

Unlocking the Mysteries of Private Equity



choosing the right partner...



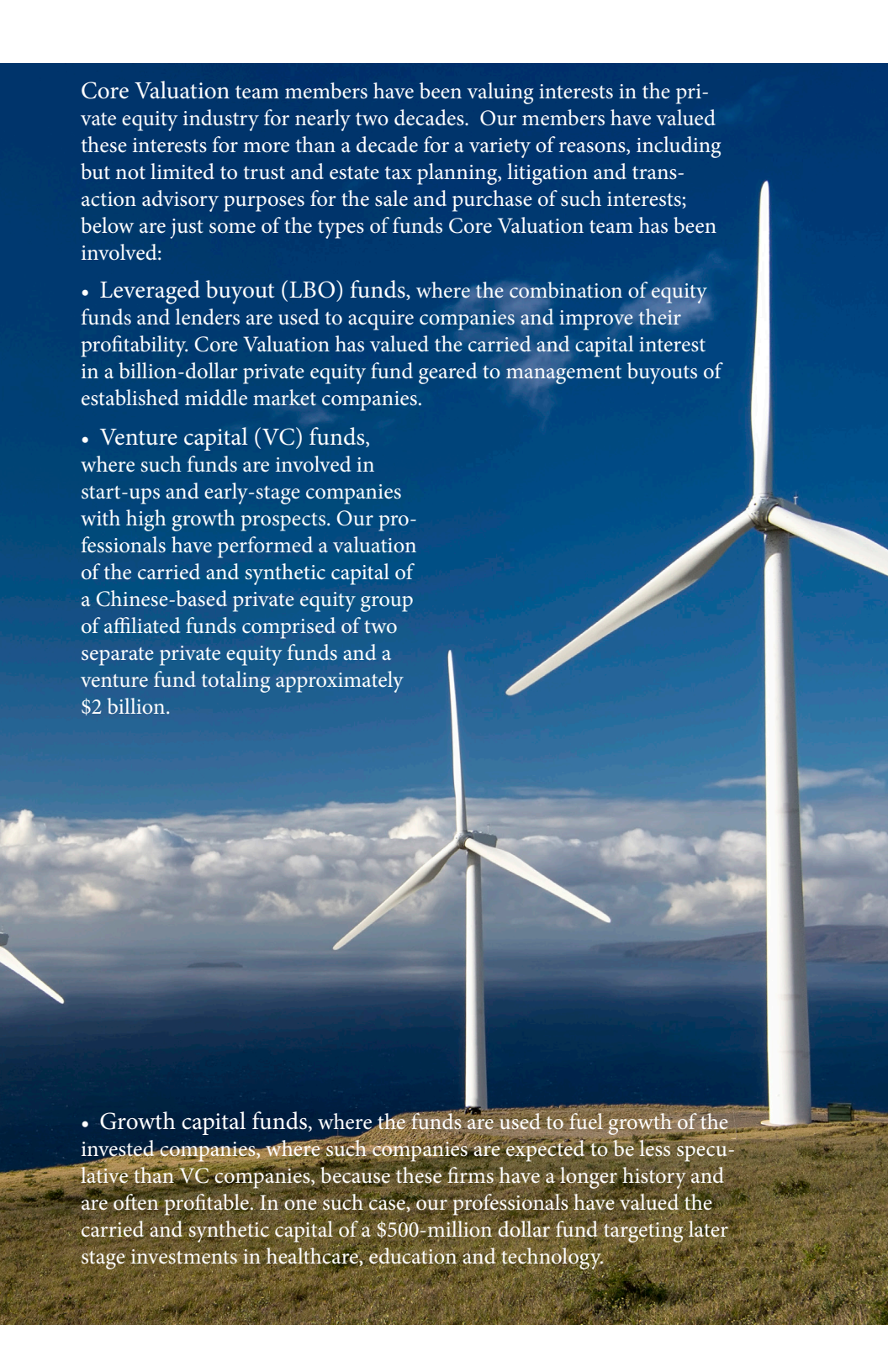
core valuation

Core Valuation has a history of providing valuation and valuation services in the private equity industry, having pioneered valuations of vertically-sliced carried and capital interests for tax planning purposes, as well as being the trusted advisor on this topic to several AmLaw 100 firms in the U.S. We understand that when it comes to selecting experts in the valuation marketplace, there are many options. When it comes to choosing an expert in the private equity industry, there's only one – Core Valuation.

When you choose Core Valuation, you will benefit from:


- **Our experience:** In an industry where experience counts for everything, you can feel confident that you're working with a firm that has the expertise you need and the access you've come to expect.
- **Our commitment to client service:** Our decades-long relationships with leading wealth managers and leading lawfirms are a testament to our commitment to deliver the highest quality of service and work product to accomplish the necessary goals.
- **Our track record:** Our diligence to maintaining well documented files, in-depth research and our attention to detail position us to withstand the scrutiny of the federal and state regulatory bodies.





Core Valuation team members have been valuing interests in the private equity industry for nearly two decades. Our members have valued these interests for more than a decade for a variety of reasons, including but not limited to trust and estate tax planning, litigation and transaction advisory purposes for the sale and purchase of such interests; below are just some of the types of funds Core Valuation team has been involved:

- Leveraged buyout (LBO) funds, where the combination of equity funds and lenders are used to acquire companies and improve their profitability. Core Valuation has valued the carried and capital interest in a billion-dollar private equity fund geared to management buyouts of established middle market companies.
- Venture capital (VC) funds, where such funds are involved in start-ups and early-stage companies with high growth prospects. Our professionals have performed a valuation of the carried and synthetic capital of a Chinese-based private equity group of affiliated funds comprised of two separate private equity funds and a venture fund totaling approximately \$2 billion.
- Growth capital funds, where the funds are used to fuel growth of the invested companies, where such companies are expected to be less speculative than VC companies, because these firms have a longer history and are often profitable. In one such case, our professionals have valued the carried and synthetic capital of a \$500-million dollar fund targeting later stage investments in healthcare, education and technology.



Real estate funds, where investments are made in real property and different strategies are deployed. Some funds are relatively conservative, investing in lower-risk rental properties with stable, predictable cash flows, while others invest in and or more speculative development deals, offering greater potential for returns but also greater risk. Example of Core Valuation's experience in this area was the valuation of the underlying assets and the business enterprise value of a private multi-family real estate fund group managing total assets of approximately \$3.5 billion, and the valuation of an interest of a real estate private equity firm that currently manages four funds totaling \$1.6 billion targeting the real estate industry particularly in the office, residential, retail and hotel markets taking controlling position, among others.

Infrastructure funds. Infrastructure funds invest in utilities and transportation hubs like toll roads, airports, bridges, electricity and gas networks and hospitals. A popular area recently has been renewable energy, with funds investing in everything from solar power plants to offshore wind farms. In this regard, our professionals have also valued the carried and capital interest of a well-known private equity fund that was invested in offshore wind farms, and other renewable sources of energy.

Fund of funds. Core Valuation members have been involved in numerous valuations of interests in the fund of funds, where such firms typically do not invest directly in companies or assets; rather, such firms buy into portfolios of other private equity funds, enabling investors to achieve the benefits of greater portfolio diversification and access funds they might not otherwise have been able to invest. Our experience has brought us valuations of the management interest, as well as the carried and capital interests of a prominent multibillion-dollar global fund-of-funds management company. Among other valuations, we have also valued the carried and synthetic capital of the fund-of-funds' eighth successive fund and comprised of three separate private equity funds: a \$2.0 billion dollar venture fund, \$2.25 billion buyout fund, and a 400-million mezzanine fund.



- **Mezzanine capital.** private equity firms specializing in subordinated notes and preferred stock investments for companies in need of financing, with the aim of achieving higher returns than debt and lower risk than equity. One such example was a valuation of an interest in the private equity management firm with its fourth successive fund that was invested in the mezzanine market in multiple portfolio companies, as well as the carried and synthetic capital of a several billion-dollar private equity fund making later stage investments in companies that are in the communications and media field. Our professionals have also valued the vertically sliced carried and capital interests of smaller middle market private equity funds such as a \$300-million venture fund focused on making equity and near equity investments in private companies.

- **Special Situations/Distressed PE.** Distressed PE funds specialize in lending to or investing in companies in serious financial difficulty. Because of the “distressed” state of the companies, the funds can buy shares very cheaply, and the aim is for the company to be restructured and return to financial health, yielding a profit for the fund. There are also hedge funds that are distressed investors, so the lines can blur between hedge funds and private equity when it comes to this style of investing. Our experience includes one such example of a valuation of a fund specializing in asset value investing focusing on closed-end funds, holding companies and corporate restructurings with a strategic focus on arbitrage, distressed debt and equity of financially troubled firms, special situations, such as companies undergoing a corporate restructuring, liquidation, spin-off, tender offer or merger. Another such example of our experience was the valuation of the carried and synthetic capital of a \$250 million private equity fund targeting private equity investments in distressed debt and equity, either out of bankruptcy or through a turnaround across a broad range of industries in the United States, Europe and Japan.

- **Secondaries,** where such funds exist buying existing commitments and turning them for profit. These funds also sometimes buy companies or assets from portfolios of other private equity funds.

Core Valuations professionals have developed the depth of knowledge in the industry, including a solid understanding of the risks and the value drivers of within industry. Our team has also valued interests for the successive funds of highly recognized and successful private equity funds, hedge funds and alternative investment funds. Below are just some of our members' accomplishments:

Private equity funds

- Valuations of the interest of a private equity management firm, as well as the carried and capital interests of their second and third successive funds totaling \$700 million, where such investments capitalize on Land-Based Environmental Offsets markets (often known as 'mitigation banking'), where investments are made to mitigate unavoidable permitted impacts to wetlands, streams and other natural resources throughout the U.S.
- Valuation of the carried and synthetic capital of a private equity group's fourth successive fund of approximately \$1.4 billion investing in the global insurance and financial services industries in the United States, United Kingdom, and Europe, among others.
- Valuation of the carried and synthetic capital of a private equity fund's third successive fund with \$500 million in capital commitments to make equity investments in U.S. mid- and late-stage private life sciences companies involved in the discovery and development of biopharmaceutical products or medical technologies.
- Valuation of the carried and synthetic capital of a multi-billion dollar private equity fund targeting four industries: healthcare; energy and power; media and telecommunications; and financial services.
- Valuation of the carried and synthetic capital of a private equity group's third successive fund of approximately \$1.1 billion private equity fund investing in the global insurance and financial services industries.
- Valuation of the carried and synthetic capital of a \$600 million private equity fund targeting the healthcare industry, taking controlling position in companies with valuations in the \$50 million to \$500 million range.
- Valuation of the carried and synthetic capital of the latest multi-billion dollar private equity fund of a long-established team with the objective of investing in companies with a multinational focus across all industries.
- Valuation of the carried and synthetic capital of a \$400 million private equity fund targeting investments in companies that finance and manage the development of pharmaceutical, biotechnology and other life sciences projects.
- Valuation of the carried and capital interest of an investment management and advisory firm that manages a portfolio of Latin American equities, global emerging markets, international smaller company, international large cap equities, and global hedged equities.

Hedge funds

- Valuation of the incentive interest of a multi-family hedge fund group operating multi-billion dollar offshore funds with differing risk profiles.
- Valuation of the capital interest including the incentive allocation of a \$500 million hedge fund investing in debt and equity securities of highly leveraged and/or distressed companies.
- Valuation of the incentive fee and capital of a \$300 million dollar hedge fund investing in distressed debt and equity of financially troubled firms, special situations, such as companies undergoing a corporate restructuring, liquidation, spin-off, tender offer or merger.
- Valuation of the capital and incentive fee interest of a several multi-million dollar hedge fund investing in securities of highly leveraged or distressed companies. General Partner hedges positions as well as invests in options.
- Valuation of a \$1.5 billion dollar hedge fund investing in “Event Driven” investments in public securities market with the objective of preserving capital and maintaining low correlation with the market and low volatility.

Other - Litigation Support

In addition to our experience in the valuation of the various types of interest in the private equity industry, our professionals have experience in providing litigation support in the computation of damages suffered by the private equity fund group of a major investment bank, resulting from the lost business as the financial advisor and placement agent for identified and/or potential mandates. These mandates involved raising capital for a host of well known private equity managers, with each fund ranging in sizes from \$350 million to \$3.0 billion.



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