



H.I.G. Brazil & Latin America Partners

Investor Report September 30, 2021

(Unaudited)

Commonwealth of Pennsylvania State Employees' Retirement System

Investor Commitment: \$50,000,000

| Company | Acquisition Date | Invested Amount ⁽¹⁾ | Cash Realized ⁽²⁾ | Unrealized Value ⁽²⁾ | Total Value | Multiple on Invested Capital ⁽²⁾ |
|---|------------------|--------------------------------|------------------------------|---------------------------------|----------------------|---|
| Self It Academias Holding S.A. | July 2015 | \$ 1,931,829 | \$ - | \$ 2,441,920 | \$ 2,441,920 | 1.3x |
| Mr. Cat | December 2015 | 1,614,421 | - | 848,783 | 848,783 | 0.5x |
| Halex Istar Indústria Farmacêutica S.A. | March 2016 | 1,718,953 | 3,324,306 | - | 3,324,306 | 1.9x |
| Bigsal Nutrição Animal | December 2016 | 1,931,562 | 3,773,068 | 38,570 | 3,811,638 | 2.0x |
| Urbanity Corporate | September 2017 | 1,541,120 | - | 839,009 | 839,009 | 0.5x |
| Parque Ana Costa | April 2018 | 729,824 | 262,507 | 422,685 | 685,192 | 0.9x |
| Elekeiroz S.A. | June 2018 | 448,957 | - | 3,362,176 | 3,362,176 | 7.5x |
| Kora Saúde | June 2018 | 4,371,848 | - | 40,508,997 | 40,508,997 | 9.3x |
| AMO | September 2018 | 1,110,444 | - | 2,497,286 | 2,497,286 | 2.2x |
| Tecfil | October 2018 | 2,136,754 | - | 3,996,701 | 3,996,701 | 1.9x |
| Jupi, Fernão Dias & Araribá | November 2018 | 636,038 | 245,622 | 591,867 | 837,489 | 1.3x |
| Digital Ware | January 2019 | 1,979,611 | - | 2,212,075 | 2,212,075 | 1.1x |
| EBS Baltimore | April 2019 | 318,539 | - | 388,860 | 388,860 | 1.2x |
| Nadir Figueiredo | August 2019 | 3,988,380 | 82,306 | 11,745,668 | 11,827,974 | 3.0x |
| Desktop | January 2020 | 1,471,058 | - | 8,662,049 | 8,662,049 | 5.9x |
| Eletromidia S.A. | April 2020 | 3,477,948 | - | 8,441,879 | 8,441,879 | 2.4x |
| FVO | February 2021 | 2,507,849 | - | 3,533,703 | 3,533,703 | 1.4x |
| Total Investments | | <u>\$ 31,915,135</u> | <u>\$ 7,687,809</u> | <u>\$ 90,532,228</u> | <u>\$ 98,220,037</u> | <u>3.1x</u> |
| Cash and Other Net Assets ^{(3), (4)} | | | | | (18,579,626) | |
| Account Total | | | | | <u>\$ 79,640,411</u> | |
| Unfunded Commitment ⁽⁵⁾ | | | | | \$ 10,417,110 | |

⁽¹⁾ Financed by capital calls from investors and / or borrowings from the Fund's credit facility.

⁽²⁾ Gross of fees, expenses, and carried interest and includes gain / loss on foreign exchange derivatives, if applicable.

⁽³⁾ Net of fees, expenses, and carried interest. ⁽⁴⁾ Excludes undistributed cash, if any, shown in the cash realized column above.

⁽⁵⁾ Amount may not include certain distributions of capital that are callable in accordance with the Fund's Limited Partnership Agreement.

NOTE: Unrealized valuations are based on General Partner's reasonable estimates. Actual results may vary substantially from estimates shown above.



H.I.G. Brazil & Latin America Partners
Combined Statement of Changes in Partner's Capital
Nine Months Ended September 30, 2021
(Unaudited)
Commonwealth of Pennsylvania State Employees' Retirement System

Fund Commitment: \$720,920,000

Investor Commitment: \$50,000,000

| | |
|---|-----------------------------|
| Partner's capital, January 1, 2021 | \$ 38,182,573 |
| Capital contributions | 9,640,459 |
| Capital distributions* | (6,797,494) |
| Dividend income | 82,832 |
| Interest income | 4,886 |
| Management fees | (851,302) |
| Professional fees and other expenses | (117,485) |
| Interest expense | (41,184) |
| Net realized gain on investments | 3,452,096 |
| Net change in unrealized value of investments | 40,239,751 |
| Carried interest reallocation | (10,952,215) |
| Partner's capital, September 30, 2021 | <u><u>\$ 72,842,917</u></u> |

*Includes carried interest paid of \$861,715.



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

ASSETS

| | |
|---|-------------------------|
| Investments, at fair value (cost \$398,339,080) | \$ 1,304,659,829 |
| Cash and cash equivalents | 3,271,990 |
| Receivable from sale of investments | 556,120 |
| Due from related parties | 20,750 |
| Interest receivable | 113,950 |
| Other assets | 28,174,980 |
| Total assets | \$ 1,336,797,619 |

LIABILITIES AND PARTNERS' CAPITAL

Liabilities

| | |
|--------------------------|-------------------|
| Due to related parties | \$ 81,740 |
| Credit facility | 61,337,500 |
| Total liabilities | 61,419,240 |

| | |
|--|-------------------------|
| Partners' capital | 1,275,378,379 |
| Total liabilities and partners' capital | \$ 1,336,797,619 |

H.I.G. Brazil & Latin America Partners
Combined Schedule of Investments
September 30, 2021
(Unaudited)

| | <u>Cost</u> | <u>Fair Value</u> |
|--|--------------------|----------------------|
| <u>EQUITY INVESTMENTS</u> | | |
| <u>South America</u> | | |
| <u>Arts, Entertainment, and Recreation</u> - 2.76%* | | |
| Self It Academias Holding S.A. | \$ 29,067,083 | \$ 35,208,578 |
| <u>Construction</u> - 0.59%* | | |
| Jupi, Fernão Dias & Araribá | 3,177,378 | 7,534,498 |
| <u>Health Care and Social Assistance</u> - 48.21%* | | |
| AMO | 9,636,106 | 30,812,497 |
| Kora Saúde | 63,035,054 | 584,074,929 |
| | <u>72,671,160</u> | <u>614,887,426</u> |
| <u>Information</u> - 12.29%* | | |
| Desktop | 21,210,304 | 124,892,880 |
| Digital Ware | 28,542,817 | 31,894,580 |
| | <u>49,753,121</u> | <u>156,787,460</u> |
| <u>Manufacturing</u> - 25.59%* | | |
| Elekeiroz S.A. | 6,473,241 | 48,477,203 |
| FVO | 36,159,165 | 50,950,349 |
| Nadir Figueiredo | 57,506,052 | 169,353,736 |
| Tecfil | 30,808,577 | 57,626,037 |
| | <u>130,947,035</u> | <u>326,407,325</u> |
| <u>Professional, Scientific, and Technical Services</u> - 9.54%* | | |
| Eletrormidia S.A. | 50,146,449 | 121,718,391 |
| <u>Real Estate and Rental and Leasing</u> - 1.72%* | | |
| EBS Baltimore | 2,450,241 | 3,945,458 |
| Parque Ana Costa | 4,477,827 | 5,943,364 |
| Urbanity Corporate | 22,220,489 | 12,097,168 |
| | <u>29,148,557</u> | <u>21,985,990</u> |
| <u>Retail Trade</u> - 0.96%* | | |
| Mr. Cat | 23,277,368 | 12,238,100 |
| | <u>23,277,368</u> | <u>12,238,100</u> |
| TOTAL EQUITY INVESTMENTS - 101.68%* | <u>388,188,151</u> | <u>1,296,767,768</u> |

*Fair value as a percentage of partners' capital



H.I.G. Brazil & Latin America Partners
Combined Schedule of Investments (Continued)
September 30, 2021
(Unaudited)

| | <u>Cost</u> | <u>Fair Value</u> |
|--|------------------------------|--------------------------------|
| <u>DEBT INVESTMENTS</u> | | |
| <u>South America</u> | | |
| <u>Construction</u> - 0.08%* | | |
| Jupi, Fernão Dias & Araribá | \$ 1,400,659 | \$ 994,139 |
| <u>Health Care and Social Assistance</u> - 0.41%* | | |
| AMO | 6,374,714 | 5,194,366 |
| <u>Real Estate and Rental and Leasing</u> - 0.13%* | | |
| EBS Baltimore | 2,142,586 | 1,556,464 |
| Parque Ana Costa | 232,970 | 147,092 |
| | <u>2,375,556</u> | <u>1,703,556</u> |
| TOTAL DEBT INVESTMENTS - 0.62%* | <u>10,150,929</u> | <u>7,892,061</u> |
| TOTAL INVESTMENTS - 102.30%* | <u><u>\$ 398,339,080</u></u> | <u><u>\$ 1,304,659,829</u></u> |

*Fair value as a percentage of partners' capital



H.I.G. Brazil & Latin America Partners
Combined Statement of Operations
Nine Months Ended September 30, 2021
(Unaudited)

INVESTMENT INCOME

| | |
|--------------------------------|------------------|
| Dividend income | \$ 1,194,312 |
| Interest income | 167,698 |
| Total investment income | 1,362,010 |

EXPENSES

| | |
|--------------------------------------|-------------------|
| Management fees | 12,255,009 |
| Professional fees and other expenses | 1,693,968 |
| Interest expense | 593,805 |
| Total expenses | 14,542,782 |

Net investment loss (13,180,772)

Net realized gain on investments 49,773,698

Net change in unrealized value of investments 580,192,832

NET INCREASE IN PARTNERS' CAPITAL FROM OPERATIONS **\$ 616,785,758**



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

| | General Partner | Management Company | Limited Partners | Total |
|---|------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Investor Commitment: | \$ 1,140,000 | \$ 60,000 | \$ 719,720,000 | \$ 720,920,000 |
| Partners' capital, January 1, 2021 | \$ 86,362,367 | \$ 4,551,569 | \$ 549,580,007 | \$ 640,493,943 |
| Capital contributions | 219,802 | 11,569 | 138,681,643 | 138,913,014 |
| Capital distributions | (18,407,367) | (4,561,116) | (97,845,853) | (120,814,336) |
| Dividend income | 1,888 | 100 | 1,192,324 | 1,194,312 |
| Interest income | 50,148 | 47,216 | 70,334 | 167,698 |
| Management fees | - | (1,022) | (12,253,987) | (12,255,009) |
| Professional fees and other expenses | (2,679) | (141) | (1,691,148) | (1,693,968) |
| Interest expense | (939) | (49) | (592,817) | (593,805) |
| Net realized gain on investments | 78,708 | 4,143 | 49,690,847 | 49,773,698 |
| Net change in unrealized value of investments | 917,466 | 48,288 | 579,227,078 | 580,192,832 |
| Carried interest reallocation | 157,663,713 | (13,143) | (157,650,570) | - |
| Partners' capital, September 30, 2021 | <u><u>\$ 226,883,107</u></u> | <u><u>\$ 87,414</u></u> | <u><u>\$ 1,048,407,858</u></u> | <u><u>\$ 1,275,378,379</u></u> |



H.I.G. Brazil & Latin America 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 | \$ 616,785,758 |
| Adjustments to reconcile net increase in partners' capital from operations to net cash provided by operating activities: | |
| Net realized gain on investments | (49,773,698) |
| Net change in unrealized value of investments | (580,192,832) |
| Purchase of investments | (48,950,951) |
| Proceeds from investments | 103,984,013 |
| Changes in assets and liabilities: | |
| Receivable from sale of investments | (556,120) |
| Due from related parties | 9,010,937 |
| Interest receivable | (23,431) |
| Other assets | (28,597,383) |
| Due to related parties | (114,170) |
| Net cash provided by operating activities | <u>21,572,123</u> |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|---|---------------------|
| Credit facility | (36,900,000) |
| Capital contributions | 138,913,014 |
| Capital distributions, net of change in distributions payable | (120,814,336) |
| Net cash used in financing activities | <u>(18,801,322)</u> |

NET INCREASE IN CASH AND CASH EQUIVALENTS 2,770,801

CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD 501,189

CASH AND CASH EQUIVALENTS, END OF PERIOD \$ 3,271,990

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

| | |
|--|------------|
| Cash paid during the period for interest | \$ 593,805 |
|--|------------|



H.I.G. Brazil & Latin America Partners

Investor Report

September 30, 2021

(Unaudited)

Investor Commitment: \$720,920,000

| Company | Acquisition Date | Invested Amount (1) | Cash Realized (2) | Unrealized Value (2) | Total Value | Multiple on Invested Capital (2) | IRR (2) |
|---|------------------|-----------------------|-----------------------|-------------------------|-------------------------|----------------------------------|------------|
| Self It Academias Holding S.A. | July 2015 | \$ 27,853,884 | \$ - | \$ 35,208,578 | \$ 35,208,578 | 1.3x | 7% |
| Mr. Cat | December 2015 | 23,277,368 | - | 12,238,100 | 12,238,100 | 0.5x | -12% |
| Halex Istar Indústria Farmacêutica S.A. | March 2016 | 24,784,552 | 47,931,166 | - | 47,931,166 | 1.9x | 14% |
| Bigsal Nutrição Animal | December 2016 | 27,850,037 | 54,401,605 | 556,120 | 54,957,725 | 2.0x | 16% |
| Urbanity Corporate | September 2017 | 22,220,489 | - | 12,097,168 | 12,097,168 | 0.5x | -17% |
| Parque Ana Costa | April 2018 | 10,522,893 | 3,784,932 | 6,094,441 | 9,879,373 | 0.9x | -2% |
| Elekeiroz S.A. | June 2018 | 6,473,241 | - | 48,477,203 | 48,477,203 | 7.5x | 86% |
| Kora Saúde | June 2018 | 63,035,054 | - | 584,074,929 | 584,074,929 | 9.3x | 113% |
| AMO | September 2018 | 16,010,820 | - | 36,006,863 | 36,006,863 | 2.2x | 38% |
| Tecfil | October 2018 | 30,808,577 | - | 57,626,037 | 57,626,037 | 1.9x | 24% |
| Jupi, Fernão Dias & Araribá | November 2018 | 9,170,650 | 3,541,472 | 8,533,782 | 12,075,254 | 1.3x | 11% |
| Digital Ware | January 2019 | 28,542,817 | - | 31,894,580 | 31,894,580 | 1.1x | 5% |
| EBS Baltimore | April 2019 | 4,592,827 | - | 5,606,743 | 5,606,743 | 1.2x | 11% |
| Nadir Figueiredo | August 2019 | 57,506,052 | 1,186,718 | 169,353,736 | 170,540,454 | 3.0x | 69% |
| Desktop | January 2020 | 21,210,304 | - | 124,892,880 | 124,892,880 | 5.9x | 190% |
| Eletromidia S.A. | April 2020 | 50,146,449 | - | 121,718,391 | 121,718,391 | 2.4x | 86% |
| FVO | February 2021 | 36,159,165 | - | 50,950,349 | 50,950,349 | 1.4x | 80% |
| Total Investments | | <u>\$ 460,165,179</u> | <u>\$ 110,845,893</u> | <u>\$ 1,305,329,900</u> | <u>\$ 1,416,175,793</u> | <u>3.1x</u> | <u>42%</u> |
| Cash and Other Net Assets (3), (4) | | | | | (30,363,875) | | |
| Account Total | | | | | <u>\$ 1,385,811,918</u> | | |
| Unfunded Commitment (5) | | | | | \$ 150,198,054 | | |

(1) Financed by capital calls from investors and / or borrowings from the Fund's credit facility.

(2) Gross of fees, expenses, and carried interest and includes gain / loss on foreign exchange derivatives, if applicable. The internal rate of return (the "IRR"), since inception, is calculated based on the Fund's monthly cash outflows and cash inflows related to investments (beginning of the month convention is used) and the value of investment assets and any related liabilities at the end of the period. The IRR is calculated for the Fund as a whole and is not specific to Limited Partners. The IRR is presented as "NM" (not meaningful) if it is equal to or exceeds 1,000/ (1,000)%, or if it cannot be calculated.

(3) Net of fees, expenses, and carried interest. (4) Excludes undistributed cash, if any, shown in the cash realized column above.

(5) Amount may not include certain distributions of capital that are recallable in accordance with the Fund's Limited Partnership Agreement.

NOTE: Unrealized valuations are based on General Partner's reasonable estimates. Actual results may vary substantially from estimates shown above.



H.I.G. Brazil & Latin America Partners
Net LP IRR
September 30, 2021
(Unaudited)

| | | |
|------------------------------------|----|---------------|
| LP Net Contributions/Distributions | \$ | (471,926,104) |
| LP Net Assets | | 1,048,407,858 |
| Net LP IRR⁽¹⁾ | | 30.0% |

(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.