

MONTHLY NEWSLETTER

For members of the PEVC Club from the University of St. Gallen



OUR HIGHLIGHT

Educational Collaboration with the CAIA Association

The CAIA Association is the Global Professional Body for Alternative Investment Education. It is a not-for-profit association that provides the CAIA Charter®, an internationally recognized credential granted upon successful completion of a rigorous two-level exam series, combined with relevant work experience. Earning the CAIA Charter is the gateway to becoming a member of the CAIA Association, a global network of thousands of alternative investment leaders located in 95+ countries who have demonstrated a deep and thorough understanding of alternative investing. Having grown rapidly, the CAIA Association now supports vibrant chapters located in financial centers around the world and organizes educational and networking events throughout the year.

The partnership consists of seminars about alternative investments and current industry-related topics. In addition, there are two prestigious CAIA Exam scholarships awarded to our members through a competitive process which will be announced soon.

To learn more about the CAIA Association and how to become part of the organization's mission, please visit: <https://caia.org/programs>.



BAIN GLOBAL PRIVATE EQUITY REPORT 2021

Bain and Company have published their annual private equity report and summarised the four most important implications for investors in 2021:

- **The game might not be over for value investors.** The great unknown in the wake of the Covid crisis is how long fiscal and monetary policy can hide any underlying structural damage to economies around the world. Eventually the stimulus will wash away, which could remove vital support from sectors that have relied on it. Past downturns tell us that a V-shaped recovery can quickly turn into a W. That could bring down valuations in certain sectors and create the kinds of distressed opportunities that evaporated so quickly in 2020.
- **Today's valuations leave little room for error.** Soaring asset prices in sectors like technology mean that multiples for deals getting done today are at or near record highs. The simple math says that GPs buying companies at these prices will have to generate more value if they are to make good on return expectations—and they will have to do so in a highly volatile and uncertain business environment. A Bain analysis of hundreds of funds in which they coinvest shows that multiple expansion and revenue growth (not margin improvement) are by far the biggest drivers of PE returns. Funds will have to find ways to improve that mix if they aim to replicate the returns they've posted over the past decade.
- **Deep sector and subsector expertise has never been more important.** The better you know the sectors you are investing in, the better you'll understand how they are going to change and how you can take advantage of it. Firms need in-depth intelligence on how the recovery will unfold in a given sector and where the ground has shifted. Many industries have changed fundamentally in the wake of Covid-19 in ways that can alter profit pools. Customer expectations may have evolved; disruptive innovations may have been pulled forward. The firms that can spot change first and build those insights into the PE value chain will have a distinct advantage in the post-Covid future.
- **PE firms need to accelerate their plodding transition from analog to digital.** Private equity remains a highly labor-intensive, paper-driven industry. The pandemic held up in high relief how inefficient this is. Not every meeting with investors or portfolio company management has to involve a flight, a hotel room and two days' turnaround time. Interactions can be faster, more frequent and equally effective on Zoom. PE firms have become expert in diagnosing the need for digital change at their portfolio companies. Becoming more competitive in the years ahead will mean bringing those lessons home. A major element of going digital will be excellence in using tools and analytics throughout the private equity value chain. Before Covid-19 hit, the most effective firms were already deploying artificial intelligence, big data, web-based analytics and other technologies to make smarter, faster decisions about companies and their prospects. Over the past year, they've learned that these tools can lead to significantly deeper insights into how industry patterns are shifting, where disruption is coming from and whether their portfolios are prepared for whatever is coming next. Digitally aided due diligence is rapidly becoming table stakes.

It's safe to say that nobody saw what was coming in 2020. Yet the industry managed to find a way forward. Here's how the year unfolded in terms of investments, exits, fund-raising and returns. To read the whole report click on the [link](#).

By Hugh MacArthur, Rebecca Burack, Christophe De Vusser, Kiki Yang and Johanne Dessard
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THIRD EPISODE

Podcast - Out now

In our newest episode Felix Wolf, Investment Professional at DPE, tells us about his decision to switch from investment banking to private equity and the importance of getting insights into various industries before breaking into private equity.



[Find our Podcast here](#)

EVENTS

CAIA Webinar - Opportunities in Private Credit Investing

Since 2008, credit has been harder to come by for many borrowers, as banks have backed away from many types of lending due to the stress tests and capital adequacy requirements imposed after the bank bailouts. As a result, the private credit market has exploded from \$200 billion in AUM in 2008 to over \$600 billion today as borrowers turn to non-bank lenders to meet their credit needs. The yield potential and risk factors of direct lending, mezzanine and distressed investments are discussed.

Time: Mar 16, 2021 18:45 CET

[Link](#)

JOB OPPORTUNITIES

Gain.pro

Junior Private Equity Data Analyst Intern
3-6 months / 100%

Gain.pro

Private Equity Analyst Intern
3-6 months / 100%

Gain.pro

Private Equity Analyst Working Student
Full-time onboarding / minimum 2 full days per week

Sparrow Ventures

Investment Management Intern
1st of April (latest: May) 6 months / 80-100%

Verdane

Private Equity Working Student
April 2021 / 6 months

InnoSource

Internship VC and PE Relationship Management

PEVC DAYS 2021
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LOADING

28. - 30. APRIL