



UNIVERSAL PARTNERS

Strictly Private & Confidential

Investor Roadshow Presentation

July / August 2016

- ▶ Access to **private equity investment opportunities** in high quality, cash generative businesses across Europe, with a particular focus on the United Kingdom, the largest private equity market in Europe

- ▶ Offers a **listed liquid investment** in a traditionally illiquid asset class with long investment horizons

- ▶ Collaboration with **an established network of partners** in the EU and the UK

- ▶ Opportunity to gain **hard currency exposure** without utilising offshore allowance or asset swap



Pre-committed capital

Combined capital commitment of **GBP 60 million** from the following:

- ▶ Global Capital consortium
- ▶ Investec Bank
- ▶ Richmark Consortium
- ▶ Credo Wealth

Issue price

Rand equivalent of **GBP1.00 per share**

Purpose of capital raise

To fund investments in line with the company's investment policy

Indicative timing

- ▶ Offer opens at 09h00 on Thursday, 4 August 2016
- ▶ Offer closes at 12h00 on Friday, 5 August 2016
- ▶ Listing on the AltX on Thursday, 11 August 2016

Offer type

Private placement at the time of the inward secondary listing on the AltX

Minimum application

R1 million on the South African register

Targeted capital raise

Between **± GBP 65 million** and **GBP 80 million** at an issue price of **GBP 1.00**

Exchanges

Primary listing on the SEM
Secondary listing on the AltX

WHY UNIVERSAL PARTNERS?

▶ Access to Private Equity

- Difficult for retail investors to gain private equity exposure conveniently
- Transforms a traditionally long term, illiquid investment into a listed, tradeable investment
- Lower entry value providing greater choice to an investor

▶ Hard currency returns

- GBP referenced return
- Investors subscribe for shares in ZAR on the JSE
- Off-shore investors can invest directly into Mauritius via the SEM listing

▶ Offshore diversification

- Access to largest and most active private equity market in Europe
- BREXIT may create buying opportunities

▶ Accessibility

- Trading on the JSE vs opening offshore broker account
- No need to use foreign allowance when investing through Universal Partners on the JSE

▶ Strong management team

- Management with wide ranging skills in investment, both listed and unlisted, corporate governance and investor relations
- Partners with an established track record in these jurisdictions
- Significant capital commitment from Management, thereby aligning interests with those of shareholders

▶ Cornerstone shareholders of reference

- Alignment of interests with cornerstone shareholders

Pierre Joubert
(CEO)*



- ▶ Member for the **last 13 years** of the **RMB Investment Committee** which approves and monitors **all private equity** acquisitions and disposals conducted in **RMB Ventures, RMB Corvest** and **RMB Investment Banking**.
- ▶ Member of **Ashburton Private Equity Fund 1 Investment Committee** since **inception**
- ▶ Over **20 years' investment** experience
- ▶ Recipient of numerous **awards for successful investments** made and realised while at **RMB**
- ▶ These include **substantial profits made** on inter alia **Aspen Pharmacare, Homechoice Holdings, Venfin, PSG Group**
- ▶ Current **CIO of the Richmark Group** of companies since November 2015
- ▶ Ex **Head of Equities** and **Co-Head of Global Markets** divisions of **RMB**
- ▶ Former **CEO of Connection Group Holdings Limited**, a diversified IT group incorporating Incredible Connection, SA's premier IT retailer

David Vinokur
(CFO)*



- ▶ Over **13 years' experience** in managing **private equity** and **venture capital** funds at **Global Capital**
- ▶ Currently manages **three private equity funds** at Global Capital
- ▶ **CEO of Global Capital (Pty) Ltd**
- ▶ Amongst others, David currently **sits on 10 boards** of directors and is a member of the **Investment Committees** of **Global Capital (Pty) Ltd, Global Empowerment (Pty) Ltd, Revfin (Pty) Ltd and Abela (Pty) Ltd**.

Andrew Birrell
(Executive Director)*



- ▶ Over **26 years' experience** in various executive and non-executive roles, across the **life insurance, general insurance, health insurance, stock broking, asset management, and retail online banking industries**, in South Africa, the UK, Scandinavia, Canada, Ireland and Australia
- ▶ Worked closely with **private equity** in building a number of **listed and unlisted organisations** over his career, most recently **Guardian Financial Services**, which was sold for **GBP 1.6 billion** to Swiss Re in January 2016
 - This sale is the **most successful private equity transaction in the UK** life insurance sector to date
 - Valuable **relationships were built with UK and International banks** in the process
- ▶ Previous roles include **CFO of Guardian Financial Services, Group Chief Actuary and Group CRO of Old Mutual plc, COO and CFO of Investec Securities Ltd and CFO of Capital Alliance Holdings Ltd and Capital Alliance Life Ltd.**

In conclusion

- ▶ The Executive Team is comprised of **3 experienced investment professionals** who have a strong track record of success in a variety of different industries
- ▶ Together they have managed and invested in **a large number of different companies**, both in **South Africa and abroad**
- ▶ The Board of Universal Partners is confident that the **experience and energy** of the executive team, combined with the **strong guidance** that will be provided by the Investment Committee, will translate into **attractive investment returns for investors** in the company over the medium to long term

* The Executive Team has been seconded by the Investment Manager to the listed company at no cost.

BOARD & INVESTMENT COMMITTEE

Director	Role	Experience
Larry Nestadt*	Non-Executive Chairman	<ul style="list-style-type: none"> ▶ Co-founder and former Executive Director of Investec Bank Ltd. ▶ Current Executive Chairman of Global Capital (Pty) Ltd and Chairman of the Morecorp Group and Blue Label Telecoms Ltd. ▶ Over 40 years business and financial industry experience
Marc Ooms*	Independent Non-Executive Director	<ul style="list-style-type: none"> ▶ Ex General Partner of the Petercam Group, a Benelux Investment Bank that was the largest independent broker and private banker in the region, with AUM of €15 billion ▶ Over 40 years investment and corporate finance experience
Neil Page*	Independent Non-Executive Director	<ul style="list-style-type: none"> ▶ Over 35 years experience in the corporate and international banking industry, specialising in private equity since 1985 ▶ Co-founder and Managing Director of RMB Corvest ▶ Current member of the RMB Investment Committee
Andrew Dunn*	Non-Executive Director	<ul style="list-style-type: none"> ▶ Current group CEO of Richmark Holdings and Co-founder and Executive Chairman of DNI ▶ More than 25 years of managerial and investment experience
Françoise Chan	Non-Executive Director	<ul style="list-style-type: none"> ▶ Executive Director of Intercontinental Trust Ltd. ▶ Over 20 years legal experience in Mauritius
Kesaven Moothoosamy	Non-Executive Director	<ul style="list-style-type: none"> ▶ Extensive experience in the listing of global business companies on the Stock Exchange of Mauritius Ltd and currently oversees the capital markets advisory team including the listing division of Intercontinental Trust Ltd. ▶ Board member of two SEM listed companies and a number of funds established in Mauritius
Peter Gain*	Independent Non-Executive Director	<ul style="list-style-type: none"> ▶ Entrepreneur who over the past 20 years has built businesses, led a number of significant corporate transactions, fund raisings, listings, asset sales, mergers and group restructurings in various sectors including mining and resources, agriculture and food processing, warehousing and logistics, telecoms and media, dental and medical services, financial services and funds management ▶ Director of Belgian listed Greenyard Foods NV Group ▶ Chairman of Draper Gain Investments Ltd, Newnham Ellis Limited and Dentex Healthcare Group Limited, all investment groups focusing on private equity opportunities in the United Kingdom

* Member of the Investment Committee.

Universal Partners has a strong network of partners and potential co-investors:

- ▶ UP has concluded a co-operation agreement with Credo Wealth, an independent wealth management business with offices in the UK, South Africa and Switzerland. Credo has assets under administration in excess of GBP 2bn, represented by over 5 000 clients and employs over 80 skilled staff
- ▶ The members of the Investment Committee bring a number of different investment relationships, formed over many years of successful investing both in the UK and Europe
- ▶ Investec Bank is well established in South Africa and the UK
- ▶ Andrew Birrell has lived in the UK for the past 8 years and is well known in the life insurance industry by virtue of holding a number of senior positions at Old Mutual plc. Andrew was a participant in a substantial private equity investment led by Cinven in Guardian Financial Services
- ▶ The UP directors have relationships with a number of business owners, family offices and smaller investment managers, many of whom have expressed interest in partnering and co-investing with UP



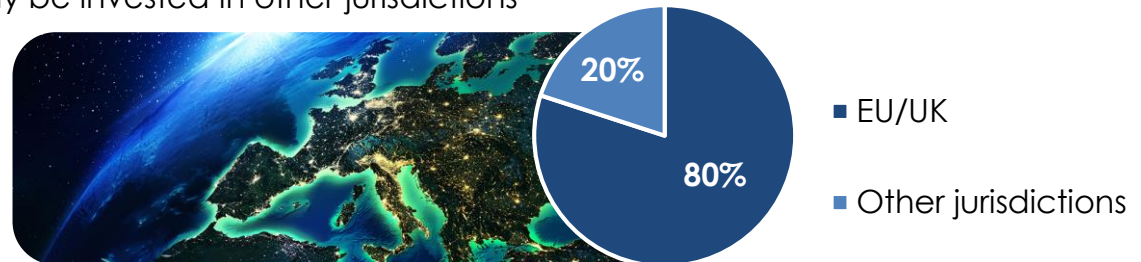
Investment Policy

Investments to comprise

- ▶ In addition to conventional private equity investments, investments may include appropriate opportunities in listed equity securities, unlisted or over-the-counter equity securities, derivatives of such securities and direct investments in listed or unlisted businesses

Focus market

- ▶ Initial focus on private equity opportunities in the United Kingdom
- ▶ Management envisage a long term allocation of 80% to the European Union, with the focus remaining on the United Kingdom
- ▶ The remaining 20% may be invested in other jurisdictions



Target sectors

Focus on the following sectors as initial areas of potential investment opportunity:

- ▶ Manufacturing
- ▶ Distribution, supply chain management and logistics
- ▶ Cellular industry and related activities
- ▶ Financial services
- ▶ Retail; and
- ▶ Property

Equally, there are industries in which the directors of the company have no particular expertise or experience, and UP is unlikely to make investments in these sectors. This includes, amongst others:

- ▶ Mining and related beneficiation activities
- ▶ Agriculture
- ▶ Construction

Investment Policy

Core strategy

The core investment strategy is to identify businesses that demonstrate the following important attributes:

- ▶ Robust easily understood business model;
- ▶ Clear competitive advantages;
- ▶ Strong and sustainable profitability;
- ▶ High cash conversion ratio;
- ▶ High quality, experienced management;
- ▶ The acquisition of a meaningful shareholding;
- ▶ Appropriate alignment of interests and incentives; and
- ▶ Long term growth potential

Size of investments

GBP 10 million – GBP 30 million in respect of any given opportunity with no single investment constituting in excess of 20% of the overall value of the investment portfolio

Gearing

The nature and extent of gearing used in each case will be determined by the cash generation ability of the investment, but **an approximate gearing ratio of 50% of enterprise value** will be used as a guideline

Investment Manager

ARGO Investment Managers (the “**Investment Manager**”) will be utilised to help source and manage investment opportunities

Objective

The Company’s medium- to long-term objective is to achieve **sustained growth in its net asset value per share, measured in Pounds Sterling, in excess of 8% per annum**

Dividend policy

As the objective of the Company is to provide shareholders with attractive medium- to long-term capital growth, the board does not intend to declare regular dividends

Timing of first investment

Intention to make first significant investment within six months of listing on the AltX

Benefits of the Investment Policy

- ▶ In the case of individual South African shareholders, an investment in Universal Partners provides a degree of **currency diversification** and access to an **investment jurisdiction that is not readily available** (other than by using their foreign investment allowance, which limits the size of opportunities available to individuals).

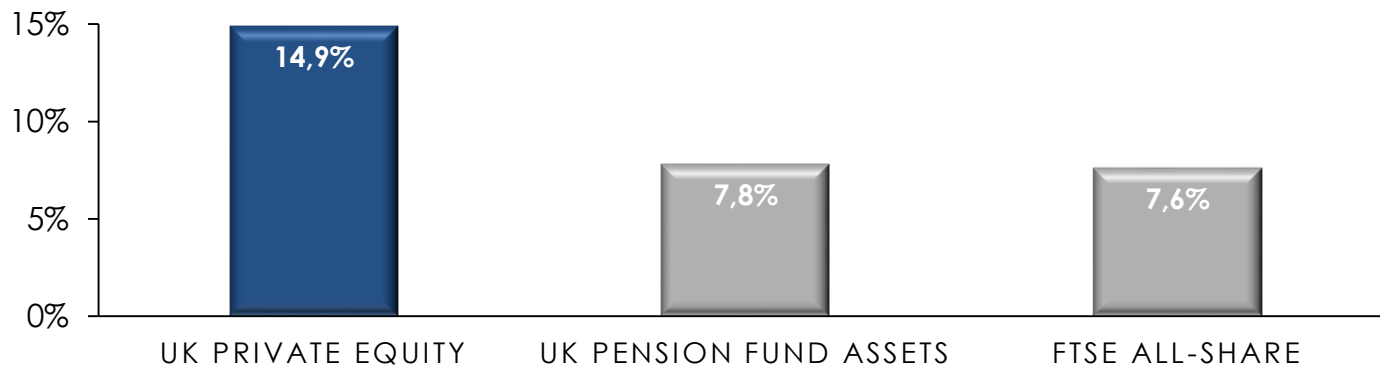
- ▶ In most instances, investors are only able to access equivalent investment opportunities by investing in a private equity fund.

- ▶ The board believes that its investment model avoids some of the obvious constraints of the fund model, such as a high minimum initial investment size, extended lock-up periods with very low levels of liquidity, and pressure to dispose of investments as the fund expiry date approaches.

- ▶ Being a listed entity, Universal Partners will enjoy the benefits of a more permanent form of capital, allowing **greater flexibility in the investment holding period, whilst allowing investors liquidity through the market.**

Why the United Kingdom and European Union?

- ▶ The Global Entrepreneurship Index (GEDI) 2015 ranks the UK as **the most entrepreneurial market in Europe** and the fourth globally. From a business sector perspective, the UK occupies a leading position in financial services, business services and technology.
- ▶ The UK is also **the largest private equity market in Europe**, attracting substantially more industry participants and deal flow than any other country in the EU.
- ▶ Over the last decade, UK private equity has generated **returns of 14.9%** - nearly double that of UK Pension Fund Assets and the FTSE All-Share, which generated returns of 7.8% and 7.6%, respectively.



- ▶ The following factors make the UK an attractive investment destination: large number of entrepreneurial businesses with attractive growth opportunities; macro-economic strength of the UK; largest and most active private equity market in Europe; and less competition in target-size investments.
- ▶ Universal Partners believes that its **focused approach**, the proven skills and experience of its Investment Committee and the directors of the Investment Manager, as well as its established network, will enable it to be successful.

The following sources have been used in compiling the above information:
* British Private Equity and Venture Capital Association
– Performance Measurement Survey 2014

* Global Entrepreneurship Index 2015 (GEDI) – EU countries
* Companies House via FAME
* The UK Office for National Statistics
* Global Private Equity Report 2016 – Bain & Company

Impact on strategy?

- ▶ Universal Partners has a medium- to long-term investment horizon and we are of the opinion that the current volatility in the macro-economic environment for the EU and UK will return to stability over the medium- to long-term

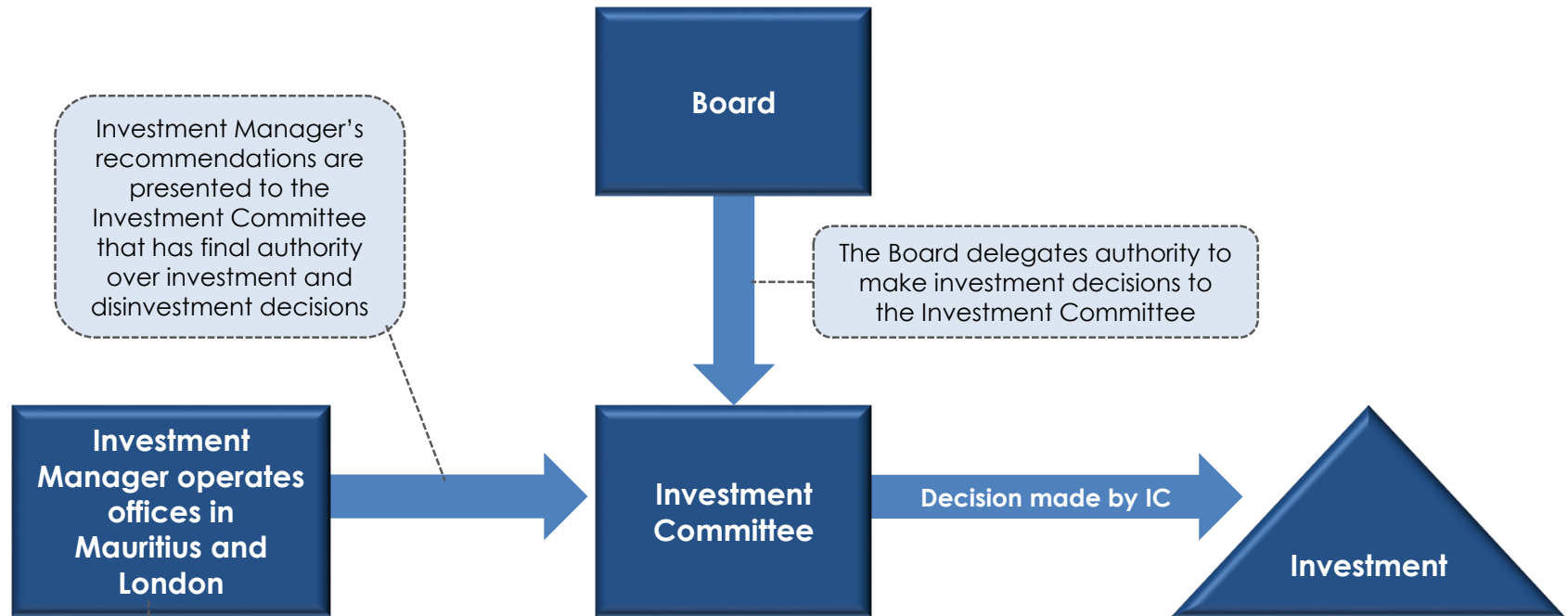
- ▶ Current volatility and negative market sentiment have resulted in short term pricing pressure across all UK assets and may well present potential buying opportunities for Universal Partners.

- ▶ In the short term, the appreciation of the ZAR relative to the GBP works in favour of South African ZAR based investors. In the medium- to long-term it is likely that the ZAR will continue its circa 6% per annum depreciation vs GBP

- ▶ It is probable that the uncertainty that has been created by Brexit will last for the next year or two. Once the exit process from the EU has been completed, we expect the UK to revert back to being a dynamic and well regulated economy that is an attractive place to invest.

- ▶ As patient investors, we are positive on the medium to long term prospects for the UK and we intend pursuing our stated investment strategy in spite of any short term uncertainty that Brexit has caused

INVESTMENT PROCESS



The **Investment Manager** is tasked with:

Identify and recommend investment opportunities

Execute approved investments, including DD process

Managing investments through their life cycle

Supervising the day to day operations of the Company's investment business

Agreement with the Investment Manager on an arms-length basis, subject to normal commercial terms that are typical in the international private equity industry.

The Investment Manager is entitled to:

Annual investment management fee, payable quarterly in advance, equal to:

- ▶ 0.90% of the amount of short-term liquid investments and/or cash

- ▶ 2.00% of the amount of long term investments

On realisation of each investment by the Company:

- ▶ Performance fee (“Carry”) equal to 20% of the net return above a hurdle rate of an IRR of 8% (in GBP), calculated over the duration of the period that the investment was held

- ▶ 80% of such fee will be paid in cash and 20% will be deferred

- ▶ The deferred amount will be invested in Universal Partners shares, subject to a lock-up period of three years

ESTIMATED ANNUAL EXPENSES

	GBP ('000)
Investment management fee*	943
Payroll expenses (incl. directors fees)	255
Travel expenses	127
Consulting and legal fees	91
JSE & SEM related fees	36
Audit fees	20
Operational expenses	33
Advertising and marketing expenses	16
Total	1 521
As a % of Investment Value	2.34%

* Assumes a portfolio size of GBP 65 million of which 50% is invested in PE opportunities and the balance invested in short-term liquid investments and/or cash.

CONCLUSION



UNIVERSAL PARTNERS

Universal Partners offers its shareholders the opportunity to:

- ▶ Invest in an asset class that is **not readily accessible** for many investors

- ▶ Enjoy the benefits of a **permanent** capital vehicle that offers **transparency** and **liquidity**

- ▶ Diversify their currency risk by gaining **exposure to GBP** denominated **offshore investments**

- ▶ Invest alongside an **experienced and capable executive team**, supported by strong non-executives and a well established network of investment partners

- ▶ Benefit from a **robust investment process** that should result in attractive **growth in net asset value**, measured in **GBP**, over the medium to long term

Indicative timetable

▶ Offer opens	09h00	Thursday	4 August 2016
▶ Offer closes	12h00	Friday	5 August 2016
▶ Listing on the AltX		Thursday	11 August 2016

Bookrunner – Java Capital

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