Land grabbing according to financial market logic

-Private equity (*private capital, pe*) is the most recurrent financial way,
i.e., shares, bonds and other financial vehicles to split ownership of a company and to run business. The more certain shareholders have property the more gain in importance.

-What are "private equity" funds?
Money pools injected into private companies which are not listed on stock exchanges (and therefore not subject to public reporting requirements).

-Who manage pe funds?
Small, specialized teams (General Partners aka Fund managers) attracting capital from clientele investors. They collect minimum investment amount which then get locked up for five to 15 years. These clientele (investors financing a fund to run) is composed by pension funds, sovereign wealth funds, endowment funds, family offices, governments, banks, insurance companies and high net worth individuals.

How does private equity work?
Fund manager designs fund which once with enough capital would be invested according to a theme or region and following a strategy.

As soon as the fundraising, which can last until 2 years, is finished the fund "closes" and fund manager invest money in various ways:

-**venture capital deals** (early, into very small growing firms)

-**growth investments** (middle, into firms that are about to get bigger)

-**buyouts** (matured, into matured firms whose ownership may change hands)

Fund normally ends up with "portfolio" (investment inventory) containing several companies where was invested in.

Investment life span ca. 10 years all investments/properties must be liquidated (i.e. “exited”) within that time

-selling employed companies and assets or

-companies public by listing them on a stock exchange.

Results:

(+) Investors recuperate capital invested plus share of profits, minus the fees paid to fund managers.

(-) Fund may also generate losses, resulting in the investors losing some or all of the money they invested.