

Our Approach

With \$200 million under management, the Ballast Point Ventures investment strategy is to invest in established but rapidly growing, privately owned companies, with a particular emphasis on companies located in the Southeast and Texas. This region accounts for 22% of the national GDP and the region's favorable business climate and strong quality of life make an attractive home to thousands of talented entrepreneurs working to build great companies.

The BPV partners have spent their careers building and investing in outstanding companies throughout the region. We have found that entrepreneurs generally prefer to work with high quality partners "in their own backyard" who understand not only their businesses but also the local community. Our proximity to our portfolio companies and emphasis on long term relationships have allowed us to focus on adding value for our companies in ways that other firms investing across the country find difficult to match.

We are "growth capital" investors and we work with companies that demonstrate proven business models and have strong management teams. We invest in a diversified group of industries that we believe have favorable growth and investment characteristics, and in which both the BPV Partners and our partners at Raymond James Financial have substantial knowledge and experience. These industries include health care, business services, communications, information technology, financial services and consumer/retail.

At BPV, we invest first and foremost in people. Our experience shows that by partnering with outstanding entrepreneurs with experience, vision and integrity, we can invest across a broad range of industries and help our entrepreneur partners generate attractive investment returns for both themselves and their investors. We are financial and strategic partners rather than operators, and we prefer minority ownership stakes to control positions.

Our team is most successful when we have the opportunity to build long-term relationships with outstanding entrepreneurs. In many cases, we have backed the same entrepreneur in more than one venture. BPV seeks entrepreneurs with:

- Deep domain and operating experience in their industry and a proven track record of success
- The reputation and integrity necessary to attract high quality co-workers capable of building high performance companies
- The character and determination needed to achieve their goals and to overcome the inevitable challenges associated with rapidly growing businesses
- A willingness to listen to sound counsel and to let us and our network of relationships help them enhance their prospects for success



Ballast Point Ventures seeks opportunities to invest \$2 million to \$10 million in growth equity capital. We can arrange larger investments through syndication with our Limited Partners and other investment partnerships with which we have strong relationships.

We invest primarily in the following types of situations, consistent with our [Investment Criteria](#), depending on the entrepreneur's objectives:

Expansion financings for existing businesses

We look for companies that have proven their business models, demonstrated rapid growth and can be leaders in a segment within our target industries. Many of these companies have not yet raised substantial equity capital, but the founders understand that additional equity and an experienced financial partner can help them substantially increase the value of their business. We structure our investment and align incentives to insure that both the management team and the investors are focused on increasing the equity value of the business.

Acquisition financings

While we prefer businesses operating in industry segments that allow for substantial de novo growth, we also understand the potential value of smart, well-timed acquisitions of smaller competitors or companies with complementary products or services. BPV has extensive experience in helping our entrepreneur partners identify, finance and structure attractive acquisitions, and our Partners have many years of expertise in the mergers and acquisitions arena. Acquisitions can be "game changers", for better or for worse, and we know both the right questions to ask prior to an acquisition and the importance of successful integration after the close.

Management-led buyouts of growth companies

We are interested in partnering with outstanding management teams who have an opportunity to acquire the business they are currently managing from a larger parent or absentee owner. While we don't engage in leveraged buyouts, we are experienced in both negotiating and financing transactions that allow management teams to take control of their businesses and pursue more rapid growth.

Recapitalizations to provide liquidity for existing shareholder(s)

While we prefer to have our capital directed toward growing the business, we are also willing to offer partial liquidity to outstanding entrepreneurs who want to continue building their business but would also like to realize a portion of the value they have created to date. We also know that buying out a minority or absentee partner's interest can often better align incentives and remove a barrier to rapid growth.

Ballast Point Ventures typically prefers to serve as the lead investor, but we will participate in financings led by others who share our objectives and values. We are long-term investors who focus on building and realizing value in the form of capital gains over a three to seven year period.