

BLOTT
ASSET MANAGEMENT LLC



Blott Asset makes private equity investments which build Shareholder value in underutilized companies and assets. We invest alongside strong leadership teams and help them solve their most difficult ownership, liquidity, and strategic challenges.

www.blottasset.com



PROFILE Blott Asset is a principal investment firm. The firm makes control oriented private and public equity investments in companies, regulated assets, and other financial securities. We provide our services to institutional investors, charitable organizations, pension and profit sharing plans, high net worth individuals, pooled investment vehicles, and state or municipal government entities. In partnership with strong management teams, we develop compelling value investment opportunities generated through strategic sale, leveraged buyout, recapitalization, asset monetization, or other strategies. For our private equity investments, we specialize in leveraged buyouts, de-leveraging buyouts, public company recapitalizations, distressed securities, growth equity, structured equity, and Infrastructure investments. Our firm seeks to invest between \$25 million and \$250 million per transaction.



FOUNDER Mr. Patrick A. Blott founded Blott Asset Management, L.L.C. in 2006. Previously, Mr. Blott spent 14 years in New York focused on Private Equity and was a founding member of Borealis Capital Corporation in 2001. For Borealis Private Equity Fund and Borealis Infrastructure Fund, Mr. Blott sourced investment opportunities, led transaction teams, and assisted in underwriting \$1.01 billion of private equity investments for control positions in a diverse portfolio of companies. Mr. Blott led a cross-border going private buyout of Maax Inc for \$725 million in 2004 which established the largest management-owned home products company. He completed a \$565 million acquisition and development of William Osler Health Center in 2003, which was notable for being a first ever privatization of a government owned healthcare company. In 2002, Mr. Blott led a subsidiary carve out of Express Pipelines Corp for \$1.2 billion. The Express Pipeline is currently the largest independent heavy crude oil pipeline in the United States and was acquired by Kinder Morgan in 2005 through its \$5.6 billion acquisition of Terasen Pipelines. Throughout 2001, Mr. Blott underwrote investments totaling more than \$300 million to acquire and develop skilled healthcare facilities during a difficult financing environment for that industry. Mr. Blott has previously secured blue chip institutional investors to support investment programs and co-investments, including arranging commitments from OPSEU Pension Board, OMERS, Canadian Pension Plan, among others. Previously, Mr. Blott was a senior investment professional at JP Morgan and Banc of America Securities in New York, completing private equity and growth capital investments on behalf of firms including KKR, Texas Pacific Group, Warburg Pincus, Blackstone Group, TH Lee, Bain Capital, and JP Morgan Partners. Since 1993, he has led deal teams to complete over \$75 billion dollars of private capital investments. Prior to joining J.P. Morgan, Mr. Blott began his financial career in Leveraged Finance, Mergers and Acquisitions, and Distressed Debt. Mr. Blott has participated as a Board Member or Advisor at Maax Inc, Express Pipelines L.L.C., Auto Guide Inc, BPC Long-Term Care L.L.C., The Hospital Infrastructure Company, and Emerald Corp. He earned an MBA from Columbia Business School.



TARGETED INVESTMENTS

Blott Asset pursues an active private equity approach that captures value in underutilized companies and assets. The leadership teams we work with face difficult change. Our targeted investments possess unique active value attributes, including:

- Underutilized assets
- Embedded and under-valued regulated assets
- Struggling leadership, or leadership transitions
- Ownership concentrations, activist shareholders
- Under-valued off-balance sheet assets
- Inflated on-balance sheet liabilities
- Operating and financing strategy dislocations
- Capital structure arbitrage potential
- Capital constraints, illiquid or distressed securities

PRIVATE EQUITY

We develop investment opportunities in cash generative businesses and assets that have strong defensible competitive positions with significant value creation opportunities. Targeted investments include acquisitions of divisions or assets from corporations or agencies, acquisitions or recapitalizations of privately owned or publicly traded businesses, majority investments in regulated assets and public partnerships, acquisitions of distressed businesses or their securities either through a restructuring or a bankruptcy process, and acquisition of partnership or residual equity interests in structured entities. We invest behind management teams that are effective operators in an environment of challenging growth prospects and under managed cash flows.

PUBLIC EQUITY

In addition to being effective in private markets, our private equity value strategies create unique investment opportunities in publicly traded securities. Going-private buyouts are one aspect of our public equity strategy. We also focus on capital structure arbitrage, de-leveraging recapitalizations, securitizations, carve-outs, spin-offs, distressed security and active-value investing, and hedging. We employ fund-level leverage to amplify returns where our efforts have generated positive alpha. We employ risk management strategies to isolate long portfolio sector and market effects. Taken together, our private equity driven alpha strategies and rigorous portfolio risk management combine to generate consistently superior risk adjusted returns from public market investments.



**INFRASTRUCTURE
AND
SECURITIZATION**

Infrastructure and structured portfolio investments, especially in government-regulated sectors (such as media, telecommunications, transportation, water and municipal services, energy, and healthcare) can generate reliable risk adjusted returns that exceed those prevailing in public markets. Individual structured investments generally require equity commitments for a minimum of 15 to 20 years. The assets we buy typically generate consistent annual cash flows over long time periods. These value opportunities require a unique and highly structured financing solution. By combining over 15 years of global Infrastructure, private equity, real estate, securitization and fixed income investment expertise, we unlock value opportunities in this asset class which are frequently missed by management teams and other less flexible capital providers.

**DISTRESSED
SECURITIES**

We buy companies facing financial distress where we identify deep value. Sometimes strong companies with compelling growth prospects have been capitalized with inappropriate or poorly structured financial leverage. We invest behind strong management teams to align a company's capital structure with its business plan and asset profile. We maximize shareholder value by capturing arbitrage opportunities presented by security miss-pricings, off-market debt structures, broken credit securitizations, or ineffective oversight, either by the originating agent bank or managing agent. Achieving growth in an environment of expanding global liquidity and competition requires strategic flexibility. In all cases, our investment objective is to maximize shareholder value by de-leveraging the balance sheet and unlocking growth prospects.



INVESTMENT APPROACH

By solving difficult challenges, we earn above-market risk adjusted returns for our investors.

- **We solve big problems.** The strong leadership teams we finance demonstrate an ability to accelerate the re-capture of deep value from under-managed cash flows.
- **We value flexibility.** Our investment style is solution-oriented and targets the entire capital structure.
- **We value discretion.** Typically, we originate our own investments and are not active participants in broad auctions or actively marketed opportunities.
- **We value diligence.** Our investments are underpinned by a rigorous macro, relative, and bottoms-up due diligence process and an intensely analytical focus on value. We believe this disciplined, value-oriented approach is equally effective with public and private market investments.
- **We buy controlling interests.** Engaging with other stakeholders provides close visibility on the potential of our acquired assets. Real option value is created when ownership is combined with control. We retain oversight of and responsibility for our capital and liquidity options at all times.
- **We develop a path to liquidity at the front end of our investment process.** Our approach is to invest with a long-term perspective and achieve near-term results. Each investment's liquidity strategy is appropriate for the time horizon of each particular investment thesis. Downside risks are mitigated through diligence, structure, purchase price, hedging, and playing an active role to achieve forecasted exits. Our ongoing risk management process continuously monitors and isolates unwanted risk factors.

Our investment approach is designed to consistently identify compelling value and earn above market risk adjusted returns, even in an environment of constrained or expanding liquidity, flat or declining growth prospects, and cyclical or secular changes.



build value.

FLEXIBILITY

We structure investments which are appropriate for each particular opportunity. The firm employs company leverage to achieve operational and financial objectives consistent with its investment thesis. We invest in any stage of a company's lifecycle and in any form of its financial securities where we identify value. More specifically, we make investments to facilitate leveraged buyouts or de-leveraging buyouts, to replenish working capital and fund capital developments or facilitate external growth, to support recapitalizations and divestitures or achieve smooth ownership transitions.

**REPUTABLE
INVESTING**

We have cultivated a reputation for honest, forthright investing based on fundamental analysis. Having made numerous investments in various industries, our partners have demonstrated integrity, creativity and constant support, which, collectively, provide for an active level of high impact engagement with management teams, directors, creditors, and employees.

INVESTORS

If you would like further information, please contact:

Patrick A. Blott
Managing Partner
Blott Asset Management, L.L.C.
14 Wall Street, 20th Floor
New York, NY 10005
(917) 463-3822
info@blottasset.com.