PRUDENTIAL INSIGHTS





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SEPTEMBER 2019

Heritage Day Series: The bushbuck and his house

In last week's edition of our Heritage Day series, we looked at the story of Kimwaki and uncovered the importance of hard work and the dangers of complacency when it comes to looking after your wealth. This week, we follow the story of the bushbuck and his house, where we learn how fear of the unknown can sometimes lead to making irrational and foolish decisions.

The bushbuck and his house

One day the bushbuck returned home to find his front door partially open. Fearing that someone may be inside, he called out for the potential intruder to identify himself. A deep and menacing voice responded with the words: "It is I, the eater of bushbucks and I have come to eat you". The bushbuck, fearing for his life, ran away as quickly as he could to seek the help of the mighty elephant.

After hearing the bushbuck's story, the elephant agreed to help him get rid of his unwanted guest. The two animals arrived at the bushbuck's house where the elephant demanded that the intruder identify himself. A voice responded from inside of the house in the same ominous tone as before with the words: "It is I, the eater of elephants and I have come to eat you". The words struck deep fear into the elephant and he ran into the forest leaving the bushbuck to fend for himself.

The commotion caused by the elephant's exit caught the attention of the lion who was passing by. Deciding to investigate, the lion approached the bushbuck to find out what had caused the mighty elephant to run away in such a panic. After the bushbuck explained the reason for the hasty departure, he asked the lion if he wouldn't mind trying to help.

Agreeing to the bushbuck's request, the lion confidently walked up to the front door and roared in a thunderous voice demanding that the intruder reveal his identity. "It is I, the eater of lions and I have come to eat you" came the response. The lion, who was not afraid of the unknown assailant, challenged him to come outside to make good on his threat. A muffled laugh came from inside the bushbuck's house. The lion swung the door open, and there sitting in the middle of the floor was a fat old frog with a massive grin on his face.

The bushbuck and the lion realised that they had all been tricked and that what they had thought was a big and dangerous animal was in fact a harmless old frog.

Fortunately, the bushbuck and the lion found the situation highly amusing and chuckled at just how foolish everyone had been. Realising that fear of the unknown can sometimes be far greater than the reality of the situation, the animals vowed to never let their imagination get the better of them again.

What's the message?

In hindsight, the bushbuck and the elephant probably wouldn't have reacted in the way that they did had they known that it was a frog behind the door. Sometimes, our imaginations can get the better of us and lead us down a road of 'worse case scenario'. But more often than not, the thing that we fear most is usually not nearly as scary in reality.

Similarly, there are many unknowns when it comes to investing. Unfortunately, this creates room for emotions to get in the way of rational decision making. There have been numerous studies over the years that have demonstrated how investment decisions based on emotion can significantly erode investor returns.

If fear of the unknown is keeping you from investing or making smart investment decisions, it may be a good idea to seek the advice of an independent financial adviser – in much the same way the bushbuck sought the help of the lion. Having someone who is able to remove emotions from the investment process can be a huge help when it comes to staying the course... especially in volatile markets when fear of the unknown has the tendency to shake even the most seasoned investor.

Another savvy option is to get reading about investing. The more you know, the less scary it will be and the better decisions you'll make.

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.