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Heritage Day Series: Kimwaki and the Weaver Birds

In days gone by, storytelling was used as a means of passing down valuable life lessons from one generation to the next. It was a way of preserving our collective cultures and traditions, where families would sit around the proverbial camp fire and listen to stories of heroes and villains and the human truths that connect us all together.

Although storytelling has been somewhat displaced over the years, Heritage Day is the perfect opportunity for us to commemorate this unique artform. In keeping with this age-old practice, over the next few weeks we'll share with you some distinctly African folk tales, which are not only packed with valuable life lessons, but that also contain some teachings which we can apply to investing as well.

In this, our first instalment of our Heritage Day 2019 series, we follow the story of Kimwaki and learn about the importance of hard

work and the dangers of complacency when it comes to looking after your wealth.

Kimwaki and the weaver birds

One day a well-respected village elder passed away, leaving behind a very prosperous farm to his one and only son, Kimwaki. Unlike his father, Kimwaki was foolish and brash. He saw his inheritance as an opportunity to stop working and live off his new-found wealth.

Over time Kimwaki became increasingly lazy. He neglected the crops and the cattle that his father left him, complacent in the belief that his wealth and good fortune would last forever. However, as the days passed, Kimwaki noticed that his once-healthy cattle were starting to look hollow-eyed and thin, and that his fields which were previously lush and green had become overgrown with weeds.

Kimwaki did not know what to do. He realised that he had failed to look after his wealth and that it was only a matter of time before he lost everything. Fearing that all was lost, he sat under a tree to contemplate what he should do next. In the branches above him, he noticed weaver birds frantically at work building their nests. He marvelled at how relentless they were in their efforts and how such a small bird could build something so impressive.

Inspired by the weaver birds' work ethic, Kimwaki decided that he had been idle for long enough. He immediately set out to work in his fields, pulling out the weeds and preparing the soil for harvest. He led his cattle to green pastures where they were able to feed to their fill. After a lot of hard work and with the help of his neighbours, Kimwaki was eventually able to restore his inheritance to its former glory.

What's the lesson?

Luckily for Kimwaki, he realised the dangers of complacency and the importance of looking after his wealth before it was too late. In much the same way that his wealth began to deteriorate, so too does the value of your savings over time due to the adverse effects

of inflation. Inflation is essentially the rate at which the cost of goods increases over time. For your money to retain its purchasing power, it will need to grow at the same rate as inflation, or more. Here in South Africa, over the past 10 years inflation has been around 5.1% per year on average.

Many people believe that by simply leaving their money in the bank, where it earns little interest, they are preserving their wealth. However, the reality is that by doing so their money is essentially losing value. For their money to grow, it needs to be invested so it can earn returns above inflation. Fortunately, at Prudential we have a range of low-risk funds that do exactly this, such as the **Prudential Income** or **Money Market Funds** that invest in a range of cash-type instruments and have consistently beaten inflation since their inception.

So instead of leaving your money in the bank, you may want to take a lesson from Kimwaki and consider investing your money in a unit trust that not only puts your money to work, but is also geared to make it grow over time.

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.