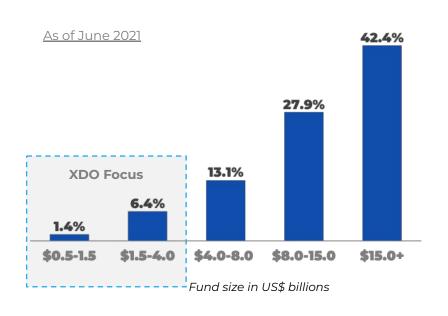


XDO Staking Focus & Diverse GPs Performance



Percentage of Firms that have Sold a GP Stake (by Fund Size)¹



¹ Source: Pitchbook – Closed-end fundraising from January 2011 through June 2021

Delta Between Diverse and Non-Diverse Managers: Gross IRR Performance



Source: HarbourVest Data as of 6/30/2019. IRR represents cashflows in investments in US Buyout and Venture fund managers with vintage years within the 3-year time periods across the HarbourVest portfolio. Diversity defined as 25% or greater of senior-level team identifying as female, belonging to an under-represented minority, or both.



Transaction Sourcing and GP Selection Criteria



Lower Middle Market Firms for Potential GP Staking



Select GPs for Partnership

Selection Criteria

- Strong leadership (we invest in people first)
- Partnership-focused principals with aligned vision
- Investment excellence (historical performance)
- Third-party validation / anchor investor(s)
- Belief in their ability to successfully raise capital
- Compelling business plan with consideration to the projected business and economic environment
 - Proven concepts and/or investments
 - Growth-oriented use of transaction proceeds

Financial Profile

- Underwrite investments to 3.0x MOIC or greater
- Seek >10% cash yield
- Compelling downside characteristics
- Viable exit options



XDO Value Proposition



Attractive Market Opportunity

- The GP staking market is estimated to reach \$530bn in 2022 and projected to grow roughly 10-12% per annum^{1,2}
- Lower mid-sized GPs have exhibited higher fund-over-fund growth vs. larger funds across the last 20 years³
- Diverse and women-owned mid-sized GPs have been largely ignored and present a great investment opportunity
- Successful, realized exits in the GP staking arena have increased investor activity

Risk Mitigation / Diversification

- XDO has committed capital (and a robust pipeline) across
 - Multiple private market fund strategies
 - Varied fund vintage years
- Utilizes highly customized deal structures that address use of proceeds, personnel provisions, economic alignment, governance, and potential exit

Advantageous Return Stream

- Stable annual cash yield (estimated at 10%+) via management fees aids in lessening the J-curve
- Upside potential provided by carried interest and investment terminal exit
- Risk-adjusted returns through targeted capital appreciation (2.5-3.0x gross MOIC) and principal protection in downside case
- Target 18-22% gross IRR with almost two-thirds of the return provided via yield

Additional strategic benefits include SMAs, access to co-investments, and primary allocation to future funds

¹ Buyouts: "GP Stakes market growing faster than funds can invest: Blue Owl's Rees" – August 2022

² Preqin Future of Alternatives 2025 (November 2020)

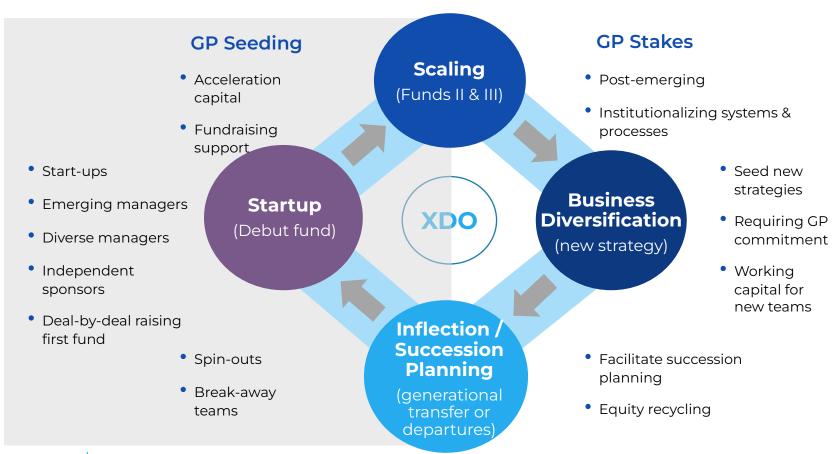
³ Investcorp research



XDO GP Life Cycle Philosophy

An approach that engages with GPs across their entire life cycle and maintains the same value-added approach to provide solutions to established and emerging GPs at each phase

GP Life Cycle









The discounted cash flow components that comprise the valuation of the GP stake, are the main items that are collectively negotiated amongst deal participants

