

Forging a path in private equity

By Neesa Moodley



Private equity is known for being more 'hardcore' than the rest of the financial services industry, but there are several women making waves in this space. InvestSA chatted to Cathy Goddard, chief investment officer at Vuwa Investments. Her story is both refreshing and inspiring, to say the least.

Cathy started her career as a secretary for a "wonderful tax partner", Justin Cowley at Ernst & Young (E&Y). "I thought I would never really be able to achieve more than this given my lack of tertiary education and my fear of anything financial. In those days we used to smoke and sit at our typewriters in the office, which was in the tall E&Y building over the road from the JSE in Diagonal Street. We could have burned down the building," she laughs.

However, with encouragement from Cowley, she soon enrolled with Unisa to study a BCom part-time, finishing her degree in 1998. Cathy says she was fortunate to have several (mostly male) mentors, whose advice and encouragement helped her to work her way up the ladder and learn new things at

their side. Her first role outside of being a secretary was as a research analyst in the E&Y corporate finance department, where she helped look for transactional activity in the press so that E&Y could compile their annual Mergers and Acquisitions handbook. "This was an excellent place to begin the learning and start the questioning. What does P/E (price-earnings) mean? What is HEPS?" she explains, noting that HEPS (headline earnings per share) might not even have been a term that was used back then. When the head of E&Y corporate finance left to join Deloitte corporate finance, he asked Cathy to join the company and she worked her way up to a fully-fledged corporate finance consultant. She then joined Bridge Capital where she learned a lot about the basics of valuations and due diligence, as well as the assessment

and pricing of risk. "After a while though, I decided to see what it would be like to work on the other side, in other words not on the side begging for money but the side handing out the money. I joined Investec in 2002 and stayed there for nearly seven years until 2009. Investec taught me an incredible amount about being an entrepreneur, being confident, transparent and strong as well as how to handle tough negotiations (my style has softened since leaving them)," she says with a smile.

Exciting ventures

While working at Investec, Cathy developed strong ties with Vuwa Investments while working with the Vuwa team on some of their early black economic empowerment (BEE) deals. "We got on famously and I moved

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over to join them when they had capacity issues. I love working here and find the men to be very supportive of women in the firm. Given that our chairman's wife is the head of United Nations Women, this isn't surprising," she explains.

Her first deal on joining Vuwa Investments is one that she remembers fondly as her "favourite deal". Cathy recalls, "We took up a 26 per cent shareholding in an aviation business called Indwe Aviation, a subsidiary of the Titan Helicopter Group. This business renders services with large helicopters in the heavy lift sector in order to move big groups of people, cargo and large items overseas or over rough, impassable terrain. The group has a global footprint, including emergency medical services in Malaysia, and is a leading service provider in the African market. Indwe specifically flies scheduled flights from the George Airport to the PetroSA oil rigs off the coast. The group is rapidly expanding and we are closely involved with the business. The group attracts dollar-based revenue and its assets hold (and increase) value, making it a very attractive investment for South Africans. Furthermore, low SA expenses mean that we can attract acquisitions and base head offices in South Africa."

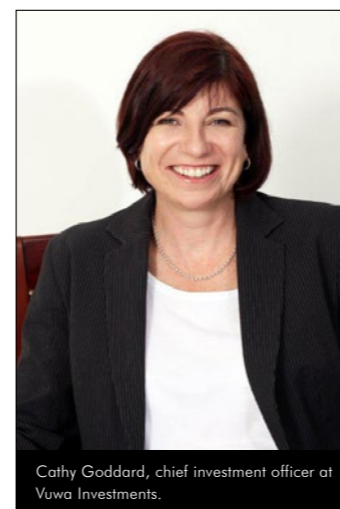
Cathy says she feels she is still grappling as a woman to negotiate my own cause, even though she can easily negotiate for others. "I sometimes feel like I am the toughest person in the room for negotiations. I think there is still some resistance when it comes to a woman directing a man. However, a woman can use her status cleverly in negotiations. There is often a propensity to ignore the woman in the room taking notes. The other day I glanced over at the counterparty and noted his bottom line position, which he had clearly written on a piece of paper in my plain sight."

On mentoring

"When I started out, I only had male mentors. These days I seek women mentors and I have found wonderful women, with whom I align myself, for support and motivation. Funnily enough, all of these women are not in private equity. But they are entrepreneurs in their own right. Having said that, I don't think we need to separate mentors in private equity into male and female. Quite frankly, the best people to learn from are those with experience. Grey hair is wonderful. However, I do think the industry needs to create more institutional women private equity names. I like the idea of being supportive to other women but I do think this should be based on merit and promise, not pity and favours. All women in business should read Sheryl Sandberg's *Lean In: Women, Work and the Will to Lead*."

Her toughest career lesson

"I think the hardest thing to 'get' is that all negotiations must really be 'win-win'. Any deal that is skewed leaves the disadvantaged party with resentment and this leads to issues down the line. We are tempted to seek out bargains, but this may ultimately come back to bite you. Be fair and leave something on the table for the other party."

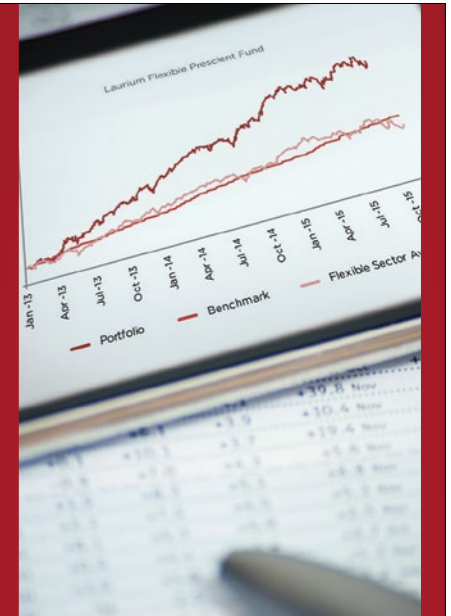


Cathy Goddard, chief investment officer at Vuwa Investments.

Advice for women in private equity

Having worked her way in a male-dominated industry, Cathy is well placed to give advice to other women working in the private equity industry. This is what she had to say:

"Finance-related industries do embrace women, but if they are anything like me they may be scared that it seems too technical or hard, which it is not. Yes, there is a great deal of jargon but translations and concepts are simple. I would encourage women to enter the private equity space as I am of the opinion that a feminine style is more suited to this market, which some say is due to the more conservative approach of women."



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