

**THRESHOLD  
CAPITAL**

**SECONDARY MARKET ANATOMY OF THE TRADE**

<b>1 - Relation</b>	Threshold Capital acts as intermediary between buyer and seller to agree on the details of the transaction
<b>2 - Negotiation</b>	Seller indicates motivation to sell limited partnership (LP) interests
<b>3- Selling Organisation</b>	Threshold Capital supports seller in preparing necessary documentation of fund interests (capital account statements, LP agreements, etc.)
<b>4- Sourcing of Buyers</b>	Threshold Capital sources multiple buyers through its network that are suitable for the underlying fund's general partners (GP)s to perform preliminary due diligence and provide non-binding letter of intent (LOI)
<b>5- Selection of the Buyer</b>	Seller selects one or two buyers with most attractive LOI and provides access to underlying funds' GPs for in-depth due diligence and binding LOI
<b>6- GPs Approval</b>	Seller seeks GPs' consent for transfer to buyer
<b>7- Sale and Purchase Agreement (SPA):</b>	Generally a legal document, the Sale and Purchase Agreement (SPA), is executed between the buyer and the seller, stating the details of the transaction, payment terms, rights and duties of each buyer and seller. This is the document that regulates the terms and conditions of the transaction. Threshold Capital/intermediary is not involved in this portion of the process,
<b>8- Payment</b>	Payment of purchase price from buyer to seller upon confirmation of transfer of LP interests
<b>9- Invoicing:</b>	Threshold Capital invoices its brokerage fee to the buyer either upon confirmation of signature of the SPA or upon settlement of the transaction.