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# PRIVATE EQUITY AND PROPERTY INVESTMENT

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# CONTENTS

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Investor Partners	04
Maven Capital Partners	06
Why Private Equity	08
Delivering Superior Returns	10
The Process	12
Why Property	14
Investing with Maven	16
Becoming an Investor Partner	19

CONTROL OVER  
HOW YOU INVEST



# INVESTOR PARTNERS

Maven Investor Partners is an established investor network for Professional Clients, including experienced investors, family offices, and wealth managers. Investor Partners are able to access professionally appraised private equity and property investment opportunities, led by an award winning team, that are generally not available to other investor networks.

Maven Investor Partners is aimed at experienced investors who like to control how and where their money is invested. It offers the opportunity to construct a bespoke portfolio, on a discretionary basis in carefully researched opportunities which suit personal investment objectives and risk profile.

Every year Maven's nationwide team is introduced to a regular flow of high quality investment opportunities across the UK, often brought to us off-market on the strength of our longstanding presence in the key regional markets. Each prospective investment is subject to a rigorous due diligence process and, although we appraise hundreds of potential deals each year, we undertake only a select few where we are satisfied that a transaction meets the target return profile of our investor base.

When a new opportunity is progressed, Investor Partners are provided with detailed investment proposals, allowing them to invest on a deal-by-deal basis in the transaction type and sectors of their choice. The decision to participate always rests with the investor.

The minimum commitment is £25,000 per transaction, with the ability to vary the amount above that level. Maven's Investor Partners typically each invest up to £150,000 per transaction, though it is possible to apply for an allocation of up to £1 million through discussion with Maven.

A prospective Maven Investor Partner must be able to demonstrate that they are in a position to make their own investment decisions, and are fully aware of the risks involved in investment in private companies and property, including the risk to some or all of their capital.

Please note Maven charges an annual management fee of 1.75% on sums invested. This fee is deducted by Maven from income received on any Loan stock interest prior to distribution to Investor Partners on a 6 monthly basis. A performance fee of 20% of the investor total return is payable at exit.



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Delivering superior returns from investment in private companies and commercial property is about much more than simply providing finance, requiring an investment manager with experience, long standing multi-sector expertise, and a network which provides a regular flow of high quality new opportunities.

Our private equity team comes from a broad range of professional and commercial backgrounds. They have a proven track record of successfully investing in private companies, principally via management buy-outs, buy and build projects, and growth capital for businesses trying to gain market share and increase their value over a shorter period than organic or self-financed growth might otherwise allow.

We recognise that the best results for investors are achieved where there is a common vision for taking the business forward. We look to forge a strong working relationship with each investee company, in order to support its growth plan, drive business improvements and realise investor profits at time of sale, normally through a trade sale or secondary exit.

Our dedicated property team works with developers across the UK to identify a range of opportunities for our client investors. Whilst we are generally asset and sector agnostic, most of our transactions are in the student accommodation, commercial property and hotel sectors, where we have successfully led a number of projects from concept, through development to sale, achieving profitable outcomes for our clients in the process.

I hope to welcome you as a Maven Investor Partner.

”

**Bill Nixon**  
Managing Partner at Maven

# MAVEN CAPITAL PARTNERS

Maven was established in 2009, following a Management Buy-Out of the Private Equity division of Aberdeen Asset Management PLC, and has grown to become one of the UK's leading independent Private Equity and Property Managers, with over 200 years' combined investment experience across our team.

Our investment professionals work closely with business owners, corporate finance advisors and property specialists, to source a wide range of interesting opportunities which are suitable for Maven investors including experienced investors, family offices and wealth managers.

Maven has UK wide coverage, having invested heavily in building a local presence in order to develop relationships and optimise deal flow in the key territories across the country. We now have offices in London, Birmingham, Manchester, Edinburgh, Glasgow and Aberdeen putting us at the heart of the key centres of corporate finance and property development activity.

The Maven private equity model is to acquire or invest in a private company at a competitive earnings multiple, work closely with the executive management team to expand and improve the business, and then sell to a trade buyer or secondary private equity buyer at a premium price which fully reflects the value of the enlarged business. Maven has a proven track record of generating profitable returns in this area including the sale of two portfolio companies to overseas trade buyers in 2015, both of which realised returns in excess of 6x cost over the life of the investment.

Maven has also developed significant expertise in the commercial property sector. Our property team was established to allow us to capitalise on the increasing number of transactions we are introduced to across the UK. We believe that property is highly complementary to our private equity capabilities, allowing investors who have a different risk appetite to gain access to a number of asset backed investments, often with a development gain element.

## CASH BASES

**Date of Investment:** 2004

**Sector:** Specialist Manufacturing

**Exit:** September 2015

**7.1x** total return on original investment\*

## CASE STUDIES

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In September 2015 Maven realised its investment in cash management specialist Cash Bases Group, achieving a 7.1x total return\* following the merger with US group APG Cash Drawer LLC.

Maven clients originally funded the MBO of Cash Bases in 2004, and during the period of investment the Newhaven-based business established itself as one of the world's leading manufacturers of high quality cash management solutions, supplying global brands in the retail, finance and hospitality sectors, across more than 70 countries.

Maven executives worked closely with the senior management team to accelerate the company's growth, by targeting new clients and specialist opportunities within the sector, and extending the product offering. Maven also supported the team in completing a key strategic acquisition which helped expand the business into new markets.

In July 2013 the business secured a multi-million pound contract with Tesco for the integration of the ground breaking SMARTill technology across the retailer's entire estate (over 25,000) of UK cash tills, providing automated cash management and real-time monitoring of point-of-sale transactions, including an intelligent cash drawer system.

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**Date of Investment:** 2009

**Sector:** Facilities Management

**Exit:** December 2015

**6.5x** total return on original investment\*

In December 2015 Maven exited its investment in facility solutions business Westway Services, via a sale to US based ABM, generating a 6.5x total return\* for investors.

London-based Westway provides an integrated range of technical building services on both planned and reactive maintenance contracts, covering both mechanical and electrical engineering services for infrastructure such as heating, ventilation, air conditioning and electrical installations.

Maven clients funded the original MBO of Westway in 2009, when it had a turnover of less than £10 million and employed 38 people from a single office location in West London. Under the leadership of Managing Director Andy Donnell, and working closely with Maven executives, the business achieved year-on-year revenue growth and established a track record of delivering a reliable and high level of customer service.

Maven invested a further £3.6 million in 2014 in support of a secondary buy-out, in order to help the business capitalise on projected growth in the facilities management market, whilst also targeting geographical expansion within the UK. With Maven's support, Westway significantly expanded its footprint and widened its focus to include specialist technical engineering services that help customers to optimise the energy and operational performance of a building, and now serves a blue chip customer base across a range of sectors, including commercial offices, financial services, healthcare and retail.

At the time of the sale to ABM, annual turnover had reached £50 million, generating earnings of more than £5 million, and the business had grown to employ 535 people across its branch network in Ruislip, Bristol, Glasgow, Leeds, and Northampton.

*\* Past performance is not a guarantee of future performance.*

# WHY PRIVATE EQUITY

Private equity is now widely recognised as an established asset class with a long history of generating positive returns for UK investors. Investing with Maven can be an attractive option for investors and advisers considering private equity, either for the potential returns or its merits as part of a portfolio allocation.

Entrepreneurial private companies are the engine-room of the economy. The UK's private equity industry is the largest and most dynamic in Europe, turning innovative ideas into successful businesses and helping mature companies become more productive which can help drive superior investor returns.

Whilst traditional Venture Capital will often focus on start-up or early stage businesses, Maven's experience and nationwide introducer base allows it to target later-stage, more established private companies where investor returns have traditionally been more predictable. These are typically ambitious and nimble businesses led by talented people, who can demonstrate a blend of vision and business flair, alongside a differentiated and competitive business proposition.

In all cases, the management team of a private equity-backed business will be highly incentivised through their personal equity stake, meaning there is alignment of interests with the underlying investors. This is a key reason why the UK private equity industry has delivered superior investor returns over many years.

We choose to work only with companies which offer the potential to generate positive shareholder returns at exit, and where we are able to create significant additional equity value, typically targeting a Multiple of Money (MoM) return of not less than 2.5x initial investment over a holding period of up to 5 years. These will be businesses operating in the sectors we understand and where we have a proven track record of delivering results for all stakeholders.

Investor Partners are able to construct a balanced, diversified portfolio of private company holdings, offering the potential for regular income and capital gains whilst mitigating the risk associated with private equity investment.



## Opportunity

For professional investors who are seeking

- Regular income and the potential for medium to long term out-performance.
- Diversification of their investment portfolio beyond the traditional asset classes.
- Exposure to an asset class uncorrelated with public markets.
- Access to a pool of potential private company investments that are not available through mainstream asset managers.

## Private over public

Widely available financial information means that the share price of a public company adjusts immediately to every missed estimate or piece of good news. As a result it is hard to discover a quoted company which has hidden intrinsic value to unlock. However, there are often opportunities to invest in private companies which are significantly undervalued and can provide investors with the potential for better, risk adjusted returns.

## Active involvement

Private equity managers take a much more active role in the companies they invest in, often taking a seat on the board of each portfolio company. Maven normally appoints at least two directors to the board of a company in which it invests, including the Chairman.

## Alignment of Interests

Private equity managers are able to align their interests with those of their investors, by ensuring that the key investment executives share in any profit realised at exit. The intention is that each executive is motivated to commit significant time and energy in achieving the best possible outcome for investors.

# DELIVERING SUPERIOR RETURNS

Maven's long term track record in private equity is based on a tried and tested approach of investing in only a select number of companies every year. In each case we look for a business led by good people, with an achievable growth plan, investing at a sensible earnings multiple where there is the potential to make an earnings-based 'arbitrage gain' at exit.

## **Finding the best opportunities**

Maven uses its embedded presence in the key UK corporate finance regions to access a range of investment opportunities in private companies with significant potential for growth. These are often introduced on an off-market basis, on the strength of longstanding personal relationships, or by professional advisers who are aware of our expertise and ability to work constructively with an entrepreneurial management team to accelerate business growth.

## **Investing at the right price**

We invest only where a competitive entry price is available and where we see the future potential to exit at a significantly enhanced multiple of earnings. In each case Maven seeks to identify potential future buyers of the business prior to completing the initial investment.

## **Adding value**

During a typical hold period of three to five years for each investment, Maven's executives work closely with the management team to add shareholder value. The focus is on how to drive business improvements which will positively impact profitability and ultimately make the company more valuable and attractive to potential acquirers.

## **Developing an exit strategy**

From the outset of each investment, we harness our extensive knowledge of a range of sectors and the advisory community to help management develop an exit strategy. We have long standing relationships with larger private equity firms, which are looking for the 'rising stars' in the lower mid-market and will often pay more than comparable trade acquirers if they see synergy with another portfolio company.

## **Optimising value**

When the decision is made to sell a business, Maven assists each management team in selecting an adviser, often a sector specialist, whose expertise and insight will help to optimise the sale process. Our key focus is on securing the best price and maximising the arbitrage gain on exit.

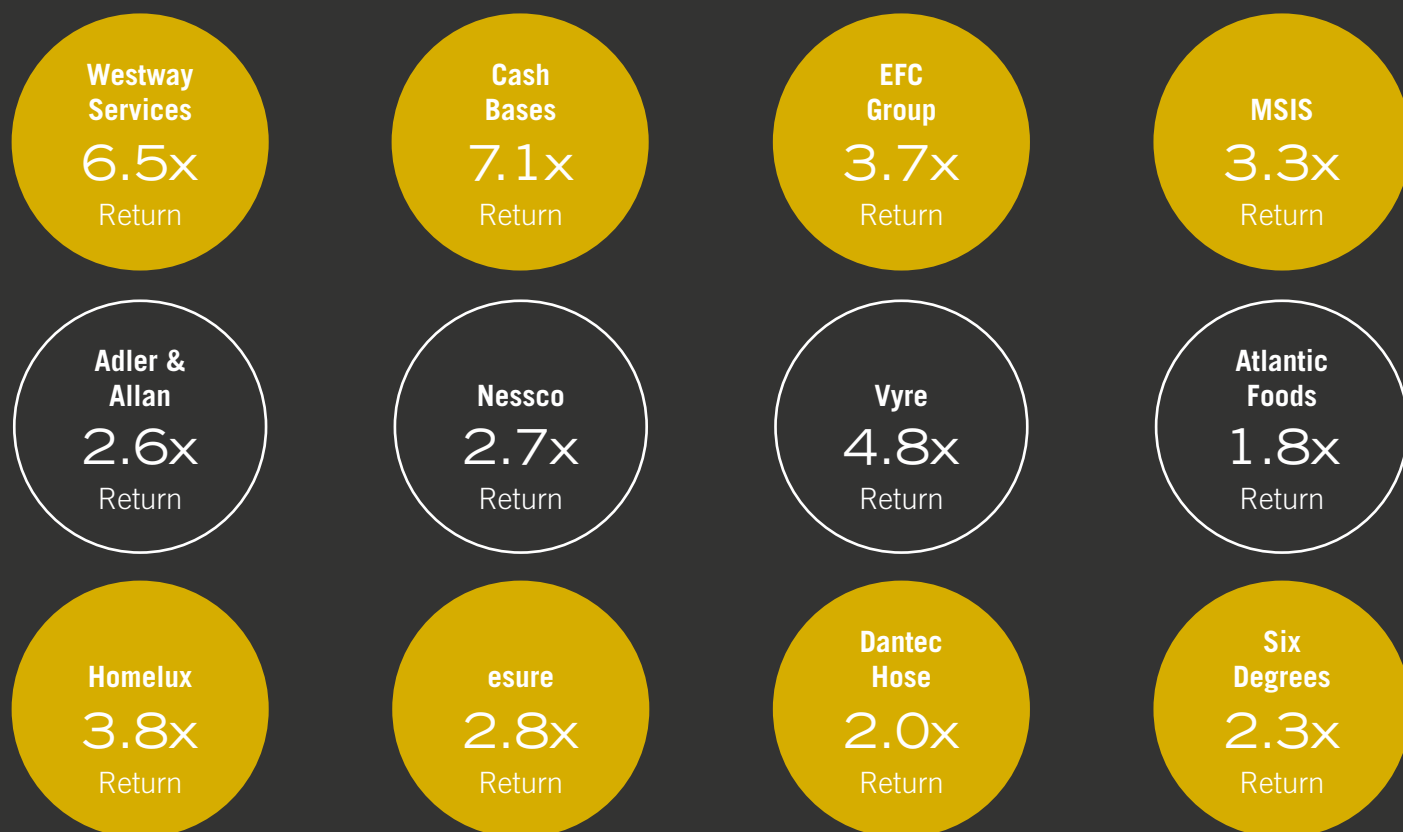
## Value Creation

The graphic below illustrates Maven's ability to acquire private companies at a modest entry multiple, and then increase shareholder value through a combination of revenue and profit growth. Value is further enhanced at exit through a professionally managed sales process aimed at achieving the best possible price from a wide pool of prospective buyers.



## Recent Exits\*\*

Set out below are examples of the money multiples achieved by investors from sales of Maven backed portfolio companies.



\* Averages achieved on MBO investments made by the team at Maven since 2004.

\*\* Exits shown are a selection of realisations achieved by Maven since December 2012. Investor Partners did not participate in all of the investments shown, as Maven investments were not widely available to Investor Partners until 2007. Returns are shown gross of management fees.

# THE PROCESS

Prior to sending any proposal to Investor Partners, a prospective new transaction is subject to rigorous analysis within Maven, including a detailed review by members of our partner group and senior investment executive. That process is intended to challenge and prove the investment thesis, and to help structure the transaction to protect investor capital and deliver the best possible returns.

Each locally sponsored transaction is carefully assessed through a three-stage internal review and approval process, with the ultimate decision whether to proceed resting with Maven's national Investment Committee which is made up of members of our partner group and other senior executives.

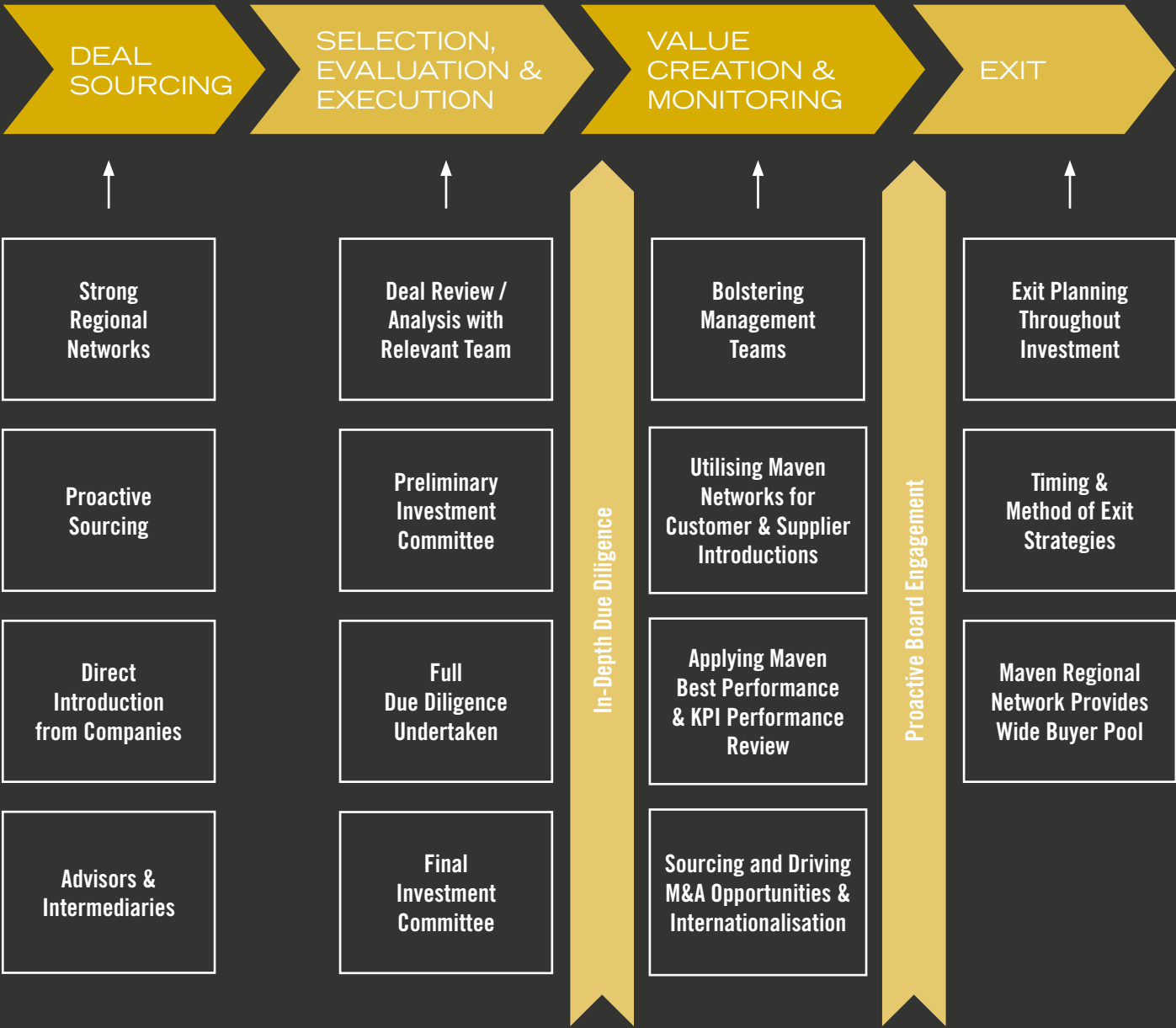
If the decision is taken to conditionally proceed, the target business is subject to extensive third-party due diligence, covering all key aspects of the investment, including financial, legal and management referencing, as well as full market and commercial analysis. At this time Maven also seeks to identify prospective acquirers for the business or asset, based on comparable M&A activity in the sector.

A detailed investment proposal is issued to Investor Partners only when the initial review process is complete, including an estimate of the likely projected returns. There is then a defined period to consider each proposal before deciding whether or not to participate.

Whilst Investor Partners will usually make an investment decision based on the proposal document, Maven investment executives are on hand to provide further information and discuss the merits of the investment case on a one to one basis if required.

Following completion of the transaction, Maven manages all aspects of the investment through to ultimate exit, as well as providing investors with cash distributions on the Loan Stock element on a six monthly basis. Performance update reports on their portfolio holdings are also provided to Investor Partners at that time. When the investment is sold, Maven distributes cash proceeds to investors.

# Maven's Structured Investment Process



## WHY PROPERTY

Although it has cyclical characteristics, UK property remains an attractive class for investors, given the expanding demand across all sub-sets of the asset class, on the back of population and corporate growth. Income yields remain at healthy levels in a low interest rate environment, with a number of indicators pointing to growing competition for space and rising rental levels in many UK cities.

UK commercial property offers investors access to relatively predictable returns as part of a diversified portfolio in the alternative asset area. Often there is very controlled and measurable 'downside risk' given the underlying asset backing associated with property.

The Maven property team is able to source and evaluate a wide range of investment opportunities throughout the UK. In each case we look to partner with an experienced developer or asset manager who will often be a fellow investor in the project.

We have successfully completed developments of hotels, student accommodation, office refurbishment and residential properties using this operating model, and have expertise in structuring tax-efficient opportunities where possible, making use of approved reliefs such as Business Premises Renovation Allowance (BPRA).

On a typical property investment we target a MoM return in the range 1.3x to 1.8x the initial investment, over a holding period of one to two years, with transactions principally structured to offer the potential for achieving meaningful gains, either through development or by acquiring assets where value can be added through active management, including rent reviews, lease extensions, opportunities for possible changes of use, or refurbishment.

Each opportunity will be fully appraised and risk assessed, and will only be progressed where our team see clear potential for positive investor returns. The Maven team works closely with the developer throughout the process, to implement a specific project plan and work towards an exit within a timescale determined at the outset. We also minimise risk through undertaking detailed planning and fixed price contracts wherever possible.

## Fundamentals

- UK property attractively priced relative to other main asset classes.
- Access to relatively predictable investment returns, with measurable 'downside risk'.
- Widespread availability of empty or obsolete commercial space, with potential for conversion to alternative use including student accommodation.
- Shortages of suitable modern commercial space in many core UK locations.
- Market indicators point to increasing competition for space and rising rental levels.

## Active asset management

Unlike other asset classes, property offers opportunities to add investor value through active asset management. There are a number of ways in which an experienced, skilled manager can add value to a property including:

- Redevelopment / Refurbishment
- Change of use
- Tenant negotiations

## Potential tax advantages

In some cases property investment in the UK can also provide access to tax benefits, by taking advantage of reliefs and allowances such as:

- Business Premises Renovation Allowance
- Business Property Relief
- Capital Allowances

## Diversification

Property affords investors access to more predictable investment returns from asset backed opportunities and may therefore be suitable as part of a diversified and balanced portfolio.

## Inflation hedging

The rental income from commercial property can provide an effective hedge against inflation, with leases typically subject to upward-only rent reviews which are increasingly in line with the Retail Prices Index.



## INVESTING WITH MAVEN

Maven Investor Partners benefit from access to one of the largest and most experienced investment teams in the UK, with over 45 executives operating from six regional UK offices, and a proven track record of successfully investing in Private Equity and Property transactions.

Our private equity team offers expertise across a range of sectors, and is introduced to up to 500 new investment opportunities each year, mainly from a well-established professional adviser network. We have also assembled a highly experienced property team, who have access to a range of interesting projects across the UK with significant development gain potential, many of which are introduced off-market.

Although we appraise hundreds of potential deals each year, we invest in only a small number which satisfy our strict criteria and where the transaction offers the target return profile for our investor base. Every prospective investee company is subject to a rigorous process of due diligence, both by Maven's investment team and third-party, expert advisers.

Maven's regionally based investment and portfolio executives are well placed to support investee companies across the UK, and work closely with each management team from the outset to support business growth. We have a proven record of adding value to private businesses in order to drive growth across the portfolio, where our approach is to understand both the numbers and the future trading prospects for portfolio companies.

A Maven executive is also invariably appointed to the board, with a key objective of playing an active role post-investment in the strategic direction of the business. That includes helping the management team to define and evolve its business plan, appointing new senior executives where appropriate, and facilitating new, mutually beneficial business introductions with other investee companies.

Our executives also work with each management team from the outset to develop an exit strategy. This will involve identifying prospective ultimate buyers for the business, even where a formal sale process is some years away.



## Key Differentiators

### **Embedded in Key UK Economic Regions**

Maven offers full UK coverage, with its regional office network providing access to a wide range of locally sourced private company and property opportunities.

### **Highly Resourced and Stable Team**

Maven has one of the most experienced investment teams in the UK, with a senior team that has been working together unchanged since 2004.

### **Close Working Relationship with Management Teams**

Maven's regional office structure allows it to stay within easy reach of each portfolio company and property project.

### **Industry Expertise**

Maven has a recognised pedigree in a number of industry sectors, including niche manufacturing, speciality consumer and energy services, and property expertise in the student accommodation, hotel and office refurbishment sectors.

### **Competitive Entry Prices**

Maven has a proven ability to acquire private businesses at competitive entry multiples which offer arbitrage gain potential, and identify property opportunities capable of delivering attractive development based returns.

### **Successful Track Record**

Maven has established a long-term track record of generating profitable returns across its private equity portfolio since 2007, when investments were first made available to Investor Partners.

A black and white photograph of three business professionals in a meeting. A man in a white shirt and tie is in the foreground, looking intently at a screen. Behind him, a woman is also looking in the same direction. To the right, another man is partially visible, looking towards the center. They are seated at a dark, reflective table with papers and a keyboard. The background is a modern office interior with a recessed ceiling light.

INVEST WITH A HIGHLY  
EXPERIENCED TEAM

# BECOMING AN INVESTOR PARTNER

If you are interested in joining the Maven Investor Partners network please contact:

**Suzanne Lupton,  
Director of Co-investment**

suzanne.lupton@mavencp.com  
0141 306 7400

**Maven Capital Partners UK LLP**

Kintyre House  
205 West George Street  
Glasgow  
G2 2LW

## Important Information

This document is not a financial promotion nor an invitation to invest and the information contained herein should not be relied on as the basis of an investment decision.

An investment directly into an unquoted or private company or into property carries a higher degree of risk than many other forms of investment and may be difficult to realise, as shares in private companies are not publicly traded. The value of shares in a private company, and the level of income derived from them, may fall as well as rise and investors may not get back the money originally invested. Past performance is not a guide to future performance.

Maven investments are intended for Professional Clients and institutional investors only. Such investments are only suitable for investors who are able to evaluate and understand the risks and merits of such investment and have the resources to bear any loss that may result from such investments. For investment into commercial property using a BPRA scheme there are a number of other risks that a prospective investors should be aware of, and which will be set out in any Information Memorandum. These include the risks associated with Property Development, Property Ownership, Borrowings, HMRC regulations and the ability to claim BPRA Qualifying Allowances and Capital Allowances.

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**Maven Capital Partners UK LLP**

Kintyre House  
205 West George Street  
Glasgow G2 2LW  
Tel 0141 306 7400

Authorised and Regulated by  
The Financial Conduct Authority

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