CFA Institute

Private Equity Certificate

LEARNING GOALS

- **Comprehensive Skill Set in Private Equity** | Gain a deep understanding of private equity strategies, value creation, and investment models, making you well-equipped to navigate the complexities of the private markets.
- **In-Depth Knowledge of Private Debt Instruments** | Explore private debt structures and credit risk assessments, vital for professionals dealing with private debt in leveraged buyouts and take-private transactions.
- **Real-World Application of GP and LP Perspectives** | Understand the roles and responsibilities of general partners, including fund management and investor alignment, which provides a holistic view of managing private equity funds.

PRIVATE EQUITY CERTIFICATE CURRICULUM

COURSE 1: PRIVATE MARKET ESSENTIALS

Upon completion of this course, learners will acquire a fundamental toolkit in three critical areas essential for navigating private markets. They will explore fixed income securities analysis, including calculating bond prices, yields, and spreads, alongside gaining insights into interest rate structures and derivatives valuation. In financial statement analysis, participants will learn to discern between business forms, grasp financial reporting principles, prepare financial statements, and utilize historical data for forecasting financial performance. The course also introduces financial modeling techniques, enabling learners to create and refine forecasts by integrating financial statements for strategic decision-making.

This foundational skill set is vital for anyone looking to thrive in the private markets sector, providing the groundwork for the more specialized topics covered in the subsequent courses of the Private Equity Certificate.

Module 1: Fixed Income and Derivatives Concepts

- Lesson 1: Fixed Income Instruments: Features, Cash Flows and Types
- Lesson 2: Fixed and Floating Rate Bond Valuation
- Lesson 3: Fixed Income Risk Management
- Lesson 4: Derivatives Basics

Module 2: Accounting Concepts

- Lesson 1: Introduction and Setting the Scene
- Lesson 2: Understanding Income Statements
- Lesson 3: Understanding Balance Sheets
- Lesson 4: Understanding Statements of Cash Flows
- Lesson 5: Introduction to Financial Analysis Techniques

Module 3: Introduction to Financial Modeling

- Lesson 1: Introduction to Excel for Financial Modelling
- Lesson 2: Construction of a Basic Three-Statement Model
- Lesson 3: Introductory Case Study

COURSE 2: PRIVATE EQUITY

By the end of this course, learners will have a clear understanding of private equity, focusing on value creation and the synergy between private equity firms and portfolio company managers. They will be equipped to navigate through private equity strategies for different company life stages, including venture capital, growth equity, and buyouts. Additionally, learners will be adept at analyzing the LBO model and VC investments, exploring various exit strategies in private equity, and evaluating the risk and return of these investments within a strategic asset allocation

Module 1: Introduction and Value Creation in Private Equity

- Lesson 1: Introduction to Private Equity Investments and the Business Life Cycle
- Lesson 2: Value Creation
- Lesson 3: Alignment of Interests

Module 2: PE Strategies, VC, Growth Capital and Buyout Equity

- Lesson 1: PE Strategies
- Lesson 2: VC, Growth Capital and Buyout Equit

Module 3: Valuation of Private Equity Investments

- Lesson 1: Leveraged Buyouts
- Lesson 2: VC Investments

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Module 4: Exiting PE and Risks

- Lesson 1: Exit Routes
- Lesson 2: Risks in PE

COURSE 3: PRIVATE DEBT FOR PRIVATE EQUITY PRACTIONERS

This course provides an in-depth exploration of private debt instruments and their applications in take-private transactions, focusing on their structures, terms, conditions, and providers, and the broader financial ecosystem. Participants will gain a comprehensive understanding of credit risk, credit valuation adjustments, and the methodologies for assessing corporate creditworthiness through both qualitative and quantitative lenses. Additionally, the course covers the role of derivatives in managing risks in private debt used in take-private transactions.

By the end of this course, learners will be equipped to understand and analyze private debt from the GP's perspective in various market conditions.

Module 1: Private Debt Instruments

- Lesson 1: Syndicated Leveraged Loans
- Lesson 2: Direct Loans
- Lesson 3: High-Yield Bonds
- Lesson 4: Mezzanine Debt
- Lesson 5: Convertible Debt

Module 2: Private Debt Structures and Providers (Ecosystem)

- Lesson 1: Private Debt Structures
- Lesson 2: Private Debt Providers (Ecosystem)

Module 3: Credit Analysis and Valuation of Private Debt

- Lesson 1: Defining Credit Risk
- Lesson 2: Assessing Private Debt Issuer Creditworthiness
- Lesson 3: Factors Influencing Credit Spreads and Impact on Private Debt Valuation

Module 4: Risk Management of Private Debt

- Lesson 1: Defining Credit Risk
- Lesson 2: Assessing Private Debt Issuer Creditworthiness
- Lesson 3: Factors Influencing Credit Spreads and Impact on Private Debt Valuation

COURSE 4: INTERMEDIATE FINANCIAL MODELING

This course delves into the intricacies of financial modeling with a special focus on applications within the private equity sector. Learners will advance their skills in constructing financial models that accurately forecast company performance and facilitate effective valuation. Through a series of comprehensive modules, participants will explore advanced revenue modeling, cost analysis, asset management, and the integration of tax considerations into financial forecasts. This hands-on course is designed to equip learners with the practical skills needed to evaluate investment opportunities and make informed decisions in the private equity arena.

Module 1: Revenues and Costs

- Lesson 1: Forecasting Revenue Streams
- Lesson 2: Advanced Revenue Recognition Practices
- Lesson 3: Detailed Cost Forecasting
- Lesson 4: Building and Scaling Costs

Module 2: Taxes

- Lesson 1: Modeling Tax Implications

Module 3: Noncurrent Assets, Working Capital and Capital Structure

- Lesson 1: Managing Noncurrent Assets
- Lesson 2: Working Capital
- Lesson 3: Capital Structure

Module 4: Intro to LBO Modeling

- Lesson 1: LBO Modeling Initial Steps
- Lesson 2: LBO Modeling
- Lesson 3: IRR Calculation and Sensitivity Analysis

COURSE 5: GP PERSPECTIVES

Upon completion of the course, learners will possess a comprehensive understanding of the roles and responsibilities of a general partner in managing private investment funds. They will also be adept at discussing the mechanisms and strategies used by private investment firms to align interests with investors, evaluating fund performance, selecting investment opportunities, enhancing value within portfolio companies, and conducting due diligence while establishing business plans in the private investment process.

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Module 1: GP Roles and Responsibilities

- Lesson 1: Introduction, Pre-Commitment and Capital Commitment
- Lesson 2: Capital Deployment, Distribution and Exit

Module 2: LP Perspectives

- Lesson 1: Investor (LP) Perspectives and Alignment of Interests
- Lesson 2: Fees and Performance Management

Module 3: Investment Selection Process and Value Creation Strategies

- Lesson 1: Investment Selection Process
- Lesson 2: Strategies for Value Creation

Module 4: Due Diligence, Strategy Execution and Exit Strategies

- Lesson 1: Due Diligence
- Lesson 2: Strategy Execution
- Lesson 3: Private Investment Exit Strategies

Certificate

Receive a digital badge and certificate when you finish all courses and pass the final assessment.

12-month access to coursework

Study time

Up to 125 hours

Online self-paced

Complete all coursework when and where it works for you.

Who should enroll

Ideal for analysts or associates in PE partnerships and those who aspire to be in these roles.

Advanced Private Equity Certificate Launching in August 2025.

Ensure you meet the prerequisite by completing the Private Equity Certificate now and position yourself among the first to be ready for the advanced certificate.

Plan and prepare for the next opportunity in your professional development journey.

For more information visit www.cfainstitute.org

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