

LISTENING

Managing investments



Darrell Mercer

A CD1.37 Darrell Mercer is Investment Director at PSigma Investment Management. Listen to the first part of the interview and complete the gaps.

The aim of the business is to provide¹ for private individuals who have² that they wish to employ to achieve a certain³.
My role as the Investment Director is to both⁴ for the client with the intention of meeting that aim, that return, and also then manage that strategy on an ongoing basis.

B CD1.38 Listen twice to the second part and complete the chart. Then go to the audio script on page 157 and check your answers.

Asset	Example
1 cash	
2 fixed-interest securities	lending to a ¹ or a ²
3 index-linked securities	linked to the ³
4 equities	a ⁴ or a ⁵
5 investments not linked to equity returns ⁶ property ⁷ (e.g. precious metals) ⁸ (an interesting area of development over last 20 years)
6 alternative investments ⁹ funds ¹⁰ funds

Watch the interview on the DVD-ROM.



C CD1.39 Listen to the final part. Which of the following does Darrell not mention?

- 1 gold 2 fixed-income securities 3 hedge funds 4 early cycle equities

READING

An inspirational story

A Find idiomatic expressions in the article heading (page 55) which mean:

- 1 someone who does a lot of complicated business transactions
2 a young person who is very skilled or successful at something.

B Read the article and complete the profile.

Name	Kieran Prior
Age	
Job	
Duties	
Company	
Work location	
IQ	
Personality/Strengths	
Current area of specialisation	

C What is your reaction to Kieran's story?

Kieran Prior: Goldman Sachs's whizz-kid wheeler dealer



Working on the noisy, frenetic trading desk at Goldman Sachs's London offices on Fleet Street earlier this decade, Kieran Prior and John Yeatts, two bright and ambitious twentysomethings from very different worlds, became close friends.

Although Prior, then 23, was just a year older than Yeatts when they met, he enjoyed giving practical advice, teasing the American about his Saturday-night dates. Yeatts returned the favour. When traders ordered lunch delivered to their desks, Yeatts cut up Prior's food and fed him one small bite at a time. Prior was born with a rare condition that affects his movement

and impairs his speech. He cannot get out of his wheelchair unaided, and has never been able to walk.

Yet despite these physical limitations, Prior is thriving on Goldman's trading desk – possibly the most demanding and competitive testing ground in finance – winning the admiration of colleagues while gaining experience, confidence and responsibility.

It's not easy managing investments of any size for the high-powered trading machine that supplies much of the earnings of Wall Street's most profitable firm. It is extraordinary that Prior is able to do so with such physical limitations.

Gary Williams, the former head of European equity trading, who hired Prior nearly eight years ago, has enormous respect for his determination. 'He is an exceptionally smart, perceptive guy who has purposefully risen to – and overcome – so many challenges,' said Williams. 'The noise and hurly-burly of the trading floor make trading more difficult for someone in Kieran's position, but the challenge actually appeals to him.'

Intellectually, Prior, now 29, has few limits. Since joining Goldman as a

financial analyst in the equity division in 2000, Prior – whose IQ score of 238 puts him in the top 1% of the world's population – has risen from performing basic research analysis and trading Euro Stoxx futures to running a \$50m (£25m) group of European equities and derivatives.

Prior joined Goldman just four days after he graduated from university. Early on, he caught the attention of John Thornton, Goldman's then-president, as Thornton was walking across the trading floor. Thornton stopped for a brief chat – and was amazed.

'I couldn't help but be impressed,' said Thornton. 'First of all, Kieran's sheer, raw talent is impressive, and when you add to that the determination he shows getting through the day in a place like Goldman Sachs, which is so demanding, it is just breathtaking.'

Prior is free to invest in almost any business sector, but recently narrowed his focus to just 20 companies because of the extreme volatility in the markets. 'I joined Goldman in a bear market,' he said, 'but these markets are the most difficult I've ever seen, so I'm just using this period of volatility to learn as much as I can.'

from the *Sunday Times*

D Find words in bold in the text that mean the following.

- 1 a financial market in which prices are falling
- 2 people who deal in shares and bonds
- 3 someone who carefully examines the financial state of a company
- 4 sudden and quick change
- 5 the area of a financial market where a particular company does business
- 6 the capital that a company has from shares rather than from loans
- 7 the careful examination of the performance of companies and stocks
- 8 the part of the economy made up by companies
- 9 the profit that a company makes in a particular period of time
- 10 things such as options or futures based on underlying assets such as shares, bonds and currencies

E In groups, discuss which of the following sectors you think are likely to be volatile in an economic recession.

- telecommunications
- advertising
- healthcare
- food
- biotechnology
- cars
- budget supermarkets
- steel
- travel
- construction