



Investment Summary

Francisco Partners VI, L.P.

A Technology Growth Equity and Buyout Fund

March 2020

EXECUTIVE SUMMARY

OVERALL RATING

Francisco Partners (the “Firm” or “FP”) is an investor in middle-market technology companies with a value-oriented approach. The Firm is able to execute complex deal structures and turnarounds, maintains a large staff, and has a consulting arm to help facilitate success.

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

Aon 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, Aon’s Operational Due Diligence Team has reviewed the Firm from an operating perspective and has given Francisco Partners VI, L.P. a passing rating.

RECOMMENDATION

As part of its recommended 2020 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 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.

Sponsor:

Location(s)	San Francisco, CA (HQ) New York, NY London, UK	Parent	Francisco Partners Management, LP
Gross AUM (Sep 30 2019)	\$15.1 billion	Investment Staff	52

Portfolio Characteristics:

Target Geography	North America, Europe and Israel, Other	Target Industries	Technology and Technology-Enabled
Ownership	Value-oriented: Majority Growth-oriented: Minority		

STRATEGY**OVERVIEW**

Francisco Partners makes private equity investments in middle-market technology and technology enabled companies. FP targets value and growth companies that are facing operational or market challenges or strategic inflection points.

Francisco Partners targets control investments but will make some minority investments as well. In minority investments, FP maintains some influence with the management teams of these companies. The Firm has developed expertise around several technology sub-sectors, including healthcare IT, software, fintech, internet, communications and security.

To add value to a portfolio company, FP develops a strategic and operating plan for each company to improve performance. To implement many of these initiatives, the companies can use the Francisco Partners Consulting group and a roster of other executives with whom FP has successfully worked in the past that can assist the companies.

SPONSOR**OVERVIEW**

FP was founded in 1999 by Dipanjan (“DJ”) Deb, David Stanton, Sanford (“Sandy”) Robertson, Benjamin (“Ben”) Ball, and Neil Garfinkel. FP has been led by Dipanjan (“DJ”) Deb since 2005. Ezra Perlman and Deep Shah became co-presidents since FP V, allowing DJ additional time to focus on executing investments. Since inception, Francisco has invested \$12.2 billion in 115 platform investments across its prior funds.

FP employs 51 investment professionals located in San Francisco (HQ) CA, New York NY, and London UK. The investment team is organized by sub-sector. Francisco has a large back office team and is additionally supported by the members of its separate consulting practice.

COMPETITORS

Marlin Equity	Vista Equity Middle-Market Foundation Fund
Thoma Bravo Middle-Market Discover Fund	HGCC
Vector Capital	HG Capital

INVESTMENT TEAM

Investment Staff:

- FP employs 51 investment professionals located in San Francisco (HQ) CA, New York NY, and London UK. The investment team is organized by sub-sector.

Professionals	Title	Years at Tenure	Background
Dipanjan ("DJ") Deb*	Chief Executive Officer	20	<ul style="list-style-type: none"> Principal at TPG Director at Robertson Stephens & Company Management consultant at McKinsey & Company B.S. from U.C. Berkeley M.B.A. from the Stanford Graduate School of Business
Ezra Perlman*	Co-President - Healthcare IT	16	<ul style="list-style-type: none"> Venture capitalist at Battery Ventures Director of Risk Management at Advanta Management consultant at Oliver, Wyman & Company A.B. in Applied Mathematics from Harvard College M.B.A. from the Stanford Graduate School of Business
Deep Shah	Co-President	16	<ul style="list-style-type: none"> Morgan Stanley – M&A and Princes Gate Investors private equity fund M.A. from the University of Cambridge (UK)
David Golob*	Chief Investment Officer	18	<ul style="list-style-type: none"> Managing Director at Tiger Management Private equity investor at General Atlantic Partners and Sutter Hill Ventures Management consultant at McKinsey & Company Product Manager at Newport Systems Solutions A.B. from Harvard College M.B.A. from the Stanford Graduate School of Business
Andrew Kowal	Partner - Communication, Security	18	<ul style="list-style-type: none"> Morgan Stanley Prince Gate Investors B.S. from The Wharton School of the University of Pennsylvania
Chris Adams	Partner - Healthcare IT	11	<ul style="list-style-type: none"> American Securities Capital Partners Strategy consultant at Bain & Company B.S. from Georgia Institute of Technology M.B.A. from the Stanford Graduate School of Business
Peter Christodoulo	Partner - Software, Fintech, Internet	11	<ul style="list-style-type: none"> Associate at Thomas H. Lee Partners Analyst, technology investment banking at Credit Suisse A.B. from Harvard College
Petri Oksanen	Partner - Europe & Israel	14	<ul style="list-style-type: none"> Morgan Stanley technology investment banking Microsoft B.A.Sc. from the University of Waterloo
Matt Spetzler	Partner - Europe & Israel	13	<ul style="list-style-type: none"> Bain & Company B.S. from Georgia Institute of Technology M.B.A. from the Stanford Graduate School of Business
Jason Brein	Partner - Software, Fintech, Internet	11	<ul style="list-style-type: none"> Elevation Partners, Goldman Sachs, Permira A.B. Princeton University M.B.A. Harvard Business School

Brian Decker	Partner - Communication, Security	11	<ul style="list-style-type: none"> ▪ McKinsey ▪ B.A.Sc University of Waterloo • M.Eng Cornell
Megan Austin Karlen	Partner – Capital Markets	3	<ul style="list-style-type: none"> ▪ Radius Intelligence, CardSpring, Castle Harlan, Gleacher Mezzanine, Moran Stanley ▪ A.B. Harvard College • M.B.A Harvard Business School

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