RCP / Advisors

The Case for Small Buyouts

Part I: Observed Structural Advantages in the Lower Middle Market

General Educational Material and Market Commentary

Notice

RCP/Advisors

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Notes on Data

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- RCP collected information from its internal database, GPScout, which includes information provided to RCP from public data sources, third party data providers (e.g., Preqin, etc.), various fund managers and information from RCP's own investments. Because RCP's strategy is focused primarily on North American lower-middle market buyouts, a majority of investment managers analyzed by RCP operate in this segment of the market.
- RCP's database, GPScout, provides private fund and investment-level performance data drawn from fundraising and diligence documents produced by general partners and publicly available information, as well as quarterly unaudited and audited annual financial statements produced by RCP's underlying fund managers. As of 7/17/2024, GPScout contains information on 4,000+ fund managers and more than 7,500 funds. These documents are provided to RCP by the fund managers themselves. Please note: RCP's database has been rebranded as GPScout. RCP's subscription-based manager research platform, formerly named GPScout, has been rebranded as GPScout Navigator.
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- Small buyout and lower middle market: a transaction related to a company with less than $100M in enterprise value.
- Past performance is not an indication of future performance, provides no guarantee for the future, and is not constant over time.

RCP Funds & the Small Buyout Market

Potential Benefits

Attractive risk/return profile

Historical outperformance of other asset classes

Historical lower correlation with major market indices

Long-term return potential

Attractive market dynamics resulting in outperformance

Proper diversification through one investment vehicle

Potential access to top-tier and oversubscribed managers

Administrative efficiency

Favorable tax treatment

Strategic and operating control post-investment

Potential Risks

Determining investment success in an illiquid asset

Long-term nature of the private equity investment cycle

Capacity, access, selection, and allocation of top-tier and oversubscribed managers is not guaranteed

Highly illiquid

Potential loss of capital

Significant resources and expertise required

Measuring or benchmarking long term returns is challenging

High investment minimums

Potential additional fees

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a Fund. Prospective investors should read the respective Fund's memorandum and partnership agreement (when available) and consult with their own counsel and advisors before deciding whether to invest in such Fund.

RCP Advisors is proud to share the first installment of a three-part research presentation series:

The Case for Small Buyouts

In this series, we will leverage more than two decades of proprietary data and research focused on lower middle market transactions to explain why we believe **small market buyouts produce the highest and most consistent returns in private equity**.

Part I of this series will outline the observed structural advantages in small market buyout transactions that help lead to these higher levels of return.

Part II of this series will illustrate how these observed structural advantages drive excess returns, and **Part III** will outline how small buyout transactions have consistently outperformed other investment areas over long periods of time.

Be on the lookout for these pieces in the coming months!

PART I

Observed Structural Advantages in the Lower Middle Market

JULY 2024

PART II

Driving Excess Returns in the Lower Middle Market

UPCOMING

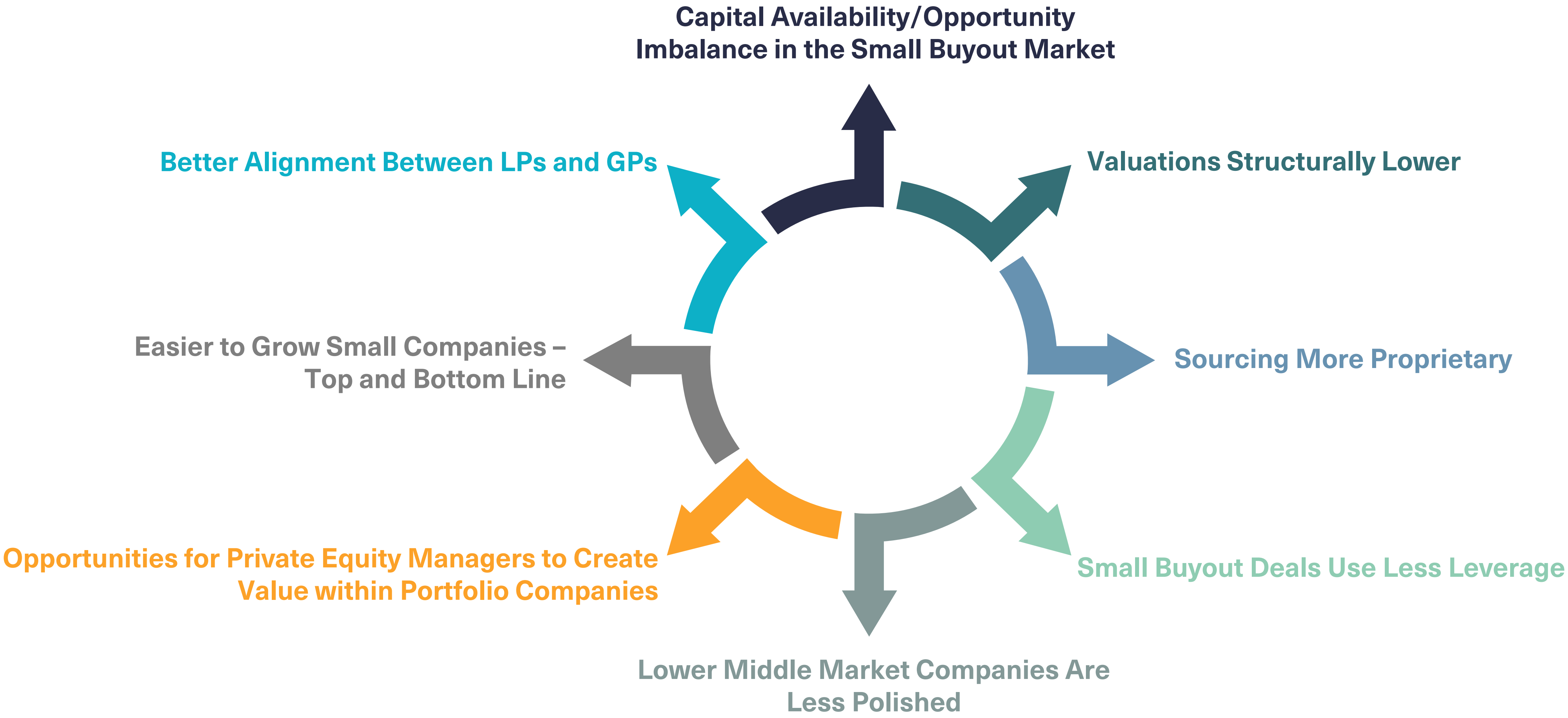
PART III

Small Buyouts Consistently Outperform

UPCOMING

Source: GPScout. This Thought Piece and all information contained herein is being provided solely for educational and informational purposes and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any investment sponsored by RCP or be construed as an offer to sell or a solicitation of an offer to buy any securities or investment products.

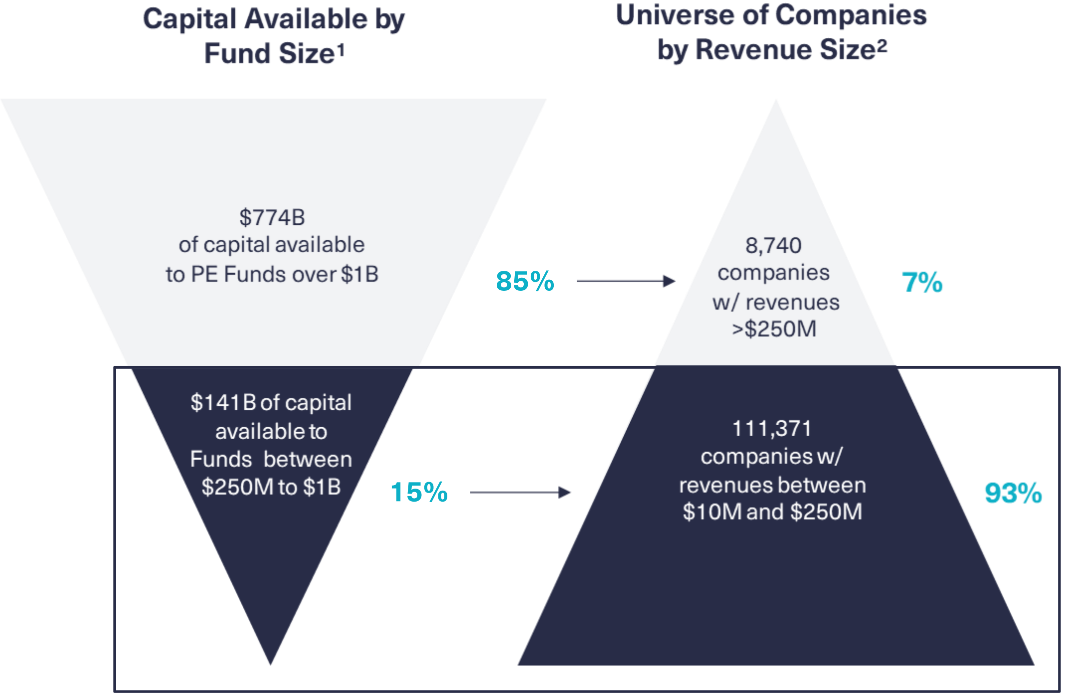
Overview


Capital Availability/Opportunity Imbalance in the Small Buyout Market
Valuations Structurally Lower
Sourcing More Proprietary
Small Buyout Deals Use Less Leverage
Lower Middle Market Companies Are Less Polished
Opportunities for Private Equity Managers to Create Value within Portfolio Companies
Easier to Grow Small Companies – Top and Bottom Line
Better Alignment Between LPs and GPs

OBSERVED STRUCTURAL ADVANTAGES IN THE LOWER MIDDLE MARKET

Capital Availability/Opportunity Imbalance in the Small Buyout Market

Small companies dominate market supply with significantly less capital in pursuit



» **Capital overhang driven by funds over $1B**

- Capital from funds over $1B in size dominate the overall capital raised in the private equity buyout markets, even though there are over a 1,200 managers with funds sized below that level
- Over 80% of all capital available to invest comes from these larger funds
- This trend has only increased over the last 10 years as the larger funds in the market keep raising significantly more capital

» **Opportunity set of companies at the smaller part of the market is massive**

- There are historically well over 100,000 smaller companies in North America, comprising over 90% of all available potential private equity targets.
- Many of these smaller companies have less or no access to traditional capital markets and have less ability to raise debt on their own

» **Takeaways**

- The small buyout market presents a large pool of opportunities with limited alternatives for capital
- Less capital chasing a significantly larger pool of investment opportunities creates favorable dynamics for investors in this space

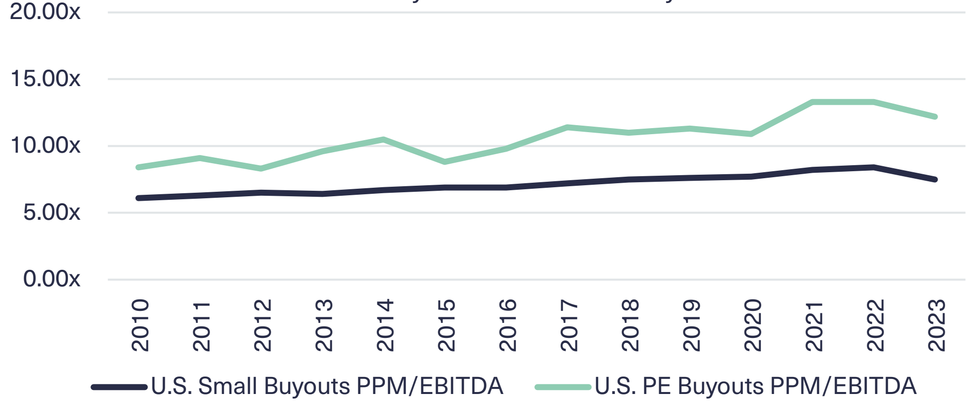
Source: PitchBook and S&P Capital IQ. 1. PitchBook: Capital available to invest by fund size represents U.S. private equity overhang for vintage years 2016-2023. U.S. PE Funds: includes buyout, growth, co-investment, mezzanine, diversified PE, energy, and restructuring. As of 3/31/23. 2. Source: S&P Capital IQ: Commercially-active businesses in the U.S. All subsidiary and business establishment data are combined. Additionally, public sector entities are excluded. As of 1/29/24. Please refer to Slide 4 for additional details on potential risks and benefits of investing in the Small Buyouts Market. This Thought Piece and all information contained herein is being provided solely for educational and informational purposes and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any investment sponsored by RCP or be construed as an offer to sell or a solicitation of an offer to buy any securities or investment products.

OBSERVED STRUCTURAL ADVANTAGES IN THE LOWER MIDDLE MARKET

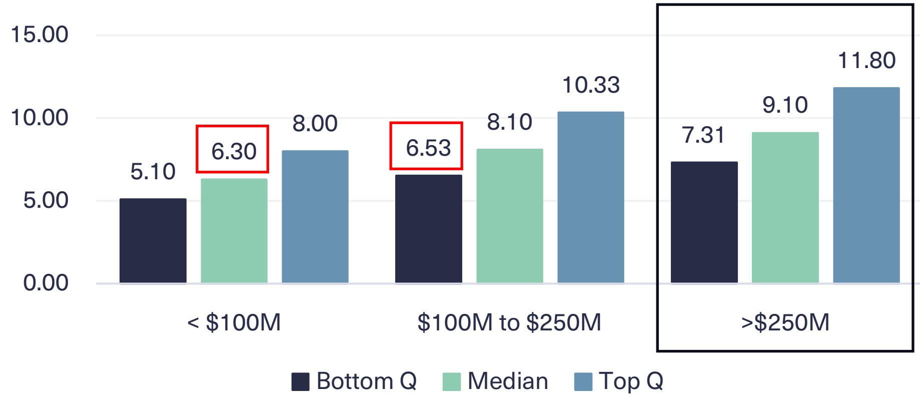
Valuations Structurally Lower

Small buyouts (<$100M EV) have highly attractive entry valuation relative to larger PE buyouts

Median Purchase Price Multiples by Year:
Small Buyouts vs. Broader PE Buyouts[1]



EBITDA Multiples by Deal Size (EV)[2]



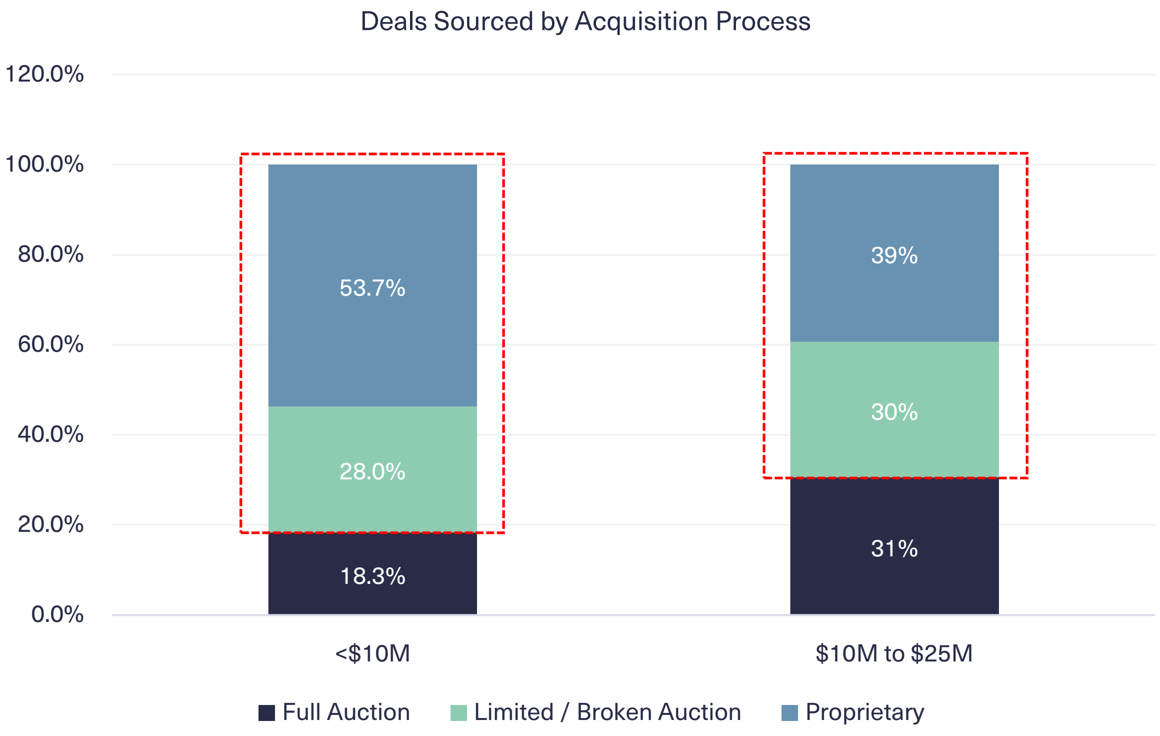
- **Small market buyout deals trade at significant discounts to larger PE deals**
  - Historically, lower middle market deals have traded between 2x and 5x lower than the overall market that includes the larger PE transactions
  - When aggregated over time, companies that have had enterprise values less than $100M have traded with a median of 6.3x compared to 8.1x for deals between $100M and $250M
  - Multiples increase significantly at the $100M to $250M EV range with bottom quartile entry multiples at 6.5x being higher than the median of deals under $100M in enterprise value
- **Dispersion in valuation multiple ranges increases as company size/EV increases**
  - Difference between top and bottom quartile for <$100M EV deals is 2.9x
  - Difference between top and bottom quartile for $100M to $250M EV deals is 3.8x
  - Difference between top and bottom quartile for >$250M EV deals is 4.5x
- **Takeaways**
  - Larger number of deals and less capital chasing them decreases competition for assets and creates opportunity to acquire at attractive relative entry point
  - Clear opportunity for structural multiple expansion on the exit for PE-backed companies that can scale into larger EV range

1. Source: GPScout and PitchBook. Data reflects the median EBITDA purchase price multiples of transactions categorized as buyout, buyout & growth, and growth occurring between 2010 and 2023 for North American companies with enterprise values between $10M and $100M across all sectors (reflected in the “U.S. Small Buyouts PPM/EBITDA” figure), and the median EBITDA purchase price multiples of 3,253 companies observed transactions categorized as buyout, buyout & growth, and growth occurring between 2010 and 2023 for North American companies across all sectors (reflected in the “U.S. PE Buyouts PPM/EBITDA” figure) . GPScout dataset includes 3,253 companies. PitchBook Broader Market represents U.S. PE buyouts. PitchBook dataset includes 1,028 companies. As of 12/31/23. 2. Source: GPScout. Data reflects deals occurring between 1996 and 2024. Number of observations <$100M in enterprise value: 8,415; number of observations between $100M and $250M in enterprise value: 2,753; number of observations with >$250M in enterprise value: 1,962. This Thought Piece and all information contained herein is being provided solely for educational and informational purposes and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any investment sponsored by RCP or be construed as an offer to sell or a solicitation of an offer to buy any securities or investment products.

OBSERVED STRUCTURAL ADVANTAGES IN THE LOWER MIDDLE MARKET

Sourcing More Proprietary

Less competition for small buyout deals (<$10M EBITDA)



~82% of <$10M EBITDA PE deals acquired outside of "Full Auction" processes, compared to only 69% for $10M to $25M EBITDA PE deals

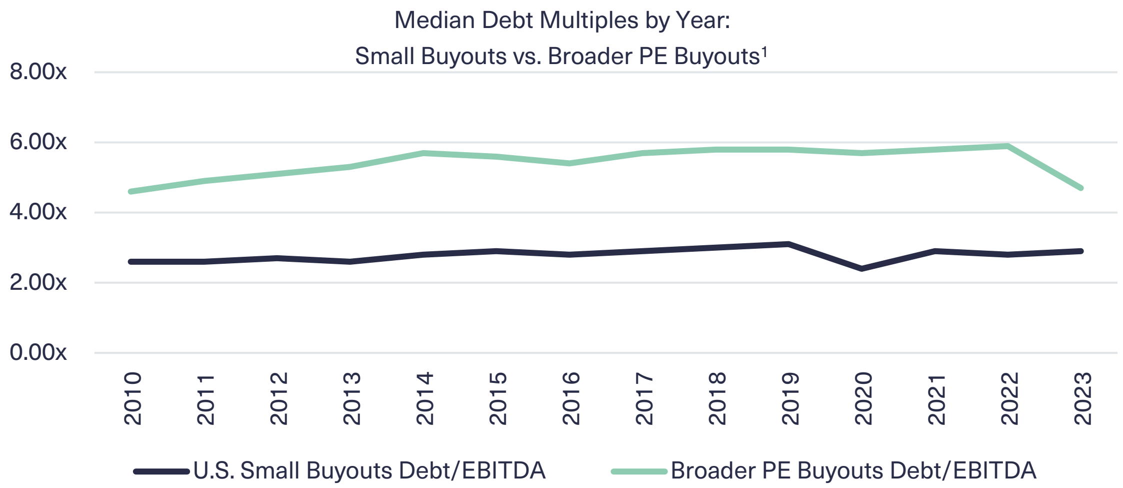
- **Small buyouts (<$10M EBITDA at entry) less intermediated for PE funds**
  - Only 18% of sub-$10M EBITDA buyouts are acquired through a full auction vs. 31% for investments with $10M to $25M of EBITDA
  - 53.7% of sub $10M EBITDA buyouts are sourced proprietarily vs. only 39% for investments over $10M to $25M of EBITDA
- **Takeaways**
  - As EBITDA increases and companies move into the middle and large markets, deals are more likely to be sold through an auction processes. At the larger ends of the market almost all deals are acquired through an auction process
  - The small buyout market presents general partners with more opportunities to find investments outside of competitive auction processes
  - General partners that can find these deals outside of traditional auction generally can acquire companies for lower valuations. The median entry EBITDA multiple for companies acquired in auctions is 7.8x compared to 6.9x for companies acquired outside of a formal process

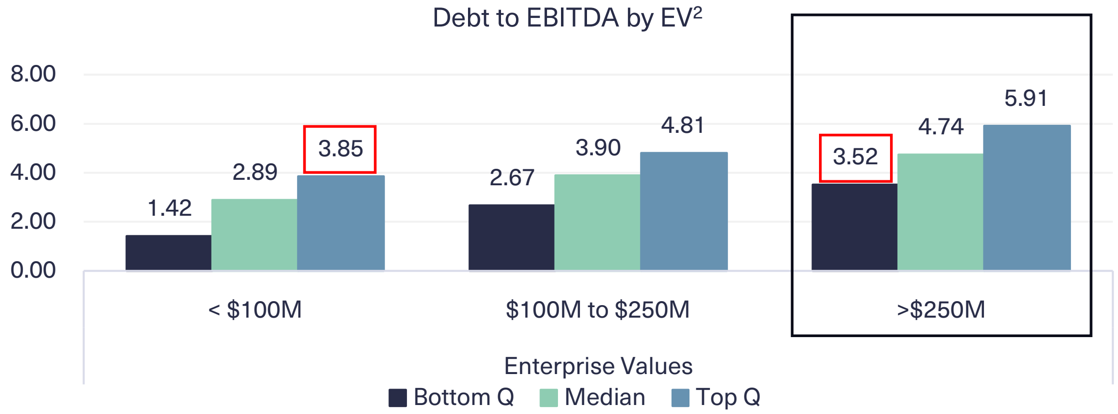
Source: GPScout. Data reflects deals occurring between 1996 and 2024. Number of observations <$10M in EBITDA: 4,308; number of observations $10M to $25M in EBITDA: 1,646. This Thought Piece and all information contained herein is being provided solely for educational and informational purposes and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any investment sponsored by RCP or be construed as an offer to sell or a solicitation of an offer to buy any securities or investment products.

OBSERVED STRUCTURAL ADVANTAGES IN THE LOWER MIDDLE MARKET

Small Buyout Deals Use Less Leverage

Less leverage utilized in smaller deals reducing risk and helping facilitate transactions





» **Smaller PE-backed deals use significantly less leverage than larger ones**

- Historically, the debt multiples on EBITDA for lower middle market deals have been 2x to 4x turns lower than the larger market
- The median debt-to-EBITDA multiple for <$100M EV deals is ~2.9x while median in the $100M to $250M EV range is 3.9x and median in the $250M+ range is ~4.7x
- The upper quartile of debt-to-EBITDA multiples at the <$100M EV segment is only slightly higher than the bottom quartile of debt-to-EBITDA multiples found in the larger $250M+ EV segment
- Overall leverage is significantly higher as deal size increases; the top quartile of larger deals has leverage nearly 6x, more than DOUBLE the median leverage of the smaller <$100M EV deals

» **Takeaway**

- Smaller deals utilize less leverage on an absolute and relative basis
- Many founder-owned deals require significant investment and added costs in early years (e.g. new management hires, systems, etc.) creating need for less leverage at entry in case EBITDA declines initially
- Returns in smaller deals are less predicated on financial engineering and, given lower debt levels, also likely more insulated from financial distress and from interest rate increases

1. Source: GPScout and PitchBook. PitchBook data reflects median North America and Europe PE buyouts. GPScout data reflects the median entry net debt multiples of transactions categorized as buyout, buyout & growth, and growth occurring between 2010 and 2023 for North American companies with enterprise values between $10M and $100M across all sectors. GPScout dataset includes 2,958 companies. PitchBook Broader Market represents U.S. and Europe PE buyouts. U.S. buyout data was not available at time of publication. PitchBook dataset includes 3,641companies. As of 12/31/23. 2. Source: GPScout. Data reflects deals occurring between 1996 and 2024. Number of observations <$100M in enterprise value: 8,415; number of observations between $100M and $250M in enterprise value: 2,753; number of observations with >$250M in enterprise value: 1,962. This Thought Piece and all information contained herein is being provided solely for educational and informational purposes and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any investment sponsored by RCP or be construed as an offer to sell or a solicitation of an offer to buy any securities or investment products.

OBSERVED STRUCTURAL ADVANTAGES IN THE LOWER MIDDLE MARKET

Lower Middle Market Companies Are Less Polished

Greater opportunities exist to improve and scale smaller companies, adding value and generating returns

1. Often Family-Owned Business
2. Opportunities to Professionalize Management Team
3. Often Lacking a True CFO and Financial Functions
4. Opportunity to Implement Operational Best Practices
5. Customer Concentration
6. Limited Diversification of Products or Services
7. Geographic Concentration
8. Less Willing to Take on Risks, Such as M&A

Part of the reason valuations are lower in this part of the market is because of these risk factors within smaller companies

OBSERVED STRUCTURAL ADVANTAGES IN THE LOWER MIDDLE MARKET

Opportunities for Private Equity Managers to Create Value within Portfolio Companies

The characteristics of these smaller companies provide opportunities for general partners to add value

- General partners can bring operational expertise and greater resources to improve the operations of smaller companies
- General partners can help identify and recruit experienced management talent to help companies scale and improve their internal processes
- General partners can provide risk capital to begin strategic initiatives that a family-owner might have been too cautious to go after (such as building a new factory, launching a new product, expanding into a new geography)
- General partners can drive M&A activity that might otherwise not be explored and can be used to help provide scale, lower the effective entry valuation multiple, and diversify business

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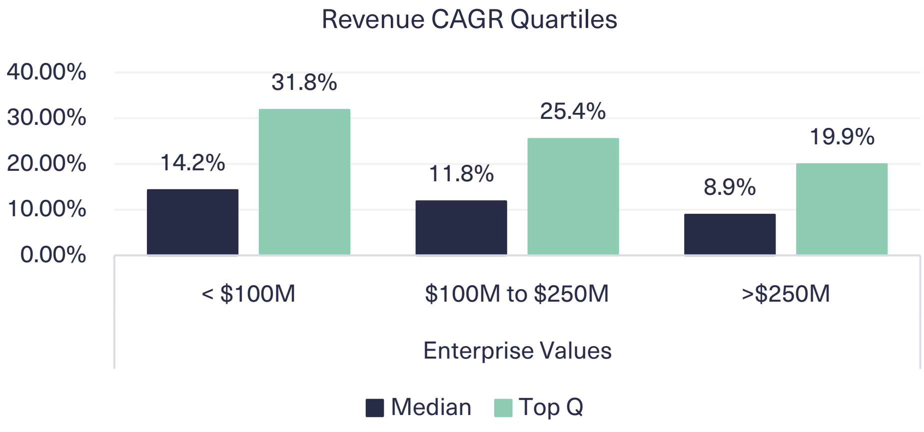
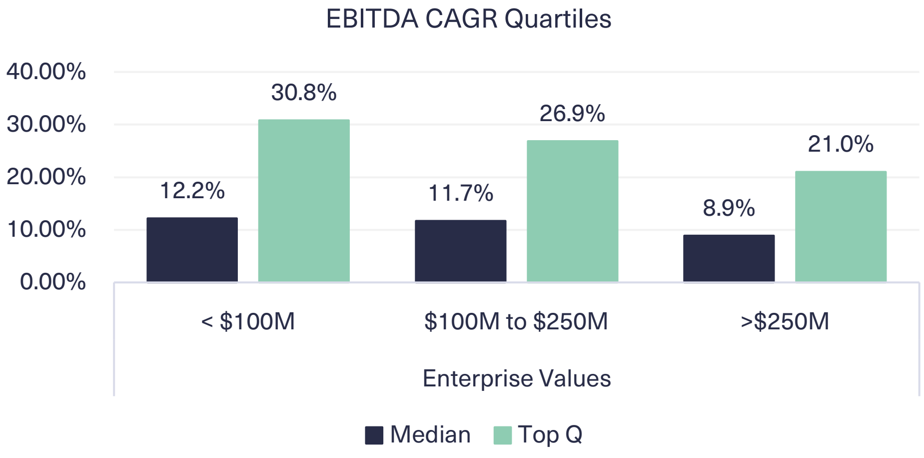
OBSERVED STRUCTURAL ADVANTAGES IN THE LOWER MIDDLE MARKET

Easier to Grow Small Companies – Top and Bottom Line

A smaller entry point creates meaningful revenue and EBITDA growth opportunities





» **For fully exited investments, revenue and EBITDA CAGRs throughout the hold periods are significantly higher for smaller PE deals**

– Revenue - <$100M EV deals have median CAGR of 14.3% and top quartile of 31.8% compared to 8.9% and 19.9% for >$250M EV deals

– EBITDA - For <$100M EV deals Median of 12.2% and top quartile growth of 30.8% compared to 8.9% and 21.0% for >$250M EV deals

» **Commentary**

– Smaller PE buyouts have high growth opportunity and are capitalizing on it for the at the median and top quartile; significantly outgrowing the larger size range cohorts

– Growth is easier to achieve at the smaller starting point due to absolute dollars needed for organic growth being lower as well as the opportunity to augment with M&A

» **Example of CAGR Impact on EBITDA**

– The difference in growth at the different CAGRS can be staggering

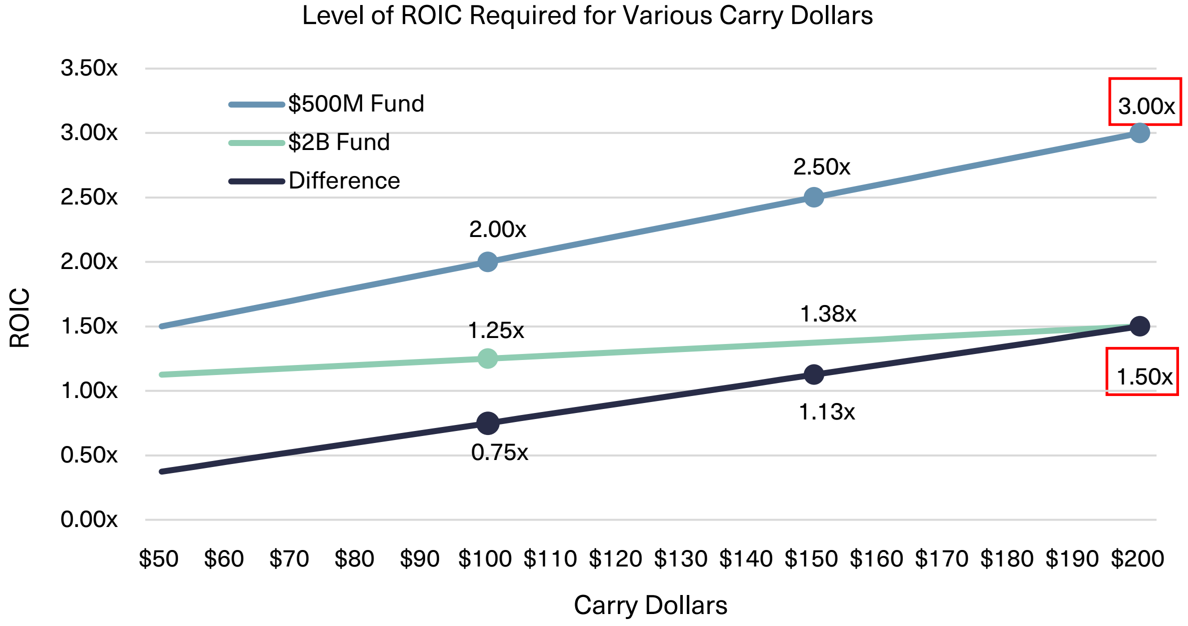
– If a business were to grow EBITDA for 5 years at the <$100M top quartile rate of 30.8%, it would increase more than 3.8x from entry levels

– If a business were to grow EBITDA for 5 years at the >$250M top quartile rate of 21%, it would only increase by ~2.6x from entry levels

Past performance does not predict, and is not a guarantee, of future results. Source: GPScout. Data reflects deals occurring between 1996 and 2024. Number of observations <$100M in enterprise value: 8,415; number of observations between $100M and $250M in enterprise value: 2,753; number of observations with >$250M in enterprise value: 1,962. This Thought Piece and all information contained herein is being provided solely for educational and informational purposes and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any investment sponsored by RCP or be construed as an offer to sell or a solicitation of an offer to buy any securities or investment products.

Better Alignment Between LPs and GPs

Managers raising smaller pools of capital need a higher level of performance to generate the same carry



- **Larger fund managers can achieve same level of carry per partner with lower returns**
  - When fund size increases by 400% from $500M to $2B there is generally only a 75% increase in number of senior investment partners (from a median of 4 to a median of 7)
  - This allows managers to generate the same level of carry dollars per partner at lower returns levels. A $2B fund needs to only achieve a 1.5x to generate the same amount of carry a $500M fund achieves with a 3.0x
  - As overall returns increase, the disparity between what a small market fund manager can generate in carried interest versus a larger manager increases significantly
  - As fund sizes move completely out of the lower middle market this phenomenon only increases
- **As managers raise larger funds they are adding significant additional revenue to their business without increasing staff (and thus expenses) at the same rate**
  - Assuming a flat 2% management fee, when a fund manager doubles its fund size from $500M to $1B, the firm gains an incremental $10M in annual fee revenue, possibly without needing additional hires or incurring extra costs.
  - As funds get larger this becomes even more exaggerated and managers can generate huge amounts of dollars on fees alone, regardless of how the funds perform

Source: GPScout. The scenarios above assume that a fund invests at its full capacity with 20% carried interest. **No hurdle rate is assumed or applied.** This Thought Piece and all information contained herein is being provided solely for educational and informational purposes and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any investment sponsored by RCP or be construed as an offer to sell or a solicitation of an offer to buy any securities or investment products.

Key Takeaways

There are characteristics of small market buyout deals that have historically helped drive outperformance

- **Capital Availability**: The size of the potential investment opportunity set compared to the amount of capital chasing those opportunities has historically been mismatched in the small buyout market. Large market funds dominate the amount of capital raised in the private equity industry and fight over a limited set of target investments. The lower middle market is fragmented and, while there are more private equity firms, the number of potential deals is exponentially larger and continually growing.[1]
- **Valuations**: Valuations in the lower middle market have historically been structurally lower than they are for larger deals providing managers with the ability to obtain higher valuation multiples at exit when these companies scale.
- **Sale Processes**: Private equity managers in the small buyout market have historically been able to acquire companies at a higher rate outside of formal competitive processes when compared to larger market deals, providing the opportunity to reduce market efficiency and lower entry valuations.
- **Leverage**: Lower middle market transactions have historically used significantly less leverage. Although debt is part of the return equation, the need for leverage has not driven returns in this part of the market.
- **Opportunities to Create Value**: Companies in the small buyout market are typically less polished and have historically provided more opportunities for private equity managers to add value than those larger companies already professionalized and at scale.
- **Achieving Growth**: Smaller companies are easier to grow and we have seen growth rates in both revenue and EBITDA decrease as company size goes up.
- **General Partner and Limited Partner Alignment**: Private equity managers of small funds targeting the lower middle market are believed to be more aligned with limited partners as on average they make less per partner in management fees and are highly incentivized to maximize returns to generate carried interest.[2] Capital in larger fund sizes generally scales at a far higher rate than underlying expenses and resources of the manager and thus, in order to produce the same carry dollars per partner, large funds do not need to produce nearly as high a return.

Appendix

RCP ADVISORS AT A GLANCE

RCP Advisors is a leading private equity firm, specializing in North American small buyouts since 2001

- Primary Funds
- Secondary Funds
- Co-Investments
- Customized Solutions

~$14.0B Committed capital[1]	20+ Years of experience in the sector	200+ Years of combined PE experience[2]
57 Employees	32 Investment members	48 Funds[3]
240+ General partners	500+ Partnership investments[4]	190+ Advisory board seats[5]
3,400+ Portfolio companies	2,500+ Limited partners	~$9.7B Distributed to Investors to Date

1. Please refer to the Notice on slide 2 for the explanatory notes and methodology used for committed capital. 2. Reflects the aggregate experience of members of RCP's Investment Committee. 3. RCP Funds since inception, including those that have since been wound down. 4. Refers to RCP's discretionary investments. Includes investments that have been sold and/or written-off. 5. Refers to RCP's discretionary and non-discretionary funds. Includes active and non-active board seats.

Notes

This Thought Piece and the research contained therein is based on RCP's analysis of financial information obtained from public sources and/or provided to RCP by certain third parties (including, without limitation, private fund and investment-level performance data drawn from fundraising and diligence documents produced by general partners as well as quarterly unaudited and audited annual financial statements produced by RCP's underlying fund managers). RCP has not independently verified any such information provided or available to RCP. Performance information provided herein was not prepared, reviewed or approved by the underlying funds or their general partners. Information obtained from third parties is believed to be reliable, but no representation, warranty or undertaking, express or implied, is given as to the accuracy or completeness of such information. Projected market and financial information, analyses and conclusions contained herein are based on the information described above and on RCP's judgment and should not be construed as definitive forecasts or guarantees of future performance or results. The information, data, analyses, and opinions presented herein do not constitute investment advice, are provided solely for informational purposes and should not be construed as a solicitation or offer to buy or sell securities, or recommendation to acquire or dispose of any investment or to engage in any other transaction, or advice of any nature whatsoever. The performance data shown represents past performance. **Past performance does not guarantee future results.**

Comparison to Public Market Equivalent Indices. Performance of broad public market indices, such as the S&P 500, are for informational purposes only and do not provide a basis of comparison for private equity fund investments as the market volatility, liquidity and other characteristics of private equity fund investments are materially different from those of broad public market indices.

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- Manager strategies include Buyout, Growth, Buyout & Growth and Distressed. Debt, venture capital, secondary sales/purchases, BDC, evergreen, and other unrelated strategies are completely excluded. Fund strategy classifications are determined based on internal RCP assessment.
- Because analysis is often disaggregated by manager maturity, manager diversification, manager strategy, company sector, etc., certain analyses may be performed on smaller sample sizes and may be biased by one or several data points.
- Past performance is not an indication of future performance, provides no guarantee for the future, and is not constant over time.

Biases within this Thought Piece for consideration include:

- Selection Bias: In certain instances, recent deal attribute data may be more likely to describe investments made by RCP's underlying managers and are therefore subject to selection bias, as RCP tends to have more complete data from underlying managers.
- Survivorship Bias: Information flow will be biased towards managers successful enough to raise subsequent funds; given updated return information is primarily gathered during fundraising diligence, data often reflects deals transacted by relatively more successful managers.
- Availability Bias: Due to RCP's lower middle market focus, more data is available on smaller funds and smaller deals.

Sources:

GPScout: Provides private fund and investment-level performance data drawn from fundraising and diligence documents produced by general partners and publicly available information, as well as quarterly unaudited and audited annual financial statements produced by RCP's underlying fund managers. As of 7/17/2024, GPScout contains information on 4,000+ fund managers and more than 7,500 funds. These documents are provided to RCP by the fund managers themselves. Please note: RCP's database has been rebranded as GPScout. RCP's subscription-based manager research platform, formerly named GPScout, has been rebranded as GPScout Navigator.

PitchBook Data, Inc.: PitchBook is an independent and impartial research firm dedicated to providing premium data, news and analysis to the venture capital and private equity industries. As a specialty-focused information resource, PitchBook has the ability to meticulously collect, organize and analyze hard-to-find private equity deal data. Pitchbook has over 220,000 web crawlers to capture relevant information from numerous sources—including filings, press releases, websites and more.

S&P Capital IQ: A multinational financial information provider headquartered in New York City, United States, and a division of S&P Global. S&P Capital IQ was formed in 2010 from offerings previously provided by Capital IQ, elements of S&P including Global Credit Portal and MarketScope Advisor, enterprise solutions such as S&P Securities Evaluations and Compustat, research offerings including Leveraged Commentary & Data, Global Markets Intelligence, and company and fund research.

APPENDIX

Notes

Terms

CAGR: The Compound Annual Growth Rate is the mean annual growth rate of an investment over a specified period of time longer than one year. To calculate compound annual growth rate, divide the value of an investment at the end of the period in question by its value at the beginning of that period, raise the result to the power of one divided by the period length, and subtract one from the subsequent result.

EBITDA: EBITDA is an indicator of a company's financial performance which is calculated in the following manner: EBITDA = Revenue -Expenses (excluding tax, interest, depreciation and amortization). EBITDA is essentially net income with interest, taxes, depreciation, and amortization added back to it, and can be used to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.

ROIC: Represents the return on invested capital. ROIC is calculated by dividing the sum of distributions plus total partners' capital by capital contributed. Total partners' capital balance is the book assets (fair value of unrealized investments plus cash on hand and miscellaneous assets) less the liabilities at the measurement date.

Median Purchase Price Multiple at acquisition: observations at 0.0x are excluded (signal that company was not bought based on EBITDA multiple – i.e., revenue multiple, book value multiple, OR negative EBITDA); observations above 35x are excluded.

Median Net Debt at acquisition: excludes multiples where EBITDA is negative; includes 0x observations where no debt was utilized; observations above 35x are excluded.

Median LTM Revenue and EBITDA represent financials at acquisition (provided by GP). If LTM is unavailable, represents performance provided by GP at time of acquisition on which valuation was based on – includes projections in some cases. For secondary funds, LTM represent financial performance at time of the original fund acquisition (not necessarily when purchased by SOF I, II, III, and IV). Please note, no currency adjustments were made for these metrics. Other factors to consider: no adjustments are made for proforma add-ons or earn-outs (EV, purchase price multiple, debt multiple, LTM Rev/EBITDA); and direct co-investments in earlier funds are excluded. The median purchase price multiples exclude growth equity deals purchased off of a revenue multiple.

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