

ANALYSE THIS: AlphaWealth's Keith McLachlan

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We analyse Keith McLachlan, fund manager at AlphaWealth.

Which talent would you most like to possess?

While I can already play a bit of guitar, I've always thought that the height of music is when the musician becomes the instrument. Thus, I would like to be able to sing.

What is the worst investment mistake you've made?

I started investing while at varsity. Back then, I got emotionally involved in a share. I put increasing amounts of my capital into this single stock and, in the end, it became pretty much my portfolio. While I never lost much on it, it did teach me the value of good portfolio construction and managing concentrated risk (avoiding it).

If someone came to you tomorrow with R100m to invest in just one company, which would it be?

First, I would not do this. (See my answer above – I could not in good conscience repeat this mistake.) That said, assuming the person had no immediate income requirements, a long time horizon and already had a bigger, diversified portfolio elsewhere, I would invest the R100m in Santova Logistics. The business ticks many boxes for quality, it earns more than half its profits outside SA and, as it gets bigger and adds more geographies, trade routes and clients, it starts to leverage the network effect. All this for a share that is trading on an eight times p:e!

What was your first job?

I was a runner, then a waiter and then a barman at the same restaurant.

What's your biggest regret?

Basic computer programming was a subject in my undergraduate degree. I regret not carrying it forward as an extra subject. As the world becomes more digital and coding becomes exponentially more important, I know just enough coding to know how little I know. If you are a parent reading this, please make sure your child gets (at least some) exposure to computer programming or coding in his or her education.

Apple or Samsung?

Google, Facebook and Twitter. Hardware is a commodity.

On what occasion do you lie?

Mark Twain once said: "If you tell the truth, you don't have to remember anything." I'm too forgetful to play any game other than the truth.

What's the best investment you've ever made?

Time is the ultimate resource. How you spend your time is the only investment you are ever making – everything else is just a function of this. I have invested my time in myself, my family and my friends, and my life is better off for doing so. The rest is just noise.

If you found a lottery ticket tomorrow that had won US\$100m, what would you do?

I'd be worried! There is nothing quite like fortuitous riches to potentially spoil a character.

What's your favourite song?

I have a very eclectic ear. I love everything from Florence and the Machine to Fields of the Nephilim; from the Fugees to Faithless ... I must say, at this point, I am enjoying Lana Del Rey's new album, *Lust for Life*, especially the single "Love".

What is your greatest extravagance?

I like to diversify my extravagances – why should life be one dimensional? – but if I had to choose, I would say travel. It is not just an extravagance but also, if done correctly, an education.

Name a place you've been to that lived up to the hype.

Finland – specifically out in Midgard near Ivalo, where we saw the Aurora Borealis (Northern Lights). I lack the vocabulary to adequately describe such an ethereal cosmic display at subzero degrees, surrounded by thousands of kilometres of wild, frozen tundra.

Source:

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