



KV Capital Launches Private Equity Fund II and Announces First Portfolio Company, Mountain Sports Distribution

The private equity firm builds off its success from Fund I by supporting entrepreneurs in fast-tracking the growth of their businesses.

March 28, 2023

Edmonton, Alberta — KV Capital is pleased to announce the formation of KV Private Equity Fund II Limited Partnership (“Fund II”) and our first acquisition in Fund II, Mountain Sports Distribution Inc. (“MSD”)—a leading full-service distributor in the powersports industry.

Building off the momentum from KV Private Equity Fund I LP, Fund II has been established to deploy capital to lower-mid market players in diverse industries with strong growth prospects. Fund II leverages KV Capital’s hands-on approach in creating success for portfolio companies through new investment of human and monetary capital, process improvements, and initiatives which unlock step changes in scale.

Headquartered in the heart of one of Canada’s primary powersports playgrounds—Golden, BC—MSD exclusively distributes for several globally-recognized brands in the powersports, and avalanche safety industries, such as 509, TOBE Outerwear, FLY Racing, Sidi, and Mammut, covering a four-season spectrum from snowmobiling to summer moto sports. With over 560 dealers in Canada and the United States, MSD has been recognized three times by The Globe and Mail as one of Canada’s Top Growing Companies. Together with KV Capital as a strategic operational partner, MSD looks to continue to drive accelerated growth by expanding their roster of exciting brands and dealer partners across Canada and beyond.

“We applaud MSD’s authenticity and are proud to partner with their team in continuing to build their market presence,” says KV Capital’s President, Private Equity, Jonathan Herman. “We see significant opportunity to work together in supporting the continued development of their best-in-class enterprise.”

MSD Founder and CEO, Chuck Gorton, similarly looks forward to the partnership.

“Collaborating with KV Capital creates additional momentum for our business and is removing the barriers to our expansion,” notes Gorton. “Building from a foundation of aligned values, the financial resources and intellectual capital from this partnership will contribute to elevating MSD’s profile and market position.”

Financial terms of the transaction were not disclosed. For KV Capital, Ernst & Young LLP served as the financial and tax advisor while Bryan & Company LLP provided legal counsel for the acquisition. Bennett Jones LLP and Deloitte Corporate Finance Inc. provided Fund II formation

legal and tax advice, respectively. For MSD, Grant Thornton LLP acted as the financial advisor and Michael, Evrensel & Pawar LLP delivered legal services.

KV Capital continues to actively seek new investment opportunities for KV Private Equity Fund II.

About KV Capital

Founded in 2006 and based in Edmonton, Alberta, KV Capital is a Canadian, alternative investment fund manager with approximately \$350 million in committed assets under management. KV Capital's funds are split into a diverse range of asset classes including private operating businesses and real estate mortgages. KV Capital has been on the Profit 500 ranking of Canada's fastest-growing companies for six consecutive years and has funded over \$1 billion in investments across several different asset classes.

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