

Black Economic Empowerment

Fund that fosters future potential

BROAD-based black economic empowerment was implemented to eradicate imbalances of the past and include black people's participation in the South African economy meaningfully.

However, Stephen Brown, director of RMB Corvest, says that for many upliftment starts with education and only through elevating the level of education will skills shortages be addressed and inequality be erased.

"Shalamuka Capital, a BEE investment vehicle, participates in BEE deals and has also been party to making a meaningful difference in the South African economy by building an understanding between business and communities.

"Shalamuka Capital invests in sustainable businesses, mostly unlisted, that show growth potential and that in turn will contribute to the South African economy as a whole.

"It also contributes to the education of previously disadvantaged communities through its involvement with



Stephen Brown ... sustainable opportunities for all.

the Shalamuka Foundation," says Brown.

Shalamuka Capital was founded when the Shalamuka Foundation, a non-profit organisation founded and chaired by Paul Harris, was looking to invest in private equity and partnered with RMB

Corvest, a private equity company in the FirstRand group with 20 years of private equity experience.

RMB Corvest brings this wealth of knowledge and skills and access to a funding line to Shalamuka Capital.

Brown says that the RMB Corvest partnership ensures Shalamuka Capital's investment partners have access to funding that does not fall prey to the same exit timing pressures as other investment companies and is able to invest in organisations for the longer term.

However, Shalamuka Capital is not only about deals and money-making, says Brown. It makes a real difference to previously disadvantaged communities in SA through its contribution to Penreach.

"The dividends earned through its investments are funnelled to Penreach.

"Penreach is a nonprofit, in-service educational development/training programme that was developed

to improve the teaching skills of qualified and unqualified educators, as well as their schools in and around the Mpumalanga region.

"The success of Penreach has resulted in not only the upliftment of education in the area, but also in the sustainable and ongoing improvement of the lives of those in the community, which has led to dramatic improvement in the education as well as the quality of the schools," says Brown.

Penreach focuses on assisting preprimary, primary and high school educators, school governing bodies and management teams, and offers tutorial lessons for high school mathematics and science learners.

Brown says the educational development/training programme has, since its inception in 1994, grown from working with only 40 teachers from 10 schools to now reaching more than 2 000 teachers.

It represents more than 900

schools, with more than 350 000 learners benefiting directly from Penreach every year, he says.

To date 100% of the beneficiaries of Penreach are black, at least 95% are women and more than 50% are from rural areas, says Brown.

"Penreach is not just another CSI programme; it is a sustainable programme, with funding flowing from Shalamuka Capital as well as the Shalamuka Foundation.

"This gives those investing piece of mind in that they are not only increasing their BBBEE scorecard but making a real difference to the future of SA," says Brown.

"Shalamuka Capital's goal is to build, nurture and foster the future potential of SA.

"Each decision, business or otherwise, is consciously made to serve a greater goal and create sustainable opportunities for all South Africans.

"Surely this is what BBBEE is all about?" he adds.