

Foundations of Private Capital Event Brief

| Item | Description |
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| Company name: | Australian Investment Council Limited |
| Event name: | Foundations of Private Capital |
| Confirmed date/s of event: | Monday 14 th November 2022 (intro webinar), Tuesday 22 nd , Wednesday 23 rd and Thursday 24 ^h November 2022 (3 day residential) |
| Confirmed time/s of event: | Webinar 6:00PM to 9:00PM and residential day sessions from 8:30AM – 5:00PM |
| Program aim: | <p>To deliver advanced knowledge and skills development for early career investment professionals (with generally less than two years of experience) in the Australian private capital industry.</p> <p>To make attendees “deal ready”.</p> |
| Learning outcomes: | <p>On completion of this practitioner-led knowledge and skills building program it is anticipated that course participants will:</p> <ul style="list-style-type: none"> • understand the role of private capital within the funds management and investment sector, as well as the machinery of how the industry works, and the constituent components of the broader ecosystem within which the industry exists • have an advanced understanding of the relevant issues in the context of assessing, valuing, contracting, monitoring and exiting private capital investments • apply and interpret alternative private capital valuation methodologies as part of a robust and comprehensive diligence process • understand how the private capital industry is evolving, and the importance of ESG and diversity and inclusion to the future of the industry • acquire familiarity with the full spectrum of private capital investments from early-stage start-ups, through to growth and expansion capital, as well as management and leveraged buyouts, encompassing an understanding of the differing risk and return profiles of different investment strategies within private capital • be able to apply a private capital investment mindset to ‘real world’ business case studies. |
| Program outline: | <p>PRE-WORK</p> <p>RECORDINGS</p> <ul style="list-style-type: none"> • Make available recordings of the latest PE101 and VC101 recordings to ensure that all key concepts are understood as baseline knowledge. <p>EVENING ON-LINE SESSIONS – Live facilitation in real time using Zoom platform to facilitate breakout rooms for group discussions and debates).</p> |
| MONDAY evening, | Key content: |



14th November 2022.

Week one, 6.00pm to 9.00pm

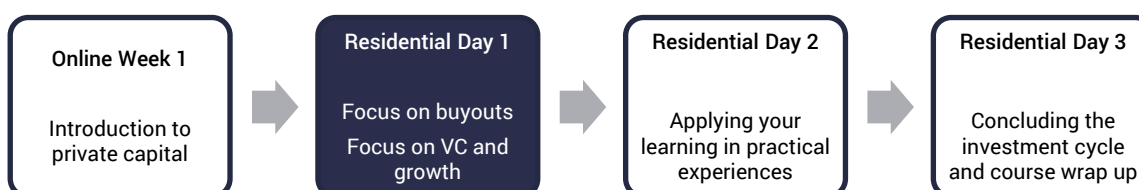
Introduction to private capital, why, how and types of capital to managers

Marcus Simpson (PMGS Global) and Nicole Connolly (Allegro Funds)

- Industry Overview (MS) – 1 hour
 - Why alternatives? The Private Capital Ecosystem: Private Equity (PE), Venture Capital (VC) and Private Credit (PCr)
 - Sub-strategies explained through compare and contrast: management buyout, leveraged buyout, growth capital, distressed and turnaround investing.
 - Global market size, features of each, overview of fund managers operating in each segment and the different strategies
- Fundraising (MS & NC) – 1 hour
 - Role of Limited Partners, Institutional Investors and Fund of Funds – what are investors looking for?
 - Where Private Capital in Australia sits in the global investment and funds management industry
 - Investment models and criteria to assess GPs
 - Evolution in nature of relationship between GPs and LPs, partnerships, co-investments and direct investments.
- Investment Returns (MS & NC) – 1 hour
 - Risk and return
 - Alternative Capital
 - Valuation of private companies

Learning outcomes:

- An in-depth understanding of the unique attributes and differences in approach as between the various sub-strategies within private capital: PE, VC and PCr.
- Understanding of the unique features and challenges of turnaround and special situation investments.
- Understanding the differences between management and leveraged buyouts, growth and expansion capital, and private credit investments.
- An in-depth understanding of the fundamental principles of a 'partnership' between Limited Partners and General Partners, and the unique attributes of each other's role in the relationship.
- A solid understanding of the lifecycle of deals and the typical components of a deal execution process.





Residential component

**DAY ONE – TUESDAY 22nd
November morning**

8.00am

Key content:

- Welcome tea and coffee.
- Introductory session – Welcome from the **Chair/CEO** of AIC – 15 mins
 - Overview of course program, importance of industry code of conduct and professional standards

Paul Evans

8.30am

Content: Negotiation skills workshop / Group ice-breaker (2.0 hours)

Paul Evans – Pacific Automotive case study

- Group breakout activities

10.30am

Break 15 mins

Focus on buy-outs

10.45am

*Cameron Blanks (Pacific
Equity Partners)*

- Structuring the transaction – Types of buyouts – 30 mins
 - Explaining the types of buyouts, including:
 - Corporate carve out
 - Public to private
 - Secondaries
 - Buyout of a family run business
- Origination - Sourcing the deal – 30 mins
- Due Diligence – 30 mins

12 noon

Break 15 mins

12.15pm

- Deal Structuring – 45 mins
 - Deal pricing
 - Financing and debt capacity
 - Management incentives
- Structuring the transaction – Private credit – 30 mins
- Role of private credit versus other forms of financing/lending
 - Typical structures and differences between lending facilities
 - Active engagement with portfolio company management teams

Learning outcomes:

- A fundamental understanding of the typical features of deal structures in Australia, and the drivers for those structures from a financial and non-financial perspective.
 - Understand the stages of a large buyout deal from origination, due diligence and deal structuring.
 - Understanding the differences between different categories of buyouts investments.
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1.30pm

Lunch 1.30pm – 30 mins

TUESDAY 22nd November
afternoon 2.00pm

Key content:

Focus on venture and growth

Anne-Marie Birkill
(OneVentures)

- Early-stage investments (*Anne-Marie Birkill*)
- Structuring the transaction – Early-stage investments – 1.5 hours
 - What is VC, difference between institutional VC and corporate VC
 - Key considerations
 - Origination – Sourcing the deal
 - Due Diligence
 - Enhancing upside / protecting downside
 - Funding instruments
 - Subsequent funding rounds

3.30pm

Break 15 mins

3.45pm

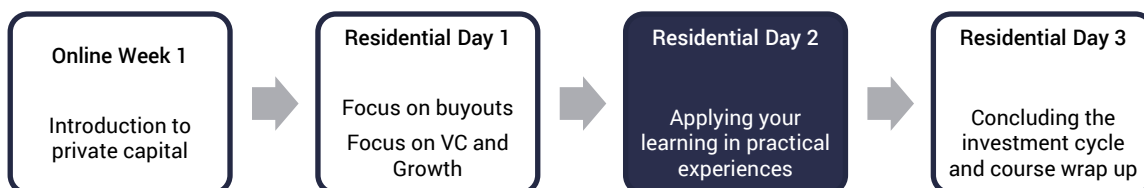
Peter Elkhouri (Quadrant Private Equity)

- Structuring the transaction – Growth capital (*Peter Elkhouri*) 1.5 hours
 - Explanation of growth capital investment strategy as compared to leveraged buyout
 - Structuring the transaction
 - Working with entrepreneurs and owner/managers

Learning outcomes:

- A fundamental understanding the different forms of early-stage investment from seed stage to later funding rounds, and the typical features of deal structures used in venture investing.
- Understanding of the core differences and strategic drivers behind institutional VC and CVC investments.
- Understanding the differences between leveraged buyouts and growth and expansion capita, and private credit investments.

END OF DAY ONE
SESSIONS (5.15pm)





DAY TWO - WEDNESDAY
23rd November morning
8.30am

Driving value in portfolio companies

Chester Moynihan (Allegro Funds)

Content: Managing the Portfolio (8.30am)

Chester Moynihan

- Managing the Portfolio 1 – 2 hours
 - Different approaches
 - How to implement value creation tools
 - Risk management
 - Time management
 - Your role
 - Information flow

Learning outcomes:

- A fundamental understanding of the approaches to managing portfolio businesses.
- A fundamental understanding of how value is created within portfolio businesses, and the breadth of tools available to GP firms to create and enhance enterprise value in a sustainable and repeatable manner over time.
- Understand the role that operating teams can play in driving performance within portfolio businesses.

10.30am

Break 15 mins

10.45am
Driving value in portfolio companies

Giles Gunesequera (Global Impact Initiative)

Content: 'Lecture and discussion' style session, classroom/lecture format (10.45am)

Giles Gunesequera

- Responsible investment principles and practices – 2 hours
 - *For each session provide a scenario, group breakout, groups present their point of view – discussion.*
 - Environmental, Social and Corporate Governance
 - Social impact
 - Diversity and inclusion

Learning outcomes:

- A fundamental and practical understanding of how to negotiate effectively to achieve desired outcomes.
- A fundamental and practical understanding of responsible investment strategies, incorporating ESG, social impact and diversity and inclusion principles, and how such practices can be embedded into the day-to-day activities of successful private capital investment firms.



- A fundamental and practical understanding of LP expectations around such practices in the context of institutional domestic and international fundraising, and the day-to-day activities of investment firms and their portfolio businesses.

12.45pm

Lunch 12.45pm – 45 mins

WEDNESDAY afternoon
1.30pm

Content: Growth Capital deal simulation

Adrian Kerley (IFM Investors)

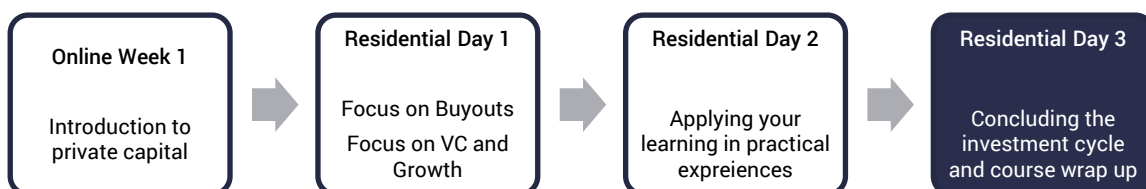
• **GROUP WORK CASE STUDY 1 – Growth Capital deal simulation –**

- Pose questions and decisions, role play, cementing hard skills covered in on-line sessions.

Learning outcomes:

- Compound previous accumulated learnings through their application in a buyout investment case study and deal simulation.
- Insights obtained from industry experts delivering the deal simulation, asking questions, decision making, working with others and presenting to the group.
- **Break 3:00pm 15 min**

END OF DAY TWO SESSIONS (5.00pm)



DAY THREE



Driving value in portfolio companies

THURSDAY 24th November morning 8:30am

Chester Moynihan (Allegro Funds)

Content: Managing the Portfolio (8.30am)

Chester Moynihan

- Managing the Portfolio 2 – 2 hours
 - *For each session provide a scenario, group breakout, groups present what they would do – discussion.*
 - Strategy, how to evaluate and when to pivot
 - Performance management and culture
 - Reporting to the CEO and the Chair
 - When things go wrong, early warning signs
 - Making the best decision, using your judgment
 - When to back the CEO, when to change
 - Board performance and non-executive directors

Learning outcomes:

- A fundamental understanding of how to oversee the performance of a portfolio measured against the commercial and strategic investment thesis.
- A fundamental understanding of the different mechanisms available to monitor and manage business performance, and the levers available to shift business strategy where required.
- A fundamental understanding of how to make decisions when the scenario is unclear, when to ask for help and when to trust your intuition.

Break 15 mins

10.30am

10.45am

Chester Moynihan (Allegro Funds)

Content: 'Lecture and discussion' style session, classroom/lecture format

- **Exits – Creating liquidity events and realising investments – 1 hour 30 mins (8:30am)** *Chester Moynihan*
 - Strategic decision points around exits
 - Exit routes and pathways
 - Market implications and timing
 - Evaluating management and executive performance

Learning outcomes:

- A fundamental understanding of the different mechanisms available to create liquidity events through full/partial exits, including the importance of market timing and market sentiment considerations in determining the most appropriate exit pathways for specific portfolio businesses.
 - **Lunch 12.15pm – 45 mins**
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| THURSDAY 24th November afternoon 1pm Content: Venture deal simulation <i>Elaine Stead (Tribe Global Ventures)</i> | <ul style="list-style-type: none">• GROUP WORK CASE STUDY 2 – Venture deal simulation – 2 hours 45 mins <i>Elaine Stead</i><ul style="list-style-type: none">– Change group members, pose questions and decisions, role play, further cementing hard skills covered in on-line sessions. <p>Learning outcomes:</p> <ul style="list-style-type: none">• Compound previous accumulated learnings through application in an early-stage investment group case study and deal simulation.• Insights obtained from industry experts delivering the deal simulation, asking questions, decision making, working with others and presenting to the group. <p>Break at 2:30pm 15mins</p> |
| (4.00pm) <i>Alicia Gregory (AIC – Chair)</i> | <ul style="list-style-type: none">• Content: Course summary and key learnings to take away (4.00pm) – 1 hour <i>Chair of AIC- Alicia Gregory</i><ul style="list-style-type: none">– Reflections and review– Questions & Answers– Appreciation and Certificate presentation– Group photo |

COURSE END (5.00pm)

Networking – end of day three (6.30pm) 5.00pm – End of course drinks with all presenters – 1.5 hours

END OF PROGRAM
