lot of time cultivating our networks, and curating events is a big part of that. For example, we host next-gen events so that we have the opportunity to get to know the rising star investors across the venture ecosystem.

We also host a biannual event called SeedCrush, which is a gathering of the world's best seed stage investors. And then as noted here on the right, we have relationships with select corporations, which enable TrueBridge to be a value-added partner. Some of these corporations choose to partner with TrueBridge for more strategic reasons, not just financial returns. Essentially, TrueBridge serves as an antenna function into the venture ecosystem for these corporations. And we help them in a variety of ways. Sometimes it's flagging our underlying portfolio of companies that the corporations may have an interest in investing in down the road.

Sometimes it's introducing corporations to start-ups that help them solve a business problem. So for example, one of the logos here on the right, interviews, business leaders across the entire enterprise, the IT team, the sales and marketing team, the HR team, and they come up with a list of 100 business problems that have budgets to solve in a given year. And what we and other venture firms that the corporation partners with does is we flag companies in our underlying portfolio, which could potentially help them solve those problems.

And when this happens, and we can make an introduction, it's a win-win for everybody. It's helpful to the corporate partner. It's helpful to the portfolio company and by definition, the VCs that back them, and it helps TrueBridge distinguish ourselves as a value-added partner. Perhaps the strongest point of differentiation for TrueBridge is our partnership with Forbes, a publishing company. We are the data engine behind the Forbes Midas List, which, if you don't know, is an annual ranking of the world's best venture capitalists. And our partnership with Forbes has just grown over time. We now publish with them the Forbes Midas Europe List, the Forbes Seed List the Midas Brink List and the Next Billion-Dollar Startups list. For all of these lists, venture capitalists submit data to us, and they trust us with that data.

And this is maybe a bigger deal than it seems. Venture capitalists want to be on this list. It helps their brands. It helps their reputations. It impacts their deal flow. But venture capitalists also tightly control their information. When it comes to firm level performance, fund level performance, not to mention personal attribution. Venture can be a very opaque industry. But we use this data to produce credible lists, but the data also enhances our due diligence and directly informs

and impacts our investment decisions. So importantly, this is the data set that is unique to TrueBridge and it's a real competitive advantage for us.

Okay. This busy slide actually makes a simple point. Venture capital when done well, can generate outstanding risk-adjusted returns. I'll draw your attention to the tall orange bars on the far left of each time period cluster, which is the performance of the top quartile venture capital index. And then as you move from left to right, you have the median Venture Capital Index, the S&P and the Russell. It is very clear that high-grade venture capital has outperformed over long periods of time, all time periods across market cycles.

Now Venture is an asset class that is impossible to time. You cannot simply come in and come out of the asset class with any degree of certainty. But what is certain is this. If you can vest with the best VC partners, history suggests that it is always a good time to be investing in venture capital.

But -- and this is a rather big but, manager selection is paramount. So what we see here on the slide is the dispersion of returns, which is wider for venture capital, which is on the far right, it's wider than any other asset class. If you look between the top quartile and the bottom quartile managers. This is why at TrueBridge, we are not an index. We only invest in our highest conviction ideas. We concentrate our capital, which allows us to take advantage of the power law nature of returns in venture. So power law suggests that there's really only a handful of companies every year that are created that go on to be the drivers of returns across venture capital. And we've certainly seen that in our own portfolio.

At TrueBridge, we want the most exposure as possible to these outlier generational companies and the VC firms that are backing them. Concentrating our capital in our best ideas means we have to be very disciplined around portfolio construction. If we want to add a VC partner to our portfolio, typically, that means we have to remove or call a manager from the portfolio. And these are very hard decisions. So what leads us to developing that high level of conviction in a manager? First and foremost, what we're looking for in a VC partner is a track record of success as fund managers, as investors, as operators and as maybe founders themselves. Beyond that, we want to see domain expertise and powerful networks. These directly impact the quality of deal flow that manager has and their ability to add real value to the portfolio of companies.

We seek to understand a firm's sustainable competitive advantage in a market that has become very crowded and noisy. And we seek to understand how a firm is managed internally and how it's positioning itself and evolving into the future. None of this, however, is rocket science, which brings me back to the importance of relationships and access.

What really moves our team at TrueBridge from getting excited about a potential investment to highly convicted into making an investment is reference calls. We tap into our networks and we talk to portfolio founders. We talked to other VCs in the ecosystem. We talk to underlying clients and LPs to get their unvarnished opinions. We can distinguish between what is a good reference call and what is a glowing endorsement.

Some of our flagship relationships are here on the right side of the slide. All of these firms are hard to access. And all of these firms raise oversubscribed funds, and they have their pick and choice of limited partners. So the natural question is why do they choose TrueBridge as one of their limited partners? It's the experience, it's the tenure, it's the insights we bring as a partner. It's how we approach relationships, taking a very long-term view and approach. And it's other ways we show up in the ecosystem from our work with Forbes and the lists to being a direct and secondary investor.

We are very proud of the performance that we've generated for our clients. It's a result of a proven and repeatable investment process, careful manager selection and of course, disciplined portfolio construction. And I'll say it again, it's valuable relationships that we leverage extensively.

Venture capital is an asset class that does require patience, right, from developing relationships to building start-ups to ultimately generating performance that is meaningful. So if you look at our more mature flagship funds, they have

generated over 3x net returns on invested capital, represented here by the black bar on the left. Our other strategies such as Direct have different cash flow profiles compared to our flagship fund, including shorter time to liquidity and higher IRR potential. You can see that noted here on the right side in the tall orange bar. TrueBridge's track record in short is best-in-class over a long period of time.

So I'd like to turn now to the market and call out a few trends that are top of mind for our team. Number one, the market has rationalized quite a bit since the heyday of 2020 and 2021. Less capital has flowed into the asset class in this risk-off environment, and we are seeing a flight to quality across all aspects of the ecosystem. That means only the best founders are getting funded right now. And I would also share that founder behavior is much healthier. They're prioritizing efficient growth as opposed to growing at all costs and not even looking at the burn rate. It means the best start-ups are -- only the best startups are graduating and able to raise future rounds of financing. It means only the best venture capital firms can raise capital rather easily from LPs. This flight to quality absolutely benefits and plays to the strength of TrueBridge's portfolio.

Two, while we have watched the magnificent 7 soar in the public markets, the private markets have been different. We have seen late-stage evaluations to the largest extent as well as early-stage valuations come down from their highs. Now this valuation reset has been -- it's resulted in some write-downs, right, from capital that has already been deployed and mostly in later-stage assets. But it's actually -- on the flip side is an attractive opportunity if you're an investor deploying fresh capital today. We have always invested through cycles. We have invested in all types of valuation environments. We are no stranger to the market dynamics today and I think we're very well suited to navigate them.

Three, the exit market for tech companies has been well below its 10-year average, largely due to a feeble IPO market. M&A remains a viable option for exits, but it's not without some caveats; first, large M&A transactions are particularly today, highly prone to regulatory scrutiny. And second, the biggest outcomes in venture happened through IPO, not M&A. So there are hopes that the IPO market will be more receptive and more robust to high-growth tech companies in the next year. And while we wait for that window to really open, it's not a question of if, but when, the pipeline is building for companies that are preparing for their IPOs, and I could name a couple, Cerberus, Databricks, Intercom, maybe Stripe. The list is long, and we're all looking forward to that day.

Four, it's important to remind ourselves that great companies are actually built in all markets, even in times of economic uncertainty. In fact, some of the greatest tech companies that we know and use today think Airbnb, Dropbox, Stripe, Slack, Uber, they were founded during and in the aftermath of the great financial crisis. So oftentimes in times of turmoil, we see founders that are more nimble, more scrappy, oftentimes more creative. The reality is innovation never stops.

And speaking of innovation that brings me to #5. In case you haven't heard, there's this thing called AI happening. It's capturing mind share of founders, investors, consumers, enterprises, and if you think about the previous large tech platform shifts over time, so personal computing in the 1970s, the Internet in 1990s. The shift to mobile in the 2000s, the shift to the cloud in the 2010s, AI is the next big tech platform shift.

AI was coined a really long time ago, I think, back in the 1950s, and it has had a slow and steady development until ChatGPT was launched by OpenAI in 2022. And then things changed. So if you think of ChatGPT as the spark, there are a lot of things happening that are fueling this fire. The continued growth of big data, improved algorithms, advances in computing power and of course, investments by governments, research institutions, big tech themselves and our very own venture capitalist.

Funding for Gen AI was the story in venture in 2023. And I think it will be the same big story when 2024 is all said and done. And corporate software continues -- budgets continue to expand, 97% of U.S. businesses plan to invest in Gen AI over the next year. So all people, platforms, companies, industry are poised to benefit from AI. And that alone makes it a very exciting time for entrepreneurs and investors to be investing in that space.

Okay. I'll conclude here with a few takeaways that bear repeating. First, TrueBridge has a long track record of investing in Venture Capital. We've been able to deliver best-in-class returns due to our position in the ecosystem, the relationships we've built and our ability to access the very best relationships. And finally, it's always a good time to invest in venture if you have access to the most exciting ideas and investors and they are continuously innovating and building the next generation of great technology companies. So thank you for your time and attention today and for your support of TrueBridge and P10. And with that, I'll turn it back to Luke.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

All right. Well, thank you very much. Those were great presentations. And hopefully, it gave a real flavor for the impressive investing acumen, talent, processes and ultimately, returns we do on behalf of our limited partners. And with that segue, I'm very happy to be joined by a group of our illustrious LPs who have known us in many incarnations and in many ways for a period of time. And so what I thought I might do if it's okay with you, I might just go down the road and ask everybody to briefly introduce themselves. I'll then start with a few kind of high-level macro questions, and then we'll probably dive into some specific questions for each of you.

But Josh, maybe if you want to start and introduce yourself?

**Joshua Beers**

Yes, sure. So I'm Josh Beers, pleasure to meet you all. I'm a partner at NEPC. I head our private equity practice. I've been investing in the private equity space for a little over 15 years.

**Glen Gardner**

Hi, everyone. I'm Glen Gardner. I'm the CIO of Equitable Insurance. Equitable is a leading U.S. insurer that focuses on retirement and annuities and life insurance. I've been with Equitable nearly my entire career, and so oversee the general account investment strategy.

**Kris Kapoor**

Good morning. Kris Kapoor, I'm Chief Investment Officer at Bakala Capital. A single family office with locations in Greenville, South Carolina and Prague, Czech Republic. Prior to that, I was at University endowment CIO for 15 years and on the corporate side prior to that.

**Woodson Whitehead**

I'm not sure if my mic is on. Well, you can hear me. Hi, I'm Woodson Whitehead. I'm a partner at a firm called Green Square Wealth Management. We are a multifamily office RIA invest across the entire capital structure, publics and privates. And we have a -- we are 50-50 owned by me and my partner as well as Hightower, which is a large RIA aggregator headquartered in Chicago.

# Question and Answer

## **Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

Thank you all very much, and I really appreciate you all making the time to be here today with us. It means a lot. And so thank you. I thought I might start with just some general questions on the market environment and then perhaps we can dive into some of the questions specifically around P10 and some of the strategies of ours that you've gotten to know. But I just thought maybe we could -- kind of this is a general question for all. Obviously, the landscape dynamically continues to evolve. We saw the Fed cut yesterday. We've talked about kind of the boom we saw in alternatives. And then recently, obviously, some of the issues with DPI and the like.

Against that backdrop, talk about some areas of alternatives that you're focused on right now and how you're thinking about alts portfolio construction in the current environment. And I don't know if we just want to go down the row.

## **Joshua Beers**

Okay. Yes. So -- well, I mean, you've heard from RCP and TrueBridge, not much different from our views at NEPC. But when you think about with interest rates going up, one of the things on the buyout side that we've been very thoughtful around is managers using financial engineering as a source of return. And in NEPC, we've largely stayed away from groups that have done that just because we don't think you should be paying high fees to generate returns that way. And so much like what Tom's presentation went through is we've been focused on groups in the lower middle market. They tend to use less leverage. They tend to buy companies at fairly decent valuations and then make companies better through operational efficiencies and other things that can generate really great returns.

On the venture side, like you heard from TrueBridge, it's all about access and being able to obtain that access. And so I would just take it a step further is it's also based around finding technology that is going to make this world a better place. And so we've spent a lot of time making sure that, one, we get access for our clients, but two, making sure that, that technology goes towards some really great things.

## **Glen Gardner**

Sure. Alternative -- one thing I'll just say is alternatives makes up actually a very small part of our general account. It's only about 3%. We're primarily an investment-grade fixed income shop. So -- but within alternatives, which we look for to provide higher yield and some diversification for the portfolio, we've historically been focused on middle-market buyout as the core of the portfolio. But in the recent market, private credit is very interesting to us. So that's where we've spent some time.

## **Kris Kapoor**

Yes, the single-family office and its current incarnation was relatively underweight, lower middle market in U.S. and venture capital starting 2 years ago. So from a starting point of a lot of liquidity, a lot of cash and a lot of fixed income, we have a 10-year road map to get to where we think we should be. So we've been somewhat fortunate with our timing.

## **Woodson Whitehead**

I think private credit is going to continue to be interesting with benchmark yields going down, our opportunity to make high yields in the investment grade or public fixed income market is going to be limited. So continuing to lean into private credit opportunities. A lot of our clients are high net worth families, you know, they live off their portfolio. So I think we'll

see more of our capital going into that part of the market.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

And so maybe one more macro question for all of you. We've only been here not even 2 hours yet, and we've sure talked an awful lot about the middle and lower middle market.

And I recall Tom's slide, where he contrasted where the bulk of the capital is going from a lot of allocators and where at least we see the bulk of the opportunity. And so maybe we could -- we'll go the other way if it's okay. But maybe you could talk about how do you see the middle and lower middle market as a segment relative to that upper market where it sure seems to be a lot of allocators are putting a lot of capital. What's the differentiation? Kris, maybe you can talk a little bit about how you're building that portfolio. But talk a little bit about how you see the allocation to the larger part of the market versus the middle and lower middle market?

**Woodson Whitehead**

The large part of the market is a lot easier to access. There's a lot more information flow. I mean I equate it to buying the S&P 500. We know who these managers are. We can access them directly. But when it gets down into the lower middle market, we understand what we can do and what we can't do. And we don't have the capabilities to know every one of these managers. There's thousands of managers and some of the best funds out there are on their first and second vintages. And it's just our ability to understand who those good managers are is just it's limited. So I'll hire a small-cap manager because that's their expertise.

In the public markets, it's the same thing with RCP. It's what -- it's a great complement to what we're doing when we're putting money with TA and KKR and the Apollos, we have that expertise. We know how to do that. But we really do need a partner to be able to access these thousands of managers. We just can't do that ourselves. Despite being part of High Tower, which is \$400 billion, we still really need a dedicated expert in that space. So I think it's a complement to what we're doing, and we've had a great partnership with them. And I think the other thing that's interesting is there's a lot of different complementary products. We invest in dial. But we've been concerned as to how big dial is getting. Dial is in the market right now. And so Bonaccord is a great opportunity for us to, again, complement some of the other strategies we've had.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

You mentioned you were building that lower middle market allocation. Tell us a little bit about how you thought about that and the approach.

**Kris Kapoor**

We already have a lot of global exposure and a lot of that global exposure is quite large. And as some of the data that Tom showed earlier as well as I'm sure some stuff Alex is going to show off. In our years of experience here, lower middle market U.S. is underappreciated overseas. And so we've spent some time educating and showing that with a thoughtful group of partners, you can generate high teens, low 20s and a multiple profile that would work for our portfolio.

**Glen Gardner**

The middle market has been really the sweet spot for us. I mean, the lower middle market is interesting to us, but I'd share the comment that it's hard for us to cover that space. So it is an interesting connection with Bonaccord that we get some insight into that, that we find valuable. But historically, we found that for our risk capital, the way we think of capital

for an insurance company balance sheet, middle market, it's been the right area.

### **Joshua Beers**

Yes. And we've spent a lot of time over the last couple of years looking at the middle market. That's become incredibly crowded, and a lot of competition has entered that space. When you think about the lower middle market, I agree that it is pretty noisy and it's really hard to understand talent from noise. And so RCP has done a wonderful job helping us navigate that. But even so, what makes a lot of noise is the fundless sponsors that are graduating into the lower middle market. And I think Tom and team have done a wonderful job tracking that and being able to kind of figure out which ones are going to be the next best ones.

### **Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

That's really helpful. And maybe just a follow-on, Josh. You look at, obviously, at NEPC, you guys have broad remit, you look at literally probably hundreds, if not thousands of opportunities of funds of sponsors of managers. More broadly, but obviously, feel free to bring it back to here, what are you looking for? What are you evaluating? What do you find to be differentiated? And maybe what are some of the cautionary signs?

### **Joshua Beers**

Yes. Yes. So we spend a ton of time trying to figure out the quote "secret sauce". And we have a framework that goes through about, let's call it, 300 questions in which we're trying to understand what makes a group so special. And so we put managers through the paces to try to understand that. So let's see, what would we look for? Well, we look for groups that are going to create value through operational efficiencies, through bringing in good management teams, making a good company better at the end of the day. Some red flags that we spend quite a bit of time with groups. And sometimes it's a little less on kind of the secret sauce, but it's how can we make this relationship worthwhile for years to come.

And so we spend a ton of time with managers around succession planning and thinking through their business model. It's incredibly important in the venture space. More often than not, what we see is organizations don't plan for succession, and it leads for firms to more or less go away over time. And so that's a particular spot that we spent some time with them.

### **Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

Super helpful. Kris, maybe to you a little bit, when we were kind of thinking about this and prepping for this, you mentioned that you guys and your firm are user of RCP's GPScout Navigator, which obviously is the client-facing version of GPScout. Tom talked about it. Alex will talk about it later. Give us a little bit of insight as to how you use it and what do you look to derive from it? How is it helpful to you in your investing process?

### **Kris Kapoor**

Yes. You've got 2 different lenses. First, on the market analytics side. It helps corroborate and confirm trends that we think as a group we want to believe in to make allocations to certain types of measures. And this can be deal level metrics, KPIs that are filtering through the underlying companies very timely. And if we have a question, we've got a whole team that can help answer those questions.

On the firm or GP-specific side, whether it's very quickly digging into the profile or the overview of a group that we're focusing on, especially if it intersects with a group that RCP is focusing on, we can immediately get to deal level attribution, which of the underlying GPs are the breadwinners, if you will. And it helps us skip, I would say, 25% of

upfront diligence time to get very focused when we're working with the underlying GPs.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

Super helpful. Woodson, maybe for you. You talked a little bit about how you can get great access in the upper market, and it's easy, but you really need a partner as you mentioned, with RCP, to help you do that kind of foundational work in the lower middle market to find the best managers. Talk a little bit about what that interaction looks like. Talk a little bit about what the dialogue looks like and how they've helped you access those parts of the market.

**Woodson Whitehead**

I've had countless times where we've been -- we're pitched by everyone being part of high tower. There's rarely a private equity fund that doesn't call them. So we're getting countless decks, and it's really how do we differentiate and kind of go through this process. And so the team at RCP, I mean this database is really helpful. I have e-mailed Tom, do you know these people, what do you think about this fund and they can really get down to, okay, this is the partner. This is the exact investments they made. They can kind of tell you sector. And so if we're thinking about making a middle -- lower middle market investment in an industrial private equity fund, the RCP team can help us really kind of dive in and understand what this partner did that, and it was in this subsector but this person left.

And so it's just -- it's a level of detail that we would never be able to have. It's a 30-year database. So just a great partnership. We invest with them, but they help us as well when we're evaluating something outside of the RCP network.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

Thank you. Glen, maybe over to you a little bit. You mentioned that you're focused on the alts part of the portfolio as well as the kind of traditional part of the portfolio. You've been doing this an awful long time. Talk about some of the macro trends you've seen, particularly as it relates, obviously, to insurance general accounts, where there seems to be a meta-trend to doing probably a little bit more in the alt space to boost returns than there have been historically. And what does that trend look like? And how do you think it manifests itself? I know there's been a lot of work done with a lot of some of the larger managers even coming together with insurance company partners. How does that all play out?

**Glen Gardner**

Yes. I mean, certainly, one of the megatrends in insurance is the private equity of discovered insurance balance sheet is a great source for growing. So it's been incredibly interesting place to be over the last 5 years or 10 years where we look at our traditional peers and we look at our nontraditional peers, and it really is affecting investment strategy overall. So there's definitely a shift towards the private markets, more complexity in the portfolio. and more thoughtful management about the overall balance sheet. So it's been interesting. So alternatives will -- has been and will continue to be a relatively small part of insurance company balance sheets, but it is touching many other parts of the portfolio in one way or another. So it's been an interesting time.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

Super helpful. And Josh, maybe to you, just on some of these macro deployment trends. One area that's certainly gotten a lot of press and gotten a lot of focus and it probably has something to do with timing and it probably has something to do with J-curve mitigation is secondaries. And I'm very curious, your view, how are clients -- how are you advising your clients these days, I'm thinking about allocation trends of primaries versus secondaries, given some of those dynamics and obviously, the DPI trends we're seeing?

### **Joshua Beers**

Yes. No, that's a really great question. And one of the things you heard from TrueBridge presentation, which we wholeheartedly agree across all private equity, not just venture. That's incredibly hard to time these markets. So I want to start my comment off by saying, we don't advocate for trying to be too tactical with capital when you think about private equity just because it's very hard to time these markets. We'll leave that to the managers to decide how to be tactical with capital. However, when you think about secondaries, historically speaking, secondaries have been a fantastic tool for a portfolio. That's either starting or growing, speaks to the J-curve mitigation that you brought up. And we've always used that as an opportunity to help clients manage capital through their portfolio building process.

Now with that being said, over the last couple of years, we're seeing some real dislocation in the market. We know that companies have been bought at elevated valuations that they're going to need funding at some point, as they work through and burn capital or if they want to grow in the buyout space, and therefore, pricing needs to happen and firms are running out of capital for that to happen. And so secondaries have become a very good place, we believe, to be investing. It's gone beyond a portfolio tool. We believe that it's a performance-enhancing structure that you can put into a portfolio. Albeit that typically, we like to see smaller secondary funds, not the big mega ones. Those tend to be great tools for portfolio construction. But when we talk about enhancing, those are the areas in which we've spent a lot of time. In particular, we think venture is extremely attractive right now on a secondary basis.

### **Luke A. Sarsfield, III** *Chairman of the Board & CEO*

Great to hear. And maybe thinking about some other strategies. Glen, you've obviously been a great supporter in LP of our Bonaccord strategy, which is, as Tom talked about, is focused on GP stakes. GP stakes probably has been a more nascent strategy versus some of the larger kind of buckets we saw the growth in private credit, obviously, private equity and some of the real asset spaces. Talk a little bit about how you think about the GP stakes business as part of your overall portfolio construction and then maybe what attracted you to Bonaccord as the manifestation of that?

### **Glen Gardner**

Sure. I mean, we've been aware of the larger players, saw them originating years ago and have been thinking about those. But we found Bonaccord interesting because the attraction -- the relatively untraveled space in the middle market and the type of capital that they provide to provide growth to the firms we find interesting. So I just found it to be an interesting way to enter the GP stakes part of the portfolio. And we're thinking about within our alternatives, just diversification within alternatives and the diversification of the Bonaccord fee stream is interesting to us by having sort of multiple fee streams from the management fee carried interest and growth over time. So it's a nice balance within our alternatives portfolio that we find attractive, and we like that part of the market.

### **Luke A. Sarsfield, III** *Chairman of the Board & CEO*

And maybe just a follow-up question. For those who are maybe a little bit more critical of the GP stake space or a little more skeptical perhaps. The question is always, well, it's great. I understand the exposure. I like the fee stream but I'm hard-pressed to see what the exit looks like. How have you evaluated that? And how do you think about that?

### **Glen Gardner**

It is something that at the lower part of the market. We see more opportunity for exit, and I think it's just a more credible path to an exit. So we definitely buy that as part of the case for smaller a manager.

### **Luke A. Sarsfield, III** *Chairman of the Board & CEO*

That's great to hear. Kris, maybe for you. We talked a lot about. I talked about and then Tom talked about and then Kate talked about, and then Michael talked about. How important having the right kind of trusted open dialogue with LPs is? And so I want to get your perspective, we bragged that we do it well. But I want to get your perspective as an LP of ours, how do we do it? Do we do it well? Where do you see it? How does that manifest itself?

### **Kris Kapoor**

Well, I think through time, it started when I first met the RCP team probably 2010 or '11, at the prior firm and what we were aiming to do at that point in time. This was a flagship and then the direct co-invest fund need for us. And that led to conversations and help in secondary and tertiary benefits for the university at the time. Fast forward, now those other exposures we don't need, but the secondaries opportunities fund for all the reasons Josh just highlighted as well as the small and emerging managers. It's going to be interesting for us because the profile of this single-family office is a little bit higher risk and taking more highly convicted shots at the next best.

So even though it may lead to us not committing as much to RCP in the future, they've always been willing and able to make those introductions as a primary -- in my mind, that's a primary partner example. And beyond that, through the years, whether it's Tom or Mike Rice, they've always acted as a sounding board as I've tried to grow the prior shop and then this firm and make critical industry recommendations and references for us. And today, my colleagues and team are taking Raj and Mary and Calvin and are founding their own relationships that will grow through time. So to me, that's a definition of a partnership.

### **Luke A. Sarsfield, III** *Chairman of the Board & CEO*

Tom, that bar is pretty high. So, Woodson, maybe to you, and we're so appreciative of the relationship that we've been able to build with you and your organization. And in particular, you started -- you guys started as an LP of RCP. And then that relationship broadened and now you do business with us across Five Points and across a number of different strategies. What was it? What did we do right? What was it that led you to have the conviction to invest more broadly across the P10 platform?

### **Woodson Whitehead**

I mean I'd say it's a few different things. Number one, operational due diligence is hugely important to us. Again, we're part of High Tower. One that is we are not going to invest. We're unable to invest with any firm where we've not sent in our own operational due diligence partners. And so for me, P10, we've done the work on P10 as an organization, which, number one, allows me to invest across all their different products. So number one, I have confidence in what they're doing at the firm level.

And number two, they are a great complement to what we're doing. I mean we run a large portfolio, and we're constantly looking for new pieces. So when we were looking at us like everyone else has been investing in direct lending and private credit. We can access it in a variety of different ways from the BDCs to the interval funds to whatever, but we were looking for something that was unique and different. I came from investment banking. I understand how leveraged loans, the sausage is made. And that's not what we were looking for. We were looking for something that was down market where they really had a differentiated advantage, and we found that with the Five Points team. We like the SBA angle.

So really everything -- when we have a view on an asset class, we try to find who can do it and who can do it differently and uniquely. So we found that with Whit and his team at Five Points, and it's been great to understand about other parts of the business today. I mean we're invested in Venture. We're invested in Venture secondaries. So it's good to hear the TrueBridge teams, what they do. So they do things. They focus on a market that's kind of down market from where our expertise is, and they're doing it differently than what -- I mean, anybody can buy the areas BDC, but that's

not what we wanted. We were looking for kind of smaller, better quality companies with better attributes than what we could find in the public markets.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

I want to spend a minute, and this is a broad question for the panel now. So maybe we can go down. You all obviously have your areas of particular expertise and you're very deep in them. But you're all been doing this a really long time. You're all sophisticated observers of kind of the alternative space and asset management generally. And there has been, I would say, there are many macro dynamics at play. But one, I think that's really come to the fore is this theme people talk about the democratization of alternatives and how it started really as an institutional type product, and now it's become very more appropriate in individual portfolios in ultra-high net worth, and now we're seeing different manifestations but even moving down from there.

From your vantage point as sophisticated observers of the industry, how do you think about that trend? How does that trend impact your business and your selection? And what do you view as either the benefits of the detriments of the trend? Maybe we'll just go down [indiscernible]. Not to put you on the spot.

**Joshua Beers**

No, it's a great question. And I think if you look at the trends over the last, call it, 15 years, there's been a reach for yield, right? And that's what has caused a lot of capital to come into the space, both on the buyout side, on the venture side. I think if you start looking at the numbers over the last 3 years, and you heard a little bit about this from the previous presentations, but there is a flight to quality. And there is groups of capital also leaving the space as risk office starting to happen.

And so I think part of that is it's good that we're seeing some of that competition gets sucked out. I think what's really important when you have competition getting sucked out is there's a lot of risk that's now being shown throughout the overall ecosystem. Part of that risk is firm risk, right? And so hiring groups like TrueBridge and RCP to help you think through that risk is really important because the last thing you want to do is be an LP stuck in a fund that we would affectionately call [indiscernible].

And so we are seeing a trend down. Now I think that's why it's important. When you think about -- it's a really hard space to invest in, unless you have the talent to be able to do that. And so it's either you bring the talent in-house or you outsource that talent.

**Glen Gardner**

I mean for us, we're spending a lot of time thinking about how to access interesting things efficiently. I mean when we're in LP, we know we're paying for that position and -- but most of our balance sheet is more direct and -- but there is not a lot of competition for that. And we have an asset manager affiliate. So in my role, I think about accessing different things in is something that I can push my affiliate to build internally. Do we want to partner with some of the more established firms? Or do we want to just do it in a simple way as an LP. And we'll do all of those things and think about how to balance them.

But for us, try to access an attractive return portfolio for the overall account efficiently, thinking about the leakage factor is something we spend a lot of time thinking about.

**Kris Kapoor**

Luke, with your question, I think about Kate's slide with the floating bar charts and selection on the alternative side. And

it seems like with this democratization, it's going to get compressed in the middle quite a bit. And so we are doing our best in our shop, we are trying not to look like beta plus a little bit. We have a risk-taking principle who doesn't want to look normal. And so we're trying to work with the best people we can to find the best partners underline to move up that bar chart, it's probably going to get a little harder through time, but we got to find the best partners.

### **Woodson Whitehead**

I mean I think it's interesting. It's just giving more opportunities to more investors. I mean the interval fund, it just seems like that is just a huge wave. I mean some of the most established managers that we've worked with for decades are now coming to us with interval funds. And I think the big question for us is, do we there's just a liquidity mismatch sometimes in interval funds. And you can see there's been some famous examples on that. So we're just kind of thinking through whether we want to stay in the traditional LP route or explore more of the interval funds. But it's definitely Middle America now has access to alternatives. And so I think that's just going to bring more capital and returns might come down a little bit with some of your average managers.

### **Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

One thing, Kris, maybe for you a little bit. We've obviously been -- historically, when you look at the P10 family portfolios is predominantly focused in North America, like disproportionately focused in North America. A couple of days ago, we announced the deal to broaden our presence into Europe a little bit. Your organization is a more global organization, you do things in Europe, you do things in the U.S. How do you think about -- when are you focused on a specific geography or region? And when do you think more globally? And how does that manifest itself in your process?

### **Kris Kapoor**

We try not to get too tactical because this particular family has liability needs or expenses in multiple jurisdictions, we do want naturally a bunch of exposure everywhere. We're building from a low base. So whereas in -- most of '23 and early '24, we spent a lot of time in U.S. lower middle market we're shifting more venture now. And on the buyout side, a couple of our guys are spending time in the Nordics and Southern Europe, believe it or not. And besides the tax complexities of that for a U.S. tax resident, we think there's going to be more excitement and more return generation over there, which really wasn't part of the nomenclature of U.S. endowment foundation in corporate world just 5 or 10 years ago.

### **Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

Interesting. And Glen, maybe to you. Obviously, you guys have a very, very sophisticated process and procedure, you have an internal kind of competitor as it were from an external manager's perspective. How do you think about that dynamic, that decision? Is it something that you do with that internal manager versus something that you do with an outside adviser? How do you make that decision?

### **Glen Gardner**

We like competition. So to the extent that an inside team has a preferred track, they certainly have access to me and my team. But we like to have a diversity of managers. I mean we find it attractive, and we find that we can get niche things that maybe our affiliate doesn't quite offer. But there can be a feedback loop to that. We find it really interesting, then we can think about building it internally as well.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

And so just maybe one more minute on that. What would you have to see in terms of the opportunity that would cause you to say I'm going to build it or maybe I'm going to partner with it and then seek to build it over time versus just continuing to do it on an outsourced basis?

**Glen Gardner**

It has to have a scale to it and it has to fit our asset liability needs. I mean, to some extent, we can target investments we find very interesting just from the return profile and maybe how they fit with the rest of the portfolio in terms of diversification. But our core has to -- we have to think about our long-term needs for our clients. And so the opportunities have to be big enough that will fit a product need for us and that we can build it and scale it over time. So it needs to be just some substance. So we can start small, but if it gets to a scale, then we can have that conversation.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

Sadly, we're coming to the end of our time. So I do just want to ask one kind of final question, speed round question, top of your head question, we can go just down the panel, one time. Is -- for people who have been doing this a really long time with a lot of expertise. As you think about the next 10 years in alternatives, what's the 1 theme or a couple of themes that you're really keeping your eye on that you think will impact and affect the industry and what's -- not to put you on the spot, but I'll start with you.

**Woodson Whitehead**

In the industry -- I think it's the liquidity. I mean, the proliferation of alternatives over the last 10 years has just -- I mean, you've seen the iCapital and the cases and now you have the interval funds. I mean it just seems to be just exploding. I mean, we're putting more and more capital there because that's where the opportunities are. And I also think from my seat, it's also where the differentiators are. Showing a client or a prospect a unique differentiated private solution that they can't get from one of my competitors also is how we try to win business. So I think just more and more capital is going there.

**Kris Kapoor**

I think for the next decade, the execution of continuation funds from the drawdown on the venture side in '22 and '23 is going to be probably one of the big differentiators in the next decade.

**Glen Gardner**

Presumably, we're going to go through a real cycle. I mean, it's been a lot of theory and a lot of like it's coming, it's coming. But is going to happen someday. And then I think then as a highly regulated company, then I think it will be more clear how we actually approach that because there's a lot of attention within the industry and even with regulators how to think about some of these things. I think there will be clarity.

**Joshua Beers**

Yes. And so I'm going to cheat. I am going to say 2 things. One is technology. I think we're going to see real big advancements in technology that we've couldn't even dream of. So I think that's on the come. And that's probably more shorter term. That's probably in the next, call it, 1 to 5 years. And then on the buyout side of things, the more mature side of things, leverage is something that we're paying really close to attention to. I think you've been hearing that in my comments just the usage of NAV loans and cross collateralization has become something that we're thinking about as distributions are shrinking up, how GPs are going to get creative.

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

Great. Well, I want to say, Josh, Glen, Kris, Woodson, thank you. That was an extraordinary panel. Really appreciate, obviously, your partnership and your client ship, but most importantly, your insights and your thoughts. So please join me in thanking them.

With that, we are going to take a short 15-minute break. There's some refreshments here, use the restrooms, and we'll be back in here 10:35 sharp to kick off.

[Break]

# Presentation

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

Can everybody -- can we get back into seats, please, because we're going to get started with Round 2. Thank you.

**Arjay Jensen**  
*EVP, Head of Strategy and M&A*

Good morning, everyone. My name is Arjay Jensen, and I joined P10 as the Head of Strategy and M&A earlier this year, with the opportunity to lead our effort to reaccelerate M&A. I'm thrilled to be at P10, and really excited to be with everyone here this morning. What Luke and I are going to do is to provide some more perspective on how we are thinking about the growth strategies that we are focused on, both organic, which Luke will talk about and inorganic, which I will then touch on. I will then spend a few minutes on our acquisition of Qualitas funds, which we announced earlier this week.

The first point to make on this slide is that we have an incredibly solid foundation that then provides us with a range of levers to drive growth. These are the things that you've been hearing about here today. World-class private market strategies with long track records, a unifying focus on the middle and lower middle market, our large and diverse client base and our business model focused on durable fee-related earnings. We think this foundation allows us to evaluate growth levers from a position of strength, where we are looking to build on and expand on what we do today.

So with that as a quick intro, I'll turn it to Luke to talk about our approach to organic growth.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

Thanks, Arjay. And thanks again for everybody for bearing with us. I really wish Sarita were up here doing this section, but it felt a little unfair to ask her to do it during her first week on the job. But I am really convinced that there is absolutely no better person to lead our efforts with clients and LPs than her. And I'm so excited to see the impact that she's going to have over the coming weeks, months and years here at P10.

But what I think you're going to see here over the next few minutes, even with me presenting by the way, is the substantial opportunity that we have before us to continue to broaden, expand and deepen LP relationships as well as continuing to enhance our product and go-to-market strategy in ways that are going to meaningfully drive and accelerate growth.

As mentioned previously, over the past 3 years here at P10, we've increased our LP base by 50% from about 2,400 LPs in 2021 at the time of our IPO, to over 3,700 LPs as we stand here today. I think this growth really speaks to the ongoing appeal of the P10 suite of investment offerings. And by the way, that 3,700 client count will expand to almost 5,000 clients pro forma for the Qualitas Funds acquisition when that transaction closes. Having said that, we believe we have the opportunity to continue to grow that LP base using a range of approaches, convening events, portfolio analysis, consultation and engagement, client cultivation, marketing and of course, perhaps the best way of all referrals from our many satisfied current existing clients.

In just a moment, I'm going to talk about the meaningful opportunity we also see to deepen and broaden the relationship though with those existing 3,700 clients. And importantly, as I'll talk about in a minute, we have the capacity and now

with Sarita, the necessary expertise to develop and expand our product offerings through differentiated product design and development.

As we've talked about at length, I feel like we are very lucky to have a robust base of existing clients across our strategies. Our clients have shown themselves to be exceedingly loyal as a result of our focus on providing great insights, exceptional returns and a favorable client experience. As I mentioned at the start, since 2022, we've seen re-up rates across all of our range of existing strategies of around 85%, which I think really underscores the tremendous work being done at the various strategies to cultivate and to delight our clients. But with that backdrop, we see a meaningful opportunity to deepen and broaden those existing relationships across more than one of our strategies. And you'll see from the slide at present, less than 5% of our LPs have invested across multiple strategies on the P10 platform. Just pause there for a minute.

The good news is that there are some very good examples of us successfully executing on this deepening approach. One example we heard about is a historical RCP client making an introduction and getting an investment into Hark while continuing to invest with RCP, and now they're in dialogue with Five Points. And so I think this is a great example of what we can do when we execute on this. We've also received many multiple inbounds from many different clients of one of our strategies, asking for an introduction to another one of our strategies. And I think we've been very successful at making that appropriate handoff.

But I think we now have the ability and the capacity to do this in a much more purposeful, scaled and client-friendly way, and doing that presents a massive opportunity for us. As Sarita works with our existing distribution team and leverages our client data and analytics, we are confident that we're going to surface many more examples of what I call natural client adjacencies and then make those connections in an appropriate and client-friendly way. Now we're under no illusions that this is always going to be relevant and timely for all of our clients, but we are really confident that there are many places where it will be, and we see an opportunity gracefully and over time to meaningfully increase that percentage of shared clients.

Another big organic growth opportunity for us comes out of our ability to engage with our clients across a broader array of vehicles and wrappers. As you can see here on the slide, the vast majority of fee-paying AUM at P10 today comes in the form of traditional co-mingled funds. And it's a great way to engage generally, given the fee rates we've achieved on those funds. Obviously, many things go into average fee rates, including timing, product mix, catch-up fees, but I think it's noteworthy that we continue to enjoy a durable fee premium to our competitors even in more similar co-mingled vehicles.

But as you can see, outside of those co-mingled vehicles, our competitors have taken in the vast lion's share of their assets in non co-mingled vehicles, albeit at lower fee rates. So we see a real opportunity to grow, one, the existing co-mingle business at P10, while two, also engaging with clients and prospects in other ways that will allow us to put our investing expertise to use on their behalf. You've heard from all our investing leaders about the tremendous capabilities and expertise we have, and we're focused on finding ways to put those skills and attributes to work on behalf of our clients. Whether structured as a separately managed account, a permanent capital vehicle, a BDC or any one of a number of potential structures, we believe that there's an opportunity to expand broadly into new vehicles and new wrappers.

And over the coming years, we're going to work to capitalize on this opportunity. We're going to use data to inform our efforts. We're going to enhance our client coverage footprint and our product architecture and we're going to work relentlessly to deliver our best-in-class investing acumen in more ways to more clients everywhere around the world. Back to Arjay.

**Arjay Jensen**

*EVP, Head of Strategy and M&A*

Thanks, Luke. As I mentioned earlier, I joined P10 with the objective of reaccelerating M&A. You've heard Luke mention our earnings calls and here today, our focus on building a proactive and process-driven effort in M&A. So why does that matter? First, being proactive pays off. As a 20-plus year M&A banker, I used to like to show clients data pulled from merger proxies, which demonstrates that if you're the initial party to prompt dialogue, not only are you the overwhelming favorite outside of an auction, but you have materially increased your likelihood of success even in an auction process.

The point is that by being proactive, you've materially increased your ability to be successful in M&A. McKinsey also does research where they show that companies proactive with proactive M&A efforts, what they call Programmatic M&A, have meaningfully higher total shareholder returns over time. So how are we going to be proactive in terms of our sourcing opportunities?

First, there were obviously situations where there was already some degree of strategic dialogue that you could see leading to a transaction when I got at the seat here at P10. Qualitas Funds is a clear and obvious example of that. They had a long relationship with RCP. They've been getting to know Hark, and P10 had a high-level strategic conversations with them that had not yet led to a proposal. Qualitas Funds -- the Qualitas Funds transaction was won as a result that we did without bankers on either side.

Second, and I think what we'll see is the most productive sourcing channel over time for us is our existing strategies. Our existing strategies are important players in the private markets in which they operate, and they are perhaps our best source of flow and critical to help us -- helping us evaluate situations. They're helping us with diligence, and we have created deal committees with leaders of strategies to help us think through opportunities and structure proposals.

Clearly, we also need to be in the flow with investment bankers covering the space. Since I had previously worked as a financial institutions banker for 24 years, our focus there is on making sure those relationships are active and communication lines are open. Last is our focus on top-down sourcing. Our internal development of targeted lists and relationship monitoring in various asset classes that we are focused on or could see ourselves focused on in the long term. So I'm going to spend the next few slides on talking about what a P10 down the middle acquisition might look like.

I'll talk about our targeted transaction structure and some of the philosophies around it. I'll talk about our strategic value proposition, and I'll spend some time on our key focus areas from an asset class, geographies and types of transaction perspective. All of this, of course, is with the intention to be a partner of choice for premium assets with the ability to deliver value and align incentives.

The first point to make here is that we are committed to our FRE-centric business model and ways to best align incentives, and that drives a few of the key components of how we think about structure. First, you will continue to see us focused on buying the fee-related earnings and leaving carry from legacy funds and the vast majority of carry from future funds with the investment teams. We will also continue to focus on making stock consideration a meaningful component of the consideration mix. And third, we think earnouts appropriately sized and structured can be used to help drive incentives for growth and lead to mutually beneficial economic outcomes.

From a financial profile perspective, we will be very focused on the impact to our growth and our balance of AUM by strategy, asset class and vehicle type. We will also be focused on fully taxed ANI EPS accretion, a new KPI, which you'll hear more about from Amanda, and we think is a more comparable to how our peers look at their non-GAAP EPS.

Lastly, our strategic value proposition. First and foremost, we offer the opportunity to become part of a growing dynamic private markets ecosystem, focused on specialty, niche and fragmented areas of alternatives with a focus on the middle and lower middle market. We also provide value in shared services, driving better operating efficiencies, data insights

informing investing and fundraising and strategic planning and support, including M&A support for our strategies.

You've heard Luke talk on earnings calls about 4 types of M&A. The overlap that we've added to this is both transaction size and time horizon. The point to make on time horizon, the near, medium and longer term that we have here is that we're not trying to run a full marathon on no training. Rather, we're building the M&A muscle, putting the processes in place and taking the reps necessary so that looking forward, we'll have the capabilities and experience to confidently engage in larger, more transformative M&A. That's Luke's crawl-walk-run, but given that we're starting to approach marathon season, I wanted to shake up the analogy.

We also talk about one move versus two moves on the chessboard. Think of a new geography, but in a familiar asset class as one move, but a new geography and a new asset class as two moves. As an example, before Qualitas, I would have told you that a European direct lending manager was really 2 moves, both geography and asset class. After Qualitas, you'll see that our strategic fit is evolving, and that is what we mean because a European direct lender will then be 1 move.

So the strategic fit evolves over time as we grow. So the way that we've thought about it is that near term, you could see us focused on 2 types of transactions. One team lift-outs or tuck-ins on the left. And two, geographic expansion through franchises that are complementary to our more scaled U.S. franchises. And that is clearly what we did with Qualitas, what you see with Qualitas. But I could see us doing that in other asset classes as well.

In terms of asset class white space, I would highlight private credit and real assets as areas of interest for us. You've heard about our credit strategies today, but we would very much like to increase the concentration of private credit. Today, we don't have a full broad-based strategy in the middle of the private credit spectrum, whether direct lending or asset-based lending.

On real assets, selected managers in both infrastructure and real estate where there is fit with our focus on specialty niche and fragmented areas of alternatives would also be interesting to us. We are also interested in opportunities that bring a new distribution component to them. For example, retail distribution. Either directly or through a manager that has a particular emphasis there.

I would note that Qualitas funds actually hits 2 of these vectors. Obviously, geographic expansion in a familiar strategy but also a new distribution channel for us through European private banks and wealth management platforms. This slide kind of brings it all together in how we think about key areas of focus for us in terms of what we think drives a successful transaction. The piece we haven't yet talked about is the team, culture and alignment component. This is obviously critical to us and starts with a team's culture and values, feeling like we have the attributes and investment team that drive the one P10 approach that Luke talked about. And we absolutely feel like we have that with Qualitas funds, which I will touch on more shortly.

You've heard a lot about the investment performance culture of our strategies today. So that's obviously also a key component. As I talked about earlier, we are also extremely focused on the transaction structure providing an appropriate alignment of incentives. And of course, we are also hyper-focused on making sure teams have depth, which includes the next generation of leadership. As we talked about, we have a robust foundation in our world-class private markets franchises and our large and diverse client base.

As Luke took you through, we see significant organic growth through deepening LP relationships as well as broadening the base through new verticals and channels. We're working to reaccelerate M&A. And with the Qualitas Funds acquisition, you can see that we're exercising the M&A muscle.

Last, I would say that we've been very focused on near-term opportunities, but we are also planting seeds for the future.

I strongly believe that M&A is a long game and what fits strategically and financially will evolve as we grow. So we thought we would also spend a few minutes on our announcement earlier this week to acquire Qualitas Funds. Qualitas Funds is a leading European private equity fund to funds manager based in Madrid, managing approximately \$1 billion in fee paying assets under management. We view Qualitas as extremely complementary to RCP. So in line with the idea of expanding internationally in asset classes that we focus on in the U.S. I talked about one move versus two moves on the chessboard earlier and really wanting to focus on one move situations. This is 100% consistent with that.

You'll also see that what you see with Qualitas is a strategy that is very in line or at least runs very closely with how RCP approaches what they do, and that is really a key component to what attracted us to this opportunity. Like RCP, they focus on the lower middle market, what they call the lower mid-market, which they define as fund sizes below EUR 500 million. The firm today is wholly owned by its 2 founding partners, Eric Halverson and Sergio Garcia, our RCP team has known Eric and Sergio since 2014, and worked with them commercially since 2017. More recently, the Qualitas team has also been working with Hark on NAV lending opportunities in Europe.

On the right, you'll see a few of the key AUM breakdowns. Their investor mix is primarily high net worth and family office predominantly in Spain. The distribution is primarily through private banks and wealth management platforms, and they have over 1,300 LPs. So this is something that I would note that we don't really have today. Retail distribution through European private banks. On the lower right, you see that their deployment is really across Europe. So while their LPs are largely Spanish-based today, their deployment is across Europe.

A little bit more on their investment approach. As I said, their investment approach is very similar to RCPs. In these next few slides, you'll see some demonstrations of that. And you'll see many parallels to what Tom walked through earlier with respect to RCP. Again, their focus is the lower mid-market. They have a data-driven investment process, supported by a robust set of data and analytics and a tool very similar to GPScout, which you will hear about a bit from Alex Abell later. They also have expanded into co-investments and secondaries. And they're in the process of deploying their second direct fund, a very path similar to what RCP followed.

Here, you see a little bit more detail on how they look at the attractive characteristics of the lower mid market in Europe. On the left, you'll see their version of the triangles graphic that RCP has been using, as Tom told us for over 20 years, which demonstrates the favorable supply-demand dynamics in the lower mid-market. On the right, you see the greater return and lower volatility dynamics of this market relative to other private equity sectors, venture and early-stage strategies in Europe as well as the attractive characteristics of the underlying company investments.

Shifting gears, I'll now spend a couple of minutes on the transaction. I think what you'll see here is very much in line with what I talked about earlier in terms of a down the middle P10 transaction framework I talked about. We are acquiring 100% of the manager and 100% of the fee-related earnings. The transaction does not include any of the carry from existing funds and going forward, 10% of the carry will be allocated to P10 employees, where the focus there is to align incentives with respect to distribution effort that we are building at the P10 level led by Sarita.

The transaction has an upfront component as well as an earn-out component. The upfront consideration of \$63 million is 2/3 cash, the vast majority of which they will be reinvesting into the funds and 1/3 P10 stock. There is also a \$35 million earn-out component which is based on the run rate net revenue associated with new funds they raised after closing the transaction, which we think is a very important element in terms of aligning incentives for growth. As with our other strategies, the team will continue to manage the business day to day, including the investment and investment committee processes. After closing, the Qualitas Board will have 3 of its 5 members from P10 with the initial Board members being Alex Abell from RCP, Amanda Coussens and myself.

From a financial perspective, we expect the transaction to be modestly accretive to fully taxed NI-EPS in 2025 and to be accretive to our FRE growth going forward. And I would note that, that financial analysis has not included any revenue or expense synergies. To close it out, from our perspective, we think this is exactly the kind of transaction that we are supposed to be doing to grow our franchise in a strategic, logical and financially accretive way. It takes us to Europe for

the first time in an asset class, an investing approach that is core to the P10 story. It expands our access to private wealth and the ultra-high net worth channels through European private banking and wealth management platforms, and it builds on existing relationships at RCP and Hark. And it does so in a transaction where we feel incentives are in line are aligned and in a way that is financially accretive to earnings and growth for our shareholders.

So with that, I'm going to turn it to Mark, who will talk about shared services and integration.

**Mark Hood**

*EVP, Chief Administrative Officer*

Good morning, again, everybody. One of the compelling and attractive elements of our business model, and you've heard several today. But we think what we want to call out is the shared services model and the corporate team provides these to the managers that join the platform. And so because we acquire businesses of varying sizes, we operate a model that can scale up or down to meet the needs of an individual firm. So we deliver a diverse set of services. They fall into 4 categories, and I'll go through those in a moment.

And by offering scalable shared services, we can acquire smaller firms like those that are composed primarily of highly talented investment professionals, but we can also acquire larger firms with more built out back offices and operational teams. So as we add firms to our platform, we gain efficiencies, scale and refine our operating capabilities.

So at our time this morning, I'll go through the core elements of the model. I'll talk about how we add value throughout the platform, and then we'll kind of connect how that fosters growth -- the organic growth program that we have and also supports inorganic growth. So the corporate team provides a wide range of these capabilities that fall into 4 categories. Financial Management; Operations; Legal, Regulatory and Compliance; and Data and Technology. So let's walk through some of them.

One of the central tenets of the shared services model is financial guidance and oversight. And we bring decades of public market experience and also private market experience to our firms. We support the internal and external audit functions and we directly support each strategy as they produce financials that form our consolidated reporting. We provide valuable insights to new financial vehicles or potential partnerships, and we're partners, we're thought leaders. And that's how we think of these relationships that we grow together.

We also share powerful banking relationships. And you may have seen recently the \$500 million refinancing that we did, the banks that participated are eager to support us across the platform in each of our strategies. And as you might expect, each of these strategies has a CFO and under Amanda's leadership, they have built incredible relationships. I think this has been a real example across the platform of how to collaborate. It's really been inspiring. This group gets together, they work on a lot of things. It could be budgeting, forecasting, compensation tax any number of issues, but they collaborate. And I think that's really -- I think one of the themes that you've heard today is the peer relationships, the fact that we work together across the platform, I think this group really exemplifies that and it's really quite inspiring.

The other part of that relationship, I think, that's really meaningful across the platform, but it's how we communicate the growth plan across to all strategies. And I think it's really got us united, it's been exciting. So to support these teams in the jobs that they're doing, we curate top-tier technology. One of the software tools we brought in this last year was Workday. It's been a game changer, things that used to take days now take hours. It's a software tool for budgeting, forecasting, we can create very simple workflows to do incredibly complex work, and we use this across the platform. So it's really been fantastic.

And the last thing I would point out is, since going public, the corporate team has also participated and helped with our strategies with fundraising and capital formation. And you've heard us refer to Sarita today a number of times. We're glad she's here, with Sarita here, we're excited to support you building a world-class and disciplined process as we

deepen and expand relationships. And as Arjay mentioned and Luke mentioned, we think we have a big opportunity set ahead of us.

So from an operational point of view, we're building a disciplined scaffolding to support a much larger business than the one we have today. We provide a wide range of support. So for example, on the human resources side, we offered guidance, support, thought leadership around a vast array of human capital. We do the simple things like payroll, taxes and we support the HRIS platform. And another example of bringing technology into the business is we brought Workday in. They are the leader in the space. And it's a great tool for employees to check their benefits, their compensation but it also makes integrating new acquisitions a lot easier and quicker. It's going to be a real game changer for us.

We also have spent, I think, considerable time on our benefits and that includes a 401(k). So since we've been public, we have, I think, improved dramatically our benefits that we offer to our employees. And I'm really proud to say that because of our buying power, for 2 years in a row, we have kept costs flat which is not easy to do. We also plan events to really build culture across the platform. So next month in Dallas, we have what we call the Next-gen Event. Everyone from -- we've got a group of people, about 27 people from around the platforms coming into Dallas for 2 days. We've got professional facilitators, and it's really about building connections, it's aligning us around how we grow the business, how we solve problems, how we do this together as a team. And finally, the last thing I would note is we manage leases and build-outs. So we have an office here in New York, where Hark, Bonaccord and Enhanced share office space.

The third area of focus for the corporate team is Legal, Regulatory and Compliance. And as I mentioned, we bring deep public company experience to our strategies. So governance, SOX, RIA compliance, employment law. It's a long list of things that we can add value to when our strategies come in. You heard a reference today to our General Counsel, Melodie Craft, who joined us a few months ago. She's adding tremendous value across the platform with thought leadership and having somebody in that role now, I think, has really been beneficial to the business, it really lets us have, I think, a world-class approach across the platform. And similar to the CFOs, the CCOs, there is one for each of our strategies. They also work together. And it's really about collaborating to get great performance across the platform.

The fourth element is really exciting and really important to what we're doing, and that's Data and Technology, it's critical to our growth path. You've heard a lot about data today. We spend a lot of time on it in the business. The corporate team provides the infrastructure, the technology and the application support, so the managers can run their strategies, manage their data and run their businesses. Each strategy has a long list of things they do, monitoring portfolios, reporting pipeline management, benchmarking, just a few of them. We provide the tools like DealCloud, like Salesforce, but we also supply the back-office, right? We are the support and I think that's a real key to really leveraging across the platform solutions. So if we do something for one of our strategies, the other strategy might need it as well, and I think there's a lot of thought leadership around that.

We also aggregate data at the corporate level. And you can see today, we've added a number of KPIs. We've reported some things that you all haven't seen before. And that's something I think we're proud of, being able to aggregate that data and really use it meaningfully and responsibly. We've sent -- I think we've spent significant resources in the last 3 years, really developing a framework that's scalable, nimble and secure. One of the critical assets, which we've now referred to Alex, I think, about 10 times in this presentation, but it's for a good reason.

Look, what you're about to see what our CPA has put together is simply amazing, and you'll see why we consider this to be a competitive advantage in our business. And at the corporate level, we also utilize data to help inform marketing and product decisions. So Sarita, you're going to have this great database to think about new products and ways to go to market.

Finally, enterprise security is a really important focus for our business. The corporate team provides the oversight to ensure platform-wide operations are kept compliant and safe.

So the outputs of these activities foster organic growth. First, the corporate team takes on the complex back-office functions. So the strategies can focus on what they do best, which is providing great alpha for clients. Secondly, we're building excellence by providing world-class tools and technology. And finally, we are uncovering and developing growth opportunities and pathways to innovation. These outputs also support our inorganic growth, potential partners find our model attractive. And because we can tailor services to any model, we can really, I think, widen the aperture. The model encourages rapid assimilation and cultural integration. And finally, the model encourages rich collaboration across the platform.

In summary, the shared services model enables our strategies to focus on what they do best, and that's focusing on the clients. It drives organic and inorganic growth, and it widens the aperture of partnerships that we can have as we scale our offerings to meet the needs of firms, large and small. It encourages collaboration, and I think it adds value to the clients. The last thing I would say, this is an amazing team that does this work, they're incredible professionals. We love what we do, and it's a pleasure to work with our strategies and serve them.

So next up, Alex, Thanks, everybody.

**Alex Abell**

*Managing Partner, VP & Head of RCP Customized Solutions- RCP Advisors*

Hello. So I'm Alex Abell, I am a Managing Partner of RCP Advisors. I'm on the investment side as some of the investment committee for our funds. I also help oversee our customized solutions, which includes things like separate accounts, joint ventures and advisory. And as we probably have guessed, I also do a lot as it relates to our research and analytics.

I want to thank my colleagues for doing all the heavy lifting on how I'm telling the audience here today of how awesome GPScout is. I will try not to disappoint. The good news is now we can relax, have a little fun and talk about what it actually is.

So before I start, one thing I'm going to sort of brief as is that I'm going to speak a lot today about data and a lot about analytics. And that sort of brings to the forefront quantitative analysis, which is extremely important. But one of the things to know about GPScout and Tom actually did a good job of sort of referencing this is that what GPScout really is, is a market intelligence hub, which contains a tremendous amount of qualitative information as well that is as equally important.

So think meeting notes with managers and other people within our ecosystem that go back over 20 years, right? Evaluations of these managers and investment professionals that go back over 20 years, their strengths, their weaknesses. Things that help us track and source investment opportunities, right? That all is done by GPScout as well. And this is institutional knowledge that's really impossible to replicate today, right? We've been doing it for 20 years consistently, and that is a tremendous asset. But what I'm going to talk about mostly today is the data part, but I want to let least get that out.

The other thing that's really important is that having all this data, both quantitative and qualitative, has allowed us to become a thought leader within our industry. We do white papers on a regular basis. We're invited to speak at conferences on best practices, especially within the LP community of folks like ILPA. We do a tremendous number of unique analysis that we distribute out to both limited partners and general partners and they value and leverage these analysis and what they do in their own work. And that -- all of that the other has increased our brand, frankly, and become known as a data and analytics and research leader within this space, regardless of our investment activities as well.

So this is somewhat of the slide that Tom showed you. The most important thing is here, again, like consistent collection of data over 20-plus years. And what's important that Tom also alluded to is that where we get our data is from the managers directly themselves, generally through SEC-regulated investment, marketing processes, right? So what that means is that our data and the quality of the data is much higher than whatever public sources that might exist out there. It's also more accurate and more in-depth than what any GP is going to provide to sort of what's called the public databases that exist.

And what's important is that we're collecting data across firms, we're collecting data across funds, over 47,000 individual transactions. It's actually much higher, and I'll show that in a second. Hundreds of thousands of operating metrics and financial measures that we use as well, okay? And so one of the things that I'd like to highlight is that while we're going to spend a lot of time today on deals and transactions because that is truly a very unique part of our database, we do a ton of analysis, obviously, at the fund level. And we also do a ton of analysis on the firms themselves that we can utilize this data.

So for example, we benchmark team depth right? We know how many team members were in place at a given fund raise of a given fund size across our market over the last 20 years. We know whether we can then look at a manager that we're evaluating and say, "Does your team match what we see as the norms in your industry, whether it be how many operating partners you have, how many deal professionals." We can also look and evaluate things like the general partners' commitment to their own fund. How big is it? How does that compare to their peers? And how does that like actually create differences in outcome for these managers over time? Similarly, how is economics and carried interest distributed among these firms and managers?

So again, we're going to talk a little about deals, which is amazing. But these are all these other things that we also do within this database that are really critically important to our evaluation of investment opportunities.

All right, so I said that, that 47,000 number was wrong. It is wrong. I looked it up this week as we were preparing these slides, it's up to 49,637. And what this very simple chart shows is like where we are getting these transaction data from in this market. So about 4,000 of the deals that we have in our database come from our direct investments within our primary funds, our secondary funds or our co-investments, right? About just under 3,000 come through our customized solutions, right? So these are our advisors, our separate accounts. And 42,000 of the 49,000 come from managers that we have no direct investment relationship with.

Now why is that important? It's important because as I go later into how we use this to evaluate managers to create proprietary benchmarks, it is critical that the data we use to create those benchmarks is not just our own data from our own managers. That is a highly biased sample set. If we want to compare it to the market, we need to actually compare to the market, right? And so what our data is, the strength of it is both, it's depth, we'll talk about the types of things that we collect, but it's also its breadth. And we are collecting data from every manager that comes through our doors, and I'll talk a little bit about that in a second. But the vast majority of our data points, regardless of what it is, are all coming from managers that we're actually not invested with.

The other important thing is that this data has been collected very consistently over many, many years. This is the last 20 years on the chart. You can see that these are transactions with performance metrics. Almost every year is over 1,000 data points, sometimes well over 1,000 data points, the 2 exceptions are the global financial crisis year, right, where data and deal level data was -- deals were just down. And then, of course, 2023, where we've seen actually deal activity decline as well.

And then most importantly, that has been mentioned many, many times here, is that the type of data that we're talking about is not just fund-level data, which is a lot of what our universe sort of focuses on. It is detailed operational metrics at the underlying company and deal level. The returns, obviously the deal level, but also things like revenue CAGR during the whole period. EBITDA, margin improvement. EBITDA CAGR, net debt levels, right? Purchase price multiples and a tremendous amount of valuation information that, as you can imagine, is extremely important, not just to our

underwriting of funds, but underwriting of co-investments and secondaries as well.

So our collection of these types of metrics is what is valuable. And the way we do it, right, is and the reason we can do it is that we have massive scale as an investor in this part of the market. We are one of the largest, if not the largest investor in the lower-middle market. Whenever we are investing in a fund, we are potentially one of the top usually 1, 2 or 3 LPs in those funds. And so we have an open door policy, right, which allows us to meet with literally hundreds of managers a year in our part of the market, and we collect data from all of them, right? As part of our process of evaluation upfront from their data rooms.

And the reason we can get the more let's call it detailed operational data that is really valuable, which oftentimes they don't put in their data rooms is because of our scale, right? And because we are a very important and potential LP for them that can sometimes also be a bellwether for their fundraising. And the way we actually sort of execute on this, as Tom mentioned, we have dedicated resources, right? We couldn't do it without it.

So we have a dedicated research team and staff, including 2 technical people who oversee some of the analytics platforms that I'll talk about in a second. And these staff actually work really hand-in-hand with our investment team. And what's interesting about our model that we did now a number of years ago, is that all of our investment analysts, they all graduate out of our research program. So they spend a couple of years doing research and sort of working with the data, which, as you might imagine, is not the most glamorous job that you can have.

But what it does do is it provides an unbelievable like sort of learning ground for them about the types of metrics we track, the importance of them and then they become our investment analysts. So they work together really well. And that gives us tremendous leverage to get all this data into our system.

The other thing that's giving us leverage, as was mentioned by Kate, of course, is that AI has become a more important thing. We've been evaluating various AI sort of solutions to try to increase the efficiency of our ingestion of this data probably for 3 or 4 years. And it's only been recently that we actually have found a vendor and a sort of a solution that we think is actually really value add. 2 days ago, we actually just finished our Phase 1 implementation, which is really focused on getting the data from our existing data. This is the managers and investments, and that has gone extremely well. That's going to allow us to actually create much more leverage to continue to incorporate more and more data over the next 5, 10 years.

So we're talking a lot about data, we're talking a lot about deal-level data. Why is this so important to how we evaluate managers and make decisions. The first reason is that the evaluation of track record and information in our part of the market is really difficult, it's very opaque. There isn't a lot of public information on things like revenue growth rates and EBITDA margins and things like that for smaller companies. It just doesn't exist.

The other issue is that the most recent investments that a manager makes in our part of the world, which is the most relevant investments that they've made, right? So this is relevant in terms of strategy, the team that actually have executed on those investments, almost always within the last fund or 2 of a manager's fund cycle the vast majority of those investments are still unrealized, right? So these are underlying investments at the deal level that don't have a final mark. And because of that, the fund level returns that we evaluate are often in a significant flux for years before they settle into their final returns.

And so what our deal-level data does is it helps add some missing pieces to the mosaic, to the puzzle, right? To help us make a better evaluation of which managers are actually outperforming their peers and which managers are not. And on the co-investment and secondary side, it helps us do a better job of underwriting expectations based on historical norms and historical data.

I'll give you some examples of those things. So one of the things that makes evaluation difficult as well, is what I'll call the vintage year benchmarking dilemma, okay? So vintage year benchmarking has been the standard way for many, many years to evaluate with our managers doing better than its peers. And the problem is that vintage year benchmarking is, by almost everybody's belief, flawed, right? And we all know that it has flaws and I'll talk a little bit about some of them. But what it does is it makes it very difficult to do an accurate job of predicting future performance based on where our managers vintage year benchmarking sits, okay. And I'll talk about some of the flaws.

So the first flaw is the vintage year idea itself, right? So what is the vintage year benchmarking do? What is the benchmark supposed to do, right? Benchmark is supposed to control for time and see how performance of a investment opportunity, an index, a manager, whatever it is, does compared to all the other opportunities that were sort of in that same time period of deployment. The problem is that vintage year benchmarking is based on when a fund starts and the definition of when a fund starts and what a vintage year should be for that particular fund is actually different depending on which provider of benchmarks you are looking at, right?

And it doesn't equate to when the dollars of that fund were actually deployed because you could have a fund that started in 2007, deployed a tremendous amount of dollars throughout that 12-month period, hit the global financial crisis and they didn't do anything for 2, 3 years. And you could also have a fund that started in 2007, did nothing for the first 18 months, right, and invested out of it -- coming out of the global financial crisis, right? Comparing those funds in the deployment timing does not tell you a lot about whether that manager is a better manager at investing in small companies, for example, and growing them than the other.

The other issue that vintage year benchmarking has is the sample sets themselves. They tend to be very small and they tend to be biased. And their biases are different. So for example, a lot of the consultants who put out benchmarking they're taking data from folks that are pitching them. The folks that are in their portfolios and their clients' portfolios, it would be like us just looking at our own portfolio and saying, what is the benchmark for all the funds and managers that we've invested in, right? For some of the public benchmarks, they have to be able to get that data, right? And the way that public sources generally get the data is either through [ FOYA ] filings from large institutional investors like pension funds or surveys. And the problem is that GPs answer these surveys, and we talk to them and we know that they aren't always completely accurate, right? So poor sample size and not really taking a true statistical sample, right, of the market. Just give you sort of, let's say, flawed results.

Vintage year benchmarking is also very difficult in matching sectors, right, and matching size because even if you have the ability to see the constituents of those vintage year benchmarks, which sometimes you don't, is that as you start to whittle down to make a benchmark that is more consistent with what your investment opportunity is that you're evaluating, all of a sudden the number of observations gets to be sort of painfully low.

The other issue we've been dealing with vintage year benchmarking for the last 5 or 6 years is that the amount of fund level, let's call them, capital lines that GPs especially in the larger part of the market have begun to implement have become longer and bigger over time. One of the reasons that GPs can often use these is that it enhances their IRR. And the problem is, so if you're looking at manager vintage year benchmarking within the last several years or let's say, the more recent fund life of those vintages, it can be very distorted by the use of leverage at the fund level, okay?

And then finally, time until meaningful. So what does that even mean? So what that means is this, is that our data shows this and even one of the largest providers of benchmark at Cambridge Associates, who many of you may know, has footnotes in their documents and their benchmarking materials that say that managers generally jump around between quartiles for years before they settle into what their final quartiles generally are. Cambridge Associates list 6 years as being sort of anything below 6 years, you have to be very careful about judging because, again, like they have very -- a lot of evidence that their underlying managers will bounce around through different quartiles. And our evidence -- our analysis says something similar, 6 or 7 years, we start to see sort of a flattening of where people are.

And the problem with that is that if you're evaluating their last fund or even the fund before that, which again, are the

most meaningful points of differentiation for them, the data from a vintage year benchmark is suspect, right? There's also a lot of academic evidence that has been published that it is the predictive power of managers that are in the first quartile at the time of fundraising of their last fund, about 25% of the time end up in the first quartile. As you might imagine, that's essentially a further dart at the dart board, right?

So anyway, so vintage year benchmarking is what we've had as an industry for a very long time. But when we look at deal-level data, it addresses many of these flaws, okay? And that's why it's important. So now I'm going to dive in examples of how our data sort of helps us make better decisions. And so there's 2 really big buckets on the way we use data at RCP and how it also leverages across P10. The first bucket, I'll call it, sort of aggregated market-ish-level data, right, where we're looking at data of various types that we talked about over time, right? So this is a screenshot of an output from our GPScout. We can see here is all the different dynamic levers we can pull in terms of filtering, right, on various things, size of company, sectors, whether they're realized or unrealized deals. This is an ROIC chart over time of unrealized deals and realized deals. So it's everything, which is why the returns are dropping down in the most recent years because marks are not high yet, and they don't have a lot of realizations.

But what you can see is that we have, from a data set percent of thousands of deals a year, right, to start from. We show the median, we can calculate the top quartile, the bottom quartile. And then we can filter this data and show the histograms that are attached to it, we can obviously alter based on that filtering by sector, by size, right? So how do we use this? If we're evaluating a primary fund opportunity that's focused on a very specific industry, we can modify these charts and filter them based on our data to show what has those types of companies over time, performed? And how they performed through a recession? How do they performed pre-recession? How they performed coming out of a recession, right? And we can include that research and that analytics into our primary fund underwriting.

If you are Dave McCoy and Jon Soffer from our co-investment team. They can look at a very specific type of deal that they're evaluating for a co-investment. They can look at what the loss ratio has been on deals within that specific sector and companies have a certain size, based on EBITDA, based on revenue, based on enterprise value, we collect all those types of data points, right? If you're a secondary as an underwriter in our team that Jon Madorsky leads and Raj Patel you might have a manager who you are buying a secondary firm or trying to buy a secondary firm, who is telling us and our ability to get this sort of access to information that they're going to grow this company in the specific subsector by 5% EBITDA growth over the next 3 years.

Well, how reasonable is that assumption, right? We can actually look at historical data. And if we find in our in our data that 80% of the companies in the space have grown 10% EBITDA or better, we can go back to the GP, why are you being so conservative here? What's about this company that its growth rate is so low? How do we think about that as our base case versus maybe a conservative case, right? So we have the ability through all of our different strategies, utilize sort of aggregated level market data filtered on various characteristics, and there's a ton of the things that we can filter on besides what I've mentioned. To help us get sort of better due diligence and better evaluation.

The second big bucket of the way we use this is deal-level benchmarking across all these different metrics, okay? So this is an example of ROIC benchmarking. So cash-on-cash returns at the deal level. This is a real snapshot of an output from our system. It's not very pretty, but that's what it is. And I've actually covered up a bunch of stuff as obviously confidentiality of all of our data is extremely important thing. And so here is where we would see company names, right? So these are all company names, different companies that are within a specific fund, a Fund III from a particular manager, okay?

And so what we have here is the time period of the deal was done. It is currently set to the calendar year, we can do 6 months or 3 months on either side of when that deal was done. We have sector, and we categorize our data through 5 levels of sector classification using Capital IQ's hierarchy. This is generally defaulting to Level 3. And the reason why we default the Level 3 is Level 1, which gives health care, industrials, right? That's not specific enough. And if you get down to Level 4 or 5 sometimes it's just too specific and your number of observations go down. But we have the ability to filter that on the fly and change it, right?

So we look at what subsector they're in, we can look at what size that company was and we can look at what they performed, this particular manager did for each of those companies in their portfolio. And then what we do is we look at all the different deals that are in our database that have those same similar characteristics, same size range, same subsector or sub subsector, right, and same time period, right? So we're looking at characteristics that are very similar. And we are very transparent about our number of observations, right? Because as you can see in the top line, in 2014, we don't have a lot of building products, deals in our database, right? And that's because private equity doesn't do a lot of building products, right? But if you look at health care and IT services, we have 100 deals, we have 37 deals, right?

And so what we have the ability to do then is benchmark on a deal level how this manager performed on investing in that deal compared to all the other deals that were done in the same time period by their peers, right? Are they generating alpha compared to their peers in a very specific investment. And then we can look at it across, again, all of the different investments. We have an average outperformance of this particular manager of 1.93x. So almost 2x better returns on average, right?

Now every deal is different. They've underperformed in some that can lead to good questions from us as we do our due diligence, right? They've over-performed on a bunch. And then this example here is this particular deal was a 3.76x benchmark, right? So the median of 37 deals in the IT services space during that time period was 3.76x. And this highlights another really valuable thing about all of our data analysis, which is if we have a manager come to us, like any other LP, they have a deck and the deck, they have their fund level returns and they'll show all the deals that they've done, right? Or maybe we're going through a case study at an onsite. And they say, yes, we do a 3.5x on this deal, that's really good. And I might say, you know what, that is pretty good, like 3.5x on a deal, we'd be very happy with that and most of the deals that we do, right?

But what we know from our data is that 3.5x in an IT services deal in this size range in this time period, vastly underperformed the market. If you didn't do a 50% more, right, did 3.7x or better, right? And in our system, we have the ability to actually click on this and actually look at all the underlying comps instantly, right? So what this allows us to do is put in perspective what a manager is telling us about their track record to be really identify whether they actually have outperformed the market and done well. Or in this case, if you do a 3.5x, you actually underperform like pretty significantly, actually, right?

And so I'm talking about ROIC in this chart, but we talked a lot about operational data. So let me give you an example about how we use it for that. If I'm the manager, and I'm sitting in front of them, and we're doing a case study and talking about how they grew this health care services company by 20% revenue. That sounds good, I guess. I mean, I don't know, it's 20% revenue growth in that particular sector. In that time period, good. I have no idea, right? So how do we figure out that, right? We do the same thing, but we do it for metrics like revenue CAGR, right? Now I can say, well, if the revenue CAGR median was 28%, well, all of a sudden, that 20% doesn't actually look that good, right? And so this is the same example, actually the same manager, same type of output chart, right, where we can compare this manager's performance against our benchmarks, right? Our proprietary deal with benchmarks in this case, revenue CAGR of companies done the same time period. We can see whether they have grown their companies better which is obviously, as Tom mentioned, a critical component of return generation in our part of the market and have they grown them better than other people doing similar deals in the same time period.

And what's important is that -- like here's a good example, right? We have a health care deal that was done in 2013, where the benchmarking of ours is 15%, and we have a health care done in 2018 where the benchmark is 23%, right, 23.6%. So if the manager tells me they're doing 20% deal -- health care revenue CAGRs on their deals, like it's really important to understand like when did that deal actually happen? Because if it happened here, they're outperforming. And if they happen at this time period, they're actually underperforming the rest of the market or -- and when I say the rest of the market, I'm talking about their peers are doing similar deals that we're evaluating, right? So this is really powerful, right? And we have the ability to do this in a really unique way.

The other thing -- the last sort of example I'm going to give is it helps us validate a narrative that a manager tells us through fundraising, right? There's marketing pitches that go on all the time. They're trying to spin what they do and it can either validate or invalidate right, what they're telling us. So this is another actual snapshot, and this is actually a situation that I actually worked on as an investment manager. And what I'm adding here at the top is a summary of each of their funds, right? So similar sort of visualization down here. And again, what you don't see is all the dynamic filtering that we can do on these things.

But what's important here is that you can see the average -- this is purchase price multiple, right? So what this is analyzing is what is this manager paid for the types of companies that they're invested in compared to their peers that were buying the same types of companies at the same time periods, right? And what you can see is that this manager goes back, it's an industrials manager -- goes back a very long time back to 1997. They started off on average, buying right around the market, maybe a little bit below, then a little bit above, then a little bit more above. And then when we get to Fund IV, which is when we were evaluating this, then we were funding Fund V, which you can see actually that trend continued. Almost 2 turns of EBITDA multiple higher than their peers. And again, these are all of the peers that were doing industrial companies, not like comparing to health care and other sectors.

And so I was sitting with this visualization in front of me on my laptop, it's all web-based. And I actually was like I turned my laptop around to the manager. I said, "Can you explain what's going on here? Like why -- and we've been investing with them for quite a while, and they produced pretty good returns. But like what is going on here? Why are you paying higher and higher prices for deals?" And the answer they gave me was, "We've been industrials for a long time, a lot of cyclicity. We like to reduce the risk in our portfolios. So we want to focus more and more on higher quality companies." And we said, "What does that mean?" and so they gave a number of different explanations, management team, end markets. But one of the metrics that they gave us that's really important was EBITDA margin. They said, we want to focus on industrial companies that have very good EBITDA margins compared to others, and we're willing to pay up for those. We think we can generate really good returns with less risk.

So at the time, we actually didn't have a visualization for EBITDA margin. We built it, this is now 6, 7 years ago. And what would we hope to see, right? We would hope to see that all the bars when we compare EBITDA margin, were green, right? Because they theoretically are buying higher quality by this proxy metric, EBITDA margin than their peers at the same time and that's what we saw. On average, almost 900 bps, which for a tech company wouldn't be that great, but for industrials that are doing between 17% and 30% EBITDA margins, right? That's a pretty significant increase. And some of them are well over 1,000 bps, right, of margin improvement.

So what does that tell us? That told us that this manager's narrative was correct. They were buying better quality companies, and we could prove it, and they were buying them for higher prices, which we clearly showed. And then the next question is, do we like that strategy, right? So our data is not a black box. It's not an algorithm that like spits out an answer, but it does do is give us context as to our investment decisions, right? And so the next question is, do we like that strategy? Can it produce outsized returns? And we did a big analysis of all the value-oriented strategies in the industrial space. We did an analysis of the what's called the higher-quality company strategies. And what we found was that you could produce outsized returns, both ways, but value-oriented strategies and industrial sort of outperformed on a more consistent basis, right? So it helped inform how we thought about this manager and the investment opportunity compared to even other investment opportunities within the industrial space. It made us more informed.

So again, I only showed you a couple of quick examples. Sometimes we do these data demos, I'll do it for like an hour, maybe more. But what's important is that I've only showed you some examples, but we can do this type of analysis on all these different metrics that we collect at the operational level of these underlying companies. And all of it goes into allowing us for whether we're doing primary, secondaries or co-investments to do a better job of understanding what is going on within the track record and then how can we use it to make predictive of how well they're going to do going forward.

And when I do data demos like this for LPs and Tom sort of discussed it a little bit, look, the reason we do this is to make

better investment returns. But there is no doubt in my mind that when we show this type of stuff to most limited partners, even ones that are doing private equity themselves directly in maybe other parts of the market, they are amazed at our ability both in the amount of data we have, but also the way we use it to make better decisions, right?

And here's the final thing that we don't talk much about is I actually do data demos for our GPs as well. Now we have to be careful what we show them in terms of actual underlying names and things like that. But we are always trying to get access to the best managers.

And similar to venture capital, not as extreme as venture capital, our part of the market access to the best managers is extremely difficult, right? And one of the things we need to show is that we are a value-add LP, right? And having the ability when a GP has a company they're looking at that maybe doesn't have a lot of data in Capital IQ because it's small, it's maybe a weird niche industry. They call us up and they say, do you have any comps right? What do you know about what the average purchase price multiple has been over the last 2 years for these companies. That creates us as a much more value-added LP to our GPs, and they really appreciate that.

So summarizing, finally done. We use it for primary fund investing. We use it for secondary and co-investing, really important. We use it to make sort of bigger picture decisions about what are the trends going on within the market, right? We know net debt levels within certain sectors within certain size companies in certain sectors, right? All that detailed information provides a tremendous advantage when we're thinking about evaluating investment opportunities.

And finally, we talked a little bit about it throughout the day so far. GPScout, obviously created by RCP over many, many years, but it is levered by our P10 family members, right? Various strategies that are obviously the most -- strategies that are like most akin to ours or I'd say, synergistic with ours, right, Bonaccord, Hark, Five Points. They all can leverage what we have built for 20 years, right? And we obviously are extremely careful about the confidentiality of the data because that's a really important part of what we do.

But for example, when Bonaccord is talking to a manager, maybe they're engaged in a process with a manager who's provided them with that track record data themselves. And Bonaccord wants to figure out how good has this manager actually been, they can access our anonymous aggregated benchmarks, right? And see like, yes, they've done this well on ROIC. They've done this well in growing their companies, right? That provides Bonaccord a tremendous amount of information about whether this is a manager you want to invest in for the long time, right?

If you're Hark or Five Points and you're evaluating specific companies within a portfolio or if you're Five Points you're lending to a company, to be able to say like, okay, well, in this specific subsector, in this size range company, what has been the loss ratios that exists for those companies historically? I'm underwriting 10% EBITDA growth for our model. How likely is that to happen given what we know historically, right? So all of this data that we collect is leverageable across our platforms in different ways, right? And that gives us a major advantage, right? And one of the things I'll sum up with is that we often talk about this data as allowing us to make and generate better returns, which is totally true. But it's -- there's 2 potential ways that can happen, right?

One is, which I know for sure it helps us with is finding the best investment opportunities that outperform. We really do believe that we have an advantage in our data to do that. The second way which may be as important is avoiding mistakes, right? We have the ability to analyze a manager's track record in a way that others cannot to try to figure out if they are truly adding alpha, right, to their companies, to their track records, to their portfolio. And I think it's as important to not make mistakes on the left side tail of outcome distribution, right, as it is to find those right tails, right? And that's why our consistency in our portfolio for so many years, I think our returns has been there.

With that, I think I'm done, I'll turn it over to Amanda. Thank you, guys.

**Amanda Coussens**

*EVP, CFO & Chief Compliance Officer*

Thank you, Alex. Okay, I'm going to start going through our financial model with you all and try to put all the pieces together regarding our business model that we've all been discussing this morning. So our robust business model leads to a financial model that is second to none in creating an ecosystem that continues to strengthen with every dollar of new capital we deploy, every new company added to our database and every new fund that launches.

Our FRE-centric financial model creates investor alignment by leaving the majority of carried interest with our investment teams, furthering investment performance and leading to a solid fee-paying AUM growth. Our fee-paying AUM growth, fee structure and financial model provide for predictable, stable earnings growth, attractive margins with operating leverage and significant cash flow generation and capital allocation optionality for our shareholders. We have shown a consistent track record of success since the IPO, exemplified a strong revenue model and have a financial model that offers a clear line of sight to continued profitable growth.

Today, I'm going to walk you through the factors that have led to our strong fee-paying AUM growth, our robust financial model, how our model presents investors with transparency, simplicity and predictability and our consistent approach to capital allocation as we execute our growth strategy.

We have had strong annual fee-paying AUM growth of 14% from 2021 through Q2 of 2024, driven by fundraising and deployment capabilities resulting in \$23.8 billion of fee-paying AUM as of June 30, 2024. Our fee-paying AUM growth and typical fee structure leads to a predictable revenue stream with almost 100% of revenue derived from management and advisory fees along with an efficient cost structure with FRE margin of 49% in the first half of 2024. Our model provides an exceptional ability to convert FRE into adjusted net income with 22% annual growth from 2021 to Q2 of 2024.

To review the model in more detail, we will first start with our fee-paying AUM, our primary driver of our revenue. Fee-paying assets under management represents the base for the calculation of our management fees. We have robust, stable fee-paying AUM, where we have shown great momentum in our growth. We have experienced substantial growth in our fee-paying AUM due to our strong fund performance, lower-middle market, middle market investment focus, data platform, diversified LP base with long-standing relationships and re-up rates, diversified and complementary product mix and continual fundraising in the market, generally raising our primary funds every 12 to 18 months, with an average of 12 funds in the market over the past few years.

It is important to understand the stickiness of our stable and growing fee base for our existing strategies as a differentiator of our financial model. Our fee-paying AUM largely consist of funds that charge fees based on committed capital through the life of the funds, which is generally 10 to 15 years. The fee base does not typically step down through the life of the fund, only the fee rate after the investment period ends. Only a small portion of our fee-paying AUM is currently based on deployed capital where we are able to charge fees as the dollars are raised rather than waiting for the funds to deploy the capital. We have an average fund life duration of just over 7 years remaining as of the end of the second quarter.

Fee-paying AUM is increased by capital raised and deployed and decreased by step-downs in expirations, as you can see in our fee-paying AUM roll-forward. Our fees are generally not charged on NAV. Most of our funds charge fees on committed capital through the life of the fund. So as capital is raised, we are able to begin charging fees on the investors' commitments. A smaller portion of our funds, primarily in the private credit solutions charges capital is deployed. A vast majority of our step downs and expirations come from our commingled primary strategies where fees are charged on commitment through the life of the fund. Step-downs represent a step down in fee base typically after the end of a 5-year investment period for our direct strategies, that charge on commitment through the investment period and invested capital thereafter as well as repayments of loan portfolios where we are charging a fee on deployed capital in our private credit businesses.

An expiration of the fund occurs as the fund winds down at the end of a predetermined 10- to 15-year fund life and a management fee is no longer charged. As our funds continue to mature, we expect to see an overall fee step-down in expiration rate of 5% to 7% of our fee paying AUM balance annually as we have seen historically. The rate generally depends on 2 factors. The timing of repayment of loans in our private credit business, and the timing of the expirations of our larger primary funds.

In addition to a sticky fee base comprised of locked-up committed capital, we also have attractive fee rates that we expect to average about 105 basis points for the year. Our fee rates have grown over time given the investment vehicles we provide to our investors and the change in mix shift from our primary funds to more direct strategies that charge higher fee rates as part of our overall fee-paying AUM. The fee rates within our primary strategies have also remained stable over the last several years with our funds growing in size, oversubscribed and seeing little to no fee pressure due to strong performance and re-up rates from existing investors.

As those who follow us know, catch-up fees or management fees charged over the time period from when a fund has its first closing to an investor coming in after the first closing commits to the fund. For example, if a fund holds its first close and start charging management fees in March, an investor comes later in the year, say, in September when they invest, they will pay a catch-up fee for the time period from March to September. We view our catch-up fees in 2 distinct categories.

The first are those from our primary funds which occur on a more regular way basis and tend to be smaller in nature, given the shorter duration of the fundraise, a number of closings that occur within that period. The second, our catch-up fees from our direct and secondary funds, which are episodic in nature and because they raise bigger funds less frequently. Catch-up fees from these strategies can be difficult to predict in size and frequency but are an important component of the economics from these strategies.

Our historical growth and diversified fee-paying AUM leads to a growing fee base and our attractive fee rates have driven high-quality revenue of 23% from 2021 to Q2 of 2024. The vast majority of our revenue consists of management fees that are earned on locked-in committed capital, which we believe makes our revenue very high quality, consistent and relatively predictable. Our revenue is also diversified across multiple investment solutions and vehicles with carefully targeted fund sizes that allow for frequent market presence as we continue our organic growth strategy. We will, on occasion, receive ancillary revenue from incentive fees that are based on performance and structure of a specific investment.

For example, there are incentive fees recognized during the second quarter of this year as a result of one client at RCP that I discussed on the last earnings call. Disclosing FRR, FRE and FRE margin will make it easier to appreciate the nature of our business model, which is built upon leaving carry with the underlying strategies for alignment and to support our relatively predictable financial model.

In addition to our strong AUM growth and high-quality revenue, we have had stable operating cost as a percent of revenue and believe that we have the appropriate operating platform to support our revenue growth. Since we expect to continue raising commingled funds with high investor re-up rates and adding additional SMA relationships, we believe that we have operating leverage in the system as we continue to execute on our growth plan. Overall, we have combined high-quality revenue, strong organic growth and an efficient cost structure, maintaining FRE margins in the mid-40s, with the ability to expand FRE margin in the future.

As we have highlighted on our more recent earnings calls, our faster-growing businesses, such as Hark and Bonaccord are also our lower-margin businesses given their direct strategies. This mix shift in our business as well as an investment in building out a world-class team is what has led to a lower margin year-over-year and drove the decrease -- excuse me, in FRE. We have had a slight increase in G&A as a percent of revenue as we have continued to invest in our fee-paying AUM growth with use of placement agents within some of our direct strategies. Near to midterm, we

continue to expect margins to average in the mid-40s annually, excluding acquisitions, with the ability to increase margins over the next few years.

Our cost structure primarily consists of compensation and benefits, relatively minimal professional fees, general and administrative costs and amortization of intangible assets as a noncash expense from the historical investment in our acquisitions and technology. We are able to grow headcount at a disciplined pace as we go through a rigorous budgeting process each year and can keep compensation cost increases down given that we have several distinct ways to compensate our employees. Our compensation structure includes cash-based compensation that is included in our FRE margin which includes base salary and an annual cash bonus that is based typically on individual and company performance. We also grant stock options annually of 2% of outstanding shares at the end of the year for employees across our strategies to encourage collaboration across the platform, furthering our employee alignment with our shareholders.

Employees also receive carried interest in the funds, their strategies managed to maintain alignment with our fund investors and does not impact our FRE margins.

I would also like to mention our historical adjustments to FRE, which primarily include nonrecurring expenses from our acquisitions, acquisition earn-outs, noncash stock-based compensation and costs associated with the changes in our management team this past year. Ultimately, we have an efficient conversion of FRE to adjusted net income with minimal leakage given our significant embedded tax assets, relatively low-cost debt structure and minimal CapEx requirements. It is the sufficient conversion of FRE to cash flow that allows P10 to continue investing into the business, both organically and through acquisition.

The cash flow generated from our adjusted net income has been historically allocated with consistent prioritization of paying dividends, M&A, stock buyback and debt pay down. Our dividends have increased by 17% since the inaugural dividend was paid 2 years ago. In addition to our dividend increase, we have also bought back 8.3 million shares for a total of \$71.9 million since the IPO. Stock buyback and M&A are not mutually exclusive. We are focused on M&A transactions where the returns from the transactions are generally greater than those from buying back stock.

In addition to the capital provided by our substantial operating cash flows, we also just announced the closing of an amendment, upsize and extension of our existing credit facilities, increasing our facility sizes from \$359 million to \$500 million, with \$175 million currently available on a revolver. This amendment provides additional financial flexibility to execute on our growth plans and extend maturities to August of 2028.

As a reminder, we have added FRR, FRE and FRE margin as new reporting metrics this year to align with our peers. We plan to begin reporting aggregate AUM as well as fully taxed ANI per share in 2025. We think both metrics will further align our key metrics with how our peers report. On AUM, we think you will see a high percentage of fee-paying AUM compared to total AUM, which we think is a positive given that we are able to begin charging on fees as capital is raised for the majority of our fee-paying AUM.

As those who follow us will know, our current ANI per share disclosure utilizes our cash tax rate and adjusted net income. As a result of our NOL tax asset, we have benefited from a low cash tax rate historically. Because our significant earnings over the last few years have allowed us to continue to utilize that NOL tax asset against our taxable income we expect that we will fully utilize the NOL portion of our tax assets sometime during 2026.

Further, I would note that our peers are generally using their statutory tax rates and non-GAAP EPS disclosure even in cases where they may have tax attributes that result in lower effective tax rates. We will still have our tax amortization remaining to offset our future taxable income that may further increase with future acquisitions.

So our straightforward, efficient financial model and capital structure presents investors with transparency and predictability as we execute our growth strategy. As we continue to grow and expand our product offerings over time, we will continue to evolve our reported KPIs, making sure that we are following similar metrics reported. So as we execute on our scalable organic and inorganic strategy, we expect to continue growing our predictable FRE-centric business model with a thoughtful, well-established capital allocation plan. We look forward to providing continued transparency regarding the execution of our growth strategy going forward. And I can say I've never been more excited to be part of P10.

So I'll now turn it over to Luke to wrap up with some closing comments. Thank you for your time today.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

I know what you're thinking "Oh, no, not him again." Bear with us. We're almost there. By now, this slide should look very familiar to all of you. Over the last 11 months, we've made tremendous progress on our team, our culture, our infrastructure and our focus on growth, all with an eye of delivering for you, our investors. This foundation that we've established will form the basis of our future success.

To remind everybody of what I said at the very start of the day, we believe that we can be the absolute category killer in specialty, niche and fragmented areas of alternatives with a disciplined focus on the middle and lower-middle markets and believe we have all the requisite attributes to achieve that status.

You've had the opportunity to hear from key leaders across the differentiated elements of our investment solutions across private equity, private credit and venture capital. And I would note that while we do have a diverse set of strategies, they're all bound together by a set of core foundational attributes, a focus on fragmented and specialized markets, a relentless focus on the middle and lower-middle market, the virtuous effect of our network and market presence and a relentless focus on delivering superior outcomes and client service for our LPs.

You've heard about the many growth vectors in our business, including expanding and deepening our client base, introducing new products and investment vehicles and executing in a proactive and disciplined way on a value-creating M&A strategy. We believe we've built the right foundation and infrastructure to support this growth, as you heard from Mark. And as you just from Amanda, our business model is built on predictable growth with clear alignment with both our limited partners and our shareholders particularly in light of our substantial insider ownership.

And now at least for the research analysts in the room, the moment you've all been waiting for. As promised, we did want to give a view as to the longer-term potential and attributes of the P10 platform. Just a few definitional comments. First, we're defining this time horizon as being just over the next 5 years through 2029. And we're focusing primarily here on the strategies that currently comprise P10, though obviously, we'll continue to execute on value-creating M&A. The upshot of all this is that over this period of time, we intend to more than double fee-paying AUM from where we are today. And we see the vast, vast majority of that fee-paying AUM increase coming from organic growth.

Additionally, as I mentioned, we will execute on appropriate, on-strategy and value-creating M&A, like the Qualitas Funds deal, which will also add to fee-paying AUM. Now turning to margins. As we've highlighted in the past, and as Amanda spoke to recently, there are 3 key dynamics that are going to impact our FRE margin outlook.

The first of those are the key investments that we've made, and we'll continue prudently to make in the business, largely focused on human capital in areas like distribution. As I hope you've taken away from today's presentation, we expect those investments to drive accelerating growth and provide a high ROI.

The second dynamic, which Amanda mentioned, is the ongoing mix shift within our portfolio of strategies here at P10.

Some of our newer and faster-growing strategies have lower core FRE margins than some of the larger and more established parts of our business.

And the third dynamic, which we think is really attractive, is the inherent operating leverage in our model, particularly as we scale assets and revenues over the coming period of time. The net aggregate effect of these three dynamics, and I say this excluding any impact from M&A, is that we see FRE margins expanding from our current near and intermediate-term target of the mid-40s percent to near to 50% in the out years.

I will again remind everyone that this is on a steady-state basis related to existing strategies, and of course, the impact of M&A on FRE margins is uncertain. With that, I want to say a few thank yous.

First, to the P10 organizing team, in particular, Sam Camp, in the back of the room, our profound gratitude you made this happen. Thank you. To our P10 presenters, thank you for all your efforts, dedication and hard work. To our LP panelists, we so appreciate your time and your insights. To all my P10 colleagues, I truly couldn't be prouder to work with such an exceptional team, and I'm energized and inspired for what comes next.

To our LP clients, thank you for your trust and for your partnership. You are the very lifeblood of our business and the reason we exist. And finally, to our shareholders, you're our public market partners, and we so appreciate your support. We're going to work every day to earn your trust and confidence. And with that, we'll take some questions.

# Question and Answer

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

Michael. We're going to pass around the mic so everybody can hear the questions.

**Michael Cyprys**

*Morgan Stanley, Research Division*

Great. Thank you for all the information and time today. Mike Cyprys, Morgan Stanley. Maybe just kicking off with the question on the outlook, and then I have a follow-up question just on the M&A side. Just, Luke, from your last slide there, fee-paying AUM to more than double over the next 5 years. So that's, call it, 15%-plus in terms of a growth outlook expectation on fee-paying AUM, I guess, and also with expanding margins.

So just putting that together, what seemed like fee-related earnings should perhaps grow at a similar clip, just given the margin profile expanding with that. Is that an appropriate conclusion? Why or why not? How would you expect that to trend? And then would you -- how do you think about bottom line earnings per share as well in the context of 15%-plus on fee-paying AUM and expanding margins? And then I'll come back on the M&A question.

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

So thank you, first of all. Great question. I'd say a few things. First of all, the goal of today was really to give a long-term view of the platform and what we thought we could achieve and what we believe and have conviction we can achieve. And so we were very specific in the guidance we gave. And that's guidance that I think we feel like we have a clear line of sight and conviction around right now.

Obviously, a lot's going to happen over the next 5 years. M&A is going to happen, hopefully, knock on wood, as we talked about. We're going to have things go better than we expect. We're going to have things go worse than we expect. One thing we've always done, and I think we're going to continue to be in the habit of doing, is giving the appropriate kind of intermediate guidance. And so as we get to the end of the year, we'll give guidance around what that '25 outlook is.

And presumably, as the clock rolls forward over those interim periods of time, we'll give guidance around that. And so what I would say is we're very confident with the guidance we've given today. We're going to stand on that guidance. And as we roll the clock forward, as has been our historical practice, and with a lot of enthusiasm for what the future holds, we'll continue to give appropriate and relevant guidance around modeling when the time is right.

**Michael Cyprys**

*Morgan Stanley, Research Division*

Great. And then just a question on M&A, it's a two-parter here. A lot of discussion here on M&A today. Just curious, why is that a meaningful focus area for P10? Why not, instead, focused predominantly on organic? And then when you think about M&A, what are some of the hurdles that you have in terms of accretion, IRR, payback period? How do you think about that?

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

Thanks, Michael. I'll start, and then I'll turn it over to Arjay for a few thoughts on that. So the first thing I would say is, I don't want to frame it as an either/or. It's not a question of will we either grow organically or will we either grow inorganically. The goal is absolutely and unequivocally to do both.

We think we can walk and chew gum. We hope we've demonstrated that today. And we believe that we have the capital and resources, Amanda and others talked about, to be able to do both in a value-creating way. And so we want to create multiple avenues. We want to create multiple levers, multiple shots on goal, to use a sports analogy, and we think we can do that.

And we think, by the way, that these things, in many cases, organic growth and inorganic growth will be mutually reinforcing. Because some of the attributes we'll acquire through M&A will be things that will help us in partnership with our existing strategies drive organic growth. And some of the best practices we've learned in the collaboration and coordination across the existing suite of strategies will enable us to be better buyers of assets and incorporators of those assets into our platform.

And so I'll stop there. Arjay, maybe you want to take some of the questions about our return thresholds and targets.

**Arjay Jensen**  
*EVP, Head of Strategy and M&A*

Yes. And I guess, just for a minute, I would say, you mentioned a lot of focus on M&A today. I mean, from my perspective, all the strategies joined the platform in some shape or form through M&A. I think all our strategies want to see us do more M&A. What we hear is our investors want to see us do more M&A.

So the goal today was to give you a framework of how we're thinking about that. So that's, I would say, kind of why the focus on it. In terms of returns, what I would say is, the goal would clearly be to do M&A where the return is greater than buying back shares. So IRR is greater than our cost of capital. Long-term EPS greater than if you bought back shares. And doing so, where fully taxed ANI EPS is accretive, I would say, I think those would be the things I would flag.

**Christoph Kotowski**  
*Oppenheimer & Co. Inc., Research Division*

Yes, good morning. Chris Kotowski from Oppenheimer. Actually, my question is, I think, mainly for Kate and Alex.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

Yes. They're right here.

**Christoph Kotowski**  
*Oppenheimer & Co. Inc., Research Division*

I thought the GPScout demonstration was very impressive, and I can see why clients would like that access to that. I'm curious, two-part question. One is, there are other publicly traded comps like Hamilton Lane and StepStone, and how does their database compare and contrast to yours? And what do you see as the differential advantages or -- and what do they have that you don't, and vice versa?

And then for Kate, I'm curious, does this kind of thing exist in venture capital land? Is deal-level attribution important? Or -- and do they -- do the VCs share the same kind of data that you could build something like this given the technology?

**Alex Abell**

*Managing Partner, VP & Head of RCP Customized Solutions- RCP Advisors*

So what I would say is that the biggest difference between our data set and RCP, historically, and now that -- what P10 is leveraging, compared to some of our other peers that you mentioned that are maybe larger platforms, is that our singular focus on one part of the market for 20-now-3 years, provides a -- has provided us really with an ability to both collect massive amounts of data from breadth, but also to be able to really dive deep into all these underlying metrics in a specific part of the market, right?

So if you were to ask us how did large market deals that KKR did or Bain Capital did over the history, and we can't answer that question, but that's not relevant to our strategy, right? So I think that our focus in this part of the market, and I would venture to say that our depth of data and the types of data we have in our part of the market is better than most other major platforms of our part of the market because of our singular focus, right? And they're collecting data at a much higher level.

The other thing is I think we have a very systematic way, we think, about collecting data from all participants in the market that we can possibly reach. And I think that for some other platforms, depending on their models, they're collecting data mainly from just things that might be more direct investment opportunities, right, as opposed to a much broader reach across things that they know won't be an investment opportunity because they don't want to spend the time on it. So again, I won't speculate too much on some of our competitors, but I think that, that's one of the things, I would say, that differentiates us.

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

Over to Ms. Kate.

**Kate Simpson**

*Partner- TrueBridge Capital*

Yes. I mentioned this in my remarks, that venture is super opaque. VCs tend to hold information quite close to their vest for a variety of reasons. And particularly, in the portfolio company level, they're very sensitive to startups -- information about startups getting out in the public realm for competitive reasons. So there are some good reasons why, in venture, the portfolio company-level information that venture investments received is not quite up to the same level as RCP in the buyout space.

When I was talking about Forbes, I was saying how important that individual personal attribution is. That's -- a venture firm would never disclose that to an existing LP or a prospective LP. And the ways venture firms present their track records when they're fundraising is not standardized. There's many different ways to slice and dice a track record. So we, of course, accept that information from them, but we also slice and dice it ourselves. We do our own comprehensive analysis to make assertions about a firm's track record.

The Forbes data is unique to TrueBridge. There are other lists that exist out there to rank VCs. But our data that we get through the submission process through Forbes is a very unique data set. It's a huge data set that we've been building for 14 years. It helps us have opinions about not just funds and firms, but people, and who are the drivers of performance within venture funds.

And particularly in this environment today, there are a lot of people moving about in venture firms, spinning out, leaving

to set up their own shops. And we can immediately have opinions on whether those investors have good track records as individuals because we have, in many cases, their deal-level personal attribution from the Forbes process.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

One and then the other.

**Kenneth Worthington**  
*JPMorgan Chase & Co, Research Division*

Okay. Good afternoon, Ken Worthington from JPMorgan. So first, Luke, how do you see operating under various brands while trying to drive, what you mentioned, I think, was a One P10 culture. So does brand and culture kind of go hand-in-hand?

And then you highlighted, when you first got to P10, that you had never heard of it before. Does a less-recognized P10 brand weigh on your ability to cross-sell, which, I think, you highlighted today as one of the priorities? And if so, do you want to build the P10 brand with LPs?

Is that easy? Is it hard? Is it costly? And does it make sense, longer term, to operate a P10 brand at the same time you're trying to elevate all the brands of your operating businesses? So I think you got 10 questions in there. Pick your favorite three, and we'll start there.

**Luke A. Sarsfield, III**  
*Chairman of the Board & CEO*

Well, look, I'd say the following, right, which is, obviously, going to market and how we go to market is super important. And it's a critical attribute for our ability to execute on our strategy and our vision, our future success. I'd also say the following. The beauty of having existing LPs is they actually know us as an organization, not just like, hey, it's a brand or it's a thing.

They know us as human beings, and they know what we do and they know what we can deliver. And they're putting their trust and their confidence. I think that's one of the things you might have heard from the LP panel, not just in, oh, gosh, it's P10. Oh, gosh, it's RCP. Oh, gosh, it's TrueBridge. Or it's Enhanced or whatever. They're saying, I know Tom. I know Michael. I know Kate. I trust those people. I want to invest alongside those people, and I know they will perform for me.

And so my guess is, when Michael, Tom or Kate call up the phone and say to an LP, "I've got a trusted partner who's also world-class at whatever it is they do, and I really think it would be appropriate and relevant for me to introduce them to you," they're going to take that call 10 times out of 10. And so I think that, that is a really foundational attribute of it.

We're always going to think about how we go to market. We have a lot of ideas, and I think we're going to continue, under Sarita's leadership, to enhance and sharpen our focus on how we think about that. We think there's value, a lot of value, in many of the brands we bought. And so we think there's huge benefit to not just foregoing that for any particular reason, there's a reason we pick these organizations.

Thank goodness, they also picked us to affiliate with, but we think there's huge brand equity in these franchises. And I think we'd be foolish if we didn't kind of continue to execute on and capitalize that brand equity. But I also think there can be brand equity in the parent brand, and I think it's something that we're going to think about and leverage in the right way.

You asked a question of will we invest in it. I don't know that we're going to embark on some massive advertising campaign where you're going to see P10 ads at the Super Bowl as a for instance. But I do think that there is always value in brand building in the right way, whether it's through convening forums, educational forums, marketing activities, kind of client portfolio, consultations.

And so we're going to do all those things in a smart, thoughtful, prudent way. And I think we see great opportunity to both highlight and underscore each of the component brands within the P10 umbrella, but also the P10 brand. But to really, as I come back to where I started, really leverage the core set of relationships we have, personal vested relationship, with those 3,700 LPs and do that in a right way.

**Kenneth Worthington**

*JPMorgan Chase & Co, Research Division*

Following up, I wanted to try to talk to you on capacity and the capacity to scale the business. So P10 focuses in a lot of area in lower middle markets, and it seems like if there are capacity constraints, they would show up there at some point over time. So clearly, you told us you think assets can double over the next 5 or so years. So are there capacity issues in parts of your business? And if so, how do you grow through them to double AUM in 5 years?

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

So I'll say a couple of things. First, on the -- and it's a great question, thank you. First, on the macro, I'm sure there are capacity constraints. And we talked about specialized fragmented niche parts of the market. I'm sure, at some point, there are capacity constraints. The other thing, I'd say, I'm pretty confident of where we stand today and even where we'll be in 5 years. I don't think we're anywhere near those capacity constraints. So I think there's ample opportunity for growth.

But I want to come back to something, and there was a great example Tom gave at RCP as to how that growth manifests itself, right? And it's not always -- I think there is sometimes a paradigm that the way that growth manifests itself is we'll have one fund. And then the next one will be 20% larger, and then the next fund will be 30% larger. And so that growth happens in a linear fashion kind of across a fund complex.

I harken back to the examples you heard today from both RCP and from TrueBridge. They've obviously focused on what they do at the core. That core has created a virtuous ecosystem around the core, that access, that market presence, and then their ability to leverage that core into new strategies is really where you've seen the lion's share of the growth, right?

And so you see it, as Tom talked about in RCP, started with the primary fund-of-funds, was able to incubate a co-investment strategy, was able to incubate a secondary strategy, was able to incubate a small and emerging manager strategy. My guess is there's more things we can do off that platform, and we'll continue to grow that platform.

Similarly, very similarly in TrueBridge, starting with that kind of core set of relationships with these differentiated hard-to-access venture capital firms, then getting to the portfolio level, direct strategy, emerging manager strategy, Bitcoin strategy, all those things will enable us to grow and leverage our position in the ecosystem. So what I would say is, are there capacity constraints in these markets? Yes.

Will our growth necessarily manifest itself in the way that you would think of as that kind of linear progression of plus 25? Plus 25, whatever the number is, probably not, in fairness. But the growth will manifest itself based on our presence and position in the ecosystem, and I think that's actually a really, frankly, more powerful and differentiated thing because it gives us more shots on goal. Hey, Ben.

**Benjamin Budish**

*Barclays Bank PLC, Research Division*

Ben Budish from Barclays. Maybe you're kind of talking about what I want to ask about, to Ken's question, and this is also a bit of a follow-up to Mike's question from earlier, but just thinking about getting to the \$50 billion of AUM by 2029. And again, I know you indicated you'll give 2025 guidance probably in a few quarters. But based on the step-down exploration fee rate, it means that you probably need to add, on average, like \$6.5 billion-plus from gross raised and deployed, which is well above what you've done in the past.

And so can you maybe just talk high level about what the ramp looks like? Because it seems like there should be like a big step-up coming. You're obviously talking about scaling horizontally and to fund over fund growth, but should we see like a meaningful acceleration? Does it come in a couple of years, and that's where the operating leverage comes from? Because I think you also indicated, near term, mid-40s, and then longer term, more of a ramp there.

And then tied into that, you indicated on an earlier slide that there is growth opportunities around larger LPs and different kind of fund structures. And so how should we think about the trade-off between fee-earning AUM growth and what the fee rate could look like as you perhaps start to pursue some of those opportunities that may come on at lower fee rates?

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

You guys are really good at getting like six questions into one. That's impressive. But let me try on a few of those. First is, I want to start here, and I want to be very clear on what we said. We said we would more than double fee-paying AUM over the period to \$50-plus billion. We said -- and I did say that the vast majority of that would come organically, but I also said that there would be some that would come inorganically. And so like in all things in life, there will be a balance across those two.

Also, to your point, you're smart, you do the math, there's going to be this fund raised and deployed, and then there's going to be the step-down element to it. And I do think one of the things we're signaling over the period of time is we have a lot of conviction around the multiple shots on goal, as I talked about, with clients to do more, to broaden, to deepen, to expand across the platform. And we think that over time, that's going to create kind of this acceleration in the platform.

To be balanced, it's not all going to happen immediately. Respectfully, I've been here 11 months, at least two more members of the team have been here less time than that. It's going to take some time to do that. When I say some time, I don't mean 5 years. I mean it's going to take a couple of years to really get this thing up and running and humming in the way we ought to. But I think, certainly, over time, to your math, there's going to be an acceleration of that cycle in very favorable ways, and we see a real opportunity to do that.

I would say, a second part of your question was around the ways in which we engage with our clients. And I did note on that one slide this question of, traditionally, we've taken in the vast majority of our capital, 85-ish percent of our capital, through what you would think of as traditional co-mingled vehicles. And we think, as you saw from our competitors, they're doing a lot more in a lot of other formats. We think we'll continue to enjoy a fee premium in that traditional co-mingled business for a lot of good reasons. Our performance, our client orientation, our outstanding investment prowess, we think, all lead to premiums in that regard.

But you're right. There's no doubt that if we do more things in what I would call differently structured vehicles, particularly SMA format, that's likely to come some fee discount relative to that. You saw that in the competitive data. You saw it in our data, by the way, right? Our fee rate is a blend of the 85 and the co-mingled vehicles and the 15 that we took in at

lower fee rates in the SMAs or in other types of vehicles.

And so clearly, as those bars move, that blended fee rate will evolve over time. But the one thing, I would say, I think that's really important is all of our ability to execute on those SMAs in whatever form they come, right, maybe they'll be structured, maybe they'll be perm cap vehicles, maybe they'll be BDCs, what have you, is based on our ability to leverage our data, our attributes and our investing team that we have today.

And so while it might be at a lower fee rate, I would think that the incremental margin we would expect, albeit at a lower fee rate, from the contribution from those types of vehicles based on that client interaction would be very, very high. And so I think as we're able to execute on that over time, that's one of these operating leverage points that would come to the fore.

**Christoph Kotowski**

*Oppenheimer & Co. Inc., Research Division*

Chris Kotowski from Oppenheimer again. Just following up on the SMA question. Obviously, you're underpenetrated there. It's a big opportunity, and I know RCP has been leading a lot of these efforts.

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

As is TrueBridge.

**Christoph Kotowski**

*Oppenheimer & Co. Inc., Research Division*

Well, okay. So then my question was, do you anticipate like are these SMA programs primarily in a given vertical? Or would it be a cross-platform that we're going to manage a \$250 million account, and there's going to be \$50 million in VC and \$100 million in private equity and, whatever, in credit and so on?

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

I'd say the answer is yes. By that, I mean, we're going to do both, is the honest answer, right? And it's an excellent question. Clearly, within our existing verticals, I think we have -- we've shown the facility to do it. We have the skills and capabilities to do it. And we're probably going to do more of it, in fairness. And we think that, that's a real big opportunity in many of our existing verticals.

But we also think -- and one of the reasons we laid things out in the way we laid them out today is we do think there's real opportunities to execute across some of these vertical lines, right? And so I would say, particularly, we talked about the relative power of our private credit strategies, which are really niche protected and differentiated. It wouldn't surprise me if we were able to do something in a much more kind of pan-P10 credit way than we've done historically. And I think that would be a real opportunity.

You talked about some of the natural adjacencies within our portfolio. We have a venture equity business and a venture debt business. We have a European -- now a European, once we close it, and a U.S.-focused private equity fund-of-funds business. There's going to be some natural grouping, some natural adjacencies, but I want to come back to one other thing. The important thing is, what we're doing is on behalf of clients. And so what we really want to be able to do is engage with our clients, hear what's on their mind, and then execute on their behalf in a world-class way.

And so it's not going to be us coming up with something because we think it's a really great idea, and we just want to do it, we want to trial it, we're in deep ongoing consistent dialogue with our LPs. Our LPs are coming to us and saying, "We trust you as an adviser. You've been a great kind of source of market intel and insight for us. We want your help in solving a problem."

Here's a problem. Here's an opportunity. Here's a space we've identified that maybe we don't have the ability, and we can't find anyone else that has the ability to execute against. Can you help us? And we want to partner with our clients to do that. Tom talked about some of the product innovation that's engendered. I think about like our multi-strategy fund.

For instance, where a client came to us and said, guys, I love everything you do on the RCP platform. I want to get that mixology. But it's really complicated for me to try to put it together and figure it out. And now I've got four subscription documents and 3 K-1s, and then so I just want to be able to set it and forget it. And we say, "Great. We can do that on your behalf." My guess is there's a legion more things like that, and those are the things we're going to focus on, Chris.

**Christoph Kotowski**

*Oppenheimer & Co. Inc., Research Division*

Okay. Two more questions or follow-ups. Number one would be, does that require a significant investment that we would notice in your financials at the P10-level fundraising team? That would be #1. And then secondly, kind of unrelated, is flash out, your approach to retail, it's obviously a huge opportunity. It is not something you've done historically. And there are other people who have established kind of products in the market. And what's your approach there?

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

So sorry, what was the first question again? I lost the first question.

**Christoph Kotowski**

*Oppenheimer & Co. Inc., Research Division*

The first one is, does your [ SMA ] strategy require a P10-level fundraising team that you're going to [ flow ] this in your financial statements?

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

So by the way, you'll notice everything in our financial statements because we fully disclose everything we do. So yes, definition will be in there. If the question is, is it something factored in that's going to be incremental and on top of whatever costs we've already guided to in terms of -- no. We've been very thoughtful about the construct of that model, that financial model that we communicated.

And we believe that we can execute on the strategy with the team we have and with the team we already believe that we want to build and we've incorporated in that model. So there will be some investment, to be clear, but that investment is already clearly factored in and enumerated in the financial model and the financial guidance we gave.

Now on your retail question. I'm going to take a little umbrage with your question, in fairness, from the following perspective. We actually have, and I think you saw when you saw our LP base, we have substantial presence in ultra-high net worth. We have substantial presence with a lot of RIAs. We have substantial presence with a lot of intermediaries in the wealth channel, including many platforms.

What we haven't done as much, I would, to be balanced, one is to create specific product wrappers for that channel. We've generally used our traditional co-mingled vehicles. And then I would say, again, to be balanced, we have not sought, and again, I'm not sure we will immediately seek, in a broad-based mainstream way to maybe access some of the largest kind of pockets of what I would call intermediate retail, like the wire houses and others.

That's a substantial investment, to your point, in team, in wholesaling, in product innovation and probably in education. And so that would create a real burden. But when you look at what we do, we actually have a very deep ultra-high net worth franchise, right? A lot of our clients are wealthy individuals, our family offices or multifamily offices. And we've been very successful in engaging with them around our current product architecture.

And now we think, as we mentioned, we think there's more opportunity to do more interesting and creative things around product design. But I would say there's, what I would call, the unintermediated part of -- or the relatively less intermediated part of the wealth market, and then there's the highly intermediated part of the wealth market. And I would bifurcate those two.

You're right. I don't think you're going to see us playing in a broad-based mainstream way, building a wholesaling team that's going to go into the Merrill Lynch or Morgan Stanley office in Peoria, Illinois. I don't think that's part of our model that we're contemplating, at least now, but who knows on the forward. But I would say, with our existing suite of LPs, who like us, who trust us, and as I mentioned, our best source of new LPs is actually referrals from our existing LPs, right?

And so you would be amazed, a number of times, we're talking to somebody, and they say, "Hey, my friend just had a monetization event, and you should really go talk to her because now she's trying to get deployed and wants kind of this kind of diversification and exposure," and we can be a real source of assistance in that. And so I do think, actually, respectfully, we are quite deep in what one would define as retail, just not kind of what maybe is traditionally thought of as the broad-based intermediated retail.

**Jonathan Bass**

*Stephens Inc., Research Division*

Thanks for taking our questions. This is Jonathan Bass for John Campbell with Stephens. I want to touch on Qualitas. I know it's early, but could you maybe speak to the financial synergies or operational efficiencies that you might be able to achieve with that acquisition, whether that's human capital management or shared technology or otherwise?

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

So thank you for the question. I'm going to say, unfortunately, I've been giving the hook. So this will be our last question, but we're going to take that question first. And I'm actually going to ask Mark and Amanda and Arjay to all speak on this question. Who wants to start?

**Mark Hood**

*EVP, Chief Administrative Officer*

I'd start.

**Amanda Coussens**

*EVP, CFO & Chief Compliance Officer*

Arjay, why don't you start?

**Mark Hood**

*EVP, Chief Administrative Officer*

Yes. Why don't you start?

**Arjay Jensen**

*EVP, Head of Strategy and M&A*

So I would say, on the operating expense side, we definitely plan to be doing the back office. So we think there are efficiencies there. There are some investments we'll make in bolstering some of the legal and accounting side. But I would say, we have not incorporated revenue synergies or detailed expense synergies into the model. We think there are revenue synergies there.

You heard us talk about Hark and Qualitas. That's part of Qualitas' plan, but the revenue that Hark would get is not baked into our synergies. They also have a Luxembourg entity, which we think we can do more with across the platform that we have not baked into our numbers. But maybe with that, I'll turn it to you guys.

**Mark Hood**

*EVP, Chief Administrative Officer*

Yes. I would just add that because of the work we've done over the last couple of years, building out our infrastructure, the software tools, the application support, the technology, I think there's a really nice opportunity with what they've built out to really, I think, refine sort of how we've worked together, and I think we're excited. We did touch on culture today.

And I think that it's also a terrific opportunity to ensure that they're really well integrated into our platform and well represented across the platform. And they already have great relationships with RCP and Hark, and we certainly want to extend those throughout the organization and really make sure that their leaders, their leadership is connected to the whole business.

**Amanda Coussens**

*EVP, CFO & Chief Compliance Officer*

Yes. And I think, certainly, we'll have some expense synergies that we should be able to realize over time. We have a whole financial accounting back office that we can help support them as well as our legal group. And then as Arjay mentioned, they have a Lux entity, which actually will bring cost synergies to other affiliates that have Lux entities as well.

So having a footprint in Europe is really important, and I think not just from a cost synergy standpoint, but we have been saying for the last several years that we were expecting to make a move into Europe or Asia. And I think we just see a lot of top line synergies available through the relationships and really having a physical presence in Europe. So I think it's both.

**Luke A. Sarsfield, III**

*Chairman of the Board & CEO*

And the last thing I would say is, when you get to know them a little better, they have a database, a proprietary database that looks eerily similar in a very good way to GPScout. And so I think the ability to bring those two platforms together and really have that kind of global reach and remit around the middle and lower middle market is going to be really profound, and we're super excited about that.

With that, I'm going to thank everybody for coming. Hopefully, you found the day interesting, instructive and helpful. There's some lunch here in the room, so we'd invite you to join us and have something to eat. And thank you very much.

**Mark Hood**  
*EVP, Chief Administrative Officer*

Thanks, everybody.

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