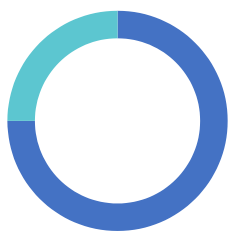




The goal posts keep moving

Perhaps it's the fault of the scorecard itself which makes the pass mark too low and not enough of an incentive for Transformation. But the suggestion of increasing the pass mark will invoke the counter argument of, when will the goal posts of transformation stop being moved and transformation is becoming an impediment to business. None the less, if we were to apply observed growth trends of surviving organically grown black fund managers over time which have successfully reached mainstream status, perhaps we could get a clue as to what a true Level I BEE black fund manager should look like.



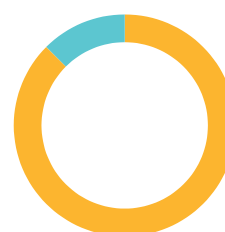
75% black ownership



90% black board representation



75% black investment team representation



70% black senior management representation

Implication being that many of the current BEE level 1 companies may well drop to level 4, if not worse, how easily would these be accepted..