

**Syllabus:**  
**MGMT 809-001: Private Equity in Emerging Markets**  
**Spring 2015 – Quarter 3**  
**M/W 1:30 to 2:50 PM**

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**This version of the syllabus has been prepared for students considering registration in the course. The final session schedule will be dependent on the availability of guest speakers. The course requirements are as described herein.**

**1.0 Course Description:**

This course is designed to provide students with a practical understanding of private equity issues focusing on emerging market and frontier country environments. The underlying premise of the course is that private equity in these countries is a distinctly different asset class than in industrialized countries for a number of reasons that will be identified and analyzed by students, such as valuation, corporate governance standards and practices, contract enforcement and regulations, and exit alternatives. Students will assess these differences that heighten the risks for private equity investors in emerging markets and explore how they can be successfully mitigated. The course will be analytically rigorous and require a high level of weekly preparation and class participation. The case method of teaching will predominate, allowing students to gain a realistic understanding of the roles, responsibilities and analytical skills required of practitioners, and the tensions that arise between the various stakeholders, including government officials who formulate regulations and policies that effect PE investor behavior and performance. Cases will highlight the challenges and tasks performed at each stage of the investment cycle, such as structuring a new fund, originating investment opportunities, conducting due diligence, monitoring and creating value in portfolio companies, and exiting.

The course is designed for two realms of student interest:

1. Students with a serious interest in building a career (upon graduation or at some point in the future) in private investment activity in countries with transitional or developing economies, either as part of a corporate development effort, or through venture capital or buyout fund activity.
2. Students who expect to engage in entrepreneurial activity (upon graduation or at some point in the future), and who seek an understanding of the fundamental dynamics of venture funding as a way of building a company, or considerations for buying a company.
3. Or both at various times in their careers

## 2.0 The Emerging Market and Developing Country Investment Problem

Books such as Hernando de Soto's *Mystery of Capital* and its "hands-on" counterpart C.K. Prahalad's *The Fortune of the Bottom of the Pyramid* have attracted the attention of scholars and policy makers on the possibility of promoting economic development at the grass roots levels of populations in distressed economic circumstances. Indeed, the United Nations Development Program and the World Bank have studied and rethought their strategies for support of these markets. Such groups such as Endeavor and others are promoting these concepts on the ground; we are witnessing significant growth in microfinance, as well. Wharton is adding its own insights and energies to these issues, not only by serving as publisher of Prahalad's book, but also through faculty research on entrepreneurship education in these markets, and through such programs as the Wharton Global Family Business Alliance, new courses in social enterprise and entrepreneurship, and panels in many of the Wharton student club conferences. Such attention provides great hope for the future and should give students a heightened sense of enthusiasm (and urgency) for "double bottom line" business activity and the notion of "doing good while doing well." The instructor himself has embraced these concepts in his own work at Wharton and in the private sector—particularly in global health.

*Having said all of the above, MGMT 809 is not a course in economic development per se, or for that matter a course in microfinance or the building of economic opportunity. While the instructor strongly encourages students to study and embrace the principles of the aforesaid shift in thinking, this course is much further downstream in business activity. We are concerned with the functioning and optimization of private equity in emerging markets as an asset class from an entrepreneurial and investment point of view. Students with a specific interest in studying the role of PEEM in economic development may focus their course project in that area after consulting with the instructor. Suffice it to say, PEEM is intrinsically developmental in that it provides capital and entrepreneurial know-how in economies in significant phases of growth or systematic transition.*

Classic investment issues in emerging markets and developing countries are readily characterized in basic economic terms such as information asymmetry, agency conflict, adverse selection, moral hazard, etc. The nature of these problems is largely inherent in the structure of the companies, the culture of family business and its requirement of control, a limited pool of management (especially with experience in global markets), and ultimately manifest in the ambiguity and volatility of the public capital markets where they exist in these countries. Consequently, private investment as fuel for economic growth is in relatively short supply. These problems have generally caused a slow-down in capital formation and foreign direct investment for many African, Asian, Eastern European Latin American and Middle Eastern economies. In all of these regions, private equity has had a tenuous foothold at best, and even where the asset class appears vibrant there remains significant issues. Cases have been created or selected for major issues such as deal sourcing, project diligence, term sheets and governance, and are set in the so called "BRIC" countries. Students are also encouraged to explore PE issues in the CIVETS -- Colombia, Indonesia, Vietnam, Egypt, Turkey, and South Africa, as well as other rapidly emerging economies and frontier markets.

It is the case that "best practices" of private equity are still evolving in all markets, the US, Europe and Japan included. This course seeks to migrate at least the acknowledged best practices

to the emerging markets, but in ways that are adopted to local business cultures and the realities of their capital markets. But most importantly, Wharton students are clearly capable of using their own knowledge, creativity and energy into deriving and ultimately practicing the next mode of best practices. Candidly, the instructor is expecting that students will do some of their best work at Wharton in this course.

To reiterate--using the readings, cases, class discussion, lectures, and the generous participation of expert guests, the instructor will drive the class to seek creative solutions to bring this asset class to maturity and sustainability.

### **3.0 Qualifying Students:**

FNCE 601 is a pre-requisite for this course but will be waived by the instructor if students have a strong grounding in finance through prior study or work experience.

In the first session of the course there is introductory material that overlaps with other Wharton course offerings, but from the second session onwards the majority of material is unique to the course. While not pre-requisites per se, those students who have had or are taking such courses as:

MGMT 804: Venture Capital and Entrepreneurial Management  
FNCE 750: Venture Capital and the Finance of Innovation  
FNCE 751: Buyout and Acquisition Finance

will have a stronger foundation to understand the principles of the course. In order to compensate for the knowledge gap that some students may have, the instructor will provide some basic reference material and hold a special session for students with no prior background in VC or PE.

### **4.0 Course Materials and Study Resources:**

#### **Required:**

Course Pack. "Private Equity in Emerging Markets, 2015 Edition, compiled by Stephen M. Sammut available on [study.net](http://study.net)

#### **Recommended, especially for students contemplating a PE career:**

Text: Eli Talmor and Florin Vasvari. International Private Equity. Wiley 2011  
ISBN 978-0-470-9170-3 (hardback); an e-book version is available.

This text has not been ordered for the Penn Book Store. On-line vendors offer good discounts.

## 5.0 Project, Participation and Grading:

### Points summary:

Course project (team-based):	60 points
Six Case Questions:	6 points
Team case competition:	10 points
Attendance (sessions 3 to 14):	12 points
Participation and blogging:	12 points
Total:	100 points

**Course Project (60 points):** The major deliverable for the course is a project, typically done by teams of 4 to 5 students, although individuals and smaller teams sometimes submit. The project is 60% of grade. Possibilities include: a research paper, creation of a case study for possible teaching use in future offerings of the course, strategy for a given company, industry or venture fund in a given region or country. Students are invited to develop creative projects concepts and propose them to the instructor by the date specified in the Course Session and Learning Agenda. The instructor will meet with each team once their proposal is submitted in order to refine the topic, determine the scope, and design the deliverable that is the most sensible for the proposed project, i.e., the deliverable might take the form of a research paper, business plan, case study, or a PowerPoint depending on the circumstances. A schedule of due dates for the proposal, instructor meeting, outline submission and final submission are indicated in the Session Schedule and Learning Agenda. In order to allow time for students to prepare the richest possible submission, **the course project will not be due until late March.** See the Session Schedule and Learning Agenda for the precise date.

### Cases – Six General Discussion Cases and One Special Team Case

There are six cases assigned in the course for general class discussion and one additional quantitatively oriented case for group preparation and presentation.

**General Discussion Cases (1 point each/6 points total):** The instructor will forego requiring the submission of written case memos. For each of the six cases assigned in the course, however, the Session Schedule and Learning Agenda lists a series of questions. Students should select one of these questions for each case and provide a BRIEF and COGENT answer in the appropriate assignment folder of course Canvas site. Answers must be posted before the case is discussed in class (no exceptions). Timely submission of a thoughtful answer will be awarded **1 point**.

**Special Team Case Competition (10 points).** The instructor will assign an additional, quantitatively oriented case later in the course for each project team to solve. The project teams will post their evaluation and recommendation of the case with a PowerPoint slide set on Canvas the evening before the classroom discussion date (See Session Schedule and Learning Agenda). The Instructor will select the three best submissions and notify the teams in advance that they will present in class. The class will vote on the best of the three. The winning team will be awarded a memento of the course.

**Attendance (12 points):** Attendance will be recorded for Sessions 3 through 14 (12 total). Students will be awarded 1 point for attendance for each class.

**In Class and Course Blog Participation (12 points):** The instructor acknowledges that the size of the class and the individual learning styles of the students often inhibit participation in class discussion. Students can accumulate points towards participation in two ways:

- A. Active in-class participation is defined as asking thoughtful questions to the instructor and guest speakers, answering instructor queries during lectures and case discussion, and raising issues in class that enhance the learning of the group.
- B. Blog contributions. There will be course blogs designed for each of six regions: East and South East Asia, Emerging Europe and Russia, South Asia, MENA, Latin America and Sub-Saharan Africa. Each student in the class is **required to join one blog group** and actively contribute by alerting classmates to news articles or other reports, adding comments on these articles and reports, and general participation in the “conversations.”

The allocation of the 12 participation points will be made on a relative basis. Students will receive up to two points for comments in class (depending on the nature of the insight shared). For blog entries, students will receive two points for news articles or reports with comment, two points for starting a discussion string, and one point for contributing to a discussion string.

At the conclusion of the course, each student’s points will be accumulated and ranked. Based on this ranking, students will receive 0 to 12 points for their contributions.

**The instructor will strictly adhere to the Wharton grading distribution policy.**

## **6.0 Teams**

It is likely the case that many students registered for the course have prior relevant work experience—the instructor expects that those students will distribute themselves more or less evenly in the study groups of 4 to 5 students (see below) in order to share their knowledge.

## **7.0 Session Schedule and Learning Agenda**

This is a separate document that will be updated periodically and is posted on Canvas. The general topics in the course are:

- Introduction to Issues in Private Equity in Emerging Markets (“PEEM”)
- Fund Formation and Capitalization
- Legal and structural issues in forming emerging market private equity fund
- Development of Fund Strategy and Managing Crisis

- Deal Sourcing, Due Diligence and Company Strategy in PEEM
- Valuation Issues in PEEM
- Term structure and negotiation in PEEM
- Exit Planning and Execution in PEEM
- Governance and Value-Add in PEEM
- Fund Performance and Evaluation Issues in PEEM

## 8.0 The Instructor

**Office:** 422 Vance Hall – an appointment matrix will be posted on the webcafe.  
**Telephone:** 610-202-6597  
**E-mail:** smsammut@wharton.upenn.edu

**By snail mail or over-night courier** please sign to authorize “drop-off”:  
 300 East Lancaster Avenue, Suite 1002, Wynnewood, PA 19096

## 8.0 Instructor Biography:

Mr. Sammut is Senior Fellow, Wharton Health Care Management and Lecturer, Wharton Entrepreneurship. He is former Venture Partner, Burrill & Company, a San Francisco based life science venture capital fund and merchant bank. At Burrill & Company, Mr. Sammut focused on international activity, with a special focus on global health venturing. He is currently an advisor to the Africa Health PE Fund operated by the Abraaj Group.

At the Wharton School, and periodically in the University of Pennsylvania School of Applied Science and Engineering, School of Law and School of Medicine), he teaches venture capital management, corporate development, mergers and acquisitions, biotechnology entrepreneurship, intellectual property strategy, and private equity in emerging markets, Israeli innovation, health care systems, and a special seminar on private sector participation in international health. He is faculty advisor to student-alumni organization called the Wharton Health International Volunteer Program (WHIVP) that provides *pro bono* consulting services to public health services and clinics in the developing world. WHIVP was awarded the Health and Human Rights Leadership Award by Doctors of the World for its decade long work in developing world health systems.

Mr. Sammut is also Founder and Chair of the International Institute for Biotechnology Entrepreneurship, a non-profit organization offering intensive training programs throughout the world for managers of biotechnology companies. He actively conducts research under a grant from the Bill & Melinda Gates Foundation, in collaboration with the McGlaughin-Rotman Center for Global Health at the University of Toronto on the capability of emerging market countries in the biotechnology and pharmaceutical industries. He is also on the faculty of the World Intellectual Property Organization/UN executive education program.

Mr. Sammut has been involved in the creation or funding of nearly 40 biotechnology, Internet, and information technology companies globally. He is on numerous Boards of Directors and Advisory Boards including Doctors of the World USA, Mitsubishi Corporation Life Sciences Business Group, the Royal Bank of Canada Technology Venture Fund, the Cornell University Research Foundation, Combinent BioMedical Systems, Dynamis Pharmaceuticals, Gentis, Biowizard.com, the Center for Medicine in the Public Interest, Red Diamond Capital (a mid-market buyout fund), the Asia-Alpha Venture Fund, and several other organizations. He is also on the editorial board of the European Venture Capital Association Publications, The Private Equity Review, and the Journal of Commercial Biotechnology.

He is also active with the International Finance Corporation/World Bank Group where he co-authored a report on venture capital in China, serves as the principal consultant in the IFC's Technology Transfer Facility, and advises the health care section of the World Bank in program implementation in the developing world.

Mr. Sammut previously held the positions of Vice President of Development of Teleflex Incorporated where he created and managed acquisitions and alliances, and at S.R. One, Ltd., GlaxoSmithKline's venture capital fund. He was also Managing Director of Access Partners, a venture fund focused on formation of companies around university technologies and capitalized by corporate strategic investors.

Earlier in his career, he was Managing Director of the Center for Technology Transfer at the University of Pennsylvania, where he spun out over one dozen companies over a two-year period. He held a similar position at Jefferson Medical College. He is also co-founder and former CEO of the Philadelphia Organ Transplant Program, the largest transplant organ bank in the United States. He holds degrees in biology and humanities from Villanova University, attended Hahnemann Medical College for two years and holds an MBA from the Wharton School of the University of Pennsylvania.

**MGMT 809-001: Private Equity in Emerging Markets  
Course Agenda, Quarter 3, Spring 2015**

**This is the 2014 schedule and is provided for illustration. Several cases will be changed and the sequences of sessions will change as speakers are confirmed.**

Session	Session Content	Reading Assignments, Session Preparation Guidelines, Speaker Details (all in study.net unless otherwise indicated)	Learning Goals and Case Questions
<p style="text-align: center;"><b>1</b></p> <p style="text-align: center;">Weds January 15</p>	<p><b>Introduction to Issues in Private Equity in Emerging Markets (“PEEM”) and Development of Fund Strategy and Managing Crisis</b></p> <ul style="list-style-type: none"> <li>-History and trends</li> <li>-Contrasts with US/Europe</li> <li>-Hierarchy of risks</li> <li>-Risk mitigation strategies</li> <li>-Role of PE/VC in economic development</li> </ul>	<p>Case: Kaizen Venture Partners</p> <p>Article 1: How Venture Capital Works</p> <p>Article 2: A Note on Private Equity Investing in Developing Countries</p> <p>Article 3: Private Equity Investing in Emerging Markets</p> <p><b>From Canvas Session 1 Material</b> Download the following and keep as a resource for the course:</p> <p>Bain &amp; Company Global PE Report 2012</p> <p>EMPEA Legal and Tax Guidelines</p> <p>OPTIONAL Talmor and Vasvari, Pages 1 to 54</p>	<p><b>Kaizen Venture Partners</b> <i>Location: Bulk Pack</i> <b>Read the case in great detail. REQUIRED READING</b></p> <p><b>The following questions are general questions for discussion. Students are not required to select one for posting on Canvas</b></p> <ol style="list-style-type: none"> <li>1. What challenges did Kaizen Venture Partners and the Dozie brothers face in starting a new fund? How did they overcome them?</li> <li>2. What role did the Dozies’ personal and professional network play in starting KVP and sourcing deals? Is this role different from what one would expect in the West?</li> <li>3. How did KVP’s initial model differ from traditional, western-style private equity? Why did they choose the model they did? What were the advantages and disadvantages?</li> <li>4. Should KVP continue seeking investments across Sub-Saharan Africa, or should it go back to Nigeria?</li> <li>5. How should KVP seek to organize itself? In a</li> </ol>

			traditional western-style PE fund structure, or through deal-by-deal financing? 6. Should KVP continue to seek funding from Development Finance Institutions (DFI) or should it seek private investment? What are the advantages / drawbacks to each?
<b>Weds Jan 22</b>	<b>Join Regional/Country “Brain Trust”</b> <b>Select one from among:</b> <b>China and East/Southeast Asia – India and South Asia – Latin America -- MENA –</b> <b>Russia/CIS/Emerging Europe -- Sub-Saharan Africa</b>		
<b>2 Weds January 22</b>	<p><b>Deal Sourcing, Due Diligence and Company Strategy in PEEM</b></p> <ul style="list-style-type: none"> <li>-Approaches to inventorying base of opportunities</li> <li>- Understanding the point of view and expectations of entrepreneurs, families and existing owners</li> <li>-Approaches to building deal flow in emerging markets</li> <li>- Special issues in setting up a system for deal processing</li> <li>-General transactional path</li> <li>- Special diligence factors in emerging markets and approaches to analyzing these</li> </ul>	<p><b>Case: Notore Chemical Industries: Pioneering an African Green Revolution</b> <b>Case Authors:</b> Bimpe Fadipe, Shirley Somuah, Etzerson Philitas and Ismoila Alli-Balogun, Wharton MBA Class of 2013</p> <p><b>Other Optional Readings:</b></p> <p>Article 4: <i>From Investing in Emerging Markets</i></p> <p>Article 5: The Emerging Markets Phenomenon</p> <p><b>Other Optional Readings:</b></p> <p>Cummings and Johan</p> <p>--Overview of Institutional</p>	<p><b><u>Learning Objectives of the case</u></b></p> <p>The case provides the opportunity to discuss the implications of the global credit crisis for African companies and credit markets, the role of agribusiness as a growth driver in SSA, issues in governance, and the unique challenges involved in turning around a Nigerian company.</p> <p>The learning objectives of the case are:</p> <ul style="list-style-type: none"> <li>• Due diligence factors in evaluating emerging market companies and the company strategy</li> <li>• Valuation techniques in emerging market private equity</li> <li>• Deal structure under challenging market conditions</li> </ul> <p><b><u>Select one of the following questions to answer on Canvas under Assignments</u></b></p>

	<p>-Challenges of deal origination</p> <p>- “Concept arbitrage”</p> <p>- Building companies around products or technologies transferred from other countries</p>	<p>Contexts, Empirical Methods, 51 – 66</p> <p>--What should fund managers care about, 69 – 92</p> <p>Talmor and Vasvari, Pages 54 to 107, and 235 to 251</p>	<p><b><u>BEFORE the start of class:</u></b></p> <ul style="list-style-type: none"> <li>• Is Notore an attractive transaction for investors?</li> <li>• What are the key risks with acquiring a company like Notore?</li> <li>• Given the information available, how should Notore be valued? Given the company’s comparables, what would be an appropriate range of enterprise values? Does the value proposition make sense?</li> <li>• How should investors structure their investment in Notore?</li> </ul>
<p><b>3</b></p> <p><b>Mon</b></p> <p><b>Jan</b></p> <p><b>27</b></p>	<p><b>PE and VC Valuation Challenges in PEEM</b></p> <ul style="list-style-type: none"> <li>- Basic universal PE/VC valuation methods</li> <li>-</li> <li>- Special considerations in emerging market PE</li> <li>-</li> <li>- Special considerations in emerging market VC</li> </ul>	<p><b>CASE: Corbina Telecom Acquisition by Renova: The Story of A Russian LBO</b></p> <p><b>Case Authors:</b> Yulia Alekseeva (MBA ‘13), Ann Marie Aponte (MBA ‘12), Robert Grajewski (MBA ‘13), Heekyung Kim (MBA ‘12) Nicholas Pike (MBA ‘13) and Andrew Richard (MBA ‘12), all Wharton School</p> <p>Article 10: From Valuation of Companies in Emerging Markets</p> <p>Recommended: Bring a hard copy of the lecture slides to class.</p>	<p><b>Case issues and questions:</b></p> <p>This case lends itself to discussing in depth three key points including, the importance of access to capital and its effect on deal structuring, the importance of an investor’s network for deal sourcing / identification of opportunities, and finally, the motivation for the selection of a specific exit method.</p> <p><b><u>Select one of the following questions to answer on Canvas under Assignments BEFORE the start of class:</u></b></p> <ol style="list-style-type: none"> <li>1. How does access to capital affect the</li> </ol>

		<p><b>Other Optional Readings:</b></p> <p>Talmor and Vasvari, Pages 207 to 234 and 255 to 280</p>	<p>structuring of a deal?</p> <ol style="list-style-type: none"> <li>In a country like Russia, what is the importance of an investor’s network deal sourcing and ability to identify opportunities?</li> <li>What are the motivations for the selection of a specific exit method?</li> <li>What was Renova’s value-add role?</li> </ol>
<p><b>4</b></p> <p><b>Weds</b></p> <p><b>Jan 29</b></p>	<p><b>Special considerations in term sheet provisions in PEEM – Part 1</b></p> <ul style="list-style-type: none"> <li>-IFC’s “quasi-equity structures”</li> <li>-Country limitations in VC deal structure</li> <li>-PE and buyout considerations in deal structuring and contrast with US</li> <li>- Structuring PE deals without leverage</li> </ul>	<p><b>Case: iGate/Patni</b></p> <p><b>Case Authors:</b> Abishek Agarwal (MBA ‘12), Aniket Prabhune (MBA ‘12), Vineet Mathur (MBA ‘12), Vrushali Patil (MBA ‘12) and Vinay Subramanian (MBA ‘12) all Wharton School</p> <p>Review and bring to class the NVCA Term Sheet on Canvas</p> <p>Recommended: Bring a hard copy of the lecture slides to class.</p>	<p><b>iGate/Patni Case Discussion Questions:</b></p> <p><u><i>Select one of the following questions to answer on Canvas under Assignments BEFORE the start of class:</i></u></p> <ol style="list-style-type: none"> <li>Is Bigger always better? Does being bigger in IT industry the way to go?</li> <li>What are the problems you see with acquiring a company like Patni?</li> <li>Should iGate go ahead and risk the entire company to acquire Patni?</li> <li>Does acquiring a company providing similar BPO services like Genpact be a better plan for iGate at this stage?</li> <li>What role should Apax play during the whole process?</li> </ol>

<p><b>Thurs Jan 30 11:59 PM</b></p>	<p><b>DELIVERABLE: One Page Team Project Proposal to be posted on CANVAS by 11:59 PM Thursday Jan 30</b>  <b>List all team members with e-mail addresses.</b>  <b>See Canvas for OPTIONAL team meeting appointment with Professor Sammut to discuss project.</b></p>		
<p><b>5</b>  <b>Mon Feb 3</b></p>	<p><b>Guest Speaker: Focus MENA</b></p> <p><b>VIA VIDEO LINK</b></p> <p><b>Samer Sarraf</b> Amwal AlKhaleej Senior Vice President Dubai Office</p> <p>Noha Khattab, CFA Senior Vice President Amwal AlKhaleej Cairo Office</p>	<p>From Canvas in Session 5 Slides &amp; Materials Folder read from among:</p> <ol style="list-style-type: none"> <li>1. 2011 MENA Annual PE-VC Report</li> <li>2. ME – PE Primer</li> <li>3. Navigating Saudi PE Landscape</li> <li>4. Role of VC in Islamic System</li> <li>5. PE ME Assessing Crisis</li> <li>6. INSEAD-MENA-PE Report</li> <li>7. MENA VC Report 2012</li> </ol>	<p><b>Samer Sarraf</b> is the Senior Vice President and Amwal AlKhaleej's UAE Country Head.</p> <p>Samer joined Amwal AlKhaleej in 2008. Prior to that Samer was a Senior Associate at Lehman Brothers, based in its London office as part of the Investment Banking Natural Resources Group, where he advised leading oil &amp; gas and mining &amp; metal companies on valuation and financing in the context of major M&amp;As. Earlier in his career at Lehman, Samer was part of its global real estate group, where he led teams in the origination and analysis of commercial real estate loans, as well structuring of commercial mortgage backed securities (CMBS). Prior to joining Lehman, Samer had four years of experience in construction management with Bouygues Batiment in France and Tahiti as well as one year of architecture in France with AART Farah Architects &amp; Associates.</p> <p>Samer sits on the boards of two Amwal portfolio companies, Gulf Media Holding and KSAM2 Petrodrill Offshore Inc. Samer also sits on the executive committee of Dubai Contracting Company. Samer is also a co-founder and serves on the boards of BabyCord</p>

			<p>Jordan, FamilyCare Jordan and Bloom Food Trading LLC.</p> <p>Samer holds an MBA from Columbia Business School, double majoring in Finance and Entrepreneurship, and he has a B.Eng. in Civil Engineering from McGill University, majoring in Structural Engineering. Samer is fluent in Arabic, English and French.</p> <p><b>Noha Khattab</b>, Senior Vice President in Amwal AlKhaleej's Cairo Office.</p> <p>Noha joined Amwal AlKhaleej in 2005. Prior to that Noha was Head of Investments (and prior to that Investment Manager) at Gulf Arab Investment Company, a \$75 million private equity investment company based in Egypt. Noha has 16 years of experience in the Egyptian private equity, investment banking, and capital markets industry. Noha was also a Senior Associate at Sigma Capital's investment banking division, where she led and participated in M&amp;A transactions in the technology, media, and telecommunications sectors. Noha also worked at the Arab Investment Company, one of EFG - Hermes' first private equity companies. She also spent time working on the USAID-funded privatization project under Bechtel, and Arthur Andersen Noha is a CFA Charter holder and member of CFA Institute. Noha serves on the boards of Contact Cars, Sarwa, Modern Nile</p>
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			<p>Cotton Co, Egyptian Spinning &amp; Weaving Co., and Amwal Al Arabia. She also holds an MBA in Finance &amp; Investment (UK), and a B.A. in Political Science from the American University in Cairo. Noha is fluent in Arabic, and English, and has practical knowledge of French.</p>
<p><b>6</b> Weds Feb 5</p>	<p><b>Focus Latin America</b>  <b>Guest Speaker</b>  <b>Cate Ambrose</b> President and Executive Director Latin America Venture Capital and Private Equity Association</p>	<p><b>From Canvas,</b>  <i>Review Latin American Private Equity Score Card, 2013</i>  <i>Private Equity Value Creation</i></p>	<p>Cate Ambrose is President and Executive Director of the Latin American Venture Capital Association (LAVCA), a non-profit membership organization dedicated to promoting the growth of the private equity and venture capital industry in Latin America and the Caribbean.</p> <p>She speaks and writes regularly on a range of topics related to public policy and private investment in Latin America, and is a regular commentator on CNN En Español. Cate is also a special advisor to the board of AMEXCAP, the Mexican Private Equity and Venture Capital Association.</p> <p>Prior to joining LAVCA, Ms. Ambrose was Chief of Advocacy for the Commission on Legal Empowerment of the Poor, a United Nations initiative co-chaired by Peruvian economist Hernando de Soto and former US Secretary of State Madeleine Albright, where she directed research projects on business regulation and property rights in Mexico, Brazil, Guatemala, India, Kenya and Tanzania. Until 2005, Ms Ambrose was Executive Director of Programs at The Economist, where</p>

			<p>she founded the first industry gathering on private equity investment in Latin America, and chaired annual roundtables with the Presidents of Mexico and Colombia. She also chaired a range of meetings on finance, economic policy and business strategy in the US and Latin America, and founded The Global Agenda, a high-level panel of economists, policymakers and business leaders. Ms. Ambrose began her career as a journalist in Spain.</p> <p>Ms. Ambrose holds an MPA in International Economic Policy from Columbia University, and received her BA in Latin American studies from St Lawrence University and the University of Madrid.</p>
<p><b>7</b> <b>Mon</b> <b>Feb</b> <b>10</b></p>	<p><b>Special considerations in term sheet provisions in PEEM – Part 2</b></p> <p>-IFC’s “quasi-equity structures”</p> <p>-Country limitations in VC deal structure</p> <p>-PE and buyout considerations in deal structuring and contrast with US</p>	<p><b>CASE: Saratoga Capital and the Tower Bersama Group</b> <b>Case Authors:</b> Edwina Chan, Susan Sizhen Chen, Rizal Paramarta and Pantipa Jiphiphadhana (Wharton MBA Class of 2013)</p> <p>Article 11: Why Focused Strategies May be Wrong for Emerging Markets</p>	<p><b>Learning objectives for the Saratoga Capital Case</b></p> <ul style="list-style-type: none"> <li>• Overview of Indonesian and emerging Asia PE</li> <li>• Overview of cellular tower industry and global trends</li> <li>• How to navigate through unclear and/or changing regulatory in emerging markets?</li> <li>• How can growth funds add value?</li> <li>• How to value very small business that</li> </ul>

	<p>- Structuring PE deals without leverage</p>	<p><b>Other Optional Readings:</b></p> <p>Cummings &amp; Johan Security design and adverse selection, 359 – 388</p> <p>Talmor and Vasvari, Pages 39 to 54</p>	<p>one intends to grow inorganically in the beginning of the acquisition</p> <ul style="list-style-type: none"> <li>Evaluating exit options</li> </ul> <p><b><u>Select one of the following questions to answer on Canvas under Assignments BEFORE the start of class:</u></b></p> <ol style="list-style-type: none"> <li>What should Saratoga do at this point?</li> <li>If Saratoga chooses to stay, how to further grow TBG in the next couple of years?</li> <li>If Saratoga chooses to exit now, what is a fair valuation and how should they exit?</li> <li>How can PE add value?</li> <li>Develop a SWOT analysis for TBG</li> </ol>
<p><b>8</b></p> <p><b>Weds</b> <b>Feb</b> <b>12</b></p>	<p><b>The Challenges of Governance and Value Add Strategies</b></p>	<p><b>Case: Nexus Group and the Arrival of the Peruvian Retailer</b> <b>Case Authors:</b> Gabriel Benitez (WG '13), Andres Carpio (WG '13), Elizabeth Garcia (WG' 14), Gonzalo Leigh (WG' 13), and Rafael Mercado (WG '13)</p> <p>Article 9: Corporate Governance and Private Equity</p> <p><b>Optional Readings:</b></p> <p>Cummings &amp; Johan Investor value added, 451 – 458 Contracts and effort, 459 – 502</p>	<p>The learning objective of the <b>Nexus Group Case</b> is to deep dive into the factors that influenced the decision of which companies to include in this IPO in order to increase the chances for a successful exit. Nexus group decided to include only a particular set of companies in what would be their first IPO. The students should discuss their points of view on what this decision was based upon and what factors should be considered when planning to exit investments in Latin America.</p> <p><b><u>Select one of the following questions to answer on Canvas under Assignments BEFORE the start of class:</u></b></p> <ol style="list-style-type: none"> <li>How should Interbank and Nexus</li> </ol>

			<p>consolidate their portfolio and related businesses?</p> <ol style="list-style-type: none"> <li>2. Which companies to include and what considerations are important in this process?</li> <li>3. Should the company list exclusively on the Peru Stock Exchange or cross-list the ADR as well?</li> <li>4. What public comparable companies were available in the region? Should the operations of the public comparable companies be used a guide for assets to include or exclude?</li> <li>5. Should Nexus pursue a full exit or partial exit on their investments in the retail industry in Peru? Should they maintain their full investment?</li> <li>6. What are the next key strategic considerations in order for Nexus Group to unlock the greatest value in the Peruvian market?</li> </ol>
<b>Thurs Feb 13 11:59 PM</b>	<b>Two page detailed project outline to be posted on CANVAS by 11:59 PM Thursday, February 13</b>  <b>List names and e-mail addresses of all team members.</b>		
<b>9  Mon Feb 17</b>	<b>Focus: China</b>  <b>Guest speaker:</b> <b>Anla Cheng</b> <b>Partner</b> <b>Sino-Century China Private</b> <b>Equity Partners, LLC</b>	<b>Readings:</b>  From Canvas in Session 10 Slides and Materials Folder: <ol style="list-style-type: none"> <li>1. PE In China- EY Report</li> <li>2. Risky Business (K@Wharton)</li> <li>3. Private Equity the Pace of</li> </ol>	Sino-Century is a China Private Equity Fund which pursues a non-leveraged growth capital strategy focused on investing in three sectors: financial information services, sustainable environment and high-end manufacturing. The firm’s objective is to be the premier mid-market China private equity firm.

		<p>Change Quickens</p> <p>Peruse this blog for interesting insights:  <a href="http://www.chinafirstcapital.com/blog/">http://www.chinafirstcapital.com/blog/</a></p>	<p>Prior to joining Sino-Century, Ms. Cheng ran a Family Office of Asian Hedge, PE and Alternative Strategy Fund of Funds. Previous to this, she worked a Robert Fleming, New York as SVP and Head of Japan/Taiwan/Korea Institutional Sales Group. She started her career at Goldman Sachs on the GNMA bond desk. She then moved on to Citigroup, where she started as Pacific Basin analyst, then later, became an Asian portfolio manager.</p> <p>Anla received her MBA from the Wharton School and graduated magna cum laude from the Pratt Institute. She speaks English, Chinese and Japanese. She is a Trustee of the following Boards: Committee 100; Facing History and Ourselves; Museum of Chinese in America and the Riverdale Country Day School. Her past Board affiliations include; Chair of ThinkQuest, The Browning School and the NY Community Trust.</p>
<p><b>10</b></p> <p><b>Weds</b> <b>Feb</b> <b>19</b></p>	<p><b>Focus India:</b></p> <p><b>VIA VIDEO LINK:</b></p> <p><b>Amit Soni</b> <b>Vice President</b> <b>General Atlantic Partners</b></p>	<p><b>From Canvas, Session 6 Folder</b></p> <p>Read:</p> <p><i>Bain – India Private Equity Report 2013</i></p> <p>KPMG Private Equity India</p>	<p>Amit Soni is a Vice President at General Atlantic, a global growth equity firm, where he focuses on investments globally. He currently works in General Atlantic’s Mumbai office and leads firms investing efforts in internet and financial services space.</p> <p>Prior to joining General Atlantic, Amit worked at 3i Plc, a leading Europe based private equity firm, in their India office. While at 3i Plc, he worked on investments in Automotive, Media and Oil &amp; Gas sector. In addition, Amit</p>

			<p>worked at McKinsey &amp; Company, a global management consulting firm, advising clients in IT Services, Financial Services, and Pharmaceutical space. Amit also worked at the Bill &amp; Melinda Gates Foundation in setting up the largest HIV/AIDS prevention program in India.</p> <p>Amit holds a Masters of Business Administration degree from The Wharton School, University of Pennsylvania and a Bachelor in Technology in Electrical Engineering from Indian Institute of Technology, Delhi.</p>
<p><b>11</b></p> <p><b>Mon</b></p> <p><b>Feb</b></p> <p><b>24</b></p>	<p><b>Exit Planning, Alternatives and Execution in Emerging Markets</b></p> <p>-Alignment with entrepreneurs' expectations and goals</p> <p>-Role and risks of local listing</p> <p>-Information resources for offshore listing</p> <p>-Inherent problems of illiquidity in emerging markets</p> <p>-Strategies for domestic and off-shore trade sales</p>	<p>Read and Analyze the Case: Abraaj-Aramex Acquisition</p> <p><b>Case Authors:</b> Wissam Darwiche (MBA `06), Haris Kyriakopoulos (MBA `06) and Demetris Tsingis (MBA `06), all Wharton School</p> <p>Article 9: Corporate Governance and Private Equity</p> <p>Talmor and Vasvari, Pages 309 to 337</p>	<p><b>The Abraaj-Aramex Acquisition, April 2008</b></p> <p><u><i>Select one of the following questions to answer on Canvas under Assignments BEFORE the start of class:</i></u></p> <ol style="list-style-type: none"> <li>1. Qualitatively is ARAMEX a good LBO candidate for Abraaj. Why, why not?</li> <li>2. Discuss key risks involved in the ARAMEX buyout including specifically those relevant for the minority investor.</li> <li>3. Qualitatively, what is your assessment of Abraaj's plan to generate value through the transaction?</li> <li>4. Quantitatively is the deal a good investment? Develop an LBO model and</li> </ol>

			determine your projected IRR.
<b>12</b> Weds Feb 26	<b>To be determined</b>		
Guest speaker categories listed below are being coordinated for the sessions above.			
	<b>Guest Speaker Focus on Russia</b>	<b>From Canvas, Session 7 Folder</b>	
	<b>Guest Speaker Focus on Sub-Saharan Africa</b>	Speaker selection underway	
<b>Thurs</b> <b>Feb 27</b>	<b>Post Solution to ThermoLat Case (See Canvas&gt;Files&gt;ThermoLat Case</b>		
<b>13</b> <b>Mon</b> <b>Mar</b> <b>3</b>	<p><b>In class Case Competition: ThermoLat</b>  All teams are to submit their solutions to the Thermolat Case by  Thursday, February 27.</p> <p>The instructor will select the best three by Saturday, March 1 and notify the three teams.  The three teams will then present their solutions using PowerPoints on Monday. The class will vote on the best presentation. The winning team will receive a prize and bonus points towards the final grade.</p>		
<b>14</b> <b>Weds</b> <b>Mar</b> <b>5</b>	<b>In-class take-away exercise</b>  <b>Instructor Summation</b>	In our last class the Regional Brain Trusts will assemble at a blackboard to discuss the major lessons learned in the course. This sheet is meant to serve as a guide for each student to contribute his or her best thinking to that exercise. Between now and the last class, you should reflect on the issues described below, jot down some notes, or even contribute your ideas to your blog. Think about the readings, cases, lectures and guests. <b>When you arrive at our last class, look for the blackboard with the name of your brain trust and gather with fellow members to do the following over a 30 minute period:</b>	

		<ol style="list-style-type: none"> <li>1. Identify a spokesperson</li> <li>2. Identify a note-taker who will enter a summary of findings to the regional blog</li> <li>3. Discuss these categories and list a few <b>GENERAL GLOBAL</b> lessons for each: <ul style="list-style-type: none"> <li>-- Fund strategy</li> <li>-- Deal sourcing</li> <li>-- Due diligence</li> <li>-- Valuation</li> <li>-- Term sheets</li> <li>-- The dynamics of transactions (with special thoughts on stakeholders)</li> <li>-- Governance and value-add</li> <li>-- Exiting</li> <li>-- Other matters not listed here</li> </ul> </li> <li>4. Once you have listed your general global thoughts, identify how each of these has <b>special application in your country/region of interest.</b></li> </ol> <p>After 30 minutes, the class will take their seats and the each spokesperson will have up to five minutes to report to the class as a whole on each of the Brain Trusts' conclusions <b>as to the special applications.</b></p> <p>5. The designated note-taker will enter a report on the blog. All students are encouraged to add to the blog.</p> <p>Following the reporting of the discussions, the instructor will provide a brief summation on the course.</p>
<p><b>Monday March 24</b></p>	<p><b>Post FINAL PROJECT on CANVAS by 11:59 AM Monday, March 24</b></p>	