

Fund Profile for Sovereign Capital Limited Partnership Fund III

Company Information

Primary Fund Manager:	Sovereign Capital
Address:	25 Victoria Street, London, United Kingdom, SW1H 0EX
Tel:	+44 207 340 8800
Email:	info@sovereigncapital.co.uk
Web:	www.sovereigncapital.co.uk
Executives Responsible:	Andrew Hayden

Fund Data

Target Size (€m):	422.15	Vintage:	2009
Fund Type:	Buyout	Fund Structure:	UK LP
Fund Status:	Open	Country:	United Kingdom
		Fund Life (Years):	10

Event	Date	Amount Raised (€m):	Fund Target (€m):
1st Close	Jul 2009	168.86	422.15

Fund Description

Sovereign Capital has held a first close of its third fund, Sovereign Capital Limited Partnership Fund III, at around 40% of its £350m target. The fund, which is based in London, is structured as a traditional 10+2 year LP. The £350m target is 27% larger than the size of Sovereign's second fund, which closed on its hard-cap in May 2005 at £275m. Macfarlanes provided legal advice. Sovereign declined to comment. Investors in Sovereign funds tend to hail from Europe, mostly funds-of-funds; the US, mostly endowments; and the UK, mostly family offices. Each region accounts for around a third of the total investment. Funds-of-funds investing in the second fund include Access Capital Partners, Danske Private Equity, Nordea Investment Management, Robeco Private Equity and Wilshire Associates Europe. Sovereign funds typically invest £5-30m of equity in UK lower mid-market companies with an enterprise value of between £10-15m, in the firm's traditional areas of expertise: training and support services, healthcare, education, leisure and funeral-related businesses. As a buy-and-build specialist, Sovereign funds historically invest in approximately 3-5 portfolio companies per year, looking to make about 8-10 bolt-on acquisitions to these targets. Andrew Hayden and Ryan Robson are the main managers of the fund, supported by a team of approximately 20 investment professionals based in London.

Investment Strategy

Geographic Preferences:	United Kingdom	Stage Preferences:	Mid-Market Buyout
Investment Range (€m)	6.03 to 36.18	Co-invest With Other Funds:	Yes

Fund Portfolio

Company Name	Deal Date	Sector	Country	Basic Deal Type	Value (€m)
Kindertons	Oct 2013	Business Support Services	United Kingdom	Buyout	n/d (25-50m)
Hillcrest Care	Jun 2013	Specialised Consumer Services	United Kingdom	Buyout	93.60 est
Creare Group	Nov 2012	Internet	United Kingdom	Buyout	n/d (<25m)
Excellence Education Group	May 2012	Specialised Consumer Services	United Kingdom	Buyout	36.86
Lifetime Training Group Limited	Aug 2011	Business Training & Employment Agencies	United Kingdom	Buyout	n/d (<25m)
Greenwich School of Management (GSoM)	May 2011	Specialised Consumer Services	United Kingdom	Buyout	n/d (<25m)
The IMS Group	Dec 2010	Business Support Services	United Kingdom	Buyout	n/d (<25m)
Christchurch Court	Sep 2010	Health Care Providers	United Kingdom	Buyout	30.12 est
Eden Supported Housing Ltd	Sep 2010	Health Care Providers	United Kingdom	Buyout	n/d (<25m)
8 Solutions	May 2010	Business Support Services	United Kingdom	Buyout	n/d (25-50m)

LPs in Sovereign Capital Limited Partnership Fund III

Name of Institution	Type	Country	Cornerstone	Key Executive(s)
Access Capital Partners (ACP)	Fund-of-funds manager	France	n/d	n/d
BlackRock	Asset Manager/Investment co	United Kingdom	n/d	n/d
Danske Bank - Archive	Bank	Denmark	n/d	n/d
Etera Mutual Pension Insurance Company	Insurance company	Finland	n/d	n/d
European Investment Fund (EIF)	Asset Manager/Investment co	Luxembourg	n/d	n/d
JP Morgan Asset Management	Asset Manager/Investment co	United Kingdom	n/d	n/d
Morgan Creek Capital Management	Asset Manager/Investment co	United Kingdom	n/d	n/d
Northgate Capital Group LLC	Private Equity firm	United Kingdom	n/d	n/d
OP Life Assurance Company	Insurance company	Finland	n/d	n/d
Pohjola Insurance Company Ltd	Insurance company	Finland	n/d	n/d
Pohjola Private Equity Funds Oy	Fund-of-funds manager	Finland	n/d	n/d
Queensland Investment Corporation (QIC)	Asset Manager/Investment co	Australia	n/d	n/d
Robeco Institutional Asset Management	Asset Manager/Investment co	Netherlands	n/d	n/d
Veritas Pension Insurance Company	Insurance company	Finland	n/d	n/d

Advisers in Sovereign Capital Limited Partnership Fund III

Name of Adviser	Type	Country	Key Executive
Macfarlanes LLP	Legal	United Kingdom	n/d