

Texton deal 'served investors'

Alistair Anderson
Property Writer

Former Texton Property Fund CEO Angelique de Rauville has defended the company's former external management company, saying it did create value for the fund's shareholders.

The external management company, in which De Rauville held a 25% stake, has been internalised. She still holds about 2% of Texton, which has a market capitalisation of about R2.632bn, in her personal capacity.

De Rauville was responding to recent comments by market analysts that the internalisation had rewarded her and her partners handsomely despite the external company not creating enough wealth.

"Catalyst's [Fund Managers] comments that shareholders are upset they have to pay R180m to

internalise the management company are factually incorrect. A hefty 75.08% voted at the general meeting and 96.15% of these shareholders voted in favour of the transaction. As the current CEO suggested, the management company price was at a discount. There was resounding support for the manco [management company] to be internalised at this price," she said.

A consortium led by De Rauville bought the management company from the office-dominated Vunani Property

Investment Fund in 2014 and changed its name to Texton. The firm was internalised in 2017 in line with best practice of not having external managers once funds reached a certain size.

"Texton listed in 2011 with a net asset value (NAV) of 751c per share. When the manco was sold to the consortium including myself, Investec and three others, the NAV was 877c per share. Today, the NAV is 952c per share. Significant value has been created for shareholders," she said. De Rauville said when the deal was made, "the portfolio was over 80% in the undesirable South African office space with close on 40% occupied by the South African government". She said the government now comprised about 10% and the fund had exposure to "an outstanding portfolio of UK properties".

andersona@businesslive.co.za

**THERE WAS
RESOUNDING
SUPPORT FOR THE
MANCO TO BE
INTERNALISED AT
THIS PRICE**