



GEM Independent Sponsors Fund

Providing access to direct co-investment opportunities targeting 3x net returns¹

Overview

- Fund objective is to achieve attractive returns through direct investments in private businesses alongside small buyout sponsors.²
- Leverage the full reach, access, and resources of GEM, a leading investment management firm providing institutional investment capabilities for endowments, foundations, family offices, wealth advisors, sovereigns, and other long-term investors.
- Closed-end fund invested over three years.
- GEM has a dedicated team with unique expertise in partnering with sponsors on a deal-by-deal basis. We believe we are running one of the largest independent sponsor programs in the US.³

Investment Targets⁴



Strategies of Interest⁵



Track Record through 9/30/2023⁶

	Deal Count	TVPI gross net	DPI gross net	IRR gross net
Independent Sponsors	54	1.9x 1.8x	0.6x 0.6x	28.1% 25.5%
Small Buyout Co-investments	13	2.9x 2.6x	0.5x 0.5x	47.2% 43.4%
Total	67	2.0x 1.9x	0.6x 0.6x	30.3% 27.7%

Past performance is not indicative of future results. See Important Notes for additional disclosures.



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Team



JAY RIPLEY

Partner, Head of Investments



KELLY BAROFSKY, CFA

Principal, Investments



CAROLINE DALLAS

Director, Investment Sourcing

Sponsor Sourcing Efforts

728 evaluated

185 advanced

13 active

5 "graduates"

Includes opportunities evaluated through 9/30/2023.

Notable GEM Relationships ⁷



Terms ⁸

LP MINIMUM COMMITMENT

\$250,000

MANAGEMENT FEE ⁹

1.00% of commitments, then 1.00% invested capital

PERFORMANCE FEE

10% of net gains above 8% hurdle

STRUCTURE

Delaware LP

EXPECTED CLOSING DATES

Initial: March 2024
Final: June 2024

Portfolio Characteristics

INVESTMENT-LEVEL TARGET RETURN ¹⁰

4.0x gross

EXPECTED UNDERLYING FUND INVESTMENTS ¹¹

25-35

EQUITY CHECK SIZE

Up to \$25 million

END NOTES

1. Target returns are hypothetical and aspirational only. Any forecasts are subject to uncertainties, changes (including changes in economic, operational, political, or other circumstances) and other risks, including broad trends in business and finance, legislation and regulation, interest rates, inflation, currency values, all of which are beyond the control of GEM and the investment manager, and any of which may cause the relevant actual, financial and other results to be materially different from the results expressed or implied by such forecasts or projections.
2. Returns are not guaranteed.
3. Largest as defined by deal count activity over the history of GEM's independent sponsor program.
4. GEM will seek co-investment opportunities at the stated target levels, but reserves the right to invest outside the range. There can be no assurance that co-investment opportunities will be available.
5. These strategies of interest are not exclusive; GEM reserves the right to invest in other areas. There can be no assurance that suitable investment opportunities will be available in any particular area of focus.
6. Includes North America Small Buyout Co-investments (alongside funds <\$1B) and Independent Sponsors since 2015. The GEM Independent Sponsor (IS) and Small Buyout Co-Investment (SBO) portfolios are hypothetical portfolios consisting of all of the IS and SBO investments actually made by GEM managed funds since their inception in 2015. As such returns do not reflect the performance of any individual GEM client or investor, such performance is deemed to be hypothetical. The portfolios were not managed as stand-alone portfolios and there was no programmatic capital commitment nor investment objective and policies. The results contained in this presentation have been prepared and are set out for illustrative purposes only, and no assurances can be made that they will materialize. This hypothetical performance was not made in the context of a single fund as part of a single investment program with coordinated investment objectives, guidelines and restrictions. Accordingly, it should not be assumed that the investments made by a fund, or the GEM Independent Sponsors Fund, will have the same characteristics or returns as those shown. Transaction-specific DPI, TVPI and IRRs are calculated on the basis of a number of assumptions, forecasts and estimates made by GEM currently deemed reasonable by GEM relating to expected fees, expenses, and carried interest for the GEM Independent Sponsors Fund. Gross performance is net of underlying sponsor fees, gross of GEM fees and expenses. Net performance is net of underlying sponsor and GEM fees and expenses. The assumed GEM management fee load is 1.0% per annum on invested capital and 10% carried interest on all profits above an 8% hurdle. An annual expense assumption of 0.20% is also being applied. Terms are subject to change upon launch of the GEM Independent Sponsors Fund. The presentation combines realized and unrealized "gross" returns, with unrealized returns based solely on valuations or estimates either obtained from the managers or sponsors or calculated by GEM. The "gross" hypothetical results are then reduced by assumed fees, incentive compensation and expenses at the GEM level to produce "net" results. No representation or warranty is made as to the reasonableness of such assumptions, valuations or estimates or that alternative calculations would not be more appropriate or would not produce significantly different results. Actual returns on investments may differ materially from the returns indicated herein. Additional information about the criteria and assumptions utilized to formulate the hypothetical track record is available upon request.
7. References to Notable GEM Relationships are for illustrative and discussion purposes only and do not constitute investment recommendations. There can be no assurance that investments in funds managed by these managers will be available in the future.
8. Terms are subject to change upon launch of the GEM Independent Sponsors Fund.
9. Management fee is 1.00% of commitments during the investment period and 1.00% of invested capital post-investment period.
10. Investment-level target return is the return expectation that GEM seeks prior to causing the Fund to make an investment, but such returns are not guaranteed and may not be achieved. Such target returns are hypothetical and aspirational only. Any forecasts are subject to uncertainties, changes (including changes in economic, operational, political, or other circumstances) and other risks, including broad trends in business and finance, legislation and regulation, interest rates, inflation, currency values, all of which are beyond the control of GEM and the investment manager, and any of which may cause the relevant actual, financial and other results to be materially different from the results expressed or implied by such forecasts or projections.
11. GEM reserves the right to hold more or fewer than the expected number of underlying fund investments. GEM reserves the right to invest up to 25% of the fund in co-investments alongside funded small buyout sponsors.

IMPORTANT NOTES

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NO ASSURANCE CAN BE GIVEN THAT THE FUND WILL YIELD FAVORABLE INVESTMENT RESULTS OR THAT AN INVESTOR WILL RECEIVE A RETURN OF ALL OR PART OF ITS INVESTMENT. THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACCOMPLISH ITS OBJECTIVES. THE PROPOSED FUND IS DESIGNED FOR QUALIFIED PURCHASERS WHO CAN BEAR THE RISKS INVOLVED AND MEET THE SUITABILITY REQUIREMENTS SET FORTH IN THE FUND'S OFFERING MATERIALS. THE FUND MAY NOT BE SUITABLE FOR CERTAIN INVESTORS.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS, AND THE PERFORMANCE SHOWN IS NOT THE PERFORMANCE OF THE FUND. ACTUAL FUND PERFORMANCE WILL VARY.

GEM will receive performance-based compensation, which may result in riskier investments.

- Performance returns are unaudited.
- Returns presented herein include all returned generated by reinvested capital and profit as well as any other recycled capital. Without such reinvested and recycled capital, the returns presented herein could be materially lower.

- Any opinion expressed in this summary is based on analysis, assumptions and data interpretations of GEM or, if so indicated, of the Independent Sponsor or other investment manager. We cannot guarantee the accuracy of such information, and it should not be relied upon as fact. No representation or warranty, express or implied, is being given or made that the information presented herein is accurate, current or complete, and such information is at all times subject to change without notice. All GEM-related data is based on GEM's positions along with information and reports provided to GEM by managers and GEM's analysis thereof, including performance, exposures, and asset allocations. Asset Exposure may represent the holding of an actual investment or a synthetic version thereof.
- Statements in this summary regarding forward-looking returns, market events, future events or other similar statements constitute only subjective views, are based upon current assumptions, expectations and beliefs of GEM or, if so indicated, of the Independent Sponsor or other investment manager, should not be relied on as fact, are subject to change due to a variety of factors including fluctuating market conditions, and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond GEM's control. Future evidence and actual results could differ materially from those set forth in, contemplated by, or underlying these statements. In light of these risks and uncertainties, there can be no assurance that these statements are not or will prove to be accurate or complete in any way.
- The GEM Small Buyout Co-Investment (SBO) and Independent Sponsor (IS) portfolios are hypothetical portfolios consisting of all of the SBO and IS investments made by GEM managed funds since 2015. As such returns do not reflect the performance of any individual GEM client or investor, such performance is deemed to be hypothetical. The portfolios were not managed as stand-alone portfolios and there was no programmatic capital commitment nor investment objective and policies. GEM has determined, in its sole discretion, which investments from its managed funds were SBO or IS investments. These prior investments are likely not investment opportunities available for the GEM Independent Sponsors Fund, and it should be assumed that such investments would have been made for the GEM Independent Sponsors Fund considering that its investment strategy, objectives and terms are different from the prior GEM funds that made the referenced SBO and IS investments. There is no assurance that similar investment opportunities will be available in the future. The results contained in this presentation have been prepared and are set out for illustrative purposes only, and no assurances can be made that they will materialize. Transaction-specific DPI, TVPI and IRRs are calculated on the basis of a number of assumptions, forecasts and estimates made by GEM currently deemed reasonable by GEM relating to expected fees, expenses, and carried interest for the GEM Independent Sponsors Fund. The fees and expenses are expected to be: 1.0% management fee and 0.2% of Fund expenses on invested capital per annum and 10% carried interest on profits above an 8% hurdle. These terms are subject to change upon launch of the Fund. The presentation combines realized and unrealized returns, with unrealized returns based solely on valuations or estimates either obtained from the managers or sponsors or calculated by GEM. The hypothetical results are then reduced by assumed fees, incentive compensation and expenses at the GEM level to produce "net" results. No representation or warranty is made as to the reasonableness of such assumptions, valuations or estimates or that alternative calculations would not be more appropriate or would not produce significantly different results. Actual returns on investments may differ materially from the returns indicated herein. None of the targets, assumptions, or estimates are meant to be a historical description or a prediction of future performance, and each has inherent limitations. The hypothetical performance shown was not made in the context of a single fund as part of a single investment program with coordinated investment objectives, guidelines and restrictions. It should not be assumed that the investments made by a fund, or the GEM Independent Sponsors Fund, will have the same characteristics or returns as those shown. Past performance is not indicative of future results. Hypothetical returns have inherent limitations and prospective investors should not rely on any hypothetical performance shown herein. No representation is made that any fund or investor will or is likely to achieve the results shown. Target returns are aspirational only. Any forecasts are subject to uncertainties, changes (including changes in economic, operational, political, or other circumstances) and other risks, including broad trends in business and finance, legislation and regulation, interest rates, inflation, currency values, all of which are beyond the control of GEM, the investment manager, the Independent Sponsor and the company and any of which may cause the relevant actual, financial and other results to be materially different from the results expressed or implied by such forecasts or projections. Additional information about the criteria and assumptions utilized to formulate the Hypothetical Track Record is available upon request.

ABBREVIATIONS

DPI: Distributions to Paid-in Capital

IRR: Internal Rate of Return

SI: Since Inception

TVPI: Total Value to Paid-in Capital

DEFINITIONS

Direct Investments: GEM investments transacted in the open and/or over-the-counter markets and in private enterprises.

Vintage Years: The expected invested period for the fund as noted in each respective fund's governing documents.

About GEM

GEM is a leading investment management firm dedicated to protecting and growing the multigenerational capital of long-term investors. We serve a broad range of clients, including endowments, foundations, family offices, wealth advisors, sovereigns, and other long-term investors. Each client has access to our investment capabilities and manager roster via bespoke multi-asset portfolios constructed to meet specific risk and return objectives, via targeted alternative investment vehicles across key private market segments, or via positive impact strategies. For more information visit www.globalendowment.com.