



What is Private Equity?

- The difference between PE and VC
- Funding a start-up
- Pros and cons of venture capital (think dragons den) or private equity
- The key features of a private equity transaction?
- Terminology: LBO, MBO, MBI, SBO, LBU, etc.
- Background to growth of the private equity and venture capital market
- *Case study: Transaction types*

Funds and Returns

- Types of funds and investors
- Management fees and carried interest
- What is Internal Rate of Return (IRR)
- Target and actual returns
- The fund raising process, drawdown, investing, distribution
- Managing the portfolio
- *Case study: Fund structure and fees*
- Motivations of the different parties

The Investment Process

- Identifying suitable investments
- Due diligence and documentation
- Assessing the investment
- *Case study: Factors affecting the investment decision*
- *Case study: Documentation*

Venture Capital

- The multiple stages of financing for venture deals
 - Risk and returns
 - *Case study: Choosing between three venture investments*
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Structuring and Pricing a Buyout

- Financing across the size spectrum
- The impact of debt on IRR
- The layers of debt: senior, second lien, mezzanine, high yield bonds
- Features of debt: amortisation/bullet, PIK, equity kickers
- Equity considerations and special features of management equity
- *Case study: Key features of debt and equity*

Fund Administration

- How do funds protect their investments?
- How accounts can be used to assess businesses
- Key accounting jargon
- Key performance indicators and their relevance
- *Case Study: Reviewing accounts to consider a potential investment*

Reporting to Investors

- Fund information Stake Holders
- Fund reporting
- Identifying the most important regulators and regulations impacting on funds
- Valuation for portfolio reporting purposes
- *Case Study: Fund "protection" features for third party investors, based on the Jan-2011 ILPA Private Equity Principles*

Achieving a Successful Buyout

- Non-financial input by the sponsor
- Initiatives required to generate returns
- Why buyouts do and don't work
- *Case Study: Evaluating a UK Buyout*
- Exit alternatives
- Current trends
- *Case Study: Reviewing deals to identify the exit winners and losers*

Quiz

- A round-up of the topics covered during workshop

Summary and conclusions
