



Brandon Johnson
Communications Manager

SEPTEMBER 2018

Heritage Day Series: How the ostrich got his long neck

Heritage Day is an opportunity for all South Africans to celebrate the differences that make us so unique. Yet in spite of this incredible diversity, there are certain ‘human truths’ that serve as a common thread that binds us all together. Over the last week we’ve explored some of these themes through the medium of traditional African folktales, and identified how these human truths impact the way we see the world, and in return, how we behave when it comes to money and investing. In this, our last instalment of our Heritage Day series, we follow the story of how the ostrich got his long neck, and see how trust (or lack thereof) can have irreversible consequences.

How the ostrich got his long neck

Many years ago the ostrich and his wife decided to start a family. His wife eventually fell pregnant and laid a large clutch of eggs. Although the ostrich loved his wife dearly, he was unfortunately not much help around the nest, leaving most of the parental duties to her. She, meanwhile, was growing tired of doing all the work and longed for the days when she was free to run and dance among the termite mounds that surrounded their nest. Sensing his wife's frustration, the ostrich agreed to share in some of the parental responsibilities, offering to look after the eggs at night if she promised to look after them by day. His wife agreed wholeheartedly, and couldn't wait for the evening to arrive.

As night fell the ostrich began getting ready to look after his unborn chicks for the very first time. He fluffed up his feathers and sat down on the eggs, making sure that they were warm and well protected. His wife, meanwhile, was happy for the opportunity to stretch her legs. She said goodbye to her husband and danced away into the moonlight. As time passed, the ostrich could hear his wife laughing as she danced and played among the termite mounds. He hadn't heard her that happy in a long time, and soon thoughts started racing through his mind that perhaps she had met another young ostrich, and that the two would run away together.

As the night drew on, the idea that his wife might be with someone else continued to grow in his mind. Unable to leave the eggs alone, the ostrich stretched his neck as far as possible to peer over the termite mounds in an effort to catch a glimpse of whom his wife was spending time with. But no matter how much he stretched his neck, he couldn't quite see over them. He continued to try, until eventually the night turned into morning. As the day broke the ostrich's wife returned to the nest as she had promised. The ostrich meanwhile had spent the entire evening trying to spy on his wife, to the point where his neck had stretched so far that it refused to return back to its normal position. It was then that the ostrich realised that the terrible thoughts of his wife not keeping her promise to him and running away with someone else were all in his head. Had he simply been more trusting, he wouldn't have felt the need to spy on her and his neck would still be its normal length today.

What's the lesson for investing?

Because the ostrich started distrusting his wife for no reason and allowed his imagination to get the better of him, he was left with irreparable damage to his neck. Trust is an important aspect when it comes to investing. As investors, we often feel the need to constantly monitor our investments, looking for the slightest signs of short-term underperformance. And when things don't look that great, we feel tempted to switch into "better-performing" investments. The danger of this strategy is that it's extremely short-sighted, as highs and lows in financial markets are an unavoidable part of investing and should be expected. In fact, as mentioned in our article: 'Staying the course in volatile markets', the best performing days often occur in down cycles, and switching at the wrong time could have detrimental consequences to your investment in the long run. Investing should be seen as a long-term partnership between you and your chosen fund manager, built on the trust that your fund manager has the expertise to invest wisely and always with your best interest in mind. The foundation of this trust is based on consistency, which is built over time by continuously meeting your fund's investment target over the expected timeframe. When things happen in the market that may cause your mind to doubt, remember what happened to the ostrich and try not to let your imagination get the better of you.

If you're interested in investing with Prudential and would like to find out more, speak to your financial adviser or contact our Client Services Team on 0860 105 775 or email us at query@prudential.co.za.