# HD PRIVATE EQUITY
## TACTICAL OPPORTUNITIES FUND

Potential Investor Presentation
March 2025

# About the Fund

**HD PRIVATE EQUITY**
**TACTICAL OPPORTUNITIES FUND**

- Our Tactical Opportunities Fund is a buyout fund focused on acquiring, enhancing and growing portfolio companies in the financial technology, regional banking and financial services sectors
- Deregulatory political momentum in the US, disruptive new financial technologies, growing demand for tech-enabled financial services and a fragmented competitive landscape open a wide range of opportunities for growth and value creation at potential portfolio companies
- Currently in the capital-raising period. Open only to high-net-worth individuals and institutional investors with a medium-to-long term investment timeline given the fund's structure and timetable

**Focus Sectors[1]**

- Fintech
- Regional Banking
- Financial Services

| | | |
|---|---|---|
| **$30mm** | **25%** | **$50,000** |
| Target Fund Size[2] | Annual Return Target[3] | Investment Minimum |

**Projected Fund Timetable**

| Fund Formation | Investment Period | Management and Growth of Portfolio Companies | Exit & Liquidation |
|---|---|---|---|
| **2025** | **2025-2026** | **2026-2030** | **2030** |



Note: 1. Represent intended sectors and/or industries of operation of potential portfolio companies of the fund as of March 2025 and are subject to change. 2. Intended fund size as of March 2025. Subject to change upwards or downwards depending on the outcome of the currently ongoing capital-raising process. 3. Intended internal rate of return for limited partners at the time of liquidation of the fund. Actual results may vary widely upwards or downwards depending on actual investment returns.

HANDAL DUNAWAY

# Fund Investment Strategy

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### Seek Quality & Value

- Focus on finding high-quality assets at a fair price, not just low-priced assets
- Target is finding 2-3 platform companies and growing them organically and through small M&A

### Mature Assets

- Focus on assets with an established client base and strategy alongside quality human talent
- Profitable companies that need capital to fuel growth best fit our criteria

### Rigorous Diligence

- Granular, bottom-up evaluation approach to potential assets
- Deep human capital evaluation of targets
- Constant input from highly experienced industry figures

### Tactical Diversification

- Strategic sector, geographic and asset type diversification
- Active cash and liquidity management and limited leverage
- Multiple avenues to get to target returns

### Solution Provider

- Aim to be more than capital by providing expertise and a vision to investments
- Sophisticated structuring
- Transaction Creativity

# Portfolio Allocation Targets

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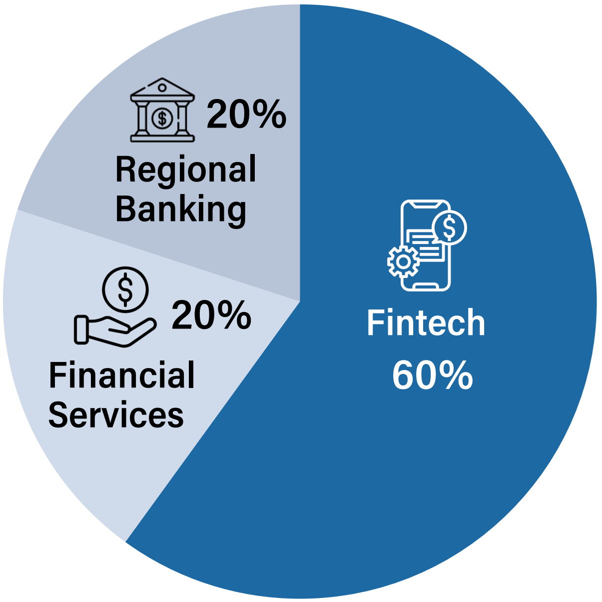
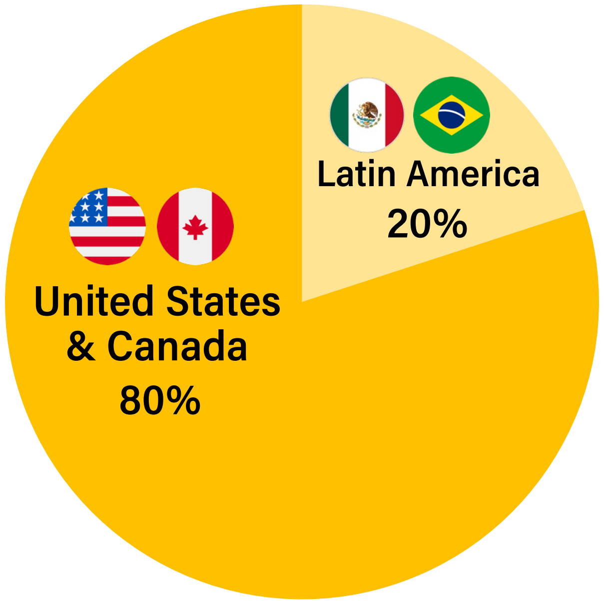
- The fund aims to strategically diversify across sectors through the acquisition of 2-3 distinct platform companies that can grow through bolt-on M&A and investments in organic growth initiatives
- Tactical geographic diversification within North America and our team's international experience opens up opportunities for value creation by targeting less competitive or saturated markets

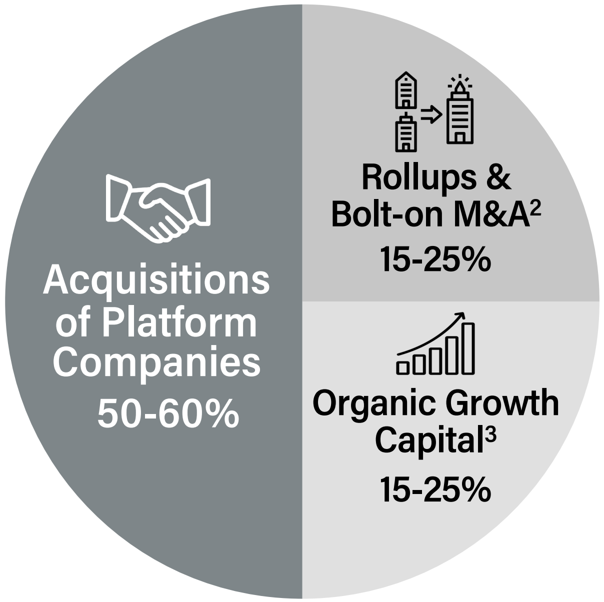
## Sector Concentration




## Geographic Distribution[1]




## Capital Allocation




Note: 1. Fund considers opportunities across the entire region, not limited to countries shown. 2. Potential acquisitions of smaller, complementary companies that can be consolidated with the fund's platform companies. 3. Working capital reserves allocated for potential investments in organic growth initiatives within platform companies

# Target Fund Structure[1]

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| | |
|---|---|
| **Target Fund Structure** | Regulation D, Rule 506(c) exempt limited partnership shares. Handal Dunaway LLC will act as General Partner (GP) and will be responsible for managing the fund, selecting investments and overseeing portfolio companies. Investors will be the owners of the fund and receive restricted shares per the requirements of Regulation D, Rule 506(c), becoming limited partners (LPs) with limited liability. LPs will contribute capital to the fund and receive quarterly updates on the activities and performance of the fund. Once capital is committed, even if not yet fully deployed, investors will be able to redeem their capital and any potential earnings only at liquidation of fund or through dividends or distributions during the life at the fund at the sole discretion of the General Partner. |
| **Permitted Investors** | Only available to accredited, high-net-worth individuals and institutional investors and/or qualified purchasers[2] with a medium-to-long term investment timeline given fund structure and timetable |
| **Investment Minimums** | LP shares will be $10,000 per share. Minimum investment of $50,000 (5 LP shares) |
| **Fee Structure** | 1) Annual Management Fee: 2% of committed capital, paid quarterly + reimbursement of direct fund expenditures[3], subject to a maximum of 1% of fund's committed capital per year<br>2) Performance Fee: 20% of total fund capital gains, dividends and profits distributed |
| **Tax** | Fund structure is intended to minimize tax liability through focus on generating long-term capital gains, but individual tax liability should be consulted with tax professionals. |



Note: 1. This presentation is for discussion purposes only and does not constitute an offering of securities or finalized terms of the fund. The finalized structure, terms and conditions will be detailed in a formal partnership agreement before any investment commitment. 2. Accredited investors, qualified investors and qualified purchases as defined by the Securities and Exchange Commission. 3. Direct fund expenditures includes legal, accounting and compliance costs, among other administrative costs directly related to the administration of the fund, not the operation of portfolio companies themselves.

# Firm Leadership

## Esteban Handal

CEO & Managing Partner

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- Served as a Mergers & Acquisitions Investment Banker at Nomura's Technology, Fintech and Business Services Group in New York City and at Centerview Partners, the leading independent investment bank on Wall Street
- Formerly founded and served as CEO of Washington Academy, which he grew to become the largest operator of vocational schools in Mexico and Central America
- Received a Master of Business Administration (MBA) degree from the Yale University School of Management and a Bachelor's degree in Finance from Babson College

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BABSON COLLEGE

Yale SCHOOL OF MANAGEMENT

NOMURA

WASHINGTON ACADEMY

# Interested in Investing? Contact us today.

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