

Universal Partners raises R1.3bn in initial public offering

10 AUGUST 2016 - 09:29 MOYAGABO MAAKE

UNIVERSAL Partners has successfully raised more than a targeted R1bn in its initial public offering (IPO), ahead of a secondary listing on the JSE's alternative exchange on Thursday.

The investment holding company, which has a primary listing in Mauritius, and intends to invest in private equity assets primarily in the UK, raised £72m through the South African placing of its shares — nearly R1.3bn, which was more than its targeted R1bn.

Ethos Capital Partners, its nearest rival, had said it was looking to raise up to R2bn, but ended up with R1.8bn on August 1. Ethos Capital, an arm of sub-Saharan Africa private equity giant Ethos Private Equity, listed on Friday.

Ethos Capital shareholders get exposure to two existing funds — a buy-out fund with holdings in the Twinsaver tissue manufacturer and Eaton Towers, a telecoms infrastructure provider and a mid-market fund. Ethos Capital will also establish another buy-out fund and a mezzanine fund.

Universal Partners CEO Pierre Joubert said its investors found its "British pound-referenced returns" attractive.

"The investment is accessible as there is no need to use your foreign allowance when investing in Universal Partners via the JSE, and you need not open an offshore broking account."

The Reserve Bank allows South African individuals to invest up to R10m offshore.

Joubert also said the stronger rand at the moment made investments in Universal Partners cheaper, while the UK's Brexit woes provided short-term opportunities in "the largest and most active private equity market in Europe".

He said Universal had an edge on Ethos Capital as it could hold its investments as long as it chooses, without the pressure to sell at the end of a fund's life.