



## What is a PE Fund?

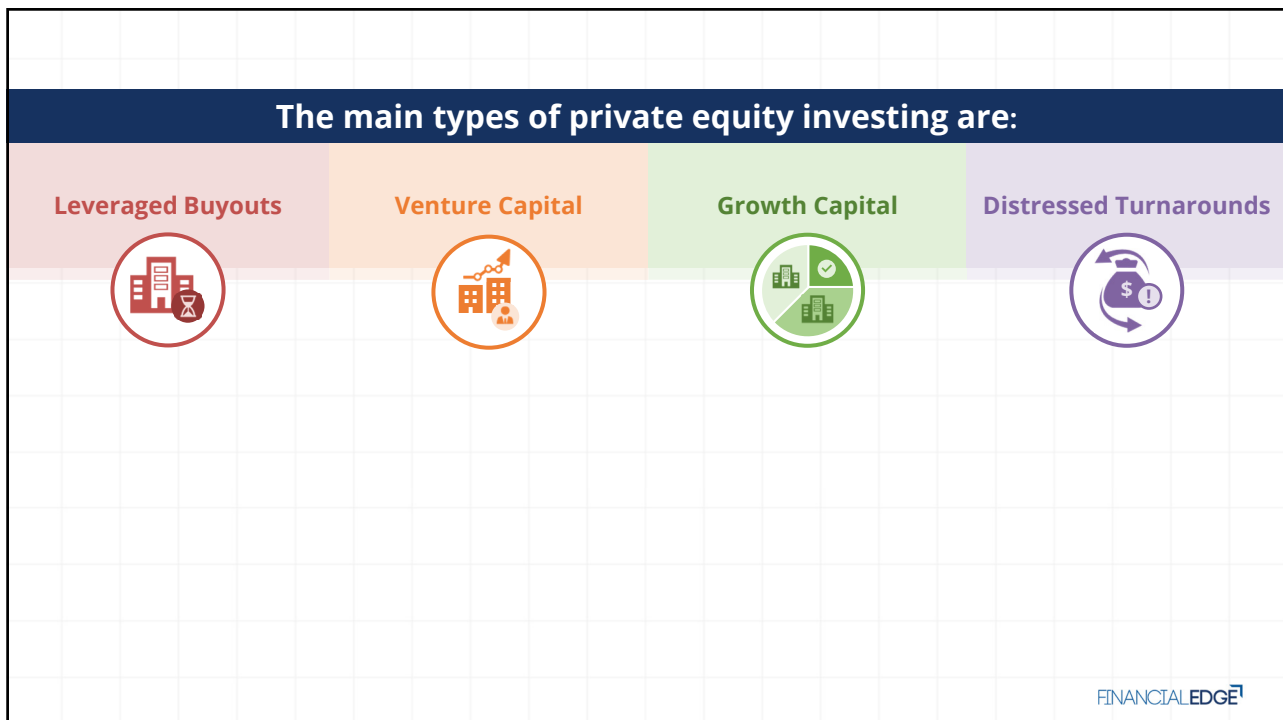
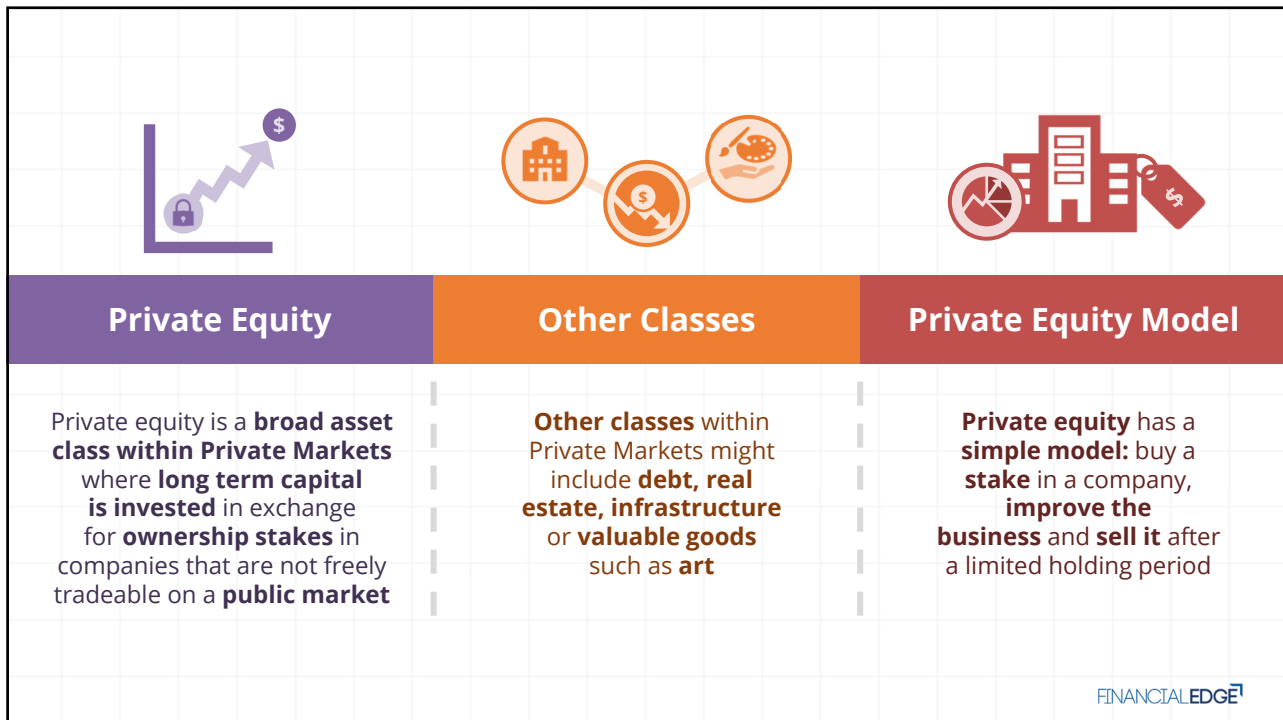
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A bar chart with three bars of increasing height, connected by a line with circular markers, set against a light gray grid background.

## Private Equity Within Private Markets



An illustration showing a green cash register on the left with purple coins and bills, and a purple building with white windows on the right, all on a light green base.



### The main types of private equity investing are:

#### Leveraged Buyouts

Involves large **acquisitions** of more **mature companies**, significantly financed with **debt**



#### Venture Capital



#### Growth Capital



#### Distressed Turnarounds



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#### Distressed Turnarounds

The aim is to **identify companies** which are currently **undervalued** due to temporary **cash flow problems**





## Private Equity as an Asset Class

Private equity is **attractive to investors** for its ability to **outperform public markets** in **return generation to investors**

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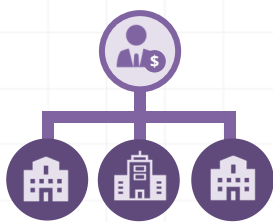
## Players Within the Private Equity Industry

Private equity investors can be **private funds, family offices, sovereign wealth funds, financial institutions, corporations** and even **individuals**

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# Private Equity Funds



Allows different investors (such as pension funds, endowments, asset managers) to **pool capital together** and invest in **multiple companies over many years**



It typically takes the form of a **stand-alone investment vehicle** managed by a **private equity firm** on behalf of a **group of investors**



Investments are held for a **number of years** during which **their management teams** will try to create **value** based on agreed **business plans**

## Private Equity Managers Have Two Areas of Expertise:



**Raising Capital**



**Generating Returns  
Through Investments**

The capital is raised from **investors** with a mandate to **acquire equity stakes**, grow them in value and then **sell them** over time to **realize a profit**



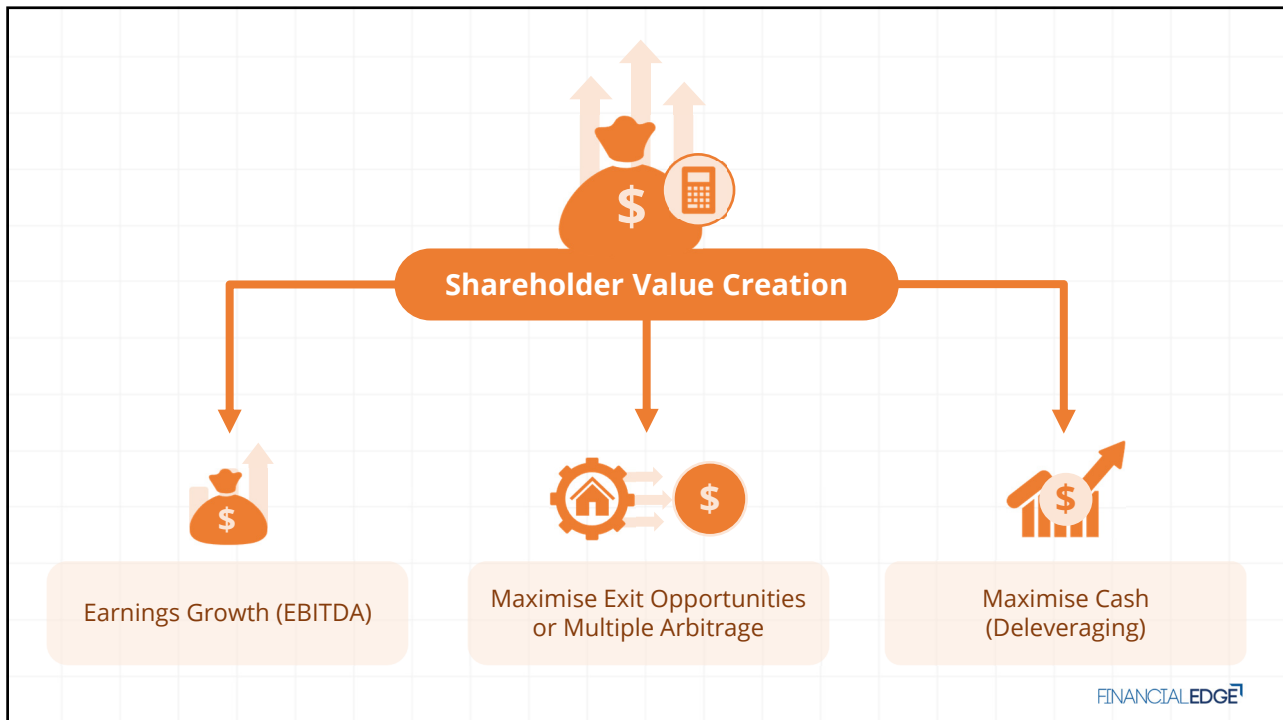
**OVERARCHING  
OBJECTIVE**



**To generate  
attractive returns  
for the investors**



**Surpass public  
market averages**



Create **better return performance** by creating  
**'alpha'** or an **edge over competitors**

Part achieved through **focus** on **subcategories within markets**

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## Private equity funds vary in terms of:

Size

Geographic Focus

Sector focus

Operational specialty  
or value add

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## Private equity funds vary in terms of:

Size



**SMALL-CAPITALIZATION**

As little as **hundreds of thousands** of euros



**LARGE-CAPITALIZATION**

As high as **multiple billions** of euros

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## Private equity funds vary in terms of:

### Geographic Focus



**Specific geography:**  
North America or Europe



Sometimes can be **as small as a country**

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## Private equity funds vary in terms of:

### Sector focus



Select better  
investments and make  
more informed decisions

More attractive sectors  
such as growth or  
earnings margins

Examples of sectors: **technology,**  
**healthcare, business services, industrials,**  
**oil and gas or financial services**

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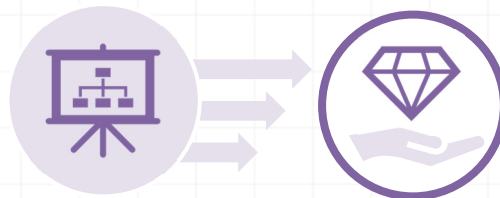
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## Private equity funds vary in terms of:

Operational specialty  
or value add



Some PE funds are able to leverage their expertise to **create value**

Consolidation Plays

'Buy and Build'

Improving Earnings

Ailing Turnaround Situations

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### Increased Popularity

The number of **private equity firms** in the world has been **growing rapidly** over the **past two decades**



### Multi-disciplinary

Many of the **larger private equity firms** have become **multi-disciplinary**, owning separate funds that are dedicated to **different focus areas**:

Geography

Size

Sector

Type of Private Equity (Debt or Real Estate)