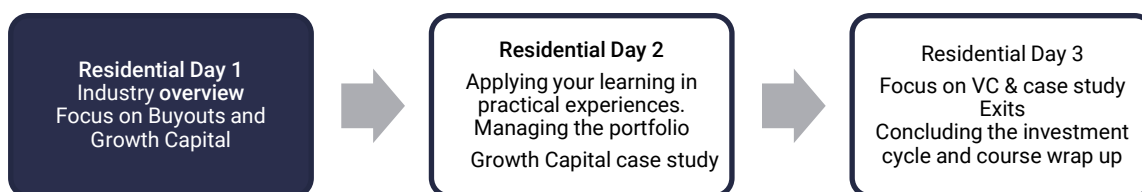


## Foundations of Private Capital

Item	Description
Company name:	Australian Investment Council Limited
Event name:	Foundations of Private Capital
Confirmed date/s of event:	Tuesday 19 <sup>th</sup> , Wednesday 20 <sup>th</sup> and Thursday 21 <sup>st</sup> March 2024 (3 day residential)
Confirmed time/s of event:	Residential day sessions from 8:30AM – 5:00PM
Program aim:	To deliver advanced knowledge and skills development for early career investment professionals (with generally up to two years of experience) in the Australian private capital industry. To make attendees “deal ready”.
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"> <li>• 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.</li> <li>• have an advanced understanding of the relevant issues in the context of assessing, valuing, contracting, monitoring, and exiting private capital investments.</li> <li>• apply and interpret alternative private capital valuation methodologies as part of a robust and comprehensive diligence process.</li> <li>• understand how the private capital industry is evolving, and the importance of ESG and diversity and inclusion to the future of the industry.</li> <li>• 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.</li> <li>• be able to apply a private capital investment mindset to ‘real world’ business case studies.</li> </ul>
Program outline:	<p><b>PRE-WORK</b></p> <p>Any pre-work will be circulated to participants one week prior to the start of the residential days.</p>



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<b>Residential component</b>	<b>Key content:</b>
<b>DAY ONE – TUESDAY 19<sup>th</sup> March</b>	
<b>8.00am</b>	<ul style="list-style-type: none"><li>• Welcome tea and coffee.</li><li>• Introductory session – Welcome from the <b>Chair/CEO</b> of AIC – 15 mins<ul style="list-style-type: none"><li>○ Overview of course program, importance of industry code of conduct and professional standards</li></ul></li></ul>
<i>Paul Evans</i>	<b>Content: Negotiation skills workshop / Group icebreaker (2.0 hours)</b>
<b>8.30am</b>	<i>Paul Evans</i> – Pacific Automotive case study <ul style="list-style-type: none"><li>• Group breakout activities</li></ul>
<b>10.30am</b>	<b>Break 15 mins.</b>
<b>10.45am</b>	
<b>Introduction to private capital, why, how and types of capital to managers</b>	<b>Key content: Introduction to private capital, why, how and types of capital to managers 2.25 hours</b>
<i>Marcus Simpson (PMGS Global) and Nicole Connolly (Allegro Funds)</i>	<i>Marcus Simpson (PMGS Global) and Nicole Connolly (Allegro Funds)</i>
	<ul style="list-style-type: none"><li>• Industry Overview<ul style="list-style-type: none"><li>– Why alternatives? The Private Capital Ecosystem: Private Equity (PE), Venture Capital (VC) and Private Credit (PCr)</li><li>– Sub-strategies explained through compare and contrast: management buyout, leveraged buyout, growth capital, distressed and turnaround investing.</li><li>– Global market size, features of each, overview of fund managers operating in each segment and the different strategies.</li></ul></li><li>• Fundraising<ul style="list-style-type: none"><li>– Role of Limited Partners, Institutional Investors and Fund of Funds – what are investors looking for?</li><li>– Where Private Capital in Australia sits in the global investment and funds management industry</li><li>– Investment models and criteria to assess GPs</li></ul></li></ul>

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- Evolution in nature of relationship between GPs and LPs, partnerships, co-investments, and direct investments.
- Investment Returns
  - 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 PDebt.
- 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.

**1.00pm**

**Lunch** 1.00pm – 30 mins

**TUESDAY 19<sup>th</sup> March**  
**1.30pm**

**Focus on buyouts.**

*Matt Robinson (Pacific Equity Partners)*

**Key content: Focus on buyouts 2 hours**

*Matt Robinson (Pacific Equity Partners)*

- Structuring the transaction – Types of buyouts
    - Explaining the types of buyouts, including:
      - Corporate carve out.
      - Public to private
      - Secondaries
      - Buyout of a family run business
  - Origination - Sourcing the deal.
  - Due Diligence
  - Deal Structuring
    - Deal pricing
    - Financing and debt capacity
    - Management incentives
  - Structuring the transaction – Private credit
  - Role of private credit versus other forms of financing/lending
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- 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.

**Break 15 mins**

**3.30pm**

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**3.45pm**

**Key content: Focus on Growth Capital 1.5 hours**

*David Browne (Next Capital)* (David Browne)

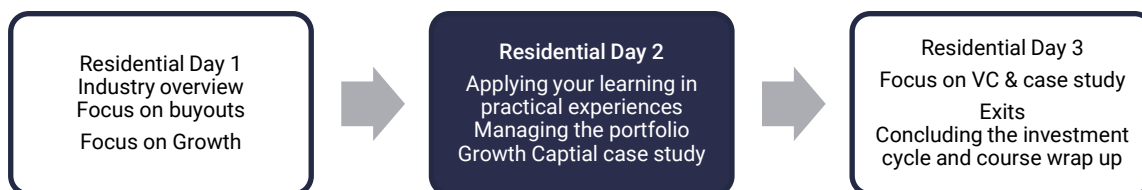
- Structuring the transaction – Growth capital
  - Explanation of growth capital investment strategy as compared to leveraged buyout.
  - Structuring the transaction
  - Working with entrepreneurs and owner/managers

**Learning outcomes:**

- Understanding the differences between leveraged buyouts and growth and expansion capital, and private credit investments.

**END OF DAY ONE  
SESSIONS (5.15pm)**

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## DAY TWO - WEDNESDAY

20<sup>th</sup> March 8.30am

### Driving value in portfolio companies

Chris Koeck (Allegro Funds)

#### Content: Managing the Portfolio (8.30am) 2 hours

Chris Koeck

- Managing the Portfolio 1
  - 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 continued

Chris Koeck (Allegro Funds)

#### Content: Managing the Portfolio – continued (10.45am) 2 hours

- Managing the Portfolio 2
  - *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.

**Lunch 1.00pm**

**Lunch 1.00pm – 1 hour**

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**WEDNESDAY 2.00pm**

**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:**

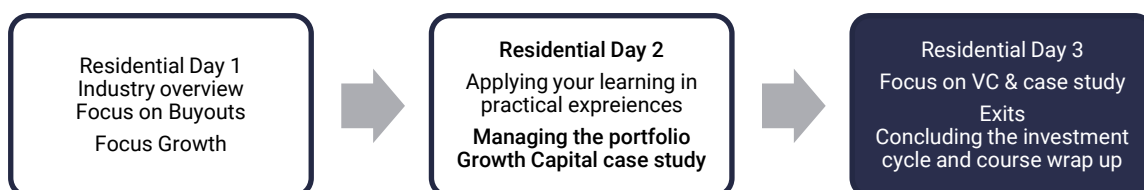
- Compound previous accumulated learnings through their application in a buyout investment case study and deal simulation.
- Insights obtained from industry experts delivering the deal simulation, asking questions, decision making, working with others, and presenting to the group.

**Break 3:30pm 15 min**

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**END OF DAY TWO SESSIONS (5.00pm)**

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## DAY THREE

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**THURSDAY 21<sup>st</sup> March**

**8:30am**

**Driving value in portfolio companies - Exits**

*Chris Koeck (Allegro Funds)*

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

- **Exits – Creating liquidity events and realising investments – 1 hour 30 mins (8:30am)** *Chris Koeck*

- 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.

**10.00am**

Break 15 mins

**10.15am**

*Lucy Cooper (Crescent Capital)*

**Content: 'Lecture and discussion' style session, classroom/lecture format (10.15am) 2 hours**

*Lucy Cooper*

- **Responsible investment principles and practices**
    - *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
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**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.

**Lunch 12.15pm**

**Lunch 12.15pm – 45 mins**

**THURSDAY 20<sup>th</sup> April  
1.00pm**

**Content: Focus on  
venture and growth**

*Michelle Deaker  
(OneVentures)*

**Content: 'Lecture and discussion' style session, classroom/lecture format  
(1.00pm) 1.5 hours**

*Michelle Deaker*

• **Early-stage investments**

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

**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.

**Break 2.30pm**

Break 15 mins.





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### Day three continued

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**2.45pm Content: Venture deal simulation**

*Tom Humphrey (Blackbird Ventures)*

• **GROUP WORK CASE STUDY 2 – Venture deal simulation – 2 hours**

*Tom Humphrey*

- Change group members, pose questions and decisions, role play, further cementing hard skills covered in on-line sessions.

**Learning outcomes:**

- 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.

**(4.45pm)**

*Navleen Prasad (AIC – CEO)*

• **Content: Course summary and key learnings to take away (4.45pm) – 30 minutes**

*CEO of AIC- Navleen Prasad*

- Reflections and review
- Questions & Answers
- Appreciation and Certificate presentation
- Group photo

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**COURSE END (5.15pm)**

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**Networking – end of day three (6.15pm)**

5.15pm – End of course drinks with presenters – 1 hour

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**END OF PROGRAM**

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