



# Flowstone Opportunity Fund

## Private Equity Secondaries

May 2026

*This document contains marketing material. Please refer to the Fund's Prospectus or to any other relevant documentation, before making any final investment decisions.*

# Important Information

The investment advisory services described in these materials are offered through FlowStone Partners, LLC (an SEC-registered investment adviser), a part of WTW.

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.

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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 312.288.7700 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.

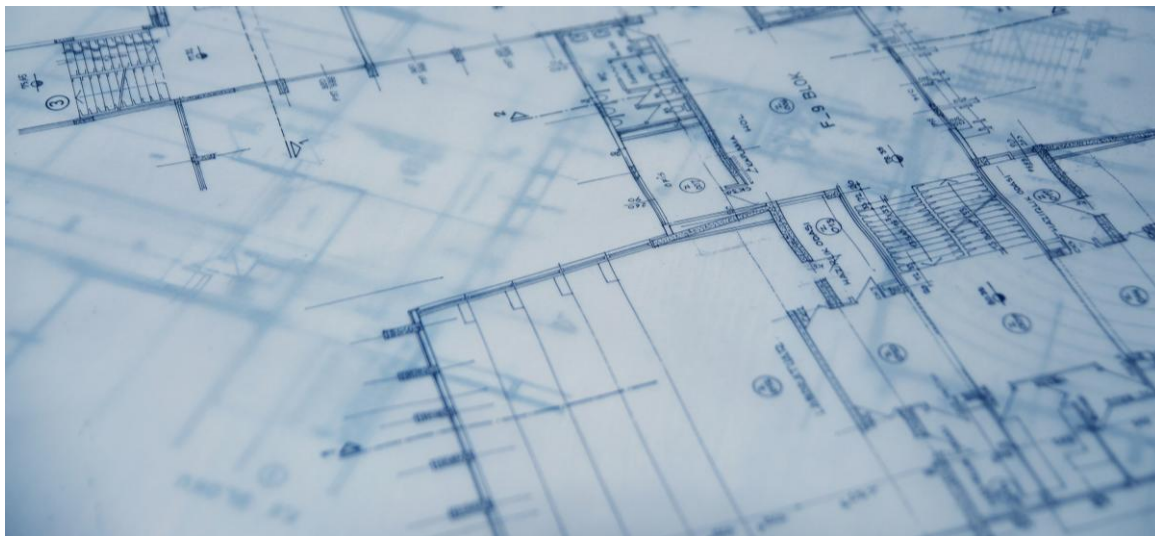
The Fund Investments may include low grade or unrated debt securities ("high yield" or "junk" bonds or leveraged loans) or investments in securities of distressed companies. Such investments involve substantial, highly significant risks. The Fund may invest in mezzanine debt instruments, which are expected 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 Distribution Services, LLC. Not affiliated with FlowStone Partners or Willis Towers Watson.

# High level overview of a secondary investment

“It could be compared to buying a house...”

**Primary** private equity is like buying a house before its built:



**Secondary** private equity is like buying a house from another owner, with history, data and potentially fewer unknowns:



Buying a house that exists means you can see what you are buying, deploy capital right away and potentially benefit from a discount if the seller needs liquidity.



# Why invest in secondary transactions?

Secondaries complement primary investments offering increased transparency in existing assets.

## Access to seasoned assets



- Buying into assets part-way through their value creation journey.
- Visible track records, **more predictable fundamentals** and often a **reduction of blind pool risk**.

## Discounted entry pricing



- Transactions may take place at a **discount to NAV**.
- Discounts vary over time but can provide additional diversifiers in private equity investing.

## Faster path to returns



- Buying in to more mature assets may **reduce the impact of early negative cashflows** (known as J-curve) in typical private equity investing.
- These assets are also typically **closer to distributing capital** meaning it may result in a shorter time horizon.

## Immediate access



- Deploying capital into existing assets means potentially more **immediate deployment**.
- This contrasts with a traditional primary commitment where capital will get called over several years.

## Portfolio diversification



- Enable portfolio diversification across **managers, sectors, geographies and vintage year**.
- Additional benefit of providing an **opportunity to target specific vintage years** unavailable via primary commitments.

# The secondary market landscape has evolved rapidly

The growth and depth of the secondary market has been substantial

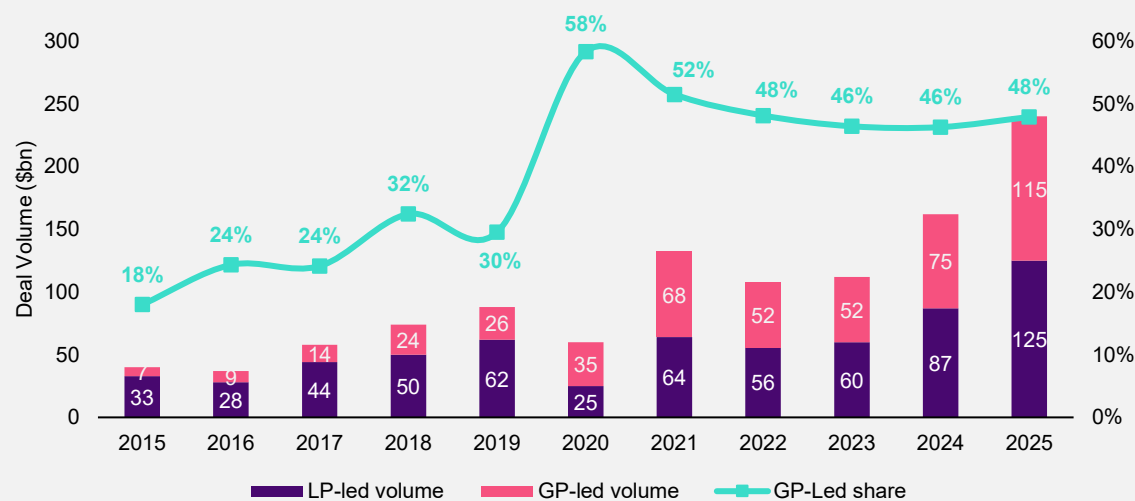
## Market evolution & innovation

- Changing sentiments has driven significant growth
- Secondaries serve as an important exit route
- Greater access routes through the advent of evergreen vehicles

## Market dynamics

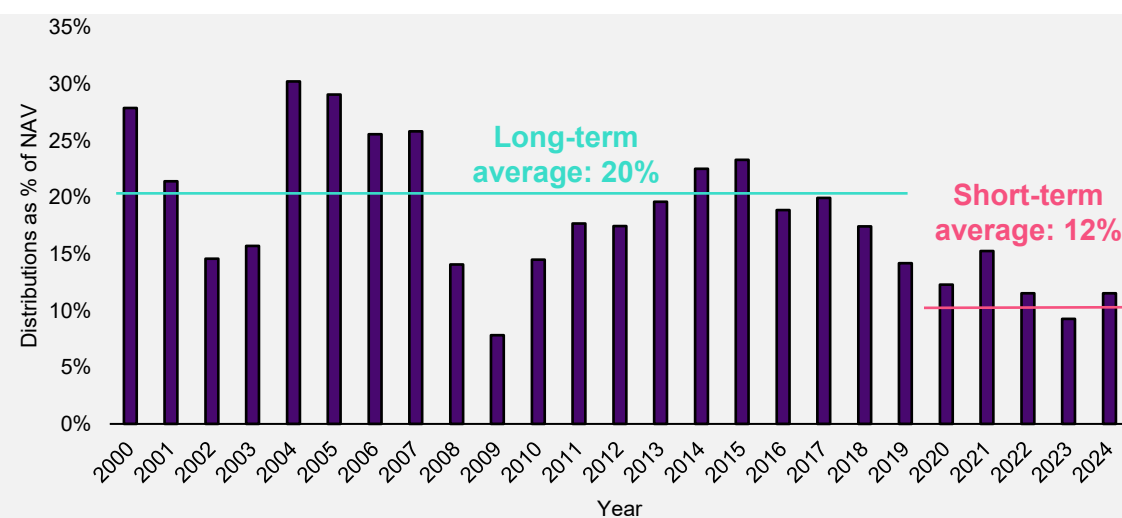
- Slower primary fund distributions lengthen holding periods
- Overallocation to private equity because of slower liquidity
- Strategic sellers prioritizing certainty over price

## Secondaries deal activity



Source: Jefferies Global Secondary Market Review, January 2026.

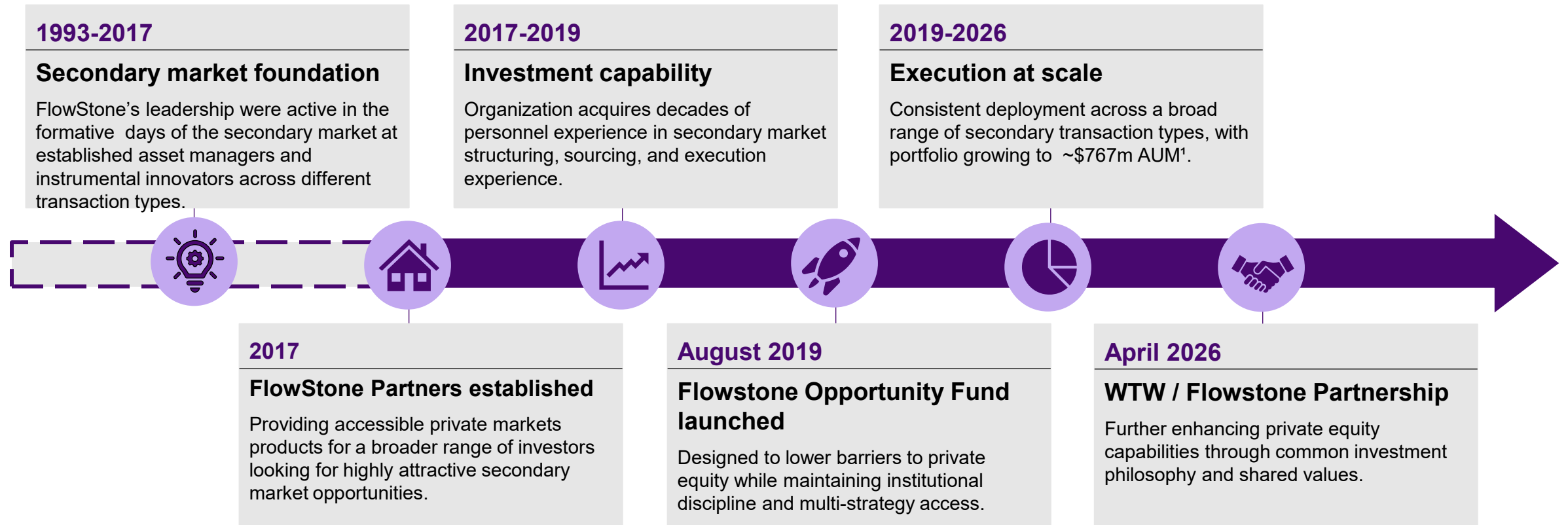
## Distributions in PE



Source: Preqin, March 31, 2026.

# Pioneers in the secondary market

Long-standing experience as pioneers in the secondary market and managing registered private equity fund structures



<sup>1</sup>As of December 31, 2025.

# Combining private equity benefits with accessible fund structures

Flowstone Team and Platform

## Global Engine<sup>1</sup>

**\$187B**

in WTW AUM globally

**1,250**

Clients and investors

**70+** portfolio management professionals

**300+** new strategies created with managers

**100+** researchers

**300+** operations and trading

**950+** investment professionals

## Private Equity Secondaries Specialist<sup>2</sup>

**90+**

Years of secondary market experience

**\$13B**

of invested capital

**150+** completed secondary transactions

**12.5%+** annual performance since inception<sup>2</sup>

Pioneers in the secondary market since **1993**

<sup>1</sup> Global AUM and team resources as of December 31, 2025; client count as of December 31, 2024.

<sup>2</sup> Experience of the FlowStone team includes predecessor firms; inception date of the fund was August 31, 2019. Data as of March 31, 2026.

Past performance is no guarantee of future results.

# WTW Private Equity Secondaries Philosophy

## Selective origination

Maintain a disciplined investment process focused on highest conviction opportunities

*Invested in fewer than 4%<sup>1</sup> of secondary deals reviewed*

## Focus on intrinsic value

Emphasize intrinsic value over NAV discounts to compound capital over the long term

## Capture structural alpha

Seek to capture structural alpha from smaller transaction sizes where greater inefficiencies may exist

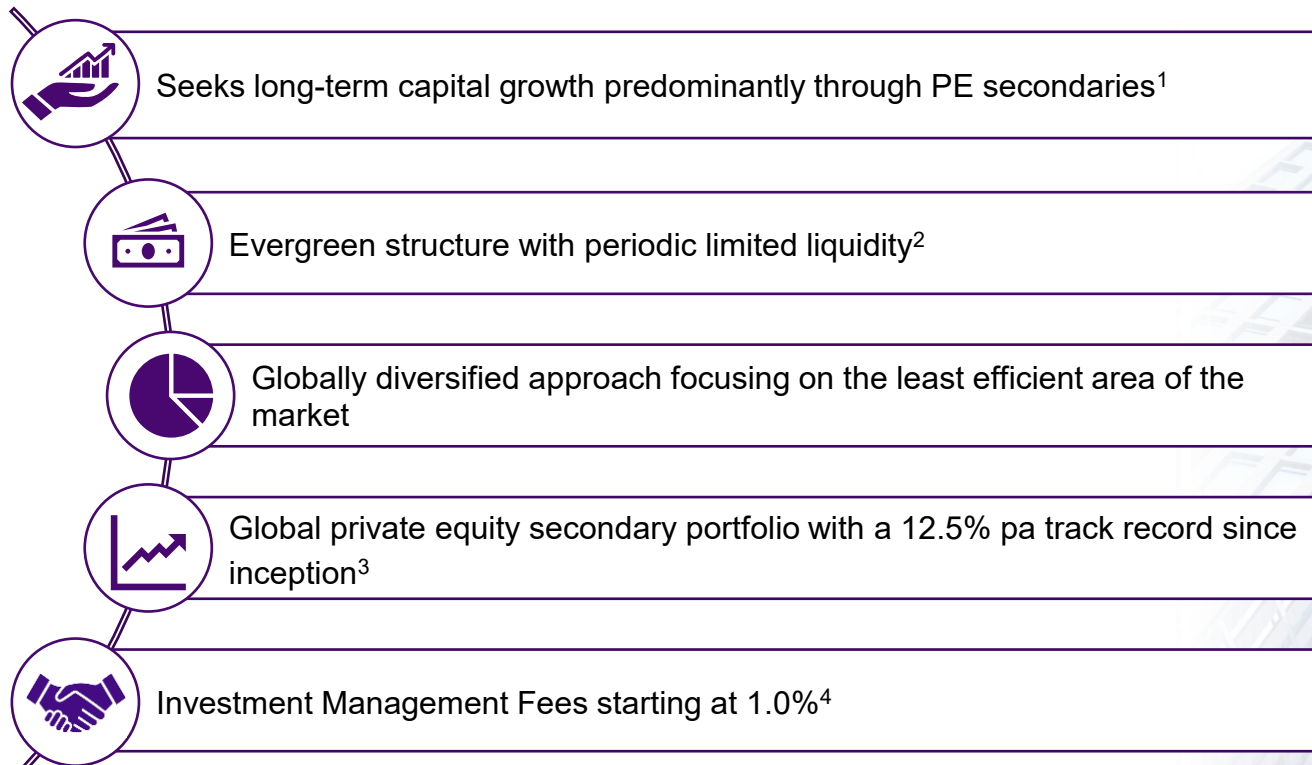
## Insights and Access

Leverage manager specific insights from our global private equity platform to capitalize on pricing inefficiencies among our proprietary research coverage universe

<sup>1</sup>As of March 31, 2026

# What is the Flowstone Opportunities Fund?

A continually offered, globally diversified evergreen fund of private equity secondary investments



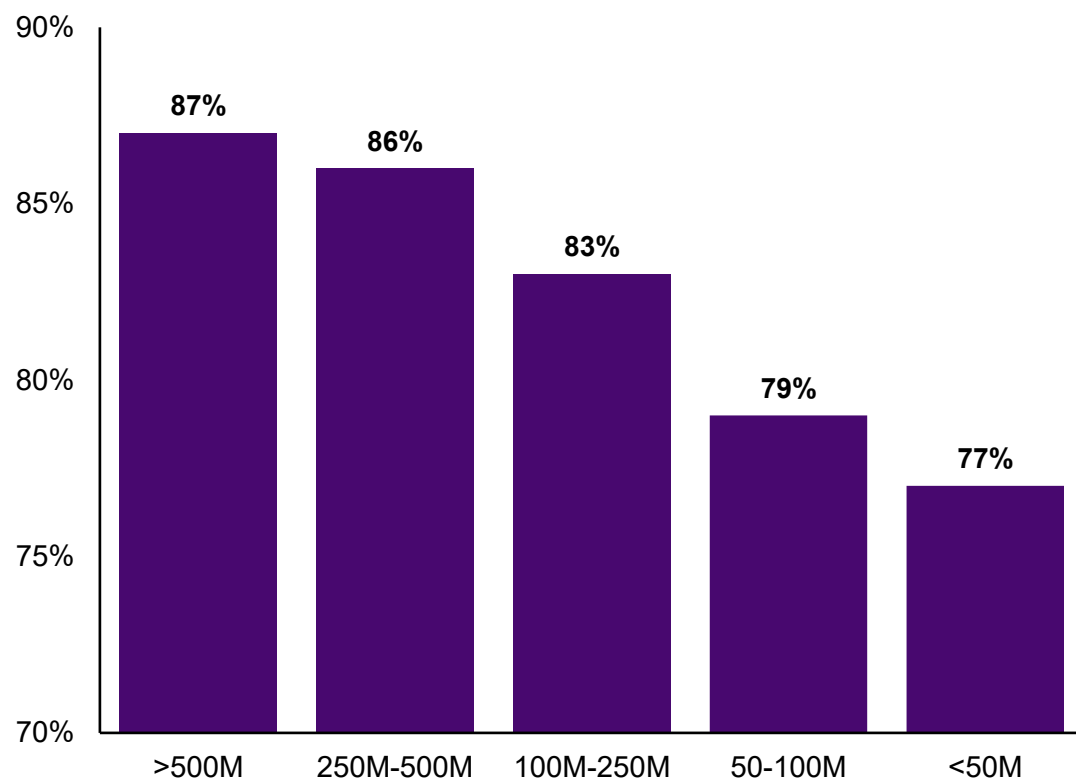
Key Facts	
<b>Structure</b>	1940 Act Registered Closed-End Fund Units are registered under the 1933 Act Continually offered closed-end fund
<b>Permitted Investors</b>	Qualified Clients Qualified Purchasers
<b>Subscriptions</b>	Quarterly
<b>Redemptions<sup>2</sup></b>	Quarterly subject to board approval. 5% of NAV limit at Master Fund Level.

<sup>1</sup>Long-term refers to over a 7–10-year period. Return is not guaranteed. <sup>2</sup>Subject to 5% of NAV limit and other liquidity terms. <sup>3</sup>August 31, 2019 inception through March 31, 2026. <sup>4</sup>Plus performance fees of 10% of fund gains (assessed quarterly, subject to a high-water mark. **Expense ratios are 5.63% for Class A shares; 5.08% for Class D shares; 4.78% for Class I shares; 4.78% for Class M shares. Investments in Class A Shares and Class D Shares of the Fund are sold subject to a sales charge of up to 3.50% and 1.50%, respectively, of the investment. For some investors, the sales charge may be waived or reduced. Please see key terms slide for reference. Past performance is no guarantee of future results.**

# Assessing market inefficiencies

Smaller deal sizes can offer less competition

Average price by transaction size (% of NAV)\*



Source: Jefferies PCA – Current State of the Secondary Market, January 2026

Most secondary buyers are very large and in turn can only invest in very large transactions:

The **top 6** fundraisers 2025 captured nearly **half of total capital** raised in 2025\*.

**40% of volumes** completed by buyers with more than **\$10bn of dry powder** in 2025\*.

Smaller transactions may provide opportunities through:

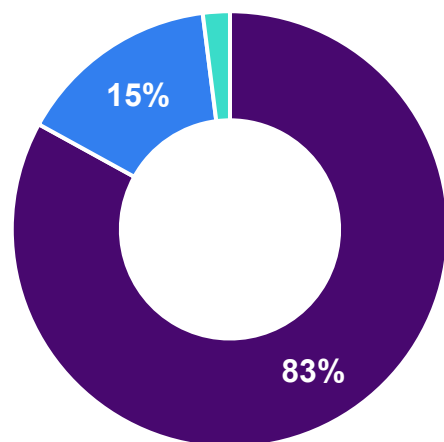
- 1 Less sophisticated sellers.
- 2 Less formalized, intermediated auction processes.
- 3 Less of a focus on price in favor of other elements.

\*Source: CL Research, January 2026

# A diversified portfolio across the global private equity spectrum

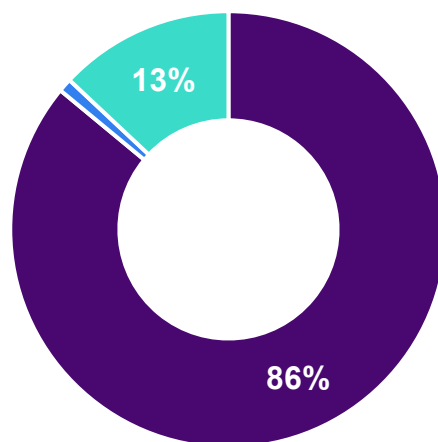
As of March 31, 2026

### Transaction Type<sup>1</sup>



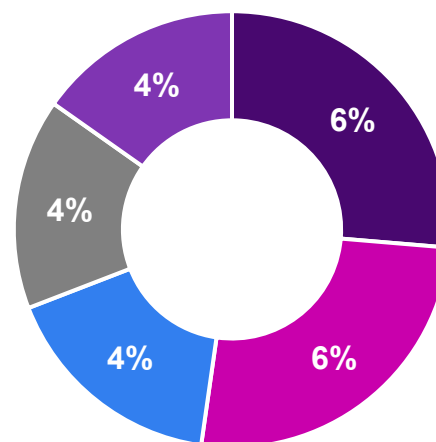
- Secondaries
- Primaries
- Co-investment

### Investment Strategy<sup>1</sup>



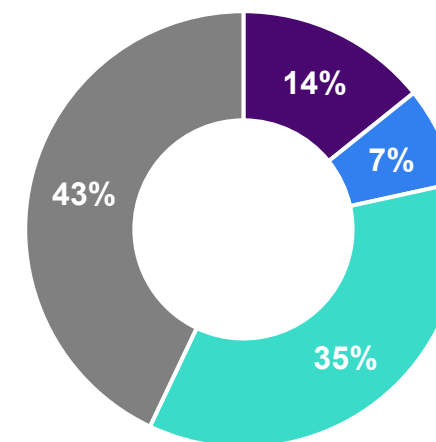
- Buyout
- Credit
- Venture

### Top 5 Holdings<sup>1</sup>



- WPGG
- DFJ
- Brookfield
- Project Porsche
- Kohlberg TE VIII

### Vintage Year<sup>1</sup>



- 2006 - 2010
- 2011 - 2015
- 2016 - 2020
- 2021 - 2025

<sup>1</sup>FSOF Exposure to date is expressed as a % of the Fund's Net Asset Value as of March 31, 2026 (\$Millions).

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

# Why Now?

Unlocking embedded value and accelerating capital deployment amid favorable pricing dynamics

**Strong operating performance can create embedded value that can be potentially unlocked from realizations:**

- **Strong revenue growth of underlying companies, performing in line with selected public peer groups** over the last 12 months.
- **Profitability (EBITDA) margin outperforming public comparables by 9.5%** over the last 12 months.
- The portfolio is **undervalued by 7.7x** on an EBITDA/Revenue basis versus public comparables.

**Last 12-month operating performance highlights:**

- ① \$3.7 billion in reported sales and \$510.6 million in EBITDA
- ② 13.4% in reported Revenue Growth and 14.0% EBITDA
- ③ 3.1% reported improvement in margins

**Supportive environment for capital deployment:**

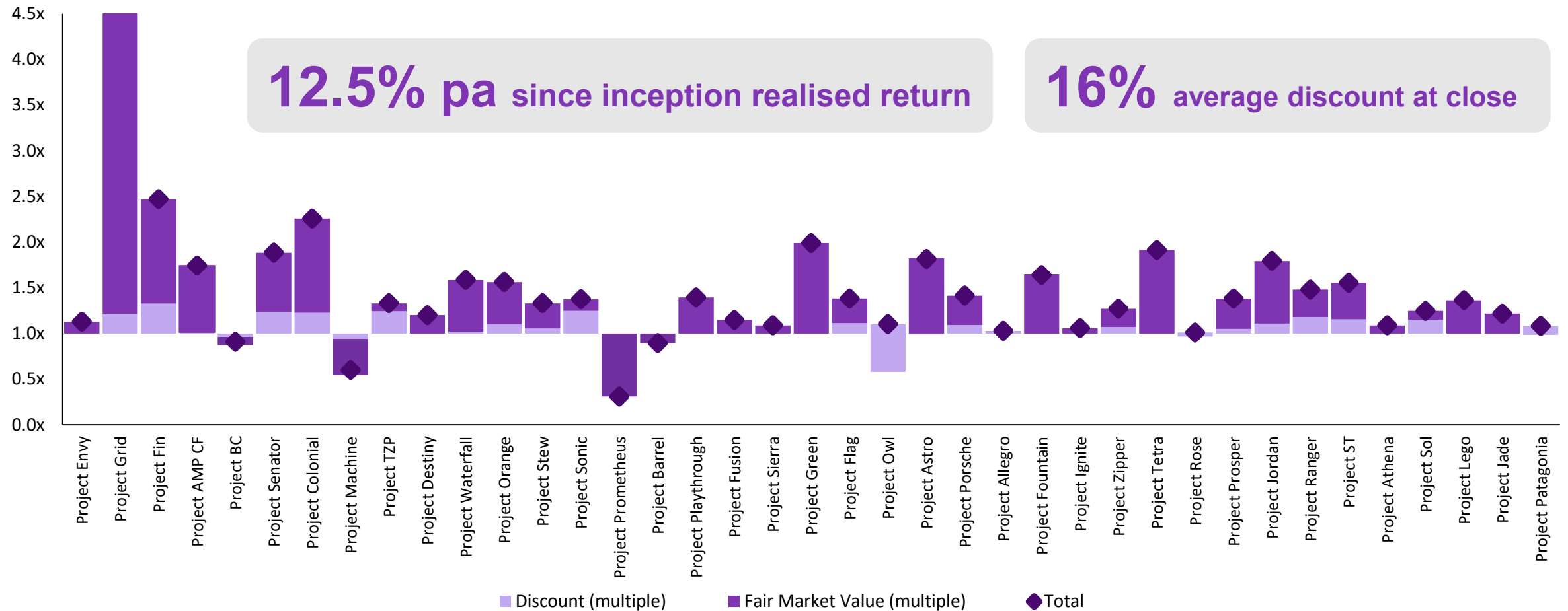
Continued **pressure on some sellers** as natural liquidity is slower versus history.

Seeks to **benefit from market inefficiencies.**

Source: FlowStone Partners LLC. The operational metrics presented are for informational purposes only and reflect selected data for the top 50 exposures within the FlowStone Opportunity Fund (the "Fund"). These exposures represent approximately 44.3% (\$310.2 million) of the Fund's total net asset value ("NAV") of \$704.2 million as of December 31, 2025. The information shown, including operational performance metrics and implied valuations, is derived from internal estimates, third-party sources, and/or company-reported data. Such information is subject to change, and the Fund's underlying holdings and related performance metrics may vary over time. Importantly, the data presented includes only a subset of the Fund's investments and is not intended to provide a complete view of the Fund's portfolio. The selection of these exposures is not representative of the Fund's overall performance and should not be relied upon as indicative of past or future results.

# Accessing quality assets and market discounts

Pulling on different levers can support more resilient and sustainable returns



Source: Flowstone, WTW, 2026. Data as of March 31, 2026. Holdings are subject to change and may differ from current or future holding. Past performance and discounts are not a guarantee of future returns.

# FlowStone Opportunity Fund Performance Summary

## FEOF - Class I Shares Performance Data (as of 3/31/2026)<sup>(1)</sup>

	Total Return %*							5-Year Risk Metrics			
	QTD (Q1) %*	YTD %*	One Year Ended	Annualized Three Years Ended	Annualized Five Years Ended	Annualized Inception to Date ("ITD" <sup>**</sup> ) %	ITD <sup>**</sup> %	Standard Deviation	Sharpe Ratio	Max Drawdown	Correlation to MSCI World
FEOF - Class I Shares	(0.40%)	(0.40%)	6.45%	5.04%	8.22%	12.51%	117.37%	6.12%	0.80	-1.26%	0.21
Russell 2000	0.89%	0.89%	25.72%	13.05%	3.77%	9.57%	82.55%	15.30%	0.03	-26.83%	0.88

Sharpe Ratio is relative to the FTSE 3-Month T-Bill. Source: Nasdaq eVestment.

\*Note: Returns are calculated based on a calendar quarter and year. For financial reporting purposes, the FEOF FY ends on March 31st, as stated in the prospectus. FEOF 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.

<sup>(1)</sup>See "Important Disclosures | Performance Reporting"

<sup>(2)</sup>Fund Net Assets is calculated as the sum of the Fund's Net Asset Value as of 3/31/2026 (\$710.8 million). *Disclosure: Diversification does not ensure a profit or protect against loss.*

Returns are presented net of expenses. **Expense ratios are 5.63% for Class A shares; 5.08% for Class D shares; 4.78% for Class I shares; 4.78% for Class M shares.** Investments in Class A Shares and Class D Shares of the Fund are sold subject to a sales charge of up to 3.50% and 1.50%, respectively, of the investment. For some investors, the sales charge may be waived or reduced. The full amount of sales charge may be reallocated to brokers or dealers participating in the offering. Your financial intermediary may impose additional charges when you purchase shares of the Fund. 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, 2025.

# Fund Terms

Liquidity Terms							
<b>Fund Name</b>	FlowStone Opportunity Fund						
<b>Domicile / Fund Structure</b>	1940 Act Registered Closed-End Fund						
<b>Subscriptions</b>	Quarterly, subscriptions due 5 days prior to quarter-end						
<b>Redemption Option</b>	Quarterly redemptions <u>up to</u> 5% of the Fund's NAV. Liquidity is not guaranteed.						
<b>Redemption Fee</b>	2% Redemption Fee <sup>2</sup> for redemptions within 12 months of investment						
Investment Minimums and Fees <sup>1</sup>							
Share Class	Minimum initial investment/Subsequent (\$)	Annual Effective Management Fee <sup>4</sup>	Annual Performance Fee <sup>6</sup>	Fund Expenses	Maximum Sales Load <sup>1</sup>	Shareholder Servicing Fees <sup>5</sup>	Expense Ratio <sup>8</sup>
<b>Class A</b>	50,000/10,000	1.0%	10%, subject to HWM	0.70% annual expense cap	3.50%	0.85%	5.63%
<b>Class D</b>	50,000/10,000				1.50%	0.30%	5.08%
<b>Class I</b>	1,000,000/10,000				-	-	4.78%
<b>Class M</b>	100,000/10,000				-	-	4.78%

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. Refer to Important Disclosures regarding Performance Reporting at the beginning of this presentation for a full discussion of current expense limitations in place and total fund operating expense ratios.

# FlowStone Opportunity Fund | Expense Summary

(1) Investors in Class A Shares may be subject to a sales charge of up to 3.50% of the subscription amount. Investors in Class D Shares may be subject to a sales charge of up to 1.50% of the subscription amount.

(2) A 2.00% Early Repurchase Fee payable to the Fund may be charged with respect to the repurchase of a Shareholder's Shares if the interval between the date of purchase of the shares and the valuation date with respect to the repurchase of those shares is less than one year (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 NAV.

(3) The Investment Management Fee is equal to 1.25% on an annualized basis of the Fund's NAV. For purposes of determining the Investment Management Fee payable to the Adviser for any quarter, net assets will include the total assets of the Fund minus the sum of the Fund's accrued liabilities and will be calculated prior to any reduction for any fees and expenses of the Fund for that quarter, including, without limitation, the Investment Management Fee payable to the Adviser for that quarter.

(4) The Adviser has agreed, for a period of at least two-years from the April 1, 2026, to reduce the investment management fee rate applicable to the Fund pursuant an Investment Advisory Fee Waiver Agreement in which the Adviser agrees to waive 0.25% of the investment management fee set forth in the Investment Management Agreement such that the investment management fee payable under the Investment Management Agreement is 1.00% on an annualized basis of the Fund's NAV. 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 by the Fund, and/or to assume expenses of the Fund (a "Waiver"), if required to ensure the Total Annual Expenses (excluding taxes, interest, brokerage commissions, other transaction-related expenses, any extraordinary expenses of the Fund, 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 April 1, 2027, 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.

(5) The Fund has received exemptive relief from the SEC permitting it to offer multiple classes of Shares and to adopt a distribution and service plan for Class A and Class D Shares. The Fund may charge a distribution and/or shareholder servicing fee up to a maximum of 0.85% per year on Class A Shares and up to a maximum of 0.30% per year on Class D Shares on an annualized basis of the aggregate net assets of the Fund attributable to each class. The Fund may use these fees, in respect of the relevant class, to compensate financial intermediaries or financial institutions for distribution-related expenses, if applicable, and providing ongoing services in respect of clients with whom they have distributed Class A and Class D Shares of the Fund.

# FlowStone Opportunity Fund | Expense Summary

(6) 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 NAV of the Fund on the last day of the relevant period exceeds the NAV 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).

(7) 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. 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. Acquired Fund Fees and Expenses are based on estimated amounts for the current fiscal year.

(8) Total Annual Expenses will not correlate to the Ratio of gross expenses to average Shareholder Capital in the Financial Highlights, which do not reflect Acquired Fund Fees and Expenses

# Important Disclosures | Performance Reporting

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.

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.

**Russell 2000** - The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of market cap and current index membership.

**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.

The Fund believes that comparisons to public market indices provides useful information to investors. However, investors should be aware of limitation of the comparisons which provide only one approach to comparison of returns. Prospective investors should consider comparisons to other indices & benchmarks. Indices are provided for illustrative purposes only. Fund will not have exposure to many funds comprising the index.

# 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.

**Competitive Dynamics** – Balance of supply, demand, and participant behavior that shapes pricing and execution in secondary transactions.

**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.

**EBITDA** - earnings before interest, taxes, depreciation, and amortization. It is a measure of a company's operating performance that focuses on profitability from core business activities before accounting for financing decisions, tax structure, and non cash accounting charges. EBITDA is commonly used to compare operating performance across companies and industries

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

**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.

**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.

# Glossary

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

**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.

**Vintage** - the vintage of a private equity fund refers to the calendar year in which the fund begins making investments, typically measured from the year of its first capital call or first investment. Vintage year is used to compare fund performance across different market environments and economic cycles.

**Secondary Investments (“Secondaries”)** - 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.

**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.

## **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