

**Original Investment Performance Section of PPM**

**Based on Values as of December 31, 2013**

## II. Investment Performance

The following tables summarize the Principals' investment performance from July 1998 through December 2013. Charlesbank considers the following to be of particular significance in evaluating this record:

- **The Principals have invested \$2.6 billion in 43 portfolio company investments.**
- **The Charlesbank portfolio is developing well, with investment-level IRRs for Funds IV, V, VI and VII of 28.0%, 33.5%, 20.2% and 30.8%, respectively, and net IRRs (taking into account fees, expenses and carried interest) of 21.6%, 20.6%, 11.1% and 15.6%, respectively.**
- **Overall, 25 portfolio companies have been realized, generating total value of \$3.0 billion, or 2.9x invested capital and an investment-level IRR of 31.6%.**
- **Including unrealized investments, the proceeds and remaining value total \$5.4 billion, and have produced an investment-level IRR with respect to all investments of 28.9% and a net IRR of 22.6%.**

**Note:** Past performance is no guarantee of future results. See End Notes on page 15, and the disclosures set forth therein, for a more detailed discussion of Charlesbank's investment record, including IRR calculations and the valuation of unrealized investments.

**Track Record Summary****Based on Values as of December 31, 2013** (\$ millions)*Fund IV*

	Capital Invested	Realized & Remaining Value	Multiple of Capital Invested	Investment-level IRR	Net IRR
Realized Investments	279	715	2.6x	28.0%	
Unrealized Investments	–	–	–	–	
Portfolio to Date	279	715	2.6x	28.0%	21.6%

*Fund V*

	Capital Invested	Realized & Remaining Value	Multiple of Capital Invested	Investment-level IRR	Net IRR
Realized Investments	466	1,555	3.3x	36.3%	
Unrealized Investments	79	50	0.6x	-6.6%	
Portfolio to Date	545	1,605	2.9x	33.5%	20.6%

*Fund VI*

	Capital Invested	Realized & Remaining Value	Multiple of Capital Invested	Investment-level IRR	Net IRR
Realized Investments	246	595	2.4x	31.6%	
Unrealized Investments	599	1,050	1.8x	15.0%	
Portfolio to Date	845	1,645	1.9x	20.2%	11.1%

*Fund VII*

	Capital Invested	Realized & Remaining Value	Multiple of Capital Invested	Investment-level IRR	Net IRR
Realized Investments	51	129	2.5x	145.0%	
Unrealized Investments	881	1,341	1.5x	24.7%	
Portfolio to Date	932	1,470	1.6x	30.8%	15.6%
Investment Post 12/31/2013	41				
Specific Follow-on Reserves	225				
Total Invested & Reserved	1,198				

## Investment Performance

July 1, 1998 to December 31, 2013 (\$ millions)

### Realized Investments

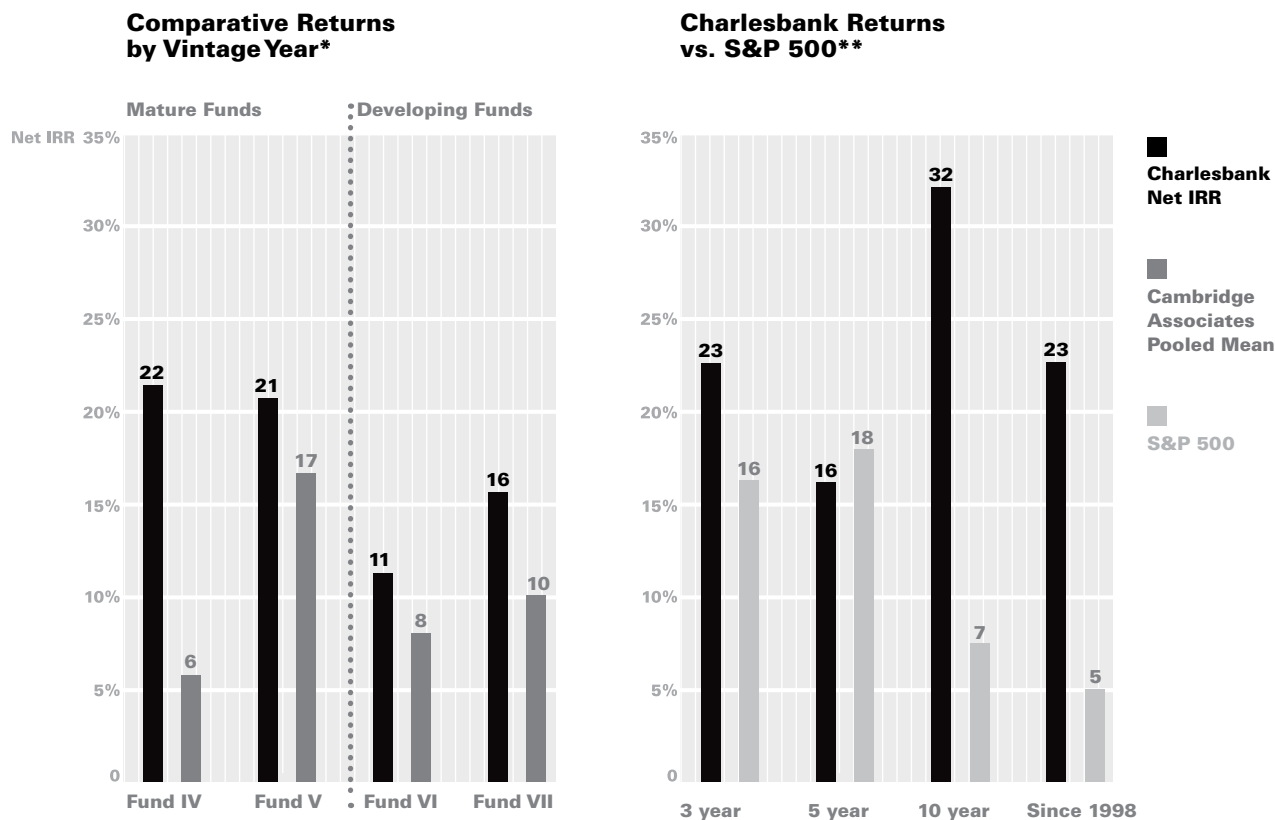
	Date of Initial Investment	Date of Realization	Capital Invested	Realized Proceeds	Realized & Remaining Value	Multiple of Capital Invested	Investment- level IRR
Bell Sports	Aug-98	Sep-00	\$ 30.0	\$ 52.2	\$ 52.2	1.7	30.6%
Thomas Weisel Partners	Jan-99	Feb-07	1.5	1.8	1.8	1.2	2.7%
National Surgical Hospitals	Mar-99	Feb-11	21.5	578	578	2.7	13.6%
American Tire Distributors	May-99	Mar-05	79.3	324.5	324.5	4.1	33.1%
C1 Communications	Jul-99	Jun-01	27.9	–	–	–	–
Zoots	Sep-99	Mar-08	58.8	–	–	–	–
Bell Automotive	Feb-00	Apr-02	5.6	9.0	9.0	1.6	24.7%
Shoppers Drug Mart	Feb-00	Jun-04	49.6	269.5	269.5	5.4	61.9%
ADI	Jun-00	Dec-01	5.3	–	–	–	–
OnFiber	Nov-00	Sep-06	24.4	2.7	2.7	0.1	–
Technisource	Nov-00	Dec-07	22.4	69.2	69.2	3.1	17.3%
CSI Leasing	Jan-02	Mar-13	42.4	106.5	106.5	2.5	11.1%
Universal Technical Institute	Apr-02	Mar-06	24.0	135.4	135.4	5.6	117.6%
Catlin	Nov-02	Feb-11	56.0	105.6	105.6	1.9	10.6%
Regency Gas Services	Jun-03	Dec-04	65.9	238.7	238.7	3.6	136.1%
Aurora Organic Dairy	Aug-03	Jun-11	67.3	132.2	132.2	2.0	13.3%
Papa Murphy's	Jun-04	May-10	30.2	134.4	134.4	4.4	29.4%
GSI	May-05	Aug-07	48.6	361.1	361.1	7.4	121.1%
Animal Health International	Jun-05	Jan-07	42.5	131.0	131.0	3.1	87.6%
CIFC V	Nov-05	Dec-13	51.4	146.1	155.7	3.0	19.4%
WorldStrides V	Dec-05	Oct-11	33.7	101.8	113.9	3.4	22.0%
WorldStrides VI	Dec-05	Oct-11	47.2	126.1	138.2	2.9	22.6%
Bankruptcy Management Solutions	Jul-06	Nov-10	45.8	45.8	45.8	1.0	–
MasterCraft	Oct-07	Jul-09	25.8	–	–	–	–
CIFC VI	Apr-08	Dec-13	40.0	91.5	98.2	2.5	22.6%
Tecomet	Sep-08	Dec-13	45.1	169.8	182.1	4.0	34.1%
Blacksmith Brands	Oct-09	Nov-10	51.0	129.0	129.0	2.5	145.0%
<b>Total Realized Investments</b>			<b>\$1,043.2</b>	<b>\$2,941.7</b>	<b>\$2,994.5</b>	<b>2.9 x</b>	<b>31.6%</b>

**Unrealized Investments**

	Date of Initial Investment	Capital Invested	Realized Proceeds	Realized & Remaining Value	Multiple of Capital Invested	Investment- level IRR	Net IRR
Del Taco	Dec-04	\$ 78.9	\$ 10.2	\$ 49.6			
Zenith Products	Nov-05	48.0	49.9	50.5			
Horn Industrial Services	Jul-07	90.3	–	138.6			
StoneCastle Partners	Oct-07	85.8	44.5	91.6			
Zayo	Feb-09	89.2	–	353.4			
Southcross Energy	Aug-09	162.6	–	280.1			
TLC Vision	Feb-10	56.4	77.8	144.7			
Cedar Creek	May-10	34.8	–	89.9			
Blueknight Energy VI	Oct-10	73.0	31.6	110.1			
Blueknight Energy VII	Oct-10	73.0	31.6	110.1			
OnCore Manufacturing VI	Dec-10	50.4	1.3	25.7			
OnCore Manufacturing VII	Dec-10	50.4	1.3	25.7			
Peacock Engineering	Dec-10	115.0	–	119.7			
DEI Holdings	Jun-11	119.3	45.8	142.6			
Montpelier Re	Jun-11	97.3	5.7	173.1			
Citadel Plastics	Mar-12	57.4	0.7	70.8			
Princeton Review	May-12	40.0	–	38.6			
United Road Services	Dec-12	81.1	–	105.1			
OSP Group	Feb-13	88.7	91.7	225.8			
Trojan Battery	Jun-13	67.6	3.3	94.7			
<b>Total Unrealized Investments</b>		<b>\$1,559.2</b>	<b>\$395.4</b>	<b>\$2,440.4</b>			
<b>Total Portfolio Company Investments</b>		<b>\$2,602.4*</b>	<b>\$3,337.1*</b>	<b>\$5,434.9</b>	<b>2.1 x</b>	<b>28.9%</b>	<b>22.6%</b>

\*Capital Invested and Realized Proceeds have been reduced for short-term and bridge investments.  
See End Notes on page 15 for additional information.

## Charlesbank Performance vs. Industry Benchmarks



\* Benchmark is most recently available (September 30, 2013) data from Cambridge Associates US buyout funds index. Charlesbank returns are Net IRRs by fund, as of December 31, 2013. The Net IRRs for the four funds as of September 30, 2013, are: Fund IV: 22%; Fund V: 21%; Fund VI: 11%, Fund VII: 13%.

\*\* Charlesbank returns are as of December 31, 2013. S&P 500 returns are based on the total return of the S&P 500 Index, including dividends, during each period ending December 31, 2013.

**End Notes:**

1. In compliance with applicable federal securities laws relating to disclosure of investment performance achieved at predecessor firms, Charlesbank is no longer able to include investment returns for Funds I–III, which were invested prior to June 30, 1998, and comprised only Harvard assets.
2. Past performance is no guarantee of future results. While Charlesbank VIII intends to make investments with characteristics similar to those described in Section II, Charlesbank cannot ensure identical investment risks or returns.
3. Charlesbank seeks to establish the fair market value of its unrealized investments in compliance with the principles outlined in ASC 820 (f.k.a. FAS 157). Accordingly, publicly traded securities are generally valued at the public stock price. Securities for which there is no public or ready market are valued based on one or a combination of generally accepted valuation methodologies: (1) the Market Approach (using observable prices and other relevant information that is generated by market transactions involving identical or comparable assets or liabilities), (2) the Income Approach (using valuation techniques to convert future cash flows or earnings to a single, discounted amount), and (3) the Cost Approach (using current replacement cost of a substitute asset of comparable utility). In order to select the appropriate valuation methodology or methodologies for each security, the General Partner evaluates all the relevant facts and circumstances, and in good faith makes appropriate assumptions regarding fair value measurements. The valuation policies of each fund are approved by its limited partner advisory board.
4. There can be no assurances that investments with an unrealized value will be realized at the valuation shown, as actual realized values will depend on, among other things, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may cause the values to differ materially from the estimated values indicated herein.
5. Investment-level IRRs are gross IRRs calculated on the basis of daily investment in-flows/out-flows and the December 31, 2013, carrying values of investments; returns are annualized. Multiples of Capital Invested and Investment-level IRRs are calculated before fees, expenses and carried interest.
6. Net IRRs are calculated net of fees, expenses and carried interest, as if the portfolio were being liquidated on December 31, 2013.

**Corrected Investment Performance Section of PPM**

**Based on Values as of December 31, 2013**



## II. Investment Performance

The following tables summarize the Principals' investment performance from July 1998 through December 2013. Charlesbank considers the following to be of particular significance in evaluating this record:

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- **Overall, 25 portfolio companies have been realized, generating total value of \$3.0 billion, or 2.9x invested capital and an investment-level IRR of 31.6%.**
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**Track Record Summary****Based on Values as of December 31, 2013** (\$ millions)*Fund IV*

	Capital Invested	Realized & Remaining Value	Multiple of Capital Invested	Investment-level IRR	Net IRR
Realized Investments	279	715	2.6x	28.0%	
Unrealized Investments	–	–	–	–	
Portfolio to Date	279	715	2.6x	28.0%	21.6%

*Fund V*

	Capital Invested	Realized & Remaining Value	Multiple of Capital Invested	Investment-level IRR	Net IRR
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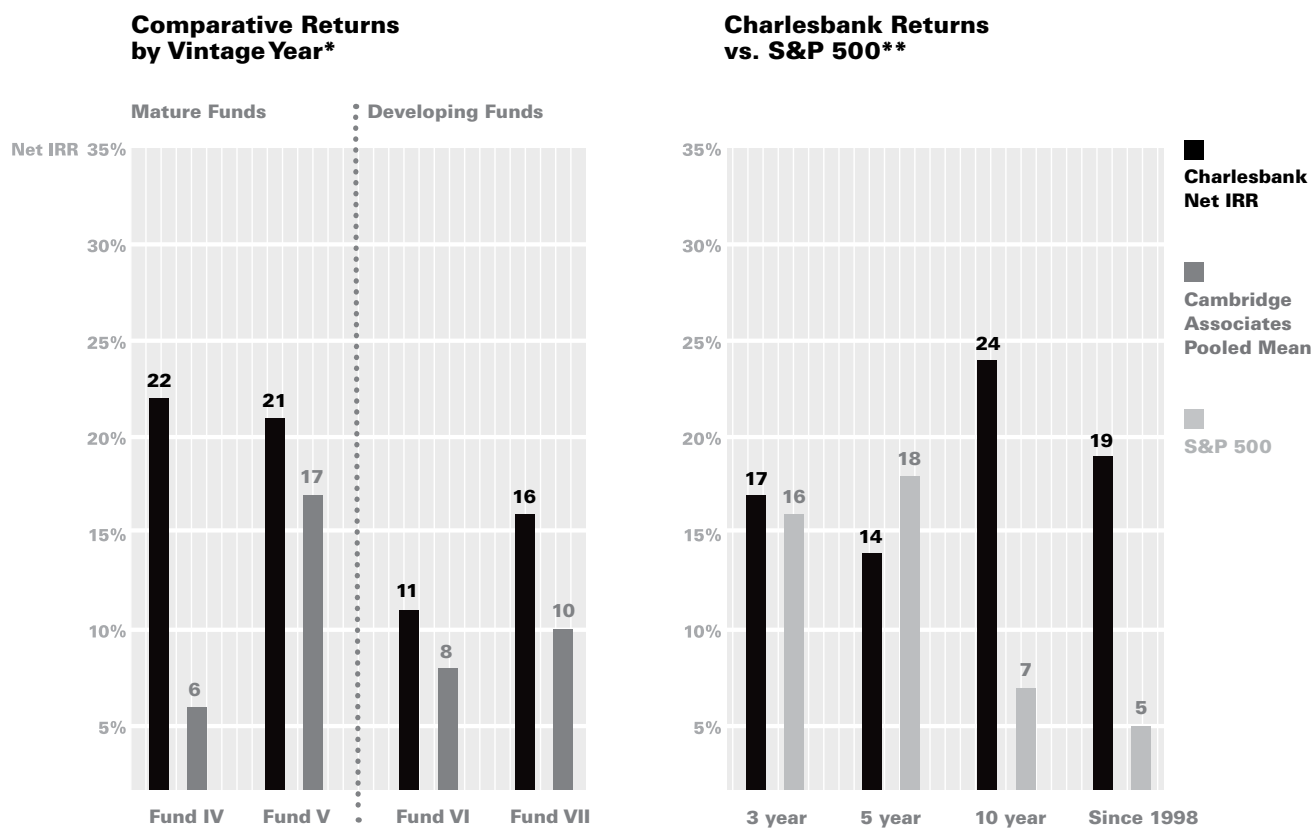
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C1 Communications	Jul-99	Jun-01	27.9	–	–	–	–
Zoots	Sep-99	Mar-08	58.8	–	–	–	–
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Bankruptcy Management Solutions	Jul-06	Nov-10	45.8	45.8	45.8	1.0	–
MasterCraft	Oct-07	Jul-09	25.8	–	–	–	–
CIFC VI	Apr-08	Dec-13	40.0	91.5	98.2	2.5	22.6%
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**Updated Investment Performance Section of PPM**

**Based on Values as of March 31, 2014**

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Realized Investments	51	129	2.5x	145.0%	
Unrealized Investments	922	1,577	1.7x	29.7%	
Portfolio to Date	973	1,706	1.8x	35.2%	19.7%
Investment Post 3/31/2014	191				
Specific Follow-on Reserves	270				
Total Invested & Reserved	1,434				

## Investment Performance

July 1, 1998 to March 31, 2014 (\$ millions)

### Realized Investments

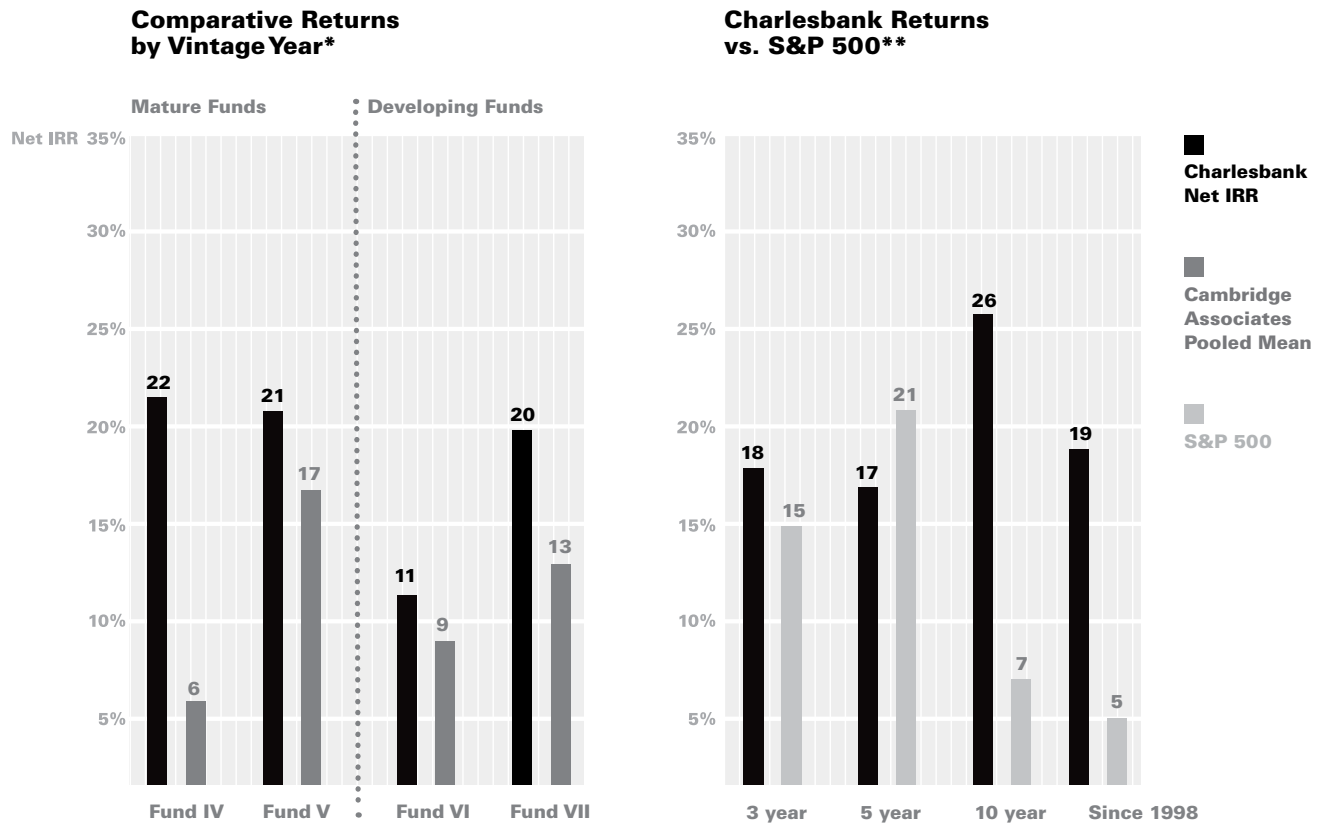
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Thomas Weisel Partners	Jan-99	Feb-07	1.5	1.8	1.8	1.2	2.7%
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American Tire Distributors	May-99	Mar-05	79.3	324.5	324.5	4.1	33.1%
C1 Communications	Jul-99	Jun-01	27.9	–	–	–	–
Zoots	Sep-99	Mar-08	58.8	–	–	–	–
Bell Automotive	Feb-00	Apr-02	5.6	9.0	9.0	1.6	24.7%
Shoppers Drug Mart	Feb-00	Jun-04	49.6	269.5	269.5	5.4	61.9%
ADI	Jun-00	Dec-01	5.3	–	–	–	–
OnFiber	Nov-00	Sep-06	24.4	2.7	2.7	0.1	–
Technisource	Nov-00	Dec-07	22.4	69.2	69.2	3.1	17.3%
CSI Leasing	Jan-02	Mar-13	42.4	106.5	106.5	2.5	11.1%
Universal Technical Institute	Apr-02	Mar-06	24.0	135.4	135.4	5.6	117.6%
Catlin	Nov-02	Feb-11	56.0	105.6	105.6	1.9	10.6%
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Papa Murphy's	Jun-04	May-10	30.2	134.4	134.4	4.4	29.4%
GSI	May-05	Aug-07	48.6	361.1	361.1	7.4	121.1%
Animal Health International	Jun-05	Jan-07	42.5	131.0	131.0	3.1	87.6%
CIFC V	Nov-05	Dec-13	51.4	149.5	155.1	3.0	19.3%
WorldStrides V	Dec-05	Oct-11	33.7	101.8	113.3	3.4	21.9%
WorldStrides VI	Dec-05	Oct-11	47.2	126.1	137.6	2.9	22.5%
Bankruptcy Management Solutions	Jul-06	Nov-10	45.8	45.8	45.8	1.0	–
MasterCraft	Oct-07	Jul-09	25.8	–	–	–	–
CIFC VI	Apr-08	Dec-13	40.0	94.2	98.2	2.5	22.5%
Tecomet	Sep-08	Dec-13	45.1	169.8	182.1	4.0	34.0%
Blacksmith Brands	Oct-09	Nov-10	51.0	129.0	129.0	2.5	145.0%
<b>Total Realized Investments</b>			<b>\$1,043.2</b>	<b>\$2,947.8</b>	<b>\$2,992.7</b>	<b>2.9 x</b>	<b>31.6%</b>

**Unrealized Investments**

	Date of Initial Investment	Capital Invested	Realized Proceeds	Realized & Remaining Value	Multiple of Capital Invested	Investment- level IRR	Net IRR
Del Taco	Dec-04	\$ 78.9	\$ 10.2	\$ 55.6			
Zenith Products	Nov-05	48.0	49.9	50.4			
Horn Industrial Services	Jul-07	90.3	–	114.5			
StoneCastle Partners	Oct-07	85.8	47.1	96.0			
Zayo	Feb-09	89.2	–	444.4			
Southcross Energy	Aug-09	162.6	–	269.0			
TLC Vision	Feb-10	56.4	79.7	142.7			
Cedar Creek	May-10	34.8	–	87.5			
Blueknight Energy VI	Oct-10	73.0	32.4	108.0			
Blueknight Energy VII	Oct-10	73.0	32.4	108.0			
OnCore Manufacturing VI	Dec-10	50.4	1.8	26.4			
OnCore Manufacturing VII	Dec-10	50.4	1.8	26.4			
Peacock Engineering	Dec-10	115.0	0.1	138.0			
DEI Holdings	Jun-11	119.3	45.8	139.2			
Montpelier Re	Jun-11	97.3	6.4	177.6			
Citadel Plastics	Mar-12	57.4	1.1	69.8			
Princeton Review	May-12	40.0	–	38.1			
United Road Services	Dec-12	81.1	0.1	176.1			
OSP Group	Feb-13	88.7	177.5	324.8			
Trojan Battery	Jun-13	108.6	3.3	149.1			
<b>Total Unrealized Investments</b>		<b>\$1,600.2</b>	<b>\$489.6</b>	<b>\$2,741.6</b>			
<b>Total Portfolio Company Investments</b>		<b>\$2,643.4*</b>	<b>\$3,437.4*</b>	<b>\$5,734.3</b>	<b>2.2 x</b>	<b>29.1%</b>	<b>18.8%</b>

\*Capital Invested and Realized Proceeds have been reduced for short-term and bridge investments.  
See End Notes on page 15 for additional information.

## Charlesbank Performance vs. Industry Benchmarks



\* Benchmark is most recently available (December 31, 2013) data from Cambridge Associates US buyout funds index. Charlesbank returns are Net IRRs by fund, as of March 31, 2014. The Net IRRs for the four funds as of December 31, 2013, are: Fund IV: 22%; Fund V: 21%; Fund VI: 11%, Fund VII: 16%

\*\* Charlesbank returns are as of March 31, 2014. S&P 500 returns are based on the total return of the S&P 500 Index, including dividends, during each period ending March 31, 2014.

**End Notes:**

1. In compliance with applicable federal securities laws relating to disclosure of investment performance achieved at predecessor firms, Charlesbank is no longer able to include investment returns for Funds I–III, which were invested prior to June 30, 1998, and comprised only Harvard assets.
2. Past performance is no guarantee of future results. While Charlesbank VIII intends to make investments with characteristics similar to those described in Section II, Charlesbank cannot ensure identical investment risks or returns.
3. Charlesbank seeks to establish the fair market value of its unrealized investments in compliance with the principles outlined in ASC 820 (f.k.a. FAS 157). Accordingly, publicly traded securities are generally valued at the public stock price. Securities for which there is no public or ready market are valued based on one or a combination of generally accepted valuation methodologies: (1) the Market Approach (using observable prices and other relevant information that is generated by market transactions involving identical or comparable assets or liabilities), (2) the Income Approach (using valuation techniques to convert future cash flows or earnings to a single, discounted amount), and (3) the Cost Approach (using current replacement cost of a substitute asset of comparable utility). In order to select the appropriate valuation methodology or methodologies for each security, the General Partner evaluates all the relevant facts and circumstances, and in good faith makes appropriate assumptions regarding fair value measurements. The valuation policies of each fund are approved by its limited partner advisory board.
4. There can be no assurances that investments with an unrealized value will be realized at the valuation shown, as actual realized values will depend on, among other things, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may cause the values to differ materially from the estimated values indicated herein.
5. Investment-level IRRs are gross IRRs calculated on the basis of daily investment in-flows/out-flows and the March 31, 2014, carrying values of investments; returns are annualized. Multiples of Capital Invested and Investment-level IRRs are calculated before fees, expenses and carried interest.
6. Net IRRs are calculated net of fees, expenses and carried interest, as if the portfolio were being liquidated on March 31, 2014.

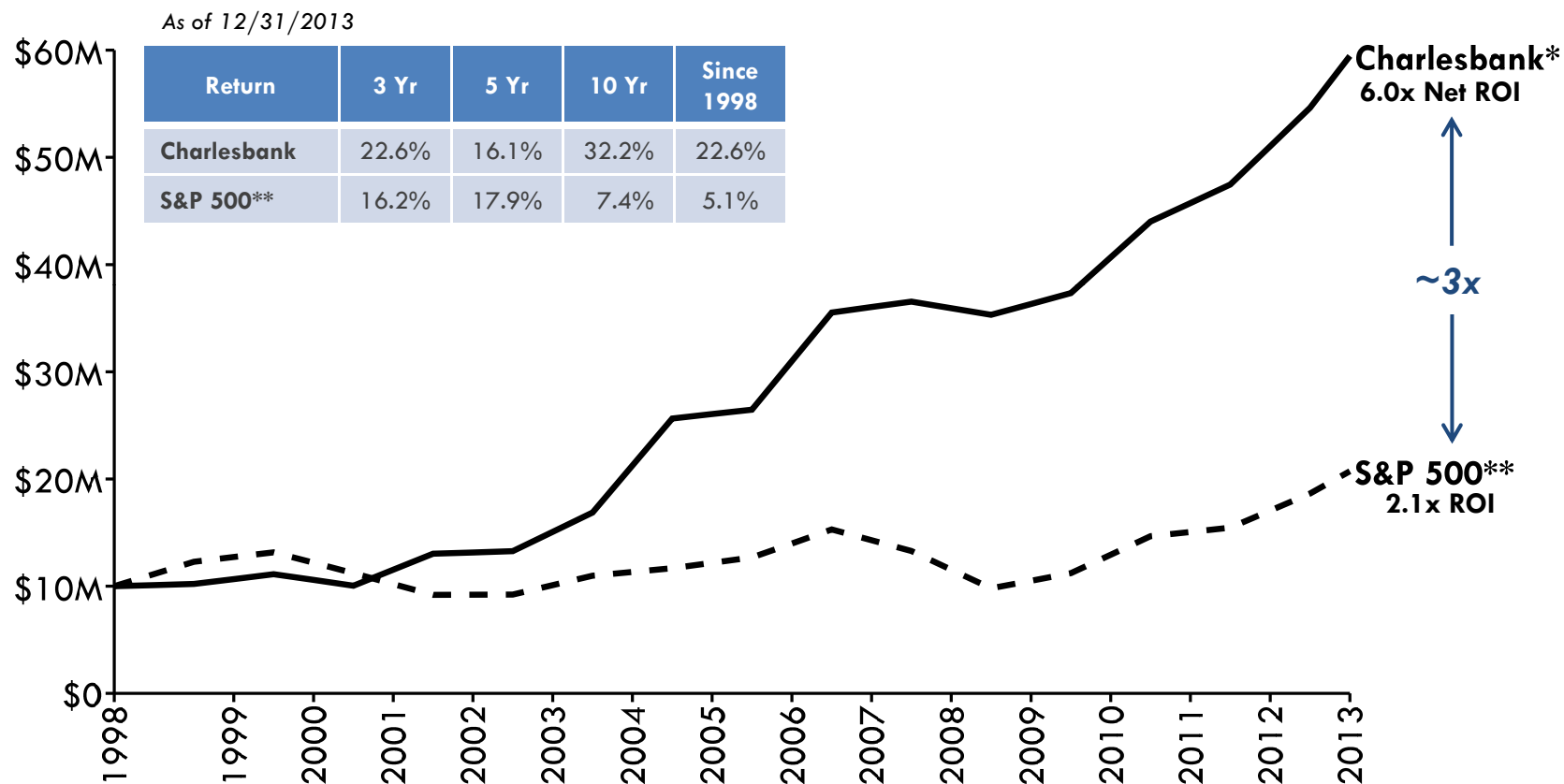
**Original Page 15 of Charlesbank Overview Presentation**

**Based on Values as of December 31, 2013**

# Long-Term Capital Appreciation

Charlesbank has generated 3x outperformance over the S&P 500 during the firm's history

## Charlesbank Returns vs. S&P 500



\*Analysis is based on initial \$10M cash allocation to Fund IV, with future commitments to Funds V – VII equal to all returned cash plus the fair market value of existing investments at the date of each fundraising. For conservatism, approach assumes any interim uncalled/returned capital is held in cash, earning the 30-day treasury rate, and zero interim borrowing. Returns include management and performance-based fees and are calculated based on actual LP cash flows. Through 12/31/2013

\*\*S&P 500 based on total return, including dividends

Source: Charlesbank, S&P

**Corrected Page 15 of Charlesbank Overview Presentation**

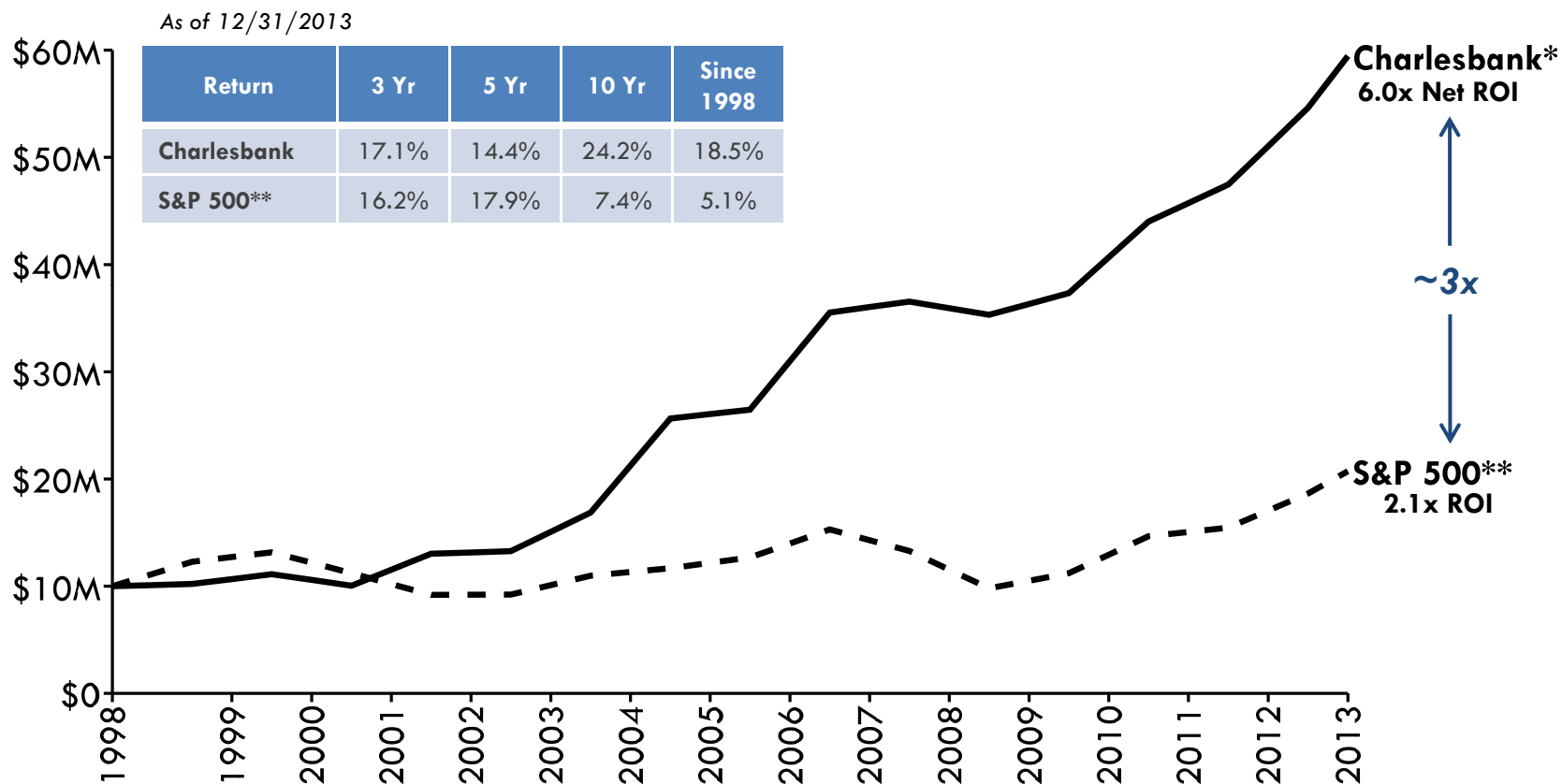
**Based on Values as of December 31, 2013**



# Long-Term Capital Appreciation

Charlesbank has generated 3x outperformance over the S&P 500 during the firm's history

## Charlesbank Returns vs. S&P 500



\*Analysis is based on initial \$10M cash allocation to Fund IV, with future commitments to Funds V – VII equal to all returned cash plus the fair market value of existing investments at the date of each fundraising. For conservatism, approach assumes any interim uncalled/returned capital is held in cash, earning the 30-day treasury rate, and zero interim borrowing. Returns include management and performance-based fees and are calculated based on actual LP cash flows. Through 12/31/2013

\*\*S&P 500 based on total return, including dividends

Source: Charlesbank, S&P

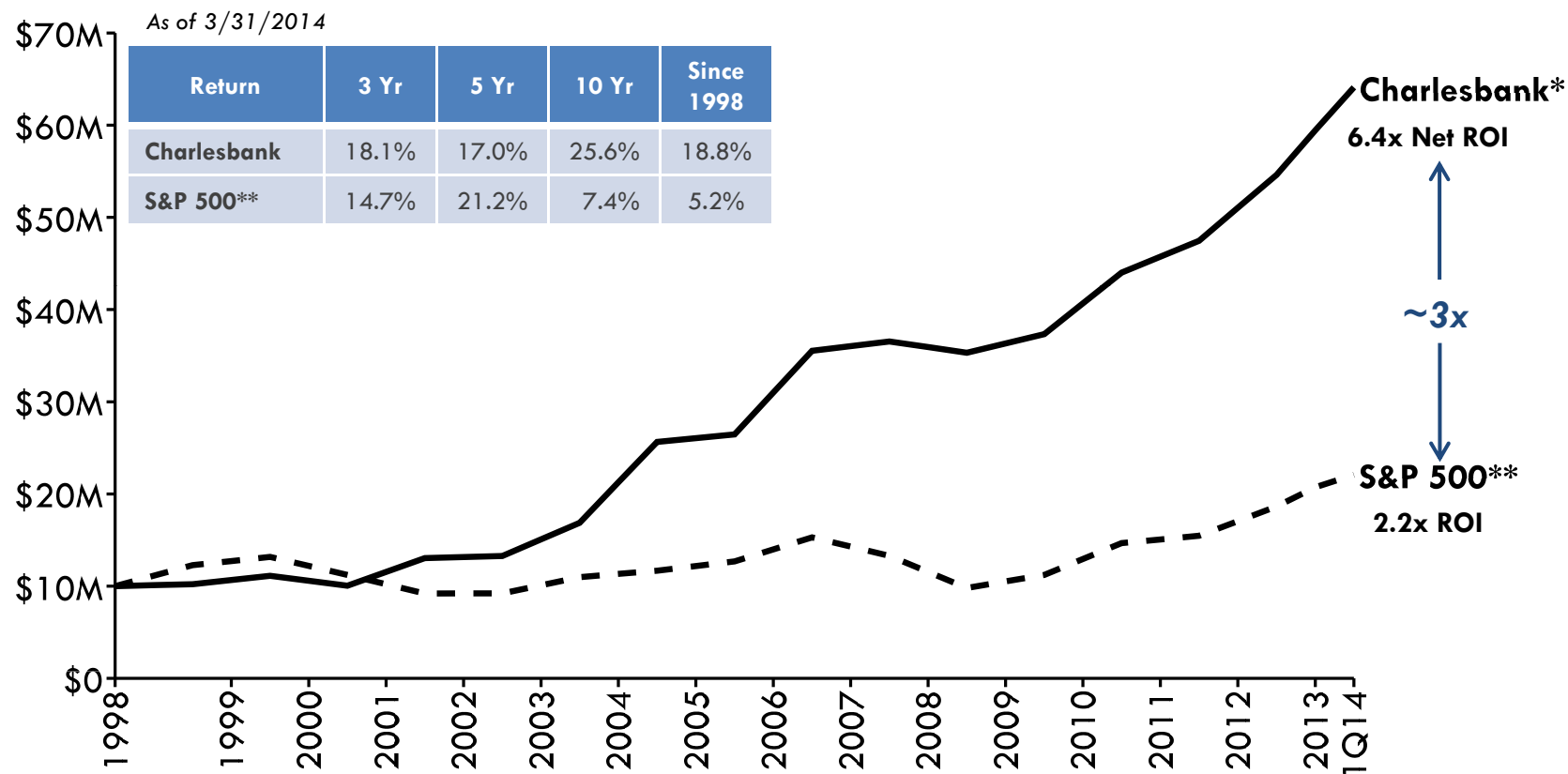
**Updated Page 15 of Charlesbank Overview Presentation**

**Based on Values as of March 31, 2014**

# Long-Term Capital Appreciation

Charlesbank has generated 3x outperformance over the S&P 500 during the firm's history

## Charlesbank Returns vs. S&P 500



\*Analysis is based on initial \$10M cash allocation to Fund IV, with future commitments to Funds V – VII equal to all returned cash plus the fair market value of existing investments at the date of each fundraising. For conservatism, approach assumes any interim uncalled/returned capital is held in cash, earning the 30-day treasury rate, and zero interim borrowing. Returns include management and performance-based fees and are calculated based on actual LP cash flows. Through 3/31/2014

\*\*S&P 500 based on total return, including dividends

Source: Charlesbank, S&P

**Updated Fund Performance**  
**Based on Values as of March 31, 2014**

# Performance by Fund

As of March 31, 2014

	Inception	Fund Size	Average Duration of Invested Capital	# of Investments	Invested Capital*	Returned Proceeds*	Remaining Value**	Portfolio-level***		Net IRR****
								ROI	IRR	
<b>Fund IV</b>	1998	300	Mature	9	279	715	--	2.6x	28%	22%
<b>Fund V</b>	2000	600	Mature	12	545	1,547	63	3.0x	33%	21%
<b>Fund VI</b>	2005	1,000	5.1 years	13	846	698	1,005	2.0x	20%	11%
<b>Fund VII</b>	2009	1,500	2.4 years	13	973	477	1,229	1.8x	35%	20%

*Past performance is no guarantee of future performance.*

Figures are in \$ Millions

\*Net of repaid short-term and bridge investments

\*\*Reflects valuations as of March 31, 2014

\*\*\*IRR calculated on the basis of daily investment inflows/outflows and the March 31 carrying values of investments. Returns are annualized. Portfolio-level (gross) ROIs and IRRs are calculated before fees, expenses and carried interest

\*\*\*\*Net IRRs are calculated after fees, expenses and carried interest