

# Vunani on the hunt for new property business

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Vunani Limited, which sold its property investment arm to Texton Property Fund in 2013 for R117m, is looking to build a second sizeable property business it would consider listing, says CEO Ethan Dube.

"We understand this space. Growth is slow, so we have to be very careful and will be guided by the market," Dube said.

Vunani reported R40m profit for the year to February 2017, up from R8.2m for the 14 months to February 2016.

The group would focus on building its asset management, asset administration and private equity divisions in the year

ahead, Dube said. It planned to build a sizeable private equity arm by buying into existing management teams.

Vunani's private equity unit, focused on mining, property and African investments, posted R15.1m profit for the period following a R3.4m loss in the previous period.

Vunani Fund Managers posted profit of R6m, up from R500,000 in 2016, on improved assets under management.

"We are ... looking for an acquisition of size in the financial services space in areas we are not already in," Dube said.

The group also saw opportunity to bulk up its asset management capability in neighbouring countries.

The property portfolio, housed in the private equity unit, would focus on domestic property development and the acquisition of commercial, retail and industrial property.

On the potential to list a property portfolio, Nedbank senior property analyst Len van Niekerk said a new listing would need a compelling proposition.

"A mixed bag of smaller assets will not excite the investment community and would likely trade at a relatively high yield of around 10% or more. This makes it hard to improve the quality of a portfolio as raising equity is dilutive and if gearing is high a fund could struggle to grow," he said.

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