



*Diversity,
Equity &
Inclusion*

ANNUAL REPORT
SEPTEMBER 2023 UPDATE

Introduction

AUDAX PRIVATE DEBT OVERVIEW

Based in New York, Audax Private Debt is a leading debt capital provider for North American middle market companies. We work collaboratively to build tailored financing solutions for our clients through a comprehensive range of offerings that include first lien, stretch senior, unitranche, second lien, and subordinated debt, as well as equity co-investments. Audax Private Debt is an experienced and trusted partner with seasoned leadership averaging more than 26 years in private credit and 15 years working together at the firm through multiple economic cycles.

Audax Private Debt **\$29B** CAPITAL RAISED **1,130+** DEALS CLOSED

ESTABLISHED IN **2000** **400+** PORTFOLIO COMPANIES **275+** PRIVATE EQUITY SPONSORS FINANCED

As of September 30, 2023. \$29 billion of capital raised across Audax Private Debt includes \$13 billion of existing/anticipated leverage on certain Private Debt vehicles. See Important Notices for additional information.

AWARDS

Private Debt Investor
AWARDS 2022 #2 Junior Lender of the Year, Americas 2022

Private Equity International
AWARDS 2022 #3 Lender of the Year in North America 2022

THE M&A ATLAS AWARDS | U.S.A. Private Credit Lender of the Year 2022

THE M&A ATLAS AWARDS | AMERICA Lender of the Year, Lower Middle Market 2022

PitchBook #2 Most Active Lender in U.S. Private Equity 2022

None of the above awards should be considered an endorsement of Audax or its funds by the authors or distributors of the rankings or honors. The awards may not be representative of any one client's experience with Audax and is not indicative of Audax' future performance. See Important Notices for additional information about these awards.

Diversity, Equity & Inclusion

DEI MISSION

We are committed to fostering a culture that promotes authenticity and the freedom to be oneself, which leads to our success as a results-oriented organization.

Our unique differences make us stronger as a team and allow us to operate at the highest level of excellence. Cultivating a diverse and inclusive culture is an ongoing journey. Audax will continue to evolve, and simultaneously promote DEI within our organization, our portfolio companies, and our broader ecosystem.

At Audax Private Debt, DEI initiatives are managed by all teams of the organization with the guidance of the Private Debt Steering Committee. We have four designated focus groups, comprised of team members at all levels across various investment and operation teams. These focus groups meet at least quarterly to plan and implement programs and initiatives that are guided by our DEI Mission.

STEERING COMMITTEE & FOCUS GROUP TEAM LEADS



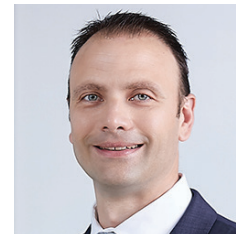
Michael McGonigle
Head of Senior Debt



Rahman Vahabzadeh
Co-Head of
Originated Debt



Steven Ruby
Co-Head of
Originated Debt



Dinko Angelov
Managing Director



Shehzad Ajmal
Managing Director



Colleen Longobardi
Managing Director



Sean O'Keefe
Managing Director



Margarita Pineda-Ucero
Managing Director,
Portfolio Management,
Senior Debt

DEI FOCUS

ORGANIZATIONAL
CULTURE & CLIMATE

RETENTION & PROFESSIONAL
DEVELOPMENT

BELONGING &
EMPLOYEE ENGAGEMENT

RECRUITMENT TO
ENSURE DIVERSE TALENT

Goals

Eliminate any unconscious personal and systematic biases through awareness and training

Foster professional growth and engagement, job satisfaction, and long-term commitment within the organization

Enable safe and constructive feedback mechanism with employees that identifies challenges and successes as part of a culture that values inclusion

Drive diversity of hiring across the firm by broadening outreach to underrepresented populations to find talented contributors; use equitable processes to mentor and develop at all levels

Strategies

- Foster a welcoming and supportive culture where everyone brings their authentic self to work
- Clearly defined roles and accountability on implementation of DEI initiatives
- Internal governance

- Robust training and mentorship programs that include DEI policies, processes, and educational opportunities
- Defined career paths that include both personal and professional goals
- Inclusive benefits programs with equity in design and offerings

- Rewarding career and experience that encourages connectivity
- Ongoing access to education, training, and development programs
- Community engagement and opportunities for service

- Expanded access to diverse talent pools with consistent and equitable selection process
- Inclusive hiring process

Actions

- Partnered with DEI consultant inQUEST to perform a climate assessment across the organization, which was used to build our Audax DEI Strategic Roadmap
- Provided firmwide unconscious bias training conducted by a third party
- Instituted Juneteenth as a firmwide holiday for a day of reflection
- Recognized Heritage and History Months with firmwide presentations, shared resources, and engagements
- Launched DEI resource centers

- Launched the Audax Private Debt Women's Network to attract, develop, and retain top female talent
- Developed our Audax New York Mentor Program to be instituted across all teams and levels
- Expanded our suite of benefits to support a diverse set of needs. Examples include: longer parental leave, backup child care and adult care services, mental health benefits, pet insurance, fitness membership assistance, and commuter benefits
- Conducted our annual incoming analyst training program

- Established the Private Debt DEI Steering Committee guided by senior leadership, and managed by employees across departments, to guide the execution of our DEI Strategic Roadmap
- Hosted our Annual Service Day, partnering with local charities to service the community
- Launched the Audax Charitable Foundation with employee matching program; in the process of launching our Audax Private Debt Charitable Grant program
- Conducted firmwide town hall meetings to provide open discussion forums
- Initiated our Community Speaker Series hosted by thought leaders and experts

- Became a founding signatory of the ILPA Diversity In Action Initiative
- Hosted our annual Women in Private Debt Forum for college undergraduates; November 2022 forum saw a ~20% increase in participation from inaugural forum in 2021
- Built relationships with partner organizations looking to advance diversity and inclusion in the workplace, including Opportunity Network, Pride in our Workplace, Project Basta, and Sponsors for Educational Opportunity

Our DEI Journey

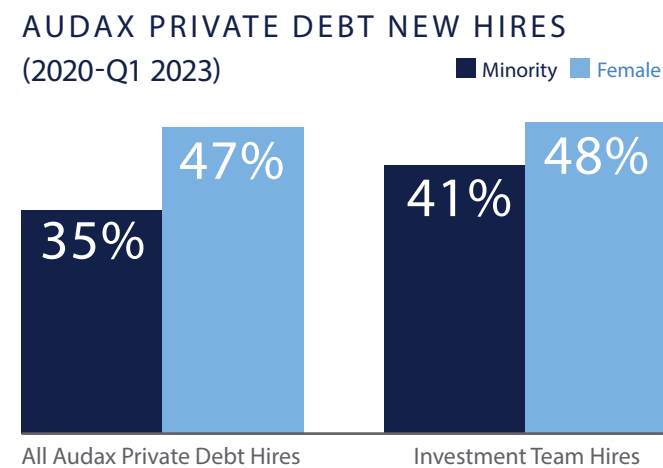
<p>FORMED the Diversity Working Group (DWG) to spearhead DEI Initiatives</p> <p>2020</p>	<p>ESTABLISHED Audax Private Debt NY Annual Service Day</p> <p>2020</p>	<p>ENGAGED inQUEST Consulting for strategic review of DEI</p> <p>2020</p>	<p>LAUNCHED Volunteer Leave Program</p> <p>2021</p>	<p>CONDUCTED firmwide listening tour through inQUEST to help identify needs and objectives of the DEI strategic plan</p> <p>2021</p>	<p>BECAME Signatory to the United Nations' Principle for Responsible Investment</p> <p>2022</p>	<p>LAUNCHED first ERG, Pride Committee</p> <p>2022</p>	<p>ESTABLISHED Private Debt DEI Focus Groups to roll-out action plans across 4 strategic DEI initiatives</p> <p>2023</p>
<p>2020</p> <p>NAMED a founding signatory of the Institutional Limited Partners Association ("ILPA") Diversity In Action Initiative</p>	<p>2020</p> <p>ADDED Juneteenth to the holiday observance calendar</p>	<p>2020</p> <p>LAUNCHED firmwide Unconscious Bias Training through Paradigm</p>	<p>2021</p> <p>ESTABLISHED Audax Community Speaker Series</p>	<p>2021</p> <p>HOSTED first annual Women in Private Debt Forum for college undergraduate students</p>	<p>2022</p> <p>FORMED Audax Diversity, Equity & Inclusion working group to outline strategic priorities and firmwide mission</p>	<p>2023</p> <p>LAUNCHED Paradigm Training Initiatives, which includes Unconscious Bias training and additional educational resources</p>	<p>2023</p> <p>LAUNCHED Audax Private Debt Women's Network (APDWN)</p>

Where we are today...

Audax Private Debt is dedicated to improving our diversity through our hiring and retention practices.

Audax evaluates a diverse pool of candidates for open positions and seeks to partner with minority or female owned companies, including recruiting firms.

Recent hiring data for Audax Private Debt demonstrates our success in continuing to increase the diversity across our teams.



Employee gender and ethnicity data is collected through a voluntary self-identification process, during which employees may choose not to disclose their identities.

SINCE 2020:

- For the entire Audax Private Debt team, 35% of hires have been minorities and 47% have been females
- For the Audax Private Debt investment team, 41% of hires have been minorities and 48% have been females

TODAY:

- The entire Audax Private Debt team is comprised of 26% minorities and 35% females
- The Audax Private Debt investment team is comprised of 30% minorities and 24% females

DEI PARTNERSHIPS





Community Engagement

We encourage our employees to give back and get involved by providing programs and resources such as annual firmwide community service days, our charitable matching program, and paid time off for independent volunteer days.

CHARITY SPOTLIGHT

To date, Audax team members have raised over \$400,000 in support of eight Haymakers for Hope boxers and their fundraising campaigns supporting various cancer research, care, awareness, and survivorship programs.



Non-Profit Support

Audax dedicates time, resources, and expertise to support a wide array of nonprofit and charitable organizations in our local communities and beyond.



2022 Project Spotlight



FOOD BANK 2 GO

In September of 2022, volunteers from Audax Private Debt gathered at St. Bart's Church to pack 450 pantry boxes to donate to Manhattan-based Food Bank member charities. Each box equated to 9 meals totaling 4,050 meals provided for those in need. Volunteers also wrote letters of hope to be included with the pantry boxes to show support for the struggles faced by food-insecure New Yorkers.



Food Bank For New York City has been working to end food poverty in our five boroughs since 1983. Nearly 1.4 million New Yorkers rely on Food Bank for food and other resources. As the city's largest hunger-relief organization, they employ a multifaceted approach centered on helping low-income New Yorkers overcome their circumstances and achieve greater independence.



ENVIRONMENTAL STEWARDSHIP PROJECT

In fall of 2022, the Audax Private Debt team partnered with New York Cares on our Environmental Stewardship Project. Our team of volunteers assisted in the construction of the Hoop House in Marcus Garvey Park in Harlem, helping to create a more sustainable park to be enjoyed by residents year-round. The Hoop House will be used to extend the growing season for seeding and planting to help the park's team in their ongoing efforts to service the community.



New York Cares was founded in 1987 and is New York City's largest volunteer organization, supervising hundreds of volunteer projects a month, working with over 400 nonprofits, schools, and government agencies at locations around NYC. Last year alone, New York Cares volunteers filled 67,000 volunteer positions.

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"Capital Raised" reflects capital raised to date, including investor equity commitments, Audax commitments (unless otherwise noted), and existing/anticipated leverage across onshore and offshore vehicles. Anticipated leverage levels may not be achieved. Does not include withdrawals and redemptions from certain open-end funds/accounts and, for individual funds/accounts, Audax Private Debt vehicles, generally excludes Audax commitments. \$29 billion capital raised across Audax Private Debt includes \$13 billion of existing/anticipated leverage on certain Private Debt vehicles.

2022 PDI Awards, published on March 1, 2023, are determined through a reader vote in which Private Debt International invites submissions that help to inform the publication's creation of a short-list of candidates across more than 70 different categories. Readers then vote on the award winners through an electronic survey. Coverage can be found at <https://www.privatedebtinvestor.com/awards/>.

2022 PEI Awards, published on March 1, 2023, are determined through a reader vote in which Private Equity International invites submissions that help to inform the publication's creation of a short-list of candidates across more than 70 different categories. Readers then vote on the award winners through an electronic survey. Coverage can be found at <https://www.privateequityinternational.com/awards/>.

2022 M&A Atlas Awards, USA, published on April 25, 2023, are based on independent point-indexing scoring method from deals during the time period of January 1, 2022 – January 1, 2023. Audax provided M&A USA Atlas with de minimis compensation to accept the award.

2022 M&A Atlas Awards, Americas, published on December

6, 2022, are based on independent point-indexing scoring method from deals during the time period of July 1, 2021 – July 1, 2022. Audax provided M&A Americas Atlas with de minimis compensation to accept the award.

PitchBook's 2022 Lending League Tables were published on March 15, 2023. All league tables included in PitchBook's rankings are compiled using the count of completed deals for the specified deal type, region and other criteria. Only publicly disclosed transactions and/or transactions confirmed by PitchBook's primary research team are included. The PitchBook interactive 2022 Annual Lending League Tables rankings can be found at <https://pitchbook.com/news/articles/lending-league-tables-2022-annual>.

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