



# Genstar Capital Presentation to Nebraska Investment Council March 2021

Genstar Capital | Four Embarcadero Center, Suite 1900 | San Francisco, CA 94111 | Phone: (415) 834-2350 | Fax: (415) 834-2383 | [www.gencap.com](http://www.gencap.com)

# Executive Summary

## EXPERIENCED ORGANIZATION

- Genstar (the “Company”) has been investing in the North American middle-market since 1988 through nine funds managing ~\$19 billion of AUM
- Managing Partners have been together for 12+ years

## VERTICAL FOCUS

- Sector specialist executing control transactions in Financial Services, Software, Industrials and Healthcare sectors
- Genstar team includes 29 Strategic Advisory Board (“SAB”) members

## CHANGE CAPITAL STRATEGY

- Talent Management
- Go-to-Market and Operational Improvements
- M&A

## CONSISTENT RETURNS

- \$7.2 billion realized since September 2018<sup>1</sup>
- 6 out of 7 funds top quartile<sup>2</sup>
- 0% loss ratio over the last decade

## STRONG CULTURE

- One office: San Francisco
- One strategy/asset class: One fund at a time
- Ownership culture

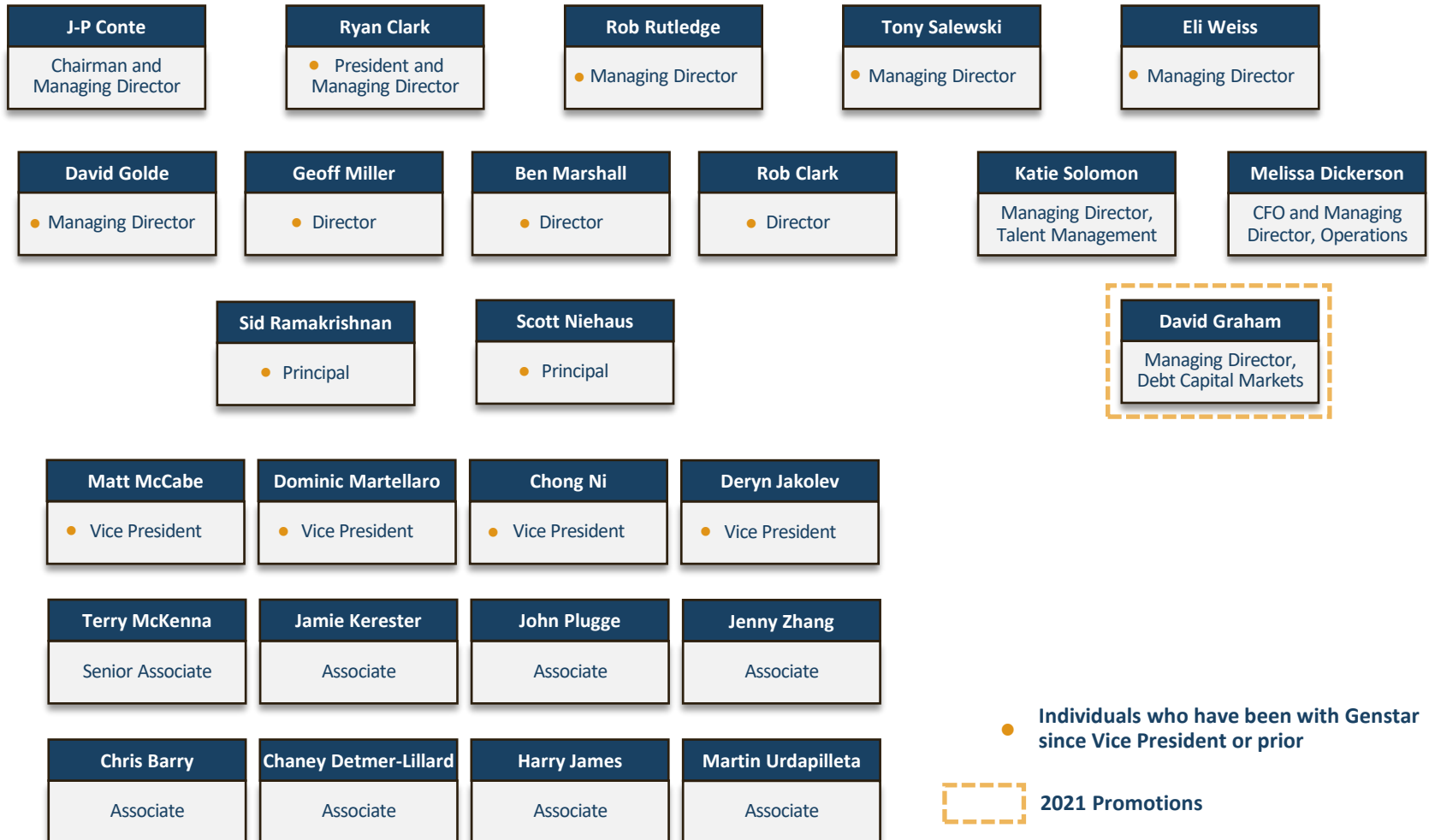
***Genstar’s approach to investing is centered around driving transformational change in high-quality businesses***

All figures as of September 30, 2020.

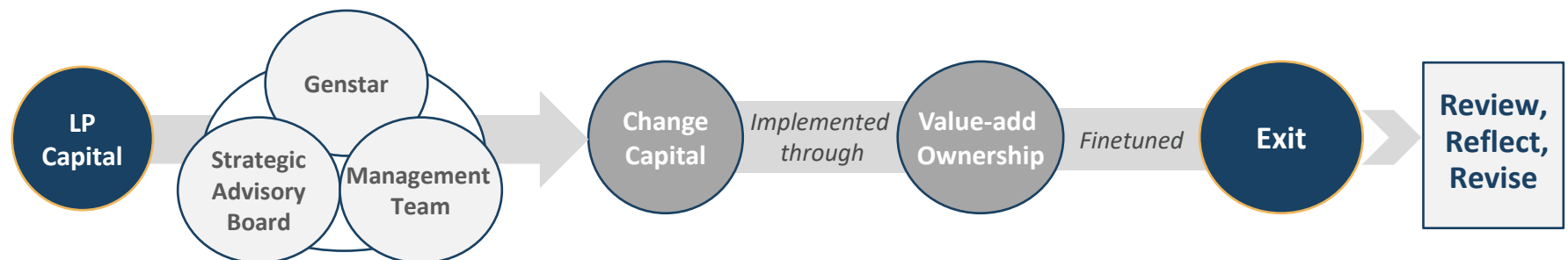
(1) Pro forma for estimated proceeds from the sale of ISS (signed November 2020) and estimated proceeds from the sale of Infinite (signed January 2021).

(2) Preqin Q4 2019 Private Capital Performance Update. Third party ranking is for information and illustrative purposes only, is not investment advice and is no assurance of actual future performance or results of any private equity segment or fund.

# Genstar Capital Team



# Genstar's Built a Repeatable Model



Note: Genstar's allocation strategies and targets depend on a variety of factors. Please refer to disclaimer section for important disclosures and information.

# Deep Vertical Industry Focus

## Software

- Vertical Market Application Software
- Data and Analytics Solutions
- Software and IT services in Healthcare, Financial Services and Industrials Verticals
- Marketplace or Exchange Software
- Integrated Software and Payment Processing
- Compliance and Risk Management Solutions



## Financial Services

- Insurance Services
- Insurance Distribution
- Specialty Insurance
- Specialty Finance
- Wealth Management / Wealth Advisory
- Electronic Payment Services & Technology
- Financial Technology & Information Services



## Industrials

- Engineered Components
- Specialty Distribution
- Automation Products and Services
- Industrial Services
- Test & Measurement
- Packaging
- Specialty Chemicals
- Industrial Software
- Medical Products
- Auto Aftermarket



## Healthcare

- Life Science Tech
- Pharma Services & Life Science Tools
- Specialized Contract Manufacturing and/or Packaging
- Healthcare IT
- Niche Distribution & Outsourcing Services
- Payer Cost Containment Solutions



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**PROJECTED PERFORMANCE INFORMATION:** THE PERFORMANCE INFORMATION CONTAINED HEREIN (THE “PERFORMANCE INFORMATION”) IS BASED IN PART ON HYPOTHETICAL ASSUMPTIONS AND FOR CERTAIN ASSETS, PROJECTED PERFORMANCE. THESE RESULTS ARE PRESENTED FOR ILLUSTRATIVE PURPOSES ONLY AND ARE BASED ON VARIOUS ASSUMPTIONS, NOT ALL OF WHICH ARE DESCRIBED HEREIN. NO REPRESENTATION OR WARRANTY IS MADE BY THE INVESTMENT ADVISORS OR ANY AFFILIATES AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS OR AS TO ANY OTHER FINANCIAL INFORMATION CONTAINED IN THE PERFORMANCE INFORMATION (INCLUDING THE ASSUMPTIONS ON WHICH THEY ARE BASED). THESE ASSUMPTIONS HAVE CERTAIN INHERENT LIMITATIONS, AND WILL BE AFFECTED BY ANY CHANGES IN THE STRUCTURE OR ASSETS OF THE FUNDS. THE ACTUAL PERFORMANCE OF ANY PORTFOLIO COMPANY OR FUND WILL DIFFER, AND MAY DIFFER SUBSTANTIALLY, FROM THAT SET FORTH IN THE PERFORMANCE INFORMATION, INCLUDING THE POSSIBILITY OF LOSSES TO INVESTORS. NO REPRESENTATION IS MADE THAT SUCH PERFORMANCE INFORMATION IS ACCURATE OR COMPLETE OR DOES NOT CONTAIN ERRORS, OR THAT ALTERNATIVE MODELING TECHNIQUES OR ASSUMPTIONS WOULD NOT BE MORE APPROPRIATE OR PRODUCE SIGNIFICANTLY DIFFERENT RESULTS. THE PERFORMANCE INFORMATION IS PROVIDED ON THE UNDERSTANDING THAT A SOPHISTICATED INVESTOR WILL UNDERSTAND AND ACCEPT ITS INHERENT LIMITATIONS, AND WILL NOT RELY ON IT IN MAKING ANY INVESTMENT DECISION WITH RESPECT TO ANY SECURITIES THAT MAY BE ISSUED. GENSTAR DOES NOT ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OR VALIDITY OF THE RESULTS OF THE PERFORMANCE INFORMATION. INVESTING IN A FUND INCLUDES SIGNIFICANT RISKS, INCLUDING THE LOSS OF ALL OF YOUR INVESTMENT. NOTHING CONTAINED HEREIN SHALL CONSTITUTE ANY REPRESENTATION OR WARRANTY AS TO FUTURE PERFORMANCE. THE PERFORMANCE INFORMATION DOES NOT PURPORT TO CONTAIN ALL OF THE INFORMATION THAT MAY BE REQUIRED TO EVALUATE AN INVESTMENT AND EACH RECIPIENT IS ENCOURAGED TO READ THIS PRESENTATION IN ITS ENTIRETY AND SHOULD CONDUCT ITS OWN INDEPENDENT ANALYSIS OF THE DATA REFERRED TO HEREIN. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. THERE CAN BE NO ASSURANCES THAT ANY OF THESE PROJECTIONS WILL BE ACHIEVED, AND ACTUAL RESULTS WILL VARY FROM THE PROJECTIONS. VARIATIONS MAY BE SIGNIFICANT.

**FORWARD-LOOKING STATEMENTS:** CERTAIN INFORMATION CONTAINED HEREIN CONSTITUTES FORWARD-LOOKING STATEMENTS, WHICH CAN BE IDENTIFIED BY THE USE OF TERMS SUCH AS “MAY,” “WILL,” “SHOULD,” “EXPECT,” “ANTICIPATE,” “PROJECT,” “ESTIMATE,” “INTEND,” “CONTINUE” OR “BELIEVE” (OR NEGATIVES THEREOF) OR OTHER VARIATIONS THEREOF. DUE TO VARIOUS RISKS AND UNCERTAINTIES, ACTUAL EVENTS OR RESULTS OR ACTUAL PERFORMANCE MAY DIFFER MATERIALLY FROM THOSE REFLECTED OR CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS, AND THERE CAN BE NO ASSURANCE THAT UNREALIZED INVESTMENTS USED TO CALCULATE THE RETURN INFORMATION SET FORTH HEREIN WILL ULTIMATELY BE REALIZED FOR THEIR ASSUMED VALUES. AS A RESULT, INVESTORS SHOULD NOT RELY ON SUCH FORWARD-LOOKING STATEMENTS.

**SOURCE OF INFORMATION:** CERTAIN INFORMATION CONTAINED IN THIS PRESENTATION HAS BEEN OBTAINED FROM PUBLISHED AND NON-PUBLISHED SOURCES INCLUDING PORTFOLIO INVESTMENT. SUCH INFORMATION HAS NOT BEEN INDEPENDENTLY VERIFIED BY GENSTAR, AND GENSTAR DOES NOT ASSUME RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION.

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**GENSTAR OPINION:** THE ASSESSMENTS CONTAINED IN THIS PRESENTATION CANNOT BE INDEPENDENTLY VERIFIED, AS THEY ARE ILLUSTRATIVE AND BASED ON GENSTAR’S OPINION.

# IMPORTANT INFORMATION RELATING TO INFORMATION CONTAINED IN THIS PRESENTATION:

- IN CONSIDERING THE PERFORMANCE INFORMATION CONTAINED HEREIN, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT PAST OR PROJECTED PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS, AND THERE CAN BE NO ASSURANCE THAT FUTURE GENSTAR INVESTMENTS WILL ACHIEVE COMPARABLE RESULTS.
- INVESTMENT IN A FUND INVOLVES SIGNIFICANT RISKS, INCLUDING LOSS OF THE ENTIRE INVESTMENT.
- DATA FROM SEPTEMBER 30, 2020 IS UNAUDITED AND SUBJECT TO CHANGE.
- UNREALIZED AMOUNTS HAVE BEEN VALUED BY GENSTAR, ARE UNAUDITED, AND MAY NOT BE REALIZED AT THESE VALUES. ACTUAL REALIZED PROCEEDS ON UNREALIZED INVESTMENTS WILL DEPEND ON, AMONG OTHER FACTORS, FUTURE OPERATING RESULTS, THE VALUE OF THE ASSETS AND MARKET CONDITIONS AT THE TIME OF DISPOSITION, ANY RELATED TRANSACTION COSTS AND THE TIMING AND MANNER OF SALE, ALL OF WHICH MAY DIFFER FROM THE ASSUMPTIONS ON WHICH THE VALUATIONS REFLECTED IN THE HISTORICAL INVESTMENT PERFORMANCE DATA CONTAINED HEREIN ARE BASED. ACCORDINGLY, THE ACTUAL REALIZED PROCEEDS ON THESE UNREALIZED INVESTMENTS MAY DIFFER MATERIALLY FROM THE RETURNS INDICATED HEREIN AND THERE CAN BE NO ASSURANCE THAT THESE VALUES WILL ULTIMATELY BE REALIZED UPON DISPOSITION OF THE INVESTMENTS. DIFFERENT METHODS OF VALUING INVESTMENTS AND CALCULATING IRR MAY ALSO PROVIDE MATERIALLY DIFFERENT RESULTS.
- GROSS RETURNS ARE BEFORE THE IMPACT OF CARRIED INTEREST, MANAGEMENT FEES AND OTHER EXPENSES, WHICH WILL REDUCE FUND RETURNS.
- NET RETURNS ARE NOT AVAILABLE FOR INDIVIDUAL INVESTMENTS BECAUSE CARRIED INTEREST, MANAGEMENT FEES AND OTHER EXPENSES ARE CALCULATED BASED ON TOTAL FUND PERFORMANCE.
- GROSS MOIC AND IRR REFLECT THE IMPACT OF RECYCLED CAPITAL.
- EXITS INCLUDE REALIZED AND SIGNIFICANTLY REALIZED INVESTMENTS.
- PORTFOLIO COMPANIES THAT WERE CONSOLIDATED INTO A LARGER PLATFORM ARE COUNTED AS ONE PORTFOLIO COMPANY.
- UNLESS OTHERWISE NOTED, RETURNS SHOWN INCLUDE ALL RETURNS GENERATED BY REINVESTED CAPITAL OR PROFIT. IF SUCH RETURNS WERE NOT INCLUDED, THE RETURNS SHOWN COULD BE LOWER.
- INVESTMENT PERFORMANCE IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE CONSIDERED REPRESENTATIVE OF THE FINAL RETURNS THAT MAY BE ACHIEVED.
- NET RETURNS INCLUDE THE IMPACT OF CARRIED INTEREST, MANAGEMENT FEES AND OTHER EXPENSES.
- FUND COMMITMENTS AND CAPITAL INVESTED REPRESENT THE AGGREGATE CAPITAL COMMITTED AND CONTRIBUTED, RESPECTIVELY, TO A PARTICULAR FUND FAMILY, INCLUDING THE CAPITAL ASSOCIATED WITH (I) ANY PARALLEL FUNDS THAT ARE A PART OF SUCH FUND FAMILY AND (II) BOTH THE GENERAL PARTNER AND THE LIMITED PARTNERS OF THE FUNDS IN SUCH FUND FAMILY.
- FUND SIZE REFERENCED THROUGH THIS PRESENTATION REPRESENT THE AGGREGATE CAPITAL COMMITTED, RESPECTIVELY, TO A PARTICULAR FUND FAMILY, INCLUDING THOSE MADE BY ANY PARALLEL FUNDS THAT ARE A PART OF SUCH FUND FAMILY.
- REALIZED VALUE, UNREALIZED VALUE AND TOTAL REALIZED & UNREALIZED VALUE REPRESENT THE AGGREGATE AMOUNTS ASSOCIATED WITH THE FUND INVESTMENTS MADE BY A PARTICULAR FUND FAMILY, INCLUDING THOSE MADE BY ANY PARALLEL FUNDS THAT ARE A PART OF SUCH FUND FAMILY. TOTAL REALIZED & UNREALIZED VALUE IS THE SUM OF REALIZED VALUE AND UNREALIZED VALUE. REALIZED VALUE IS THE SUM OF ALL AMOUNTS RECEIVED UPON DISPOSITION OF FUND INVESTMENTS PLUS ANY PRIOR AMOUNTS RECEIVED ON THE INVESTMENT. UNREALIZED VALUE IS THE SUM OF THE ESTIMATED FAIR VALUE OF ALL INVESTMENTS HELD BY A FUND AS OF THE DATE INDICATED, AS DETERMINED BY THE FUND'S GENERAL PARTNER AND REFLECTED IN THE FUND'S FINANCIAL STATEMENTS.
- IRR IS A MEASURE OF THE DISCOUNTED CASH FLOWS (INFLOWS AND OUTFLOWS) RELATED TO AN INVESTMENT. SPECIFICALLY, IRR IS THE DISCOUNT RATE AT WHICH (I) THE PRESENT VALUE OF ALL CAPITAL INVESTED IN AN INVESTMENT IS EQUAL TO (II) THE PRESENT VALUE OF ALL CASH FLOWS AND TERMINAL VALUE FROM THE INVESTMENT (WHETHER OR NOT REALIZED).
- NET IRR INCLUDES THE EFFECT OF MANAGEMENT FEES, FUND EXPENSES AND CARRIED INTEREST ALLOCATIONS. NET IRR FOR A PARTICULAR FUND REFLECTS THE CASH FLOWS OF THE FUND FAMILY (AS DEFINED ABOVE) AND IS CALCULATED BASED ON THE DATES THAT LIMITED PARTNERS ARE REQUIRED TO CONTRIBUTE CAPITAL TO THE FUND AND THE DATES THAT THE FUND MAKES DISTRIBUTIONS BACK TO ITS LIMITED PARTNERS.
- IRR CALCULATIONS ARE UNAUDITED.
- GROSS MULTIPLE OF INVESTED CAPITAL ("GROSS MOIC") & GROSS IRR INCLUDE CONTRIBUTIONS MADE BY THE LPS, GP AND GENSTAR'S SIDE-BY-SIDE INVESTMENT VEHICLE. THESE FIGURES DO NOT REFLECT ANY DEDUCTIONS FOR MANAGEMENT FEES, ALLOCABLE EXPENSES OR CARRIED INTEREST.
- NET MULTIPLE OF INVESTED CAPITAL ("NET MOIC") & NET IRR INCLUDE CONTRIBUTIONS MADE BY THE LPS, GP AND GENSTAR'S SIDE-BY-SIDE INVESTMENT VEHICLE. THIS CALCULATION INCLUDES DEDUCTIONS FOR MANAGEMENT FEES AND ALLOCABLE EXPENSES PAID BY THE LIMITED PARTNERS, AS WELL AS ANY CARRIED INTEREST PAID TO THE GP.
- MOIC CALCULATIONS ARE UNAUDITED.