LIFE CYCLE OF PRIVATE EQUITY

Funds are Formed

INVESTORS /LIMITED PARTNERS, ex.
- Public & Private Pension Funds
- Firemen & Police Officers
- Teachers & Municipality Workers
- College Endowments
- Individuals /Family Offices

ASSUMING A SUCCESSFUL FUND. . .
- Capital is Returned to Investors
- Fees and Expenses Returned to Investors
- Gains are split 80/20
  - 80% to Limited Partner
  - 20% to General Partner

PRIVATE EQUITY FUND/GENERAL PARTNER
- Fundraises/Pools Capital
- Invests in Operating Companies
- Actively Manages Companies for Growth
- Life of Fund (7-10 years typically)

Companies are Managed for Growth

PORTFOLIO COMPANIES
- Operating Companies (i.e. manufacturing)
- Why? Seeking Partner for Growth, Retirement, Disagreement, etc.
- Goal is GROWTH

Investments are Sold

The information is presented for illustrative purposes only and is not intended to encompass all variations or styles of private equity funds/investing. Returns are not guaranteed and investments in private equity funds may result in a partial or total loss of invested capital.