

Understanding Private Markets

Comillas Private Equity & Venture Capital Club

Private Markets 101

Map of the Course

- **Understanding Private Markets**
- Private Equity
- Venture Capital
- Private Credit
- Infrastructure and Real Estate Investments

Introduction to Private Markets

What are Private Markets?

Private Markets include all investments made in assets that are not traded on public stock exchange.

- Encompasses privately held businesses, private debt, infrastructure projects, real estate assets and other forms of alternative investment.
- Less frequent liquidity, but custom deal terms and tailored investment strategies.
- Access through private funds.
- Regulated differently.

Each of these features will be explored in detail throughout the course.

Why Private Markets?

1

Larger Opportunity Set

Different investment opportunities less correlated to public market assets.

2

Long-Term Outperformance

Attractive risk-adjusted returns relative to public market assets.

3

Diversification Benefits

Greater diversification and lower volatility than publicly listed securities



Private
Equity



Private
Credit

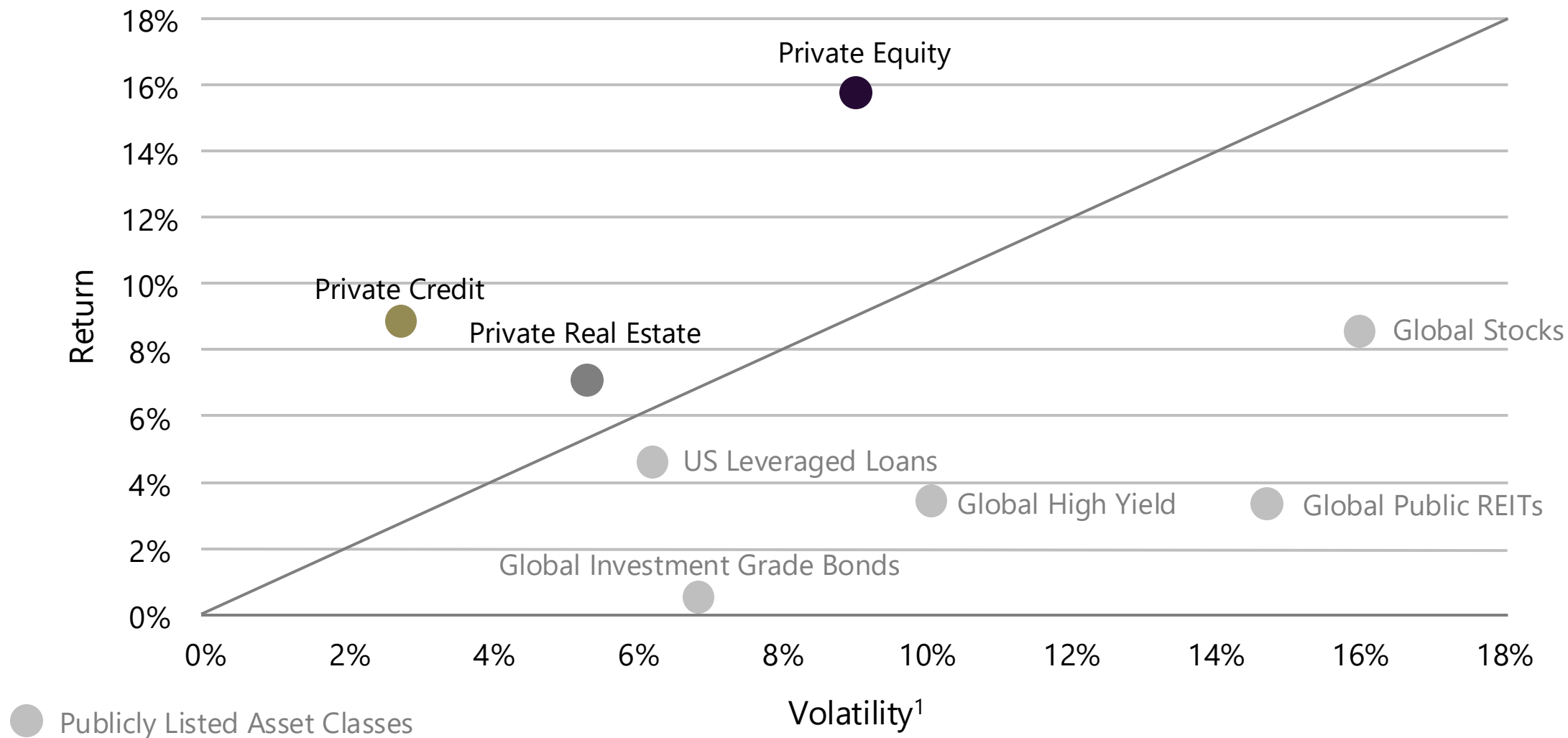


Private
Real Estate



Infrastructure

Why Private Markets?



1. Volatility is represented by the standard deviation.

Public Companies VS Private Companies

Public Companies

Significant legal, regulatory, and accounting requirements.

Volatility of stock price and scrutiny of quarterly earnings.

Highly visible business plans and results.

Private Companies

Lower legal, regulatory, and accounting requirements.

Ability to manage company without external oversight and short-term focus.

Illiquid holdings encourage long-term ownership.

A Greater Number of Private Companies With Over \$100 Million Revenue

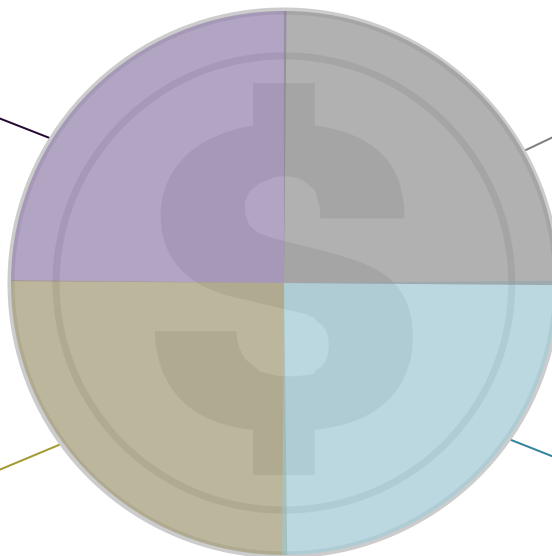


Compared to the Public Market, Private Markets are **larger**, are **growing quickly**, and play a **significant role** in the global economy, opening doors to potential new sources of return.

Types of Investments in Private Markets

Private Equity

Involves equity investments directly into unlisted companies.



Infrastructure

It means funding in physical systems and facilities that are essential for the daily operations of the society and the economy.

Private Credit

Also known as Private Debt, it includes corporate loans and other credit instruments that don't involve a traditional bank.

Private Real Estate

Invest directly in privately held property including residential, commercial, industrial and data centers.