



### **Swiss development finance institution's commits R55m to SA mezzanine fund**

In a move that demonstrates ongoing foreign investor confidence in South Africa, the Swiss development finance institution SIFEM (Swiss Investment Fund for Emerging Markets) has committed R55-million to Johannesburg-based Vantage Mezzanine Fund.

The investment has particular significance, given that SIFEM manages the developing countries investment portfolio of Switzerland's SECO (State Secretariat for Economic Affairs).

SIFEM's R55-million commitment increases the size of Vantage's fund to R603 million.

Nor is this the first major foreign investment in the Vantage Mezzanine Fund, following as it does the recent raising of:

- A R100 million commitment from FMO, the Netherlands Development Finance Company;
- R68 million from German development finance institution Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG); and
- R100 million from CDC, a UK government-owned fund of funds.

Luc Albinski, a Managing Partner of Vantage Risk Capital, the Fund Manager, maintains that SIFEM's commitment represents a tremendous vote of confidence in the Vantage group and in the mezzanine asset class.

"This is further evidence of the growing importance of the South African market for European investors, especially in this relatively new asset class."

Since its launch in October 2006, Vantage's Mezzanine Fund has raised funds from the Public Investment Corporation (PIC), the Eskom Pension and Provident Fund, Transnet Pension Fund, Metropolitan Asset Managers, the FMO and DEG.

The SIFEM commitment raises the foreign investment component of the Vantage Mezzanine Fund to 54% of the total.

The fund-raising process will close in August 2007.

Andrea Heinzer, SIFEM's investment manager for sub-Saharan Africa, says the Vantage team has an outstanding combination of business, management and investment skills. She is confident that Vantage will deliver results at least on a par with similar leading funds elsewhere in the world.

“We have been hugely impressed by the depth of talent at Vantage Risk Capital and its profound understanding of mezzanine financing. Although mezzanine is still a relatively young asset class in South Africa, we believe that through companies like Vantage it will play an increasingly important role in the economy.”

Vantage, an independent black-owned mezzanine fund created by Mutle Mogase and Colin Rezek, targets investments in middle-market companies with profits after tax of more than R10-million.

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