

HOW DOES A SEARCH FUND WORK?

A Guide for Investors

Made by
Levion Partners

A SEARCH FUND

is an investment model in which 1 or 2 entrepreneurs ("searchers") raise money from a group of investors to search, acquire, manage and sell a company.



THE SEARCHERS...

1. raise about \$500k to fund the search.
2. search for 1-2 years for a healthy company.
3. buy the company with a 2nd round of funding & loans.
4. assume management positions & grow it.
5. sell the company (and/or issue dividends).

INVESTOR BENEFITS

Investors in the search get a 50% top up when the company is purchased.

Ex: \$100K invested in the search gets you \$150K of shares in the company.



CASHING OUT

Cashing out happens via dividends or selling the business. Investors own at least 70% of the business and have a common interest to ensure a strong return.

THE SEARCH FUND MODEL WAS CREATED IN STANFORD U IN 1983. THERE HAVE BEEN OVER 200 SEARCH FUNDS. THE AVERAGE RETURN IS 30%.



Read our FAQ and learn more at:
LevionPartners.com/Investors

