

# Meeting Peter Takaendesa, Analyst, Mergence Investment Managers

- **Q: How did you get involved in financial services - was it always something you wanted to do?**
- **A:** My interest in business started in high school when I used my school holidays to trade in anything from old toys to supplying teachers and family friends with fresh fish. This naturally ignited my interest in commercial subjects at school and all the way to graduating with a master of commerce degree in economics. My thesis was on investigating the linkage between financial services and economic growth and I published a few papers in academic journals on various topics related to this subject. I felt this was not enough so I enrolled for another masters degree in finance at Rhodes University to further my understanding of funding and the real financial services industry. Towards the end of my final year of studies I was offered a lecturing job at university but with a clear understanding that I was still on my path to joining the financial services industry. With no financial services experience, I had to make a very difficult decision of taking a pay cut to join Standard Bank as a trainee under their corporate & investment banking division. My interest in research as well as passion for financial markets naturally drove me to settle for an analyst role in their stockbroking business. I have been an analyst for almost a decade now and still loving it.
- **Q: What makes a good analyst - how much knowledge is specific and how much general?**
- **A:** Analysts come from many different academic backgrounds (finance, economics, engineering etc) but I think the first and most important factor is passion for financial markets. I'm a strong believer in that we can only excel sustainably in things that we are passionate about. I think specific knowledge required includes a good understanding of finance and economics to get you started, but you cannot underestimate the role played by a good experienced team around you. At Mergence Investment Managers we place a huge emphasis on sharing and openly debating investment ideas.
- **Q: Good consistent decisions - in the fast moving world of finance how are these achieved?**
- **A:** I believe the key to investment success never changes - buy cheap, quality investments and sell overvalued investments! Consistent decisions and performance require a well-defined operating framework and sticking to it. Mergence Investment Managers has clearly

defined policies and procedures to guide our investment process. We put a lot of emphasis on understanding and closely following the businesses we invest in. Investment ideas are thoroughly investigated and debated to make sure they are consistent with our guiding principles.

- **Q: What differences do you find between the academic and business world?**
- **A:** The academic world is very good with building the theoretical foundation and developing communication skills. These are essential foundation tools to get you started in the business world. I think the business world demands more skills in the execution and commercialisation of ideas. It is a big difference dealing with learners compared to dealing with breadwinners – you've got to stay on top of your game to make sure families are fed!
  
- **Q: What was the first investment you made and do you still have it?**
- **A:** I first ventured into equity investing through a virtual trading platform provided by the JSE when I was still at university. This allowed me to get a better understanding without losing real money. I then used part of my small pay cheque to buy a few shares in BHP Billiton and the JSE Ltd late in 2007 - tough luck Peter, the market crashed in May 2008! However it taught me a good lesson that investing is a long term game. I kept those shares and only sold them as part of my (now diversified) portfolio rebalancing in December last year.
  
- **Q: Are you looking forward to the upcoming elections?**
- **A:** Of course, the right for everyone to vote did not come cheap. Strong leadership and policy visibility are critical for our economy and financial markets. South Africa has to shine above our peer emerging nations to attract investment and create jobs. We can do it!