



MEMORANDUM

To: NAIC Members

From: Robert L. Greene, President & CEO

Date: July 21, 2020

Subject: NAIC Institutional Virtual Tulsa Roadshow

On July 15th, NAIC held its first NAIC Institutional Virtual Roadshow of the year, with three institutional investors based in Tulsa, OK. The host for the event was friend to NAIC, Jay Calhoun, Managing Partner of Apis Holdings, a strategic advisory and private investment firm. Calhoun invited the investment teams and leadership of three local institutional investors, which included the George Kaiser Family Foundation, the Charles and Lynn Schusterman Family Foundation, and AMTRA Capital Partners, to participate in the session.

The roadshow participants and relevant contacts, with email addresses, are included below:

Institutional Investors

Apis Holdings (host)

Jay Calhoun, Founder & Managing Partner – jay@apisholdings.com

AMTRA Capital Partners

Rob Coretz – President – rob@amtra.aero

Tyler Coretz, Vice President and General Manager – tyler@amtra.aero

George Kaiser Family Foundation

Reid Spears, Investment Officer – reid@gkff.org

Robert Thomas, CIO – robert@gkff.org

Charles and Lynn Schusterman Family Foundation

Jeremy Rabinowitz, Director, Schusterman Family Office – jrabinowitz@samsonco.com

NAIC Leadership & Staff

Joseph Haslip, Chairman, Valor Equity Partners – JHaslip@naicpe.com

Robert L. Greene, President & CEO – rgreene@naicpe.com

Carmen Ortiz-McGhee, Executive Vice President – com@naicpe.com

Tina McIntyre, Chief Financial Officer – tmcintyre@naicpe.com

Alan Hughes, Chief Content Officer – ahughes@naicpe.com

David Smith, Programs & Initiatives Manager – dsmith@naicpe.com

Olivia Al, Intern – olivia@naicpe.com

Nia White, Senior Advisor – ngandy@naicpe.com

Twenty-two representatives from NAIC member firms were selected to join by the participating institutional investors based on each of their investment criteria: Nia White, Astra Capital Management;

Howard Sanders, Auldbrass Partners; Ivelisse Rodriguez Simon, Avante Capital; Jihan Bowes-Little, Bracket Capital; Patrick Gilligan, Clearlake Capital; Michele Colucci, DigitalDX Ventures; Philip Lo, GPI Capital; Kevin Deeth, Graham Allen; Kathlika Fontes, Grain Management; Lloyd Metz, ICV Partners; James Tieng, Lumos Capital Group; John Ricciardi, Madryn Asset Management; Adrian Mendoza, Mendoza Ventures; Melvin Lindsey, Nile Capital Group; Simeon Iheagwam, NOEMIS Ventures; Pharos Capital Group; Ravi Sarin, ROCA Partners; Maria Velissaris, SteelSky Ventures; Ray Whiteman, Stellex Capital Management; Al Foreman, Tuatara Capital; Juan Sabater, Valor Equity Partners; and Vanessa Gabela, WM Partners. They were joined by five representatives of NAIC: Chairman Joseph Haslip and Senior Director, Valor Equity Partners; Bob Greene, President & CEO; Carmen Ortiz-McGhee, Executive Vice President; David Smith, Program & Initiatives, Manager, and Olivia Al, intern.

Bob Greene began the session, pleased that NAIC's leadership and members, were able to participate from all parts of the world to Zoom in to meet three influential and active Tulsa-based investors. Greene welcomed everyone to the convening and reiterated the current theme for the NAIC institutional Investor Roadshows — “new places, new faces” — and mentioned that we were coming together through the hard work of Jay Calhoun. Greene shared when the two of them discussed bringing NAIC to Oklahoma, specifically Tulsa, that he had no idea two years later we'd all be gathered virtually, the new normal during the COVID-19 pandemic. On behalf of the NAIC board and all of its members, Greene thanked Calhoun and the representatives from each of the participating investors for taking the time to meet.

Jay Calhoun then provided remarks, which set the stage for the 90-minute discussion. Jay Calhoun shared that he founded and heads Apis Holdings, which he said focuses on Tulsa-based B2B services and software opportunities. He described how Apis works with the George Kaiser Family Foundation (GKFF) to make investments that can benefit Tulsa, in areas such as information security and data analytics. Calhoun, a Toigo alum, reflected on first meeting Bob Greene roughly 15 years ago. Calhoun continued sharing that he is a tribal citizen of the Cherokee Nation and ran the sovereign tribal government's finances prior to launching Apis. He touched on the conversation with Greene two years ago about holding a roadshow in Tulsa, which would be a monumental time as the city approaches the 100th year anniversary of the 1921 Tulsa Race Massacre. The attack, which is also called the Black Wall Street Massacre, took place on May 31 and June 1, 1921, when most of the residents of the booming business district of Greenwood in Tulsa were murdered, and businesses, in what was known as Black Wall Street, were burned to the ground.

In light of not being able to personally welcome NAIC and its members and tour the city, Calhoun sought to highlight Tulsa to provide further context for the meeting. He began with the city's history as a Creek Nation settlement. He described how most of the area's wealth was accumulated through investments in natural resources and gaming. In the early 20th century, Greenwood became a concentrated area of black enterprise and increasing prosperity. As Tulsa prepares to commemorate the Tulsa Race Massacre next year, its citizens are preparing for a number of major events and facilities. Sites have been selected for Greenwood Rising, and a number of major art installations are in the works.

Calhoun described that “today, despite its dark past, Tulsa celebrates differences and has a legacy of generosity and giving.” Tulsa has been named one of the cities with the most generous families of donors, in civic areas and placemaking. The Tulsa Community Foundation is the second largest after the San Francisco Foundation. He continued sharing there are also a lot of exciting things happening across the business community, such as Tulsa's selection as one of two finalists for the future Tesla site. In a

nutshell, Calhoun said “I and everyone here is bullish on Tulsa.” Calhoun then introduced the representatives from the three institutions.

George Kaiser Family Foundation

Representing the George Kaiser Family Foundation (GKFF) were, Robert Thomas, CIO, and Reid Spears, Investment Officer, who focuses on private and community investments. Today, GKFF manages \$4 billion in assets across a global portfolio, and the Kaiser family owns the Bank of Oklahoma and other businesses. Half of its commitments are to funds and external managers and the other half are direct investments and co-investments with managers. Thomas said GKFF is very focused on alternatives and they were excited to meet everyone and hear their stories.

Charles and Lynn Schusterman Family Foundation

Jeremy Rabinowitz leads private investments for the Charles and Lynn Schusterman Family Foundation, and he spoke about the organization. Schusterman is a \$2.5 billion foundation focused on education (K-12), Israel and Jewish causes across the world, and supporting community-focused initiatives in Tulsa. The Schusterman family office launched the foundation, at one time the family owned the largest oil and gas company in the U.S. before selling it to KKR for \$7.2 billion. The foundation invests across the board in alternatives, largely in funds and co-investments at all stages led by third-party managers.

AMTRA Capital Partners

Robert Coretz, President, and Tyler Coretz, who leads the family office’s investments in private markets represented AMTRA Capital Partners. Tyler Coretz said he looked forward to getting to know everyone and described the organization. AMTRA is a single family office for a family with several operating businesses in aviation. Following a liquidity event for one of the businesses, the family established two portfolios: the family foundation, focused on placemaking investments in Tulsa, which was attributed largely to GKFF’s leadership, and a family office. AMTRA has been building out a robust platform across alternatives and leans towards growth buyouts. The family office is highly adaptive with a broad, opportunistic mandate. Tyler Coretz said that they have done some co-investing, but “not a ton”, as they have been growing out the platform over the last year and a half.

NAIC Overview and Firm Introductions / Q&A

Bob Greene thanked each of the speakers and asked that we save the NAIC member intros and Q&A for later. Greene then provided an overview of NAIC and its membership. He began with NAIC’s formation in 1971 under President Richard M. Nixon’s Black Capitalism program, which sought to ease access to capital for diverse businesses. He touched on the irony of where this country finds itself today, 50 years later, where diverse managers have more assets under management, but the disparity in their access to capital has not changed.

He described NAIC today, with over 80 African-American and/or Latino-owned firm members, approximately 70% private equity, 20% hedge, and the balance focused on other strategies. Greene stated that NAIC members manage over \$165 billion of assets in the aggregate and that he “bristles at the notion of investing with NAIC members to achieve ESG or social impact goals, because NAIC firms outperform in every category where we have membership.” He shared the findings from the 2019 performance study by KPMG and Aon Hewitt, *Examining the Returns*, that diverse private equity funds represented by the NAIC Private Equity Index performed better than the Burgiss Median Quartile in 78.6% of the vintage years between 2000 and 2018 on an IRR basis.

Greene continued, “innovation from most systems comes from the edge, and NAIC firms are innovative and bring the entrepreneurial spirit, which generates outsized returns. He highlighted case studies from Stellex Capital Management, Sycamore Partners, Siris Capital, and Hollis Park Partners. When Greene described how since 2014, 17 diverse private equity firms have raised 28 oversubscribed funds, he said “this is why you have a roadshow, because some of the firms today will have the opportunity to do the same.” Greene highlighted the NAIC Home Run deal list and the *Managers in the Market* report, before sharing his hope that NAIC would be able to travel to Tulsa soon.

Greene then turned to each of the participating NAIC members to provide 90-second firm introductions. He then thanked them for the snapshots of their firms and invited everyone to ask questions. Howard Sanders, Auldbrass Partners, asked the first question: whether any of the institutions invest in secondaries and actively co-invest. Robert Thomas from GKFF said they have done both with a focus on smaller secondary funds and “love” for co-investment opportunities. Jeremy Rabinowitz said that Schusterman has done both. Tyler Coretz said the same for AMTRA, but that they have only done “a little in secondaries.”

Nia White, Astra Capital Management, asked the best way for NAIC members to engage with their institutions and about their average ticket sizes for fund commitments and co-investments/ direct investments. Robert Thomas (GKFF) said they begin with reviewing a deck and commit \$5-30 million per investment based on the facts, circumstances and sizes of each. Jeremy Rabinowitz responded that Schusterman tries to invest a minimum of \$5 million up to \$50-75 million via a streamlined process, which begins with a deck and a phone call. Tyler Coretz (AMTRA) said their process also begins with a deck and a call, adding they have a small and nimble team. In terms of check sizes, AMTRA commits \$1-5 million in each fund, but has gone up to \$40 million, while the team commits \$1-10 million in direct transactions.

Lloyd Metz, ICV Partners, asked what the top three things are that each institution looks for in a manager beyond IRR and MOIC and what they do not like to see. Robert Thomas (GKFF), responded “People. Performance. Process.” More specifically, GKFF closely considers loss ratios, the breadth and depth of the track record, relevant post-investment activity, and sizes that are appropriate for the opportunity. Thomas continued, “What we don’t like to see? One massive winner and a mediocre everything else.” Jeremy Rabinowitz (Schusterman), said they want to see a healthy DPI, balanced portfolio attribution, and longstanding relationships between the founders. Rabinowitz recognized “all teams have not had the luxury of working together for a long time, but we have had issues with culture with newly formed teams.” Robert Coretz said that the response for AMTRA is very similar to the prior comments — returns are important, and as operators, culture is important.” He said they also like working with entrepreneurs.

Michele Colucci, Digital DX Ventures, followed with a two-part question: firstly, whether there is a preference for investments that are reflective of each organization’s mission and businesses, and secondly, for descriptions of each institution’s alternatives diversification strategy. Robert Thomas from GKFF stated that they are very “returns-focused and don’t have an impact bucket.” He said that in terms of their alternatives investments, they skew towards private equity, growth and mid-stage growth, and special situations and do not invest in mega funds. Rabinowitz (Schusterman) said they have not made many commitments to managers of color and those that are outside of the “old boys’ network” and want to avail themselves to firms they normally wouldn’t come across to bring into their vehicles.

Schusterman focuses on credit, special situations, late stage growth, and early stage venture. Tyler Coretz from AMTRA said they are returns-focused, but in recent years “have been focusing on diversity and ESG metrics, based on compelling evidence that you can outperform by doing it.” AMTRA primarily focuses on later stage growth, some venture (not a lot), and special situations within alternatives.

Adrian Mendoza, Mendoza Ventures, asked whether each institution had a minimum fund size for venture. Thomas (GKFF) said they think about the business risk and what it takes to run the fund, then they try to get to \$5M minimum check. He added, “it can get very complex very quick with small fund sizes.” Rabinowitz (Schusterman) said they do not follow any strict rules. He said they have anchored funds as small as \$10 million, but their sweet spot for venture is in the \$75-100M fund size range. Rabinowitz said they are biased against venture funds above \$1 billion. Tyler Coretz (AMTRA) said they will look at anything but see most fund sizes in the \$100 million+ range. He continued they recently committed to a small hedge fund under \$20 million led by a group with whom they had previously worked.

Al Foreman, Tuatara Capital, asked the final question: given Oklahoma has a large, growing legal cannabis market, whether either of the institutions had made any investments in that industry. Thomas (GKFF) said they are open to investing in cannabis, but they have not yet made any commitments to the space. Rabinowitz replied that it is not a focus for Schusterman, because they think it is hard to know who is the best. Tyler Coretz (AMTRA) said they had not yet done anything and federal and state legislative changes make it difficult to understand, but that he “can’t say we wouldn’t do it.”

Bob Greene thanked Robert Thomas, Reid Spears, Jeremy Rabinowitz, Rob Coretz, and Tyler Coretz for being so forthcoming and generous with their time. He thanked Jay Calhoun for introducing NAIC and its members to two foundations and a family office in the Tulsa market. Bob Greene also thanked the NAIC team and consultants, Diana McCaskill from Fruition Multimedia and Chris Norwood from ELEMENTAL Digital & Marketing. He then introduced NAIC’s EVP Carmen Ortiz-McGhee who introduced herself and described her leadership on the execution of NAIC’s programming, and NAIC Chairman, Joseph Haslip, who also offered the final sentiment of gratitude and hopes that NAIC could serve as an ongoing resource to GKFF, Schusterman, and AMTRA. Jay Calhoun closed the meeting, sharing that as a next step, each of the institutions would debrief before requesting private virtual meetings with the NAIC member firm participants.