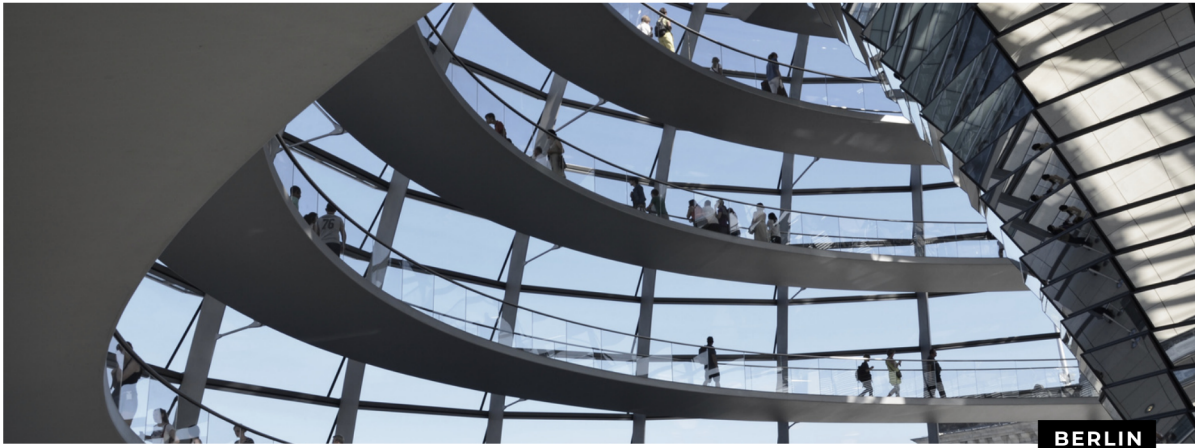


It's All About Alpha:

PRIVATE EQUITY LEADERS AT SUPER RETURN
BERLIN CHART THE PATH FOR PE SUCCESS IN
2024 AND BEYOND



Investors Exhibiting Ongoing Optimism

Investors at SuperReturn International Berlin 2024 are **optimistic but cautious, seeing a new investment era** influenced by fiscal policies, liquidity issues, growth potential, and geopolitical changes. They acknowledge that achieving real performance results through **value creation is becoming a crucial measure of success** in the current market.



Navigating a Shifting Economic Landscape

Attendees noted a clearer base case emerging as interest rates inch towards long-term historic norms, even as inflation remains a persistent concern. **The era of "free money" appears to be a thing of the past**, with rates expected to trend downward but remain constrained for the foreseeable future. Despite these challenges, the **consensus suggests a recession is unlikely**, and a soft landing remains the base case scenario.



Signs of Life in M&A Market Amidst Uncertainty

The M&A market shows promising **signs of revival as bid-ask spreads narrow, company performances improve, and pent-up demand fuels increased transactions and exits.** However, participants caution that navigating this landscape remains challenging amidst geopolitical instability and the retreat of globalization, which have disrupted previously assumed factors such as supply chains, free markets, and climate considerations.



The Impending Impact of AI and Industry Disruption

While the effects of artificial intelligence on the broader economy and various industries have yet to significantly materialize, attendees anticipate its **potential to create winners and losers, exerting pressure on business models to evolve rapidly or risk obsolescence.** Many industries are experiencing disruption and uncertainty, with the concept of a "rolling recession" affecting different sectors.



Evolving Capital Markets and Investment Strategies

The capital market landscape is in flux, with a **depressed IPO market, decreased exits and fundraising, and a rise in alternative solutions** such as secondaries, NAV loans, interfund transactions, and GP stakes. Amidst these challenges, there is recognition that it's an **opportune time to be an operationally oriented value investor,** although implications for investment strategies remain a subject of debate.



Embracing Prudent Fund Management

Strategic fund management is imperative, with investors emphasizing the **need for rigorous investment theses, a thorough understanding of market trends, and proactive deployment of operating teams in portcos from day one.** As investors slow down deployment and scrutinize deals amid pressure on distributions and challenging fundraising dynamics, the temptation to prematurely sell best assets or overbuy in a hot market is cautioned against to preserve some capital for more favorable cycles.

In Conclusion...

Amidst the uncertainties of the current landscape, SuperReturn International Berlin 2024 reinforced the importance of resilience and agility. As investors confront headwinds ranging from geopolitical turbulence to technological upheavals, the imperative for forward-thinking and actionable strategies has never been clearer.

As we enter an era focused on alpha returns, the way investors deploy capital, add value, and manage assets will require a significant shift in skills, mindset, and organizational culture — a transformation that many may find challenging.

At Beringer Capital, this investment philosophy has been ingrained in our DNA since our inception. As a fund rooted in operational expertise, we have consistently leveraged our market acumen and leadership skills to directly enhance the value of our portfolio companies. We enthusiastically embrace these evolving trends and remain steadfast in our conviction to leverage them for the benefit of our investors, portfolio partners, and the sectors we serve.

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