

Executive Summary

Overall Rating

Bridgepoint's pan-European footprint, multi-industry strategy, seasoned management team, and long track record position it to successfully invest Fund VI.

Category	Rating
Business	✓
Staff	✓
Process	✓
Risk	✓
Operations	✓
Performance	✓
Terms & Conditions	✓

Aon Hewitt Investment Consulting, Inc. ("AHIC") has reviewed and performed an in-depth analysis of the above categories which includes, but is not limited to:

- Retention of Limited Partners
- Institutional Investor Representation
- Management Company Ownership
- Reporting Transparency
- Back-office Resources
- Complementary Skill Sets
- Alignment of Interest
- Turnover/Tenure
- Depth of Team Resources
- Management Team Network
- Firm Leadership
- Market Opportunity
- Stability of Strategy
- Investment Restrictions
- Approval process
- Ability to handle troubled deals
- Exit strategy
- Size of Fund
- Consistency / Volatility of Returns
- Realization Record
- Unrealized Portfolio Performance
- Write-Offs
- Transaction Experience in Strategy
- GP Attribution Concentration
- Management Fee and Offsets
- Priority of Distributions
- Clawback
- Investment Period
- No Fault Divorce
- Key Man
- Advisory Board
- Ability to Create Value in Deals
- Quality of Source
- Valuation Discipline
- Sole or Consortium Deals
- Overlap with Prior Portfolios

In addition, AHIC's Operational Due Diligence Team has reviewed the Firm from an operating perspective and has given Bridgepoint Europe VI a passing rating.

Recommendation

As part of its recommended 2018 private equity investment pacing of \$150 million for Nebraska Investment Council's ("NIC")'s Defined Benefit/Cash Balance Benefit plan, Aon Hewitt Investment Consulting, Inc. ("AHIC") supports NIC Staff's recommendation to make a \$50 million commitment to Bridgepoint Europe Fund VI, L.P. (the Fund) subject to completion of a legal review and satisfactory agreement of terms. This recommendation is based on our due diligence of this fund and is supported by our full due diligence report.

Firm Summary

Head Office Location	London, UK	Parent Name	Bridgepoint Group Limited
Firm AUM	€13 billion	Investment Staff	75

Strategy Summary

Target Geography	Pan European	Ownership Target	Control
Target Industries	Business Services, Consumer, Financial Services, Healthcare, Industrials and Technology & Media		

Fund Overview

Bridgepoint Capital Limited, ("Bridgepoint" or the "Firm") a Pan-European middle-market buyout group, is establishing its sixth fund, Bridgepoint Europe VI, L.P. ("BE VI" or the "Fund"). The Fund has a target size of €5 billion (with a hard-cap of €5.5 billion) and makes control investments in established, middle-market European companies. Bridgepoint will invest in businesses valued up to €1 billion, with a core of €200 to €600 million. BE VI will follow the investment themes of BE V and will be flexible in its deployment of capital, exploiting regional variances and seeking to capture best value and relative return opportunities as conditions differ across individual European economies, private equity markets, and industrial sectors.

The Firm concentrates on six Industry sectors: business services, consumer, financial services, healthcare, industrials and media & technology. Each industry team is led by a partner and is managed on a pan-European basis. Bridgepoint has a Portfolio Support Group that dedicates time and resources to business transformation and strategic development programs to drive value creation and enhance prospects at exit. Bridgepoint's 75 investment professionals operate as one team despite having eight separate investment offices in London, Paris, Frankfurt, Madrid, Stockholm, Amsterdam, Warsaw, and Istanbul.

History

Bridgepoint manages approximately €12.8 billion and focuses on acquiring middle market companies across Western and Eastern Europe.

Bridgepoint was founded in the UK in 1984 as part of National Westminster Bank ("NatWest"). Until 1990, it mainly invested in the UK and all funds were provided by NatWest. Bridgepoint established a team in France in 1991, Spain in 1992, Germany and Sweden in 1995, Poland in 2007, Turkey in 2008, Shanghai in 2011, New York in 2016, and Amsterdam 2017. Bridgepoint has operated as a single Firm across Europe since the early 1990s. Each local office is staffed by professionals who are native to each

respective country, which adds significant value when partners source deals, evaluate local opportunities, and work with local management teams.

In 1998, Bridgepoint (in the form of its predecessor entity) raised what is now known as Bridgepoint Europe I ("BE I"), its first external fund, with commitments of £1 billion (€1.5 billion) for investment in middle market companies across Europe. In June 2000, the Bridgepoint Partners and employees acquired the management company from NatWest and subsequently rebranded the Firm as Bridgepoint. In 2001, Bridgepoint Europe II ("BE II"), the €2 billion successor fund to BE I, made its first investment, and in 2005 its successor, Bridgepoint Europe III ("BE III"), a €2.5 billion fund, was established. Bridgepoint Europe IV ("BE IV") was then established in 2008, raising €4.8 billion, and Bridgepoint Europe V ("BE V") was established in 2015, raising €4.0 billion. Bridgepoint will be employing the same strategy for BE VI as they have in Funds I-V.

Business Strategy

Bridgepoint's middle market investment strategy involves:

- Businesses valued up to €1 billion with a core range of €200 million to €600 million (exploiting Bridgepoint's sector origination framework and operationally-led value creation potential);
- Companies with sustainable end market growth and high quality of earnings (select assets in growth niches which have the potential to deliver premium returns irrespective of macroeconomic conditions);
- Repeatable business models (will seek to continue to capitalize on prior experience, insight, and expertise to deploy repeatable investment strategies, especially across different geographies);
- Will exploit sector themes (Bridgepoint performs extensive middle market sector mapping to acquire assets in growth niches that have the capacity to generate premium returns);
- Will seek to benefit from change across the region (will pursue opportunities to take advantage of the different pace of growth of economies across the region. Specifically, it will target sectors that have the potential to benefit disproportionately from Europe's improving economic outlook and also opportunities that are expected to arise from dislocation surrounding the Brexit process);
- Will maintain active buy-and-build strategy to consolidate markets (add-on acquisitions are a key part of the investment thesis);
- Will use 'hands-on' business transformations (generating 'internal growth' through operational improvement will be an important driver of value creation for the Fund)

Bridgepoint's Portfolio Support Group comprises the Operational Support Group, Procurement Team, Capital Markets Team, the Firm's Portfolio Support Office in Shanghai, and the Portfolio Support Office in New York. Their key task is to help accelerate the rate of change in portfolio companies to drive faster value creation.

Competitive Landscape

There is a new competitive landscape post the global financial crisis with some traditional competitors having been replaced by new entrants. As a Pan-European fund, Bridgepoint faces competition from country specific funds as well as global funds. More regional specific competitors include: Triton, MidEuropa, Charterhouse, PAI, Cinven, EQT, HgCapital, and Equistone. Global competitors include: Apax Partners, Blackstone, KKR, Advent, and Carlyle.

Investment Team

The Bridgepoint team is comprised of over 75 investment professionals led by 20 partners (five others are members of the Operating Group) with over 20 years of average private equity experience and 17 years of average experience at Bridgepoint. The investment professionals operate as a single team across Europe. Each team member has strong local insight combined with either an operating or sector focus.

The investment team is supported by the Portfolio Support Group, a sixteen-member team comprised of the Operational Support Group, the Shanghai Portfolio Office, and the Procurement Team.

Professionals	Title	Years at Firm	Background
John Barber	Partner	11	<ul style="list-style-type: none"> ▪ He joined Bridgepoint in 2007, having been a Managing Director at private equity placement agent Helix Associates. ▪ Prior to that he worked for Los Angeles-based investment firm WSGP Partners and Morgan Stanley. ▪ In 1992, John co-founded Yucatan Foods in Santa Monica, California, a specialty food company where he arranged several rounds of equity and debt financings. ▪ He is a graduate of Yale College.
Charles Barter	Partner	10	<ul style="list-style-type: none"> ▪ He joined Bridgepoint in 2008 from law firm Travers Smith where he became a partner in 1995 and subsequently led its private equity group for over 10 years. ▪ Charlie is a graduate of Exeter University and is a member of the Law Society.
Vincent-Gael Baudet	Partner	13	<ul style="list-style-type: none"> ▪ He joined Bridgepoint in 2004 having previously worked at Ernst & Young in the transaction services team for five years. ▪ Vincent is a graduate of the Université de Paris Dauphine.
Christopher Bell	Partner	18	<ul style="list-style-type: none"> ▪ He joined Bridgepoint in 1999 and previously worked at PwC in corporate recovery. ▪ Christopher is a graduate of Edinburgh University and a chartered accountant.
Michael Black	Partner	21	<ul style="list-style-type: none"> ▪ He joined Bridgepoint in 1996 and is a graduate of York University.

Professionals	Title	Years at Firm	Background
Chris Busby	Partner	20	<ul style="list-style-type: none"> ▪ Having joined Bridgepoint in 1997, he initially focused on the Nordic Region for five years before moving to London. ▪ Chris is a graduate of Exeter University and a chartered accountant.
Michael Davy	Partner	28	<ul style="list-style-type: none"> ▪ Prior to joining Bridgepoint in 1989 he was a strategy and operations consultant with Arthur D. Little. ▪ Michael is a graduate of Cambridge University and London Business School.
Martin Dunn	Partner	22	<ul style="list-style-type: none"> ▪ Prior to joining Bridgepoint in 1995 Martin worked at SG Warburg. ▪ Martin is a graduate of University College, Dublin.
Patrick Fox	Senior Partner	15	<ul style="list-style-type: none"> ▪ He joined Bridgepoint in 2002 and previously worked for JPMorgan, Charterhouse, and BNP Paribas. ▪ He also has senior management experience in the food manufacturing and engineering sectors. ▪ Patrick is a graduate of Oxford University.
Hamish Grant	Partner	19	<ul style="list-style-type: none"> ▪ He joined Bridgepoint in 1999 from Deutsche Bank leveraged finance. ▪ Hamish is a graduate of Oxford University and is an Associate Fellow of the Saïd Business School at Oxford University.
Vince Gwilliam	Senior Partner	30	<ul style="list-style-type: none"> ▪ Prior to joining Bridgepoint in 1987, Vince worked at Coopers & Lybrand in the Business Services Group. ▪ He is a chartered accountant and a graduate of Durham University.
Raoul Hughes	Partner	29	<ul style="list-style-type: none"> ▪ He joined Bridgepoint in 1988 and is a graduate of the University of Bath.
William Jackson	Managing Partner	31	<ul style="list-style-type: none"> ▪ He joined the Firm in 1986, formerly led Bridgepoint in the UK, and has worked extensively on buyouts across Europe. ▪ William is a graduate of Oxford University.

Professionals	Title	Years at Firm	Background
Mikael Lövgren	Senior Partner	11	<ul style="list-style-type: none"> ▪ Prior to joining Bridgepoint in 2006, he spent twenty years with The Boston Consulting Group and was the founder and leader of its Nordic Operations and Nordic Healthcare Practice group. ▪ He also spent two years at Nordic television channel TV 4. ▪ Outside Bridgepoint, he sits on the boards of Karolinska University Hospital, SF Studios, Ellen, and Eftel. ▪ Mikael has an MBA from Stockholm School of Economics and Business Administration.
José Maria Maldonado	Senior Partner	25	<ul style="list-style-type: none"> ▪ Prior to joining Bridgepoint in 1992, he worked for Bankers Trust and Bank of America. ▪ José Maria is a graduate of the University of Madrid and has an MBA from the Kellogg Graduate School of Business (Northwestern University).
Jason McGibbon	Partner	17	<ul style="list-style-type: none"> ▪ Prior to joining Bridgepoint in in 2000, he worked in Edinburgh and London for Ernst & Young and RMD Corporate Finance. ▪ Jason is a graduate of Strathclyde University and is a chartered accountant.
James Murray	Partner	19	<ul style="list-style-type: none"> ▪ He joined Bridgepoint in 1999 from Rothschild where he was group corporate affairs director. ▪ He has also previously worked for Virgin Group and Deutsche Morgan Grenfell. ▪ James is a graduate of the Universities of Glasgow and Caen in France and has an MBA from Strathclyde Business School.
William Paul	Partner	18	<ul style="list-style-type: none"> ▪ Prior to joining Bridgepoint in 1999, William worked at UBS Warburg in investment banking. ▪ He is a graduate of the University of Cambridge.
Héctor Pérez	Partner	6	<ul style="list-style-type: none"> ▪ Prior to his first spell at Bridgepoint (2007 and 2011), he spent six years at Merrill Lynch in London and Madrid. ▪ Héctor is a graduate of the Universidad Pontificia Comillas (ICADE) in Madrid and the CESEM - ESC Reims.

Professionals	Title	Years at Firm	Background
Frédéric Pescatori	Partner	8	<ul style="list-style-type: none"> ▪ Prior to joining that firm, Frédéric worked in acquisition finance at Calyon and at McKinsey & Co. ▪ Frédéric is a graduate of HEC in Paris.
Xavier Robert	Partner	19	<ul style="list-style-type: none"> ▪ Before joining Bridgepoint in 1998, Xavier worked at Total and Ernst & Young. ▪ Xavier is a graduate of the École des Mines.
Andrew Sweet	Partner	0	<ul style="list-style-type: none"> ▪ Prior to Bridgepoint he was a Partner at the Rhone Group in their New York, Paris, and London offices. ▪ Andrew is a graduate of Colgate University.

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