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PSP INVESTMENTS LAUNCHES TENDER OFFER TO BUY HORTIFRUT

Canadian pension fund eyes public takeover of Chile's Hortifrut

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Linklaters in New York, Carey in Santiago and Rodrigo, Elías & Medrano Abogados in Lima have helped Canadian pension fund manager PSP Investments launch a tender offer to buy the entire public shareholding of Chilean fruit company Hortifrut for US$660 million.

Claro & Cía in Santiago advised Hortifrut for the deal, which was signed on 16 December and is subject to approval by Chilean finance regulator CMF.

PSP has offered to buy all of Hortifrut's public shares at a value of US$1.63 each. That will increase PSP's stake in the company from its current interest of 4.8% to 49.9% and delist Hortifrut's shares from the Santiago stock exchange.

For the offer to go through, PSP must successfully acquire at least 36% of Hortifrut's public shares. If not, the deal will expire and the buyer's offer will no longer be valid. The transaction is expected to close within the first quarter of 2023.

The remaining 51% interest in Hortifrut is held by the Moller, Quevedo, Del Río, and Elberg families in Chile. They will retain their joint controlling stake.

Neither PSP nor its controlling stakeholders will be able to sell their shares for one year following the offer's closing, according to a lock-up agreement. After that period ends, the shareholders will be permitted to divest their shares to PSP for the following three years on the condition that the controlling shareholders retain a minimum 35% stake in the company and that PSP's total equity investment does not exceed US$660 million.

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The acquisition will help PSP meet its goal of consolidating its presence in the global agriculture sector, while also contributing to sustainable investment in companies with strong environmental, social and governance standards.

PSP has undertaken other transactions with Hortifrut since first buying a 4.8% stake in the business back in 2018. In May, it snapped up Hortifrut's 75% stake in Peruvian counterpart HFE Berries.

Hortifrut produces and distributes a wide variety of berries across the world and has Latin American operations in Argentina, Chile, Colombia, Mexico and Peru.

Founded in 1999, PSP is one of Canada's largest fund managers. It has US$230 billion in assets under management.

Counsel to PSP Investments

In-house counsel – Sonia Rasquinha

Linklaters

Partners Michael Bassett and Conrado Tenaglia, counsel Alejandro Gordano and foreign attorney Manuel José Eyzaguirre in New York

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Partner Cristian Figueroa and associates Vicente Güell, Catalina Walker, Tomás Iturriaga and María Loreto Anguita in Santiago

Rodrigo, Elías & Medrano Abogados

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Counsel to Hortifrut

Claro & Cía

Partner Felipe Larraín in Santiago