DIRECT INVESTMENT ADVISORY



NOW AND FOR FUTURE GENERATIONS

WHY DIRECT INVESTMENTS?

Our clients are seeking greater exposure to direct private investments.

USD1.4 bn+

invested in private equity by Stonehage Fleming since 2000

of family office portfolios globally are allocated to direct investments

Source: UBS / Campden Wealth Global Family Office report 2019 Private market investments are now an important part of our conversations with clients. Some clients undertake direct investments to retain autonomy and control over where and how their money is invested; this can be particularly relevant for investors focused on specific sectors or themes, such as impact investments. For others it is about putting their own business experience to good use, as well as leveraging and extending their professional networks. Some are simply looking to increase their investment returns in a low return environment, accepting this means reduced liquidity and requires patience and a longer-term investment horizon. Our clients are able to project their social and intellectual capital through direct investments and this can also be a good way to engage the next generation in the management of the family's wealth.

For all of these reasons clients are working with us to gain direct exposure to private investments as part of their overall wealth management strategy. Since 2002 Stonehage Fleming has invested USD380m in 22 direct investments, and USD1.4bn in the private equity asset class as a whole.

WHY STONEHAGE FLEMING?

Heritage of investing in private enterprise

We have a long heritage of investing in private companies, dating back to 1873 and the launch of the first ever UK investment trust

Carefully evaluated deal flow

We generate proprietary deal flow from reviewing several hundred opportunities each year and can help our clients build a portfolio of quality private company investments to suit their preferences and risk profile

By your side from origination to exit

We provide support throughout the investment lifecycle, from the original transaction through to post investment monitoring and advice on exit

Leverage our network, extend your reach

Our network of clients, entrepreneurs and business partners brings access to an extensive range of investment opportunities across a spectrum of industries, as well as invaluable specialist insight and experience

Experienced team with a strong track record We have invested USD380m in 22 transactions since 2002 and our team has

a wide range of buy and sell-side experience across many sectors

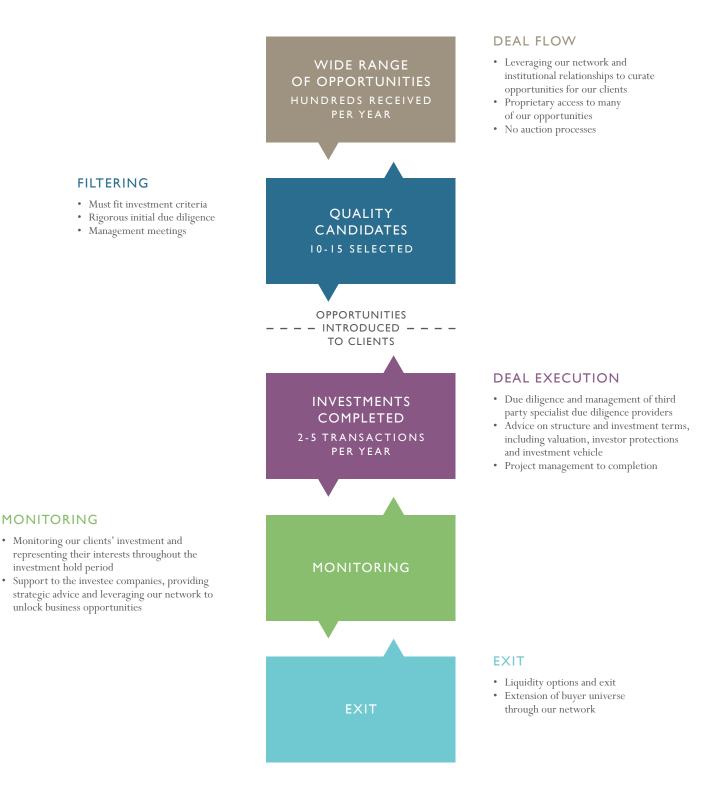
Aligned interests, our clients are our partners

We have a long-term outlook and our fees are fully aligned with our clients to ensure we share success

WORKING WITH YOU

As an international family office, we have multifaceted relationships with our clients. Any direct investment is considered in light of its fit with the wider wealth management strategy of the family, their values and long-term objectives.

Our Direct Investments team works with clients on their directly held private equity investments from initial introductions and structuring, through due diligence to completion of the investment, thereafter monitoring the investments through to exit.



OUR APPROACH

We are focused on minority growth company investments and on co-investments in partnership with private capital institutions and family offices. We have experience across many sectors with an emphasis towards technology and technology-enabled businesses, consumer and financial services companies.

Growth company investments (GBP2-10m target investment size)

- Minority investments in revenue generating, high growth businesses with very large market potential.
- Business models with high barriers to entry, supported by strong intellectual property or technology.
- Profitable businesses or businesses with a clear path to profitability / strong unit economics.
- Protection of interests through investment structure and / or board representation and combined voting power.
- ▶ 3 6 year target investment horizon.
- Return target typically 25%+ IRR.

Co-investments (GBP10-50m target investment size)

- Investments across the capital structure.
 Often asset backed and relatively lower risk;
 can be longer-term investment horizons.
- Benefitting from and leveraging the expertise and rigorous due diligence of specialist private equity investors.
- Typically satisfying client appetite for higheryielding investments, can be portfolio diversifiers.

ANHUIN

- Interests protected via relationship with co-investor and combined voting power.
- 3 10 year target investment horizon.
- Return target typically 10-18% IRR.

CONTACT US

If you think we may be able to help you and your family, please contact us for a discussion.

enquiries@stonehagefleming.com



in STONEHAGEFLEMING.COM

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