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Motsepe's ARC extends its reach

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Patrice Motsepe's African Rainbow Capital (ARC) has bought a 25% stake in estate planning company Capital Legacy, which specialises in will drafting and estate administration, an acquisition through which the investment firm will complete its participation in the entire financial services value chain.

ARC is actively trying to increase the share of financial services in its investment portfolio that the company said is currently at 20%-30%.

ARC said in May it had R700m to spend on acquisitions. It is likely to announce more strategic purchases in financial services firms, one of which should be the finalisation of the acquisition of a stake in Sanlam Investment's third-party asset management unit.

The acquisition of Capital Legacy, a relatively unknown seven-year-old company playing in a niche market, was in line with ARC's previous deals where it invested in disruptive startups, such as alternative stock exchange A2X, Michael Jordaan's data mobile operator Rain and, more recently, in an artificial intelligence venture, the Ethos Artificial Intelligence (AI) Fund.

"We believe that Capital Legacy fits neatly into the ecosystem of financial services businesses that we are assembling," said ARC co-CEO Johan van der Merwe. He said the ultimate plan was to facilitate synergies between Capital Legacy and other companies in which ARC is invested.

Capital Legacy founder and CEO Alex Simeonides, who co-owns the company with five other business partners, said because their business will not compete with ARC's other investments there should be opportunities to leverage off each other's capabilities and client base.

ARC also said there should be minimal overlaps between Capital Legacy and Sanlam, which also has a wills and estate planning business, because the two operate in different segments of the market. ARC's parent company, Ubuntu Botho, has been Sanlam's empowerment partner since 2004. – **BDLive**

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