The Beneficient Company, L.P.
Valued liquidity, trusted solutions

THE BENEFICIENT COMPANY TO ACQUIRE PROVIDENT TRUST GROUP

Acquisition Accelerates BEN's Entrance Into High Net Worth Space With Addition of 20,000 Clients With Established Self-Directed Retirement Accounts Dedicated to Alternative Investments

BEN to Apply Institutional Expertise to HNW Market by Directly Serving Individual Investors Seeking Full Value and Cash Liquidity from Alternative Investments

BEN to Become One of Top Ten Largest U.S. Custodians of Alternative Assets for HNW Individuals Holding IRAs

Wilmington, Delaware, August 15, 2016 – The Beneficient Company, L.P. (BEN), a provider of liquidity and administrative services for holders of alternative assets and illiquid investment funds, today announced that it has agreed to acquire Provident Trust Group, a leading, independent administrator and custodian of over $3 billion of self-directed retirement accounts for high net worth individuals located in all fifty states and invested in alternative assets. Financial terms of the transaction were not disclosed.

Provident Trust Group's clients range from small family trusts to multi-million dollar accounts, including individuals, multi-generational families, family offices and retirement accounts. Over the past decade, Provident has built a reputation in the alternative asset industry by serving as an intermediary custodian between general partner sponsors of private equity, real estate and hedge funds and the Provident clients investing their retirement accounts in alternative assets.

Brad K. Heppner, Founder and Chief Executive Officer of The Beneficient Company, said "The acquisition of Provident is an important step for the continued growth of our platform, particularly our expansion into the high net worth (HNW) market through alternative asset liquidity plans, investment administration services and alternative asset insurance products. With our acquisition of Provident, BEN expects to serve an established market of 20,000 self-directed retirement accounts dedicated to alternative investments, representing over $3 billion in custodial assets. Each of these retirement accounts is owned by individuals to whom BEN intends to offer its liquidity plans for alternative assets that have been tailored to meet the estate and tax planning needs of HNW individuals. We believe that our asset servicing platform is unparalleled in the alternative asset sector."

Mr. Heppner continued, "We very much look forward to welcoming and drawing on the HNW expertise of Provident's team, whose extensive knowledge of the market complements BEN's existing expertise in working with institutional investors. We are very excited about the company we have built, which we believe is best in class."

Jason V. Helquist, Co-Founder and President of Provident Trust Group said, "We look forward to joining the Beneficient team and to helping further expand this exciting platform. We expect that our clients will greatly benefit from the liquidity plans and services that BEN offers to investors in alternative assets. BEN has done exceptional work in the institutional market and we believe our combined capabilities will help to replicate that success in the high net worth space."

Additional Information About BEN

BEN's business focuses on the alternative asset investment market, which has a consistent history of stability and growth. The addition of Provident advances the strategic alignment of BEN's primary businesses, which together form a comprehensive platform to serve the alternative investment sector. In addition to alternative asset servicing and insurance services, BEN develops and funds liquidity plans for institutional investors, matching parties with alternative asset opportunities and liquidity funding offered within the BEN group of affiliated companies. BEN's founders have a long history of relationships with brand name alternative asset firms – bringing these relationships to bear for its clients and now for the customers of Provident. The BEN businesses are well-capitalized with a strong balance sheet designed to support long-term growth, exceptional client service and leading-edge product development.

BEN's senior management team has developed the group's core businesses over several years and its founder, Brad K. Heppner, has extensive experience managing regulated companies in the finance and investment industries. The team, which also includes Jeffrey S. Hinkle and James E. Turvey, has worked together for over 16 years, having built one of the first, large-scale private equity investment platforms – The Crossroads Group, and its affiliate, Capital Analytics, a full-service investment fund administrative services provider. The Crossroads Group was sold to Lehman Brothers and is now part of Neuberger Berman, and Capital Analytics is now owned by Mitsubishi UFJ Financial Group.

Sheldon "Shelly" Stein, who served as the company's financial advisor when he was a Vice Chairman of investment banking at Bank of America Merrill Lynch, and will serve on BEN's expanded Board, said "Under the leadership of Brad Heppner, BEN is one of the few firms offering a comprehensive suite of innovative products and services that can meet the evolving demand for liquidity by owners of alternative assets. With the acquisition of Provident, BEN will be positioned to make important contributions to our industry for high net worth individuals, which have been needed for some time now."

BEN Primarily Operates in Two Areas:

- **Liquidity Products Segment**. BEN's Liquidity Products segment provides three types of proprietary product and service offerings: Loans and Liquidity, Estate and Tax Planning and Risk Management. For over a decade, BEN provided loans and funded liquidity along with Risk Management to institutional investors seeking to consummate confidential privately negotiated transactions outside of auctions. In recent years, BEN has funded liquidity transactions for institutional investors such as large well-known pension plans, endowments and foundations. BEN has also developed a line of loans and liquidity products that provide estate and tax benefits for high net worth individuals.

  Most recently, BEN has entered into an agreement for an institutional liquidity plan with Paul Capital, a San Francisco-based investment advisor and one of the early pioneers of the secondary private equity industry, with respect to certain of its funds, including an opportunity for enhanced value for the funds' limited partners. The proposal, aspects of which are subject to limited partner consent, would result in the continuous involvement of the Paul Capital team.

  Under the plan, Paul Capital would liquidate its remaining two private equity secondary funds through a private auction process prior to year-end 2016 designed to provide limited partners with net cash at closing and with additional value protection over time and underwritten by BEN of 100% or more of the currently reported net asset value of their

interests. The proposed plan is also expected to provide certain compensation and reductions with respect to past and future management fees. There can be no assurance that the proposed liquidity plan, including the private auction process, will be consummated on the anticipated terms or at all. The plan is subject to a number of customary closing conditions, including regulatory and other approvals.

The structure of the proposed liquidity plan for Paul Capital is one that cannot be accomplished through a secondary market transaction alone. Liquidity plans of the type BEN is able to design are also highly relevant to the HNW market. BEN expects to offer a variety of liquidity alternatives to HNW clients in the future, including those associated with Provident.

Phil Jensen, a Partner of Paul Capital said, "Our industry is entering a new phase of development and growth, and we need to be at the forefront, best positioned to serve both current and future investors. We have spent an extraordinary amount of time exploring various options and, importantly, listening to the views of our limited partners and advisers. With BEN's assistance we are able to build upon Paul's considerable strengths, namely our leading edge infrastructure and expertise in secondary investing to harvest our returns for our LPs. BEN has created an attractive liquidity solution for LPs in our remaining secondary funds, and we are confident that through a private auction process, coupled with the additional value protections BEN is able to provide, will we achieve our overriding objective of providing an optimal balance of liquidity and value for our LPs."

- **Alternative Asset Servicing and Insurance Services Segment.** BEN offers alternative asset servicing and insurance services designed for a wide range of clients, including the company's liquidity product clients, other alternative asset investors, investment advisors, collective investment trusts and insurance trusts. Offerings include accounting, tax, compliance and back office capabilities, and with the addition of Provident other trust services such as global custody, self-directed IRA administrative services, all with transparent reporting, and encompass more complex administrative duties that alternative asset investors may require.

  These services were created to alleviate the rising volumes of paperwork and the lack of security that exists in the rapidly growing volume of secondary transactions in alternative assets. BEN plans to simplify the process for investors by offering a comprehensive service required to complete trades.

Upon consummation of the agreements discussed in this release, each of which is subject to customary closing conditions (including regulatory and other approvals expected to be received prior to December 31, 2016), BEN expects to have an equity capital base of approximately $1.26 billion.

The contents of this press release do not constitute, and shall not be deemed to constitute an offer to sell nor a solicitation of an offer to acquire any securities to any person in any state or jurisdiction where registration thereof is required. This press release does not constitute, and shall not be deemed to constitute, the solicitation of a consent or approval of any person in connection with any of the transactions contemplated herein.

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