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Meet M&G: Naleni Govender

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Naleni Govender
Head of Institutional Business

Get to know the people behind M&G Investments Southern Africa with this Q&A feature.

1. Can you tell us about your background and how it led you to your current role?

I grew up in one of the most beautiful parts of South Africa, the KZN Midlands, surrounded by picture-perfect landscapes of lush greenery, the Drakensburg Mountains and Howick Falls just a five-minute drive away. I completed my undergraduate degree in Economics & Finance at the University of Natal in Pietermaritzburg and moved to Johannesburg soon after, chasing my goals and ambitions! Coming from a working-class family background, financial independence was top of mind for my parents, and they were strong advocates for education, the most powerful tool to achieving financial security. Their empowering attitude and push for financial freedom is what led me to the asset management industry.

2. What motivated you to pursue a career in finance?

Watching the financial markets update daily on CNN during my high school years fuelled my interest in wanting to understand the flow of cash between stocks, bonds and other assets, the impact of interest rates and inflation on the purchasing power of the rand and other currencies and how I could leverage all these aspects of financial markets to grow my own wealth as well as that of my parents when they retired.

3. What do you consider to be the biggest challenges facing your industry?

South Africa has a low savings rate. To improve this, our role, working in financial services, is two-fold in that we must ensure that the existing savings pot is invested appropriately to deliver the best risk/return outcome for investors while also playing an active role in encouraging South Africans to save more despite difficult circumstances.

The proposed Two-Pot system serves to provide limited access to retirement savings in order to provide some relief to South Africans for their short-term financial needs. This is a solution that we hope will ensure better retirement outcomes for members over the longer term as we look to mitigate against the current trend of members cashing out their retirement savings when they change employers or are retrenched. As an industry, it is important that we stay true to our long-term goals of encouraging savings rather than spending, and ensuring that we maximise outcomes for clients within reasonable risk/return objectives.

Transformation within the asset management industry has progressed, however there is still more that we can do to promote diversity and inclusion of women and previously disadvantaged individuals in the industry. In our business, the M&G Analyst Graduate Programme is where we actively recruit and empower aspiring young professionals by providing extensive exposure to various facets of the investment management profession. Through this programme, we have placed a number of these graduates within our investment team. In addition, we have an ongoing partnership with TSIBA Business School where high-potential undergraduate students are integrated into our business for one year on a rotational basis and are then provided with opportunities for permanent positions within the business.

The amendments to Regulation 28 increasing offshore exposure limits to 45% provides further flexibility for investors; however, this should be managed carefully considering that our liabilities are still South Africa-based. In a low-savings rate environment with low foreign investment into our economy, this may put further pressure on listed companies as well as asset managers.

The need for infrastructure investment in South Africa is a matter of urgency and has a direct impact on all the points made above including job creation, which is important for economic growth. Partnership with government and asset owners is critical in expanding the investment universe while also ensuring these assets are accessible to the masses. At M&G Investments, we offer a range of listed impact strategies which offer liquidity and sustainable investment outcomes while targeting social impact globally.

4. What are some of the biggest lessons you have learned in and about the finance/banking industry?

The industry is highly competitive, and you will not succeed without perseverance, grit and hard work. I have learned to take on the challenges in the work environment with integrity. As a woman in a leadership position, my mission is to take others with me as I continue to grow in this industry. There are many influential and established men and women in finance who have inspired me in this way of doing business.

5. What was your first investment – and do you still have it?

My first investment was made at age 23 when I started my first job. It was a unit trust investment of the minimum R500 per month in an equity fund. Yes, still have the investment (but may have used some of the cash to fund a holiday to Bali at some point).

6. What would you say have been your best personal financial moments?

My personal share portfolio has delivered some good performance over the years, proof that I have in fact learned something in my 18 years in this industry. Thank you to the inspirational investment professionals I have met over the years. South Africa certainly has great asset management skills which must be celebrated. They know who they are!

7. What is one of the best books on business/finance/motivation that you've ever read — and why would you recommend it to others?

“The Black Swan” by Nassim Taleb as it looks at the concept of “black swan”, referring to highly improbable events and the impact they have on financial markets. An essential read for anyone interested in financial markets, especially considering the last five years locally and globally with events like COVID, the looting which took place locally in 2021, the ongoing war in Ukraine, geopolitical tensions, and the list goes on.

8. What is your go-to career advice for young people at the start of their careers in financial services?

I started my career as an analyst running surveys with data-intensive work run off spreadsheets. It is critical that you put in the time and effort to learn and grow within the industry regardless of the role. This will provide you with a strong foundation for future success and will set you up within an industry that is innovative and affords you global exposure. It is not about where you start the race, but the journey to success that provides fulfilment in your career.

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