



What were the options when we invested in PE?

Money Market/T Bills

- More familiar
- Relatively Attractive rates at the time

FGN Bonds

- Hardly any bonds
- No Secondary Market

Equities



Why did we invest in Private Equity?

- Pressing need for diversification (65/35) ratio
- Need for foreign currency investment
- Someone told us a story



What was our feeling at the time?

- A most unpopular investment
- An investment for the car park
- Little or no expectation of return
- The investment in the black box



What Challenges did we encounter with passage of time?

- No bench marks/very subjective
- Marginal understanding
- Managing Trustee expectation
- Valuation at cost arising from low confidence level



CAPE 1 Specifics

- The First of its kind
- Fund Size - \$20.3m
- PTL holding – 2.5%
- No of Portfolio Companies – 11
- The Star – MTN (32% of Portfolio)
- The Stable Ones – 7-8 companies
- The Dogs – 1 or 2 companies



What Benefits accrued at the end of the day

- First mover advantage
- Opportunity to learn during a low pressure period
- Good track record/expertise of the Fund Manager
- Overall the investment was rewarding



What should be the key evaluation points for PE?

- Who are the promoters?
- What is their culture?
- What is their track record?
- What is their Risk Profile?
- Is there a meeting point?
- What are their core values?



What should be the key evaluation points for PE?

- Are we compatible with co –investors?
- Who will take the investment decisions?
- Do the decision makers have local knowledge?



Any Learning Points?

- Don't always go with the flow
- Identifying the right partner is the most critical success factor
- There is usually more risk in doing nothing than in taking that risk



THANK YOU