



H.I.G. Strategic Partners
Combined Statement of Changes in Partner's Capital
Nine Months Ended September 30, 2021
(Unaudited)

The Hong Kong Jockey Club - H.I.G. Strategic Partners Offshore

Fund Commitment: \$1,275,000,000

Investor Commitment: \$60,000,000 (Unfunded Commitment: \$41,180,445)

Partner's capital, January 1, 2021	\$ 7,455,205
Capital contributions	12,695,813
Capital distributions*	(41,201)
Net increase in partner's capital from operations allocated from Underlying H.I.G. Fund(s)**	
Dividend income	60,250
Interest and fee income	1,296,329
Management fees	(611,821)
Professional fees and other expenses	(171,269)
Interest expense	(355,618)
Net realized gain on investments	818,071
Net realized loss on derivatives	(154,161)
Net change in unrealized value of investments	2,336,444
Net change in unrealized value of derivatives	564,274
Carried interest reallocation/incentive fees	(952,168)
Foreign currency translation adjustment	(1,973)
Total net increase in partner's capital from operations allocated from Underlying H.I.G. Fund(s)	2,828,358
Interest income	84
Professional fees and other expenses	(18,242)
Interest expense	(22,422)
Partner's capital, September 30, 2021	\$ 22,897,595

*Includes carried interest paid of \$0.

**Includes the following funds (hereinafter, "Underlying H.I.G. Fund(s)"):

H.I.G. Advantage Buyout Fund, L.P.
H.I.G. Bayside Loan Opportunity Feeder Fund V (Europe-US\$), L.P.
H.I.G. Bayside Loan Opportunity Feeder Fund VI, L.P.
H.I.G. BioHealth Partners III, L.P.
H.I.G. Capital Partners VI, L.P.
H.I.G. Europe Capital Partners III Feeder Fund, L.P.
H.I.G. Europe Realty Partners Feeder Fund II (US\$), L.P.
H.I.G. Growth Buyouts & Equity Fund III, L.P.
H.I.G. Middle Market LBO Fund III, L.P.
H.I.G. WhiteHorse Equity Side-Car, L.P.
H.I.G. WhiteHorse Principal Lending Offshore Feeder Fund, L.P.

H.I.G. Strategic Partners
Combined Statement of Assets, Liabilities and Partners' Capital
September 30, 2021
(Unaudited)

ASSETS

Investment in Underlying H.I.G. Fund(s)*	\$ 428,561,639
Cash and cash equivalents	90,547,396
Due from related parties	4,828,433
Total assets	\$ 523,937,468

LIABILITIES AND PARTNERS' CAPITAL

Liabilities

Credit facility	\$ 38,868,004
Total liabilities	38,868,004

Partners' capital	485,069,464
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Total liabilities and partners' capital	\$ 523,937,468
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*Includes the following funds (hereinafter, "Underlying H.I.G. Fund(s)"):

H.I.G. Advantage Buyout Fund, L.P.	\$ 37,104,196
H.I.G. Bayside Loan Opportunity Feeder Fund V (Europe-US\$), L.P.	48,518,966
H.I.G. Bayside Loan Opportunity Feeder Fund VI, L.P.	16,329,258
H.I.G. Bayside Loan Opportunity Fund V (Europe-US\$), L.P.	52,748,191
H.I.G. Bayside Loan Opportunity Fund VI, L.P.	17,790,393
H.I.G. BioHealth Partners III, L.P.	22,631,509
H.I.G. Capital Partners VI, L.P.	10,080,101
H.I.G. Europe Capital Partners III Feeder Fund, L.P.	211,557
H.I.G. Europe Capital Partners III, L.P.	330,237
H.I.G. Europe Realty Partners Feeder Fund II (US\$), L.P.	8,599,797
H.I.G. Europe Realty Partners II (US\$), L.P.	19,652,809
H.I.G. Growth Buyouts & Equity Fund III, L.P.	12,064,258
H.I.G. Halcyon SMA-Equity, L.P.	85,427,895
H.I.G. Middle Market LBO Fund III, L.P.	21,380,927
H.I.G. Realty Partners IV (Offshore), L.P.	2,060,153
H.I.G. Realty Partners IV (Onshore), L.P.	8,707,907
H.I.G. WhiteHorse Equity Side-Car, L.P.	6,136,914
H.I.G. WhiteHorse Principal Lending Fund, L.P.	17,667,826
H.I.G. WhiteHorse Principal Lending Offshore Feeder Fund, L.P.	41,118,745
Total investment in Underlying H.I.G. Fund(s)	\$ 428,561,639

Financial statements of Underlying H.I.G. Fund(s), provided under separate cover, are an integral part of these combined financial statements.



H.I.G. Strategic Partners
Combined Statement of Operations
Nine Months Ended September 30, 2021
(Unaudited)

**NET INVESTMENT LOSS ALLOCATED FROM
UNDERLYING H.I.G. FUND(S)**

Investment Income

Dividend income	\$ 856,230
Interest and fee income	20,956,818
Investment income from rental properties	302,384
Current and deferred tax benefit	(2,476)
Total investment income	22,112,956

Expenses

Amortization of deferred financing costs	11,121
Management fees	12,815,090
Current and deferred tax provision	(2,169)
Professional fees and other expenses	3,389,040
Interest expense	6,192,071
Total expenses	22,405,153
<i>Total net investment loss allocated from Underlying H.I.G. Fund(s)</i>	<i>(292,197)</i>

FUND INCOME

Interest income	1,483
Total fund income	1,483

FUND EXPENSES

Professional fees and other expenses	328,080
Interest expense	362,189
Total fund expenses	690,269
<i>Total fund net investment loss</i>	<i>(688,786)</i>
Net investment loss	(980,983)

**NET GAIN ON INVESTMENTS AND DERIVATIVES ALLOCATED FROM
UNDERLYING H.I.G. FUND(S)**

Net realized gain on investments	20,508,177
Net realized loss on derivatives	(3,431,758)
Net change in unrealized value of investments	43,515,564
Net change in unrealized value of derivatives	10,358,949
<i>Total net gain on investments and derivatives allocated from Underlying H.I.G. Fund(s)</i>	<i>70,950,932</i>

**Net increase in partners' capital from operations, before carried interest
reallocation/incentive fees and foreign currency translation adjustment** **69,969,949**

Carried interest reallocation/incentive fees allocated from Underlying H.I.G. Fund(s)	(18,534,543)
Foreign currency translation adjustment from Underlying H.I.G. Fund(s)	(43,169)

NET INCREASE IN PARTNERS' CAPITAL FROM OPERATIONS **\$ 51,392,237**

Financial statements of Underlying H.I.G. Fund(s), provided under separate cover, are an integral part of
these combined financial statements.



H.I.G. Strategic Partners
Combined Statement of Changes in Partners' Capital
Nine Months Ended September 30, 2021
(Unaudited)

	Limited Partners
Investor Commitment:	\$ 1,275,000,000
Partners' capital, January 1, 2021	\$ 165,613,488
Capital contributions	268,187,753
Capital distributions	(124,014)
Net increase in partners' capital from operations allocated from Underlying H.I.G. Fund(s)	
Dividend income	856,230
Interest and fee income	20,956,818
Investment income from rental properties	302,384
Current and deferred tax benefit	(2,476)
Amortization of deferred financing costs	(11,121)
Management fees	(12,815,090)
Current and deferred tax provision	2,169
Professional fees and other expenses	(3,389,040)
Interest expense	(6,192,071)
Net realized gain on investments	20,508,177
Net realized loss on derivatives	(3,431,758)
Net change in unrealized value of investments	43,515,564
Net change in unrealized value of derivatives	10,358,949
Carried interest reallocation/incentive fees	(18,534,543)
Foreign currency translation adjustment	(43,169)
<i>Total net increase in partners' capital from operations allocated from Underlying H.I.G. Fund(s)</i>	52,081,023
Interest income	1,483
Professional fees and other expenses	(328,080)
Interest expense	(362,189)
Partners' capital, September 30, 2021	\$ 485,069,464

Financial statements of Underlying H.I.G. Fund(s), provided under separate cover, are an integral part of these combined financial statements.



H.I.G. Strategic Partners
Combined Statement of Cash Flows
Nine Months Ended September 30, 2021
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES

Net increase in partners' capital from operations	\$ 51,392,237
Adjustments to reconcile net increase in partners' capital from operations to net cash used in operating activities:	
Net increase in partners' capital from operations allocated from Underlying H.I.G. Fund(s)	(52,081,023)
Contributions to Underlying H.I.G. Fund(s)	(211,900,451)
Withdrawals from Underlying H.I.G. Fund(s)	31,427,870
Changes in assets and liabilities:	
Due from related parties	(3,190,403)
Due to related parties	(24,559,221)
Net cash used in operating activities	<u>(208,910,991)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Credit facility	14,093,655
Capital contributions	268,187,753
Capital distributions, net of change in distributions payable	(124,014)
Net cash provided by financing activities	<u>282,157,394</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 73,246,403

CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD 17,300,993

CASH AND CASH EQUIVALENTS, END OF PERIOD \$ 90,547,396

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the period for interest	\$ 362,189
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Financial statements of Underlying H.I.G. Fund(s), provided under separate cover, are an integral part of these combined financial statements.



H.I.G. Strategic Partners
Net LP IRR
September 30, 2021
(Unaudited)

LP Net Contributions/Distributions	\$	(393,754,478)
LP Net Assets		485,069,464
Net LP IRR⁽¹⁾		23.0%

(1) The Limited Partners' internal rate of return (the "LP IRR") is calculated for all Limited Partners taken as a whole. The LP IRR, since inception, is calculated based on the Limited Partners' cash outflows and cash inflows (contributions and distributions) utilizing the actual dates and amounts when capital calls were due and distributions were declared, and the value of the Limited Partners' capital accounts at the end of the period. The LP IRR is presented as "NM" (not meaningful) during the first year of the Fund's operations, or in cases when the percentage is equal to or exceeds 1,000/(1,000)%, or cannot be calculated. The LP IRR is net of fees, expenses and carried interest.