



FLOWSTONE
PARTNERS

FlowStone Opportunity Fund

CONFIDENTIAL

March 2024

CONFIDENTIAL



Important Disclosures | Performance Reporting

- ⁽¹⁾The performance data shown represents past performance. Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the past performance quoted.
- ⁽²⁾Returns are presented net of expenses. Expense ratios are 4.78% for Class A shares; 4.23% for Class D shares; 3.93% for Class I shares; 3.93% for Class M shares. Performance figures do not reflect the 2% early repurchase fee that may apply to some unit holders. Expenses are estimated as of the Fund’s prospectus, effective July 31, 2023.
- ⁽³⁾The Adviser has entered into an expense limitation agreement (the “Expense Limitation Agreement”) with the Fund, whereby the Adviser has agreed to waive fees that it would otherwise be paid, and/or to assume expenses of the Fund (a “Waiver”), if required to ensure the Total Annual Expenses (excluding taxes, interest, brokerage commissions, certain transaction-related expenses, extraordinary expenses, the Incentive Fee and any acquired fund fees and expenses) do not exceed 2.80% on an annualized basis for Class A Shares, 2.25% on an annualized basis of Class D Shares, 1.95% on an annualized basis for Class I Shares, and 1.95% on an annualized basis for Class M Shares (the “Expense Limit”). For a period not to exceed three years from the date on which a Waiver is made, the Adviser may recoup amounts waived or assumed, provided it is able to effect such recoupment without causing the Fund’s expense ratio (after recoupment) to exceed the lesser of (a) the expense limit in effect at the time of the waiver, and (b) the expense limit in effect at the time of the recoupment. The Expense Limitation Agreement will continue until at least November 28, 2023, and will automatically renew thereafter for consecutive twelve-month terms, provided that such continuance is specifically approved at least annually by a majority of the Trustees. The Expense Limitation Agreement may be terminated by the Fund’s Board of Trustees upon thirty days’ written notice to the Adviser. The Expense Limitation Agreement may not be terminated by the Adviser without the consent of the Fund’s Board of Trustees.
- ⁽⁴⁾Shareholders also indirectly bear a portion of the asset-based fees, performance or incentive fees or allocations and other expenses incurred by the Fund as an investor in the Portfolio Funds. Generally, asset-based fees payable in connection with Portfolio Fund investments will range from 1% to 2.5% (annualized) of the commitment amount of the Fund’s investment, and performance or incentive fees or allocations are typically 20% of a Portfolio Fund’s net profits annually, although it is possible that such amounts may be exceeded for certain Portfolio Fund Managers. Historically, a substantial majority of the direct investments made by the Adviser and its affiliates on behalf of their clients have been made without any “acquired fees” (i.e., free of the management fees and performance/incentive fees or allocations that are typically charged by Portfolio Fund Managers). The “Acquired Fund Fees and Expenses” disclosed above, however, do not reflect any performance-based fees or allocations paid by the Portfolio Funds that are calculated solely on the realization and/or distribution of gains, or on the sum of such gains and unrealized appreciation of assets distributed in kind, as such fees and allocations for a particular period may be unrelated to the cost of investing in the Portfolio Funds.



Important Disclosures | Performance Reporting

⁽⁵⁾Information about benchmark indices is provided to allow you to compare it to the performance of the Fund. The Fund is actively managed and not intended to replicate the performance of the indices: the performance and volatility of the Fund may differ materially from the performance and volatility of the indices, and Fund holdings will differ significantly from the securities that comprise the indices. You cannot invest directly in indices, which do not take into account trading commissions and costs.

MSCI World Index - The MSCI World Index is a broad global equity index that represents large and mid-cap equity performance across all 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country.



Important Information

BEFORE INVESTING YOU SHOULD CAREFULLY CONSIDER THE FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. THIS AND OTHER INFORMATION IS IN THE [PROSPECTUS](#), A COPY OF WHICH MAY BE OBTAINED FROM FLOWSTONE PARTNERS AT 312-429-2488 PLEASE READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST.

The Shares are speculative and illiquid securities involving substantial risk of loss. An investment in the Fund is appropriate only for those investors who do not require a liquid investment, for whom an investment in the Fund does not constitute a complete investment program, and who fully understand and can assume the risks of an investment in the Fund. Investors should carefully review and consider potential risks before investing. The Fund has been organized as a non-diversified, closed-end management investment company and designed primarily for long-term investors. An investor should not invest in the Fund if the investor needs a liquid investment. The Fund could experience fluctuations in its performance due to several factors. As a result of these factors, results for any previous period should not be relied upon as being indicative of performance in future periods.

The Fund Investments may include low grade or unrated debt securities (“high yield” or “junk” bonds or leveraged loans) or investments in securities of distressed companies. Such investments involve substantial, highly significant risks. The Fund may invest in mezzanine debt instruments, which are expected to be unsecured and made in companies with capital structures having significant indebtedness ranking ahead of the investments, all or a significant portion of which may be secured. The Portfolio Fund Managers and (subject to applicable law) the Fund may employ leverage through borrowings or derivative instruments and are likely to directly or indirectly acquire interests in companies with highly leveraged capital structures. The Fund and Portfolio Fund

Managers may use derivatives and the use of derivative instruments for hedging or speculative purposes by the Fund or the Portfolio Fund Managers could present significant risks, including the risk of losses in excess of the amounts invested. The overall performance of the Fund's secondary investments will depend in large part on the acquisition price paid, which may be negotiated based on incomplete or imperfect information. Secondary investments may also incur contingent liability risk and syndicate risk. Potential lack of diversification and resulting higher risk due to concentration of allocation authority when a single adviser is utilized. The Adviser does not control the investments or operations of the Portfolio Funds. For a complete discussion of risks please review the prospectus carefully.

FlowStone Funds are distributed by UMB Distribution Services, LLC. Not affiliated with FlowStone Partners



I. FlowStone Partners



FlowStone Partners

FlowStone Partners manages private equity investment products that address the unique requirements of smaller institutional and individual investors by combining the core benefits of private equity secondaries with flexible and accessible fund structures.

Investment Platform¹

70+ years of secondary experience ²	\$12BN of invested capital ²	100+ completed secondary transactions ²
1,300+ clients and investors	\$711M Assets under management	1 Master Fund

- Flexibility to invest in deal types that are often less competitive due to structural constraints inherent in traditional fund structures.
- Capture broadest universe of secondary opportunities by focusing on traditional and more innovative transaction types.
- Single Master Fund (FSOF) creates alignment with investors and provides access to a best ideas portfolio.
- Focused on generating performance that is consistent with the historical risk adjusted returns of private equity secondaries.

¹Investment Platform data as of January 1, 2024.

²Experice of the FlowStone team includes predecessor firms.

Our sole mandate is to design and manage private markets investment products that reflect the unique requirements of smaller institutional and individual investors.

FlowStone Team



Scott Conners, CFA
Managing Director and President

- Partner, Landmark Partners – 22 years
- Co-lead of Private Equity Secondary team
- Involved in the raising and investment of nearly \$10 billion of private equity secondary capital



Mark Phillip
Managing Director, Investor Relations & Business Development

- Principal, Matlin Patterson Asset Management – 9 years
- Vice President, Morgan Stanley – 8 years
- 19 years of private market and business development experience



Charlie Finnegan
Vice President

- Senior Analyst, Aberdeen Standard Investments – 2 years. Involved in all aspects of the investment process including sourcing, due diligence, industry review, and portfolio management
- Analyst, AGC Partners, a sell-side investment bank



Jordan Schneeberger
Associate, Finance and Operations

- Senior Analyst, PricewaterhouseCoopers – 3 years.
- Provided tax and advisory services to hedge funds and asset managers



Michael Carrano
Managing Director

- Managing Director, Landmark Partners – 14 years
- Senior member of Private Equity Secondary team
- 20 years of secondary and direct private equity experience, including involvement in fundraising or investment of \$4.0 billion of capital



Andreas Munderlein
Managing Director

- Investment Manager/SVP, Partners Group – 12 years
- Lead of Private Equity Integrated Investments and Member of Global Secondary Investment Committee
- 17 years of private equity experience, including investment of over \$4.5 billion of secondary and primary capital







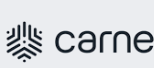


Tommy Beard
Senior Associate

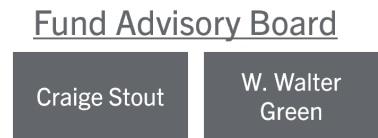
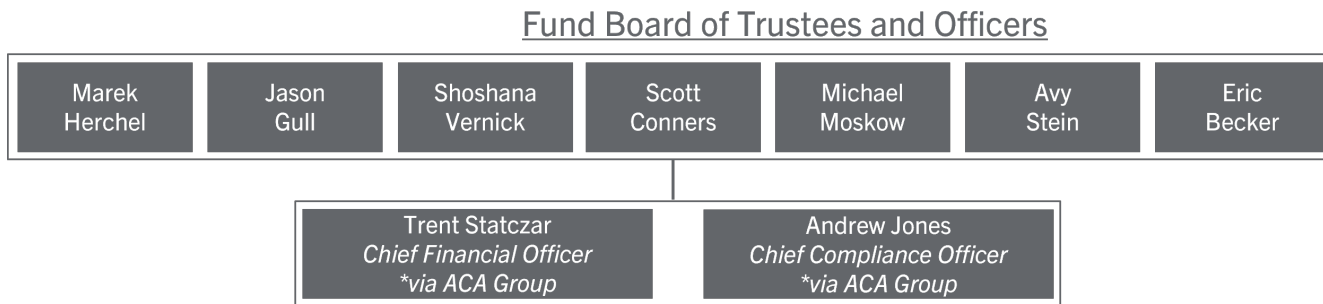
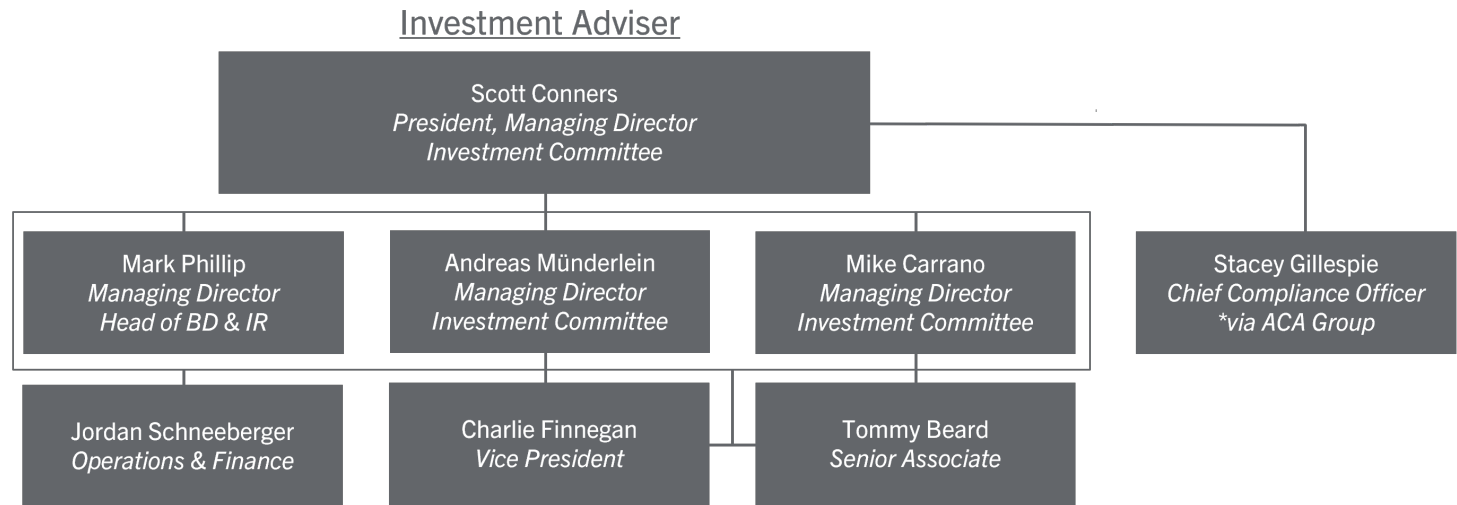
- Senior Analyst, Boston Consulting Group – 3 years. Conducted a wide range of commercial due diligence, portfolio value creation, and fund strategy for institutional investors across industries.
- Analyst, Greater Sum Ventures, a middle-market private equity firm

Operational Platform

FlowStone Partners leverages leading service providers to provide operational support for the platform.

	<ul style="list-style-type: none"> – Audit – Master and Offshore Feeder Fund – Tax – Master and Offshore Feeder Fund – Registered fund expertise – Significant private equity, fund of fund, and secondary accounting expertise
	<p>Master Fund Services:</p> <ul style="list-style-type: none"> – Fund accounting – Fund administration – Custody – Transfer Agency – Fund distribution – Broker-dealer services
	<p>Offshore Feeder Fund Services:</p> <ul style="list-style-type: none"> – Fund accounting – Fund administration – Custody – Transfer Agency
	<ul style="list-style-type: none"> – Master Fund counsel – Significant registered fund expertise
	<ul style="list-style-type: none"> – Offshore Feeder Fund counsel – Significant AIFM expertise
	<ul style="list-style-type: none"> – Adviser and Master Fund compliance – Principal Financial Officer services
	<ul style="list-style-type: none"> – Money laundering reporting officer (MLRO) services for Offshore Feeder Fund – Independent Board Support

Organizational Chart



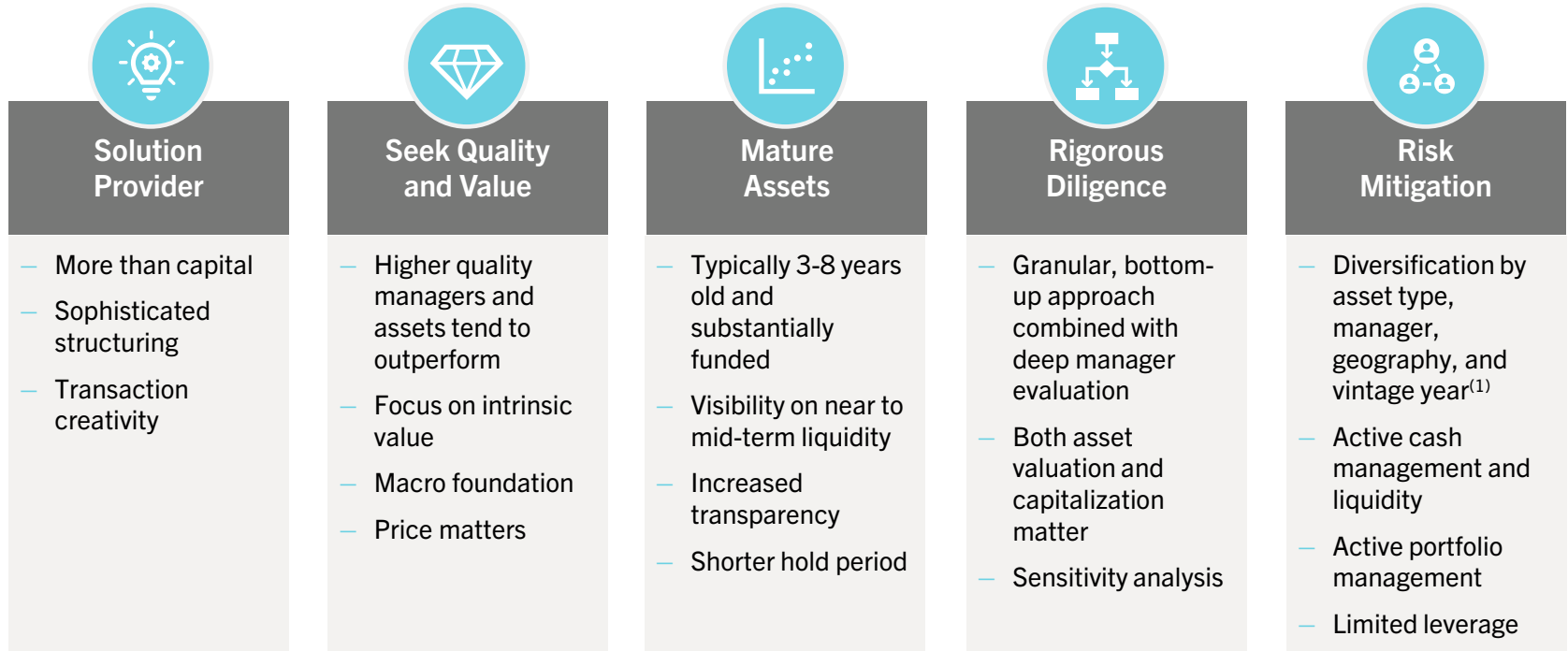
BEFORE INVESTING YOU SHOULD CAREFULLY CONSIDER THE FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. THIS AND OTHER INFORMATION IS IN THE PROSPECTUS, A COPY OF WHICH MAY BE OBTAINED FROM FLOWSTONE PARTNERS AT 312-429-2488. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST.

The Shares are speculative and illiquid securities involving substantial risk of loss. An investment in the Fund is appropriate only for those investors who do not require a liquid investment, for whom an investment in the Fund does not constitute a complete investment program, and who fully understand and can assume the risks of an investment in the Fund. Investors should carefully review and consider potential risks before investing. The Fund has been organized as a non-diversified, closed-end management investment company and designed primarily for long-term investors. An investor should not invest in the Fund if the investor needs a liquid investment. The Fund could experience fluctuations in its performance due to several factors. As a result of these factors, results for any previous period should not be relied upon as being indicative of performance in future periods.

Distribution services provided by UMB Distribution Services, LLC.

FlowStone Secondary Investment Philosophy

FlowStone seeks to provide liquidity solutions to sellers that often have structural, systemic, strategic, or regulatory motivations for seeking liquidity.








A systematic approach to sourcing and rigorous asset-level diligence are instrumental in generating excess risk-adjusted returns.

⁽¹⁾Diversification does not ensure a profit or protect against loss

Secondary Transaction Types

FlowStone participates in a broad universe of transaction types that can potentially offer attractive risk adjusted returns over a market cycle.

 Traditional	 Structured	 Fund Restructuring	 Direct Secondary	 Stapled Secondary
<ul style="list-style-type: none">– Portfolio acquisitions– Cash-for-title exchange– Generally brokered	<ul style="list-style-type: none">– Portfolio acquisitions– Tools range from deferred purchase price to highly structured preferred securities– Potential downside management	<ul style="list-style-type: none">– Single fund– Provides liquidity for LPs or recapitalizes an existing fund– Asset concentration– Generally involves preferred structure– Potential for increased upside	<ul style="list-style-type: none">– Purchase of company investments from a fund or direct owner– Assets held by buyer directly– Some active management, but generally minority stakes– Asset quality can be an issue	<ul style="list-style-type: none">– Generally, a single-fund transaction that requires a primary commitment– Focus on manager quality– Often brokered

Transaction types can perform differently over the market cycle making it advantageous to have experience in the successfully executing all types of transactions.

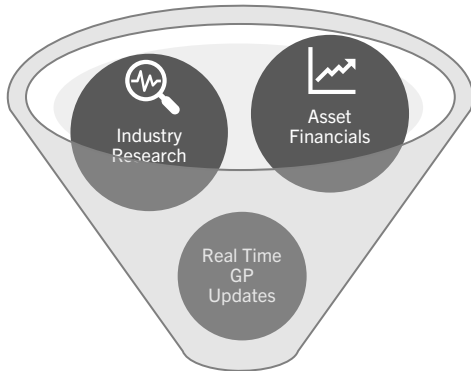
⁽¹⁾Diversification does not ensure a profit or protect against loss



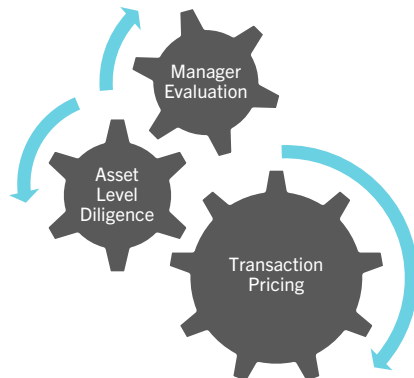
Investment Process – Sourcing & Screening

Proprietary underwriting process evaluates transactions using a bottom-up and top-down approach to value assets, cash flows, and sensitives.

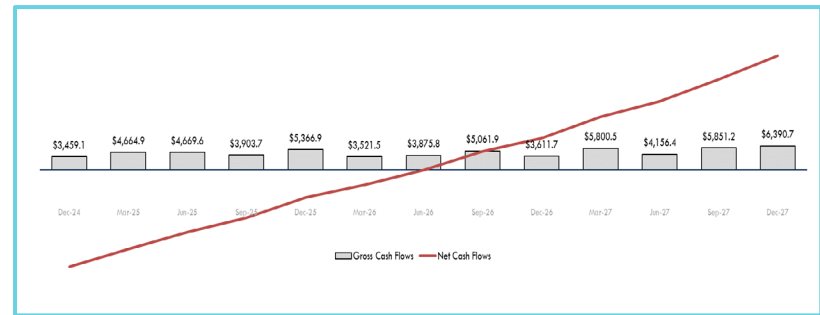
1 Information Funnel



2 Deal Engine



3 Expected Transaction-level Cash Flows



4 Illustrative Sensitivity Testing & CAPM Analysis⁽¹⁾

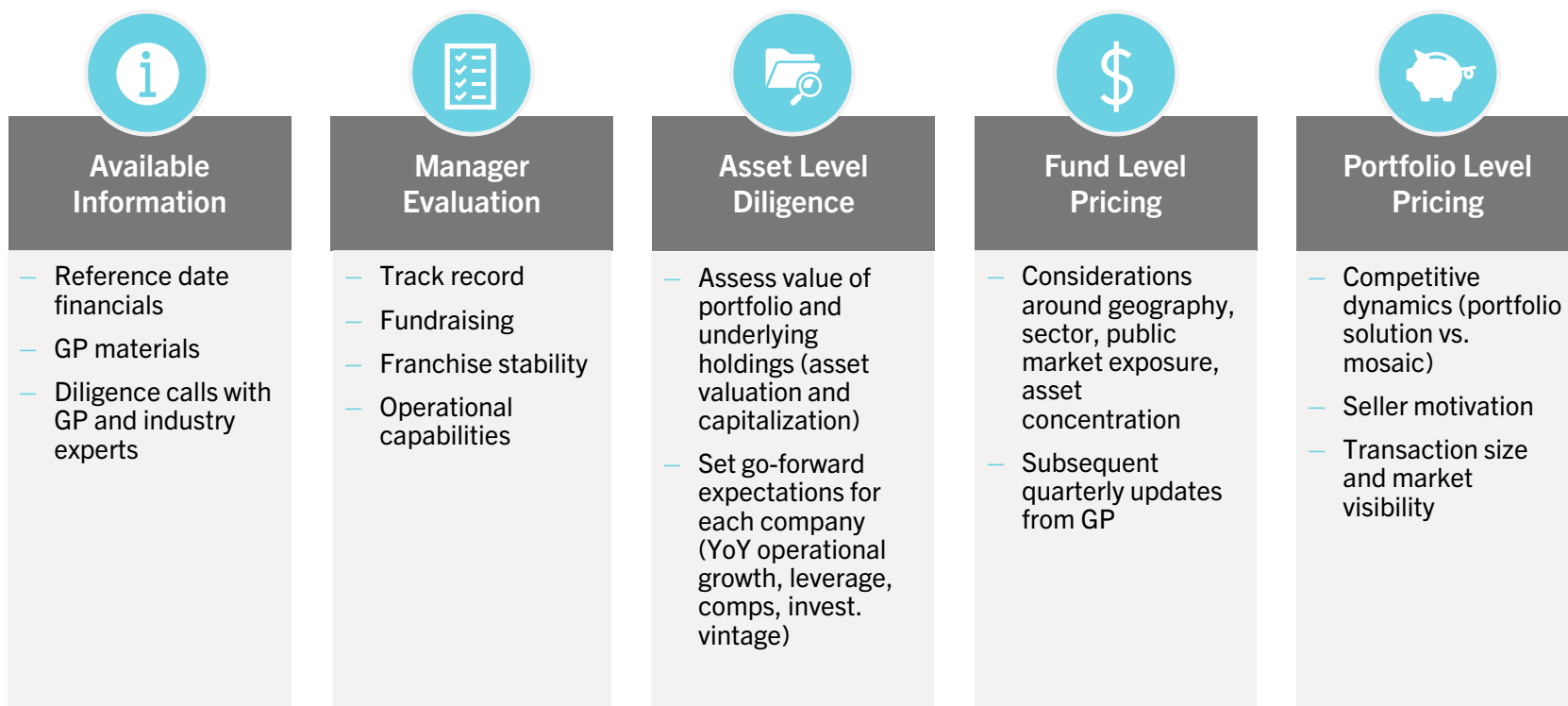
Distribution Timing Sensitivity	
Cash Flow Delay	IRR %
+0 Months	14.0%
+6 Months	
+12 Months	
+18 Months	
+24 Months	

CAPM Framework	
CAPM Assumptions	
Rf:	4.8%
Market Return (R _m):	
Market Risk Premium (R _m - R _f):	
Beta:	
Expected Return:	
Alpha (excess generation):	

Recession Scenario Sensitivity		
Total Proceeds Scaling	MOIC	IRR %
No Recession	1.65x	18.0%
Mild Recession (Base Case)	1.45x	14.0%
Severe Recession	1.25x	10.0%

⁽¹⁾ The figures included in the Sensitivity Testing & CAPM Analysis are provided for illustrative purposes only, do not represent actual or target performance figures for any underlying transaction and should not be viewed as an indicator of future performance.

Investment Process - Underwriting



Proprietary underwriting process seeks to codify best practices from our 70+ years of combined experience investing in private equity secondaries.

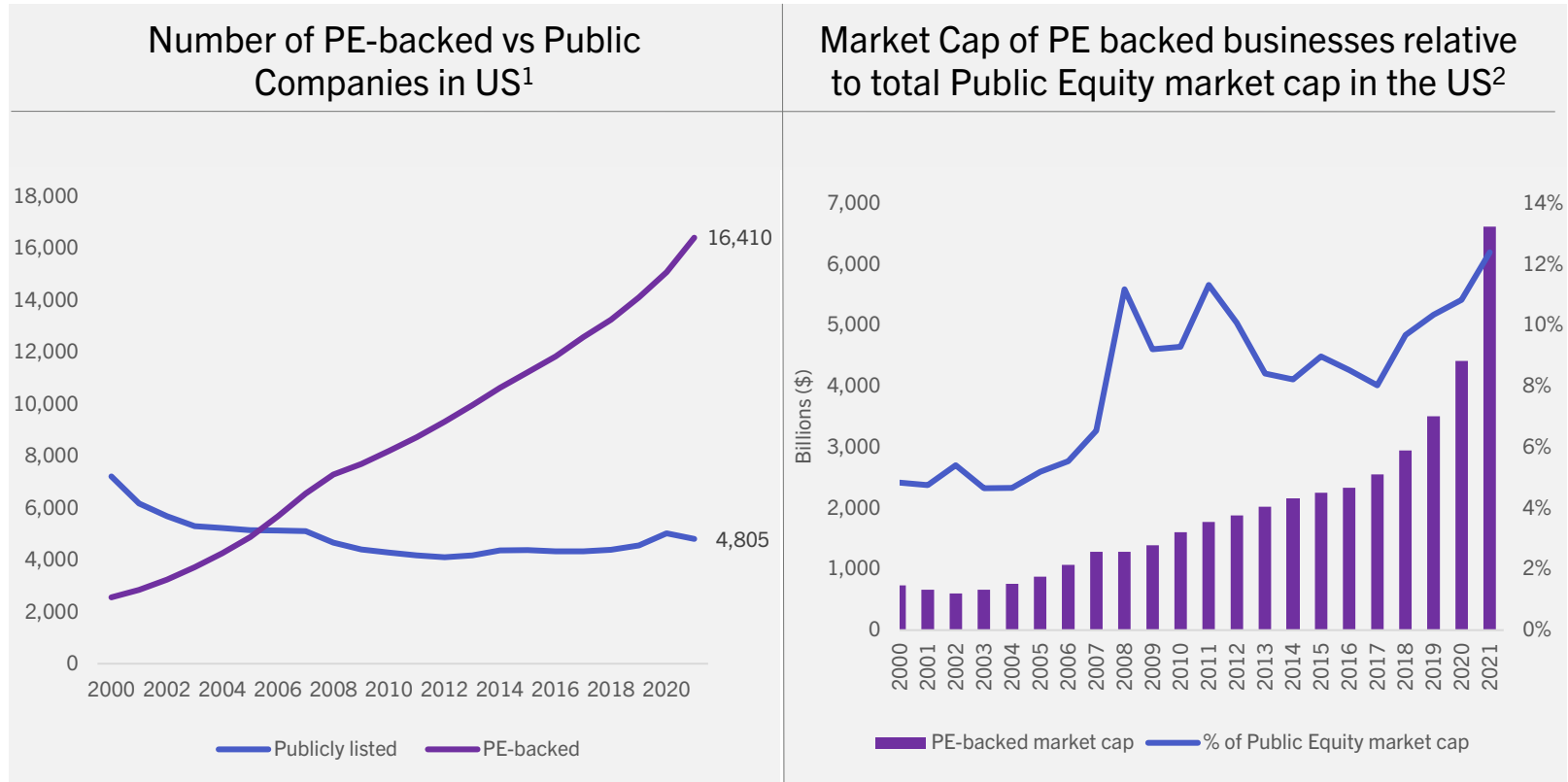
⁽¹⁾Diversification does not ensure a profit or protect against loss



II. Secondary Market Overview



Private Equity Market Landscape

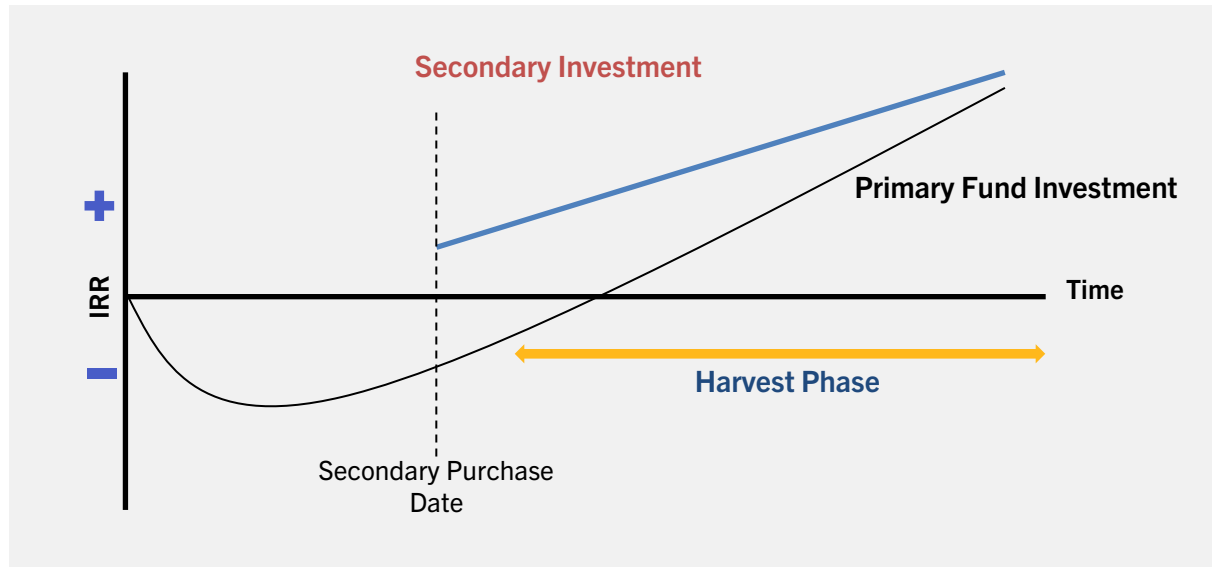


¹As of October 2023 reflecting YE 2021 data, including PE-backed company data in the US provided by Pitchbook excluding 36'000 VC-back companies. Publicly-listed data from NYSE & NASDAQ
²2021 based on data from World Bank, Statista, Sibilis Research and Pitchbook

Private markets provide a robust universe of investment opportunities in terms of number of companies and overall market capitalization.

Secondary Strategy | J-Curve Mitigation

Private Equity Funds typically experience negative returns during the first years of operation due to upfront investment costs and fees. The secondary strategy may help reduce or eliminate this J-curve effect.

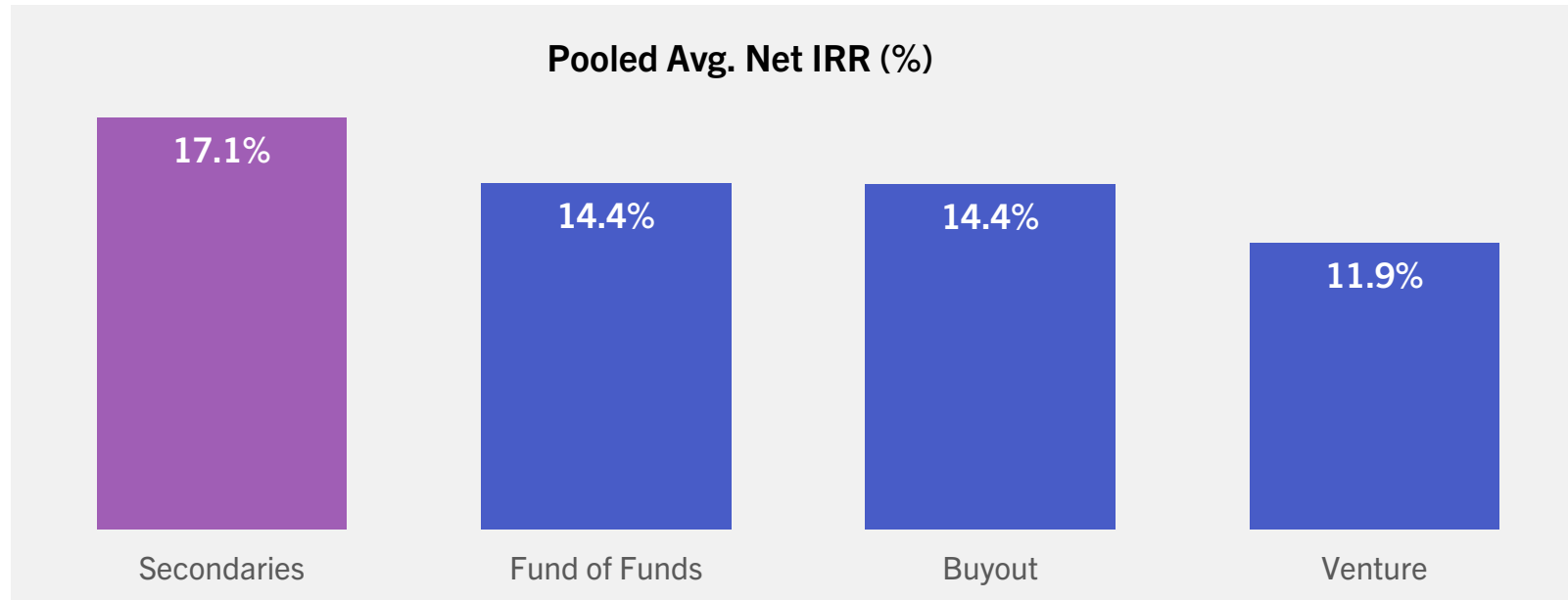


Mitigation or elimination of the J-Curve effect

- Purchase discount to Net Asset Value and/or intrinsic value
- Assets acquired are mature and at or near the Harvest Phase
- At the time of acquisition, underperforming assets have often already been written down/off
- Avoid paying the first few years of management fees while capital is deployed

Not all private equity funds will be profitable given the inherent risks in investing in private equity, including macroeconomic factors and the performance of underlying companies.

Secondary Funds Returns Comparison

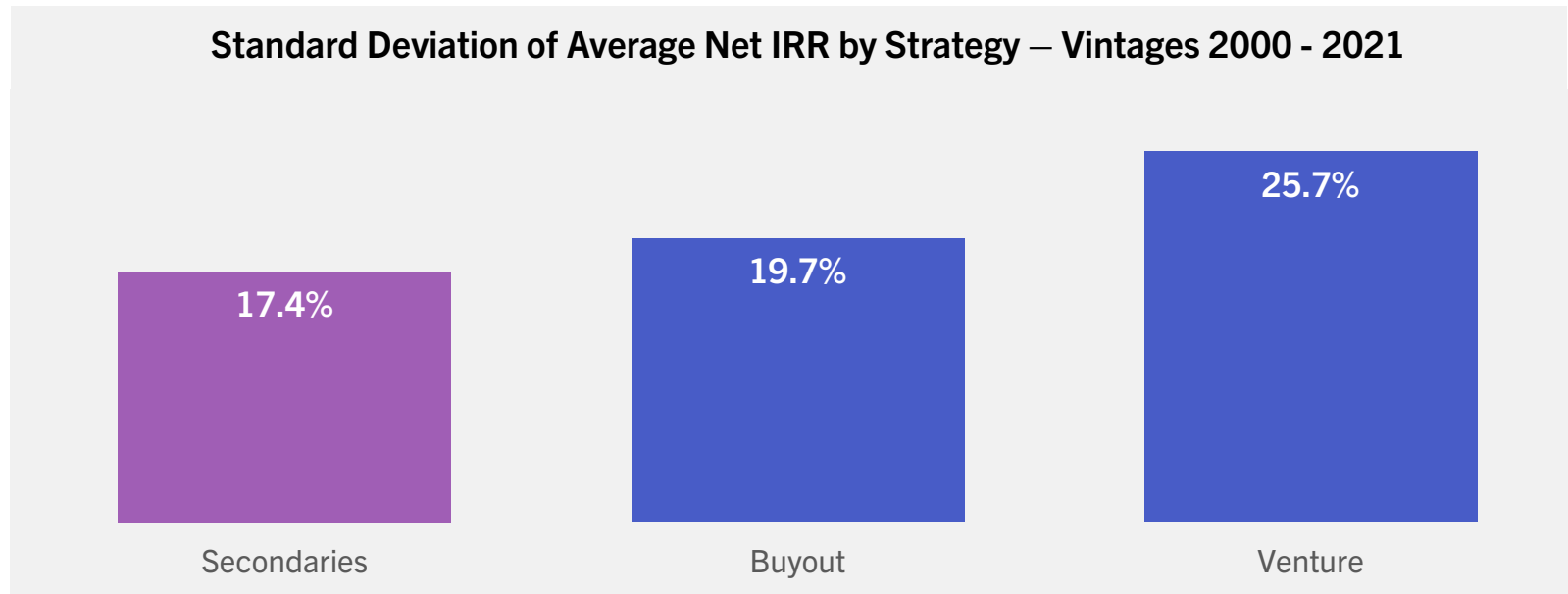


Source: PitchBook Data, Inc.

Benefiting from shorter holding periods, purchase discounts, and the ability to compound return multiples through the reinvestment of proceeds, secondary funds have historically outperformed an index of traditional private equity and venture capital funds.

Past performance is not indicative of future results. Data Source: PitchBook, downloaded on May 31, 2023. Data is a comparison of secondary investments and private capital investments sourced from PitchBooks's database of 4,603 funds meeting certain search criteria with vintages from 2000 to 2021. This industry data reflects the fees, carried interest, and other expenses of the funds included in the data set. The fees, carried interest, and other expenses borne by investors in a FlowStone fund may be higher or lower than the fees and expenses of the funds reflected in the data set. See Glossary pages at the end of this presentation for more details. **PitchBook data is typically compiled from funds that elect to self-report. Thus, this data may not be representative of all secondary funds and may be biased toward those funds that generally have higher performance. Additionally, the funds included in these measures may lack commonality. Over time, components of the data may change. Funds may begin or cease to be represented based on these factors, thereby creating a "survivorship bias" that may additionally impact the data reported.**

Secondary Funds Volatility Versus Direct Funds

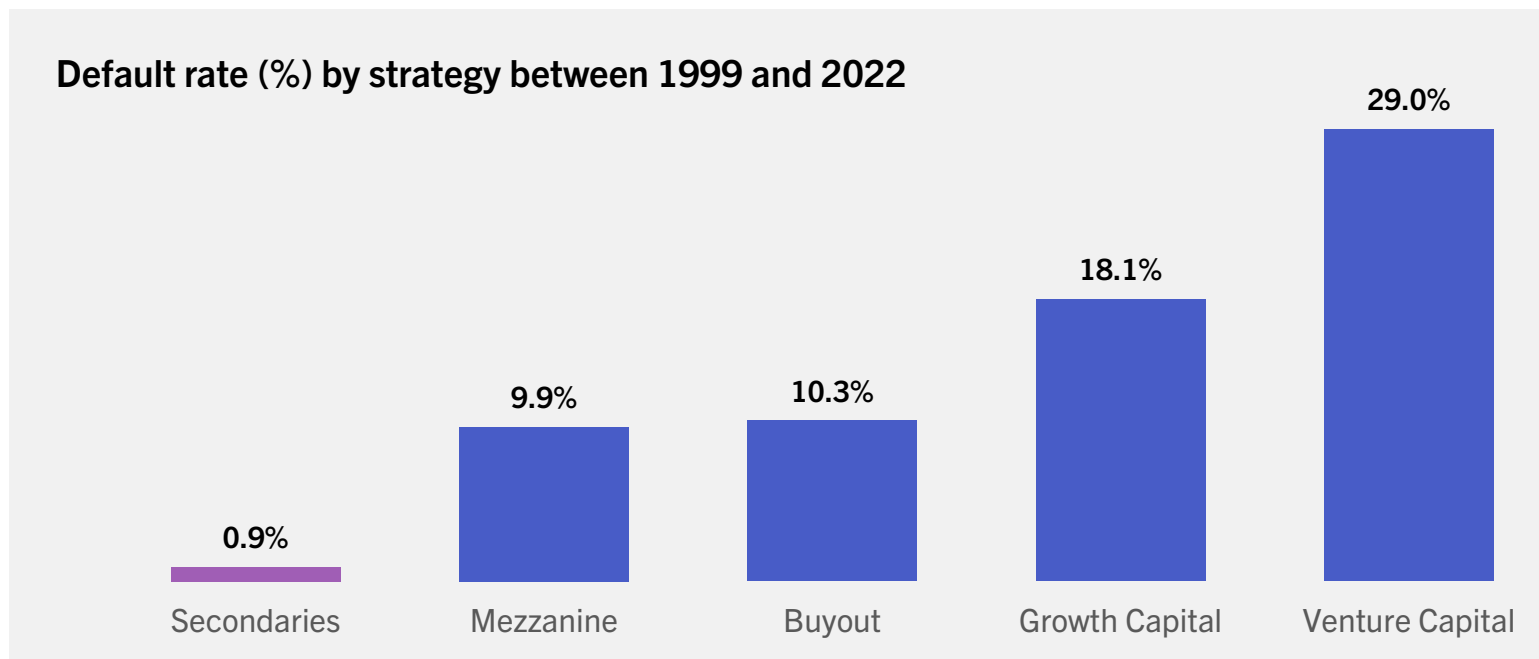


Source: PitchBook, IRR Standard Deviation

The ability to evaluate mature assets, identify risks, and price them appropriately has historically resulted in lower volatility for secondary funds relative to an index of traditional private equity and venture capital funds.

Past performance is not indicative of future results. Data Source: PitchBook, downloaded on May 31, 2023. Data is a comparison of secondary investments and private capital investments sourced from PitchBook's database of 2,411 PE funds, 1,273 Venture funds, and 139 Secondaries funds, which met certain search criteria with vintages from 2000 to 2021. This industry data reflects the fees, carried interest, and other expenses of the funds included in the data set. The fees, carried interest, and other expenses borne by investors in a FlowStone fund may be higher or lower than the fees and expenses of the funds reflected in the data set. See Glossary pages at the end of this presentation for more details. **PitchBook data is typically compiled from funds that elect to self-report. Thus, this data may not be representative of all secondary funds and may be biased toward those funds that generally have higher performance. Additionally, the funds included in these measures may lack commonality. Over time, components of the data may change. Funds may begin or cease to be represented based on these factors, thereby creating a "survivorship bias" that may additionally impact the data reported.**

Secondary Funds Loss Ratios Versus Direct Funds

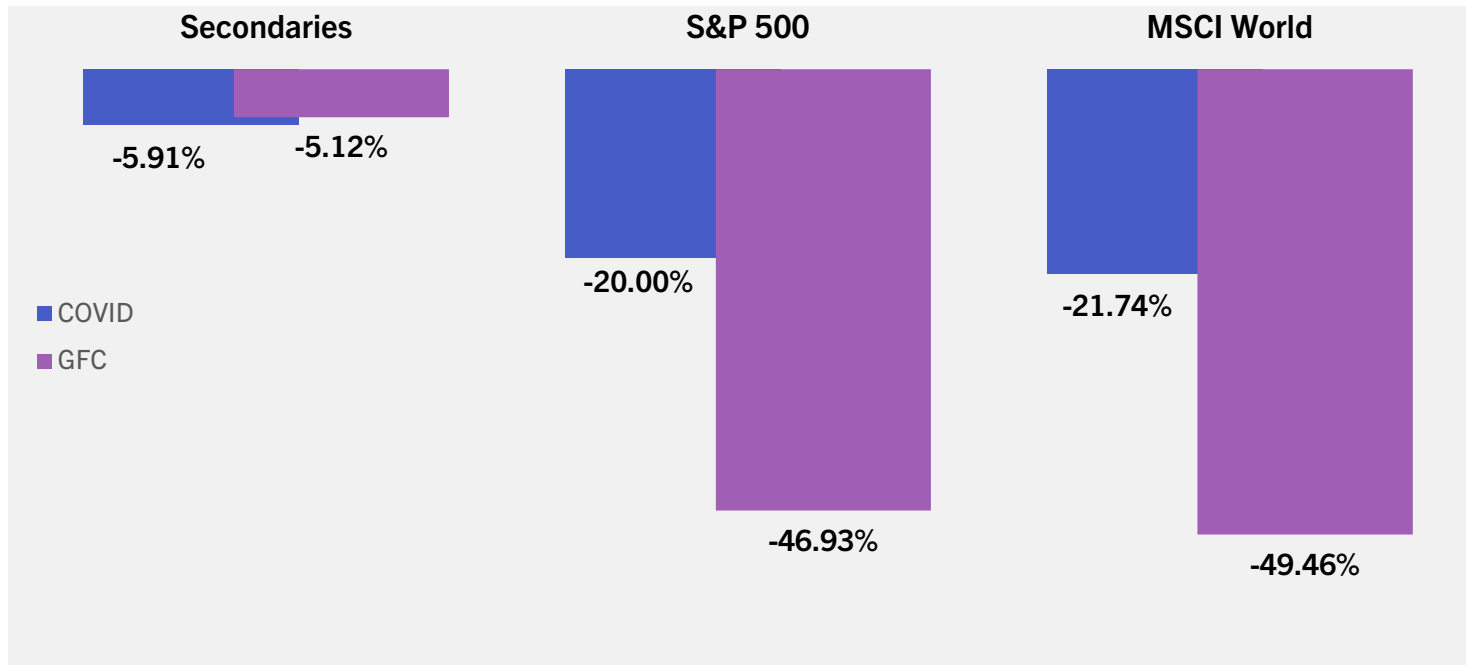


Note: Assessed based on the proportion of funds with a TVPI multiple below 1.0x
Source: PitchBook, Funds <1x TVPI vs. >1x TVPI

Greater diversification, shorter holding periods, acquiring mature assets, and purchase discounts may significantly reduce the risk of a secondary fund not returning capital.

Past performance is not indicative of future results. Data Source: PitchBook, downloaded on May 31, 2023. Data is a comparison of all secondary investments and all private capital investments sourced from PitchBook's database of 50,000+ private equity funds. This industry data reflects the fees, carried interest, and other expenses of the funds included in the data set. The fees, carried interest, and other expenses borne by investors in a FlowStone fund may be higher or lower than the fees and expenses of the funds reflected in the data set. See Glossary pages at the end of this presentation for more details. **PitchBook data is typically compiled from funds that elect to self-report. Thus, this data may not be representative of all secondary funds and may be biased toward those funds that generally have higher performance. Additionally, the funds included in these measures may lack commonality. Over time, components of the data may change. Funds may begin or cease to be represented based on these factors, thereby creating a "survivorship bias" that may additionally impact the data reported.**

Secondary Funds Have Provided Better Downside Protection in Volatile Markets



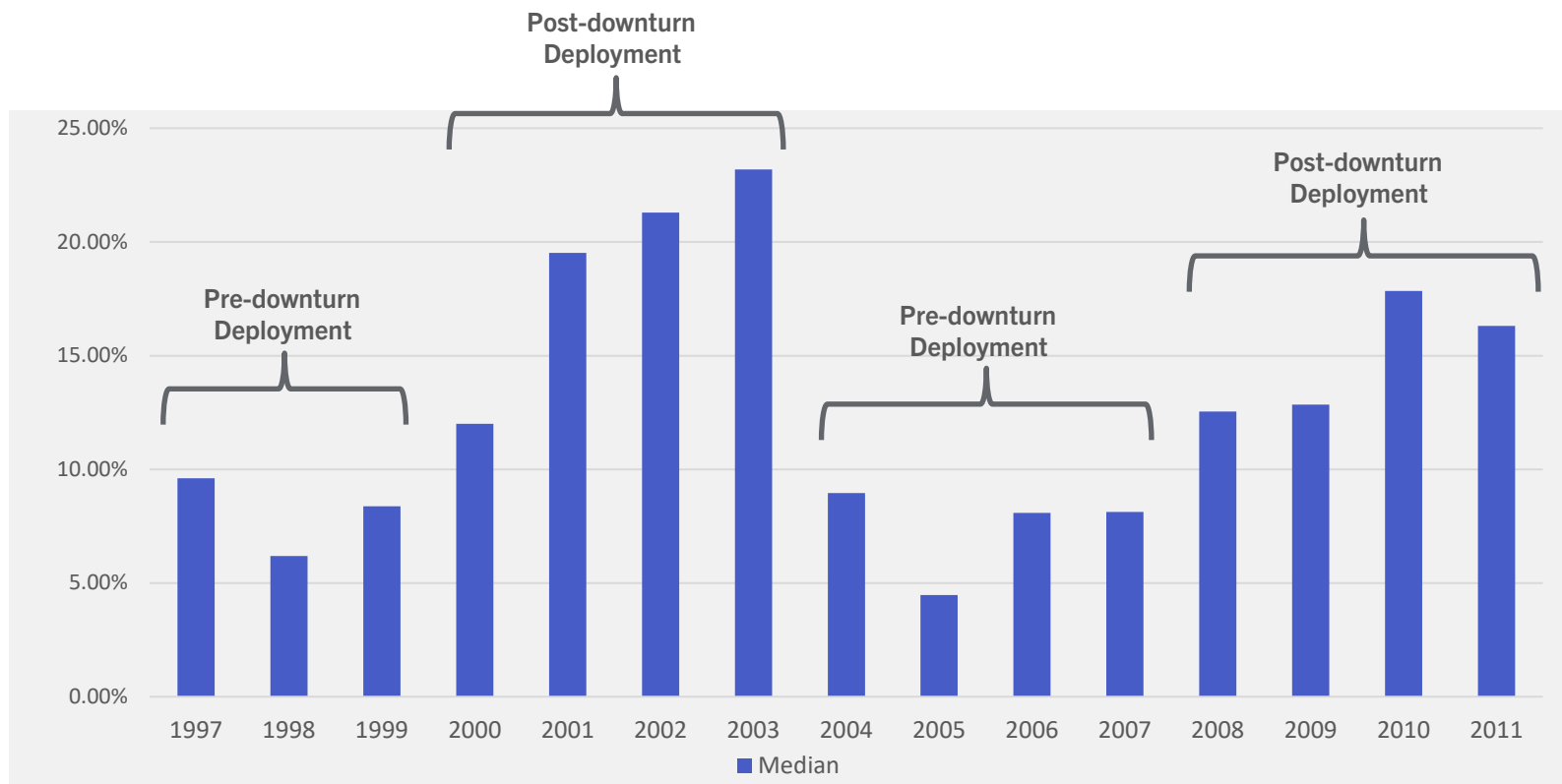
Source: Pitchbook, MSCI, S&P Global Ratings

Note: Global Financial Crisis (GFC) performance from 3Q07 to 1Q19; COVID Period performance in 1Q20

During economic downturns such as the Great Financial Crisis (GFC) and the onset of COVID, private equity secondaries have experienced more modest declines and faster recoveries than public equities.

Past performance is not indicative of future results. Data Source from PitchBook, as of September 26, 2022. Data is a comparison of secondary investments and private capital investments sourced from PitchBooks. This performance data reflects the fees, carried interest, and other expenses of the funds included in the data set. The fees, carried interest, and other expenses borne by investors in a FlowStone fund may be higher or lower than the fees and expenses of the funds reflected in the data set. See Glossary pages at the end of this presentation for more details. PitchBook data is typically compiled from funds that elect to self-report. **Thus, this data may not be representative of all secondary funds and may be biased toward those funds that generally have higher performance. Additionally, the funds included in these measures may lack commonality. Over time, components of the data may change. Funds may begin or cease to be represented based on these factors, thereby creating a “survivorship bias” that may additionally impact the data reported.**

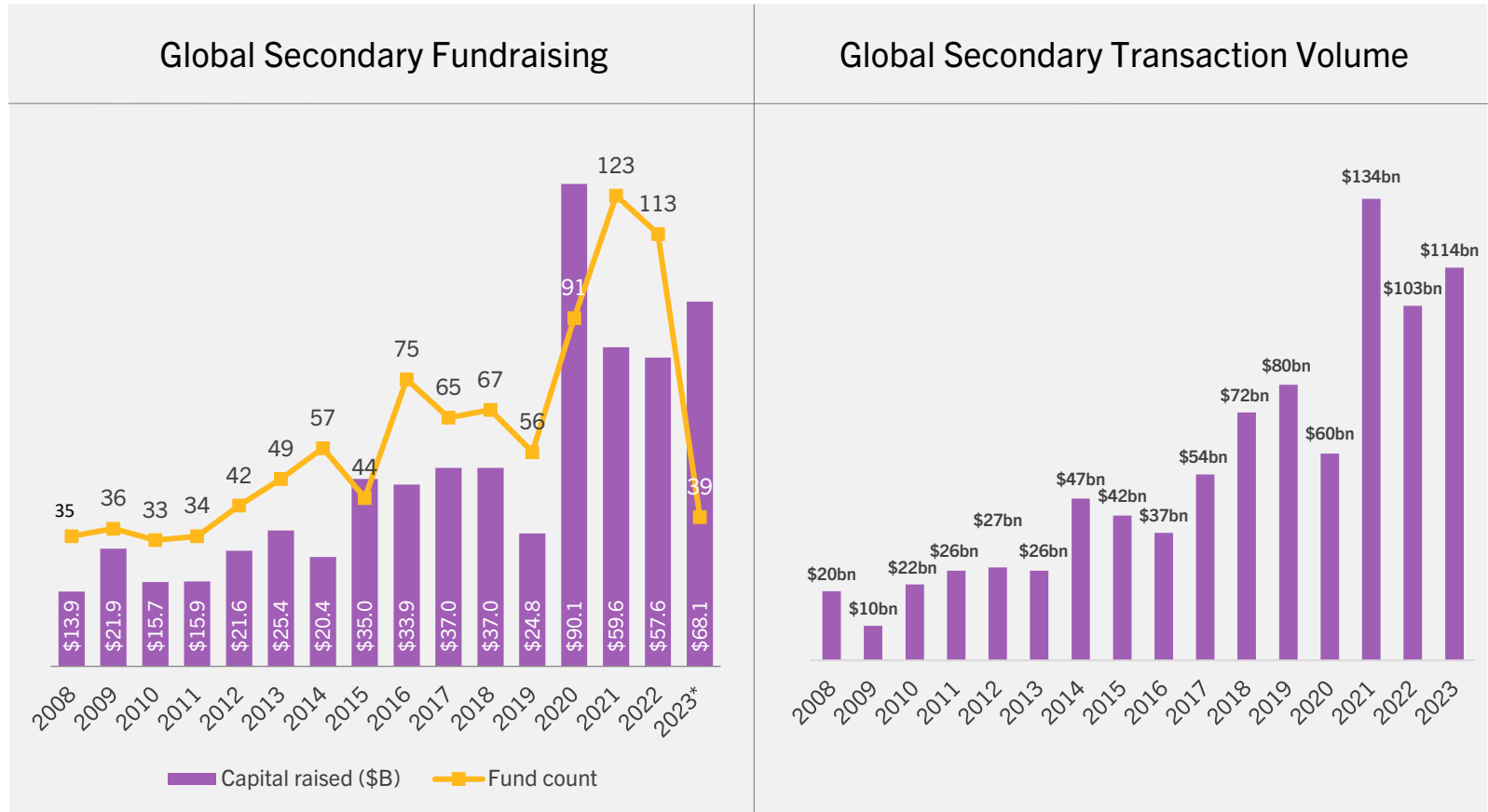
Secondary Funds Performance by Vintage Year



Past performance is not indicative of future results. Data Source: PitchBook, most recent available data as of 2021. Data is a comparison of all secondary funds from vintages 1997 through 2011 (168 funds). Data was downloaded on June 3, 2022. This industry data reflects the fees, carried interest, and other expenses of the funds included in the data set. The fees, carried interest, and other expenses borne by investors in a FlowStone fund may be higher or lower than the fees and expenses of the funds reflected in the data set. See Glossary pages at the end of this presentation for more details. **PitchBook data is typically compiled from funds that elect to self-report. Thus, this data may not be representative of all secondary funds and may be biased toward those funds that generally have higher performance. Additionally, the funds included in these measures may lack commonality. Over time, components of the data may change. Funds may begin or cease to be represented based on these factors, thereby creating a “survivorship bias” that may additionally impact the data reported.**



Secondary Market Landscape



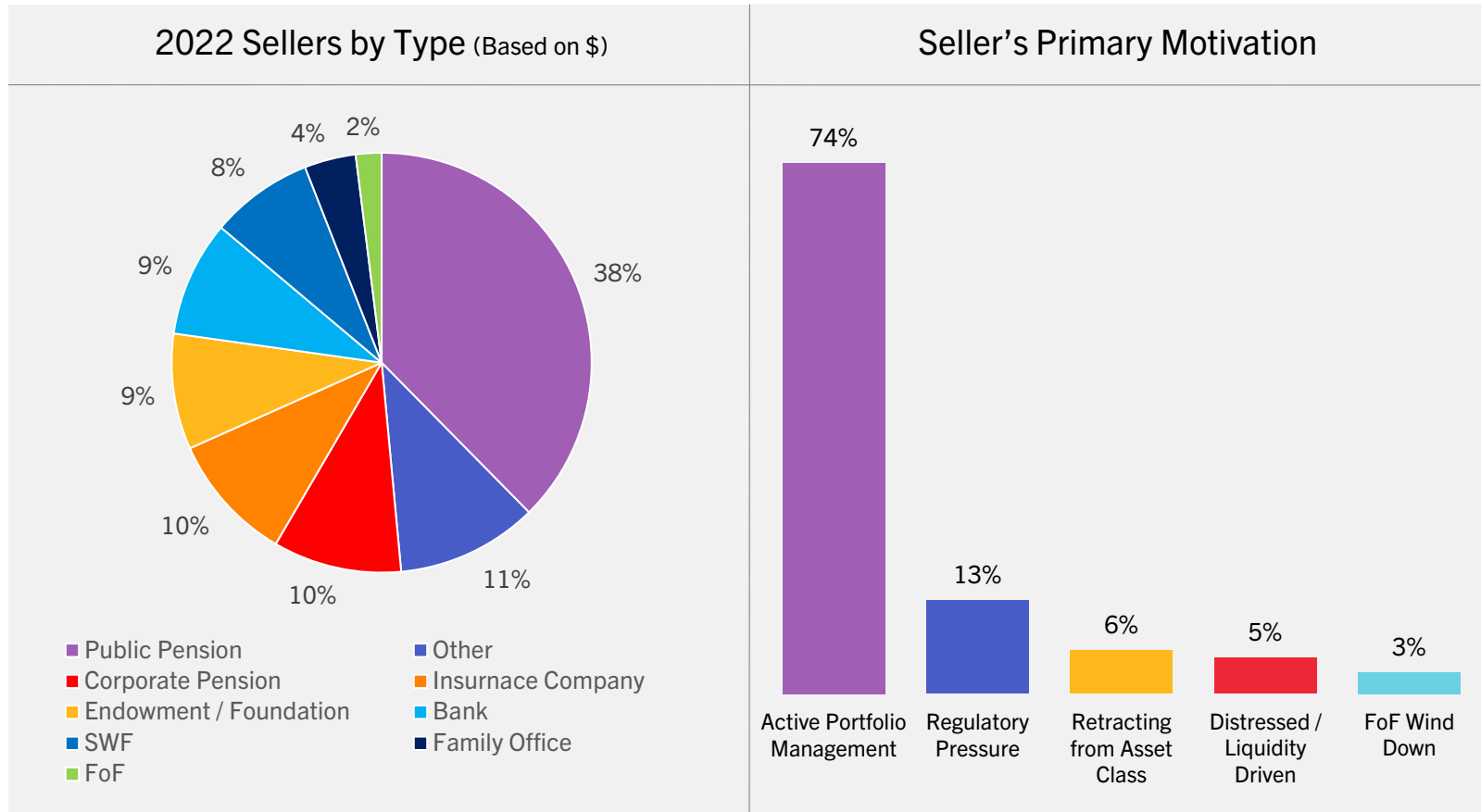
Source: PitchBook; 2023 Annual Global Private Markets Fundraising Report
*As of September 30, 2023

Source: Evercore Private Capital Advisory, 2023 Secondary Market Survey Results

The secondary market has experienced steady transaction and fundraising growth since its inception, becoming a key component of the private equity landscape.



Secondary Market Landscape



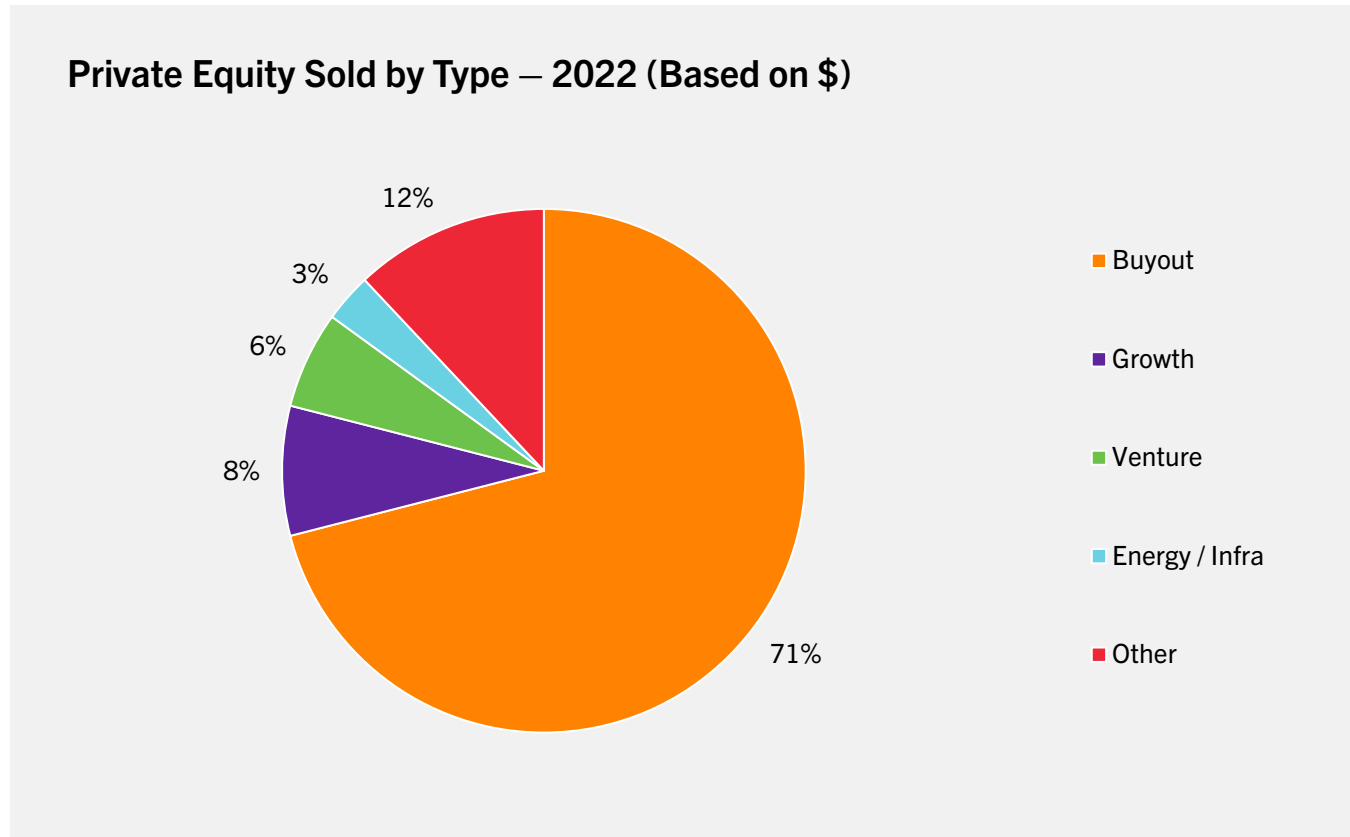
Source Evercore Private Capital Advisory, 2022 Secondary Market Survey Results; totals may not sum due to rounding

Source: Evercore Private Capital Advisory, 2022 Secondary Market Survey Results; totals may not sum due to rounding

Various investor types sell assets, and while motivations vary, active portfolio management has become the primary catalyst.



Secondary Market Landscape



Source: Evercore Private Capital Advisory, 2022 Secondary Market Survey Results

Buyout funds represent the majority of asset sales due to their large share of overall primary commitments and the relative lack of volatility and ease of pricing.



III. FlowStone Opportunity Fund



Important Information

This material is published as assistance for recipients but does not constitute investment advice and is not to be relied upon as authoritative nor to be substituted for one's own judgment. This information is not a recommendation to purchase or sell a security or follow any strategy or allocation. Before making any investment decision, you should seek expert, professional advice and obtain information regarding the legal, fiscal, regulatory and foreign currency requirements for any investment according to the laws of your home country and place of residence.

The information contained herein reflects views as of a particular time and is subject to change without notice. It is for illustrative purposes only and may not be representative of current or future investments or allocations. Any forward-looking statements are based on assumptions, and actual results may vary from such statements. There is no requirement to update information provided, unless otherwise required by applicable law. While reasonable efforts have been used to obtain information from reliable sources, no representations or warranties are made as to the accuracy, reliability or completeness of third-party information presented. The information contained in this document is unaudited.

FlowStone Opportunity Fund

FlowStone Opportunity Fund provides highly diversified Private Equity exposure through an investor-friendly structure

Proven and Experienced Team	Multi-Strategy	Intrinsic Value Orientation	Simplified Access to Private Equity
Over 75 years of combined private equity fund investing and management experience at Landmark Partners, Partners Group, MatlinPatterson, and Aberdeen Standard	Diversified access to: <ul style="list-style-type: none">• ~\$114 billion secondary market⁽¹⁾• ~\$521 billion primary market⁽²⁾• Direct co-investments sponsored by core private equity managers	Investment strategies focused on manager quality and acquiring assets at a discount to Intrinsic Value, reducing or eliminating the J-Curve	Low investment minimum, quarterly investment and redemption windows ³ , immediate evergreen allocation, and timely Form 1099 tax and financial reporting

The Fund's investment objective is to generate appropriate risk-adjusted long-term returns. We seek to achieve this objective through continuously building a private equity portfolio through the secondary purchase of mature fund interests, primary commitments to new funds, and direct co-investments alongside trusted private equity managers

⁽¹⁾Source: Evercore Private Capital Advisory, Data as of January 2024

⁽²⁾Source: PitchBook Private Equity Fundraising Report, Data as of August 2023

⁽³⁾Quarterly Redemptions are subject to limitations set forth in the Terms Sheet (Subject to a 5% cap and Board approval)



Barriers to Investing in Private Equity

Economic Barriers	Operational Barriers	Psychological Barriers
High investment minimums	Limited flexibility in timing and amount of investment	Unfamiliarity with asset class
Capital required to build a diversified portfolio	Access to opportunities	Less regulated funds and managers
J-Curve	Investment expertise	J-Curve
Lack of liquidity	Institutionally oriented marketing, investment structures, and terms	Lack of liquidity
Constant liquidity requirements to meet capital calls		

Institutions have benefited from Private Equity's potential to generate excess risk-adjusted returns and enhance diversification. Individual investors have largely been excluded from the asset class.

FlowStone Opportunity Fund



Highly Experienced Team

- Over 75 years combined of PE secondaries and fund investing experience
- Managed private equity funds on behalf of sophisticated institutional investors



Flexible Private Equity Investment Strategy

- Diversified core private equity allocation with a single investment
- Secondaries
- Primaries
- Co-Investments



1940 Act Registered Fund Structure

- Evergreen fund that can provide immediate core exposure to private equity
- Quarterly investment and redemption windows
- Low minimums
- Form 1099 tax reporting
- Subject to strict regulation

The FlowStone Opportunity Fund provides diversified Private Equity exposure and lowers the barriers to entry through a closed-end fund structure

Potential Benefits of a Multi-Strategy Approach



Primary Strategy

- Commit capital to new funds
- Potential for enhanced ROIs versus secondaries
- Ability to increase exposure to top managers and funds
- Strategic value to being a continuous investor with a manager



Secondary Strategy

- Acquire mature assets at a discount to intrinsic value
- Eliminate or mitigate the J-Curve
- Accelerated asset exposure and shorter duration
- High level of diversification
- Excess risk-adjusted return potential



Co-Investment Strategy

- Typically, no fees at the investment level
- Potential for selective enhancement of program returns
- Increased transparency and the potential for greater control

Private Equity secondaries strategies seeks to provide private equity returns, a reduced J-Curve, and increased diversification.

Private Equity Investment Strategy Comparison

	Secondary Fund Strategy	Private Equity Portfolio Strategy
Portfolio Objective and Strategy	Build a highly diversified portfolio of private equity investments through the acquisition of mature private equity fund interests from motivated sellers, typically at a discount from Net Asset Value (“NAV”)	Build a diversified portfolio of private equity assets either through the direct investment in the securities of private companies or the investment in newly formed private equity funds
Capital Deployment Pace	Investor’s full capital is at work quickly due to the purchase of portfolios of mature funds and investments	Capital is deployed gradually after the investor’s commitment – typically over a five to seven-year horizon as the funds make new company investments
Diversification	Diversification occurs rapidly, as portfolios of multiple funds are acquired	Diversification occurs slowly as the investor invests in multiple funds over time. Furthermore, each fund’s capital is invested over four years, or more
Blind Pool Risk	Blind Pool Risk is virtually eliminated, as the acquired funds are substantially invested. In addition, follow-on investments are made in existing, identified assets	New fund investing involves 100% Blind Pool Risk
Historical Return and Risk Profile	Private equity returns with lower observed volatility and lower loss ratios	Comparable returns but historically with higher volatility and loss ratios
Cash Flow Profile	Mature portfolios with assets at or near the Harvest Phase typically generate near-term cash flows from acquisition. Highly diversified portfolios can result in relatively consistent cash yields, even in down-markets	Newly formed funds typically do not generate positive cumulative cash flows for the first five to seven years of a fund’s life
J-Curve	Mature portfolio acquired at discounts from NAV or intrinsic value effectively eliminate or mitigate the J-Curve	Newly formed funds generally experience a significant J-Curve

The Secondary strategy is ideal for investors building exposure to the excess return potential of private equity on a highly diversified basis and with an appropriate risk profile.

Disclosure: Diversification does not ensure a profit or protect against loss. Past performance does not guarantee future results.



FlowStone Fund Structure

	FlowStone Fund	Traditional Private Equity Fund of Funds
Investment Objective	The Fund's investment objective is to generate appropriate risk-adjusted long-term returns by assembling a diversified portfolio of private equity investments through secondary acquisition, primary commitments, and co-investments	The Fund's investment objective is to generate appropriate risk-adjusted long-term returns by assembling a diversified portfolio of private equity investments through primary commitments
Investment Timing	Quarterly unit purchases at current NAV allow for investors to participate when it meets <u>their</u> timing, not only when the fund manager is raising capital	Fund managers typically raise new capital every two to four years, limiting the investor's ability to invest <u>only</u> when managers are actively raising capital
Investment Structure	Investors buy into an existing portfolio, enjoying immediate exposure. Proceeds are reinvested in the vehicle, increasing the potential for continuous capital appreciation and compounded growth	Investments are made over time, often several years, so exposure increases gradually. "Blind Pool Risk" exists because there is no visibility on the assets to be acquired
Regulatory Oversight	Registered investment companies are designed specifically for individual investors and are subject to strict regulation	Limited partnership vehicles are designed for institutional investors and are subject to fewer regulatory obligations regarding valuations and reporting. This may be less suitable for individual investors
Tax and Reporting	Form 1099 tax reporting Quarterly filings and investor reporting	Limited partnerships issue K-1s, which are seldom available by the April 15 tax filing deadline, requiring an extension with the IRS
Distributions	Registered Investment Companies must distribute income, annually. Distributions are automatically reinvested in the fund unless the investor opts out of the reinvestment plan	Traditional private equity limited partnerships distribute capital and income at the sole discretion of the manager. Funds often make no distributions for the first several years of a fund's life
Redemption Option⁽¹⁾	Redemption feature allows investors to redeem their units at NAV quarterly (subject to a fund-level cap and/or board approval)	Private equity limited partnerships provide no flexibility for the investor to manage liquidity. Investors are locked up until the manager makes its final distribution

⁽¹⁾The Fund is not a liquid investment. No Shareholder will have the right to require the Fund to redeem its Shares. The Fund from time to time may offer to repurchase Shares pursuant to written tenders by the Shareholders

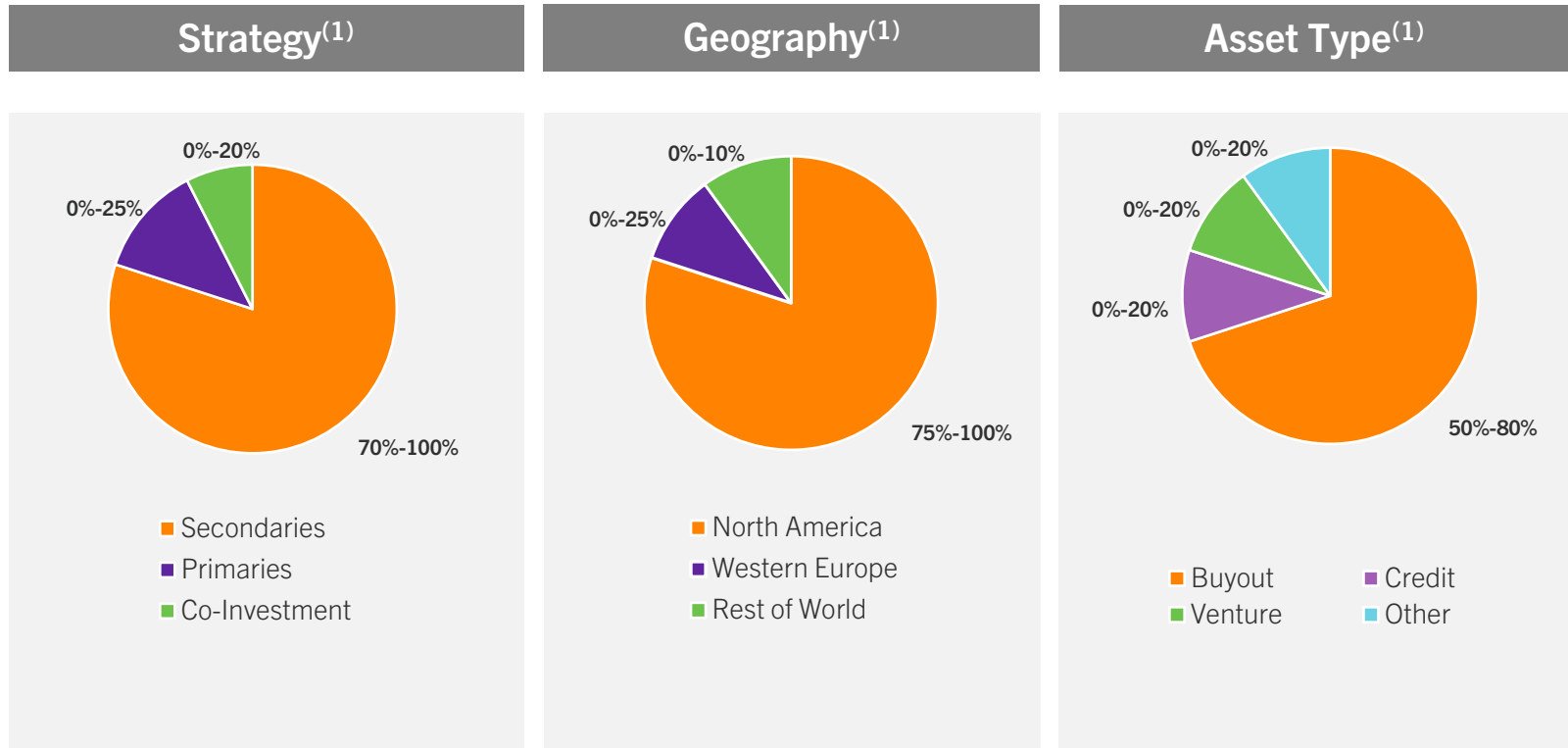
Note: This presentation is for discussion purposes only and is not intended to be an offer to sell or the solicitation of an offer to buy any securities. In the event securities were offered, this presentation would be superseded and replaced in its entirety by a preliminary or final term sheet, prospectus, offering agreement or memorandum, partnership agreement and/or other supplemental and controlling documents for a specific offer. In the event of any inconsistency between the information presented herein and that information presented in a preliminary or final term sheet, prospectus, offering agreement or memorandum, partnership agreement and/or other supplemental and controlling document, the latter shall govern in all respects.

There is no guarantee that the Fund will achieve its investment objective.





Portfolio Exposure Targets



FlowStone Opportunity Fund will provide diversified exposure primarily to cash flow positive businesses in developed markets

⁽¹⁾See Glossary for definitions

Disclosure: Diversification does not ensure a profit or protect against loss. Past performance does not guarantee future results.



IV. FSOF Performance & Exposures

FlowStone Opportunity Fund | Summary

FSOF - Class I Shares Performance Data (as of 12/31/2023)⁽¹⁾

Total Return %*	QTD (Q4) %*	YTD %*	One Year Ended	Annualized Three Years Ended	Annualized Inception to Date ("ITD"**) %	ITD** %
FSOF - Class I Shares	1.45%	3.85%	3.85%	12.21%	16.39%	93.17%
S&P 500	11.69%	26.29%	26.29%	10.00%	13.79%	75.10%
MSCI World	11.42%	23.79%	23.79%	7.27%	11.22%	58.62%

*Note: Returns are calculated based on a calendar quarter and year. For financial reporting purposes, the FSOF FY ends on March 31st, as stated in the prospectus. FSOF returns are a calculated net of all fees and expenses, assuming reinvestment of dividends

**Note: "Annualized Inception to date (ITD)" performance metrics represent annualized figures. Inception date of August 31, 2019

The performance data shown represents past performance. Past performance is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the past performance quoted. It is not possible to invest directly in an index.

Net Assets ⁽²⁾ (as of 1/1/2024)	Number of Transactions ⁽³⁾	Investment Value / Fund NAV ⁽⁴⁾	Number of Funds	Number of Companies
\$710.5 million	48	80.9%	205	1600+

⁽¹⁾See "Important Disclosures | Performance Reporting" on page 2 ⁽²⁾Fund Net Assets is calculated as the sum of the Fund's Net Asset Value as of 12/31/2023 (\$683.2 million) and the amount of capital received from subscriptions on 1/1/2024 (\$27.3 million); ⁽³⁾See the Glossary for the definition of "Transaction(s)"; ⁽⁴⁾Investment Value reflects the value of the fund's investments as of 12/31/2023

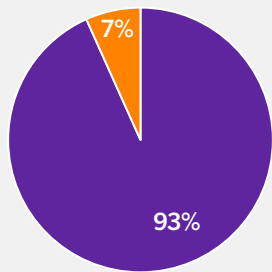
Disclosure: Diversification does not ensure a profit or protect against loss.



FSOF Summary of Exposure – December 31, 2023

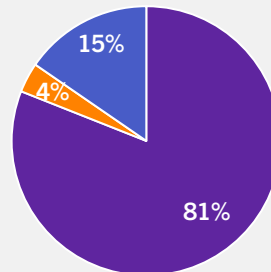
Transaction ⁽²⁾	Number of Funds	Number of Companies	Top 10 Fund Holdings By NAV ⁽¹⁾	% of NAV
Pre-Q3 2022 Transactions	171	1250+	Project Porsche	5.4%
Primaries	15	100+	Kohlberg TE VIII	4.6%
Project Porsche	7	115+	Brookfield	4.0%
Project Allegro	1	1	WPGG	3.6%
Project Fountain	1	5	Audax PE Fund VI-A	3.1%
Project Ignite	1	1	WPFS	2.7%
Project Zipper	1	12	Roark	2.6%
Project Tetra	1	1	Awz Pentera II	2.6%
Project Rose	4	55+	TA XII-B	2.5%
Project Prosper	2	60+	Audax PE Fund V-A	2.2%
Project Jordan	1	3		
Total	205	1600+		

Transaction Type (NAV)



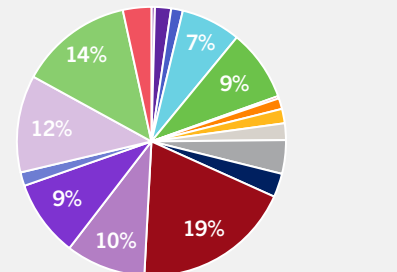
■ Secondary ■ Primary

Investment Strategy (NAV)



■ Buyout ■ Credit ■ Venture

Vintage Year (NAV)



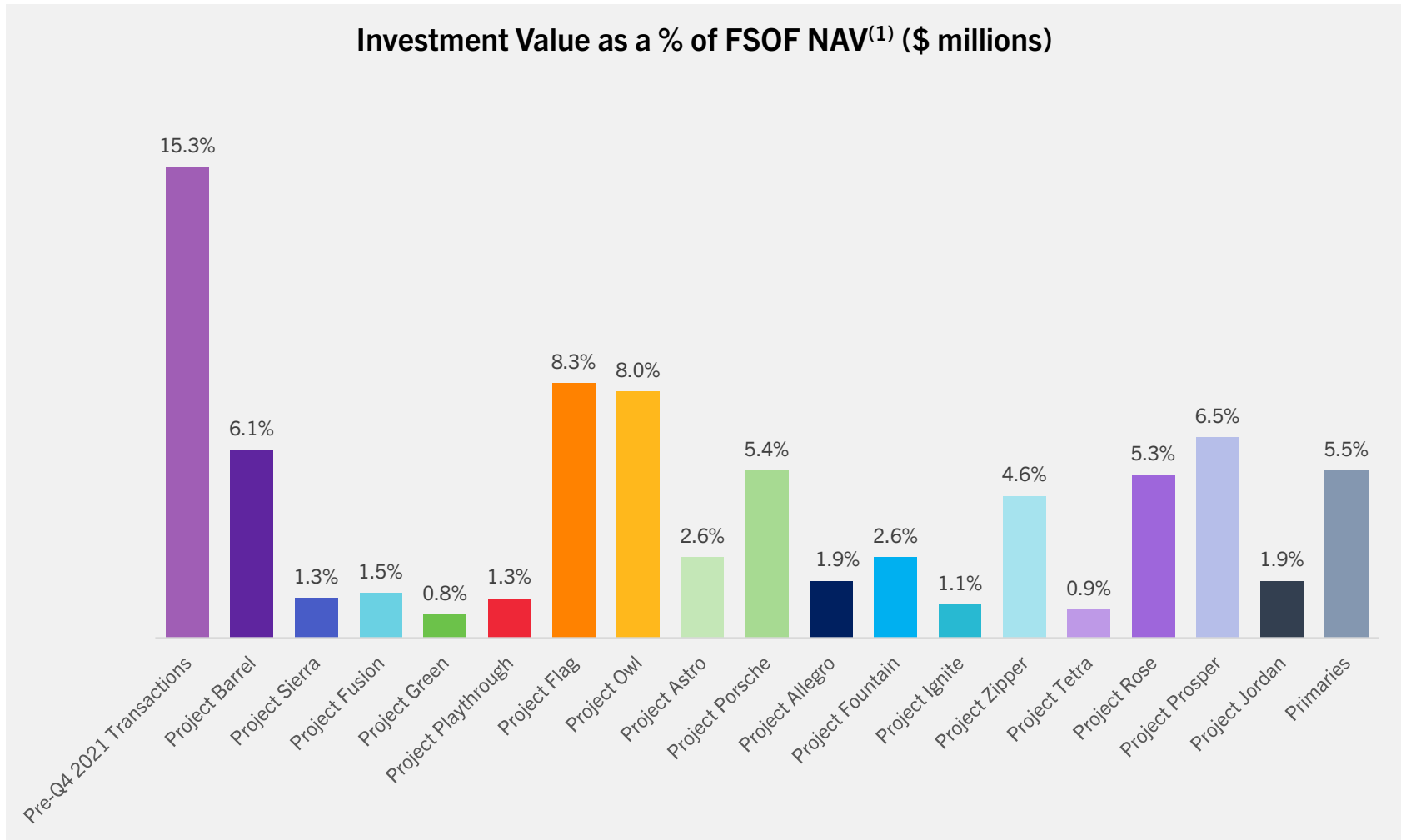
■ 2005 ■ 2006 ■ 2007 ■ 2008 ■ 2009 ■ 2010
 ■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016
 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023

⁽¹⁾Represents the ten largest individual investment positions in the Fund as determined by Net Asset Value as of December 31, 2023 ⁽²⁾See Glossary for the definition of “Transaction(s)”;
 Disclosure: Diversification does not ensure a profit or protect against loss. Past performance does not guarantee future results; Disclosure: Holdings are subject to change



Fund Status

Investment Value as a % of FSOF NAV⁽¹⁾ (\$ millions)



As of December 31, 2023, 80.9% of FSOF NAV is allocated to Investments

⁽¹⁾FSOF NAV is the stated amount of NAV as of 12/31/23. Investment Value reflects the 12/31/23 value of each underlying investment. Total may not sum due to rounding

Disclosure: Holdings are subject to change



IV. Fund Terms and Adviser Bios

FlowStone Opportunity Fund | Terms and Conditions

Structure	1940 Act Registered Closed-End Fund Units are registered under the 1933 Act Continually offered closed-end fund
Permitted Investors	Qualified Clients and Qualified Purchasers
Subscriptions	Quarterly, subscriptions due 5 days prior to quarter-end
Valuation	Advisor values the Fund assets quarterly and reports a Net Asset Value (“NAV”) per unit quarterly Net Asset Value is subject to approval by the Fund’s Board of Trustees
Distributions	Dividends are paid in Fund units unless otherwise specified by the investor
Redemption Option	Quarterly redemptions subject to 5% of the Fund’s NAV and Board approval 2% redemption fee within first 12 months
Tax	Form 1099

Available Share Classes	Class A	Class D	Class I	Class M
Maximum Sales Load	3.50%	1.50%	None	None
Distribution/Shareholder Servicing Fees	0.85%	0.30%	None	None
Annual Management Fee⁽²⁾	1.25% annually of Fund assets, paid quarterly			
Performance Incentive Fee⁽³⁾⁽⁴⁾	10% of Fund gains (assessed quarterly, subject to a high-water mark)			
Fund Expenses	0.70% annual expense cap ⁽⁵⁾			
Investment/Subsequent Minimum Investment	\$50,000/\$10,000	\$50,000/\$10,000	\$1,000,000/\$10,000	\$100,000/\$10,000

Note: This presentation is for discussion purposes only and is not intended to be an offer to sell or the solicitation of an offer to buy any securities. In the event securities were offered, this presentation would be superseded and replaced in its entirety by a preliminary or final term sheet, prospectus, offering agreement or memorandum, partnership agreement and/or other supplemental and controlling documents for a specific offer. In the event of any inconsistency between the information presented herein and that information presented in a preliminary or final term sheet, prospectus, offering agreement or memorandum, partnership agreement and/or other supplemental and controlling document, the latter shall govern in all respects.





FlowStone Opportunity Fund | Expense Summary

- ⁽¹⁾A 2.00% early repurchase fee payable to the Fund will be charged with respect to the repurchase of a Shareholder's Shares at any time prior to the day immediately preceding the one-year anniversary of a Shareholder's purchase of the Shares (on a "first in-first out" basis). An early repurchase fee payable by a Shareholder may be waived by the Fund, in circumstances where the Board determines that doing so is in the best interests of the Fund and in a manner as will not discriminate unfairly against any Shareholder. In addition, under certain circumstances the Board may offer to repurchase Shares at a discount to their prevailing net asset value. The Fund is not a liquid investment. No Shareholder will have the right to require the Fund to redeem its Shares. The Fund from time to time may offer to repurchase Shares pursuant to written tenders by the Shareholders
- ⁽²⁾The Investment Management Fee is equal to 1.25% on an annualized basis For purposes of determining the Investment Management Fee payable to the Adviser for any month, the net asset value will be calculated prior to any reduction for any fees and expenses of the Fund for that month, including, without limitation, the Investment Management Fee payable to the Adviser for that month.
- ⁽³⁾At the end of each calendar quarter of the Fund (and at certain other times), the Adviser (or, to the extent permitted by applicable law, an affiliate of the Adviser) will be entitled to receive an Incentive Fee equal to 10% of the excess, if any, of (i) the net profits of the Fund for the relevant period over (ii) the then balance, if any, of the Loss Recovery Account. For the purposes of the Incentive Fee, the term "net profits" shall mean the amount by which the net asset value of the Fund on the last day of the relevant period exceeds the net asset value of the Fund as of the commencement of the same period, including any net change in unrealized appreciation or depreciation of investments and realized income and gains or losses and expenses (including offering and organizational expenses). Because the Fund has not commenced operations the Incentive Fee has yet to be charged.
- ⁽⁴⁾Shareholders also indirectly bear a portion of the asset-based fees, performance or incentive fees or allocations and other expenses incurred by the Fund as an investor in the Portfolio Funds. Generally, asset-based fees payable in connection with Portfolio Fund investments will range from 1% to 2.5% (annualized) of the commitment amount of the Fund's investment, and performance or incentive fees or allocations are typically 20% of a Portfolio Fund's net profits annually, although it is possible that such amounts may be exceeded for certain Portfolio Fund Managers. Historically, a substantial majority of the direct investments made by the Adviser and its affiliates on behalf of their clients have been made without any "acquired fees" (i.e., free of the management fees and performance/incentive fees or allocations that are typically charged by Portfolio Fund Managers). The "Acquired Fund Fees and Expenses" disclosed above, however, do not reflect any performance-based fees or allocations paid by the Portfolio Funds that are calculated solely on the realization and/or distribution of gains, or on the sum of such gains and unrealized appreciation of assets distributed in kind, as such fees and allocations for a particular period may be unrelated to the cost of investing in the Portfolio Funds.
- ⁽⁵⁾Other Expenses are estimated for the Fund's current fiscal year.

Investment Advisor Bios



Scott Conners, CFA
Managing Director

Scott Conners is a Managing Director, President and Investment Committee Member with FlowStone Partners. Scott is responsible for product development, fundraising, transaction origination, due diligence, structuring, and closing. Since 1993, he has sourced or been directly involved with the investment of nearly \$7 billion. Prior to joining FlowStone Partners, Scott spent 22 years at Landmark Partners, one of the oldest and one of the leading private equity and real estate secondary purchasers. He joined Landmark in 1993 in the very early days of the private equity secondary market's development. Scott participated in the market's growth from less than \$500 million per year in transaction volume to over \$40 billion a year. He specialized in developing unique transaction structures and was an early-mover in asset lift-outs and fund restructurings. Scott retired in 2015 as a Partner with responsibility for co-managing Landmark's private equity secondary activities, with over \$11 billion in committed capital. Scott is the recently retired Board Chair of Hartford Youth Scholars, a non-profit focused on educational enhancement and access for the underserved youth of Hartford, CT.

Scott received his B.A. in Business Economics from the University of Maine at Farmington and his M.B.A. from The Pennsylvania State University. He has been a Chartered Financial Analyst since 1996 and is a member of the Hartford Society of Financial Analysts. He holds the FINRA Series 7 and Series 63 registrations.

Investment Advisor Bios



Michael Carrano
Managing Director

Mike Carrano is a Managing Director and Investment Committee Member with FlowStone Partners. Mike has 21 years of secondary and direct private equity investment experience. Mike is responsible for portfolio management, transaction origination, due diligence, structuring, and closing of secondary and primary transactions. Prior to joining FlowStone, he was a Managing Director at Landmark Partners. Mike was active in all facets of Landmark's secondary private equity activities including transaction origination, negotiation, due diligence, legal closing and capital raising. He had a leadership role in investing over \$3.5 billion across various transaction types including portfolio acquisitions, fund recapitalizations, structured joint venture transactions and primary commitments. Mike served on various fund advisory boards and committees for investment vehicles managed by Providence Equity Partners, Ridgemont Equity Partners, Primus Capital, Caltius Capital Management and Udata Partners, among others.

Prior to Landmark, Mike was an Analyst at Conning Capital Partners, where he focused on direct investments in private companies in the healthcare and financial services sectors. He began his career as an Investment Analyst within GE Capital's Commercial Finance business unit.

Mike graduated from the University of Connecticut and received his M.B.A. from the Tuck School of Business at Dartmouth. He holds the FINRA Series 7 and Series 63 registrations.

Investment Advisor Bios



Andreas Munderlein **Managing Director**

Andreas Munderlein is a Managing Director and Investment Committee Member with FlowStone Partners. Andreas has over 17 years of private equity secondary, primary and co-investing experience. Andreas is responsible for portfolio management, transaction origination, due diligence, structuring, and closing of secondary and primary transactions. Prior to joining FlowStone, he was an Investment Manager at Partners Group. As investment manager in Partners Group's New York office and member of the Global Private Equity Secondaries Investment Committee, Andreas closed over 25 transactions representing over \$4.0 billion of invested capital. His responsibilities included the sourcing of investment opportunities, due diligence, transaction structuring, negotiations, and commercial execution.

Prior to Partners Group, Andreas worked at smac Partners GmbH, a private equity secondary direct firm, and Siemens Venture Capital in Munich, Germany.

Andreas earned his Master's Degree in Economics from the Ludwig-Maximilian University in Munich, Germany. He holds the FINRA Series 7 and Series 63 registrations.

Investment Advisor Bios



Mark Phillip

Managing Director, Head of Business Development & Investor Relations

Mark Phillip is a Managing Director with FlowStone Partners, leading business development and investor relations. Mark has nearly two decades of experience in commercializing and investing in liquid and illiquid alternative investment strategies. Prior to FlowStone, Phillip was a Principal at MatlinPatterson Asset Management, a multi-billion-dollar credit platform. In that role, he led the launch and distribution of new fund vehicles, sub-advisory relationships, and separate managed accounts for institutional investors and wealth management platforms. Mark was particularly instrumental in the growth of MP Securitized Credit Partners, an opportunistic investor in structured finance markets.

Prior to MatlinPatterson, Mark was a Vice President at Morgan Stanley within the Alternative Investment Group. In that role, he was responsible for sourcing, conducting due diligence and covering investments in hedge funds.

Mark graduated with a Bachelor of Science in Finance degree from DePaul University and received his Master in Finance from the Mendoza College of Business at the University of Notre Dame. He holds the FINRA Series 7 and Series 63 registrations.

Investment Advisor Bios



Charles Finnegan
Vice President

Charlie is a Vice President with FlowStone Partners. Prior to FlowStone Partners, he worked with Aberdeen Standard Investments as a Private Equity Senior Analyst, focused on secondary transactions, primary commitments, and direct co-investments. He was involved in all aspects of the investment process including sourcing, due diligence, industry review, and portfolio management.

Prior to Aberdeen Standard Investments, Charlie worked at AGC Partners, a sell-side investment bank focused on mergers & acquisitions and private placements in the technology sector. His primary responsibilities included performing valuation and transaction analysis and assisting with all aspects of the closing process.

Charlie holds a BA in Economics from Trinity College and was a member of the Trinity varsity lacrosse team. He holds the FINRA Series 7 and Series 63 registrations.

Investment Advisor Bios



Tommy Beard
Senior Associate

Tommy is a Senior Associate with FlowStone Partners. Prior to FlowStone Partners, he worked with Boston Consulting Group (“BCG”) as a Senior Analyst in their Principal Investors & Private Equity practice area. At BCG, he conducted a wide range of commercial due diligence, portfolio value creation, and fund strategy for institutional investors across industries.

Prior to BCG, Tommy worked at Greater Sum Ventures (“GSV”), a middle-market private equity firm in Knoxville, TN. At GSV, he assisted in evaluating and sourcing investment opportunities in various SaaS and tech-enabled business services markets. Previously, he interned at Wells Fargo, Priam Capital and the United States Senate.

Tommy holds a B.A. in Political Science from the University of Tennessee where he was an appointed member of the Academic Review Board, Student Disciplinary Board and Tennessee Capital Markets Society.

Investment Advisor Bios



Jordan Schneeberger **Associate, Finance and Operations**

Jordan Schneeberger is an Associate in Operations and Finance with FlowStone Partners, providing support for the onboarding and ongoing administration of client accounts. In addition, Jordan provides operational support to the investment team and works on special projects.

Prior to FlowStone, Jordan was a Senior Associate at PricewaterhouseCoopers where he provided tax and advisory services to hedge funds and asset managers.

Jordan holds a Bachelor of Science in Accounting from Illinois State University.



Investment Advisor Bios

Stacey Gillespie **Chief Compliance Officer**

Stacey Gillespie provides chief compliance services to FlowStone Partners, LLC via ACA Group. Stacey's compliance career spans more than 23 years in the financial services industry. She began her career in 2001 as a compliance officer at JP Morgan Fleming Asset Management and held a number of compliance roles with increasing responsibility throughout her career. From 2007 through 2015, she served as the Chief Compliance Officer of Boenning & Scattergood, Inc. a Mid-Atlantic 3-billion-dollar dual registrant where she led the compliance program, managed compliance staff and oversaw all compliance initiatives. She joined Cipperman Compliance Services, LLC in 2015 as a Director and outsourced chief compliance officer and served as a senior member of the firm's Compliance Committee. She has been the main liaison for numerous regulatory exams, has spoken on compliance panels and authored white papers on important regulatory issues.

Stacey holds a Bachelor of Science from Adelphi University and her and his M.B.A. from The Pennsylvania State University. She holds the FINRA Series 7, 63, 65, 24, 79 and 53 licenses.



Professional Bios

Trent Statczar

Chief Financial Officer, FlowStone Opportunity Fund LLC

Trent Statczar provides treasurer and principal financial officer solutions to the FlowStone Opportunity Fund via ACA Group. Prior to joining ACA Group, Trent worked at Citi Fund Services as a Senior Vice President and served as the Treasurer for various mutual funds.

Trent graduated with a Bachelors of Science from Miami University

Andrew Jones

Chief Compliance Officer, FlowStone Opportunity Fund LLC

Andrew Jones provides chief compliance officer services to the FlowStone Opportunity Fund via ACA Group. He has been with ACA since 2016. His work at ACA has included serving as an outsourced chief compliance officer to registered funds and conducting extensive reviews of prospective ACA clients, advisers and products marketed under ACA's affiliated broker-dealers. He has led executive training sessions on complex private and registered products and has produced industry commentary on closed-end interval and tender offer funds. Andrew regularly conducts independent anti-money laundering audits for ACA's registered fund clients, as required under the Bank Secrecy Act. Andrew serves as an AML subject matter expert within ACA, including providing AML training sessions and authoring articles for outside publication. He maintains the CAMS designation (Certified Anti-Money Laundering Specialist), Investment Adviser Certified Compliance Professional® (IACCP®) designation, and FINRA Series 7 registration.

Andrew graduated with a Bachelor of Arts in Economics and Government & Legal Studies from Bowdoin College.



Fund Board of Trustees

Independent Board Members

Jason Gull – Retired; Former Global Head of Secondaries, Adams Street Partners

Marek Herchel – Head of Americas, MLC Private Equity; Formerly Managing Director and Head of U.S. Fund Investments, Alpinvest

Michael Moskow - Vice Chair and Distinguished Fellow, Global Economy, The Chicago Council on Global Affairs; Formerly President and CEO of the Federal Reserve Bank of Chicago

Shoshana Vernick – Co-founder and Managing Director of Avathon Capital; Managing Director of Sterling Partners; previously an Associate at One Equity Partners LLC and an Investment Banking Analyst at Merrill Lynch

Advisory Board Member

Craige Stout – CEO, Stout Risius Ross, LLC, a global investment bank and advisory firm specializing in corporate finance, valuation, financial disputes, and investigations.

W. Walter Green – Retired, J.P. Morgan; Chairman of the Advisory Board – College of Charleston School of Business Investment Program



Glossary

Blind Pool Investment Fund – A limited partnership that does not announce its intentions with specificity as to what investments will be made.

Buyout - Control investments in established, cash flow positive companies are generally classified as buyouts. Buyout investments may focus on small-, mid- or large-capitalization companies, and such investments collectively represent a majority of the capital deployed in the overall private equity market. The use of debt financings, or leverage, is prevalent in buyout transactions — particularly in the large-cap segment.

Capital Calls – Unfunded capital drawn down from investors periodically to finance investment activity and fund operations

Co-Investments – Co-investments generally involve taking an interest in securities issued by an operating company, whether equity or debt, in parallel with a sponsoring fund manager acting as the lead investor. Direct equity investments generally involve new owners taking a material stake in the target company and may involve exercising influence on the growth and development of the company through work with the company's management and board of directors. Direct debt investments typically represent financing for buyout or growth investments and may have various features and covenants designed to protect the lender's interests.

Direct Funds – Individual private equity funds or a portfolio of individual private equity funds.

Distribution – Cash flow provided to the limited partner of a private equity fund related to the liquidity proceeds realized through a liquidity event for one or more portfolio companies.

Dry Powder – A private equity investment term referring to uninvested capital subject to call by an investment fund.

E & F – Endowments and Foundations

Evergreen Fund – Evergreen Funds reinvest investment proceeds into new investments within the fund, as opposed to distributing investment proceeds to the fund's investors.

Family Office – An investment company established by a high net worth individual or family to invest and manage that investor's assets

Global Private Equity/VC Funds – Those U.S. and non-U.S. private equity and venture capital funds included in a combination of the Cambridge Associates Global Private Equity Fund and Global Venture Capital Fund Index data sets as of the dates indicated in the relevant chart footnotes. As of the March 31, 2017; and December 31, 2005, reports, these data sets are comprised of five asset classes: Buyouts, Growth Equity, Private Equity Energy, Subordinated Capital, and Venture Capital.

Global Secondary Funds – Those U.S. and non-U.S. secondary funds included in the Cambridge Associates Global Secondary Fund Index data sets as of the dates indicated in the relevant chart footnotes.

GP or General Partner – The investment manager of a private equity fund

Harvest Phase - The stage in a private equity fund's life cycle when the fund's manager begins to liquidate the fund's assets through the public and/or private capital markets. This stage typically begins in years 4-6 of a fund's life, as the investments have matured, and the investment manager has built value above cost in the individual company investments.

Intermediated – Transactions where a broker is involved and acts as an intermediary between the buy and sell side



Glossary

LOI or Letter of Intent – A non-binding agreement issued by a buyer to a seller summarizing the key terms of a purchase offer

LP or Limited Partner – An investor in a private equity fund

J-Curve – The value development pattern in which the net asset value of a private-equity fund typically declines moderately during the early years of the private-equity fund's life as investment related fees and expenses are incurred before investment gains have been realized. As the fund matures and portfolio companies are sold, the pattern typically reverses with increasing net asset value and distributions.

Mezzanine - Mezzanine is a private equity industry term referring to subordinated debt investments made directly in operating companies. Investee companies are often private-equity backed. Mezzanine debt is junior to most forms of debt and liabilities in the capital structure but is senior to all forms of equity. In compensation for the risk profile, mezzanine debt generally requires a higher level of interest payment to the investor, typically in some combination of cash and in-kind payments. Often, the mezzanine investor will also require equity warrants to be associated with the debt security.

Other - Infrastructure - Infrastructure is a private equity industry term that refers to investments made directly in infrastructure projects, such as energy production plans, dams, pipelines, bridges, or other income producing facilities. These investments may be made in the form of equity, debt, revenue or profit-sharing participations, or in some combination.

Other - Natural resources - Natural resources is a private equity industry term that refers to investments made directly in assets such as oil and gas exploration and production, oil and gas distribution, or timber. These investments may be made in the form of equity, debt, revenue or profit-sharing participations, or some combination.

Primary Investments - Primary investments (primaries) are interests or investments in newly established private equity funds. Primary investors subscribe for interests during an initial fundraising period, and their capital commitments are then used to fund investments in several individual operating companies (typically ten to thirty) during a defined investment period. The investments of the fund are usually unknown at the time of commitment, and investors typically have little or no ability to influence the investments that are made during the fund's life.

Proprietary – Transactions originated via the FlowStone Opportunity Fund platform where a broker is not involved

Seasoned Primary – Similar to a Primary Investment; however, when the investor commits to the fund during the initial fundraising period, the newly established fund has already completed a number of transactions. Importantly, there is still a relatively high amount of unfunded capital that will be drawn down to make new platform investments

Glossary

Secondary Fund Size Classification

Vintage Year	Small-Cap	Mid-Cap	Large-Cap
2000-2004	<\$50MM	\$50-\$250MM	>\$250MM
2005-2009	<\$300MM	\$300-\$1,500MM	>\$1,500MM
2010-2011	<\$500MM	\$500-\$2,500MM	>\$2,500MM

Secondary Investments - Secondary Investments are interests in existing private equity funds that are acquired in privately negotiated transactions, typically after the end of the private equity fund's fundraising period. The investments of the acquired fund are usually known at the time of acquisition, and the majority of the fund's capital is typically drawn down and invested by the time of the fund's acquisition.

SWF - Sovereign Wealth Fund

Syndicate – A group of buyers who combine to purchase a specific interest

Synthetic – Secondary investors acquire an interest in a new limited partnership that is formed specifically to hold a portfolio of investments. Typically, the manager of the new fund had historically managed the assets as a captive portfolio

Total Value to Paid-In Capital ("TVPI") – The ratio of Total Value (Net Asset Value plus distributions received) to Paid-In Capital (total invested capital)

Transaction(s) - Transactions are defined as the number of individual investment transactions closed by the Fund during the measurement period. For example, a primary commitment is counted as one transaction. A completed secondary acquisition of assets is counted as one transaction, irrespective of the number assets acquired in that transaction. "Transactions" does not provide a measure of diversification but is intended to summarize the Fund's new investment activity during the measurement period.

Venture - Investments in new and emerging companies are usually classified as venture capital. Such investments are often in technology and healthcare related industries. Companies financed by venture capital are generally not cash flow positive at the time of investment and may require several rounds of financing before the company can be sold privately or taken public. Venture capital investors may finance companies along the full path of development or focus on certain sub-stages in partnership with other investors.