PORTFOLIO ADVISORS LLC

# Presentation to Mid-Atlantic UFCW

July 2017

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# Portfolio Advisors Overview

# PA Organization: A Global Presence


- Firm Overview
  - Independent, employee-owned investment firm
  - SEC-registered investment advisor; qualified professional asset manager
  - Focus on private markets investing: private real estate, private equity and private credit
    - Over $15 billion of limited partner commitments to commingled funds
    - Average of $4 billion invested in private markets per year (2012 - 2016)
  - Funds management, advisory, and administration and reporting services

| Key Statistics | |
|---|---|
| **1994** Year Founded | **$37.1 Billion** Assets Under Management[1] |
| **90+** Professionals | **250** GP Relationships |
| **150** Advisory Board Seats | **>2,000** Funds tracked in proprietary database |

[1] *As of December 31, 2016, assets under management is measured as adjusted reported value plus unfunded commitment.*

# Variety of Institutional Clients

## Portfolio Advisors Client Base

| Client Advisory[1] | | | | | Portfolio Administration Services | |
|---|---|---|---|---|---|---|
| **Pension Funds** | | | **Foundation/ Family Office** | **Asset Managers** | | |
| City of Zurich | Lyondell Chemical Company | Pension Fund of the Christian Church | Doris Duke | Threshold Group | AXA/ Equitable | Everest Reinsurance |
| Los Angeles City ERS | Nestlé USA | Utah Retirement Systems | Copré | Avadis Vorsorge AG | General Reinsurance | IBM (U.S. and Europe) |
| Los Angeles Fire and Police | Pennsylvania PSERS | | Various other family offices | Clearwater Management Company | Missouri Local Government ERS | Kåpan Pensioner |

## Benefit to the Secondary Team

- PA advises on all sub segments of the PE market: LBO, growth capital, venture, energy, real estate, special situations, and private debt
- Fund Sponsors view Portfolio Advisors as a long term secondaries investor; helps with transfer approval
- All statements, cash flows, and data are collected and organized within PA's PRIVILEGe® database

[1] *Separate account advisory clients that are not currently investing include GenRe and Sal Oppenheim. This list is not an all-inclusive list. Inclusion in this list by PA does not necessarily reflect an endorsement of PA, its funds or its services.*

# Diversified Investor Base - All Investors

| | Totals: | | | | | Average Commitment[1] |
|---|---|---|---|---|---|---|
| Category | # Investments | # Unique Investors | % | $ Committed | % | |
| Church Pension Plans | 45 | 6 | 0.4% | $3,210,600,000 | 25.9% | $71,346,667 |
| Corporate Pensions | 175 | 90 | 6.2% | $1,926,425,000 | 15.6% | $11,008,143 |
| Public Pensions | 106 | 38 | 2.6% | $2,367,747,500 | 19.1% | $22,337,241 |
| Foundations/Endowments | 364 | 179 | 12.4% | $2,033,264,544 | 16.4% | $5,585,892 |
| Family Offices/HNW | 1,473 | 1,085 | 75.1% | $1,360,598,101 | 11.0% | $923,692 |
| Insurance Companies | 62 | 27 | 1.9% | $914,950,000 | 7.4% | $14,757,258 |
| Other/Asset Managers | 24 | 13 | 0.9% | $163,550,000 | 1.3% | $6,814,583 |
| Labor Union Pensions | 12 | 7 | 0.5% | $407,500,000 | 3.3% | $33,958,333 |
| **Total** | **2,261** | **1,445** | **100.0%** | **$12,384,635,145** | **100.0%** | **$5,477,503** |

*Note: As of 6/30/2017. Numbers do not include commitments made by Portfolio Advisors in the way of General Partner commitments or crossover fund commitments. Does not include DLJ Investment Partners Fund I, II or III.*
*1 Average Commitment represents the total dollar amount committed by each category divided by the total # of investors. This is the average commitment size per investment, not per unique investor. Please see attached disclosures.*

# Overview of Private Equity

# What is Private Equity?

- Private equity funds pursue a business model that is based on investing in companies to increase the overall market value of the investment through active engagement and then exiting with a profit at a later stage
- Private equity managers often implement changes in:
  - Management
  - Board composition
  - Dividend policies
  - Company strategy
  - Operating efficiency
  - Company capital structure
  - Acquisitions/disposal plans
- Strategies include the following:

| Strategy | Description |
|---|---|
| **Buyout** | Generally use a combination of debt and equity to purchase control of companies. Sample sectors include small-cap, mid-cap and large-cap. |
| **Venture Capital** | Generally use equity to purchase an influential position in an emerging company or technology. Sample sectors include early/seed, multi-stage, and late stage/growth equity. |
| **Special Situations** | Generally involves the purchase of debt for growth, control or trading profit. Sample strategies include distressed securities, mezzanine debt, structured debt, restructuring, multi-strategy, and other debt securities and other special strategies. |

*Note: The foregoing represents Portfolio Advisors' general opinion of the private equity market and this analysis is not intended to be complete and material aspects of the foregoing may change at any time.*

# Potential Benefits of Private Equity Investments

- Private Equity investments may offer the opportunity to achieve attractive rates of return while improving portfolio diversification[1]

| | |
|---|---|
| **Performance** | Studies have shown that long-term private equity returns have out-performed public equities[1]<br>• Actual returns will vary depending on factors such as manager selection, performance and economic conditions |
| **Diversification** | Private equity, when compared to the public markets, generally involves access to private and smaller companies<br>• 118,637 private companies vs. 4,145 public companies with revenue over $15 mm in the U.S.[2]<br>• Private equity can be diversified by style, sector, industry, geography, stage, time/vintage |
| **Risk/Return Profile** | Portfolio Advisors believes the introduction of private equity into a balanced portfolio of investments may help reduce volatility and improve the overall risk/return profile of the portfolio. |

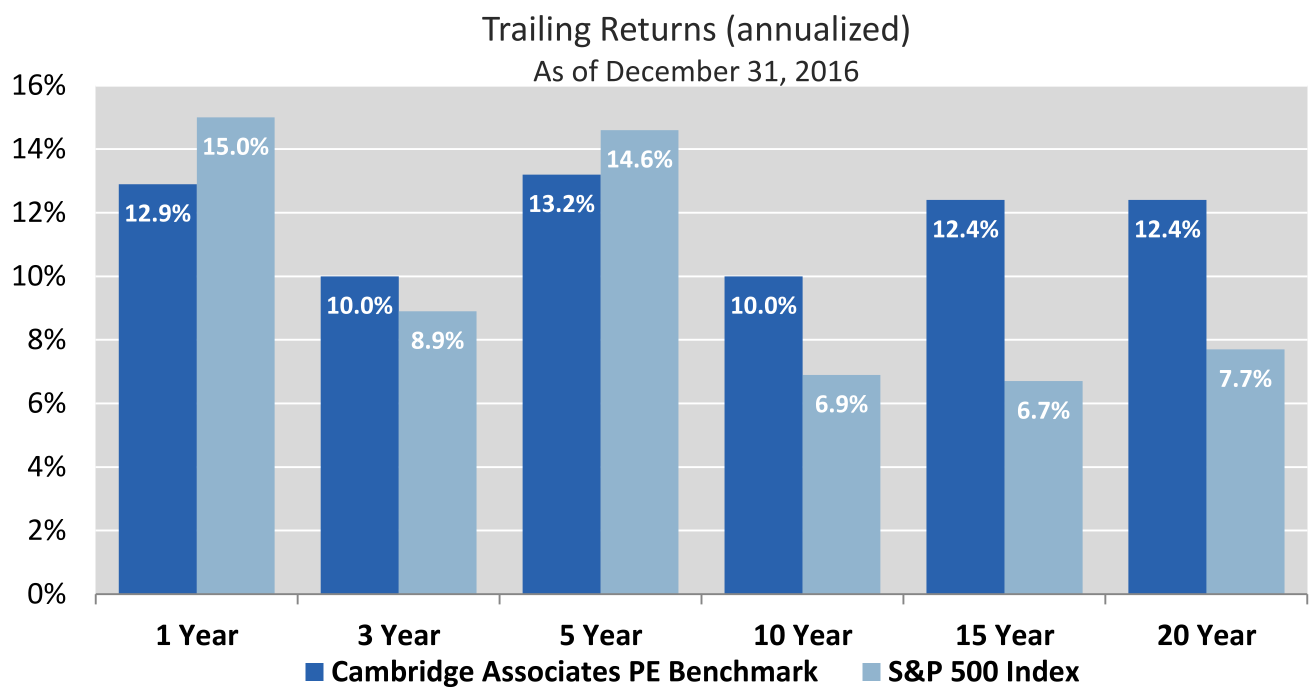
*Note: The foregoing represents Portfolio Advisors' general opinion of the private equity market and this analysis is not intended to be complete and material aspects of the foregoing may change at any time.*

*[1] Past Performance is no guarantee of future results. Investing in the private equity asset class involves a substantial degree of risk and there is no guarantee that any private equity investment will outperform public securities. Source: Private Equity Adapts to Darwinian Forces; http://www.atkearney.com/index.php/Publications.*

*[2] Source: Data as of February 15,2017, S&P Capital IQ, www.capitaliq.com*

# PE Index vs. S&P 500 Index

- PE out-performed the S&P 500 by 110, 310, 570 and 470 bps across the 3-year, 10-year, 15-year and 20-year time horizons respectively. In the 1-year and 5-year periods the public markets outperformed PE.




*Source for the chart above: Cambridge Associates all U.S. private equity funds data as of December 31, 2016, "Private Equity Index and Benchmark Statistics" and the S&P 500 Index via the Bloomberg Professional Service (Bloomberg Terminal). There is no guarantee that private equity markets or any specific private equity investment will outperform the public market or that any private equity investment will be profitable and an investor could lose all or a portion of its investment therein. The use of indexes is for illustrative purposes only. Unlike any PA sponsored fund, some indexes are unmanaged, are not available for direct investment and are not subject to management fees and other fees and expenses. A PA sponsored fund does not restrict its investments to securities in the indexes described. No index is directly comparable to the investment strategy of any PA sponsored fund. Information about the index is derived from sources that PA believes to be reliable, but PA has not independently verified them and PA does not warrant as to its accuracy or completeness.*

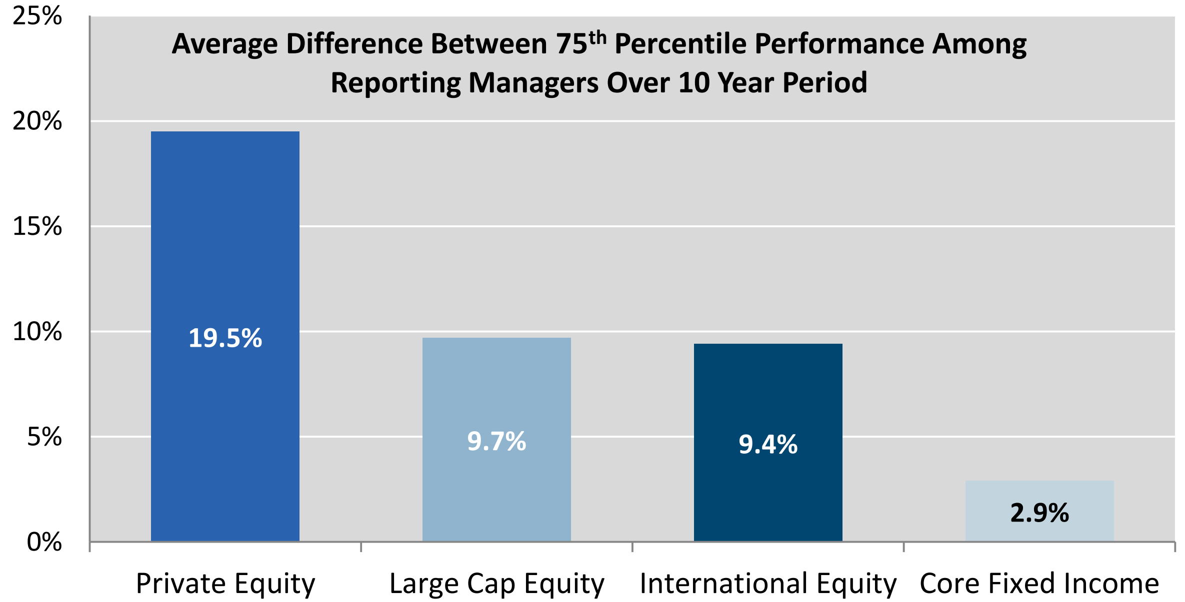
# Distinguishing Characteristics of Private Equity

- Private Equity generally targets sectors with attractive growth and value propositions
- Investment and divestment process is often non-public, allowing the owner/management to take a long-term strategic view
- Private/non-public process may result in:[1]
  - Effective deal generation ("proprietary networks")[2]
  - Favorable purchase price negotiations[2]
  - Efficient exit management (buyer, price, timing)[2]
- Specific know-how/expertise can make a difference
  - Sectors, markets, technologies, competition, etc.
  - Structuring, valuation
- Importance of accumulated experience
  - Due diligence, negotiation, valuation, exits
  - Active approach to value creation
- Private equity can in certain scenarios strengthen alignment of interests among various stakeholders

*[1] There is no guarantee that any private equity investment will result in more effective deal generation, more favorable pricing or more efficient exit management than a public investment process.*
*[2] The foregoing represents Portfolio Advisors' general opinion of the private equity market and this analysis is not intended to be complete and material aspects of the foregoing may change at any time.*

# Importance of Manager Selection

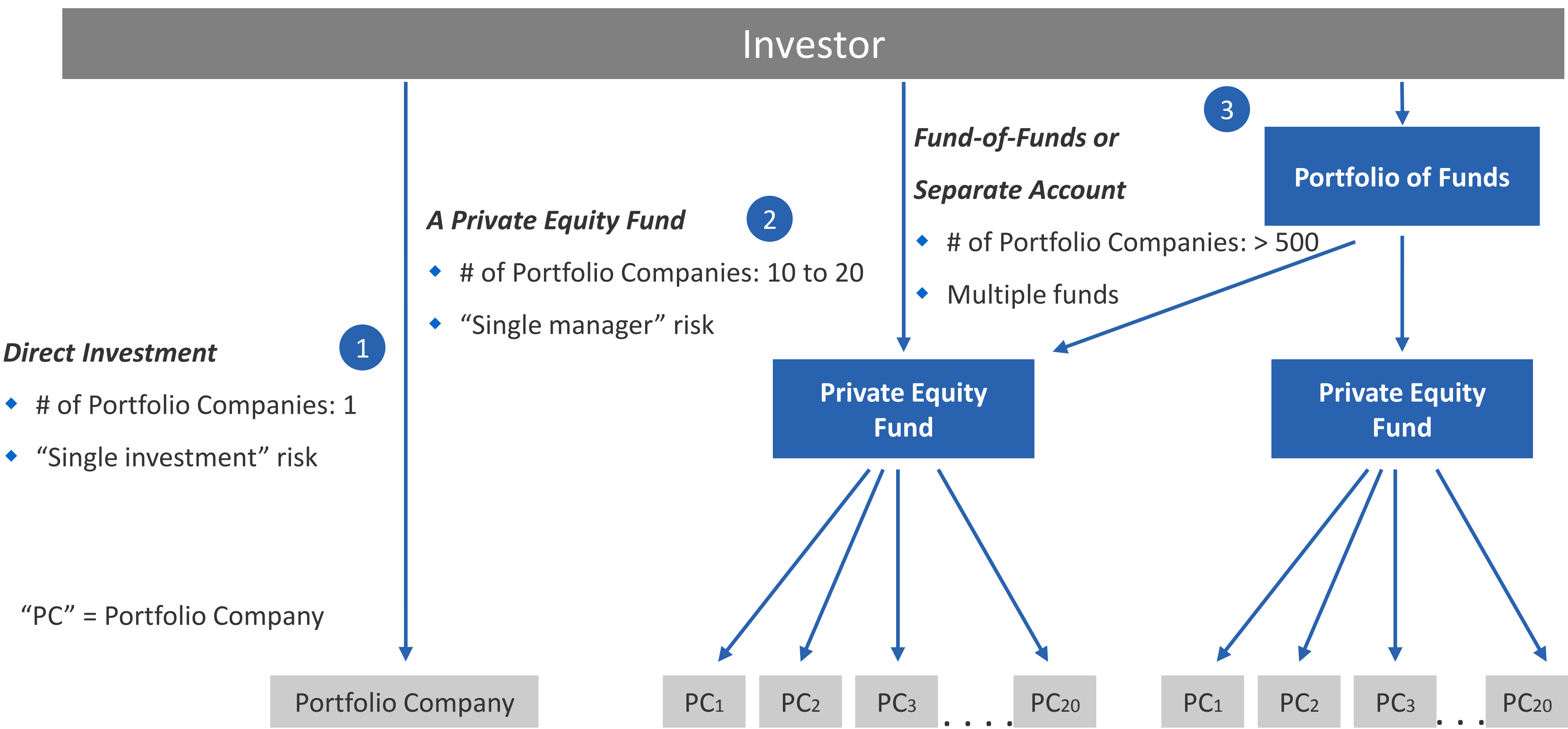
- Manager selection can make a difference in long-term performance
- The dispersion of returns in private equity highlights the importance of access to preferred sponsors
- Dedicated resources and relationships can be critical in identifying and gaining access to preferred funds




*Note: The above represents the difference between the 75th percentile and the 25th percentile performance among those managers reported in the data from the following source for the years 1999-2008: Clearbrook Perspectives; http://clearbrookglobal.com/where/clearbrook_perspectives.cfm; Revisiting the Yale Model, March 2010 (eVestment Alliance and Cambridge Associates)*

# Private Equity Investment Options

- Three examples of how investors may obtain private equity investment exposure[1]
- A fund-of-funds will provide greater diversification than a single primary fund or single company



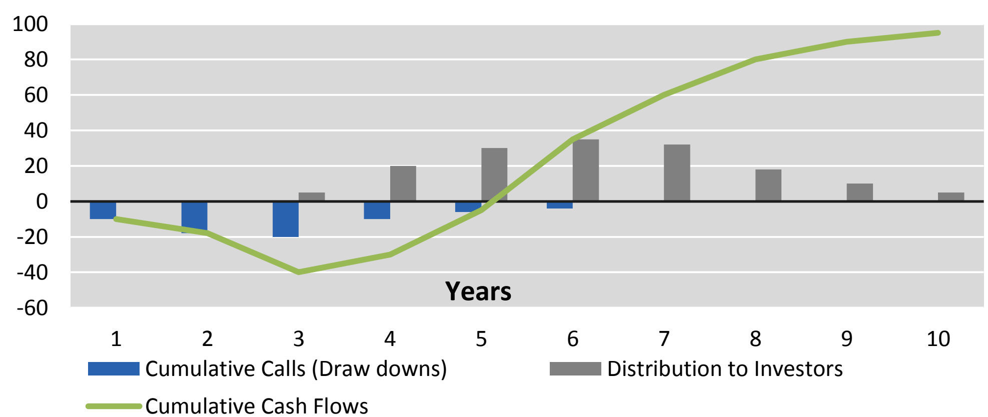

[1] *Nothing herein implies that investments made through a fund-of-funds or separate accounts are inherently less risky than a direct investment and/or an investment in a private equity fund.*

# Capital Drawdown and Distribution Profile

- The General Partner of a fund calls capital from limited partners when the fund commits capital to investments

| Fee Type | Description |
|---|---|
| **Commitments** | ◆ Private equity investments are referred to as “commitments” because the funding of investments takes place over a committed time period, and not all funding is provided immediately to the fund vehicle<br>◆ As a commitment is made, the investor is committing to provide cash to the fund on short notice from the General Partner |
| **Capital calls (also known as “draw downs”)** | ◆ The general partner of a fund calls capital from the limited partners as investments are made<br>◆ Capital is “drawn down” as needed and called, rather than in pre-set amounts according to a rigid timetable |
| **Distribution** | ◆ Cash/stock is distributed to limited partners after the general partner has exited from an investment<br>◆ Stock distributions are sometimes referred as “in-kind” distributions<br>◆ The partnership agreement governs the timing of distributions to the Limited Partners |

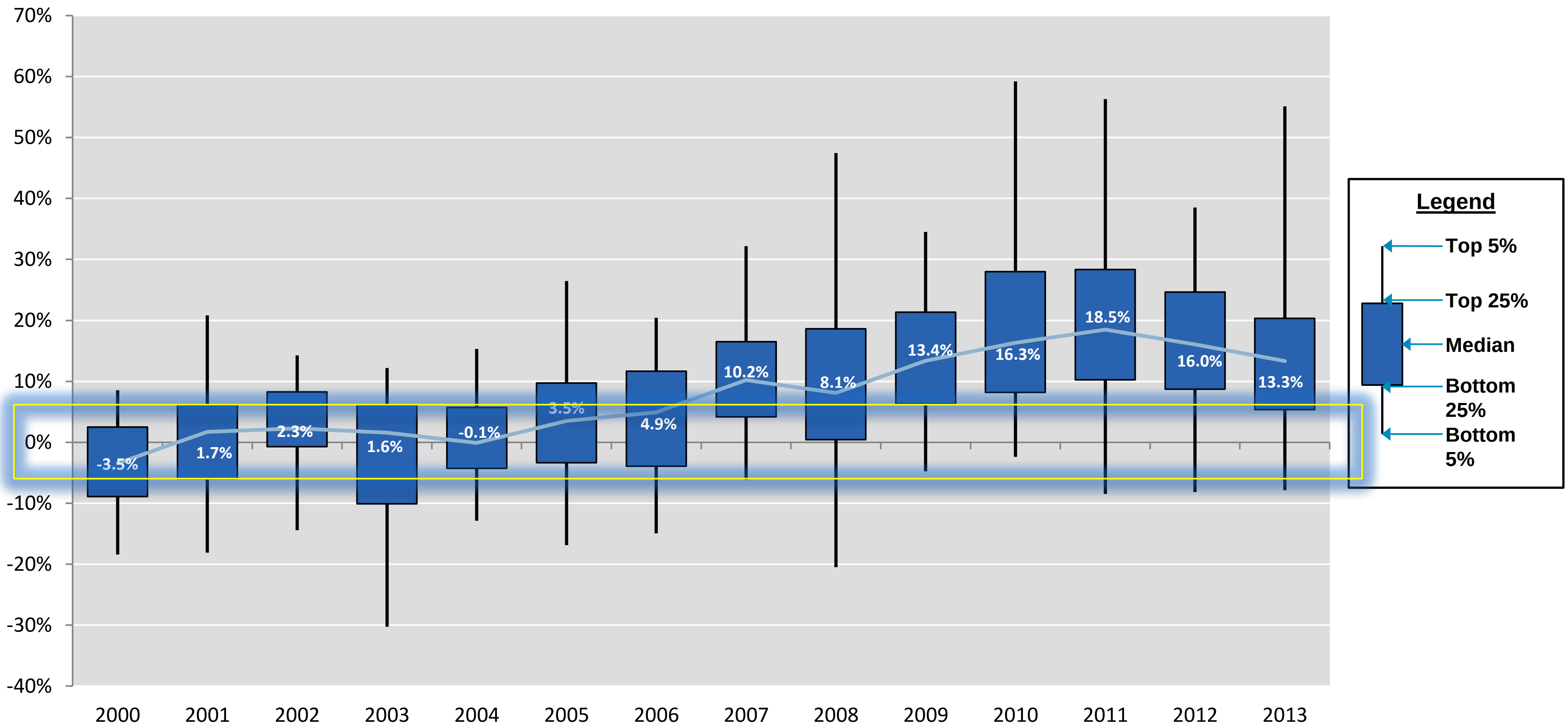
A J-curve cash flow pattern over time is created when draw-downs and distributions are combined to show the net cumulative cash flows to investors




*Source: UBS Wealth Management Research 2014*
*Note: The foregoing represents Portfolio Advisors’ general opinion of the capital drawdown and distribution cycle and this analysis is not intended to be complete and material aspects of the foregoing may change at any time.*

# All Venture Net Returns – Dispersion of Returns

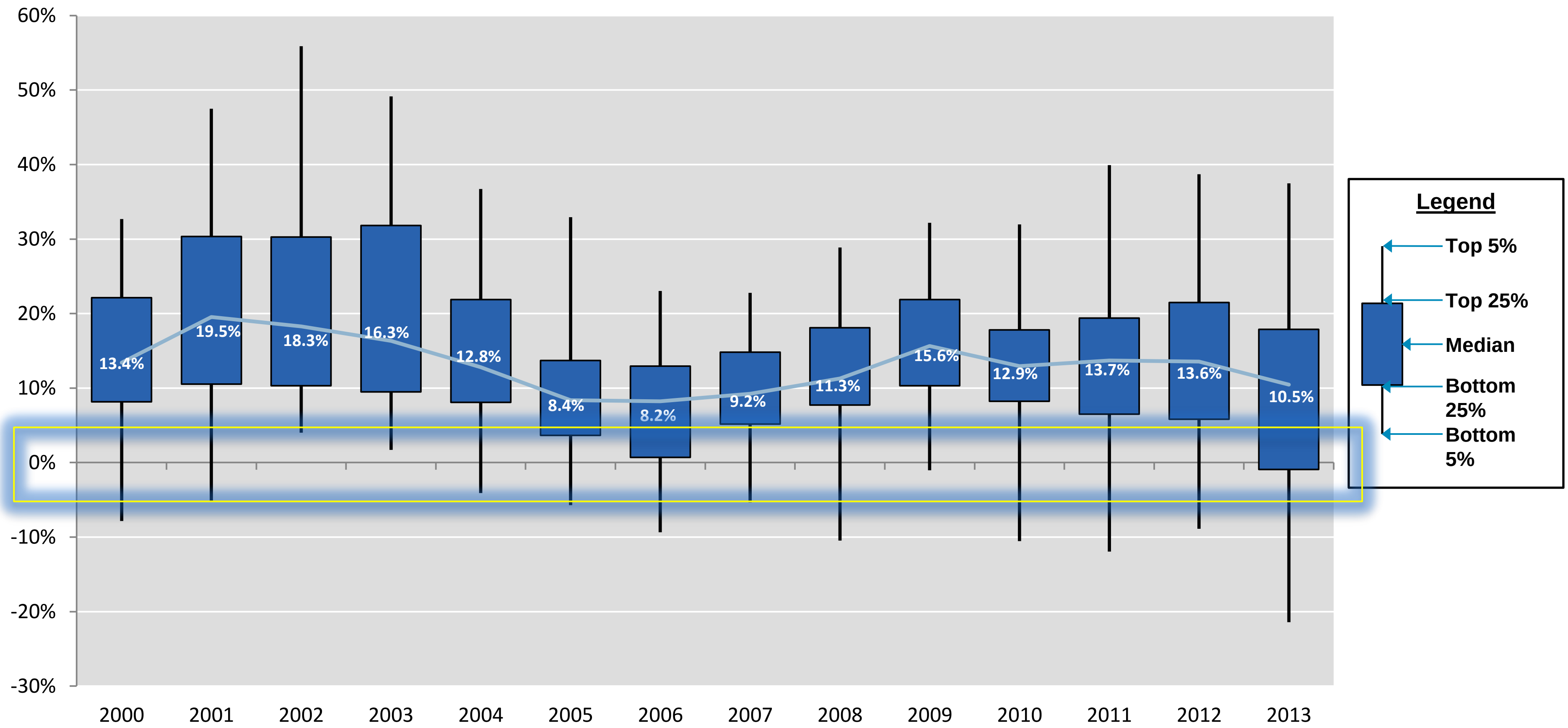
- Both within vintage years and across vintage years




*Source for the chart above: Burgiss Private iQ as of September 30, 2016, www.burgiss.com.*
*Number of funds per vintage year in sample: 2000 (125 funds), 2001 (68 funds), 2002 (30 funds), 2003 (27 funds), 2004 (55 funds), 2005 (77 funds), 2006 (102 funds), 2007 (101 funds), 2008 (90 funds), 2009 (37 funds), 2010 (46 funds), 2011 (64 funds), 2012 (77 funds), 2013 (58 funds)*

# Buyout Net Returns – Dispersion of Returns

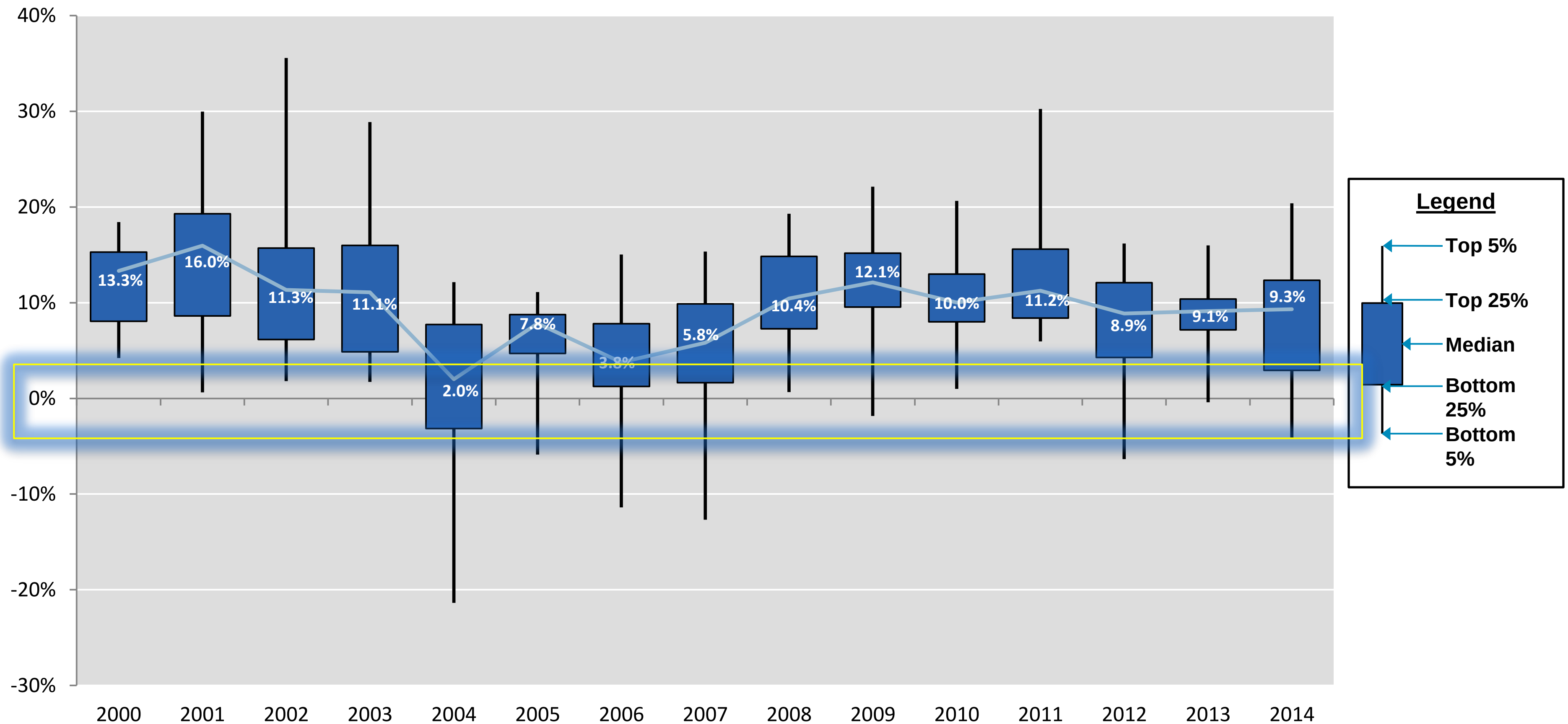
- %'s in the chart below represent median returns




*Source for the chart above: Burgiss Private iQ as of September 30, 2016, www.burgiss.com.*
*Number of funds per vintage year in sample: 2000 (79 funds), 2001 (48 funds), 2002 (37 funds), 2003 (32 funds), 2004 (78 funds), 2005 (107 funds), 2006 (134 funds), 2007 (147 funds), 2008 (129 funds), 2009 (48 funds), 2010 (51 funds), 2011 (84 funds), 2012 (87 funds), 2013 (98 funds)*

# Private Debt (Mezzanine/Distressed) – Dispersion of Returns

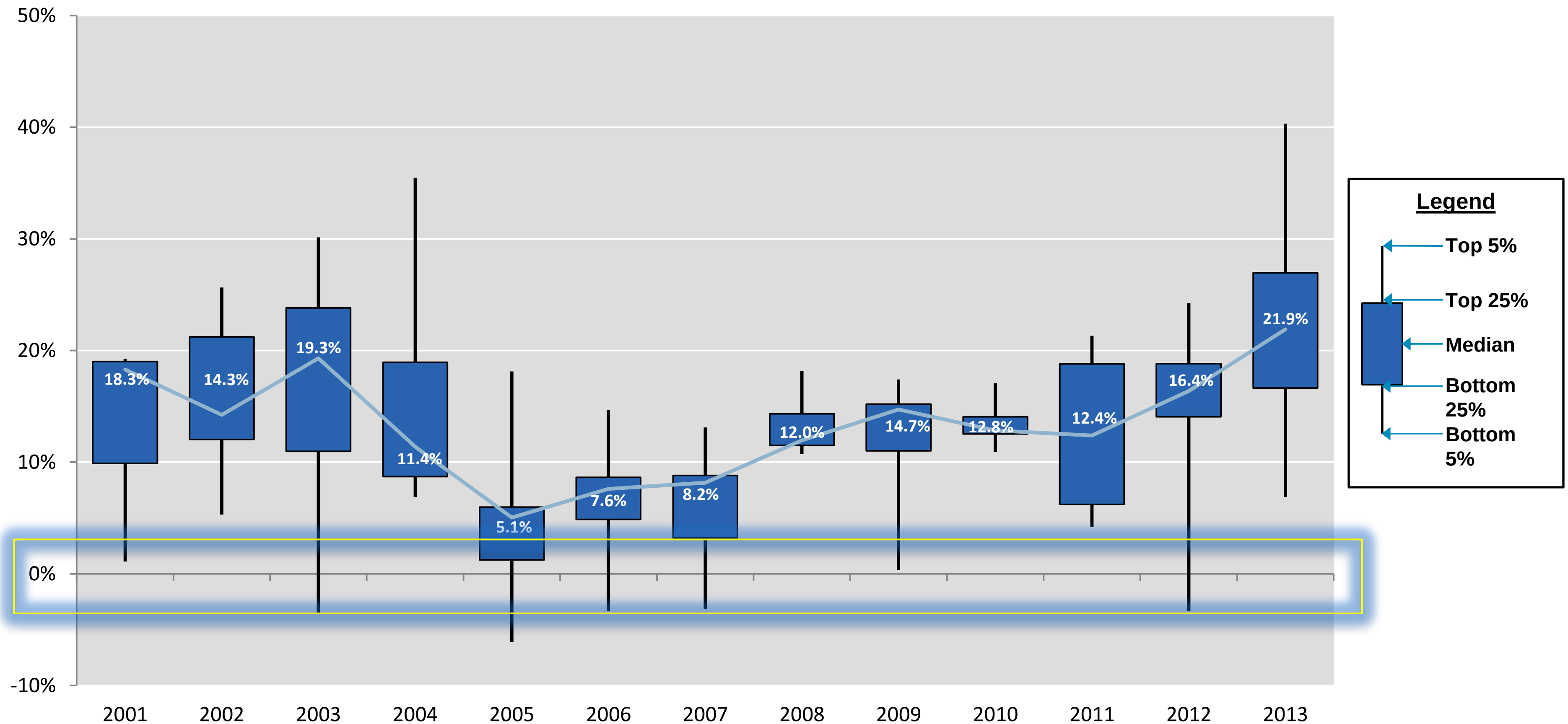
- %'s in the chart below represent median returns




*Source for the chart above: Burgiss Private iQ as of September 30, 2016, www.burgiss.com.*
*Number of funds per vintage year in sample: 2000 (10 funds), 2001 (17 funds), 2002 (14 funds), 2003 (15 funds), 2004 (18 funds), 2005 (21 funds), 2006 (27 funds), 2007 (28 funds), 2008 (46) 2009 (14 funds), 2010 (32 funds), 2011 (28 funds), 2012 (25 funds), 2013 (37 funds)*

# Private Equity Secondaries – Dispersion of Returns

- %'s in the chart below represent median returns




*Source for the chart above: Burgiss Private iQ as of September 30, 2016, www.burgiss.com.*
*Number of funds per vintage year in sample: 2001 (5 funds), 2002 (7 funds), 2003 (8 funds), 2004 (10 funds), 2005 (11 funds), 2006 (10 funds), 2007 (9 funds), 2008 (11) 2009 (8 funds), 2010 (5 funds), 2011 (4 funds), 2012 (10 funds), 2013 (21 funds)*

# Portfolio Advisors Secondaries

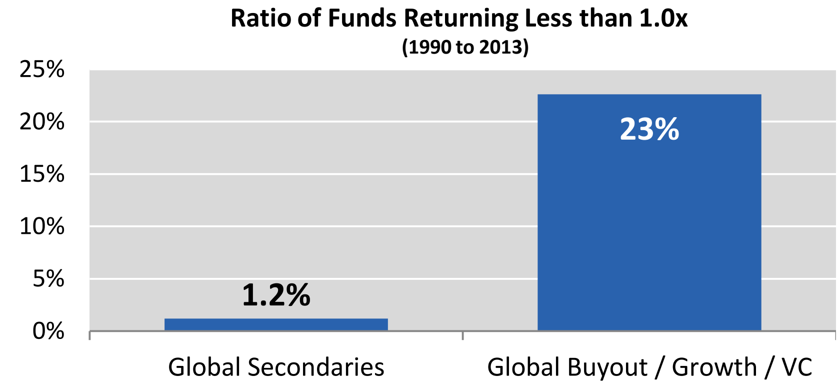
# PASF III

# Why Secondary Investments?

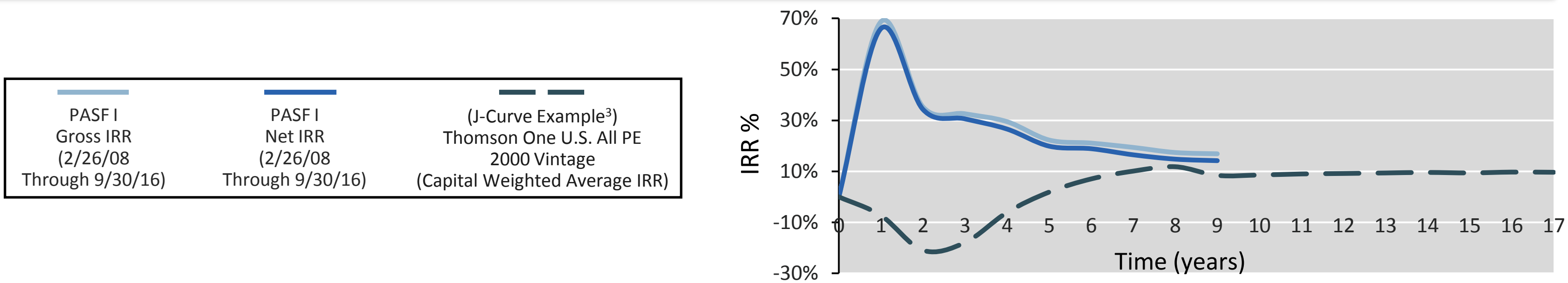
## Potential Advantages

- Increased diversification
- Faster deployment of capital
- Helps mitigation of the "J-curve"
- Earlier liquidity
- Purchase assets at a discount
- Reduction of blind pool risk

## Minimal Capital Loss Risk[1]




## Example – Managing the "J-Curve" Effect[2]




*[1] Source: Global private equity funds performance 1990 – 2013 from Preqin database, www.preqin.com, accessed on February 2, 2016.*
*[2] Past Performance is not a guarantee of future success. Gross returns are not reflective of the Net Returns realized by any investor in the Fund as Gross Returns do not include the deduction of management fees, performance fees and other Fund expenses. The Gross Returns and Net Returns of other accounts and funds may be materially different from those shown herein.*
*[3] The "J curve" is the curve realized by plotting the returns generated by a private equity fund against time (from a fund's inception to termination – in this case using an entire vintage year of funds). The J-curve shows the effect of the common practice of paying management fees and start-up costs out of early draw-downs, before the portfolio had has time to recognize value enhancement at its underlying investments. When the first positive portfolio realizations or write-ups in valuations are made, a fund's return starts to rise. Please see the sections titled "Managing the J-Curve Effect Endnotes" as well as the "Disclosure Statement," in the Appendix hereto for important information regarding the relevant periods, assumptions and risks relating to the information above. Additional information is available upon request.*

# Market Activity in the Near Term

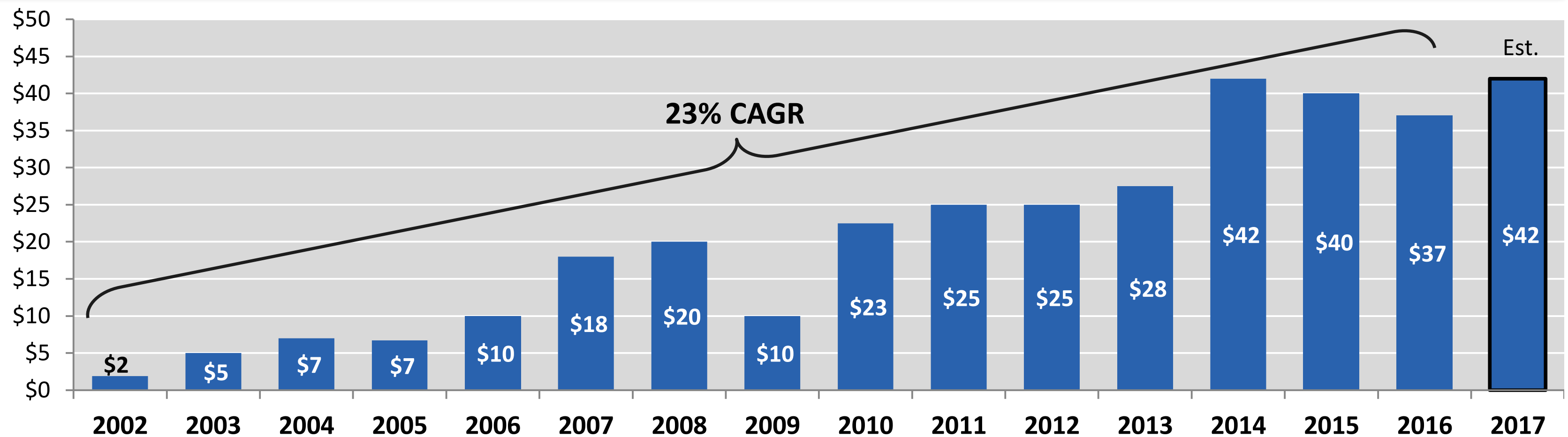
| Type of Transaction | Portfolio Management | Large Bank Portfolio Sales | Fund of Funds | Tail-End Funds |
|---|---|---|---|---|
| **Description** | Ongoing fund sales to shift allocation | On balance sheet PE investments that must be sold due to regulation | Older vehicles; potential limited partner fatigue | "Orphan" GP relationships; majority of original commitment value already distributed |
| **Opportunity** | Utilize broad network to work with sellers | Typically large, diversified portfolios; some buyers utilize leverage, driving up prices | Buy diversified portfolios at larger discounts | Buy higher IRR, shorter duration funds |
| **Typical Deal Size** | $5mm to $300mm+ | $500mm+ | $5mm to $75mm | $3mm to $25mm |
| **PA Approach** | Leverage entire global platform to source | Review portfolios to identify attractive assets, keep pricing discipline | PA has called on 100+ FoF; sourced a number of off market transactions | Leverage internal data to pinpoint funds with a high velocity of cash flows, bid selectively |
| **PA "Fit"[1]** | Strong fit | Carve out select assets | Strong fit | Strong fit |

[1] *Executed historical transactions in this space.*

# Secondary Transaction Volume Remains Robust

- Secondary market has grown rapidly since 2002
- Financial industry regulations leading to increased activity at top end of market
- Forecasts for 2017 deal volume are expected to surpass 2014 levels[1]

## Secondary volume by year[2] ($ billions)




## PA's highly selective approach

- As secondary volume has grown, many market participants have grown fund sizes correspondingly
- Increase in secondary fund sizes imply a similar "hit" rate as earlier funds
- ***Portfolio Advisors is targeting a similar fund size; allowing a high degree of selectivity and minimizing strategy shift***

*[1] Source: Greenhill, "Secondary Market Trends & Outlook, January 2017," www.cogent-partners.com*
*[2] Source: Preqin all reported secondary funds with final close in corresponding year, percentage increase from previous vintage, excludes first time funds and funds with specific geographic or asset focus. Preqin database, www.preqin.com, accessed on February 9, 2016.*

# Executive Summary

**PA Platform Advantage:**

- Employee owned; independent
- Global footprint and client base
- Multi-asset class investing
- Deep team of senior investment professionals

**Extensive Relationships:**

- Strong general partner relationships
- Viewed by the GP community as a strategic secondary buyer given PA deploys primary capital commitments of **$4B** annually
- **~75%** of funds in Portfolio Advisors Secondary Fund I ("PASF I") and Portfolio Advisors Secondary Fund II ("PASF II") represent existing sponsor relationships through fund-of-funds or advisory business
- **~90%** of the transactions in the PASF vehicles have been either exclusive, GP directed or carve-outs from limited auctions

**Propriety Database:**

- Proprietary PRIVILEGe® database contains over **2,000** fund interests managed by over **700 GPs**
- Platform and relationships lead to extensive private equity data and intelligence allowing PA to more accurately price transactions

**Attractive Fee Structure:**

- Portfolio Advisors Secondary Fund III ("PASF III" or the "Fund") has an attractive fee structure in respect to management fee, preferred return, and carry
- Management fee option to select invested capital

**Strategy & Performance:**

- Established team with extensive experience; evaluated more than **$100B** of secondary opportunities
- Focus on middle-market secondaries (deals between **$5M** and **$75M**)
- Targeted **$1.0B** fund size allows team to be very selective
- Broadly diversified by strategy, vintage and industry
- PASF I Returns (as of 9/30/16): Gross TVPI: **1.68x** / Net IRR: **14.2%**[1]
- PASF II Returns (as of 9/30/16): Gross TVPI: **1.40x** / Net IRR: **22.3%**[1]
- PASF I & PASF II are both generating strong returns without the use of leverage
- Performance driven by both discount and value appreciation

*[1] Past performance is not indicative of future results and there can be no assurance that the Fund will achieve comparable results and/or its investment objective. Please see the "Secondary Performance Endnotes" as well as the Disclosure Statement, in the Appendix for additional information. The returns for each investor in the Fund(s) may be materially different from those shown herein due to different fee schedules and timing on investment. This performance information is estimated and unaudited.*

# PA Historical Secondary Investment Experience

- Portfolio Advisors has executed more than **$4.0B** of secondaries transactions across **18 vehicles** since 2002
- Portfolio Advisors can provide a complete liquidity solution to multi-asset class private market sellers

## Portfolio Advisors Secondary Investment Funds from 2002 to 2017

PAPEF II Secondaries 2002

PAPEF III Secondaries 2004

PAPEF IV Secondaries 2006

Asia Select I Secondaries 2006

PAPEF V Secondaries 2007

**PASF I 2008**

Asia Select II Secondaries 2008

PAPEF VI Secondaries 2009

Asia Select III Secondaries 2010

PAPEF VII Secondaries 2011

PAREF IV Secondaries 2011

**PASF II 2012**

PAPEF VIII Secondaries 2013

PAREF V Secondaries 2013

Credit Strategies Secondaries 2013

PA Asia IV Secondaries 2013

PAREF VI Secondaries 2015

**PASF III 2016**

## Portfolio Advisors Secondary Investment Exposure (as of September 30, 2016)

| $s in Millions<br>PA Vehicles | Total Exposure[3] |
|---|---|
| PAPEF II - Secondaries | $46.8 |
| PAPEF III - Secondaries | $141.6 |
| PAPEF IV - Secondaries | $228.9 |
| PAPEF V - Secondaries | $243.5 |
| PAPEF VI - Secondaries | $248.0 |
| PAPEF VII - Secondaries | $193.2 |
| PAPEF VIII - Secondaries | $211.4 |

| $s in Millions<br>PA Vehicles | Total Exposure[3] |
|---|---|
| Asia I - Secondaries | $8.4 |
| Asia II - Secondaries | $5.8 |
| Asia III - Secondaries | $15.7 |
| Asia IV – Secondaries | $48.0 |
| PAREF IV - Secondaries | $236.1 |
| PAREF V – Secondaries | $463.4 |
| PAREF VI - Secondaries | $186.4 |

| $s in Millions<br>PA Vehicles | Total Exposure[3] |
|---|---|
| PASF I | $1,150.6 |
| PASF II | $935.4 |
| PASF III | $62.2 |

*Note: See the "Secondary Performance Endnotes" for additional information including inclusions and exclusions regarding the information reported above.*

# Experienced Secondary Team

Brian Murphy
Managing Director
Secondary
Investment Committee

Bill Indelicato
Managing Director
Secondary
Investment Committee

Adam Clemens
Managing Director
Secondary
Investment Committee

Ken Binick
Managing Director
Secondary
Investment Committee

John Kyles
Managing Director
Secondary
Investment Committee

Greg Garrett
Managing Director
Secondary
Investment Committee

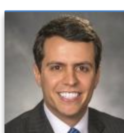
Patrick Gerbracht
Senior Vice President
Secondary
Investment Committee

Hugh Perloff
Managing Director
Secondary Investment Committee
**Head of Secondaries**

Ben Hur
Senior Vice President
Secondary
Investment Committee

Justin Lux
Vice President
Secondaries

Tim Henn
Senior Associate
Secondaries



Jorge Rossello
Associate
Secondaries

Secondaries Associate
*To be hired in 2017*

Additional pool of six junior investment professionals

# Extensive GP Relationships

- The following provides a sample of the over **250** GP relationships the secondaries team can leverage as part of the PA private equity platform
- Over **75%** of closed investments in PASF I and PASF II represent existing sponsor relationships through one or more of our primary investing platforms

**Sample of Portfolio Advisors GP Relationships**

ABRY Partners
Advent International Global Private Equity
Apax Partners
BC Partners
Berkshire Partners
Black Diamond Capital Management, L.L.C.
BV Battery Ventures
canaan partners
Cerberus Capital Management, L.P.
CVC Capital Partners
Gridiron Capital
GTCR
Hellman & Friedman
Index Ventures
Kelso
Mason Wells
Mayfield
NMC New Mountain Capital LLC
Oak Hill Capital Partners
Permira
Summit Partners
Sun Capital Partners, Inc.
TA Associates
TCV
Warburg Pincus

- PA has bought LP interests managed by **all** of the GPs above in the secondary market

*Note: Relationships shown represent the cross section of key GP relationships for the Secondaries sector. This is not an exclusive list and there is no guarantee that the fund will invest with one or more of these relationships in the future. No endorsement of PA has been made by any of the names shown herein. Highlighted funds denotes funds for which PA employees hold an advisory board seat*

# PA's Relationships Generate an Information Advantage

- PA's platform provides the Secondary Investment Team with significant sponsor information
- Access to advisory board materials for over 150 funds
- Access to daily cash flows, quarterly financial reports and annual meeting presentations from over 700 GPs
- PA relationships provide an opportunity to have direct conversations with GPs regarding fund / company performance

## PA Platform Overview

| $37.1 billion of client assets[1] | Primary relationships with over 250 GPs | Over 150 advisory board seats |
|---|---|---|

## PRIVILEGe® Database Advantage

- PRIVILEGe® is PA's proprietary administration and reporting system from PA's primary and advisory GP relationships (**more comprehensive** database compared to other pure-play secondary players)
- PRIVILEGe® contains underlying portfolio company detail and daily cash flow data for over **2,000** fund interests managed by over **700** GPs
- Access to all financial reporting for advisory clients and fund investments
- Having an information advantage enables PA to more accurately price transactions

[1] *As of 12/31/16. Assets under management is measured as adjusted reported value plus unfunded commitment.*

# PA Secondaries Track Record

- Both PASF vehicles have generated strong returns for its limited partners in all pricing environments
- Over 60% of PASF I and PASF II secondary investments have exceeded **20%** gross IRR[1]
- Approximately 90% of PASF I and PASF II secondary investments have exceeded **10%** gross IRR[1]

## PASF I & II Secondary Track Record[2]

***($s in Millions)***

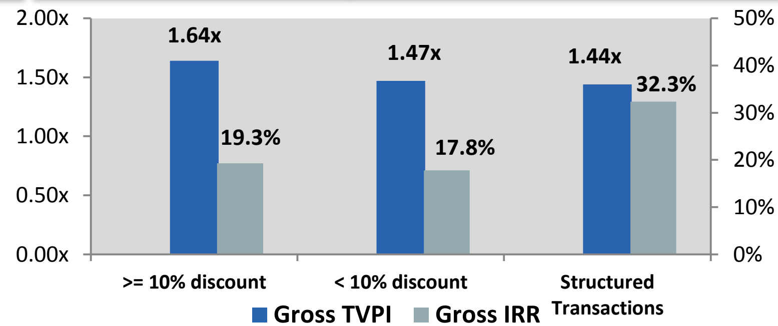
| PA Vehicles | Vintage Year | Total Exposure[3] | Contributions[3] | Distributions[3] | Reported Value[3] | Total Value[3] | Gross Multiple | Gross IRR[1,2] | Net Multiple | Net IRR[1,2] |
|---|---|---|---|---|---|---|---|---|---|---|
| PASF I | 2008 | $1,150.6 | $1,013.8 | $1,174.7 | $529.9 | $1,704.6 | 1.68x | 16.9% | 1.57x | 14.2% |
| PASF II | 2012 | $935.4 | $710.1 | $347.8 | $642.1 | $989.9 | 1.40x | 24.5% | 1.35x | 22.3% |
| **Total** | | **$2,086.0** | **$1,723.9** | **$1,522.5** | **$1,172.1** | **$2,694.6** | **1.56x** | **18.5%** | **1.48x** | **15.6%** |

## PASF I & PASF II Deal Returns by Total Exposure[1†]

| | Gross IRR | % | Total Exposure ($M)[1] |
|---|---|---|---|
| 89% | >20% | 60.1% | $1,096.8 |
| | 10-20% | 29.2% | $532.8 |
| 11% | 0-10% | 6.5% | $119.1 |
| | <0% | 4.2% | $77.6 |
| | **Total** | **100.0%** | **$1,826.3** |

*† excludes co-investment transactions*

## Returns by Purchase Price[2†]




*[1] As of September 30, 2016. For additional information, please see the section titled, "Performance of PASF I & II Secondary Transactions Endnotes," as well as the "Disclosure Statement," in the Appendix hereto for important additional information and context. Also, please see the defined term for "Total Exposure without adjustments" in the "Miscellaneous Endnotes" in the Appendix hereto.*
*[2] As of September 30, 2016. Past Performance is not a guarantee of future success. Gross returns are not reflective of the Net Returns realized by any investor in the Fund as Gross Returns do not include the deduction of management fees, performance fees and other Fund expenses. The Gross returns and Net Returns of other accounts and funds may be materially different from those shown herein. Please see the "Secondary Performance Endnotes" in the Appendix hereto for more information.*

# PASF III – Investment Strategy

## Targeted Transactions

- Target portfolio managed by high quality GPs with longstanding relationship with PA
  - Focus on mid-market buyout assets in North America / Western Europe (PA's core area of expertise)
- Focus on opportunistic transactions
  - Individual fund positions
  - Broken auctions
  - Carve-outs
  - Relationship-driven transactions
  - Structured transactions
- Leverage PRIVILEGe® and numerous GP relationships to gain a competitive advantage
- Accurately price transactions based on true bottom-up analysis of the underlying portfolio assets
- Create highly diversified portfolio across vintage years, sponsors, industries and investment strategies to mitigate downside risk
- Avoid use of third-party leverage on transactions
- Continuously monitor investment performance and evaluate exit opportunities via sale of assets in the secondary market to maximize value for limited partners

## General Underwriting Targets[1]

- **20%** gross IRR
- **15-30%** discount to fair market value
- **1.5-2.0x** gross multiple

[1] *The "General Underwriting Targets" contained herein (i.e., IRR, discount to FMV (fair market value) and gross multiple) represent Portfolio Advisors' general parameters it seeks for secondary transactions and are not a prediction or projection of future returns. There is no guarantee that any of these underwriting targets will be met. In addition, Portfolio Advisors may invest in (or gain exposure to) secondary transactions that do not meet any of these parameters. Accordingly, the actual returns, discount to FMV and gross multiples of PAPEF VIII 's secondary investments may differ materially from the General Underwriting Targets indicated herein.*

# PASF III – Overview & Key Terms

- Targeting a $1.0B fund with an LP-friendly fee structure based on closed investments

## Overview

- Launched **Q4 2015**
- Target: **$1.0B ($836.1M** Closed (as of 6/30/17)); hard cap of **$1.2B**
- Same size and strategy as PASF I and PASF II
- **Seven** transactions closed with **$215.6** million of total exposure (excluding co-investments)
- Fund offers U.S. ("Onshore") and Cayman Islands ("Offshore") vehicle for Non-US Investors
- Exposure to co-investments

## Summary of PASF III's Guidelines and Terms[1]

| | |
|---|---|
| **INVESTMENT PERIOD:** | Commitments may be made through the 5th anniversary of the Fund's final closing date |
| **GP COMMITMENT:** | 2% of total commitments |
| **PREFERRED RETURN:** | 10% preferred return |
| **CARRY:** | 10% on net gains, payable only after full **return of invested capital** |

| Management Fee | Series I Fees (Closed investment option) | | Series II Fees (LP commitment option) | |
|---|---|---|---|---|
| DESCRIPTION | INVESTMENT PERIOD (as % of value of closed investments) | THEREAFTER (as % of value of NAV of the Fund) | INVESTMENT PERIOD (as % of value of LP's commitments) | THEREAFTER (as % of value of NAV of the Fund) |
| Standard Fee Schedule | 1.25% | 1.25% | 0.85% | 1.25% |
| Large Investor (>$50mm USD) Incentive | 1.125% | 1.125% | 0.80% | 1.125% |

[1] *See the PASF III LPA for complete details.*

# Appendix

# PASF III Portfolio and Partnership Interests
# Sample Transaction

# PASF III Portfolio

- As of December 31, 2016 PASF III has exposure to seven secondary transactions representing 68 underlying funds[1]

| ($ in millions) Transaction | # of Funds | Underlying Investments | Total Exposure ($mm)[2] | Type | % Funded | Closing Date | Source |
|---|---|---|---|---|---|---|---|
| Adventure | 20 | 225 | $31.2 | Buyout/Growth/Venture | 98% | March 2016 | Exclusive |
| Runway | 2 | 41 | 13.6 | Buyout | 92% | June 2016 | Limited Auction – Carve-out |
| Pixel | 2 | 27 | 6.8 | Venture | 82% | November 2016 | Exclusive |
| Hillary | 1 | 4 | 3.3 | Venture | 84% | November 2016 | Exclusive |
| Saffron | 40 | 313 | 134.3 | Buyout/Growth/Venture | 96% | December 2016 | Limited Auction – Carve-out |
| Beehive | 1 | 25 | 18.3 | Buyout | 94% | December 2016 | Exclusive |
| Funnel | 2 | 61 | 8.1 | Fund of Funds | 97% | December 2016 | Limited Auction – Carve-out |
| Co-Investments | -- | 13 | 30.7 | Co-Investments | 100% | N/A | GP Directed |
| **Totals** | **68** | **709** | **$246.3** | | **96%** | | |

*[1] As of December 31, 2016. Note that in June 30, 2016, PASF III committed $30.7 million to PAPEF VIII-D, L.P. (i.e., the "Co-investment Sector" of PAPEF VIII). The foregoing Total Exposure reflects the entire $30.7 million of commitments, however, no additional management fees or performance allocation are being charged by PAPEF VIII-D, L.P. to PASF III with respect to these commitments.*
*[2] Please see the defined term for "Total Exposure without adjustments" in the "PASF III Transaction Endnotes" in the Appendix hereto.*

# PASF III – Partnership Interests

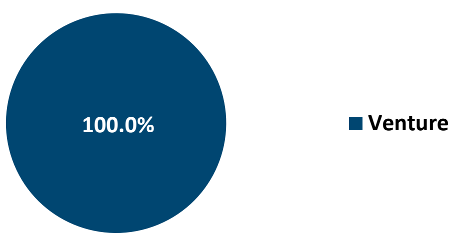
| Partnerships | | |
|---|---|---|
| Accel VIII L.P. | Columbia Capital Equity Partners IV (Non US) L.P. | North Bridge Venture Partners V, L.P. |
| Advent International GPE VI L.P. | ComVentures VI, L.P. | Northzone V K/S |
| Adveq Europe III, L.P. | CVC European Equity Partners V L.P. | OCM Opportunities Fund V L.P. |
| Adveq Technology IV, C.V. | DCM IV, L.P. | OCM Principal Opportunities Fund IV L.P. |
| Ampersand 2001, L.P. | De Novo Ventures II, L.P. | Oxford Bioscience Partners IV, L.P. |
| Apple Tree Partners II - Annex L.P. | Delphi Ventures VI, L.P. | Pelion Ventures V-A, L.P. |
| Apple Tree Partners II L.P. | DN Capital Global Venture Capital Fund I L.P. | Permira Europe III L.P. II |
| ARCH Venture Fund VI, L.P. | Forward Ventures IV, L.P. | Sevin Rosen Fund IX, L.P. |
| Arsenal Capital Partners QP II B L.P. | Forward Ventures V, L.P. | Sigma Partners 6, L.P. |
| Ascend Ventures II, L.P. | Francisco Partners II, L.P. | Silver Lake Partners II, L.P. |
| Atlas Venture Fund VI L.P. | Francisco Partners III, L.P. | Sofinnova Capital V FCPR |
| Bain Capital Fund IX L.P. | Gemini Israel IV, L.P. | Sorenson Capital Fund II L.P. |
| Bain Capital Fund VIII E L.P. | Global Catalyst Partners II L.P. | Summit Ventures VI-B, L.P. |
| Bain Capital Fund VIII L.P. | Golden Gate Capital Investment Fund II A L.P. | Sun Capital Securities Offshore Fund Ltd. |
| Bain Capital VIII Coinvestment Fund L.P. | Golden Gate Capital Investment Fund II L.P. | T3 Partners II L.P. |
| Balderton Capital I L.P. | H.I.G. Bayside Opportunity Fund L.P. | Three Arch Partners IV, L.P. |
| Balderton Capital II L.P. | Highland Capital Partners VI-B, L.P. | TPG Biotechnology Partners L.P. |
| BC European Capital VIII L.P. | LLR Equity Partners III L.P. | TPG Parallel III L.P. |
| Benchmark Capital Partners Israel I, L.P. | Mangrove II S.C.A. SICAR | TPG Partners IV L.P. |
| Carmel Ventures II L.P. | Mayfield XII L.P. | TPG Partners VI L.P. |
| Carmel Ventures III L.P. | Morgenthaler Partners VII, L.P. | UV Partners IV-A, L.P. |
| CDH China Fund III L.P. | Nautic Partners V L.P. | Vector Capital III, L.P. |
| CDH Supplementary Fund III L.P. | NEA 11, L.P. | W Capital Partners L.P. |

*Note: Excludes co-investments. As of December 31, 2016.*

# PASF III – Project Pixel Exposure

| Investment Summary[1] | |
|---|---|
| Investment Date[2] | November 2016 |
| Number of Underlying Funds[2] | 2 |
| Strategy | Venture |
| Geography | North America |
| Vintage Years[2] | 2007, 2012 |
| Sourcing | Exclusive |
| Total Exposure[2] | \$6.8 million |
| % Funded at Purchase[2] | 82% |

## Transaction Exposure by Strategy[3]




## Transaction Summary

- Exclusive, GP directed transaction
  - Exclusive transaction with minimal competition created a favorable negotiation dynamic
- Existing Portfolio Advisors relationship with GP
  - Discussions with GP; detailed knowledge of fund with access to private data on portfolio companies
- Diversified portfolio of assets
  - Exposure to a variety of industries
  - Portfolio of 27 underlying venture assets

*Note: Past performance is not indicative of future results. The PASF III transactions in this presentation represent PASF III's entire portfolio as of December 31, 2016 and neither of these transactions are intended to be representative of any future PASF III transactions. There is no guarantee that PASF III will have the opportunity to participate in similar transactions in the future or that this investment or any other PASF III investment will ultimately attain or maintain the characteristics of this transaction as currently reported, including, but not limited to, the percent funded at purchase, discount to net asset value and diversification by strategy, geography and/or vintage year(s). Please see the section titled "PASF III Transactions Endnotes" in the Appendix hereto as well as the Disclosure Statement for important information regarding the relevant periods, assumptions and risks relating to the information contained herein. Additional information is available upon request.*

# PASF II Portfolio

| Transaction | # of Funds | Underlying Investments | Total Exposure ($mm)[1] | Type | % Funded | Source |
|---|---|---|---|---|---|---|
| Globe | 1 | 12 | $2.6 | Distressed | 82% | Limited Auction - Carve Out |
| Carnival | 4 | 98 | 8.1 | Diversified | 85% | Limited Auction - Carve Out |
| House | 3 | 29 | 15.1 | Buyout/Energy | 78% | Exclusive |
| Minerva | 6 | 62 | 13.7 | Diversified | 92% | Limited Auction - Carve Out |
| Duo | 2 | 69 | 12.0 | Buyout | 75% | Exclusive |
| Hollywood | 1 | 12 | 6.0 | Buyout | 83% | Limited Auction - GP Directed Portion |
| Mayonnaise | 2 | 19 | 36.9 | Buyout | 79% | Exclusive |
| Taurus | 1 | 13 | 3.0 | Venture | 100% | Limited Auction - Carve Out |
| Tag | 1 | 6 | 7.5 | Buyout | 84% | Exclusive |
| Atlas | 9 | 133 | 216.2 | Buyout/Energy | 76% | Exclusive |
| Ptah | 3 | 19 | 3.7 | Buyout/Venture | 94% | Limited Auction - Carve Out |
| Empire | 1 | 9 | 7.7 | Buyout | 99% | Limited Auction - Carve Out |
| Equinox | 5 | 43 | 12.4 | Energy | 95% | Exclusive |
| Copper | 1 | 13 | 33.0 | Buyout | 89% | Exclusive |
| Vicarage | 23 | 149 | 51.8 | Venture | 99% | Limited Auction - Carve Out |
| Hudson | 6 | 74 | 26.7 | Venture | 94% | Limited Auction - Carve Out |
| Emergence | 1 | 5 | 10.2 | Venture | 100% | GP Directed |
| Lion | 21 | 327 | 18.2 | Diversified | 96% | Limited Auction |
| Mercury | 1 | 3 | 5.0 | Venture | 50% | Exclusive |
| Elysium | 1 | 7 | 6.1 | Buyout | 87% | Limited Auction - Carve Out |
| Amazon | 11 | 156 | 18.9 | Diversified | 95% | Exclusive |
| Celebrity | 10 | 152 | 56.2 | Buyout | 81% | Limited Auction - Carve Out |
| Pebble | 1 | 6 | 13.1 | Buyout | 95% | Limited Auction - Carve Out |
| Vista | 4 | 74 | 18.4 | Venture | 92% | Limited Auction - Carve Out |
| Panther | 17 | 180 | 26.3 | Venture | 98% | Exclusive |
| World | 1 | N/A | 10.0 | Venture | 0% | GP Directed |
| Royal | 13 | 150 | 62.0 | Buyout/Venture | 94% | Limited Auction - Carve Out |
| Iris | 1 | 70 | 9.4 | Fund of Funds | 95% | Limited Auction - Carve Out |
| Butler | 21 | 163 | 30.8 | Buyout/Venture | 96% | Limited Auction - Carve Out |
| Pelican | 1 | 19 | 3.4 | Venture | 54% | GP Directed |
| Eagle | 14 | 85 | 8.1 | Buyout/Venture | 99% | Limited Auction |
| Cadabra | 5 | 37 | 20.5 | Buyout | 64% | Limited Auction |
| Autobahn | 2 | 76 | 5.3 | Fund of Funds | 88% | Limited Auction - Carve Out |
| Adventure | 20 | 225 | 31.2 | Buyout/Growth/Venture | 98% | Exclusive |
| Runway | 2 | 41 | 13.6 | Buyout | 92% | Limited Auction - Carve Out |
| Pixel | 2 | 27 | 6.8 | Venture | 92% | Exclusive |
| Saffron | 40 | 313 | 44.1 | Buyout/Growth/Venture | 96% | Limited Auction - Carve Out |
| Co-Investments | -- | 31 | 141.5 | Co-Investments | 100% | GP Directed |
| **Totals** | **258** | **2,907** | **$1,015.5** | | **90%** | |

*Note: As of December 31, 2016. Note that in December 2012, PASF II committed $50 million to PAPEF VII-D, L.P. (i.e., the "co-investment sector" of PAPEF VII) and in September 2013, PASF II committed $34.5 million to PAPEF VIII-D, L.P. In June 2014, PASF II committed an additional $52.0 million to PAPEF VIII-D, L.P. The foregoing Total Exposure reflects the entire $136.5 million of commitments, however, no additional management fees or performance allocation are being charged by PAPEF VII-D, L.P. or PAPEF VIII-D to PASF II with respect to these commitments. In addition to the $136.5 million of aforementioned commitments, PASF II committed $5.0 million for a co-investment in TCP Templar in June 2013.*

*[1] Please see the defined term for "Total Exposure without adjustments" in the "PASF II Transaction Endnotes" in the Appendix hereto.*

# PASF II Partnership Interests

| | | | |
|---|---|---|---|
| ABRY Partners IV, L.P. | Balderton Capital II L.P. | DeNovo Ventures II, L.P. | Globespan Opportunity Fund VI, L.P. |
| ABRY Partners V, L.P. | Battery Ventures IX, L.P. | DeNovo Ventures III, L.P. | GMT Communications Partners III, L.P. |
| ABRY Partners VI, L.P. | Battery Ventures VI, L.P. | DFJ Element, L.P. | Golden Gate Capital Investment Fund II A L.P. |
| ABRY Partners VII, L.P. | Battery Ventures VII, L.P. | DFJ Fund VI, L.P. | Golden Gate Capital Investment Fund II L.P. |
| ABRY Partners VIII, L.P. | Battery Ventures VIII, L.P. | DFJ Fund VIII, L.P. | Graham Partners II, L.P. |
| ABRY Senior Equity Fund II, L.P. | Bay Partners XI, L.P. | DLJ Offshore Partners III, L.P. | Graham Partners III, L.P. |
| Accel VIII L.P. | BC European Capital VII | DLJ Offshore Partners IV, L.P. | Gridiron Capital Fund, L.P. |
| Advent International GPE VI L.P. | BC European Capital VII Top-Up, L.P. | DLJ Strategic Partners, L.P. | H.I.G. Bayside Opportunity Fund L.P. |
| Advent Private Equity Fund III, L.P. | BC European Capital VIII L.P. | DN Capital Global Venture Capital Fund I L.P. | Halpern Denny Fund III, L.P. |
| Advent Private Equity Fund V, L.P. | Benchmark Capital Partners Israel I, L.P. | Doughty Hanson & Co V LP No 1 | HealthCare Ventures VII, L.P. |
| AG Capital Recovery Partners VII, L.P. | Berkshire Fund VII, L.P. | Draper Fisher Jurvetson Fund VI, L.P. | Hellman & Friedman Capital Partners VI, L.P. |
| Ampersand 2001, L.P. | Blackstone Capital Partners IV, L.P. | Draper Fisher Jurvetson Fund VII, L.P. | Hellman & Friedman Capital Partners VII, L.P. |
| Apax Europe V - A, L.P. | Blackstone Capital Partners V, L.P. | EAC Fund III, L.P. | Highland Capital Partners V, L.P. |
| APAX US VII, L.P. | Boston Millennia Partners II, L.P. | Emergence SBIC | Highland Capital Partners VI-B, L.P. |
| Apex Investment Fund VI, L.P. | Calera Capital Partners IV, L.P. | EnCap Energy Capital Fund V, L.P. | Index Ventures II, L.P. |
| Apple Tree Partners II - Annex L.P. | Canaan Partners VII, L.P. | EnCap Energy Capital Fund VI, L.P. | Industrial Technology Ventures, L.P. |
| Apple Tree Partners II L.P. | Canaan Partners VIII, L.P. | EnCap Energy Capital Fund VII, L.P. | Innocal II, L.P. |
| ARCH Venture Fund V, L.P. | Candover 2008 Fund UK No. 1 L.P. | EnCap Energy Infrastructure Fund, L.P. | Institutional Venture Partners IV, L.P. |
| Arsenal Capital Partners QP II B L.P. | Carmel Ventures II L.P. | Enterprise Partners VI, L.P. | Israel Seed IV, L.P. |
| Atlas Venture Fund VI L.P. | Carmel Ventures III L.P. | EQT IV, L.P. | J.W. Childs Equity Partners II, L.P. |
| Atlas Venture Fund VI, L.P. | CDH China Fund III L.P. | European Secondary Development Fund IV, L.P. | Kelso Investment Associates VII, L.P. |
| Austin Ventures VI, L.P. | CDH Supplementary Fund III L.P. | FFC Partners II, L.P. | Kelso Investment Associates VIII, L.P. |
| Austin Ventures VII, L.P. | Cerberus - Series Three, L.P. | Forward Ventures IV, L.P. | Knightsbridge Integrated Holdings IV, L.P. |
| Austin Ventures VIII, L.P. | Charles River Partnership XII, LP | Forward Ventures V, L.P. | Kohlberg TE Investors V, L.P. |
| Avista Capital Partners, L.P. | Coller International Partners IV, L.P. | Francisco Partners II, L.P. | KRG Capital Fund III, L.P. |
| Bain Capital Fund IX L.P. | Coller International Partners V, L.P. | Francisco Partners III, L.P. | KRG Capital Fund IV, L.P. |
| Bain Capital Fund VIII E L.P. | Columbia Capital Equity Partners IV (Non US) L.P. | Frazier Healthcare III, L.P. | Latterell Venture Partners II, L.P. |
| Bain Capital Fund VIII L.P. | ComVentures VI, L.P. | Frazier Healthcare IV, L.P. | LLR Equity Partners III L.P. |
| Bain Capital Fund X Co-Invest, L.P. | CVC European Equity Partners V L.P. | Gemini Israel IV, L.P. | LS Power Equity Partners II, L.P. |
| Bain Capital Fund X, L.P. | Cypress Merchant Banking Partners II, L.P. | Genstar Capital Partners IV, L.P. | Madison Dearborn V, L.P. |
| Bain Capital VIII Coinvestment Fund L.P. | DCM IV, L.P. | Globespan Capital Partners IV, L.P. | Mangrove II S.C.A. SICAR |
| Balderton Capital I L.P. | Delphi Ventures VI, L.P. | Globespan Capital Partners V, L.P. | Matrix Partners VII, L.P. |

*Note: Excludes co-investments.*

# PASF II Partnership Interests (continued)

| | | | |
|---|---|---|---|
| Mayfield XI, L.P. | Parish Capital, L.P. | Summit Accelerator Fund, L.P. | VantagePoint IV, L.P. |
| Mayfield XII L.P. | Pelion Ventures V, L.P. | Summit Partners Europe Private Equity Fund, L.P. | VCFA Private Equity Partners, L.P. |
| Menlo Ventures IX, L.P. | Pelion Ventures V-A, L.P. | Summit Partners Private Equity Fund VII-A, L.P. | Vector Capital III, L.P. |
| Meritech Capital Partners II, L.P. | Permira Europe III L.P. II | Summit Partners Private Equity Fund VII-B, L.P. | Versa Capital Fund I, L.P. |
| Mohr Davidow Ventures VI | Permira IV, L.P. | Summit Partners VC Fund II, L.P. | Versant Venture Capital I, L.P. |
| Mohr Davidow Ventures VII | Polaris Venture Partners III, L.P. | Summit Partners Venture Capital Fund II-B, L.P. | Versant Venture Capital II, L.P. |
| Morgan Creek I, L.P. | Polaris Venture Partners IV, L.P. | Summit Ventures V, L.P. | Vestar Capital Partners IV, L.P. |
| Morgan Creek II, L.P. | Prism Venture Partners V, L.P. | Summit Ventures VI-B, L.P. | Vestar Capital Partners V, L.P. |
| Morgenthaler Partners VII, L.P. | Prospect Venture Partners III, L.P. | Sun Capital Securities Offshore Fund Ltd. | W Capital Partners L.P. |
| Nautic Partners V L.P. | Providence Equity Partners III, L.P. | Symphony Capital Partners, LP | Warburg Pincus IX, L.P. |
| New Enterprise Associates VIII, L.P. | Providence Equity Partners IV, L.P. | T3 Partners II L.P. | WestBridge Ventures I, L.P. |
| New Enterprise Associates X, L.P. | Providence Equity Partners V, L.P. | TA IX, L.P. | WestBridge Ventures II, L.P. |
| New Enterprise Associates XI, L.P. | Providence Equity Partners VI, L.P. | Tallwood II Annex | Weston Presidio Capital IV, L.P. |
| New Enterprise Associates XII, L.P. | Providence Growth Investors, L.P. | Tallwood II, L.P. | Weston Presidio V, L.P. |
| New Mountain Partners III, L.P. | Quad-C Partners VII, L.P. | TCV IV, L.P. | Woodside Fund III, L.P. |
| NGP Midstream and Resources Fund, L.P. | Quadrangle Capital Partners II, L.P. | Terra Firma Capital Partners III, L.P. | Woodside Fund IV, L.P. |
| North Bridge Venture Partners V, L.P. | Quantum Energy Partners IV, L.P. | Thomas H. Lee Fund V, L.P. | Woodside Fund V, L.P. |
| Northzone V K/S | Quantum Resources Fund I, L.P. | Thomas H. Lee Fund VI, L.P. | Worldview Technology Partners IV, L.P. |
| OCM Opportunities Fund V L.P. | Redpoint Ventures II, L.P. | Thomas Weisel Capital Partners, L.P. | |
| OCM Opportunities Fund VII, L.P. | River Capital Partners IV, L.P. | Three Arch Partners IV, L.P. | |
| OCM Opportunities Fund VIIb, L.P. | Sevin Rosen Fund IX, L.P. | TPG Biotechnology Partners L.P. | |
| OCM Principal Opportunities Fund III, L.P. | Sierra Ventures VIII-A, L.P. | TPG Parallel III L.P. | |
| OCM Principal Opportunities Fund IV L.P. | Sigma Partners 6, L.P. | TPG Partners IV L.P. | |
| Olympus Growth Fund V, L.P. | Silver Lake Partners II, L.P. | TPG Partners VI L.P. | |
| Oxford Bioscience Partners IV, L.P. | Silver Lake Partners III, L.P. | Trident Capital Fund V, L.P. | |
| Pacven Walden V, L.P. | SKM Equity Fund III, L.P. | U.S. Venture Partners VIII, L.P. | |
| Paine & Partners Capital Fund III, L.P. | Skyline Venture Partners QP Fund III, L.P. | Updata Partners III, L.P. | |
| Parish Capital II, L.P. | Sofinnova Capital V FCPR | UV Partners IV-A, L.P. | |

*Note: Excludes co-investments.*

# PASF I Portfolio

| *($ in millions)* Transaction | # of Funds | Underlying Investments | Total Exposure | Type | % Funded | Source |
|---|---|---|---|---|---|---|
| Lonestar | 2 | 7 | $7.1 | MM Buyout | 100% | Broken Auction |
| Sideline | 3 | 25 | 2.8 | Growth Equity | 90% | GP Directed |
| Vintage | 2 | 4 | 28.3 | MM Buyout | 74% | Secondary Relationship |
| Mercury I & II | 4 | 90 | 9.7 | Buyout/Venture | 75% | GP Directed |
| Leeds | 2 | 7 | 8.2 | MM Buyout | 66% | GP Directed |
| Adam | 9 | 200 | 41.7 | Buyout/Distressed | 55% | Limited Auction - GP Directed Portion |
| Bus | 27 | 500 | 36.7 | Diversified | 80% | Limited Auction - GP Directed Portion |
| Lamp | 4 | 61 | 16.9 | Buyout | 80% | Limited Auction - Carve Out |
| Mayflower | 15 | 280 | 31.2 | Diversified | 45% | Exclusive |
| Bear | 1 | 9 | 3.4 | MM Buyout | 45% | Exclusive |
| Voyager | 1 | 33 | 5.8 | Venture | 85% | Limited Auction |
| SOF VII Preferred | 1 | 35 | 20.0 | Preferred | N/A | GP Directed |
| Sun IV Preferred | 1 | 38 | 0.7 | Preferred | N/A | GP Directed |
| Striker | 1 | 6 | 6.3 | MM Buyout (Asia) | 60% | Limited Auction - Carve Out |
| Portsmouth | 1 | 7 | 4.1 | MM Buyout | 99% | GP Directed |
| Harper | 1 | 150 | 6.4 | Distressed | 100% | Limited Auction - Carve Out |
| Raintree | 1 | 71 | 9.8 | Special (Secondary) | 84% | Limited Auction - GP Directed Portion |
| Element | 1 | 18 | 3.1 | Venture | 80% | Limited Auction |
| Energy | 1 | 12 | 5.9 | Energy | 68% | Exclusive |
| EPF | 1 | 14 | 24.0 | Distressed | 63% | GP Directed |
| Dome | 3 | 47 | 27.7 | Buyout/Venture | 44% | Limited Auction - Carve Out |
| Boston | 2 | 22 | 17.8 | Buyout | 43% | Exclusive |
| Quaker | 5 | 59 | 39.6 | Buyout/Venture | 89% | Broken Auction |
| Culzean | 14 | 180 | 42.7 | Diversified | 68% | Limited Auction |
| Nautilus | 1 | 8 | 10.9 | Buyout | 52% | Limited Auction - Carve Out |
| Sparta | 1 | 4 | 20.2 | MM Buyout | 47% | Limited Auction - Carve Out |
| Link | 1 | 3 | 4.2 | MM Buyout | 94% | GP Directed |
| Oak | 1 | 42 | 12.9 | Venture | 71% | Limited Auction |
| Helen | 18 | 300 | 74.0 | Diversified | 75% | Limited Auction - Carve Out |
| Alpha | 1 | 29 | 25.0 | Buyout | 75% | Limited Auction - Carve Out |
| Seagull | 1 | 17 | 5.1 | MM Buyout | 95% | Limited Auction - Carve Out |
| Gamma | 5 | 53 | 15.7 | MM Buyout | 82% | Limited Auction - GP Directed Portion |
| Ace | 2 | 36 | 31.4 | Buyout | 42% | Limited Auction - Carve Out |
| Tana | 1 | 18 | 9.7 | MM Buyout | 95% | Limited Auction - Carve Out |
| Barbeque | 1 | 31 | 24.8 | Buyout | 85% | Limited Auction - Carve Out |
| Jivago | 11 | 113 | 50.0 | Buyout | 65% | Exclusive |
| Energize | 5 | 37 | 31.2 | Diversified | 76% | Exclusive |
| Blue | 4 | 198 | 40.5 | Diversified | 76% | Exclusive |
| Spencer | 2 | 130 | 20.9 | Growth Equity | 80% | Limited Auction - Carve Out |
| Hanse | 1 | 135 | 2.7 | Special (Secondary) | 93% | Limited Auction - Carve Out |
| Sword | 11 | 84 | 60.3 | Diversified | 92% | Limited Auction - Carve Out |
| Gold | 1 | 17 | 39.8 | Distressed | 67% | Limited Auction - Carve Out |
| Palin | 3 | 78 | 26.9 | Diversified | 68% | Exclusive |
| Raider | 5 | 63 | 16.1 | Growth Equity | 99% | Limited Auction - Carve Out |
| Boise | 1 | 18 | 6.3 | Venture | 73% | Exclusive |
| Griffin | 1 | 8 | 15.4 | Buyout | 98% | Limited Auction - Carve Out |
| Pasar | 2 | 19 | 6.6 | Venture | 95% | Limited Auction - Carve Out |
| Element II | 6 | 175 | 27.8 | Diversified | 78% | Limited Auction - Carve Out |
| Magnolia | 3 | 27 | 26.9 | MM Buyout | 90% | Limited Auction - GP Directed Portion |
| Co-Investments | 19 | 19 | 150.3 | Co-Investments | 100% | GP Directed |
| **Totals** | **211** | **3,537** | **1,155.5** | | **76%** | |

# PASF I Partnership Interests

| Partnerships | | | |
|---|---|---|---|
| Actis Umbrella Fund, L.P. | CMEA Ventures VI, L.P. | Landmark Equity Partners XIII, L.P. | Quad-C Partners VI, L.P. |
| Alto Capital II, L.P. | CMS/KRG/Greenbriar Partners, L.P. | Leeds Equity Partners IV, L.P. | Quad-C Partners VII, L.P. |
| APAX Europe VII, L.P. | Code Hennessy & Simmons IV, L.P. | Leeds Equity Partners V, L.P. | RockPort Capital Partners III, L.P. |
| Apollo European Principal Finance Fund, L.P. | Columbia Capital Equity Partners II (Cayman), L.P. | LLR Equity Partners II, L.P. | Sevin Rosen Fund IX, L.P. |
| Apollo Overseas Partners V, L.P. | Columbia Capital Equity Partners III (QP), L.P. | LLR Equity Partners, L.P. | Silver Lake Partners III, L.P. |
| Apollo Overseas Partners VI, L.P. | Columbia Capital Equity Partners IV (QP), L.P. | LNK Partners, L.P. | Silver Lake Sumeru Fund, L.P. |
| ArcLight Energy Partners IV, L.P. | DFJ Element, L.P. | Macquarie Advanced Investment Partners, L.P. | SOF VII New L.P. Lender, L.P. - Preferred Equity |
| Audax Private Equity Fund III, L.P. | Diamond Castle Partners IV, L.P. | Macquarie Global Opportunities Partners, L.P. | Sterling Capital Partners III, L.P. |
| Austin Ventures IX, L.P. | Doughty Hanson & Co. IV, L.P. | Mason Wells Buyout Fund II, L.P. | Sterling Capital Partners IV, L.P. |
| Austin Ventures VII, L.P. | Doughty Hanson & Co. V, L.P. | Mayfield XII, L.P. | Storm Ventures Fund III, L.P. |
| Austin Ventures VIII, L.P. | Elevation Partners, L.P. | Morgenthaler Venture Partners V, L.P. | Summit Accelerator Fund |
| Avista Capital Partners (Offshore), L.P. | Encore Consumer Capital Fund, L.P. | Morgenthaler Partners VI, L.P. | Summit Partners Private Equity Fund VII-B, L.P. |
| Bain Capital Fund IX, L.P. | Energy Capital Partners I-A, L.P. | Morgenthaler Partners VII, L.P. | Summit Partners Venture Capital Fund II-B, L.P |
| Bain Capital Fund VIII-E, L.P. | EnerVest Energy Inst. Fund X-B, L.P. | Morgenthaler Venture Partners VIII, L.P. | Summit Ventures V, L.P. |
| Bain Capital IX Coinvestment Fund, L.P. | EnerVest Energy Inst. Fund XI-B, L.P. | Natural Gas Partners IX, L.P. | Summit Ventures VI-A, L.P. |
| Bain Capital X, L.P. | Flagship Ventures Fund 2007, L.P. | Natural Gas Partners VIII, L.P. | Sun Capital Partners II, L.P. |
| Bain-Sankaty Credit Opportunities II, L.P. | Francisco Partners I, L.P. | New Mountain Partners III, L.P. | Sun Capital Partners III, L.P. |
| Bain-Sankaty Credit Opportunities III, L.P. | Genesis Partners II, L.P. | NGP Income Co-Investment Opp. Fund II, L.P. | Sun Capital Partners IV, L.P. |
| Bayside Opportunity Fund, L.P. | Genesis Partners III, L.P. | Oak Hill Capital Partners II (Cayman & Cayman II), L.P. | TA IX, L.P. |
| BDCM Opportunity Fund II, L.P. | GTCR Fund VIII, L.P. | Oak Investment Partners XII, L.P. | TA X, L.P. |
| Behrman Capital III, L.P. | GTCR Fund IX, L.P. | OCM Mezzanine Fund II, L.P. | Technology Crossover Ventures III, L.P. |
| Behrman Capital IV, L.P. | H.I.G Investment Group II, L.P. | OCM Opportunities Fund VI, L.P. | Technology Crossover Ventures IV, L.P. |
| Blackstone Capital Partners V, L.P. | H.I.G Investment Group III, L.P. | OCM Opportunities Fund VII, L.P. | Technology Partners Fund V, L.P. |
| Blackstone Capital Partners V-S, L.P. (Supplemental) | H.I.G. Capital Partners IV, L.P. | OCM Opportunities Fund VIIb, L.P. | Technology Partners Fund VII, L.P. |
| Blackstone Capital Partners V Co-Investment | H.I.G. Europe Capital Partners, L.P. | Parthenon Investors III, L.P. | Thomas H. Lee Equity Fund VI, L.P. |
| Blackstone Firestone Transaction Participation Partners (Cayman) L.P. | H.I.G. Venture Investments, L.P. | Partners Group Asia-Pacific 2005, L.P. | TPG Partners V, L.P. |
| Brazos Equity Fund II, L.P. | Highstar Capital Fund II, L.P. | Partners Group European Buyout 2005 (B), L.P. | TPG Partners VI, L.P. |
| Brazos Equity Fund III, L.P. | Highstar Capital Fund III, L.P. | Partners Group US Buyout 2007, L.P. | Vantagepoint Venture Partners IV, L.P. |
| Burrill Life Sciences Capital Fund III, L.P. | IDG-Accel China Capital L.P. | Partners Group US Venture 2004, L.P. | Versa Capital Fund I Parallel L.P. |
| Calera Capital Partners IV, L.P. | India Equity Partners Fund I, LLC | Partners Group US Venture 2006, L.P. | Vestar Capital Partners IV, L.P. |
| Candover 2001 Fund UK No. 2 L.P. | Ironbridge Fund II | Partners Group Secondary 2006, L.P. | Vestar Capital Partners V-A, L.P. |
| Candover 2005 Fund | Irving Place Capital Partners II, L.P. | Patriot Financial Partners, L.P. | VS&A Communications Partners II, L.P. |
| Candover 2008 Fund UK No. 1 L.P. | JK&B Capital III, L.P. | Pegasus Partners IV, L.P. | VS&A Communications Partners III, L.P. |
| Carlyle Japan Partners II, L.P. | JK&B Capital IV, L.P. | Permira Europe III, L.P. | VSS Communications Partners IV, L.P. |
| Carlyle Partners V, L.P. | JK&B Capital V, L.P. | Polaris Venture Partners IV, L.P. | Weston Presidio Capital III, L.P. |
| Catterton Partners V, L.P. | Kayne Anderson Energy Fund IV Private Investors, LLC | Polaris Venture Partners V, L.P. | Weston Presidio Capital IV, L.P. |
| Catterton Partners VI, L.P. | Kayne Anderson Energy Fund V (QP), L.P. | Primus Capital VI, L.P. | Weston Presidio Capital V, L.P. |
| Cerberus Institutional Partners, L.P. - Series Four | KKR 2006 Fund, L.P. | Primus Venture Partners IV, L.P. | |
| Charlesbank Equity Fund V, L.P. | Kodiak Venture Partners III, L.P. | Primus Venture Partners V, L.P. | |
| Cinven - The Fourth Fund | Landmark Equity Partners XI, L.P. | Providence Equity Partners VI, L.P. | |

*Note: Excludes co-investments.*

# Endnotes

**Secondary Performance Endnotes**

1) **IRRs**. "IRR" (the internal rate of return) is defined as the implied discount rate that will make the net present value of a stream of cash flow sum to zero. The IRRs shown are weighted based on drawn capital only. The "Gross IRRs" shown in this performance are net of underlying fees, expenses and carried interest charged by underlying portfolio funds, but are gross of fees, expenses and performance compensation charged by Portfolio Advisors. The Gross IRRs are calculated based on the last Reported Value received from the underlying portfolio funds. Additional information is available upon request.
2) **Estimated Net IRR Methodology**. The "Net IRR" of the PASF I & II Track Record is calculated based on information reported to investors by the underlying portfolio funds and is net of underlying fees, expenses and carried interest charged by such underlying portfolio funds and net of fees (including management fees), expenses and carried interest which investors pay to Portfolio Advisors. The actual Net IRR to any individual investor in any PA-sponsored fund would, however, differ slightly from the Net IRR presented based on certain factors, including, as applicable, the closing in which such investor participated and such investor's opt-out election. The Net IRR of the PASF I & II Track Record is calculated as of September 30, 2016, based on the last Reported Value received from the underlying portfolio funds and the cash flows between PASF I and PASF II and their limited partners.
3) **Certain Definitions**. "Total Exposure" is calculated with adjustments made to account for any contributions and/or distributions after the "pricing date," but prior to the final closing, and represents (i) the total commitments to underlying secondary transactions (and co-investments, if applicable) in a given portfolio at a stated time for which a purchase and sale agreement and/or letter of intent was signed, valuing such investments at the purchase price stated in the applicable document, plus (ii) the unfunded commitment. Only with respect to the PASF I Total Exposure, please note that in April 2011, PASF I committed $100 million to PAPEF VII-D, L.P. (the "Co-investment sector" of PAPEF VII). The foregoing Total Exposure with adjustments only includes PASF I's pro rata amount of the underlying co-investments made by PAPEF VII-D, L.P. which as September 30, 2016 equaled $86 million. "Contributions" represents the total contributed capital by the client or applicable fund to the underlying secondary investments (and co-investments, if applicable). "Distributions" represents total distributions received from underlying secondary investments (and co-investments, if applicable) after closing the transaction. "Reported Value" represents the value of the underlying secondary investments' net assets (and co-investments' net assets, with respect to PASF I), as of September 30, 2016, as reported on the underlying funds' financial statements. The value of a fund's assets on its financial statements reflects the 'fair value', as determined by each underlying fund's general partner, in almost all cases, in accordance with U.S. Generally Accepted Accounting Principles or International Financial Reporting Standards, and includes valuations of unrealized investments. Prospective investors must understand that (i) such valuations may be materially higher or lower than the cost of such investments and may vary over time, (ii) such valuations may or may not be based on valuations provided or verified by third parties independent of the underlying fund's general partner, and (iii) the ultimate realized value of any investment may be materially different from its fair value as reported in the underlying fund's financial statements. "Total Value" represents the sum of Distributions received and the Reported Value. "Gross Multiple" is the Total Value divided by Contributions. All numbers are "gross of fees" and do not reflect the deduction of any expenses, taxes, management fees or carried interest borne by investors, which may be substantial in the aggregate and which will reduce any returns presented.
4) **PAPEF VII and VIII Co-Investment Sector Commitment**. In April 2011, PASF I committed $100 million to PAPEF VII-D, L.P. (i.e., the "Co-investment sector" of PAPEF VII). In December 2012, PASF II committed $50 million to PAPEF VII-D, L.P. In September 2013 and September 2014, PASF II committed $35 million and $52 million, respectively. No additional management fees or performance allocation are being charged by PAPEF VII-D and VIII-D to PASF I and PASF II with respect to these commitments.
5) **PASA Commitment**. Please note that PASF I and PASF II achieved its exposure to certain secondary transactions cited herein through its investment in Portfolio Advisors Secondary Aggregator, L.P. ("PASA"), Portfolio Advisors Secondary Aggregator II, L.P. ("PASA II") and Portfolio Advisors Secondary Aggregator III, L.P. ("PASA III"), Portfolio Advisors-sponsored special purpose aggregator vehicles which consummates certain secondary transactions in order to maximize efficiencies and minimize expenses. With the foregoing in mind, PASF I and PASF II's portfolios are presented as including its respective portion of each underlying PASA and PASA II investments and transaction notwithstanding the fact that the exposure is indirect (via PASA, PASA II and PASA III).

# Endnotes

**Managing the J-Curve Effect Endnotes**

1) The “Venture Economics U.S. All PE 2000 Vintage (Capital Weighted Average IRR)” represents dollar weighted composite performance of all U.S. private equity funds with a vintage year of 2000 as compiled by Thomson Venture Economics (the “Thomson All PE Gross IRR”) as of September 30, 2016. The Thomson All PE Gross IRR is being shown strictly for the purpose of comparison between each PAPEF Gross IRR in order to show how a significant sample of U.S. private equity funds performed over a comparable period, as well as in order to illustrate the path of the related J-curve. The Thomson All PE Gross IRR has been selected as a general basis of comparison to the Gross IRR of each PAPEF fund as each PAPEF fund is comprised of a variety of U.S. private equity portfolio funds, although the funds comprising the Thomson All PE Gross IRR are subject to different fees and expenses than the fees and expenses of each PAPEF fund. Further, none of the PAPEF funds attempt to replicate the performance of any of the funds in the Thomson All PE Gross IRR. Additional information is available upon request.

**Miscellaneous Endnotes**

**1)** **“Total Exposure with adjustments”** is calculated with adjustments made to account for any contributions and/or distributions after the “pricing date,” but prior to the final closing, and represents (i) the total commitments to underlying secondary transactions (and co-investments, if applicable) in a given portfolio at a stated time for which a purchase and sale agreement and/or letter of intent was signed, valuing such investments at the purchase price stated in the applicable document, plus (ii) the unfunded commitment.

**2)** **“Total Exposure without adjustments”** is calculated without adjustments made to account for any contributions and/or distributions after the “pricing date,” but prior to the final closing, and represents (i) the total commitments to underlying secondary transactions (and co-investments, if applicable) in a given portfolio at a stated time for which a purchase and sale agreement and/or letter of intent was signed, valuing such investments at the purchase price stated in the applicable document, plus (ii) the unfunded commitment.

**Performance of PASF I & II Secondary Transactions Endnotes**

1) Please note that the performance of the 85 secondary transactions within the PASF I and PASF II portfolios range from a Gross IRR of greater than 185.1% to a Gross IRR of -23.5%. In addition, the performance of the 42 co-investment transactions within PASF I and PASF II (which are excluded from the table as they are not secondary transactions) range from a Gross IRR of 66.7% to a Gross IRR of -100.0%.

# Endnotes

**PASF II Transaction Endnotes**

1) **Inclusions**. The foregoing presents summaries of every transaction in the PASF II portfolio as of December 31, 2016 (and no transactions were excluded).
2) **Certain Definitions**. "Investment Date" represents, for each transaction, the date on which the respective purchase and sale agreement (or similar agreement) was executed. "Number of Underlying Funds" represents the number of distinct underlying partnerships within each PASF II transaction. "Vintage Years" generally represents the year that each underlying fund first began to draw capital from its partners. "Total Exposure without adjustments" is calculated without adjustments made to account for any contributions and/or distributions after the "pricing date," but prior to the final closing, and represents (i) the total commitments to underlying secondary transactions (and co-investments, if applicable) in a given portfolio at a stated time for which a purchase and sale agreement and/or letter of intent was signed, valuing such investments at the purchase price stated in the applicable document, plus (ii) the unfunded commitment. "% Funded at Purchase" represents, with respect to each underlying fund, the total capital contributed by the partners to such fund divided by the total capital commitments by the partners to such fund, as of the Investment Date. The NAV valuation date being used for each secondary transaction is the "cut-off date" specified in the applicable document (which generally represents the most recent quarterly valuation date of the underlying assets by the related sponsor), which are the following: September 30, 2011 (Carnival), December 31, 2011 (Globe), March 31, 2012 (Minerva), June 30, 2012 (House, Hollywood), September 30, 2012 (Duo, Mayonnaise), December 31, 2012 (Mayonnaise, Taurus, Tag, Atlas), September 30, 2013 (Ptah, Amazon), December 31, 2013 (Empire, Vicarage, Lion, Elysium), March 31, 2014 (Equinox, Copper, Panther), June 30, 2014 (Hudson, Mercury), September 30, 2014 (Emergence, Celebrity, Pebble, Vista, Butler), December 31, 2014 (Royal, Adventure), March 31, 2015 (World, Iris, Pelican, Autobahn), June 30, 2015 (Eagle, Cadabra) and December 31, 2015 (Runway).
3) **Transaction Exposure by Strategy**. The foregoing data represents information with respect to each PASF II transaction, valuing such investments at the respective total exposure (i.e., the purchase price plus unfunded commitment) as of the respective Investment Date and the foregoing data does not take into account any subsequent liquidations thereto.

**PASF III Transaction Endnotes**

1) **Inclusions**. The foregoing presents summaries of every transaction in the PASF III portfolio as of March 31, 2017 (and no transactions were excluded).
2) **Certain Definitions**. "Investment Date" represents, for each transaction, the date on which the respective purchase and sale agreement (or similar agreement) was executed. "Number of Underlying Funds" represents the number of distinct underlying partnerships within each PASF III transaction. "Vintage Years" generally represents the year that each underlying fund first began to draw capital from its partners. "Total Exposure without adjustments" is calculated without adjustments made to account for any contributions and/or distributions after the "pricing date," but prior to the final closing, and represents (i) the total commitments to underlying secondary transactions (and co-investments, if applicable) in a given portfolio at a stated time for which a purchase and sale agreement and/or letter of intent was signed, valuing such investments at the purchase price stated in the applicable document, plus (ii) the unfunded commitment. "% Funded at Purchase" represents, with respect to each underlying fund, the total capital contributed by the partners to such fund divided by the total capital commitments by the partners to such fund, as of the Investment Date.
3) **Transaction Exposure by Strategy**. The foregoing data represents information with respect to each PASF III transaction, valuing such investments at the respective total exposure (i.e., the purchase price plus unfunded commitment) as of the respective Investment Date and the foregoing data does not take into account any subsequent liquidations thereto.

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# Disclosure Statement (continued)

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