



# HANDAL DUNAWAY

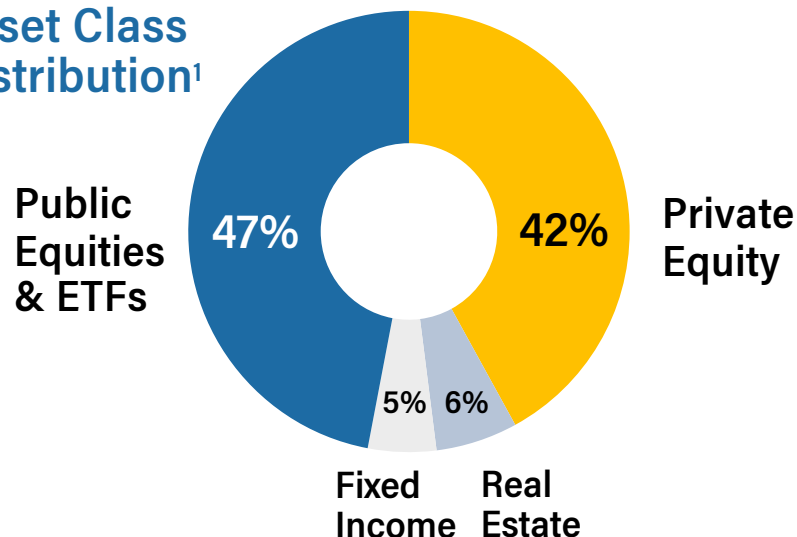
Private Equity & Wealth Management

Potential Investor Presentation  
2025

# About our Firm

- Handal Dunaway is a Private Equity and Wealth Management firm dedicated to building and managing proprietary investment funds and diversified, multi-asset portfolios for high-net-worth individuals and institutional investors
- Through extensive technical and fundamental analysis, our team manages proprietary investment funds and constructs investment portfolios that help meet clients' financial objectives and create long-term wealth for their stakeholders
- Our investment strategy deploys capital across sectors, asset classes and public and private markets globally to maximize returns while moderating portfolio exposure

Asset Class Distribution<sup>1</sup>



**+33%**

Investment team's 3-year average annual return<sup>2</sup>

**14+ Years**

Wall Street & Main Street Investment Experience

## Proprietary Investment Funds

 **HD PRIVATE EQUITY**  
AI TACTICAL OPPORTUNITIES FUND

 **HD PRIVATE CREDIT**  
HIGH YIELD FUND<sup>3</sup>

 **HD PRIVATE EQUITY**  
STRATEGIC SITUATIONS FUND<sup>4</sup>

# Clients are entrusting us with their capital all across the Americas



## Our Clients



- High-net-worth individuals
- Family offices
- Pension plans
- Non-profit organizations
- Corporations
- Local and National Governments

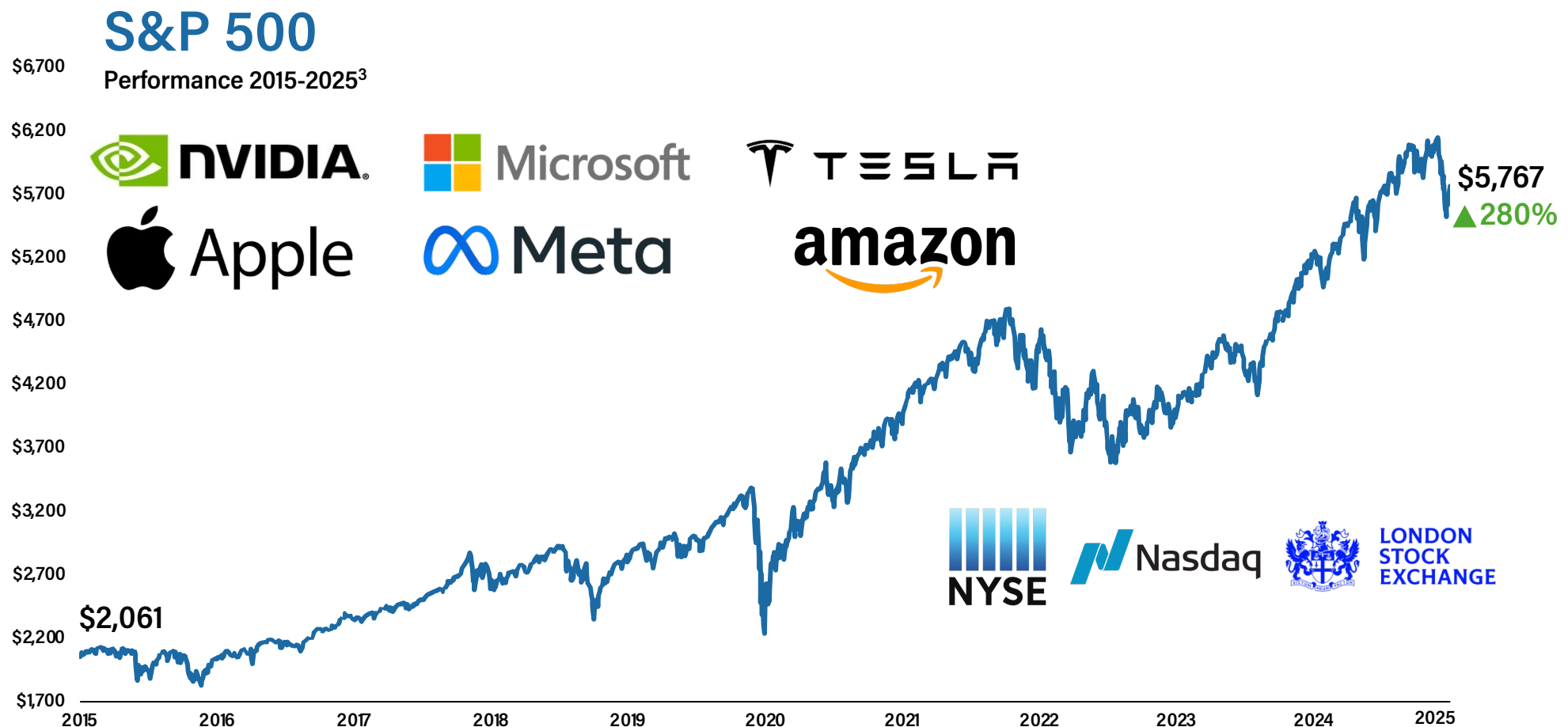
## How We Are Different

- Proprietary Private Equity and Private Credit funds
- Hands-on customer service: Advisors are always a phone call or WhatsApp away
- Evaluate potential investments through both Wall Street and Main Street analytical lenses
- Bespoke portfolio creation and personalized strategies

# Investment Strategy

# Public Equities and ETFs

- Through fundamental analysis we aim to identify high-quality businesses trading at favorable valuations with long-term growth prospects that can generate above-market returns for investors
- To complement individual stocks, we typically diversify customer portfolios with ETFs that provide exposure to a wider swath of the market as well as capture emerging trends in the world economy



Source: Federal Reserve Bank of St. Louis, as of March 25, 2025.

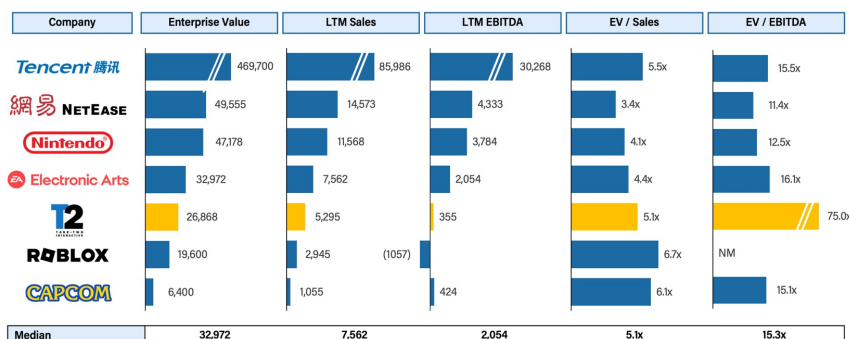
Note: 1. Companies shown are select constituent members of the S&P 500. 2. NYSE, Nasdaq and LSE are the 3 largest stock exchanges in the world by market capitalization. 3. March 25 2015-March 25, 2025 period.

# Proprietary Equity Research and Analysis

- To guide investment decisions, we conduct proprietary equity research into several industries and companies and through relative and intrinsic valuation methodologies we try to ascertain true value
- Our recently published research report about the videogame industry<sup>1</sup> illustrates the depth of our research capabilities, the different angles we look at when evaluating the value of a stock, the growth potential of industries and the outlook of companies we recommend

## Videogame Industry: Financial Overview

Asian companies dominate the list of top videogame companies by enterprise value, but firms such as Nintendo and NetEase trade at discount to the EV multiples of their US-based peers, despite owning titles with global appeal



## DCF Valuation

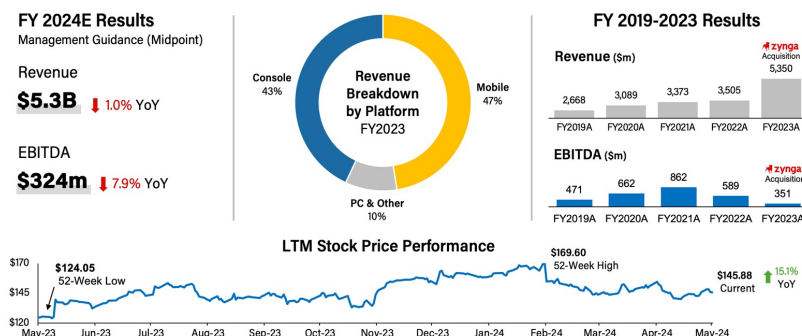
Take Two's expected cash flows are highly dependent on the success of GTA VI and the revenue surge it is projected to generate. GTA VI's high expected sales may be masking weaknesses in other areas of the firm

	FY2024E	FY2025P	FY2026P	FY2027P	FY2028P	FY2029P
Total Revenue	5,295	6,976	8,160	8,515	8,700	8,889
Cost of Revenue	2,797	2,861	3,182	3,832	3,828	3,822
Operating Expenses	3,550	3,728	3,914	4,084	4,173	4,264
EBIT	(1,052)	398	1,064	599	699	803
DA	1,241	1,298	1,359	1,321	1,268	1,222
% of Revenue	23.4%	18.6%	16.7%	15.5%	14.6%	13.7%
EBITDA	355	1,685	2,424	1,921	1,967	2,025
Tax rate	21%	21%	21%	21%	21%	21%
WACC	8.3%	8.3%	7.8%	7.3%	7.3%	7.3%
Sum of present values of projections	6,357					
Terminal value - Perpetuity Growth (Base Case)	20,849					
Long term growth rate (Base Case)	2.0%					
2029 FCF x (1+g)	1,589					
Terminal value in 2029	29,708					
PV of TV	20,849					
Enterprise value (Base Case)	27,206					

Key Assumptions and Commentary
<ul style="list-style-type: none"> <li>Revenue figures for FY25 and FY26 are the current Wall Street analyst consensus, with high revenue growth estimates being driven by launch of GTA VI, expected to be a massive hit</li> <li>Projecting sales to grow close or at worldwide industry rate from FY27-29</li> <li>The expected success of GTA VI is likely masking weakness in other areas of the business such as mobile games</li> <li>COGS and Operating expenses as a % of revenue have increased substantially since the Zynga acquisition, reflecting the lower profitability of mobile videogames</li> <li>Assuming slightly decreasing WACC over the next 5 years given likelihood of interest rate decreases</li> <li>Assuming 2% base case terminal value perpetuity growth rate (range of 1.5-2.5%)</li> <li>Alternatively, assuming 15.0x base case exit EBITDA multiple (range of 14x-16x)</li> </ul>

## Take-Two Interactive: Financial Overview

Take-Two's revenue is expected to have decreased slightly over the last fiscal year while EBITDA has dipped significantly from pandemic-era highs, driven by the lower margins of their mobile game division



## Illustrative Summary of Valuation Analysis

DCF analysis suggests that Take-Two is currently valued at or below its "fair" value, while shrinking implied premiums between precedent transaction multiples and current public trading comps indicates that a theoretical acquisition of Take-Two would probably require reaching historically-high EV multiples

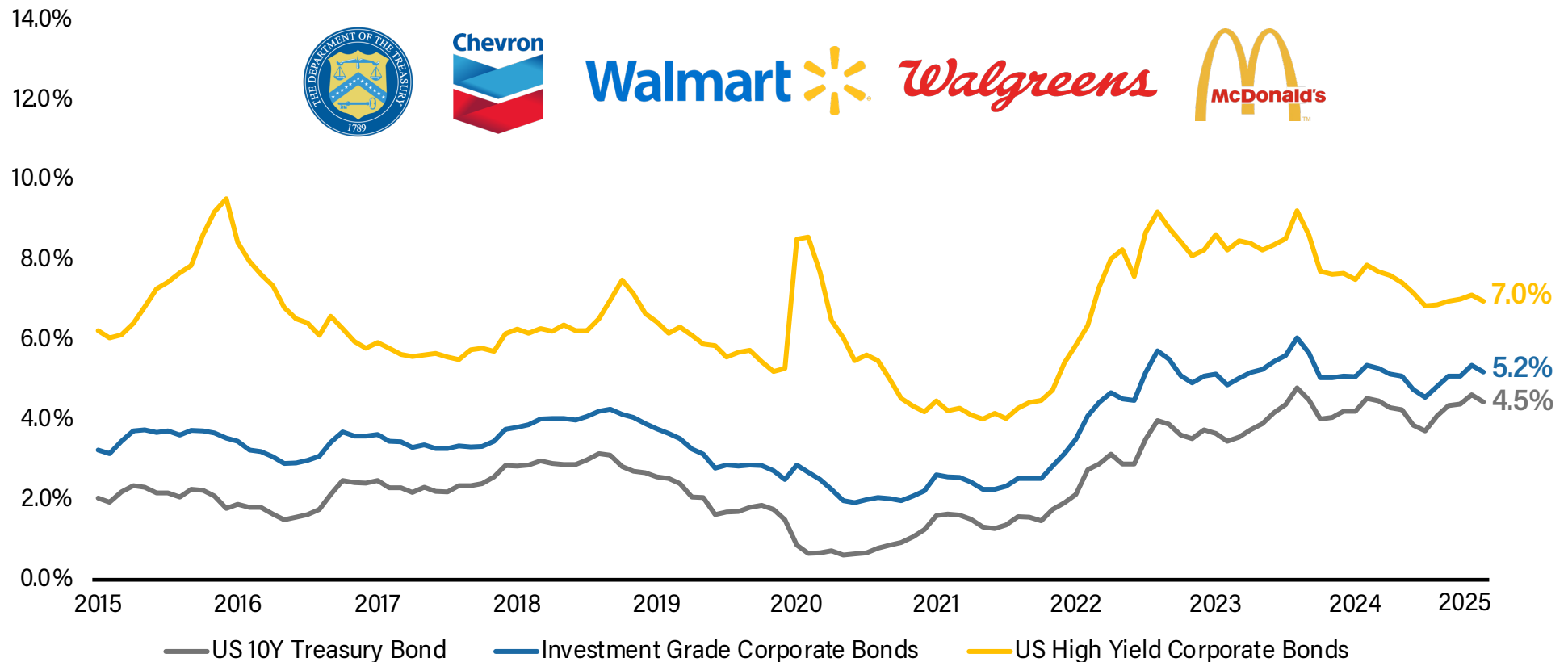
Methodology	Illustrative Price per Share	Commentary
Precedent Transactions	Current Share Price: \$145.88 \$170 - \$187	<ul style="list-style-type: none"> <li>17%-28% implied M&amp;A control premium</li> <li>Expected premium is likely to be much higher</li> <li>Enterprise value range of \$23.3B-\$31.9B</li> </ul>
Public Company Trading	\$142 - \$158	<ul style="list-style-type: none"> <li>EV / Sales multiple range: 4.7x-5.2x; 4.9x median</li> <li>Enterprise value range of \$24.7B-\$27.3B</li> </ul>
52-week trading high-low	\$124 - \$170	<ul style="list-style-type: none"> <li>TTWO stock is up 15% YoY, down 9% YTD</li> <li>Enterprise value range of \$21.8B-\$29.1B</li> </ul>
Sum of the Parts - Console + PC	\$75 - \$83	<ul style="list-style-type: none"> <li>Assuming 4.7x-5.2x EV / Sales multiple range based on trading comps; EV of \$13B-\$14.4B</li> </ul>
Sum of the Parts - Mobile Business	\$67 - \$75	<ul style="list-style-type: none"> <li>Assuming 4.7x-5.2x EV / Sales multiple range</li> <li>Enterprise value range of \$11.7B-\$13.0B</li> </ul>
DCF - Perpetuity Growth	\$146 - \$172	<ul style="list-style-type: none"> <li>1.5%-2.5% LT growth; EV Range: \$25.3B-\$29.5B</li> <li>Implied Discount of 0-15% below "fair" value</li> </ul>
DCF - Exit EBITDA Multiple	\$52 - \$169	<ul style="list-style-type: none"> <li>14x-16x Exit EBITDA multiple range</li> <li>Implied discount of 4-14% below "fair" value</li> <li>Enterprise value range of \$26.2B-\$29.1B</li> </ul>

# Fixed Income and Bonds

- Corporate and Government debt securities provide investors fixed-interest income at pre-defined intervals, making them an attractive investment asset given their predictable cash flows
- Debt securities included in clients' portfolios are chosen to provide a balance between exposure and yield, with inflation-protected and high-yield bonds the most common assets we target

## United States Bond Market

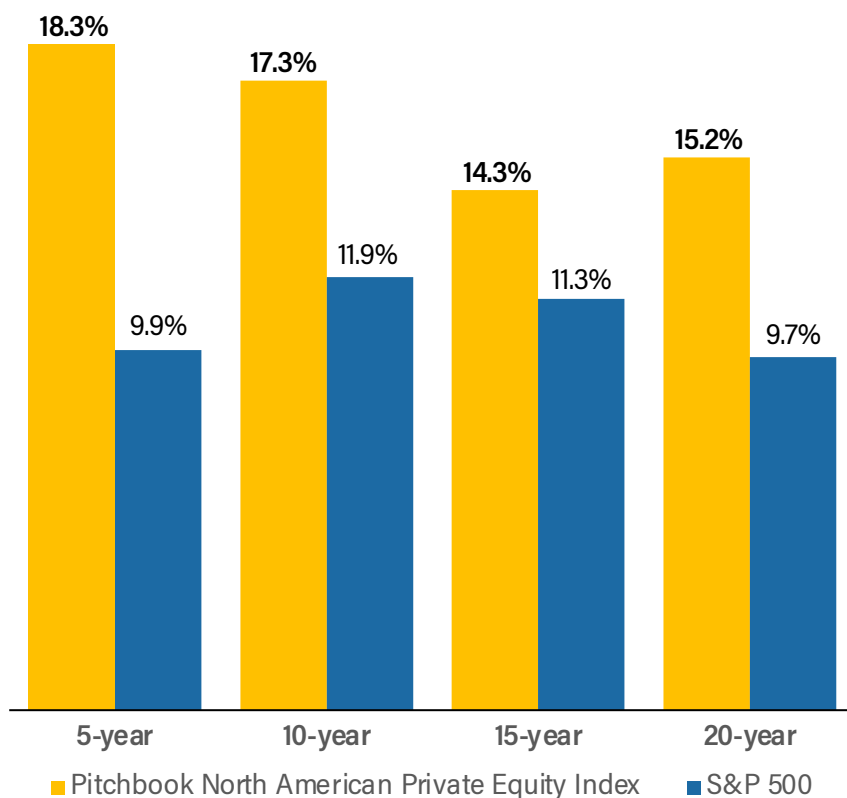
Bond Yields 2015-2025<sup>1</sup>



# Private Equity and Private Credit

- Private Equity fund returns have significantly outpaced the S&P 500 index over the last 20 years
- Publicly-traded PE firms provide our clients exposure to private equity and credit markets that are ideally uncorrelated with public markets, further diversifying their portfolios while retaining liquidity
- Our proprietary investment funds give clients the opportunity to invest directly in the private equity and private credit asset classes through an investor-friendly structure, maximizing returns visibility

## Private Equity vs S&P 500 Performance



## Public PE Firms



## Proprietary Investment Funds

Current and Upcoming

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

Artificial Intelligence & Fintech-focused  
Private Equity Buyout Fund

 **HD PRIVATE CREDIT**<sup>1</sup>  
**HIGH YIELD FUND**

Institutional-Quality Private Credit Fund for  
Income-focused Investors

 **HD PRIVATE EQUITY**<sup>2</sup>  
**STRATEGIC SITUATIONS FUND**

Capital Solutions and Distressed Debt-  
focused Private Equity Fund





# HD PRIVATE EQUITY

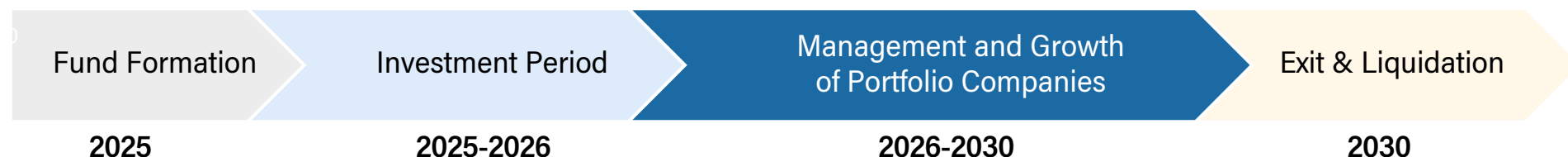
AI TACTICAL OPPORTUNITIES FUND

# About the Fund

- Our AI Tactical Opportunities Fund is a buyout fund focused on acquiring portfolio companies in the financial technology and financial services sectors and enhance and scale them by infusing cutting-edge artificial intelligence technology into their operations, products and services
- Deregulatory political momentum in the US, disruptive new AI capabilities, 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



## Projected Fund Timetable



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.

# Fund Investment Strategy



## 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



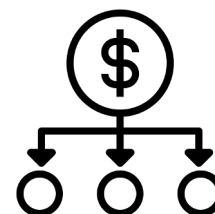
## Mature Assets with Growth Potential

- Focus on assets with an established client base and strategy alongside quality human talent
- Profitable companies that could grow faster with AI technology



## Rigorous Diligence

- Granular, bottom-up evaluation approach to potential assets
- Extensive human capital evaluation of targets
- Deep assessment of tech stacks and capabilities



## Tactical Diversification

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



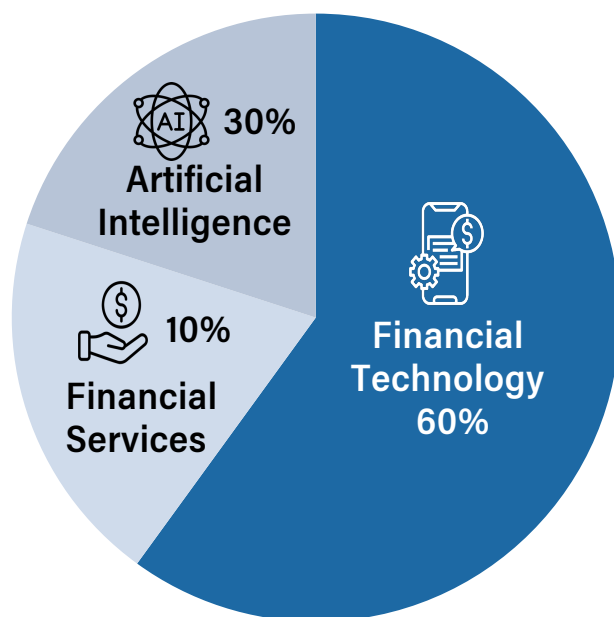
## Solution Provider

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

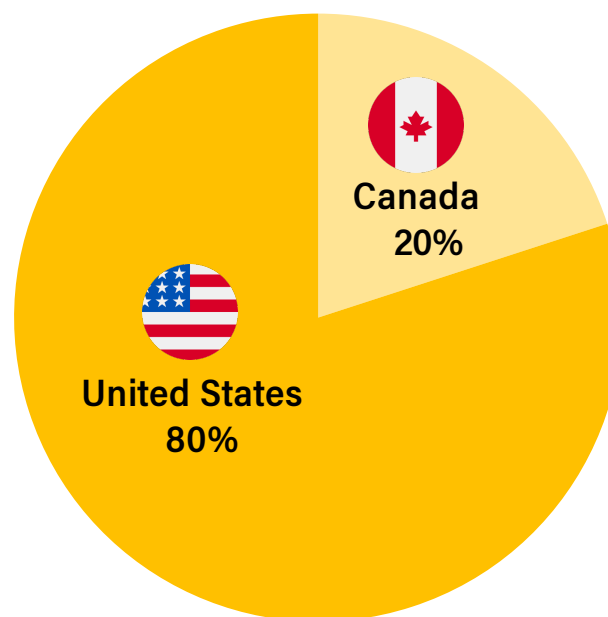
# Portfolio Allocation Targets

- The fund aims to strategically invest across sectors through the acquisition of 2-3 distinct platform companies that can grow through investments in technology, partnerships and other organic growth initiatives as well as through bolt-on M&A
- A key strategy will be to acquire platform companies with a first-class tech stack and strong engineering teams and pair them a highly experienced management team and a clear go-to-market strategy to maximize the potential of the technology and focus it on the right markets
- 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

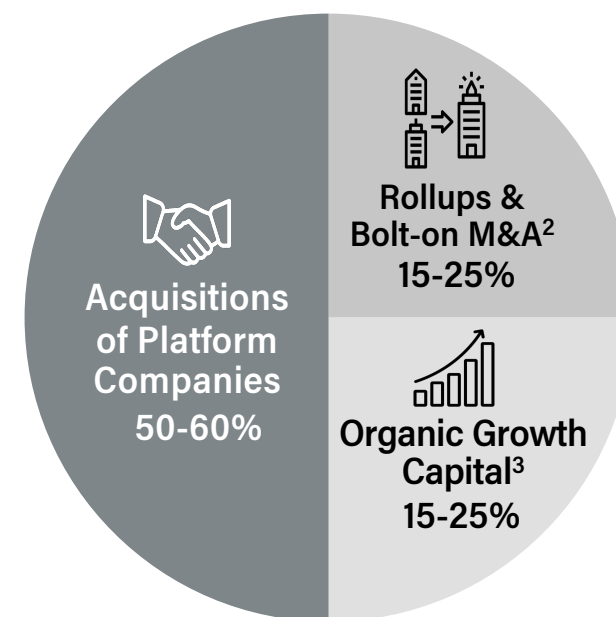
## Sector Concentration



## Geographic Distribution<sup>1</sup>



## 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<sup>1</sup>

<b>Target Fund Structure</b>	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 of the fund at the sole discretion of the General Partner.
<b>Permitted Investors</b>	Only available to accredited, high-net-worth individuals and institutional investors and/or qualified purchasers <sup>2</sup> with a medium-to-long term investment timeline given fund structure and timetable
<b>Investment Minimums</b>	LP shares will be \$10,000 per share. Minimum investment of \$30,000 (3 LP shares)
<b>Fee Structure</b>	1) Annual Management Fee: 2% of committed capital, paid quarterly + reimbursement of direct fund expenditures <sup>3</sup> , subject to a maximum of 1% of fund's committed capital per year 2) Performance Fee: 20% of total fund capital gains, dividends and profits distributed
<b>Tax</b>	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.


# 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
- Since 2017 he has served as Chief Investment Officer of the H&H Family Office, where he has focused on US and Global public equities
- Previously 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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