



MICHIGAN OPPORTUNITIES FUND

ABOUT GLENCOE CAPITAL - *An Entrepreneurial Approach to Equity Capital*

Founded in 1993, Glencoe Capital is a private equity firm focused on lead-sponsored acquisitions and growth equity investments in lower middle-market companies. We have a history of innovative and successful investing in the United States and Canada, with a special focus on Midwest- and Michigan-based companies. The firm also has a long-time relationship with the State of Michigan Retirement Systems, which has been a limited partner or co-investor in Glencoe Capital's private equity funds since 1993. Glencoe Capital has completed over 30 acquisitions representing over \$1 billion in transaction value, and currently manages two funds: the Glencoe Capital Michigan Opportunities Fund, L.P. and Glencoe Capital Partners III, L.P.

THE EXECUTIVE NETWORK - *Proprietary Operational Expertise*

Glencoe Capital's proprietary Executive Network is integral to the firm's investment strategy. A group of current and former Fortune 1000 senior executives and entrepreneurs, our Executive Network provides us with unmatched specialized operational and managerial expertise in a range of industries. The Executive Network actively assists our investment team in identifying and evaluating investments and advising portfolio companies.

MICHIGAN OPPORTUNITIES FUND - *Partnering for Growth by Investing in Michigan*

Glencoe Capital's Michigan Opportunities Fund, L.P. is a \$153 million private equity fund making lead-sponsored acquisitions and growth equity investments in lower middle-market companies. The Fund focuses on investing in companies that have a significant number of their employees in Michigan or that have the prospect of expanding into the State. We invest in industries where Glencoe Capital's investment team and our Executive Network members have experience and can assist our portfolio companies in creating value.

The Michigan Opportunities Fund invests across a broad and diversified range of industry sectors, targeting companies that meet the following criteria:

- A significant number of employees in Michigan, or
- An opportunity to expand operations or relocate to Michigan
- Target annual EBITDA between \$3 million and \$15 million
- Requires at least \$7 million of equity capital

PARTNERING WITH GLENCOE CAPITAL - *Support and Collaboration*

Glencoe Capital partners with proven management teams and provides the financial and operating resources management needs to take their companies to the next level. We are experts at driving transformational growth for our portfolio companies, which benefit from:

- Glencoe Capital's experienced private equity professionals and history of successful investing
 - Over 75 acquisitions across all Glencoe affiliates
 - Named *Crain's Detroit Business Deal Maker* of the Year (2009)
 - Top 5% of all US private equity funds in acquisitions closed during 2009 – 2010
 - 17-year history of delivering upper-quartile fund returns
- Core strategy of backing existing management teams and business owners
- Meaningful equity-based incentives for management teams and business owners
- Operating expertise of proprietary **Executive Network** to augment and advise management teams
- A focus on strategic and operational initiatives that drive revenue growth and increase profitability



REPRESENTATIVE INVESTMENTS - Michigan Opportunities Fund



Specialized K-12 education
americanedgroup.com



Custom grinding machines
and engineering services
campbellgrinder.com



Healthy flatbread manufacturer
flatoutbread.com



Outdoor apparel & equipment retailer
moosejaw.com



Customer contact solutions
novo1.com

REPRESENTATIVE INVESTMENTS - Glencoe Capital Partners Funds



Pre-school education & childcare
childcarenetwork.net



Specialty chemical manufacturing
dixiechemical.com



Security & technology solutions
sdichicago.com



Protective packaging products
polyair.com



Robotic integration
& automation equipment
rimrockcorp.com



Par-baked and
artisan bread
acebakery.com
(realized)



Messaging software,
equipment, and service
bowebellhowell.com
(realized)



Specialty insurance
underwriting
firstmercury.com
(realized)

RECENT CASE STUDY - Ace Bakery

ACE Bakery develops, bakes and markets a comprehensive offering of par-baked and fresh artisan bread under the ACE brand. During due diligence, we recognized an opportunity to take ACE's business to the next level by scaling its manufacturing footprint and enhancing its sales and marketing practices. Furthermore, Glencoe was enthusiastic to back a management team with experience in the artisan bread industry and acquire a strong brand in the double-digit growth artisan bread sector. Glencoe Capital purchased 100% of the common stock of ACE in February 2008.

During our ownership, Glencoe and management undertook multiple initiatives to grow revenue, improve operating margins, and increase EBITDA. Innovative product development and marketing strategies were implemented by Glencoe and management to grow a customer relationship with McDonald's to a collaborative \$6.8 million ciabatta bun program. Additionally, over 100 new product SKUs were introduced to expand ACE's existing customer base. ACE also launched three new product lines, gained multiple new customers, and entered the Canadian private-label market through a partnership with Costco. To accommodate ACE's expansion, Glencoe successfully completed the construction of a new 30,000-sq.-ft. facility that increased ACE's manufacturing capacity by 73%. Moreover, the project was completed under budget and was financed entirely with working capital and a revolving capital expenditure credit line.

In August 2010, Glencoe and management facilitated a process to monetize their equity interests in the business. On November 1, 2010, Weston Foods (Canada) Inc. acquired ACE for \$107.6 million. The transaction generated a 3.1x return on invested capital and a 53.8% gross IRR for Glencoe and members of the management team.

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