



INSTITUTE OF ASIAN PRIVATE EQUITY INVESTMENT

*dedicated to enhancing the profession
of private equity investment management in Asia*

Executive Investment Management Workshop (XXXIX)

for

INSTITUTIONAL INVESTORS

11TH - 13TH MAY, 2010



MANDARIN ORIENTAL HOTEL, KUALA LUMPUR

ASIAN PRIVATE EQUITY INVESTING FOR INSTITUTIONAL INVESTORS

A one-day **Basic Workshop** which focuses on the fundamentals of private equity investment
and

a two-day **Advanced Workshop** which covers partnership commitments
to private equity funds and growth companies

ORGANISERS

Centre for
ASIA PRIVATE EQUITY
RESEARCH LTD



SPONSOR & SUPPORTING ORGANISATION

MVCD
MALAYSIAN VENTURE CAPITAL DEVELOPMENT COUNCIL

CO-SPONSOR

SQUADRON
CAPITAL

SPONSOR & SUPPORTING ORGANISATION



Malaysian Venture Capital Development Council (MVCDC)

The Malaysian Venture Capital Development Council was formed in January 2005, under the chairmanship of the Securities Commission ('SC') following the recognition of venture capital as an alternative source of financing for business. MVCDC which operates as a one-stop body will ensure that there is coordinated implementation of the relevant strategies and initiatives for the venture capital industry. It also serves as a bridge that connects policymakers and industry professionals to facilitate the creation of an optimal business environment for venture capital activities.

The Council's main tasks are :

- To provide vision and direction, and assist in the development of the venture capital industry;
- To advise the government on overall development of the venture capital industry;
- To facilitate greater co-ordination of strategies and initiatives relating to venture capital industry; and
- To act as conduit between policy-makers and practitioners in relation to the development of the venture capital industry.

Since its formation, the Council has formulated long term strategies to further develop the industry including recommending new measures to enhance the effectiveness of incentives and financial grants and to encourage greater involvement of the private sector.

The MVCDC comprises of the Chairman of the SC who is also chairman of MVCDC, the Deputy chief executive of the SC, and representatives from the public and private sector who are appointed by the Minister of Finance on recommendation of the SC.

More information on the MVCDC is available on its website at <http://www.mvcdc.com.my>

CO-SPONSOR



Squadron Capital

Squadron Capital is a Hong Kong-based private equity investment firm that, on behalf of its clients, constructs and manages portfolios of private equity funds and co-investments. The firm is focused in particular on investment in the Asia Pacific region.

With aggregate assets under management currently well in excess of \$1 billion, Squadron Capital is widely recognized as an industry leader. The firm has twice been voted "Best fund of funds in Asia," most recently in 2008, by the readers of Private Equity International.

Squadron Capital is an affiliate of Search Investment Group, a private investment firm established by one of the co-founders of Duty Free Shoppers, the world's leading retailer to the traveling public. Search Investment Group has been actively investing in alternative assets globally for more than three decades.

For more information, see www.squadroncapital.com

ORGANISERS



Malaysian Venture Capital and Private Equity Association (MVCA)

The Malaysian venture capital industry shoulders the task of being one of the drivers for the nation's vision of achieving a fully developed status by year 2020. The growth of the domestic economy, to be fuelled by knowledge and technology based activities, will rely heavily on funding from sources such as the Venture Capital and Private Equity (VC/PE) industry. The VC/PE industry has to be the catalyst for the spirit of innovation that the country is seeking to nurture. With this realisation, the Malaysian Venture Capital and Private Equity Association (MVCA) was established on 27th February 1995, with the principal objective of promoting and developing the Malaysian venture capital industry.

MVCA strives among others, to :

- promote and develop the venture capital/private equity industry in Malaysia as a source of equity financing for business enterprises;
- stimulate the promotion, research and analysis of venture capital in Malaysia and other countries;
- promote cooperation, encourage joint efforts and business undertakings as well as provide a regular forum for the exchange of views among members;
- represent, express and give effect to the views and opinions of persons or companies engaged in the venture capital/private equity industry, including making representations to all governmental or public authorities or bodies; and
- develop and encourage the highest standard of professional ethics in the venture capital industry.



The *Centre for ASIA PRIVATE EQUITY RESEARCH LTD* is a Hong Kong based organisation that focuses on the Asian private equity investment industry. Core activities include:-

- the **ASIA PRIVATE EQUITY REVIEW**, a monthly report on the development of the Asian private equity industry
- the **APER - Greater China Edition**, the first private equity journal that covers the Greater China market
- **ASIA PRIVATE EQUITY REVIEW ON-LINE DIRECTORY**, a web-based database that lists over 2,000 private equity venture / capital fund management firms throughout Asia
- The **ASIA PE INDEX**, the return benchmark of Asian private equity
- the planning, programming and marketing of conferences/seminars to promote globally the Asian private equity/venture capital industry
- undertaking research, consulting, placement and other special projects relating to the private equity/venture capital industry in Asia
- managing the **INSTITUTE OF ASIAN PRIVATE EQUITY INVESTMENT**, inclusive of the development of its training programmes, course content and all related materials

About the INSTITUTE OF ASIAN PRIVATE EQUITY INVESTMENT



INSTITUTE OF ASIAN PRIVATE EQUITY INVESTMENT

About the INSTITUTE and Its Courses

About the INSTITUTE and Its Courses

The **INSTITUTE OF ASIAN PRIVATE EQUITY INVESTMENT** is managed by the *Centre for ASIA PRIVATE EQUITY RESEARCH LTD*, a Hong Kong-based research firm that focuses on Asian private equity. The **INSTITUTE's** faculty is drawn from leading Asian private equity/venture capital managers and professionals with profound Asian private equity investment experience. The acclaimed **Executive Investment Management Workshop** was first conducted in Hong Kong in September 1995.

Since 1996, the **INSTITUTE** has worked closely with global development financing agencies and produced training programmes in various markets. Such institutions included:-

- Netherlands Development Finance Company (FMO), which is quasi-owned by the Netherlands government
- Swiss State Secretariat for Economic Affairs (SECO), the direct investment promotion arm of the Swiss government
- Proparco: a development finance agency of the French government

as well as government-related institutions.

About the Executive Management Workshop

Private equity has now firmly established itself as a sustainable asset class in Asia, following a period of uninterrupted profitable divestment results. This three day compact and intensive *Workshop* is designed to provide comprehensive understanding of private equity investment disciplines in Asia.

Each session is led by leading and long serving professionals whose wealth of knowledge is valuable to all those who are seeking to better understand the dynamics of private equity in Asia.

In these 3 days, participants will be able to :-

- acquire essential knowledge on investing in Asian private equity
- have insight to live case studies/class assignments
- work in a various teams on class assignments

The **Executive Investment Skills Workshop XXXIX** will continue with the standards set in all 38 previous courses. Since launched, the *Workshop* has attracted more than 1,000 managers from more than 35 countries.

Basic Workshop

for

INSTITUTIONAL INVESTORS

Day One - Tuesday, 11th May, 2010

A One-Day Workshop on the fundamentals of private equity investing in Asia

PART I: AN OVERVIEW OF PRIVATE EQUITY

to provide –

- an overview of the principles of private equity
- comprehensive understanding of the mechanisms behind private equity investing
- knowledge based on characteristics of private equity in Asia, how it differs from other markets

8:00 am – 8:30 am – **REGISTRATION**

8:30 am – 10:00 am

AN OVERVIEW OF THE FUNDAMENTALS OF PRIVATE EQUITY

- characteristics of private equity, how it differs from other asset classes
- structure of private equity investing and its basic principles
- various investment models using the private equity paradigm
- the critical importance of corporate governance or alignment of interest
- Asian private equity: its characteristics and differing factors from other markets
- case studies of success and failures in private equity investing in Asia
- the risks and rewards of private equity investing

10:00 am – 10:15 am – **BREAK**

10:15 am – 12:00 pm

PRIVATE EQUITY FUND STRUCTURE

- structure of a private equity fund
- applicable time line of a fund
- the standard management fee structure
- how managers are being incentivised

12:00 pm – 1:00 pm – **LUNCH**

PART II: FUNDAMENTALS OF PRIVATE EQUITY INVESTING

to provide –

- a comprehensive understanding of the basic investment procedure of private equity
- understanding of issues pertaining to each facet of the investment process
- to exemplify some of the hurdles in private equity investing through live case studies

1:00 pm – 2:30 pm

SCREENING DEALS AND DOING DUE DILIGENCE

- Deal Screening
 - how do private equity investors choose “bankable deals”
 - what are the key points that private equity investors are looking for at first glance
- Due Diligence
 - the check list
 - the quantitative and qualitative aspects of due diligence
 - the various resources that can be employed to help with due diligence

2:30 pm – 2:45 pm – **BREAK**

Basic Workshop :(Cont'd)

2:45 pm – 4:15 pm

TRANSACTION STRUCTURES AND VALUATION MODELS

- Transaction structure
 - the standard private equity structure in
 - buyouts
 - growth/expansion
 - venture capital
 - the various instruments used for each transaction structures and the merits and risks
- Valuation
 - the various models and their respective application
 - setting valuation parameters in order to achieve the target return

4:15 pm – 4:30 pm – BREAK

4:30 pm – 6:00 pm

PORTFOLIO MANAGEMENT AND EXIT STRATEGIES

- Portfolio Management
 - warning signals that investors ought to be alert to
 - adding values to portfolio companies
 - paving the way to exit
- Exit Strategies
 - the various exit mechanisms that can be used
 - engineering an exit when original divestment agenda goes off the rails

Basic Workshop
for invited parties / persons only

Advanced Workshop

for

INSTITUTIONAL INVESTORS

Day Two - Wednesday, 12th May, 2010

A Two-Day Workshop on partnership commitments to private equity funds & growth companies

Advanced Workshop : SESSION I INVESTING IN PRIVATE EQUITY FUNDS

PART I: PRE-INVESTMENT

to provide an understanding to institutional investors as to

- *how to equip themselves prior to selecting the fund management firms as partners*
- *the terms and parameters relating to private equity partnerships with funds*

8:00 am – 8:30 am – **REGISTRATION**

8:30 am – 10:00 am

AN OVERVIEW OF ASIAN PRIVATE EQUITY

- the latest trends in Asian private equity
- strategies used by institutional investors to access Asian private equity
- how has the global financial crisis changed the institutional landscape
- who are the key players in the markets and their strategies
- **Asia PE Index** ⁽¹⁾ - the return benchmark for Asian private equity
 - historical returns from private equity investing in Asia
 - return profiles for
 - selected markets
 - top quartile fund managers
 - reasons of successes and failures
 - case studies

⁽¹⁾ **Asia PE Index** - the return benchmark for Asian private equity is the first return benchmark on private equity investment in Asia. Researched and produced by the pool of analysts from *Centre for ASIA PRIVATE EQUITY RESEARCH LTD, Asia PE Index* tracks the return of transactions made since 1998. As at the end of August 2009, **Asia PE Index** covers 46% of the invested capital since 1998, covering divestment results of over 500 fund management firms

10:00 am – 10:15 am – **BREAK**

10:15 am – 12:30 pm

PRIVATE EQUITY FUND ASSESSMENT

- An overview of international private equity programmes/standards
 - understanding private equity and its characteristics -
 - structure of an institutional allocation programme
 - private equity as an asset class -
 - strategies and best practices adopted by global institutions
 - skills and resources required to ensure a sound allocation programme
- Institutional allocation programme – general framework
 - the basic resources required in managing institutional assets
 - how to maximise your limited resources and invest professionally
- Outsourcing vs. in-sourcing
 - the options/services available
 - how to determine the outsourcing programme
 - pros and cons of: fund of funds, gatekeepers, selecting global or local networks
- Pre-Investment due diligence
 - options available for market intelligence
 - how to identify ideal fund management groups
 - on chosen fund managers, the process, the reality and the compromises –

12:30 pm – 1:30 pm – **LUNCH**

Advanced Workshop : SESSION I.....(Cont'd)

1:30 pm – 3:00 pm

PARTNERSHIP WITH A PRIVATE EQUITY FUND

- terms and conditions between limited and general partners
- various fee and carried interest structure models
- structuring an agreement to ensure both parties' interest is aligned
- negotiating with general partners for the best terms

3:00 pm – 3:15 pm – **BREAK**

PART II: POST-INVESTMENT

to provide an understanding to institutional investors as to

- *how to manage and administer partnership with fund management firms*
- *the hurdles and issues arising from such a partnership arrangement*

3:15 pm – 5:15 pm

PARTNERSHIPS MANAGING & MONITORING

- resources necessary to monitor performance of funds being committed
- internal control procedures -
 - an effective monitor procedure of funds reporting; maintaining an allocation schedule
- reading financial results of private equity funds
- how to revise your previous terms with general partners -
 - the circumstances leading to such situations
 - managing the negotiation process with general partners

distribution schedule of a fund

- exiting from a fund partnership when -
 - general partners fail to measure up expectations
 - key men clauses are triggered
 - in-house allocation is being revised that necessitates -
 - search for secondary buyers; terms and conditions of disposal of assets to secondary buyers

Case Studies

for each of the above sessions, where applicable, live case studies will be used to help participants better understand partnership with funds

Investors' Roundtable

INSTITUTIONAL INVESTORS

Day Two - Wednesday, 12th May, 2010

A plenary session on private equity fund investment versus direct investment

5:15 pm – 7:00 pm – **INVESTORS' ROUNDTABLE**

- how has the global financial crisis re-shaped the institutional universe
- allocation programme- the myths and realities of
 - investing in funds of funds
 - investing in primary funds and
 - making direct investments
- the best practices codes: are these enforceable in the emerging market environment?
- making direct investments
 - what are the resources required
 - direct investment portfolio management - the hurdles and rewards
 - what have been the challenges in fund partnerships and making direct investments

7:00 pm – 9:00 pm – **DINNER**

participants from the **Basic Workshop** and **Advanced Workshop** will be invited to attend the **INVESTORS' ROUNDTABLE**

Advanced Workshop

for

INSTITUTIONAL INVESTORS

Day Three - Thursday, 13th May, 2010

A Two-Day Workshop on partnership commitments to private equity funds & growth companies

Advanced Workshop : SESSION II MAKING DIRECT INVESTMENTS

8:30 am – 11:00 am

DEAL SOURCING AND DUE DILIGENCE PROCESS

- Deal Sourcing
 - how to leverage on the partners' networks
 - establishing your deal selection parameters
 - how to create proprietary deals: a case study
- Due Diligence
 - establishing the due diligence check list and standards for your institution
 - the financial and legal issues as well as background check of promoters
 - the due diligence schedule and its process

Case Studies

Deal Sourcing: a basket of investment proposals will be provided for the class to determine the choice of the "bankable deals"

Due Diligence: class will be divided into teams to assess on a due diligence case

11:00 am – 11:15 am – **BREAK**

11:15 am – 3:30 pm

STRUCTURING AND VALUATION

- Deal Structure
 - understanding the Memorandum and Articles of the company
 - a check list of a structure that would –
 - provide clear parameters on corporate compliance
 - ◆ the number of board seats and the remuneration committee
 - use of various kinds of shares to maximise returns
 - a structure that would allow flexible exit plan
- Valuation
 - various valuation models
 - valuation to achieve expected returns
 - the science and art of valuation

Case Studies

class will be divided into teams to work on a case to better understand the correlation between structure and valuation in order to achieve the desired return

3:30 pm – 3:45 pm – **BREAK**

3:45 pm – 6:00 pm

PORTFOLIO MANAGEMENT AND EXIT STRATEGIES

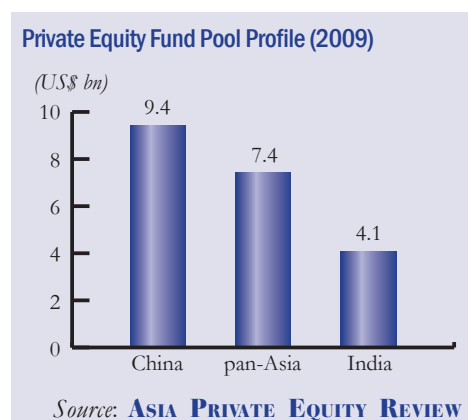
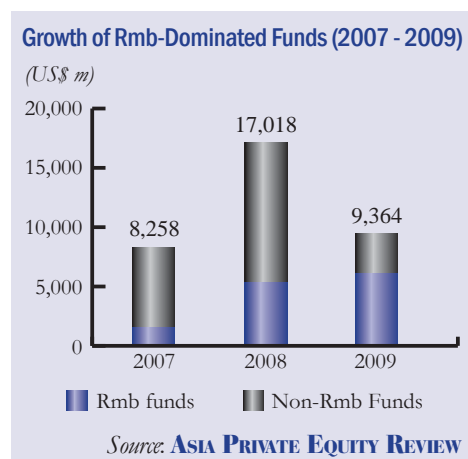
- Portfolio management
 - internal system that reviews the progress of portfolio companies
 - communication channels with companies to ensure an alignment of interest
 - how to enhance value of the companies during the investment holding period
 - preparing to exit from the company
- Exit Strategies
 - the importance of determining the appropriate exit strategy before making the investment
 - divestment mechanisms available
 - how to engineer an exit when original exit plans go astray

Case Studies

class will be divided into teams to work on a case on how to help portfolio companies to enhance their value as well as implementing the best exit avenue

Private Equity in Asia 2009 – Storms & Rainbows

In 2009, the changes in the Asian private equity industry have been extensive and monumental. For the first time since the technology meltdown in the early years of the last decade, the industry recorded substantial declines in

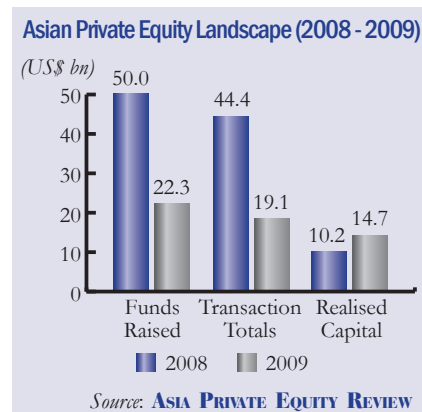


both fresh capital raised as well as transaction totals. In these 12 months, an additional US\$22.3 billion has come into the market that represented a 55% drop, compared to the same period in the preceding year. Similarly, investment aggregate also plunged to a new low, with investors having committed to less than US\$20 billion in total, a staggering 57% decline. It was however the exit performance that reaffirmed Asian private equity's promises. In 2009, at least US\$14.7 billion has been returned to investors' coffers, exceeded that for 2008 by an impressive 44%.

China has firmly consolidated its position as the central market in Asian private equity. In 2009, it led in attracting the largest pool of fresh capital as well as in transaction total. With US\$9.4 billion raised from both domestic and international investors, it is the first time that a single country fund pool has surpassed those with a pan-Asian focus. Yet the surging pool of renminbi or yuan funds has become one of the most discussed subject matters, especially with a landmark regulatory regime that came into effect in March this year.

During 2009, China's domestic currency funds emerged from the background and for the first time, they commanded the lion's share in the country's 2009 fund pool profile. It is also the first time that an Asian country has successfully introduced its own currency as the mainstay of its own private equity fund pool.

As the private equity industry greets a new decade, China will be the driving force that will shape the future course of private equity development not only in Asia, but also worldwide.



Partial List of Speakers

Ms Francesca Banga, Chief Executive Officer, New Zealand Venture Investment Fund

Ms Banga is the founding CEO of New Zealand Venture Investment Fund (‘NZVIF’) and since 2001 has had overall responsibility for the business and investment programmes of NZVIF. Over this time Ms Banga has grown funds under management at NZVIF to over NZ\$200 million. She is Chair of the New Zealand Private Equity and Venture Capital Association, and served on the Capital Markets Development Taskforce – an advisory group advising the New Zealand Government on improvements to capital markets.

Previously Ms Banga has held positions as a Director in the New Zealand Treasury, where she oversaw the NZ\$7 billion health budget, Chief Strategy Advisor at the Ministry of Research, Science and Technology, and as a financial markets economist within the private sector and the Reserve Bank of New Zealand.

Mr Adam Bornstein, Senior Vice President, CDIB Capital

Mr Bornstein is a Senior Vice President at CDIB Capital, a Hong Kong-based US\$1 billion pan-Asia private equity fund, where he shares responsibilities for direct investment activities across multiple asset classes. Mr Bornstein is also the founding partner of Ymer Venture Capital Asia, an early stage venture capital fund located in Shanghai, where he focuses on IT-enabled services in the multi-media, gaming, consumer services, and telecom verticals.

Mr Eric I. Chan, Managing Director, JP Morgan Asset Management Hong Kong

Mr Chan joined the JP Morgan Asset Management’s Private Equity Group in May 2007 to open the Group’s Asia office in Hong Kong. His previous experience includes over eight years with Pantheon Group. Mr. Chan was responsible for Pantheon’s Asian private equity fund of funds, direct co-investment and secondary investment programmes. He also served in advisory boards of a number of Asian private equity funds.

JP Morgan Asset Management, Private Equity Group is one of the largest global private equity investment managers with assets comprising of over 100 partnerships, direct and secondary investments.

Mr Alex Hambly, Chief Executive Officer, PPEM Pte Ltd

Mr Hambly is Chief Executive Officer of PPEM Pte Ltd, responsible for Prudential Corporation Asia’s private equity investments in Asia. Currently, PPEM oversees approximately US\$400 million of assets (at 31st March 2009), including the Vietnam Segregated Portfolio, a private equity allocation from the Prudential Vietnam Life Insurance Premium Fund, and the PRUPIM Vietnam Property Fund.

Mr Hambly has more than 20 years’ direct investment experience gained in both Asia and other major markets. Prior to joining Prudential, he worked for four years for CDC based in Singapore, four years with HSBC Private Equity based in India, and seven years with Barclays Bank plc based in London, India and Singapore, the last three years of which he was on secondment to a private equity fund (Baronsmead plc) in the United Kingdom.

Partial List of Speakers

Ms Genevieve Heng, Managing Director, Chepstow Capital Advisors

Ms Heng has over 13 years of experience in corporate finance and direct investment. She is responsible for investments and divestments of portfolio companies in India and South East Asia. She is a Committee Member of the Singapore Venture Capital & Private Equity Association. Ms Heng received an MBA from the London Business School and a B.Sc (Hons) in Computer and Information Sciences from the National University of Singapore. She is a CFA charterholder and a CAIA designee.

Mr Mark Kenderdine-Davies, General Counsel and Company Secretary, CDC Group

Mr Kenderdine-Davies is the General Counsel of CDC Group with oversight of the legal, compliance and company secretarial aspects of CDC's business. He joined CDC in October 2006 from Gartmore Investment Management plc where he was Legal Counsel focusing on alternative investments. Prior to that, he was Legal Counsel at Threadneedle Asset Management Limited. From 1994 to 2002, Mr Kenderdine-Davies worked in Vietnam, Laos and Cambodia as General Counsel/Senior Investment Executive at Indochina Asset Management Limited and Executive Director of an investment company.

Ms Kathleen Ng, Managing Director, Centre for Asia Private Equity Research

Ms Ng is the Managing Director of the Centre for Asia Private Equity Research Ltd., an independent organisation and publisher of the Asia Private Equity Review. Ms Ng joined the Asian private equity / venture capital industry in 1989 and is regarded as a leading authoritative analyst on the Asian private equity investment industry.

Mr Ravinder Singh, Investment Director, Standard Chartered Private Equity Ltd.

Mr Singh is an Investment Director of Standard Chartered Private Equity Ltd. He has 16 years of experience in corporate finance and private equity. His corporate finance deals have included IPOs and bond issues in Singapore, merger & acquisition transactions in South-East Asia as well as debt restructuring transactions in Malaysia and Indonesia. His private equity deals have included development capital investments in middle-market companies in Malaysia and Singapore. He previously worked for Standard Chartered Merchant Bank and also DBS Bank in Singapore. Mr Singh is a member of the Certified Public Accountants, Australia.

Mr Stephen Whatmore, Investment Manager, QIC

Mr Whatmore has over 20 years experience in the financial services sector. He has spent the last 13 years as a specialist in private equity, originally in infrastructure direct investment, and then investing globally in private equity funds and co-investments. Mr Whatmore joined QIC's private equity team in May 2008 as a senior investor. From 1999 to 2006 Mr Whatmore was one of three senior team members responsible for developing MLC Limited's global private equity program. Prior to his time in the private equity sector, Mr Whatmore worked in direct infrastructure investment for Lend Lease Corporation. Mr Whatmore previously worked in the project finance division of Schroders Australia Ltd from 1988 to 1992.

APPLICATION FORM

Advanced Workshop only: 12th & 13th May, 2010

Dr./ Mr / Mrs/ Ms (Surname:)
_____ (First Name:)

Firm: _____ Position: _____

Tel: _____ Fax: _____ Email: _____

Address: _____

REGISTRATION FEE: US\$3,500 / HK\$27,300

Advanced Workshop only: 12th & 13th May, 2010

*The above includes invitation to **Investors' Roundtable** in the evening of 12th May*

FEE PAYMENT: *(Personal cheques are not accepted. Any bank charges must be prepaid)*

Payment should be made in Hong Kong Dollars or US Dollars only and should be settled by one of the following methods.

Company Cheque, Bank Draft/ Money Order in HK Dollars or US Dollars
payable to: **Centre for Asia Private Equity Research Ltd**

T/T payment to account of: **Centre for Asia Private Equity Research Ltd**
at: Hong Kong and Shanghai Banking Corporation
Honwell Commercial Centre Branch, Hong Kong (**MT103 to HSBCHKHKKH**)

in US\$: Acct. No. **173-7-601896** in HK\$: Acct. No. **173-8-014248**
(Please attach copy of T/T advice to registration form for verification)

Credit Card: American Express only *(4% surcharge applies on payment by American Express)*

Card No. |__|__|__|__| - |__|__|__|__|__|__| - |__|__|__|__| Expiry ____/____

Name on card: _____

Signature: _____

REGISTRATION CONDITIONS:

- 1) Registration is confirmed upon the receipt of payment. Cancellations of confirmed registrations prior to 20th April, 2010 are subject to a cancellation fee of 10% of the tuition fee. Refunds cannot be given for cancellations received thereafter.
- 2) Each registration is meant for one person only. No substitute other than the registrant is allowed to attend any session of the seminar.
- 3) Registration fee includes seminar materials, lunch, coffee breaks and cocktail reception. Fee does not include accommodation. More details will be provided upon registration.