



## H.I.G. Bayside Debt & LBO Fund II, L.P.

### Investor Report

September 30, 2021

### Commonwealth of Pennsylvania State Employees' Retirement System

(Unaudited)

**Gross Commitment: \$30,000,000**

Company	Permanent Equity Investment <sup>(5)</sup>	Cash Realized <sup>(1)</sup>	Unrealized Value <sup>(2)</sup>	Total Value	Multiple on Invested Capital
Pendum, LLC	\$ 322,604	\$ 191,180	\$ 11,554	\$ 202,734	0.6x
Shapes/Arch Holdings, LLC	408,085	94,140	3,022	97,162	0.2x
Surgery Partners	455,453	6,827,117	349,751	7,176,868	15.8x
Allion Healthcare	744,399	192,586	105,160	297,746	0.4x
First Capital Holdings, LLC	709,939	181,834	-	181,834	0.3x
TLC Vision Holdings, LLC	150,003	568,990	31,309	600,299	4.0x
Magnacare (MCH Holdings)	344,916	1,481,952	-	1,481,952	4.3x
Dent Wizard	271,425	2,543,742	-	2,543,742	9.3x
HOA Holdings, LLC	521,958	603,020	-	603,020	1.2x
Wonder Holdings Acquisition Corp	280,981	2,254,693	19,586	2,274,279	8.1x
Cornerstone (BBC) Chemical Company	231,037	1,507,063	-	1,507,063	6.5x
Marine Acquisition (Teleflex)	206,922	1,982,064	-	1,982,064	9.6x
Jackson Hewitt, Inc.	95,033	1,154,905	18,511	1,173,416	12.3x
Bezier Acquisition, Ltd.	186,247	16,329	-	16,329	0.1x
Esquire Deposition Solutions, LLC (Gallo)	201,966	26,801	-	26,801	0.1x
A10 Capital Holdings, LLC	680,142	273,055	486,856	759,911	1.1x
Comverge	331,102	2,772,718	1,831	2,774,549	8.4x
Shadow Creek Holdings	138,427	254,134	-	254,134	1.8x
Arctic Glacier, Inc.	499,987	1,133,250	-	1,133,250	2.3x
Interdent Holdings, Inc.	379,541	965,746	-	965,746	2.5x
East Side Portfolio	181,453	355,920	-	355,920	2.0x
Milestone III REIT, LLC	440,735	976,755	-	976,755	2.2x
Salt Creek Advisors	164,292	123,917	40,527	164,444	1.0x
DirectBuy Holdings, Inc.	627,704	90,444	-	90,444	0.1x
WhiteHorse Finance, Inc.	804,281	1,444,819	-	1,444,819	1.8x
JW Resources, Inc.	761,738	6,600	-	6,600	0.0x
Abacoa (Allure Jupiter Holdings, LLC)	101,089	189,367	-	189,367	1.9x
Caraustar Industries, Inc.	959,995	7,242,673	-	7,242,673	7.5x
347 Bowery Holdings, LLC	119,032	36,364	88,147	124,511	1.0x
JBC Louisville LLC	162,492	-	73,763	73,763	0.5x
American Pacific Corporation	1,017,552	5,112,884	-	5,112,884	5.0x
H.I.G. Bayside II Austin LLC	143,054	245,382	-	245,382	1.7x
The Wellington	518,325	244,968	205,609	450,577	0.9x
Summer House	233,449	-	282,201	282,201	1.2x

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## H.I.G. Bayside Debt & LBO Fund II, L.P.

### Investor Report (Continued)

September 30, 2021

### Commonwealth of Pennsylvania State Employees' Retirement System (Unaudited)

Company	Permanent Equity Investment <sup>(5)</sup>	Cash Realized <sup>(1)</sup>	Unrealized Value <sup>(2)</sup>	Total Value	Multiple on Invested Capital
High Ridge Office Park	\$ 268,990	\$ -	\$ 324,053	\$ 324,053	1.2x
MJ Maillis S.A.	238,356	816,322	814,889	1,631,211	6.8x
Dolan LLC	405,711	1,030,139	5,159	1,035,298	2.6x
IVG	318,148	434,100	37,749	471,849	1.5x
1 Beekman LLC	781,611	(2,372)	459,551	457,179	0.6x
Forte	396,811	472,992	7,503	480,495	1.2x
Deva	482,070	99,953	-	99,953	0.2x
HS Parent Holdings, LLC (HelpSystems)	251,143	831,168	-	831,168	3.3x
Skipper	527,109	97,120	-	97,120	0.2x
Raufoss Industrial Park	339,594	650,095	8,170	658,265	1.9x
US Hospitality Assets	828,510	1,140,682	64,187	1,204,869	1.5x
European Commercial/Office Assets	995,174	838,121	502,504	1,340,625	1.3x
Square	44,150	(4,112)	123,320	119,208	2.7x
Other	627,855	890,538	37,679	928,217	1.5x
<b>Control Investments</b>	<b>19,900,590</b>	<b>48,390,158</b>	<b>4,102,591</b>	<b>52,492,749</b>	<b>2.6x</b>
<b>Non-Control Investments</b>	<b>2,926,883</b>	<b>7,536,830</b>	<b>570,923</b>	<b>8,107,753</b>	<b>2.8x <sup>(3)</sup></b>
<b>Total Investments</b>	<b>\$ 22,827,473</b>	<b>\$ 55,926,988</b>	<b>\$ 4,673,514</b>	<b>\$ 60,600,502</b>	<b>2.7x <sup>(3)</sup></b>
<b>Other Holdings <sup>(4)</sup></b>	<b>92,926</b>			<b>92,926</b>	
<b>Cash and Other Assets, net</b>	<b>334,300</b>			<b>334,300</b>	
<b>Total</b>	<b>\$ 23,254,699</b>			<b>\$ 61,027,728</b>	

(1) Includes cash received net of financing costs. Amounts shown are gross of carried interest. (2) Unrealized valuations are based on General Partner's reasonable estimates. Actual results may vary substantially from estimates shown above. (3) Multiple on Invested Capital for Non-Control Debt Investments is calculated based on the quarterly average amount of capital utilized since inception of \$2,926,883. A similar methodology is applied to calculate the Multiple on Invested Capital for Total Investments. (4) Represents outstanding Bridge Financing in accordance with the LPA. (5) Equity and Equity Equivalent Capital.



**H.I.G. Bayside Debt & LBO Fund II, L.P.**  
**Statement of Changes in Partners' Capital**  
**For the Nine months ended September 30, 2021**  
**(Unaudited)**

**Commonwealth of Pennsylvania State Employees' Retirement System**

**Investor Commitment: \$30,000,000**

Capital account at January 1, 2021	\$ 5,964,787
Capital contributed	450,000
Withdrawals and distributions	(1,334,095)
Net decrease in partners' capital from operations	(177,232)
Capital account at September 30, 2021	<u>\$ 4,903,460</u>

Unfunded Capital Commitment, September 30, 2021: \$6,148,997 (amount includes certain distributions of capital that are recallable in accordance with the Fund's Limited Partnership Agreement).



**H.I.G. Bayside Debt & LBO Fund II, L.P.**  
**Combined Statement of Assets, Liabilities and Partners' Capital**  
**September 30, 2021**  
**(Unaudited)**

**ASSETS**

Investments, at fair value (cost \$369,859,792)	\$ 464,788,169
Cash and cash equivalents	10,093,339
Other assets	7,847,909
Due from related parties	28,595,599
Unrealized gain on derivative instruments	1,921,443
Interest receivable	108,253
Total assets	<u><u>\$ 513,354,712</u></u>

**LIABILITIES AND PARTNERS' CAPITAL**

**Liabilities**

Accounts payable and accrued expenses	<u>\$ 3,280,703</u>
Total liabilities	<u>3,280,703</u>
Partners' capital	510,074,009
Total liabilities and partners' capital	<u><u>\$ 513,354,712</u></u>



**H.I.G. Bayside Debt & LBO Fund II, L.P.**  
**Combined Statement of Operations**  
**Nine months ended September 30, 2021**  
**(Unaudited)**

**Investment income**

Interest and fee income	\$ 1,363,980
Total investment income	<u>1,363,980</u>

**Expenses**

Management fees	7,023,812
Professional fees and other expenses	<u>2,335,663</u>
Total expenses	<u>9,359,475</u>

**Net investment loss** **(7,995,495)**

**Net realized and unrealized gain/(loss) on investments,  
derivative instruments, other assets, and foreign currency transactions**

Net realized loss on investments and foreign currency transactions	(54,691,945)
Net realized gain on derivative instruments	1,210,674
Net realized loss on other assets	(1,221,677)
Net change in unrealized value of investments and foreign currency transactions	38,215,320
Net change in unrealized value of derivative instruments	4,981,732
Net change in unrealized value of other assets	<u>(212,538)</u>
Net realized and unrealized loss	<u>(11,718,434)</u>

**Net decrease in partners' capital from operations** **\$ (19,713,929)**



## H.I.G. Bayside Debt & LBO Fund II, L.P.

### Combined Statement of Cash Flows Nine months ended September 30, 2021

(Unaudited)

#### Cash flows from operating activities

Net decrease in partners' capital from operations	\$	(19,713,929)
Adjustments to reconcile net decrease in partners' capital from operations to net cash provided by operating activities		
Net realized loss on investments		56,055,748
Net change in unrealized value of investments		(38,409,699)
Purchase of investments		(39,409,487)
Proceeds from the disposition of investments		55,291,023
Change in assets and liabilities:		
Other assets		(1,682,008)
Due from related parties		44,446,288
Interest receivable		(2,348)
Prepaid expenses		(799,913)
Accounts payable and accrued expenses		795,553
Unrealized gain on derivative instruments		(4,981,734)
Net cash provided by operating activities		<u>51,589,494</u>

#### Cash flows from financing activities

Capital contributions		45,000,000
Capital distributions		<u>(136,124,342)</u>
Net cash used in financing activities		<u>(91,124,342)</u>

Net decrease in cash and cash equivalents		<u>(39,534,848)</u>
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Cash and cash equivalents, beginning of the period		49,628,187
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Cash and cash equivalents, end of the period	\$	<u>10,093,339</u>
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#### Supplemental disclosure of non-cash transactions

Net conversion of other assets to investments	\$	<u>431,942</u>
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