

||||| DIVERGENCE |||||



2015

8th Annual

UNC ALTERNATIVE INVESTMENTS CONFERENCE



UNC
KENAN-FLAGLER
BUSINESS SCHOOL

HOSTED BY THE UNC KENAN-FLAGLER BUSINESS SCHOOL
PRIVATE EQUITY CLUB

www.uncaic.com

April 23rd & 24th

The Carolina Inn & The Carolina Club

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

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WELCOME

The Private Equity Club at UNC's Kenan-Flagler Business School

welcomes you to the 8th Annual Alternative Investments Conference. We are pleased to present a highly regarded group of keynote speakers and panelists from leading investment firms who will share their insights on current issues and topics in the alternative investments industry.

We appreciate the generous support of our sponsors and alumni who have continued to make this annual event a success. We would like to offer a special thank you to the faculty and administration of the UNC Kenan-Flagler Business School.

Sincerely,

THE PRIVATE EQUITY CLUB

UNC Kenan-Flagler Business School

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CONFERENCE AGENDA

THURSDAY APRIL 23, 2015

The Carolina Inn
211 Pittsboro Street
Chapel Hill, NC

6:00 pm - 7:00 pm

Cocktail Reception

7:00 pm - 9:15 pm

Dinner with Keynote Speakers:
Scott Kupor, COO Andreessen Horowitz
Alex Darden, Partner, EQT Partners Inc.

FRIDAY APRIL 24, 2015

The Carolina Club
550 Stadium Drive
Chapel Hill, NC

7:45 am - 8:30 am

Registration and Breakfast

8:30 am - 9:10 am

John Powers, President, Stanford Management Company

9:10 am - 9:50 am

Mike Arpey, Managing Director, Carlyle Group

10:00 am - 11:30 am

Panel Breakout:

- Private Equity
- Distressed
- Venture
- Energy

11:45 am - 1:45 pm

Lunch Session:

Richard Chilton, Chairman, CEO, CIO, Chilton Investment Company

Announcement of the Institute for Private Capital

Dean Doug Shackelford, UNC Kenan-Flagler Business School

Professor Greg Brown, UNC Kenan-Flagler Business School

Professor Robert S. Harris, University of Virginia, Darden School of Business

Russell Steenberg, Managing Director, Blackrock Private Equity Partners

2:00 pm - 3:30 pm

Panel Breakout:

- Mezzanine / BDC
- Advances in Alternative Research
- Hedge Funds

3:45 pm - 4:30 pm

Professor Camelia M. Kuhnen, UNC Kenan-Flagler Business School

Closing Remarks

4:30 pm - 5:30 pm

Cocktail Hour

KEYNOTE
SPEAKERS**SCOTT KUPOR***COO***ANDREESSEN HOROWITZ**

Scott Kupor is the managing partner at Andreessen Horowitz, where he is responsible for all aspects of running the firm. He was previously vice president and general manager of Global Customer Support & Software-as-a-Service at Hewlett Packard. Scott joined HP in 2007 as part of the \$1.6 billion acquisition of Opsware, where he was senior vice president of Customer Solutions. In this role, Scott had global responsibility for the company's professional services, technical pre-sales and customer support organizations. Scott joined Opsware shortly after the company's founding and held numerous executive management positions including vice president of financial planning and vice president of corporate development. In these roles, he led the company's private financing activities as well as its initial public offering in 2001. Scott graduated Phi Beta Kappa from Stanford University with a bachelor's degree in public policy with honors and distinction. He also graduated Order of the Coif and with distinction from Stanford Law School and is a member of the California Bar Association.

**ALEXANDER DARDEN***Partner***EQT PARTNERS INC.**

Alex is a Partner at EQT Partners and a member of the EQT Infrastructure Team and is based in New York. He has over 10 years of experience in infrastructure private equity, where he has negotiated and closed investments in infrastructure companies in sectors including power generation, oil and gas production, utilities, interstate pipelines, liquefied natural gas, refining and petrochemicals, and natural gas storage. Prior to joining EQT Partners in 2008, Alex worked at GE Energy Financial Services where he made structured debt and equity investments in energy industry assets and companies. From 1998 to 2002, he held various positions within ABB Inc. Alex holds a B.Sc. in Business Management from the North Carolina State University.

**JOHN POWERS***President***STANFORD MANAGEMENT COMPANY**

John F. Powers joined Stanford Management Company as the President and CEO in 2006. Stanford Management Company (SMC) was established in 1991 to manage Stanford University's financial and real estate assets. Today, SMC oversees over \$25 billion of endowment and trust assets and temporarily-invested expendable funds. SMC plays an important role in building and maintaining a strong financial foundation to support the University's teaching, learning and research mission. SMC is a division of the University, governed by a Board of Directors who are appointed the Board of Trustees of the Leland Stanford Junior University. Mr. Powers received an A.B. from Cornell University in 1975, and an MBA in 1983 from the Graduate School of Business at Stanford University. He is a member of the Investment Advisory Committee of Google, Inc. In addition Mr. Powers is a lecturer at the Graduate School of Business at Stanford University. Mr. Powers joined SMC in 2006.

**MIKE ARPEY***Managing Director***CARLYLE GROUP**

Michael W. Arpey is a Managing Director responsible for fund formation strategy, new investor products and coordination of investor relations. Mr. Arpey is based in Washington, DC. Mr. Arpey joined Carlyle in November of 2010 and is a member of the Firm's Management and Operating Committees. Mr. Arpey was formerly a Managing Director of Credit Suisse in the Asset Management division. At Credit Suisse, he was the Co-head of the Customized Fund Investment Group within Private Equity in Alternative Investments. Mr. Arpey joined CSFB in November 2000 through the merger with Donaldson, Lufkin & Jenrette where he was a Managing Director and Head of DLJ Merchant Banking's Customized Fund Investment Group. Prior to DLJ, Mr. Arpey worked at Prudential Global Asset Management as The Global Head of Private Equity where he was responsible for oversight of Prudential's global private equity activities and managed Prudential's fund investment group. Previously, Mr. Arpey was with the New York State Common Retirement Fund where he was Director of Alternative Investments and managed a \$7 billion private equity portfolio. He earned his B.A. from St. Lawrence University and his J.D. from the Dickinson School of Law.

KEYNOTE
SPEAKERS**RICHARD L. CHILTON, JR.**

Chairman, Chief Executive Officer & Chief Investment Officer
CHILTON INVESTMENT COMPANY

Richard L. Chilton, Jr. is the founder, Chairman, CEO and Chief Investment Officer of Chilton Investment Company. Since founding Chilton Investment Company in 1992, Mr. Chilton has built a team of investment professionals focused on building wealth in favorable markets and preserving capital in declining markets. Under Mr. Chilton's leadership, Chilton Investment Company has developed a commitment to value-oriented, fundamental research and disciplined portfolio management and has grown into a multi-product platform including the Flagship strategy and the Small Cap & Mid Cap strategy managed by Mr. Chilton, as well as European Equities, Global Natural Resources, and a Global UCITS strategy. Since Chilton Investment Company's founding in 1992, Mr. Chilton has generated a 13.8% compounded return after all fees and expenses for his flagship investment partnership. In addition, Mr. Chilton is the founder, Chairman and Chief Investment Officer of Chilton Trust Company, which in April 2012 was the first company in eight years to be awarded a trust charter in Florida. Mr. Chilton received his B.S. in Finance and Economics from Alfred University.

**ROBERT S. HARRIS**

Professor
UNIVERSITY OF VIRGINIA, DARDEN SCHOOL OF BUSINESS

C. Stewart Sheppard Professor Robert Harris has served as the University of Virginia, Darden School of Business's dean and prior to that, as chief learning officer and vice president of United Technologies Corporation. His research has focused on corporate finance, private equity, financial markets, mergers and acquisitions. Harris has been widely published in leading academic and practitioner journals in finance and economics. He has been a visiting scholar at London Business School, Oxford University (England) and the University of Otago (New Zealand) and a recipient of research and teaching awards. In addition to teaching undergraduate, graduate and executive audiences, he has authored financial textbooks, computer tutorials and dozens of business cases and teaching notes. Harris has been an active consultant and adviser to corporations, government agencies and has held a range of offices in professional societies. Before joining the Darden faculty, Harris was on the faculties of the University of North Carolina's Kenan-Flagler School and the University of Pennsylvania's Wharton School.

**RUSSELL W. STEENBERG**

Managing Director
BLACKROCK PRIVATE EQUITY PARTNERS

Mr. Steenberg has over 28 years of private equity investment experience. Mr. Steenberg is the global head of Private Equity Partners, having joined the Adviser in July 1999 as founder and head of Private Equity Partners. Mr. Steenberg is also a member of BlackRock's Leadership Committee. Prior to joining the Adviser, he was a co-founder and Managing Director of Fenway Partners, a middle-market buyout group with \$1.4 billion of capital. From 1983 until joining Fenway in 1995, Mr. Steenberg was employed by AT&T Investment Management Company, where he was co-head of the AT&T Pension Fund's \$3.6 billion private equity investment portfolio. Mr. Steenberg received his MBA from the Amos Tuck School of Business at Dartmouth College, an MPA from American University, and a BA from St. Lawrence University.

**CAMELIA KUHNEN**

Professor
KENAN-FLAGLER BUSINESS SCHOOL, UNC

Camelia Kuhn is an expert in neuroeconomics, behavioral finance and corporate finance. Her work has an interdisciplinary nature, with the over-arching theme of trying to understand how people make financial and economic choices that concern them as individuals or as decision makers in firms. Her dual training in finance and neuroscience led her to conduct pioneering research in the new field of neuroeconomics. In this work Dr. Kuhn has studied the micro-foundations of financial decision making by investigating the brain and genetic mechanisms responsible for learning and risk taking in financial markets. Top neuroscience, finance and management journals have published her work, which has attracted significant media coverage and public interest. Now her work has been recognized with her election to two roles. She is president of the Society for Neuroeconomics and a faculty research fellow at the National Bureau of Economic Research (NBER). Prior to joining the faculty at UNC Kenan-Flagler, Dr. Kuhn served on the faculty of the Kellogg School of Management at Northwestern University. She received her PhD in finance from the Stanford Graduate School of Business, and two bachelor's degrees – in finance and neuroscience – from the Massachusetts Institute of Technology.

10:00-11:30 AM

PANEL SESSIONS

DIVERGENCE

PRIVATE EQUITY

HOW DO YOU CREATE VALUE IN THE MIDDLE MARKET?

Hear from experts about the opportunities and challenges of acquiring, operating, and selling companies the middle market, including how private equity investments will be impacted by rising rates and new regulatory rules.

Moderator: Mike Rost, PNC Riverarch Capital

Panelists:

Ryan Berg, New Capital Partners

Minor Hinson, Bourne Partners

Jay Jester, Audax Private Equity

Thomas Westbrook, BB&T Capital Partners

DISTRESSED

PUBLIC AND PRIVATE OPPORTUNITIES IN DISTRESS

With limited current opportunities outside of the energy sector, what lies ahead for distressed strategies?

Moderator: Craig Demko, N.C. Dept. of State Treasurer

Panelists:

Robert Annas, SOLIC Capital Management, LLC

Andrew C. Curtis, Z-Capital

Ken Monaghan, Amundi Smith Breeden

Robert Orr, Sandton Capital

VENTURE CAPITAL

IS REGULATION IMPEDING MEDICAL INNOVATION IN THE U.S.?

As the regulatory burden has increased in recent decades, innovators in the healthcare industry have become increasingly concerned about the effects on innovation. Higher regulatory costs in the U.S. relative to other countries can provide an economic incentive for researchers and investors to push for relocating activities abroad. Join our panel of experts to discuss the impact of the regulatory environment on innovation in the healthcare sector and the implications for venture investments.

Moderator: Professor Greg Brown, UNC Kenan-Flagler Business School

Panelists:

Bill Starling, Synecor

Clay Thorp, Hatteras Venture Partners

ENERGY

WHAT'S NEXT FOR OIL?

Oil markets have failed to rebound after the sharp sell off of the past six months. However, the futures market remains in steep contango suggesting many participants are counting on a rally. Where are prices headed?

Moderator: Mark Corigliano, DUMAC

Panelists:

David Heikkinen, Heikkinen Energy Advisors

Beau Taylor, Taylor Woods Capital

2:00-3:30 PM

PANEL SESSIONS

DIVERGENCE

Mezzanine / BDC

PUBLIC OR PRIVATE: WHICH STRUCTURE SERVES SHAREHOLDERS BEST?

Learn the pros and cons of public versus private structures for business development corporations.

Moderator: Michael Painter, Plexus Capital

Panelists:

Michael Becker, Plexus Capital

Cary B. Nordan, Triangle Capital

ADVANCES IN ALTERNATIVES RESEARCH

Join leading academic researchers to learn about recent advances in our understanding of investments and human behavior.

Money and the Brain: Neuroeconomics Insights about Financial Decision Making

Professor Camelia M. Kuhnen, UNC Kenan-Flagler Business School

Hedge Fund Activism: What Are the Impacts?

Professor Nickolay Gantchev, UNC Kenan-Flagler Business School

Causes and Effects of Private Equity Cash Flows

Professor Greg Brown, UNC Kenan-Flagler Business School

HEDGE FUND

WHAT'S AHEAD FOR INVESTORS AND MANAGERS?

Over the last decade hedge funds have experienced poor absolute and risk-adjusted performance. Will alpha return to traditional hedge fund strategies or will outsized returns remain limited to the very top performers?

Moderator: Patrick Hartley, UNC Kenan-Flagler Business School

Panelists:

Edward Hetherington, UNC Management Company

Josh Parrott, AQR

Ty Powers, Hatteras Funds

Robert Rafter, CFA, Morgan Stanley Alternative Investment Partners

ALTERNATIVE INVESTMENTS FELLOWSHIP

DIVERGENCE

The Alternative Investments Fellowship assists qualified students at UNC's Kenan-Flagler Business School in gaining summer internships with firms in the alternative investment space. These internships position students to be involved in all facets of the firm and the investment process. A typical internship experience includes sourcing opportunities, due diligence, valuing and structuring investments, and assisting portfolio companies. The Conference, along with numerous Alternative Investment-specific Career Treks, facilitates the introduction and matching of student finalists and participating firms.

To learn more about this program, please contact: MBASA_PrivateEquityClub@kenan-flagler.unc.edu

CURRENT & PRIOR PARTICIPATING FIRMS

CapStreet Group
Carrboro Capital
Hatteras Funds
Jacobs Capital

Madison International Realty
New Capital Partners
North State Capital Investors
Pappas Ventures
Ridgemont Capital Partners

Rosewood Private Investments
Southern Capitol Ventures
Starwood Capital Group
Sterling Stamos Capital

2014 ALTERNATIVE INVESTMENTS FELLOWS

Joe Bowman, MBA '15
Briton Burge, MBA '15

Chelsea DiNatale, MBA '15
Ryan Geary, MBA '15

Trey Miller, MBA '15
Bobby Speir, MBA '15



LANDMARK PARTNERS

is proud to support the

***UNC Alternative
Investments Conference***

Landmark Partners specializes in secondary market transactions of private equity, real estate and real assets investments. Founded in 1989, the firm has one of the longest track records in the industry and is a leading source of liquidity to owners of interests in real estate, real assets, venture, mezzanine and buyout limited partnerships.

Connecticut 860 651 9760 | Boston 617 556 3910 | New York 212 858 9760 | London 44 20 7343 4450

MBA *Leadership* TEAM



Joe Bowman



Briton Burge



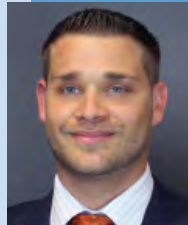
Chelsea Dinatale



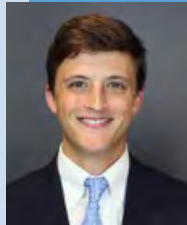
Scott Fellin



Ryan Geary



Christopher Huber

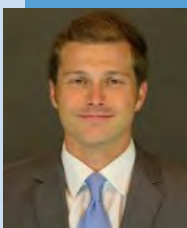


Trey Miller



Bobby Speir

FIRST YEAR MBA LIAISONS



Bryan Beall



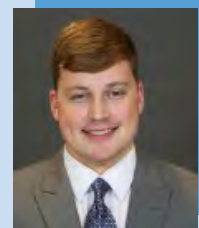
Ben Berkowitz



George Purrington



Ravi Saini



Nick Stommes

THE UNC KENAN-FLAGLER PRIVATE EQUITY CLUB

As one of the most attractive career clubs at the *UNC Kenan-Flagler Business School*, the *Private Equity Club* strives to educate its members on the fundamentals of principal investing, to provide exposure to a vast array of lifecycle investment careers, and to connect its members with the vital network of alumni needed to succeed in this investment field.

CLUB OBJECTIVES:

- Provide members with specific tools to attain high potential, long-term careers in private equity and alternative investments
- Increase awareness of career and investment opportunities domestically and abroad
- Integrate students with UNC alumni in the private equity and venture capital industries

KEY STUDENT – RUN CLUB ACTIVITIES INCLUDE:

- Alternative Investments Conference (8th annual) – provides funding for the Alternative Investments Fellowship Program
- Alternative Investment Fellowship Program (6th annual) – subsidized grants for qualified students seeking summer internships in alternative investments
- Career Treks – organizes treks to alternative investment firms in Atlanta, Charlotte, Chicago, New York and Washington D.C. If you are interested in hosting a presentation at your firm, please contact:
MBASA_PrivateEquityClub@Kenan-Flagler.unc.edu
- Training – with the Career Management Center, provides various modeling and analytical training to students, led by Training The Street
- Speakers – brings fascinating speakers from a range of disciplines within private equity to campus
- Case competition – will send teams to multiple alternative investment case competitions, including the NYU Stern Private Equity Case Competition and the Wharton MBA Buyout Competition

THE UNC KENAN-FLAGLER PRIVATE EQUITY FUND

DIVERGENCE



The UNC Kenan-Flagler Private Equity Fund is a student-run fund with more than \$4.4 million of committed capital under management. The fund, launched in 2007, is the first and only student-run fund associated with a top-tier, global business school that seeks to provide real returns to its limited partners.

The management team is comprised of 16 Kenan-Flagler students; 4 second-year MBAs, 4 first-year MBAs and 8 BSBA's. All students serve a 3-semester term with the program. In addition to active investment activities, the students participate in a series of private equity courses, lectures, and events.

Students manage all aspects of the investment cycle—raising capital, sourcing deals, performing due diligence, making investment decisions, and presenting decisions to the Faculty/Advisory Committees and the Board of Directors. Students receive course credit for their involvement with the program.

The Fund invests opportunistically in a strategic mix of buyout, mezzanine debt, growth capital and venture capital transactions – all sourced through our LPs and the network of UNC Kenan-Flagler alumni that are active private equity professionals. The Fund seeks to achieve outstanding results in the following core categories:

For more information about our investments please visit WWW.KFPEFUND.COM

A presentation slide for Z Capital Partners. The slide has a dark blue background with white text. At the top, "Z CAPITAL PARTNERS" is written in a large, serif font. Below this, there are three paragraphs of text describing the firm's assets, investment approach, and philosophy. At the bottom, "Opportunistic Private Equity" is written in a bold, sans-serif font. The slide also includes contact information for Chicago and New York offices at the very bottom.

Z CAPITAL PARTNERS

Z Capital Partners, L.L.C. is a leading private equity firm with approximately \$1.5 billion of regulatory assets and committed capital under management and with offices in Lake Forest, IL and New York, NY.

Z Capital pursues an opportunistic, value-oriented approach in private equity that includes making control investments in middle-market companies that may require turnaround, restructuring, bankruptcy or are otherwise special situations.

Z Capital's principals have applied this investment philosophy for over a seventeen year period, deploying capital across the balance sheet of industry leading businesses, and seeking to create value for our investors throughout economic cycles.

Opportunistic Private Equity

CHICAGO
Two Conway Park, 150 Fifth Drive, Suite 300, Lake Forest, Illinois 60045
T: (847) 235-8100 - F: (847) 235-8111

NEW YORK
2 Grand Central Tower, 140 East 45th Street, 20th Floor, New York, NY 10017
T: (212) 467-8505 - F: (847) 235-8111

RETURNS

First and foremost, the Fund seeks to achieve superior returns for our limited partners.

EDUCATIONAL OPPORTUNITIES

The Fund will provide students a mechanism to gain invaluable hands-on private equity investment experience.

CAREER ADVANCEMENT

The Fund will enable student managers to broaden their personal network in the private equity industry and develop relationships that may lead to career opportunities.

INDUSTRY PROFILE

The Fund seeks to boost UNC Kenan-Flagler Business School's profile in private equity and venture capital. This exposure will accelerate our efforts to create career opportunities for students and deepen our access to deals that will generate attractive returns for our investors.

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



UNC
KENAN-FLAGLER
BUSINESS SCHOOL

UNC KENAN-FLAGLER BUSINESS SCHOOL
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
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