

Raising a private equity fund: theory and practice

Training program – Module 6

Date

Tuesday, May 9, 2023
09:00-13:00

Place

Online

Speaker

David Rolfo
Private Asset Specialist, Mirabaud AM

Audience

Senior and junior professionals working with private equity funds/companies; investment managers with institutional investors (such as pension funds, banks, insurance groups) and family offices; account managers; lawyers; and chartered accountants.

Pre-requisite knowledge

The audience is expected to have acquired the basics of private equity (vocabulary, notion of J-curve, investment and disinvestment mechanisms). The "Fundamentals" module is in this respect a useful basis for being able to usefully dig into the question of fundraising in private equity.

Content

Raising a private equity fund: theory and practice

Description

Fundraising covers all the activities of a manager to create and collect the commitments necessary to set up a private equity fund. Fund raising is a complex marketing task, which requires an in-depth analysis of potential investors, the market and methods of approach. This training session aims to provide participants with the elements to understand, analyze and possibly prepare a private equity fundraising.

Goals

- Understand the relationships between underwriters and managers, their dynamics and the context, as well as the balance of power
- Understand why fundraising is necessary, how it happens and its objectives
- Understand the documentary elements, the negotiations and the regulatory context

Subscribers

- Sources of capital: who invest in private equity?
- Investment context: how does a subscriber think?
- The objectives of subscribers
- Performance: expectations and reality
- Recent trends

Subscription process

- Implementation of an investment program and portfolio
- Manager selection
- Program operational implementation
- Risk management

Fundraising environment

- Analysis of subscriber figures and allocations
- Fundraising context: mandates, funds, co-investments – permanent fundraising
- Manager approach: methods
- How to talk to underwriters: their concerns, challenges
- Manager status: sponsoring, first-time funds, captive/independent, etc.

Operational process

- Pitch and documentation: presentation, PPM, LPA, DD pack...
- Negotiations: balance of power, dynamics, key points
- “Terms and conditions” (fees, commission, waterfall, MFN, GP commitment, etc.)