

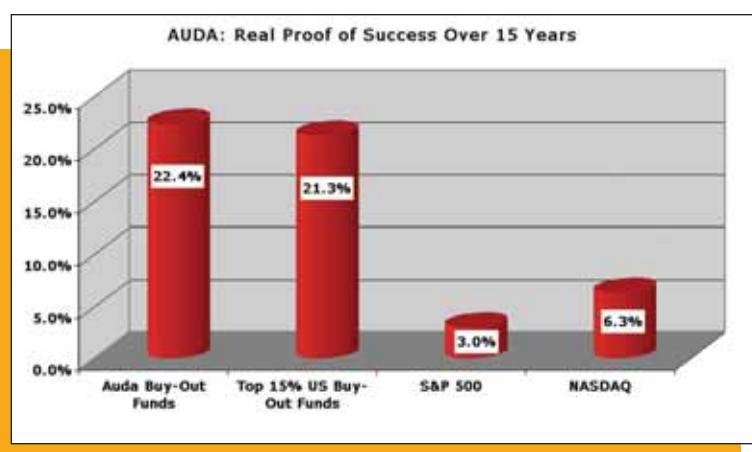
# Exclusive Institutional Private Equity Fund Opens the Door to Private Investors

Until now private investors have not generally been able to participate in international private equity investment funds because the minimum level of investment has been so high. Now, for the first time, Irish investors can gain access to these funds through a dynamic Swiss firm, Helvetia Wealth AG, who are making their exclusive and traditional Swiss private banking brand available to private investors.

According to a study by the Scope Group, interest is increasing in private equity investment funds. In 2004, closed-end private equity investment funds in Germany raised capital of €500m from private investors. The analysts at Scope forecast that in excess of €1b will be raised in 2006.

What is private equity? Private equity is the participation in the equity capital of a company which is not listed on a stock exchange. Private equity and venture capital are often mentioned in the same breath. However, the term "venture capital" refers to the financing of small and new companies, whereas private equity includes all types of unlisted companies – new and old and large and small. As an asset class, private equity has been very successful. The yields on average far exceed those achieved by shares listed on traditional equity markets.

Private equity opportunities enjoy high demand and are in short supply. The attractive high yields available from many private equity investment funds mean that many of them can raise capital at a faster rate than their fund managers are able to invest. Therefore, the best funds have restricted entry and a traditionally short investment window where they accept new investment capital and before they become closed. Pension funds, insurance firms and other long-term institutional investors have traditionally split the private equity investment fund placements amongst themselves. Even medium-sized institutional investors generally cannot participate in these lucrative opportunities. Recently some private equity investment firms have indicated that they may consider opening their funds to private investors, although few firm commitments have been made.



## The Auda example

Auda, one of the world's most successful investors in private equity, recently opened its funds to smaller private investors. New York based Auda was founded in 1989 to invest the assets of Harald Quandt Holding in hedge and private equity funds. The Quandt Family is one of Europe's largest industrial family dynasties, and still to this day own over 50 percent of BMW. Auda private equity funds have achieved average yields of 22 percent p.a over the past 15 years, so at this rate of return investors have doubled their wealth every three years! Unless investors have been able to raise investment sums in the seven or eight digit range and thus meet the stipulated minimum investment criteria, the Auda door has remained firmly closed to them.

## Investing as part of an umbrella fund

Some astute investors have participated in umbrella funds that collectively invest pooled resources in order to meet the minimum investment criteria required to invest with and share in the success of Auda.

The alternative investment specialist Rising Star consolidated one Auda umbrella fund worth €80m on December 31st 2005 and demand was very high. With €80m already invested in the Star Private Equity I, this is one of the largest private equity umbrella funds ever consolidated for private investors in Europe. Having placed more than €500m, Rising Star is considered the market leader for alternative investments in the German-speaking part of Europe.

Due to overwhelming market demand, Star Private Equity II is raising an additional €40m for the Auda fund, subscription opening mid-March 2006, but for minimum investment amounts of €40,000 and on a first in first served basis.

Ottmar Ruoff, Chairman of Helvetia Wealth AG, and board member of Rising Star, has been instrumental in packaging this solution to make it available to English speakers. Helvetia Wealth AG specialises in sourcing "Best of Class" products and tailored investment solutions for its clients.

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