

Merging with success

Masimo-a-badimo Magerman on the economy and carbon emissions



Masimo-a-badimo Magerman

BBQ: Tell us about yourself and your family.

I was born in Meadowlands, Soweto. My family moved to Alexandra township when I was 10 years old. At 20, I went to the US and returned when I was 30. Currently, I am married with two kids and I live in Muizenberg, Cape Town.

BBQ: Did you always want to be in finance?

Yes, I always wanted to, and that is one of the reasons I went overseas because there were no black people on the JSE when I was growing up. When I arrived in New York, the first place I visited the very next day after my arrival was the New York Stock Exchange.

BBQ: Mergence Africa is self-funded, how did you raise the capital?

I sold my house and my partners took bonds out on their houses.

BBQ: You have international qualifications; do you think that has influenced your business thinking in any way?

Certainly, you can't drive an ethos of best practice unless you know what international best practice means and have gained exposure to and experience from some of the best models and minds. Studying and working internationally gave me an enlightened world view and a broader perspective on life.

Successful business models offshore provided an imprint on one's mind that it is possible to make it. From there, an entrepreneurial sense and drive was cultivated and reinforced with the years.

BBQ: Financial sectors are one of the most dominant in the Western Cape – how has the country's economic crisis influenced/affected your business?

Obviously, we have become more prudent with regard to costs in the current market cycle.

We also rationalise our balance sheet from a revenue perspective on an ongoing basis.

Optimising the diversity of your revenue stream is a necessary exercise that has to be undertaken frequently regardless of market cycles. This type of vigilance has helped us throughout the years, including the current economic crisis.

BBQ: There have been issues of skills shortages in South Africa and people with experience being preferred over those out of university. As an employer, how do you choose the 'right man' for the job, particularly in this sector?

Mergence is a boutique business that is owner managed and operated. Our highly specialised skills set is a salient value proposition that we offer to clients, and thus experienced employees are an integral part of our model.

We have found a balance in our employment policies between finding 'graduates' who show potential for training and mentoring, and individuals with a high degree of experience and skill.

BBQ: Early in the year, Mergence Africa called for greater carbon disclosure in South Africa. Tell us more about the latest updates regarding that.

Mergence is a signatory of the Carbon Disclosure Project (CDP) and plays an active role through engagement with the companies that do not report in the CDP.

Mergence has taken the decision that it will abstain/vote against a company's financials should the company not disclose publicly its carbon emissions through the CDP (abstain when voting for the first time with the reason for the vote, and again should the company continue not to disclose).

Mergence also tracks the carbon emissions of the top 100 companies and evaluates

the companies with regards to any changes in their carbon efficiency – i.e. how many tonnes of carbon they use to produce R1 000 of revenue.

Lastly, Mergence publicly discloses the carbon footprints of its equity portfolios on its Fund Fact Sheets.

BBQ: If you had to choose a country in which to reside, which one would it be?

South Africa, and for two reasons:

I have lived overseas for 10 years and I can say that our people's humility and sense of brotherhood which are embodied in the ethos of ubuntu make this the most attractive country in the world in which to live.

We as South Africans have a moral obligation to build a better South Africa for all. The gap between the rich and poor is too large; and the more fortunate of us need to roll up our sleeves and contribute towards building a better country for all.

BBQ: What are your interests outside the office?

Swimming and surfing.

BBQ: What is your opinion about South Africa's economy?

The economy has improved meaningfully on a number of fronts since the advent of democracy.

The government has done fairly well, but the challenges and backlogs are too large to have been addressed adequately in the past 15 years.

Statistics that measure poverty (Gini-Coefficient), employment and skill levels in our country tell us that we will continue to have serious challenges ahead. Public and private initiatives should be co-ordinated increasingly to improve these stats. **BBQ**