



**Francisco Partners VII, L.P.**  
Technology Growth Equity and Buyout Fund

# Private Equity Investment Summary

February 2022

# Executive Summary

## Overview

Francisco Partners (the “Firm” or “FP”) is a high-quality investor in middle-market technology companies that uses a value-oriented approach. The Firm has generated strong returns in all of its funds since 2011 and is seen as a partner of choice for executing complex deal structures and turnarounds. In addition, FP maintains a strong and highly respected staff and consulting arm (Francisco Partners Consulting, “FPC”) to facilitate success.

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

Aon has reviewed 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
- Complimentary 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
- 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
- Back-office Resource

In addition, Aon’s Operational Risk Solutions and Analytics Team has reviewed the Firm from an operating perspective and has given Francisco Partners VII, L.P. a passing rating.

## Recommendation

As part of its recommended 2022 private equity investment pacing of \$150 million for Nebraska Investment Council’s (“NIC”) Defined Benefit/Cash Balance Benefit plan, Aon supports NIC Staff’s recommendation to make up to a \$50 million commitment to Francisco Partners VII, 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.

## Sponsor and Timing

<b>Location(s)</b>	San Francisco, CA (HQ); New York, NY; London, UK	<b>Parent</b>	Francisco Partners Management, LP
<b>Gross AUM (September 30, 2021)</b>	~\$29.0bn	<b>Investment Staff</b>	55 investment professionals (including 4 Partner Emeritus)

## Portfolio Characteristics

<b>Target Geography</b>	70-80% North America, 15-25% Europe, 0-5% Other	<b>Target Industries</b>	Tech and Tech-enabled
<b>Ownership</b>	Value-oriented: Majority Growth-oriented: Minority		

## Strategy Overview

Francisco Partners makes private equity investments in middle-market technology and technology-enabled companies. FP uses a variety of transaction strategies, including buyouts, divisional divestitures, recapitalizations, restructurings, and growth equity. Using a barbell approach, FP targets value and growth companies that are facing operational or market challenges or strategic inflection points.

## Sponsor Overview

Francisco Partners was founded in 1999 by Dipanjan Deb, David Stanton, Sanford (“Sandy”) Robertson, Benjamin (“Ben”) Ball, and Neil Garfinkel. FP has been led by DJ Deb since 2005. Francisco Partners operates out of three offices, with their headquarters located in San Francisco, CA and two additional satellite offices in New York, NY and London, UK.

## Competitors

HGCC; HG Capital; Marlin Equity; Siris Capital; Thoma Bravo; TPG; Vector Capital; Vista Equity

## Investment Staff

Francisco Partners currently employs more than 100 employees divided amongst the investment management, portfolio services, and fund management teams.

Professionals	Title	Years at Firm	Relevant Prior Work Experience
Dipanjan (“DJ”) Deb	Chief Executive Officer	22	<ul style="list-style-type: none"> <li>▪ Co-founded FP in 1999</li> <li>▪ Principal at TPG focused on technology investing</li> <li>▪ Director of semiconductor banking at Robertson Stephens &amp; Company</li> <li>▪ Management consultant at McKinsey &amp; Company</li> <li>▪ B.S. in Electrical Engineering and Computer Science from U.C. Berkeley, where he was a Regents Scholar</li> <li>▪ M.B.A. from the Stanford Graduate School of Business</li> </ul>

Professionals	Title	Years at Firm	Relevant Prior Work Experience
Ezra Perlman	Co-President, Healthcare IT	18	<ul style="list-style-type: none"> <li>▪ Joined FP in 2003</li> <li>▪ Venture capitalist at Battery Ventures, focused on software investing</li> <li>▪ Director of Risk Management at Advanta</li> <li>▪ Management consultant at Oliver, Wyman &amp; Company</li> <li>▪ A.B. in Applied Mathematics from Harvard College</li> <li>▪ M.B.A. from the Stanford Graduate School of Business</li> </ul>
Deep Shah	Co-President	18	<ul style="list-style-type: none"> <li>▪ Joined FP in 2003</li> <li>▪ Morgan Stanley – M&amp;A and Princes Gate Investors private equity fund</li> <li>▪ M.A. in mathematics from the University of Cambridge (UK) with First Class Honors</li> </ul>
David Golob	Chief Investment Officer	20	<ul style="list-style-type: none"> <li>▪ Joined FP in 2001</li> <li>▪ Managing Director at Tiger Management, where he was co-head of the global technology group</li> <li>▪ Private equity investor focused on the software industry at General Atlantic Partners and Sutter Hill Ventures</li> <li>▪ Management consultant at McKinsey &amp; Company</li> <li>▪ Product Manager at Newport Systems Solutions</li> <li>▪ A.B. from Harvard College, summa cum laude</li> <li>▪ M.B.A. from the Stanford Graduate School of Business</li> </ul>
Andrew Kowal	Partner - Communication, Security	20	<ul style="list-style-type: none"> <li>▪ Joined FP in 2011</li> <li>▪ Morgan Stanley Prince Gate Investors private equity fund</li> <li>▪ B.S. in economics with a concentration in finance from The Wharton School of the University of Pennsylvania</li> </ul>
Chris Adams	Partner - Healthcare IT	13	<ul style="list-style-type: none"> <li>▪ Joined FP in 2008</li> <li>▪ American Securities Capital Partners</li> <li>▪ Strategy consultant at Bain &amp; Company</li> <li>▪ B.S. in computer engineering from Georgia Institute of Technology, summa cum laude</li> <li>▪ M.B.A. from the Stanford Graduate School of Business</li> </ul>
Peter Christodoulo	Partner - Software, Fintech, Internet	13	<ul style="list-style-type: none"> <li>▪ Joined FP in 2008</li> <li>▪ Associate at Thomas H. Lee Partners</li> <li>▪ Analyst, technology investment banking at Credit Suisse</li> <li>▪ A.B. from Harvard College</li> </ul>
Petri Oksanen	Partner - Europe & Israel	16	<ul style="list-style-type: none"> <li>▪ Joined FP in 2005</li> <li>▪ Morgan Stanley technology investment banking</li> <li>▪ Microsoft</li> <li>▪ B.A.Sc. with joint honors in computer engineering and economics with distinction from the University of Waterloo</li> </ul>
Matt Spetzler	Partner - Europe & Israel	15	<ul style="list-style-type: none"> <li>▪ Joined FP in 2004, rejoined in 2008</li> <li>▪ Bain &amp; Company</li> <li>▪ B.S. in mechanical engineering from Georgia Institute of Technology, where he was a Richard K. Whitehead Memorial scholar</li> <li>▪ M.B.A. from the Stanford Graduate School of Business, where he was a Arjay Miller scholar</li> </ul>

Professionals	Title	Years at Firm	Relevant Prior Work Experience
Jason Brein	Partner - Software, Fintech, Internet	9	<ul style="list-style-type: none"> <li>▪ Joined FP in 2012</li> <li>▪ Elevation Partners, Goldman Sachs, Permira</li> <li>▪ A.B. Princeton University</li> <li>▪ M.B.A. Harvard Business School</li> </ul>
Brian Decker	Partner - Communication, Security	13	<ul style="list-style-type: none"> <li>▪ Joined FP in 2008</li> <li>▪ McKinsey</li> <li>▪ B.A.Sc University of Waterloo</li> <li>▪ M.Eng Cornell</li> </ul>
Megan Austin Karlen	Partner – Capital Markets	5	<ul style="list-style-type: none"> <li>▪ Joined FP in 2016</li> <li>▪ Radius Intelligence, CardSpring, Castle Harlan, Gleacher Mezzanine, Moran Stanley</li> <li>▪ A.B. Harvard College</li> <li>▪ M.B.A Harvard Business School</li> </ul>

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