



ABOUT BEN KODISANG

ALT CAPITAL

MAKING HEADWAY

4 July 2018 saw a different kind of celebration in Sandton as ALT Capital Partners was officially launched. At the forefront of the new venture was founder and CEO Ben Kodisang. Today, he is still inspired by building and creating an alternative investment business that aspires to attract foreign and local investments that seek to participate in the “Africa rising” narrative.

By Mark Pettipber

Two years down the path, Ben Kodisang continues to “define conviction and defy convention”. “Even though we dreamed big, ours is a deep purpose that seeks to exceed the investment expectations of our investors while catalysing growth and development in the African economies in which we operate,” he says. “We believe that success comes from forging strong partnerships, having deep local knowledge of our chosen field, and always thinking globally.

“We started out quite ambitiously, looking to set our foundations as a specialist investment business that focuses only on private markets. Our focus was on Africa credit, property investments, agri-investments, infrastructure, housing, healthcare, private equity and venture capital. Simply put, we set out to source and lend money to corporates, join forces with specialist funds and developers, find investment partners, and invest in assets that would deliver returns to stakeholders.”



At the launch of ALT Capital at the offices at Webber Wentzel on 4 July 2018. From left: Sakhile Mazwi, Prishani Satyapal, Kagiso Mokgatle, Tanya van Lill, Ben Kodisang, SAPOA Past President Ipeleng Mkhari and Craig Wing.

The market has been tough, he says. “In light of the economic downturn – and now with the world in the middle of a pandemic – we have had to pare down our expectations, and refocus our short-term strategy. We’ve taken the opportunity to regroup and focus on only three areas of our bigger picture: economic infrastructure, property and private equity.”

Kodisang reiterates what he had told me when we first spoke in 2018: ALT Capital is a custodian of other people’s money. It’s licensed to attract money and to invest it accordingly. And, having broken down his vision into the three categories, he goes on to unpack it – starting with real estate.

“As far as South Africa is concerned, we are undergoing a correction,” he says. “Wherever you look, the listed sector as a lead indicator shows a downward trend of 20% (year to date), and is 4% down over three years. On the physical market, a lot of office capacity has been created; as a result, office vacancies are tracking upwards. Retail has been stable, but we are experiencing an over-subscription as malls and retail spaces increasingly come under pressure. To put it bluntly, South Africa is full. Our differentiator in this market is that we are looking to expand our portfolio through convenience retail.

“We’re not developers. ALT Capital is an investment fund that *partners* with developers. We’re an unlisted real estate fund, and as such we outsource bought property assets to management companies such as Broll or Excellerate.”

The ALT Capital infrastructure partnership is fairly well established. Kodisang initially entered into an agreement with Bayakha Investment Partners (15% owned by ALT Capital), a black-owned, specialist infrastructure fund manager licensed by the Financial Services Board as a Category II financial-services provider (FSP number: 47414).

For the past two-and-a-half years, Kodisang was the Executive Chairman of Bayakha Infrastructure Partners. Today, he is still its Non-executive Chairman, and he continues to drive its investment committee. Kodisang relinquished his executive chairmanship to take up an offer from Absa Bank Botswana to join the board as a Non-executive Director and the Chairman of the Credit Committee. More recently, he has also become a Non-executive Director of Barloworld Khula Sizwe Property Holdings.

THANKS TO STAN EDKINS

“When I was 12 and about to embark on the foundational life journey of my teenage years, I was blessed with the privilege of meeting my guardian angel. Stan was a retired rector from Grey High in Port Elizabeth, and a visionary driven by the quest of proving that a black child given the same opportunities as a white child will yield men and women who are led by values and contribute positively to the world.

It was 1983 when I met Stan. Meeting him resulted in me having the privilege of access to one of the best private schools in South Africa, St Stithians. He sparked in me a love of travel, and made me see and love my country in ways I had never experienced before. To him, it was important that, during each school holiday, he provided us with an experience that we could also account for when school started, so that we were not left behind.

He showed me support and love when I was at varsity by giving me access to his family and connections, ensuring that – even away from my family – I never experienced the void of not having a support system during my varsity years.

Stan was with me till the end of his beautiful and meaningful life. May his soul continue to rest in peace.



THANKS TO BEN VAN ZYL

“I met Ben when I did my articles at Ernst & Young. He was a manager of the firm at the time.

Articles were tough for a young black man in the early 1990s. Our training experience was contingent on being placed on audits, and this was contingent on the seniors picking you for their jobs.

Ben ensured that I was hardly idle, which was a swearword at the time, by placing me to do his audits of pension funds that were managed by Alexander Forbes at the time. Little did I know that foundation and exposure would become my life’s vocation. Twenty-five years on, I am still driven to do my bit to help people retire with financial freedom.

Such was my relationship with Ben that he was a guest at my wedding – and he helped me design (and source the stones for) the beautiful wedding ring that I presented to my wife as a symbol of the commitment we made to each other. He also somehow introduced me to the passion of fast cars.

Continue resting in peace Ben. You’re gone but never forgotten.

Established in 2015, Bayakha was created as a direct response to the growing need for fund management firms with the capability to identify and deliver financial and impact-returning infrastructure investments. Headed by Managing Director Ngoku-Sakhile Mazwi, Bayakha combines alternative asset-class management capabilities with addressing the specific funding challenges of black African market participants, to ensure that its investments transform both the structure of the economy and the dynamics of infrastructure access. Their mission of playing a catalytic role in the development of the African continent by solving capital-intensive developments is a clean fit with ALT Capital Partners.

Bayakha Infrastructure Partners also has a 20% share agreement with Pele Energy Group, whose aim is to drive change through its three subsidiaries: Knowledge Pele (a research, advisory and development implementation firm); Pele Green Energy (an independent power producer that specialises in renewable energy); and Pele Natural Energy (an independent power producer that specialises in conventional energy).

On the economic infrastructure side, ALT Capital continues to have interests in a partnership with Marang Capital, who was establishing a pipeline of urban and peri-urban healthcare facilities. As a result of the Covid-19 pandemic and the country’s economic downturn, this work is on pause – but Marang’s Chief Executive Dr Kagiso Mokgatle continues to serve as Non-executive Director on ALT Capital’s board.

ALT Capital has gone beyond conceptually working to developing integrated housing, aimed at the entry-level urban residential market. This involves taking office stock and converting it to cost-effective co-living residential units, as well as establishing convenience retail developments. To do this, Kodisang has partnered with REIMAGINE and established a social impact property fund.

REIMAGINE’s executive committee consists of Director of Development and Affordable Housing Sarel van Niekerk; Director of Real Estate Design and Innovation Murray Clarke; and Directors of Convenience Retail Developments Tumi Mokhothu and Chulu Nomlomo. The investment team is made up of Chief Investment Officer Krayvasan Govender; Director of Investments D’Anvo Jones; and Directors of Real Estate Nathale Rowley and Annelize Simons.

REIMAGINE is a next-generation social impact property fund that is managed by ALT Property Partners. It invests in affordable housing and convenience retail properties across South Africa and sub-Saharan Africa, within growing sectors that offer an opportunity to create both social and environmental impact as well as sustainable returns for investors.

The fund looks to cater to an income-level-stipulated, middle-income black market in townships. The concept aims to restore dignity to people by providing rental stock that is high-density and of good quality, and that looks good and is affordably priced. Working in collaboration with communities, it is envisaged that these precinct units would be of a standardised modular design that could be applicable to infrastructure demands from Cape Town to Cairo.

“Our vision is that, over the five years to 2025, we will raise R5-billion, in two tranches, to invest in high-quality property projects that deliver attractive returns to investors and verifiable socio-economic impact,” says Kodisang.

In terms of private equity, ALT Capital has also partnered with Tony Ruiters, previously of Adinah Capital Partners, whose primary focus is to provide start-up venture funds, and whose investment portfolio includes Daliff Precision Engineering (a leader in machined aerospace components), Stone-Stamcor (a major power solutions provider), Biocom Africa (producers of leading diagnostic and research products used in the healthcare industry) and Escape Gear (a local manufacturer of custom-fit cotton seat covers for any vehicle).

“To me, true partnerships mean utilising what we know about companies, what is already there,” says Kodisang. “It goes beyond just writing an equity cheque. There needs to be a tangible addition of value. We need to thoroughly understand the business we partner with, and adapt our expertise to that business. By immersing ourselves in the partnership completely, we will help it grow and yield returns in an impactful way.

“We understand that economic growth is dependent on the stimulation and growth of small to medium enterprises – and private equity is there to help.”

THANKS TO CLIVE NATES

I was the first black investment professional to be employed by Liberty Asset Management (now STANLIB). Clive was my first boss. I found him to be eccentric at first; it was only much later that I got to understand his genius. Clive patiently guided me to find my investment voice and heartbeat. He taught me that investments, same as life, are about you.

Know thyself and the rest falls into place.

Clive taught me accountability and responsibility. I once processed a trade order, and I bought instead of selling some bonds. When I informed him of the mistake, he did not lose his temper; he made me reverse the mistake (over a billion rand worth of trade!) and explain it to the client at our next report back. If this is not integrity, then I don't know what it is.

Clive had a brilliant investment mind. He founded Peregrine Capital, where he did so well for his clients and for himself that he retired – and decided to start his next chapter by buying an English football club, which has brought lots of joy and fulfilment to the city of Lincoln, and to Clive himself. He goes by “Sir Clive” now...

Through Clive I also met his amazing wife, Tali – another powerhouse, who is making a huge difference in the world with the work she does, informed by the Jewish Holocaust. They have exposed me to their beautiful religion, and let me experience some of its traditions and practices, for which I am eternally grateful.



THANKS TO PETER MOYO

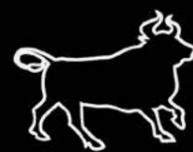
The bravest and most courageous corporate exec I know, Peter was instrumental in me leaving active asset management to join Old Mutual, where I spent 10 years. There's no doubt in my mind that the transformed leadership by Old Mutual in the 2000s was driven by none other than Peter Moyo. Old Mutual had a powerhouse of black leaders in financial services; people like Sello Moloko, Derrick Msibi, Thabo Dloti, Marshall Rapiya, Ralf Mupita, Athol Williams, Rojie Kisten, Thabiso Buku and Sizwe Mncwango.

Peter believed that South Africa had no shortage of black talent, and he was relentless in ensuring we networked and supported one another. He gave me the opportunity to be the Managing Director of Old Mutual Properties, then one of the biggest landlords in the country, when I had no commercial property experience.

He made me believe in myself. He trusted and supported me, and made me work hard to capacitate myself. I will always remember the property tour we did that took us to New York, Boston and Chicago to meet with the real powerhouses of the international property world. It was those seeds that created a foundation for increasing the asset base of the business from R4-billion to R32-billion at the peak during my tenure.

Peter is a good family friend, and I remain forever grateful for what he facilitated for me.

COLLECTIVELY, THE PARTNERS AND THEIR STAKEHOLDERS ARE MOTIVATED BY THE FOLLOWING GUIDING PRINCIPLES:



BOLDNESS
to have the courage of our convictions.



AUTHENTICITY
to do as we say and remain true to our principles.



IMPACT
to leave a tangible, positive legacy.



SUSTAINABILITY
to grow rather than deplete resources & value.



DISRUPTION
to challenge the status quo through new value creation.

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