Quarterly Reporting Standards

Version 1.1

Revised in September 2016
Originally Released in October 2011
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New in Version 1.1
   o Reflected new content from the ILPA Reporting Template (released in Jan. 2016)
   o Miscellaneous formatting updates
   o Streamlined the content by removing references to separate ILPA initiatives
     (which are still available on ilpa.org)

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Disclaimer: All interested parties should, subject to applicable laws, respect the confidentiality of information contained in reports provided in connection with investments. The Quarterly Reporting Standards (QRS) reflect the view of the participants involved in the creation thereof as to best practices with respect to fund reporting. However, no limited partner should utilize the QRS as a substitute for its own determination as to what information such limited partner will need or desire with respect to any particular investment. Further, no representation is made that the QRS, when provided by general partners to their investor base, will include all desirable information or will be fully inclusive of all information needed for any limited partner to effectively monitor its investments.
Executive Summary

As fiduciaries, Limited Partners (LPs) require a basic level of financial details to inform and guide their Boards, Trustees, Portfolio Managers, and Risk Departments. When periodic reporting from their fund managers (GPs) fall short of these requirements, LPs typically make follow-on inquiries for further detail into their funds and investments.

The ILPA has developed a suite of reporting guidelines that will increase standardization in the private equity industry. This is part of the ILPA’s efforts to create greater industry efficiencies, improve the level of disclosure, and reduce the expense of administering and monitoring private equity investments. This document focuses on best practices related to the series of financial statements and supplemental reports that are provided to LPs on a quarterly basis (Quarterly Reporting Package).

These guidelines indicate the minimum amount of disclosures expected by LPs. While the regulatory requirements for each jurisdiction may force GPs to alter these suggested formats, the hope is that the core data will still be preserved in the new format.

Contents of an effective Quarterly Reporting Package include (but aren’t limited to):
- Summary Management Discussion and Analysis Letter
- Financial Package
  - Balance Sheet
  - Period End Schedule of Investments
  - Statement of Operations
  - Statement of Cash Flows
  - Partners’ Capital Account Statement
  - Appropriate Footnote Disclosures
- Supplemental Management Reports
  - Executive Summary - Firm and Fund Level
  - Supplemental Schedule of Investments
  - Portfolio Company Update (one for each active portfolio company)
  - Reporting Template for Fees, Expenses, & Carried Interest (*released in Jan. 2016*)

Criteria for each of these statements are provided in the next section, followed by sample reports.

In addition to the required components of the package, and in-line with the ILPA Principles, the timing of the package delivery is also important. For draft financials as of a non-audit period-end, the expected delivery is 60 days after quarter-end with a targeted delivery of 45 days. Fund of Funds would be given additional time to aggregate their underlying funds data, with a maximum deadline of 90 days after quarter-end and a targeted delivery of 75 days. Audited financials would add 30 days to the expected and targeted delivery deadlines outlined above.
SECTION II
QUARTERLY PACKAGE GUIDELINES
**Summary Letter**

*(Provided quarterly with each package, unaudited)*

A key component of the package, (though not shown later in the sample reports), is the inclusion of a Summary Portfolio Update Letter. This letter should, at a minimum, include:

- Management discussion of key drivers of activity and performance during the quarter that bridges the activity between the two period ends
  - Summary of capital activity (cash flows)
  - Transactions closed or pending
- Explanation of extraordinary movements
- Discussion of material events in portfolio companies (that would impact the fund as a whole) and/or with the General Partner
  - Including portfolio company defaults, LPA breaches, etc.
- Consistent with the ILPA Principles, a discussion of any material changes in risk factors at the *fund level*, including:
  - Concentration risk at fund level
  - Foreign exchange risk at fund level
  - Leverage risk at fund level
  - Realization risk at fund level
  - Extra-financial risks, including environmental, social, and corporate governance risks at the fund level
  - This information should be provided annually, though more immediate reporting may be required for material events

**Balance Sheet**

*(Provided quarterly, audited annually)*

Ideally, for the Balance Sheet and all financial statements provided in the package, there should be statements for the fund/vehicle through which the LP has invested, as well as a consolidated statement for the entire fund (to the extent there is consistent ownership), with exceptions only for regulatory and/or tax reasons.

Though all items in the best practices package must adhere to relevant accounting standards, presentation is often left open to some interpretation. To that end, a balance sheet should include the following components:

- Current period end vs. prior audited period end columns
  - Comparative column should be for most recent audit period
  - Requires comparative or prior year end schedule of investments
- Inclusion of receivables and payables to affiliates
- Inclusion of investments at cost and fair value
- Inclusion of fund level debt
Schedule of Investments

Provided quarterly, audited annually

As part of the quarterly package, a properly detailed schedule of investments should be included. The schedule should be placed after the balance sheet and include valuations that are updated quarterly. If fair value is not available, a separate schedule would be necessary. Please note that the schedule of investments included in the core package is targeted to those items consistent with audited financials. Full transparency is achieved in the use of an unaudited detailed schedule of investments in the Supplemental Management Reports.

Values presented in both the core and supplemental schedule of underlying investments should be at the fund level and reconcile to the balance sheet.

The basic requirements within the core schedule are as follows:

- Full detail on unrealized investments
  - Detail should be at legal entity level, not LP share
- Name of the Investment
  - Name can be omitted if absolutely required, but a unique identifier must be used and be consistent from quarter to quarter; investments should not be grouped
- Debt and Equity positions should be reported separately
  - Include number of shares if applicable
  - Should the investment be structured in a more complicated manner, detail may be moved to the individual Portfolio Company Update
- Fund Ownership % (fully diluted)
- Initial Investment Date
- Numeric Data on each investment to include:
  - Total committed to investment
  - Total invested (historical cost)
  - Current cost
  - Reported Value
  - Realized proceeds

This list is not meant to be all-inclusive or override any IFRS or GAAP requirements.

Limited Partners would prefer to have as much of the package audited as possible, though the need to limit audit expenses is understood. Certain items, such as initial investment date, are not explicitly required under the audit guidelines and can be moved to the detailed schedule of investments in the Supplemental Management Reports. There is no need to repeat disclosure of any items included on at least one of the schedules.
Statement of Operations
(Provided quarterly, audited annually)

The format of the statement of operations is driven heavily by relevant accounting standards. However, there are some best practices often included in this report.

- Show current period, year-to-date and since inception information
  - Since inception information is not required by certain accounting standards; information need not be included in audited package if details are outlined in either the Footnotes or detailed Partner’s Capital Account Statement
- Breakout investment income
  - Separate portfolio interest and dividends independent of other interest
- Breakout of expenses
  - Separate fees into their individual components, including management fees, broken deal fees, advisory/director fees, monitoring fees, etc.
- Net operating gain/loss
- Breakout of gains/(losses) on investments
  - Breakout of realized/unrealized gain/loss (independent of F/X, showing F/X independently)

Statement of Cash Flows
(Provided quarterly, audited annually)

The format of the statement of operations is also driven heavily by relevant accounting standards, as well as the investment strategy of the fund. However, there are some best practices often included in this report.

- Show current period, year to date, and since inception information
  - Since Inception information is not required by certain accounting standards; information need not be included in audited package if details are outlined in either the Footnotes or detailed Partner’s Capital Account Statement
- Breakout of cash flows from operating activities
- Breakout of cash flows from financing activities
- Cash and cash equivalents
- Supplemental cash flow information
  - Supplemental disclosure could include non-cash related adjustments

Should the General Partner provide a detailed quarterly Partners Capital Account statement as shown within these Best Practices (with the relevant cash flow components), any additional details beyond audit requirements are not necessary.
Partners’ Capital Account Statement

(Provided quarterly to individual Limited Partners)

A key component of the package is a concise fair value partners’ capital account statement (“PCAP”). Should the statement not be in fair value, a supplementary schedule should be provided.

Though not currently subject to accounting standards, the PCAP is paramount to the records of the Limited Partners. The PCAP should encompass the necessary components for a Limited Partner to assess the value of their investments as well as reconcile the proper allocation of flows across the relevant periods.

The key components of a best practice partners’ capital statement would include (but are not be limited to):
- Consolidated reporting, if applicable, for all Limited Partner investments, including alternative investment vehicles
- Current period, year-to-date and since inception information
- Breakout of the Total Fund by LP, GP, and Total
  - This sample shows the PCAP for an individual Limited Partner; The same information may be presented in a combined statement of Partners Capital as long as all relevant rows of data are included
- Bridge the prior net asset value to the current net asset value
  - Disclose any adjustments made prior to Beginning Balance
- Components to include:
  - General Partners’ balances
  - Accrued carried interest should partnership liquidate
  - Breakout of contributions and distributions for the relevant period
  - Net changes in partners’ capital resulting from operations
    - Include breakout of relevant fees and expenses; these items are not always finalized when the Capital Call or Distribution is made
  - Commitments of Limited Partner, General Partner and Total Fund
    - Indicate adjustments, if any, due to expired capital, write-offs, adjustments, etc.
  - Schedule of changes in individual unfunded commitment
    - Limited Partners need to have a quarterly reconciliation of their Unfunded Balance. Impacts of cash flows to commitment are not always disclosed in the capital call and distribution process, or are modified at period end.

Please note that these Best Practices are focused on the disclosure requirements needed by the Limited Partners. Any aggregate schedules required as part of an audited statement are not included in these Best Practices samples.
Footnotes

(Relevant footnotes provided quarterly, all footnotes provided annually)

To fully support the balance sheet and other reporting schedules, a complete and
detailed set of footnote disclosures is required.

Footnote disclosures would include (but are not limited to):

Note 1 - Organization / Fund Details
• Key dates (including formation, termination, extensions, commitment period
  and follow-on period dates), structure, commitment amounts and other relevant
  fund details
• Tables may be included if they further understanding of the organizational
  structure

Note 2 - Significant Accounting Policies
• Accounting principles, fair value measurement and other relevant details

Note 3 - Partners' Capital
• Limited Partners’ and General Partners’ commitments
• Tables may be included if they further understanding of the commitment
  structure

Note 4 - Management Fee and Other Fee Breakdown
• Management fees / broken or consumated deal fees / monitoring fees / fee
  offsets
• Description of "other" fees
• See the ILPA’s Reporting Template for fees, expenses, & carried interest for
  additional guidance on fee disclosures

Note 5 - Related Party and Other Transactions
• Detail of related party transactions and/or receivables/payables
• Notation of fund level debt and other potential obligations or guarantees

Note 6: Financial Highlights
• Net IRR at the fund level

Note 7: Carry Detail
• Fund level carry paid and/or accrued; amount escrowed if applicable
• Detailed description of carry calculation (waterfall)
  o Include table if more appropriate
• See the ILPA’s Reporting Template for fees, expenses, & carried interest for
  additional guidance on carry disclosures

Note 8: Advisory Board
• List of members (if not against any legal or LPA restrictions)
• Notation of action items or votes taken

Note 9: Subsequent Events
• Included if material

The items listed above are of key concern to LPs, who would prefer to have these
included in the annual audited statements. However, should audit, legal or
partnership issues require, certain items, such as Note 8 above, can be provided in
the quarterly materials outside the scope of the audited financials.
Supplemental Management Reports
(Supplemental reports are unaudited and unless otherwise noted, provided quarterly)

Executive Summary - Firm and Fund Level Data
(Fund Level data provided quarterly, firm level data updated annually)

Supporting materials to the quarterly reporting package should include an executive summary that highlights the key firm and fund level information (using tables and graphics). This supplemental report is most often used by Limited Partners to convey a high level status of the fund.

The Executive Summary should include the following:

• Firm Data
  • Assets under management
    ▪ Defined as reported value of current investments plus unfunded commitments
  • Active funds
  • Active portfolio companies

• Fund Level Data
  • Total commitments
  • Total drawdowns since inception
    ▪ Gross drawdowns
  • Remaining commitments
  • Total number of investments since inception
  • Total distributions
    ▪ Percentage of total drawdowns
      • Gross distributions as percent of gross drawdowns
    ▪ Percentage of committed capital
      • Gross distributions as percent of total commitments

• Key Valuation Metrics, including
  • TVPI: Total Value to Paid In
  • RVPI: Residual Value to Paid In
  • DPI: Distributions to Paid In

• Historical Fund Performance
  • The provided sample highlights TVPI over time in a graphical depiction. Alternatives would include both TVPI and Net IRR over time.

• Portfolio breakdown by industry and region
  • The provided sample highlights the portfolio breakdown, by invested capital, by industry and region invested.
Supplemental Schedule of Investments

Please note that the schedule of investments included in the core package is limited to those items consistent with audited financials. This schedule, which covers recommended data points that exceed the items found in the audited statements, is at the fund level, and must tie to the balance sheet.

The supplemental schedule of investments includes the following:

- Full detail on realized and unrealized investments
- Security Type / # of shares (if not reported elsewhere)
- LP Ownership % (fully diluted)
  - This is the only column in this schedule that is Limited Partner specific with the intent of determining the results of opt-outs in the Fund. This information can also be depicted in a separate schedule for ease of reporting. LP ownership can be represented as % of total invested.
- Initial Investment Date (if not reported elsewhere)
- Final Exit Date for realized investments
- Investment Data (at fund level, if not reported elsewhere)
- Valuation Driver
  - Primary driver of valuation methodology such as market multiples, DCF, public market price, etc. Sample list is only an indicator of possible descriptions; Final list at GP’s discretion.
- Performance Metrics
  - Period change in valuation
  - Period change in cost
  - Unrealized gains/(losses) & accrued interest
  - Movement summary
    - Primary driver of movement, not an indicator of full valuation methodology. Sample list only an indicator of possible descriptions; Final list at GP’s discretion.
  - Current period investment multiple
    - Not needed if components are provided
  - Prior period investment multiple
    - Not needed if components are provided
  - Since inception Net IRR

Some General Partners provide much of the above data, as well as the portfolio company data outlined in the attached Appendix, to their Limited Partners on a quarterly basis in a standardized excel template. This template could be used as an alternative to the detailed supplemental reporting package, and would be encouraged to be made available to Limited Partners on a quarterly basis.
Portfolio Company Update

Supporting materials to the Quarterly Reporting Package would include supplementary pages covering the details of each active investment in the portfolio. These pages would be preceded by an executive summary (discussed above) that highlights the key information on the portfolio companies to follow. Information in quarterly reports should be structured consistently with information provided through other channels, such as the annual report, data room or intranet site.

Each page is designed to give the Limited Partner a qualitative and quantitative synopsis on each investment and should include:

• Company Overview
  ○ Company description and headquarters
    ▪ Note any discrepancy between corporate and tax headquarters
    ▪ Industry (GICS classification)
  ○ Acquisition details (table or chart)
    ▪ Including initial investment date, multiples, equity breakdown
    ▪ Acquisition thesis
    ▪ Co-Sponsors (incl. individual ownership %, if available)
      ▪ Notwithstanding any non-disclosure restrictions
    ▪ Deal Partners at GP (including titles and Board seat, if any)
  ○ Current Metrics (table or chart with data as of trailing-twelve months)
    ▪ Including revenue, EBITDA, debt, CAGR
    ▪ Company Assessment (On Plan, Above Plan, Below Plan; regulatory issues notwithstanding)
  ○ Expectations (notwithstanding prohibitions against forward-looking statements or commercially sensitive information)
    ▪ Cash flow needs or distributions
    ▪ Exit assumptions; date/type

• Financial Tables
  ○ Investment structure
  ○ Capitalization table
    ▪ Table format is not rigid, please adjust as appropriate for relevant portfolio company
  ○ Financial results
    ▪ Table format is not rigid, please adjust as appropriate for relevant portfolio company
  ○ Calculations: DPI, RVPI, TVPI, DCC, PICC
    ▪ Not needed if all components of calculation are provided elsewhere

• Recent Events and Key Initiatives
  ○ Staffing changes
  ○ Key developments (including covenant issues, if any)
  ○ Achievements, certifications, approvals

• Valuation bridge (including commentary on changes/drivers)
  ○ How is value add being created in portfolio company over time (Increases to EBITDA, multiples or debt payback)
  ○ Valuation methodology and assumptions, including a list of comparable companies, if applicable
Risk Assessment / Update

In accordance with the ILPA Principles, a risk assessment should be completed at the Fund level annually, at a minimum. It is expected these portfolio company reports should follow the same guidelines, with qualitative discussion of any material changes in risk factors. Sample portfolio company risks would be determined by the stage and strategy of each investment, but may include:

- Foreign exchange risk at portfolio company level
- Leverage risk at portfolio company level
- Realization risk at portfolio company level
- Strategy risk at portfolio company level
- Reputation risk at portfolio company level
- Extra-financial risks, including environmental, social and corporate governance risks at the fund and portfolio level
- Additional information may be provided through other channels
- More immediate reporting may be required for material events

Some General Partners provide much of the above data, as well as the portfolio company data outlined in the attached Appendix, to their Limited Partners on a quarterly basis in a standardized excel template. This template could be used as an alternative to the detailed supplemental reporting package, and would be encouraged to be made available to Limited Partners on a quarterly basis.
Reporting Template for Fees, Expenses, & Carried Interest

Originally created in January 2016, the ILPA Reporting Template (the “Template”) was developed as a usable reporting format for promoting a more uniform fee and expense disclosure to LPs.

Template Goals
The Template is organized into two sections (A & B). Each section has a discrete goal, providing LPs with:

A. The ability to monitor, aggregate, and analyze their direct costs of participating in a given private equity fund (a “Fund”). These values are presented within the framework of a typical partners’ capital account statement, providing valuable context to the reported fees.

B. A summary of the GP’s sources of economics regarding the Fund and the investments made by the Fund (incl. reimbursements & any fees not subject to offset).

Template Guidance
The Template, provided as a separate document on ilpa.org, includes detailed guidance for the recommended reporting frequency, treatment of historical data, definitions, and acceptable alterations. It is strongly recommended that all participants familiarize themselves with this guidance before using the Template. Further details are intentionally withheld from this document, as the Template Guidance is expected to be frequently updated to address continuous industry feedback.

Partners’ Capital Account Statement
Please note, the format used in the sample Partners’ Capital Account Statement (PCAPs), shown in a different section of this document, matches Sections A.1 & A.2 of the Template. For the avoidance of doubt, please note that the ILPA is not suggesting that the Template is a substitute for PCAPs. Rather, Sections A.1 & A.2 represent one (of many) potential formats that could be used.
The following sample financial statements and supplemental schedules are indicative of best in class reporting provided by General Partners. As the intent is to show many situations that may arise in a partnership, the numbers do not tie across samples.

It is not the intent of the ILPA to force all General Partners to produce their statements in this exact format. However, it should be used to understand the level of disclosure required by the Limited Partners and as an ideal to which reporting transparency can achieve.
FINANCIAL STATEMENTS

DECEMBER 31, 2015

BEST PRACTICES FUND II, L.P.

(and all affiliated partnerships)
Financial Statements
December 31, 2015
(Unaudited)
# Balance Sheet

Best Practices Fund II, L.P.
Statement of Assets, Liabilities and Partners’ Capital
December 31, 2015
($ Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Current Period End</th>
<th>Prior Year End Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12/31/2015</td>
<td>12/31/2014</td>
</tr>
</tbody>
</table>

## ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments at Cost</td>
<td>$38,000,000</td>
<td>$39,000,000</td>
</tr>
<tr>
<td>Unrealized Gain / Loss on Investments</td>
<td>3,300,000</td>
<td>2,900,000</td>
</tr>
<tr>
<td><strong>Investments at Fair Value</strong></td>
<td><strong>41,300,000</strong></td>
<td><strong>41,900,000</strong></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>8,000,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Other Assets</td>
<td>2,000,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Receivable from Affiliates</td>
<td>100,000</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$51,400,000</strong></td>
<td><strong>$42,225,000</strong></td>
</tr>
</tbody>
</table>

## LIABILITIES AND PARTNERS’ CAPITAL

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable and Accrued Expenses</td>
<td>2,910,000</td>
<td>4,120,000</td>
</tr>
<tr>
<td>Notes/Revolver Payable</td>
<td>50,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Payable to Affiliates</td>
<td>7,600,000</td>
<td>725,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>10,560,000</strong></td>
<td><strong>4,920,000</strong></td>
</tr>
<tr>
<td>Partners’ Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Partner</td>
<td>443,400</td>
<td>396,050</td>
</tr>
<tr>
<td>Limited Partners</td>
<td>40,396,600</td>
<td>36,908,950</td>
</tr>
<tr>
<td><strong>Total Partners’ Capital</strong></td>
<td><strong>40,840,000</strong></td>
<td><strong>37,305,000</strong></td>
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<tr>
<td><strong>Total Liabilities and Partners' Capital</strong></td>
<td><strong>$51,400,000</strong></td>
<td><strong>$42,225,000</strong></td>
</tr>
</tbody>
</table>
## Schedule of Investments

Please note that this schedule of investments is consistent with the items typically presented in audited financials. However, full transparency is achieved through the use of an unaudited, detailed schedule of investments, which is described in the Supplemental Management Reports (found in a subsequent section of this document).

### Best Practices Fund II, LP - 12/31/2015

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Security Type</th>
<th>Number of Shares</th>
<th>Fund Ownership % (Fully Diluted)</th>
<th>Initial Investment Date</th>
<th>Investment Data (Expressed in $)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fund Commitment</td>
<td>Total Invested (A)</td>
</tr>
<tr>
<td>Company 1</td>
<td>Equity</td>
<td>1,250,000</td>
<td>55%</td>
<td>3/15/2007</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Company 1</td>
<td>Debt</td>
<td>12,789</td>
<td>55%</td>
<td>6/15/2007</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Company 3</td>
<td>Equity</td>
<td>12%</td>
<td>9/15/2007</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Company 3</td>
<td>Debt</td>
<td>12%</td>
<td>9/15/2007</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Company 4</td>
<td>Equity</td>
<td>90%</td>
<td>2/15/2008</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Company 5</td>
<td>Equity</td>
<td>80%</td>
<td>5/15/2008</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Company 6</td>
<td>Equity</td>
<td>65%</td>
<td>8/15/2008</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Company 7</td>
<td>Equity</td>
<td>100%</td>
<td>11/15/2008</td>
<td>4,000,000</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Company 8</td>
<td>Equity</td>
<td>60%</td>
<td>6/15/2010</td>
<td>8,000,000</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td><strong>Grand Total:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45,000,000</td>
<td>41,000,000</td>
</tr>
</tbody>
</table>
## Statement of Operations

**Best Practices Fund II, L.P.**  
**Statement of Operations**  
For the periods ending December 31, 2015  
($ Unaudited)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio Interest Income</td>
<td>$16,000</td>
<td>$64,000</td>
<td>$160,000</td>
</tr>
<tr>
<td>Portfolio Dividend Income</td>
<td>24,000</td>
<td>96,000</td>
<td>240,000</td>
</tr>
<tr>
<td>Other Interest Earned</td>
<td>4,000</td>
<td>16,000</td>
<td>36,000</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>44,000</strong></td>
<td><strong>174,000</strong></td>
<td><strong>436,000</strong></td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Fees, Net</td>
<td>250,000</td>
<td>1,000,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Broken Deal Fees</td>
<td>20,000</td>
<td>100,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Interest</td>
<td>2,000</td>
<td>8,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>10,000</td>
<td>35,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Bank Fees</td>
<td>15,000</td>
<td>35,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Advisory Directors' Fees</td>
<td>5,000</td>
<td>30,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,000</td>
<td>8,000</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>304,000</strong></td>
<td><strong>1,216,000</strong></td>
<td><strong>3,540,000</strong></td>
</tr>
<tr>
<td><strong>Net Operating Income / (Deficit)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(260,000)</td>
<td>(1,042,000)</td>
<td>(3,104,000)</td>
</tr>
<tr>
<td><strong>Realized and Unrealized Gain / (Loss) on Investments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Realized Gain / (Loss) on Investments</td>
<td>1,253,152</td>
<td>1,253,152</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Net Change in Unrealized Gain / (Loss) on Investments</td>
<td>75,000</td>
<td>300,000</td>
<td>3,300,000</td>
</tr>
<tr>
<td>Net Realized Gain / (Loss) due to F/X</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Realized and Unrealized Gain / (Loss) on Investments</strong></td>
<td>1,328,152</td>
<td>1,553,152</td>
<td>5,800,000</td>
</tr>
<tr>
<td><strong>Net Increase / (Decrease) in Partners' Capital Resulting from Operations</strong></td>
<td>$1,068,152</td>
<td>$511,152</td>
<td>$2,696,000</td>
</tr>
</tbody>
</table>
### Statement of Cash Flows

**Best Practices Fund II, L.P.**  
**Statement of Cash Flows**  
For the periods ending December 31, 2015  
($ Unaudited)

<table>
<thead>
<tr>
<th>Current Period</th>
<th>Year-to-Date</th>
<th>Since Inception</th>
</tr>
</thead>
</table>

#### Cash flows from operating activities:

- Net increase/(decrease) in partners’ capital resulting from operations  
  $72,642,970  
  $290,571,878  
  $639,258,133

- Adjustments to reconcile net increase/(decrease) in partners' capital resulting from operations to net cash provided by/(used in) operating activities:
  - Net change in unrealized (gain)/loss on investments  
    (46,336,547)  
    (185,346,188)  
    (407,761,613)
  - Net realized (gain)/loss on investments  
    (18,662,285)  
    (74,649,141)  
    (164,228,110)

- Changes in operating assets and liabilities:
  - Increase/(decrease) in accounts payable and accrued expenses  
    (4,757)  
    (19,030)  
    (41,865)
  - (Increase)/decrease in due from affiliates  
    (65,956)  
    (263,823)  
    (580,411)
  - (Increase)/decrease in due from third party  
    (9,548)  
    (38,191)  
    (84,021)
  - (Increase)/decrease in due from investment  
    4,069,485  
    16,277,940  
    35,811,469
  - Purchase of investments  
    (9,461,947)  
    (37,847,788)  
    (83,265,133)
  - Proceeds from sale of investments  
    61,218,061  
    244,872,245  
    538,718,938

- Net cash provided by/(used in) operating activities  
  63,389,476  
  253,557,903  
  557,827,387

#### Cash flows from financing activities:

- Capital contributions  
  5,852,529  
  23,410,118  
  51,502,259

- Distributions  
  (69,061,071)  
  (276,244,285)  
  (601,392,576)

- Increase/(decrease) in due to limited partners  
  41,429  
  165,718  
  364,579

- Increase/(decrease) in due to affiliates  
  31,504  
  126,017  
  277,238

- (Increase)/decrease in due from limited partners  
  15,993  
  63,972  
  140,739

- Proceeds from loans  
  17,333,765  
  69,335,060  
  152,537,131

- Repayment of loans  
  (17,793,786)  
  (71,175,144)  
  (156,585,317)

- Net cash used in financing activities  
  (63,579,636)  
  (254,318,545)  
  (553,155,947)

#### Net increase/(decrease) in cash and cash equivalents  
(190,160)  
(760,641)  
4,671,440

#### Cash and cash equivalents, beginning of period  
4,861,600  
5,432,081  
0

#### Cash and cash equivalents, end of period  
$ 4,671,440  
4,671,440  
4,671,440

#### Supplemental cash flow information

- Cash paid for interest for the period ended December 31, 2015  
  $ 21,779  
  87,116  
  191,656
Partners’ Capital Account Statement

Please note, the format used in the sample Partners’ Capital Account Statement (“PCAP”) matches Sections A.1 & A.2 of the ILPA’s Reporting Template for fees, expenses, and carried interest (the “Template”), which is discussed in other sections of this document. For the avoidance of doubt, please note that the ILPA is not suggesting that the Template is a substitute for PCAPs. Rather, Sections A.1 & A.2 represent one (of many) potential formats that could be used.

### A. Capital Account Statement for LP #5

#### A.1 NAV Reconciliation and Summary of Fees, Expenses & Incentive Allocation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning NAV - Net of Incentive Allocation</td>
<td>$45,067,000</td>
<td>$38,196,000</td>
<td>$0</td>
</tr>
<tr>
<td>Contributions - Cash &amp; Non-Cash</td>
<td>0</td>
<td>5,000,000</td>
<td>35,000,000</td>
</tr>
<tr>
<td>Distributions - Cash &amp; Non-Cash (Net outflows)</td>
<td>1,250,000</td>
<td>5,000,000</td>
<td>19,000,000</td>
</tr>
<tr>
<td>Total Cash / Non-Cash Flows (contributions, less distributions)</td>
<td>$(1,250,000)</td>
<td>0</td>
<td>16,000,000</td>
</tr>
<tr>
<td>Net Operating Income (Expense)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Management Fees - Gross of Offsets, Waivers &amp; Rebates)</td>
<td>$(187,500)</td>
<td>$(750,000)</td>
<td>$(6,625,000)</td>
</tr>
<tr>
<td>Management Fee Rebate</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(Partnership Expenses - Total)</td>
<td>$(48,000)</td>
<td>$(154,780)</td>
<td>$(548,429)</td>
</tr>
<tr>
<td>Total Offsets to Fees &amp; Expenses (applied during period)</td>
<td>$82,600</td>
<td>$346,500</td>
<td>$1,538,521</td>
</tr>
<tr>
<td>(Total Management Fees &amp; Partnership Expenses, Net of Offsets &amp; Rebates, Gross of Fee Waiver)</td>
<td>$(152,900)</td>
<td>$(558,280)</td>
<td>$(5,634,908)</td>
</tr>
<tr>
<td>Fee Waiver</td>
<td>0</td>
<td>7,500</td>
<td>25,000</td>
</tr>
<tr>
<td>Interest Income</td>
<td>500</td>
<td>1,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>10,000</td>
<td>32,360</td>
<td>233,596</td>
</tr>
<tr>
<td>(Interest Expense)</td>
<td>$(2,000)</td>
<td>$(8,000)</td>
<td>$(40,000)</td>
</tr>
<tr>
<td>Other Income/(Expense)</td>
<td>1,000</td>
<td>3,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Total Net Operating Income / (Expense)</td>
<td>$(143,400)</td>
<td>$(522,400)</td>
<td>$(5,386,400)</td>
</tr>
<tr>
<td>(Placement Fees)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Realized Gain / (Loss)</td>
<td>1,000,000</td>
<td>3,000,000</td>
<td>15,100,000</td>
</tr>
<tr>
<td>Change in Unrealized Gain / (Loss)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ending NAV - Net of Incentive Allocation</td>
<td>$45,673,600</td>
<td>$45,673,600</td>
<td>$45,673,600</td>
</tr>
</tbody>
</table>

#### A.2 Commitment Reconciliation:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Commitment</td>
<td>$50,000,000</td>
<td>$50,000,000</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>Beginning Unfunded Commitment:</td>
<td>$18,500,000</td>
<td>$23,500,000</td>
<td>$50,000,000</td>
</tr>
<tr>
<td>(Less Contributions)</td>
<td>0</td>
<td>(5,000,000)</td>
<td>(35,000,000)</td>
</tr>
<tr>
<td>Plus Recalled Distributions</td>
<td>0</td>
<td>0</td>
<td>4,000,000</td>
</tr>
<tr>
<td>(Less Expired/Released Commitments)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>+/- Other Unfunded Adjustment</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ending Unfunded Commitment</td>
<td>$18,500,000</td>
<td>$18,500,000</td>
<td>$18,500,000</td>
</tr>
</tbody>
</table>
Footnotes

Best Practices Fund II, L.P.
Notes to Financial Statements
December 31, 2015
($ Unaudited)

Note 1 - Organization / Fund Details
Best Practices Fund II, L.P. (the “Partnership”) was formed as a limited partnership pursuant to the laws of the State of Delaware to invest in equity and equity related investments in companies primarily in the United States, generally with enterprise values between $50 million to over $2 billion, including, without limitation, the making of investments in debt obligations of companies in anticipation of the exchange or conversion of such obligations into equity securities of such companies. Best Practices Partners II, LLC, a Delaware limited liability company, is the general partner (the “General Partner”) of the Partnership and makes investment decisions for the Partnership.

The Partnership commenced operations on January 10, 2007, and will terminate on December 21, 2017 (the tenth anniversary of the Final Closing, which took place on December 21, 2007), unless further extended by the General Partner in its sole discretion for one additional one-year period and may be extended for up to two additional one-year periods by the General Partner with the approval of the Advisory Committee.

Note 2 - Significant Accounting Principles
The accompanying financial statements are prepared using accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, estimates are made relating to the fair value of investments. Actual results could differ from those estimates.

Note 3 - Partners’ Capital
On October 31, 2008, the Partnership had its Final Closing and obtained total capital commitments from its Partners of $863,263,457. Pursuant to the Partnership Agreement, the General Partner has committed to provide 0.2% of the total commitments by all Limited Partners.

The Partnership may call capital from the General Partner and Limited Partners (collectively “Partners”) to fund Investments, Partnership Expenses, Management Fees, Placement Fees, Start-Up Costs and other Funding Obligations.

Any return of capital from an Investment disposed of within eighteen months of its acquisition may either be retained by the Partnership or, if distributed, added back to available commitments and be subject to recall for future investments. Available Capital is also increased by distributions up to any amounts previously drawn down from the Available Capital with respect to Management Fees, Allocable Contributions, Placement Fees, and Partnership Expenses.

Since inception, the Partnership has called $283,497,277 from its Partners (representing 32.8% of total committed capital; 67.2% uncalled). Each Partners’ Available Capital shall be reduced by the amount of contributions to the Partnership and the AIV, in accordance with the terms of the Partnership Agreement.

As of December 31, 2015, the Partnership has distributed $97,193,430 to its Partners. The Partnership has added back $94,723,619 of such distributions to Available Capital. As of September 30, 2015, the Partners have available capital of $669,898,861. Certain Partners’ Available Capital amounts have been adjusted by a total of $4,590,940, such that all Partners’ Available Capital percentages are consistent during the Investment Period. The partners have also contributed $75,026,726 to the Partnership, and received distributions of $40,782,411.
Footnotes (Continued)
Best Practices Fund II, L.P.
Notes to Financial Statements
December 31, 2015
($ Unaudited)

Note 4 - Management Fee and Other Fee Breakdown
In accordance with the Partnership Agreement, Management Fees are payable in advance semi-annually on January 1 and July 1. During the Initial Fee Period, the annual Management Fee will be equal to 1% of Limited Partner Commitments up to $1.5 billion and if the Limited Partner Commitments are greater than $1.5 billion the sum of $30 million plus 0.5% of the amount by which the Limited Partner Commitments exceed $1.5 billion. Following the expiration of the Initial Fee Period the annual Management Fee shall be 0.5% of the aggregate Net Funded Commitment of the Limited Partners. The Management Fee payable with respect to any Management Fee Period and with respect to a Limited Partner will be reduced (but not below zero) by such Limited Partner's Share of 100% of the Partnership's pro-rata share of all Topping and Break-up Fees and Transaction Fees, and such Limited Partner's Share of 100% of the Partnership's pro-rata share of all Advisory Fees received by the Manager or its affiliates.

The Manager may elect to waive the right to receive a portion of the Management Fees on a semi-annual basis provided timely notice is given to the Limited Partners. In the event that the Manager elects to waive receipt of the Management Fee, the amount of Management Fees otherwise payable by the Limited Partners may be used to fund the capital contributions of the General Partner and the Special Limited Partner.

Management Fees and Corresponding offset for the period ending December 31, 2015:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Management Fees for the Period:</td>
<td>$44,689,725</td>
<td>$134,069,175</td>
<td>$312,207,525</td>
</tr>
<tr>
<td>Fees:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary Fee Waiver</td>
<td>$375,000</td>
<td>$1,125,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Advisory Fees</td>
<td>$500,000</td>
<td>$1,500,000</td>
<td>$1,758,000</td>
</tr>
<tr>
<td>Broken Deal Fees</td>
<td>$400,000</td>
<td>$1,200,000</td>
<td>$1,400,000</td>
</tr>
<tr>
<td>Placement Fees</td>
<td>$2,284,488</td>
<td>$6,853,464</td>
<td>$7,200,000</td>
</tr>
<tr>
<td>Transaction Fees</td>
<td>$1,167,570</td>
<td>$3,502,710</td>
<td>$4,123,587</td>
</tr>
<tr>
<td>Other Fees</td>
<td>$200,000</td>
<td>$600,000</td>
<td>$850,000</td>
</tr>
<tr>
<td>Total Fees:</td>
<td>$4,927,058</td>
<td>$14,781,174</td>
<td>$16,831,587</td>
</tr>
<tr>
<td>Total Management Fee Offsets (100%)</td>
<td>($4,927,058)</td>
<td>($14,781,174)</td>
<td>($16,831,587)</td>
</tr>
<tr>
<td>Net Management Fees</td>
<td>$39,762,667</td>
<td>$119,288,001</td>
<td>$295,375,938</td>
</tr>
<tr>
<td>Deemed Management Fees</td>
<td>$84,548</td>
<td>$336,470</td>
<td>$978,050</td>
</tr>
<tr>
<td>Management Fees Returned/Recouped</td>
<td>$42,223</td>
<td>$138,290</td>
<td>$221,805</td>
</tr>
</tbody>
</table>
Note 5 - Related Party Transactions
The Partnership and its affiliates may share certain costs and the Partnership may pay a share of these expenses or payments on behalf of certain affiliates and vice versa, to be later reimbursed to the Partnership or to the affiliate. As of December 31, 2015, the balances of such amounts to be reimbursed to the Partnership total $100,000 and are included in receivable from affiliates and amounts to be reimbursed to affiliates total $7,600,000 and are included in payable to affiliates. Affiliates of the General Partner make non-interest bearing advances to the Partnership to pay for expenses associated with the cost of potential acquisitions and/or for the monitoring of its investments. As of December 31, 2015, such advances totaled $434,631 and are also included in payable to affiliates.

Note 6: Financial Highlights
Financial highlights for the year-to-date ended December 31, 2015 are as follows:

<table>
<thead>
<tr>
<th>Financial Highlights as of the period ending December 31, 2015 (unless otherwise noted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratios to average Investor Limited Partners’ capital:</td>
</tr>
<tr>
<td>Expenses</td>
</tr>
<tr>
<td>Performance carry allocation</td>
</tr>
<tr>
<td>Total expenses and performance carry allocation</td>
</tr>
<tr>
<td>Net investment gain</td>
</tr>
<tr>
<td>Internal Rate of Return (inception to December 31, 2015)</td>
</tr>
<tr>
<td>Internal Rate of Return (inception to December 31, 2014) (prior audited period end)</td>
</tr>
</tbody>
</table>

The ratios to average Investor Limited Partners’ capital are calculated for the Investor Limited Partners taken as a whole. The computation of such ratios based on the amount of net investment loss and expenses allocated to an individual partner’s capital account may vary from these ratios based on the timing of capital transactions. For the purposes of this calculation, expenses and net investment losses for the period ended September 30, 2015, have been annualized.

The Internal Rate of Return ("IRR") is computed using Investor Limited Partners' cash inflows (capital contributions) and outflows (distributions) and the Investor Limited Partners’ capital account at the end of the period as of each measurement date. The IRR is presented inception to date and is net of all fees and General Partner carried interest allocations, if any, assuming disposition of assets at the value reported on the Statement of Assets, Liabilities and Partners’ Capital.
Note 7: Carry Detail
Carried Interest as of period ending December 31, 2015

<table>
<thead>
<tr>
<th>Term</th>
<th>12/31/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carried interest paid since inception through December 31, 2015</td>
<td>$0</td>
</tr>
<tr>
<td>Current period carried interest paid</td>
<td>$0</td>
</tr>
<tr>
<td>Current period carried interest earned</td>
<td>$0</td>
</tr>
<tr>
<td>Current period carried interest accrued</td>
<td>$29,800,000</td>
</tr>
<tr>
<td>Carried interest in escrow</td>
<td>$0</td>
</tr>
<tr>
<td>Potential clawback value</td>
<td>$0</td>
</tr>
</tbody>
</table>

Distributions
Net proceeds attributable to the Disposition of an Investment in a Portfolio Company, together with any dividends or interest income with respect to such Investment, will be distributed to the Partners participating in such Investment in the following amounts and order:

(i) First, 100% to the Partners in proportion to Capital Contributions with respect to such Investment until proceeds equal the aggregate of the following (to the extent not previously distributed):
   • the cost basis of all Investments that have been disposed of and write downs, if any, on Investments not disposed of as of such time;
   • the Partners’ share of all organizational expenses, Management Fees and other expenses paid by the Partnership and allocated to the Investments referred in the above paragraph;
   • a preferred return equal to an 8% internal rate of return compounded annually on the amounts referred to in the above paragraphs;

(ii) Second, (x) 20% to the Partners in proportion to Capital Contributions with respect to such Investment and (y) 80% to the General Partner, until such time as the General Partner has received, pursuant to clause (y), 20% of the sum of the distributions made under the third bullet point of paragraph (i) and under this paragraph; and

(iii) Thereafter, 80% to the Partners in proportion to Capital Contributions with respect to such Investment and 20% to the General Partner.

The 20% allocations to the General Partner in steps (ii) and (iii) above are collectively termed “carried interest”.

Allocations of Profits and Losses
All items of income, gain, loss, and deduction will be allocated to the Partners’ capital account in a manner generally consistent with the distribution procedures outlined under “Distributions” above. Realized and accrued carried interest on unrealized Investments is presented in the Statement of Changes in Partners’ Capital as part of the performance carry allocation.

Because of the inherent uncertainty in the valuation of the Investments, the allocation of profit or loss to the Limited Partners and the performance carry allocation to the General Partner, as reflected within these financial statements may not necessarily represent amounts that might ultimately be allocated and distributed.
Best Practices Fund II, L.P.
Notes to Financial Statements
December 31, 2015
($ Unaudited)

Note 7: Carry Detail (cont.)
Other Distributions and Portfolio Investment Distributions
Other Distributions (i) related to a Temporary Investment or Bridge Financing shall be distributed among the Participating Partners in proportion to their Capital Contributions with respect thereto, and (ii) other than those described in clause (i) above shall be distributed among the Partners in proportion to their respective Original Available Capital. Portfolio Investment Distributions shall be apportioned among the Participating Partners in proportion to their Capital Contributions with respect to such Portfolio Investment.

General Partner Giveback Provisions
The General Partner Giveback is equal to the greater of (i) the amount by which the cumulative carried interest distributions with respect to such Limited Partner exceeds 20% of the cumulative net profits earned with respect to such Limited Partner and (ii) an amount such that, upon its distribution to such Limited Partner, the Limited Partner will have received the preferred return, but, in either case, no more than the cumulative carried interest distributions with respect to such Limited Partner (calculated on an aftertax basis).

A General Partner Giveback may arise at the end of the Fiscal Year of the Partnership in which the sixth and eighth anniversaries of the Commencement Date occurs and immediately prior to the termination of the Partnership.

If, at the end of the Fiscal Year in which the sixth anniversary of the Commencement Date occurs, there is a General Partner Giveback obligation, the balance in the Escrow Accounts shall be used to satisfy such obligation. If the balance in the Escrow Accounts is insufficient to satisfy the General Partner Giveback, at the end of the Fiscal Year in which the eighth anniversary of the Commencement Date occurs, and immediately prior to the termination of the Partnership, the General Partner will be obligated to contribute an amount equal to the General Partner Giveback at that time. The General Partner Giveback will be accrued as part of the performance carry allocation. At September 30, 2015, there was an Escrow Account balance of $294,285 and the General Partner was not in a Giveback position.

Note 8: Advisory Board
As of September 30, 2015, the Advisory Board members include the following: LP1, LP2, LP3, LP4, LP5, and LP6. There were no items presented for a vote during the period.

Note 9: Subsequent events
The Partnership has evaluated subsequent events through February 27, 2016, the date which the financial statements were available to be issued. On January 20, 2016, the Partnership renewed the revolving line of credit for $8,000,000 with a maturity of August 20, 2016.
SECTION IV
SAMPLE SUPPLEMENTAL MANAGEMENT REPORTS
Supplemental Schedule: Portfolio Executive Summary

Best Practices Fund II, L.P.
Executive Summary – Firm and Fund Level Data
($ Unaudited)

12/31/2015

**General Partner:**
- Assets Under Management: $12.7b
- Active Funds: 8
- Active Portfolio Companies: 212

**Best Practices Fund II (BP II):**
- Total Commitments (Commenced at Jan. 5, 2007) $858.3m
- Total Drawdowns since inception $684.7m
- Remaining Commitments $173.6m

- Total Number of Investments since inception 17
- Number of Portfolio Companies at December 31, 2015 17

- Total Distributions $218.5m
  - % of total drawdowns 32%
  - % of committed capital 25%

**Key Fund Valuation Metrics**
- DPI (Distributions to paid-in capital) 0.3x
- RVPI (Residual value to paid-in capital) 0.9x
- TVPI (Total value to paid-in capital) 1.2x

**Historical Fund Performance (TVPI)**

<table>
<thead>
<tr>
<th>Year</th>
<th>TVPI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-10</td>
<td>0.9</td>
</tr>
<tr>
<td>Dec-11</td>
<td>0.9</td>
</tr>
<tr>
<td>Dec-12</td>
<td>0.8</td>
</tr>
<tr>
<td>Dec-13</td>
<td>1.1</td>
</tr>
<tr>
<td>Dec-14</td>
<td>1.2</td>
</tr>
<tr>
<td>Dec-15</td>
<td>1.2</td>
</tr>
</tbody>
</table>

**Portfolio Breakdown (By Invested Capital)**

- By Industry
  - North America 72%
  - Europe 21%
  - Asia 7%

- By Region
  - Financials 18%
  - Healthcare 14%
  - Services 6%
  - Other 3%
  - IT 23%
  - Consumer Goods 36%

Version 1.1 - Revised September 2016
## Supplemental Schedule of Investments (Increased transparency):

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Security Type</th>
<th>Number of Shares</th>
<th>Fund Ownership % (Fully Diluted)</th>
<th>LP Ownership % (Fully Diluted)</th>
<th>Initial Investment Date</th>
<th>Final Exit Date</th>
<th>Investment Data (Expressed in $)</th>
<th>Valuation Driver*</th>
<th>Period Change in Valuation</th>
<th>Period Change in Cost</th>
<th>Unrealized Gains/(losses) Accrued Interest</th>
<th>Movement Summary**</th>
<th>Inv. Multiple: (C+D)/A</th>
<th>Current Quarter</th>
<th>Prior Quarter</th>
<th>Security Type IRR (SI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company 1</td>
<td>Equity</td>
<td>1,250,000</td>
<td>55%</td>
<td>5.66%</td>
<td>3/15/2007</td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>L</td>
<td>1.14</td>
<td>1.09</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Company 1</td>
<td>Debt</td>
<td>12,789</td>
<td>55%</td>
<td>5.66%</td>
<td>6/15/2007</td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>$297,829</td>
<td>$0</td>
<td>$297,829</td>
<td>2</td>
<td>E</td>
<td>1.14</td>
<td>1.09</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Company 3</td>
<td>Equity</td>
<td>12%</td>
<td>5.66%</td>
<td>9/15/2007</td>
<td></td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>$468,019</td>
<td>$386</td>
<td>$467,633</td>
<td>2</td>
<td>E</td>
<td>0.54</td>
<td>0.49</td>
<td>-40%</td>
<td></td>
</tr>
<tr>
<td>Company 3</td>
<td>Debt</td>
<td>12%</td>
<td>5.66%</td>
<td>9/15/2007</td>
<td></td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>($145,546)</td>
<td>$0</td>
<td>($145,546)</td>
<td>3</td>
<td>E</td>
<td>1.24</td>
<td>1.19</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Company 4</td>
<td>Equity</td>
<td>90%</td>
<td>5.66%</td>
<td>2/15/2008</td>
<td></td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>$38,609</td>
<td>$38,417</td>
<td>$192</td>
<td>4</td>
<td>H</td>
<td>2.00</td>
<td>1.95</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>Company 5</td>
<td>Equity</td>
<td>80%</td>
<td>5.66%</td>
<td>5/15/2008</td>
<td></td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>$323,439</td>
<td>$323,439</td>
<td>$0</td>
<td>5</td>
<td>A</td>
<td>0.00</td>
<td>0.00</td>
<td>-100%</td>
<td></td>
</tr>
<tr>
<td>Company 6</td>
<td>Equity</td>
<td>65%</td>
<td>5.66%</td>
<td>8/15/2008</td>
<td></td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>$2,333,324</td>
<td>$1,693,046</td>
<td>$640,255</td>
<td>6</td>
<td>M</td>
<td>1.25</td>
<td>1.20</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Company 7</td>
<td>Equity</td>
<td>100%</td>
<td>5.66%</td>
<td>11/15/2008</td>
<td></td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>($111,989)</td>
<td>$0</td>
<td>$111,989</td>
<td>2</td>
<td>L</td>
<td>1.13</td>
<td>1.08</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>Company 8</td>
<td>Equity</td>
<td>60%</td>
<td>5.66%</td>
<td>6/15/2010</td>
<td></td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>$418,876</td>
<td>$0</td>
<td>$418,876</td>
<td>4</td>
<td>P</td>
<td>1.06</td>
<td>1.01</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Sub Total Active:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fund Commitment: 45,000,000</td>
<td>41,000,000</td>
<td>38,000,000</td>
<td>41,300,000</td>
<td>2,750,000</td>
<td>3,622,561</td>
<td>2,055,311</td>
<td>1,567,250</td>
<td>1.07</td>
<td>1.01</td>
</tr>
<tr>
<td>Company 2</td>
<td>Equity</td>
<td>4/15/2007</td>
<td>12/28/2010</td>
<td>50,000,000</td>
<td></td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>7,500,000</td>
<td>0</td>
<td>(1,253,152)</td>
<td>1,253,152</td>
<td>7</td>
<td>1.50</td>
<td>1.50</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Sub Total Liquidated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fund Commitment: 5,000,000</td>
<td>5,000,000</td>
<td>0</td>
<td>7,500,000</td>
<td>0</td>
<td>(1,253,152)</td>
<td>1,253,152</td>
<td>1.50</td>
<td>1.50</td>
<td>15%</td>
</tr>
<tr>
<td>Grand Total:</td>
<td></td>
<td>50,000,000</td>
<td>46,000,000</td>
<td>38,000,000</td>
<td>41,300,000</td>
<td>10,250,000</td>
<td>Fund Commitment: 5,000,000</td>
<td>802,159</td>
<td>2,820,402</td>
<td>3,622,561</td>
<td>1.12</td>
<td>1.06</td>
<td>3%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Valuation Driver:
A - Investment held at cost
B - Valuation has been reduced due to significant deterioration in the company's performance and potential
C - Valuation has been adjusted to the value paid by a sophisticated unrelated new investor
D - Valuation at a later round of financing (no new unrelated investor)
E - Valuation based on the closing quoted price
F - Valuation based on the closing quoted price with a discount for lock up restrictions
G - Follow-on costs of a written down investment
H - Future realization proceeds
I - Valuation based on fairness option in relation to proposed merger
J - Realization
K - Valuation based on recent transaction multiples
L - Valuation based on recent market multiples
M - Valuation based on recent market and transaction multiples
N - Valuation based on expert third party
O - Valuation based on closing quoted price plus valuation of warrants
P - Revised company prospects

**Movement Summary:
1 - No change
2 - Change in public market value
3 - Deterioration in performance and potential
4 - Future realization proceeds
5 - Follow-on financing
6 - New investment
7 - Investment write-off
8 - Realized investment
Portfolio Company Update (used for each investment):

<table>
<thead>
<tr>
<th>Investment Date</th>
<th>Fund Ownership %</th>
<th>Investment Commitment</th>
<th>DEAL TEAM: Johnson, Smith</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/15/2007</td>
<td>12%</td>
<td>$10.0m</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry</th>
<th>Investor Group Ownership %</th>
<th>Invested Capital</th>
<th>$10.0m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare</td>
<td>75%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Headquarters</th>
<th>Management Ownership %</th>
<th>Reported Value</th>
<th>$12.0m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brooklyn, NY</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EV at Closing</th>
<th>Board Representation</th>
<th>Investment Multiple</th>
<th>$0.9x</th>
</tr>
</thead>
<tbody>
<tr>
<td>$60.0m</td>
<td>2 of 8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ticker Symbol</th>
<th>Board Members:</th>
<th>Gross IRR (All Security Types)</th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZZZ.Z</td>
<td>Jenson, Smith</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INVESTMENT BACKGROUND

CO-SPONSORS (Ownership %): ABC I, LP (38%); XYZ Capital (15%); Individuals (10%)

Company 3, located in Brooklyn, NY, is a top eldercare referral services company that provides move-ins for the senior housing industry. Founded in 1992, the company provides free personalized information about eldercare facility options to tens of thousands of families each month. To do so, Company 3 generates leads primarily from online marketing sources and converts them to move-ins through its nationwide network of 750 eldercare advisors.

On September 15, 2007, BP led a consortium, which completed the acquisition of Company 3 for a total effective consideration of $60 million excluding third-party transaction fees. BP II invested $5 million for a 12% equity stake in a transaction that included $19m of debt. In October 2009, BP II provided $5.0 million of debt as part of a restructuring, following a covenant breach.

INVESTMENT THESIS / EXPECTATIONS

• Steady Growth: Organic revenue growth of 6.5% for the five years prior to BP II's investment versus 5% for the industry
• Fragmented industry presents opportunity for sizeable, bolt-on acquisitions at accretive multiples
• Expectations: Exit via IPO or strategic sale within 24 months

INVESTMENT STRUCTURE (as of 12/31/15)

<table>
<thead>
<tr>
<th>Capitalization</th>
<th>Rate</th>
<th>Maturity</th>
<th>Closing</th>
<th>12/31/15</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on Hand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sr. Sec Note</td>
<td>9%</td>
<td>12/31/19</td>
<td>9,000,000</td>
<td>9,000,000</td>
<td>xEBITDA</td>
</tr>
<tr>
<td>Jr. Note</td>
<td>7.5%</td>
<td>12/31/20</td>
<td>5,000,000</td>
<td>5,000,000</td>
<td>xEBITDA</td>
</tr>
<tr>
<td>Drawn Revolver</td>
<td>L+150</td>
<td>12/31/16</td>
<td>5,000,000</td>
<td>7,000,000</td>
<td>xEBITDA</td>
</tr>
<tr>
<td>Total Net Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise Value</td>
<td></td>
<td></td>
<td>60,000,000</td>
<td>51,840,000</td>
<td></td>
</tr>
</tbody>
</table>

FINANCIAL RESULTS

<table>
<thead>
<tr>
<th>Revenue</th>
<th>YOY % Growth</th>
<th>LTM EBITDA</th>
<th>YOY % Growth</th>
<th>EBITDA Margin</th>
<th>TEV</th>
<th>TEV Multiple</th>
<th>Total Leverage</th>
<th>Total Leverage Multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>50,000,000</td>
<td>8%</td>
<td>6,500,000</td>
<td>7%</td>
<td>13%</td>
<td>60,000,000</td>
<td>9.2x</td>
<td>19,000,000</td>
<td>2.9x</td>
</tr>
<tr>
<td>50,000,000</td>
<td>7%</td>
<td>5,000,000</td>
<td>9%</td>
<td>13%</td>
<td>60,000,000</td>
<td>9.2x</td>
<td>18,500,000</td>
<td>2.8x</td>
</tr>
<tr>
<td>45,000,000</td>
<td>10%</td>
<td>6,700,000</td>
<td>4%</td>
<td>15%</td>
<td>60,840,000</td>
<td>9.1x</td>
<td>18,720,000</td>
<td>2.8x</td>
</tr>
<tr>
<td>40,000,000</td>
<td>-11%</td>
<td>6,100,000</td>
<td>-12%</td>
<td>15%</td>
<td>47,840,000</td>
<td>7.8x</td>
<td>21,100,000</td>
<td>3.5x</td>
</tr>
<tr>
<td>42,000,000</td>
<td>5%</td>
<td>6,300,000</td>
<td>4%</td>
<td>15%</td>
<td>51,840,000</td>
<td>8.2x</td>
<td>21,320,000</td>
<td>3.4x</td>
</tr>
</tbody>
</table>

COMPANY ASSESSMENT

<table>
<thead>
<tr>
<th>At Closing</th>
<th>12/31/12</th>
<th>12/31/13</th>
<th>12/31/14</th>
<th>12/31/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>50,000,000</td>
<td>50,000,000</td>
<td>45,000,000</td>
<td>40,000,000</td>
</tr>
<tr>
<td>YOY % Growth</td>
<td>8%</td>
<td>7%</td>
<td>10%</td>
<td>-11%</td>
</tr>
<tr>
<td>LTM EBITDA</td>
<td>6,500,000</td>
<td>5,000,000</td>
<td>6,700,000</td>
<td>6,100,000</td>
</tr>
<tr>
<td>YOY % Growth</td>
<td>7%</td>
<td>9%</td>
<td>4%</td>
<td>-12%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>13%</td>
<td>13%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>TEV</td>
<td>60,000,000</td>
<td>60,000,000</td>
<td>60,840,000</td>
<td>47,840,000</td>
</tr>
<tr>
<td>TEV Multiple</td>
<td>9.2x</td>
<td>9.2x</td>
<td>9.1x</td>
<td>7.8x</td>
</tr>
<tr>
<td>Total Leverage</td>
<td>19,000,000</td>
<td>18,500,000</td>
<td>18,720,000</td>
<td>21,100,000</td>
</tr>
<tr>
<td>Total Leverage Multiple</td>
<td>2.9x</td>
<td>2.8x</td>
<td>2.8x</td>
<td>3.5x</td>
</tr>
</tbody>
</table>

VALUATION METHODOLOGY

To value our interest in Company 3, we analyzed Company 3 on both a multiple of EBITDA basis and a discounted cash flow approach. For the multiple of EBITDA approach, we used an 8.3x multiple on LTM EBITDA as of YE 2014. We kept Company A’s multiple flat to last quarter as a result of the wide range and inter quarter volatility valuation multiples for the trading comparables. To determine the discount rate, we calculated the WACC using the industry comparables as guidelines. Using the discount rate of 11% and with exit multiples ranging from 7.5x to 8.5x, we calculated a total equity value in the range of $102.2 million to $154.6 million. This analysis implies a mid-point value of $128.4 million or $77.6 million in equity value for the Fund. Evaluating Company A using these two methodologies implied a valuation range of $32.9 million to $77.6 million for the Fund’s interest in Company A. Given this analysis, the increase in multiples and positive EBITDA trends in the business, we believe it is appropriate to value Company A at $42.5 million or 55% of cost.

RISK ASSESSMENT/UPDATE

Given the declining amount of eldercare referrals in our target region coupled with rising online marketing prices, the company’s covenant headroom remains tight and will be an area of significant focus over the coming months.
## QUARTERLY REPORTING STANDARDS

### Reporting Template for Fees, Expenses, & Carried Interest

**A. Capital Account Statement for LP #5**

#### A.1 NAV Reconciliation and Summary of Fees, Expenses & Incentive Allocation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning NAV - Net of Incentive Allocation</strong></td>
<td>$45,067,000</td>
<td>$38,196,000</td>
<td>$0</td>
</tr>
<tr>
<td>Contributions - Cash &amp; Non-Cash</td>
<td>0</td>
<td>5,000,000</td>
<td>35,000,000</td>
</tr>
<tr>
<td>Distributions - Cash &amp; Non-Cash (input positive valued)</td>
<td>1,250,000</td>
<td>5,000,000</td>
<td>19,000,000</td>
</tr>
<tr>
<td>Total Cash / Non-Cash Flows (contributions, less distributions)</td>
<td>(1,250,000)</td>
<td>0</td>
<td>16,000,000</td>
</tr>
<tr>
<td>Net Operating Income (Expense):</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Management Fees - Gross of Offsets, Waivers &amp; Rebates)</td>
<td>(187,500)</td>
<td>(750,000)</td>
<td>(6,625,000)</td>
</tr>
<tr>
<td>Management Fee Rebate</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(Partnership Expenses - Total)</td>
<td>(48,000)</td>
<td>(154,780)</td>
<td>(548,429)</td>
</tr>
<tr>
<td>(Partnership Expenses - Accounting, Administration &amp; IT)</td>
<td>(1,000)</td>
<td>(2,500)</td>
<td>(27,000)</td>
</tr>
<tr>
<td>(Partnership Expenses - Audit &amp; Tax Preparation)</td>
<td>(2,000)</td>
<td>(5,000)</td>
<td>(58,000)</td>
</tr>
<tr>
<td>(Partnership Expenses - Bank Fees)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(Partnership Expenses - Custody Fees)</td>
<td>(12,500)</td>
<td>(27,500)</td>
<td>(55,000)</td>
</tr>
<tr>
<td>(Partnership Expenses - Due Diligence)</td>
<td>(20,000)</td>
<td>(50,000)</td>
<td>(95,000)</td>
</tr>
<tr>
<td>(Partnership Expenses - Legal)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(Partnership Expenses - Organization Costs)</td>
<td>(10,000)</td>
<td>(25,000)</td>
<td>(50,000)</td>
</tr>
<tr>
<td>(Partnership Expenses - Other Travel &amp; Entertainment)</td>
<td>(2,500)</td>
<td>(7,005)</td>
<td>(12,444)</td>
</tr>
<tr>
<td>(Partnership Expenses - Other*)</td>
<td>0</td>
<td>(275)</td>
<td>(985)</td>
</tr>
<tr>
<td>Total Offsets to Fees &amp; Expenses (applied during period):</td>
<td>82,600</td>
<td>346,500</td>
<td>1,538,521</td>
</tr>
<tr>
<td><strong>Offset Categories</strong></td>
<td>% Offset to LP #5**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advisory Fee Offset</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broken Deal Fee Offset</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction &amp; Deal Fee Offset</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directors Fee Offset</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring Fee Offset</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Markets Fee Offset</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization Cost Offset</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Placement Fee Offset</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Offset*</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unapplied Offset Balance (Roll-forward):</strong></td>
<td>1,000</td>
<td>5,000</td>
<td>0</td>
</tr>
<tr>
<td>Plus: Total Offsets to Fees &amp; Expenses (recognized during period)</td>
<td>81,600</td>
<td>341,500</td>
<td>1,538,521</td>
</tr>
<tr>
<td>Less: Total Offsets to Fees &amp; Expenses (applied during period)</td>
<td>82,600</td>
<td>346,500</td>
<td>1,538,521</td>
</tr>
<tr>
<td><strong>Total Management Fees &amp; Partnership Expenses, Net of Offsets &amp; Rebates, Gross of Fee Waivers</strong></td>
<td>(152,900)</td>
<td>(558,280)</td>
<td>(5,634,908)</td>
</tr>
<tr>
<td>Fee Waiver</td>
<td>0</td>
<td>7,500</td>
<td>25,000</td>
</tr>
<tr>
<td>Interest Income</td>
<td>500</td>
<td>1,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>10,000</td>
<td>32,380</td>
<td>233,508</td>
</tr>
<tr>
<td>(Interest Expense)</td>
<td>(2,000)</td>
<td>(8,000)</td>
<td>(40,000)</td>
</tr>
<tr>
<td>Other Income/(Expense)*</td>
<td>1,000</td>
<td>3,000</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Total Net Operating Income / (Expense)</strong></td>
<td>(143,400)</td>
<td>(522,400)</td>
<td>(5,836,400)</td>
</tr>
<tr>
<td>(Placement Fees)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Realized Gain / (Loss)</td>
<td>1,000,000</td>
<td>3,000,000</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Change in Unrealized Gain / (Loss)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Ending NAV - Net of Incentive Allocation</strong></td>
<td>$45,673,600</td>
<td>$45,673,600</td>
<td>$45,673,600</td>
</tr>
</tbody>
</table>

**Note:** All figures are in USD.
### A2 Commitment Reconciliation:

<table>
<thead>
<tr>
<th>Description</th>
<th>LP #5’s Allocation of Total Fund</th>
<th>Total Fund (incl. GP Allocation)</th>
<th>GP’s Allocation of Total Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Commitment</td>
<td>$50,000,000</td>
<td>$2,503,750,000</td>
<td>$3,750,000</td>
</tr>
<tr>
<td>Beginning Unfunded Commitment:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Less Contributions)</td>
<td>$18,500,000</td>
<td>$926,387,500</td>
<td>$1,387,500</td>
</tr>
<tr>
<td>Plus Recalled Distributions</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>(Less Expired/Released Commitments)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>+/- Other Unfunded Adjustment</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ending Unfunded Commitment</td>
<td>$18,500,000</td>
<td>$926,387,500</td>
<td>$1,387,500</td>
</tr>
</tbody>
</table>

### A3 Miscellaneous** (input positive values):

<table>
<thead>
<tr>
<th>Description</th>
<th>LP #5’s Allocation of Total Fund</th>
<th>Total Fund (incl. GP Allocation)</th>
<th>GP’s Allocation of Total Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentive Allocation - Earned (period-end balance)**</td>
<td>$1,250,000</td>
<td>$1,250,000</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>Incentive Allocation - Amount Held in Escrow (period-end balance)**</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>Returned Clawback**</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Capitalized Transaction Fees &amp; Exp. - Paid to Non-Related Parties****</td>
<td>$50,000</td>
<td>$1,000,000</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Distributions Relating to Fees &amp; Expenses****</td>
<td>$2,500</td>
<td>$10,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Fund of Funds - Gross Fees, Exp. &amp; Incentive Allocation paid to the Underlying Funds****</td>
<td>$1,951</td>
<td>$7,806</td>
<td>$123,161</td>
</tr>
</tbody>
</table>

### B. Schedule of Fees, Incentive Allocation & Reimbursements Received by the GP & Related Parties, with Respect to the Fund and Portfolio Companies/Investments Held by the Fund

#### B.1 Source Allocation:

<table>
<thead>
<tr>
<th>Description</th>
<th>LP #5’s Allocation of Total Fund</th>
<th>Cumulative LP’s Allocation of Total Fund</th>
<th>Affiliated Positions**</th>
</tr>
</thead>
<tbody>
<tr>
<td>With Respect to the Fund’s LPS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Fees - Net of Rebates, Gross of Offsets and waivers</td>
<td>$187,500</td>
<td>$9,375,000</td>
<td>$331,250</td>
</tr>
<tr>
<td>Partnership Expenses - Paid to GP &amp; Related Parties - Gross of Offsets (Less Total Offsets to Fees &amp; Expenses - applied during period)</td>
<td>$1,000</td>
<td>$50,075</td>
<td>$1,502,250</td>
</tr>
<tr>
<td>Capitalized Transaction Fees &amp; Exp. - Paid to GP &amp; Related Parties****</td>
<td>$82,600</td>
<td>$4,140,000</td>
<td>(82,424,249)</td>
</tr>
<tr>
<td>Accrued Incentive Allocation - Periodic Change</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total with Respect to the Fund’s LPS</td>
<td>$200,000</td>
<td>$15,000,000</td>
<td>$425,000</td>
</tr>
<tr>
<td>With Respect to the Fund’s Portfolio Companies/Invs.</td>
<td>$80,600</td>
<td>$3,792,500</td>
<td>$6,164,062</td>
</tr>
<tr>
<td>Total Reimbursements for Travel &amp; Administrative Expenses****</td>
<td>$5,000</td>
<td>$200,000</td>
<td>$246,800</td>
</tr>
<tr>
<td>Total Received by the GP &amp; Related Parties</td>
<td>$491,500</td>
<td>$24,276,975</td>
<td>$761,400,863</td>
</tr>
</tbody>
</table>

*Current offset percentages for the specific LP; As offset calculations may change over the life of the Fund, the current offset percentages may not be applicable for calculating the non QTD offset balances.

**Content in A3 aims to provide users with additional context on the balances provided in other sections; Some of the balances in A3 represent a sub-total for an amount provided in another section; Balances in this section should be entered as a positive amount, even though similar balances in other sections may typically be presented as a negative amount; To prevent double-counting, or other miscalculations, users should avoid netting balances in A3 with amounts in other sections.

***Balances in this section represent fees & reimbursements received by the GP/Manager/Related Parties with respect to the Fund’s investments that are not allocable to the Total Fund (i.e. allocated to ownership interests of LP co-investors & other vehicles managed by-affiliated with the GP/Manager/Related Party); To avoid double-counting, LP #5’s Allocation of Total Fund should not reflect any pro-rata share of these positions; Balances in this section, plus the balances in the “Cumulative LP’s Allocation of Total Fund” section, should equal the total fees/reimbursements received by the GP/Manager/Related Parties With Respect to the Fund’s Portfolio Companies/Invs.

****Allocation for individual LPs, the Total Fund and all remaining positions may need to be estimated on a pro-rata basis.

*A description should be provided in the footnote section for any amount(s) listed in this row for the year-to-date period.

**Shaded/Italicized/Grouped Content Represents Level-2 Data

Footnotes for any YTD (Total Fund) expenses, fees & offsets (including any "other" balances)  
Partnership Expenses - Other ($10,500) = Insurance ($8,000) + Partnership-Level Taxes ($2,500)
Appendix I: Portfolio Company Checklist

The list below outlines the portfolio company metrics used in the recommended reports. Please refer to the package criteria above for the proper use and context of each item.

STANDARD SCHEDULE OF INVESTMENTS*
(For Unrealized Investments)
- Company Name
- Security Type (Debt/Equity)
- Number of Shares
- Fund Ownership % (Fully Diluted)
- Initial Investment Date
- Fund Commitment
- Total Invested
- Current Cost
- Reported Value
- Realized Proceeds

SUPPLEMENTAL SCHEDULE OF INVESTMENTS
(In addition to the items in the Standard Schedule of Investments for all Realized & Unrealized Investments)
- LP Ownership % (Fully Diluted)
- Valuation Policy
- Period Change in Valuation
- Period Change in Cost
- Unrealized Gains/(Losses) & Accrued Interest
- Movement Summary
- Current Quarter Investment Multiple
- Prior Quarter Investment Multiple
- Since Inception IRR

COMPANY PROFILE
(Unrealized Investments only)
- Summary Company Data
  - Company Name
  - Initial Investment Date
  - Industry
  - Headquarters
  - Company Description
  - Fund Ownership %
  - Investor Group Ownership %
  - Enterprise Valuation at Closing
  - Securities Held
  - Ticker Symbol
  - Investor Group Members
  - Management Ownership %
  - Board Representation
  - Board Members
  - Investment Commitment
  - Invested Capital
  - Reported Value
  - Realized Proceeds
  - Investment Multiple
  - Gross IRR (All Security Types)

- Investment Background
- Initial Investment Thesis
- Exit Expectations
- Recent Events & Key Initiatives
- Company Assessment
- Valuation Methodology
- Risk Assessment / Update

DETAILED COMPANY DATA
(Unrealized Investments only)
- Financial Results
  - YOY % Growth
  - LTM EBITDA (pro-forma)
  - YOY % Growth
  - EBITDA Margin
  - Total Enterprise Value (TEV)
  - TEV Multiple
  - Total Leverage
  - Total Leverage Multiple

- Investment Structure (of Fund Investment only)
  - Units/Par
  - Total Invested
  - Reported Value
  - Realized Proceeds

- Capitalization (of entire company)
  - Rate
  - Maturity
  - At Closing
  - At Period End
  - Covenant Threshold
  - Covenant Headroom (Period End)
  - Total Net Debt
  - Equity
  - Enterprise Valuation

* Included in the Audit; some items may shift to the unaudited schedules due to audit, tax or regulatory complications.