



Prudential Investment Managers
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Heritage Day Series: Why the cheetah's cheeks are stained

Storytelling has a unique place in our collective history. In the past, it was used as a way to pass down valuable life lessons from one generation to the next. It ensured that our cultures and traditions were preserved, and brought families and neighbours together as they would listen to stories of heroes and villains and the human truths that connect us all together.

Although storytelling has lost its elevated position in society over recent years, Heritage Day is a fantastic opportunity for us to commemorate this very special artform. As part of our efforts to celebrate this age-old practice, we share with you some African folk tales, which are not only packed with valuable life lessons, but that also contain some teachings that we can all apply to investing as well.

In this, the first of two instalments in our Heritage Day 2020 series, we follow the story of why the cheetah's cheeks are stained, and learn about the importance of hard work and the dangers of being lazy.

Why the cheetah's cheeks are stained

One day a lazy hunter sat beneath the shade of a tree as he watched the bucks grazing in the fields. He noticed a cheetah in the distance with her eyes fixed on one of the bucks. The cheetah silently began making her way through the bush until she was within striking distance of her target. With great speed and power, she launched towards her prey, taking the buck down with the precision of a skilled and experienced hunter.

The lazy hunter continued to watch in awe as the event unfolded before his eyes, wishing that he had a cheetah who would hunt for him as he was far too lazy to do so himself. He continued observing the cheetah as she dragged the buck to a nearby bush. There, from beneath the thicket, emerged three cheetah cubs eagerly waiting for their mother to bring them their next meal.

The hunter thought how wonderful it would be if he could train one of the cheetah cubs to hunt for him. He waited for the mother cheetah to leave her den before he made his move. He snuck up to the bush where the cubs were resting. Not knowing which one of the cubs to take, he decided to take all of them under the premise that three was surely better than one. When the mother cheetah returned to her den she found her cubs missing. She was heartbroken and began to cry uncontrollably.

A wise old man heard the cheetah's cries and went to investigate. After hearing her story, he felt sorry for the mother cheetah and promised to help her find her cubs.

The wise old man soon found out what the lazy hunter had done and informed the rest of the village. The villagers, who were well-renowned for their reputation as being hard-working and skilled hunters, were furious that one of their own had brought such dishonour to their people. They stripped the lazy hunter of his possessions and banished him from the village.

The wise old man returned the cheetah cubs back to their mother, who was relieved to find them unharmed. Her tears, however, had left a permanent stain of her cheeks, and to this day serves as a reminder of the importance of hard work and the consequences of being lazy.

What's the message?

While the lazy hunter may have thought that he was being clever when he stole the cheetah cubs, he failed to consider the consequences of his actions if he got caught. Had he approached the situation from a “risk versus reward” perspective, he would have seen that the benefit of having the cheetah cubs hunt for him someday (the reward), did not outweigh the consequences of breaking the traditions of his village (the risk). In fact, it's highly unlikely that the lazy hunter would have followed the same course of action had he known that he would end up losing everything and being ousted from his village. In his case, the best course of action would have been to set aside his laziness and put in the hard work to become a better hunter.

When it comes to investing, it's easy to fall into a similar trap of looking for the quickest way to maximise your investment returns, without fully considering the consequences of your actions. There are numerous studies that show how investors try to chase past performance by selling out of their investments when they are going through periods of underperformance, and switching into funds that are going through periods of relative strong performance. The risk of following this route, however, is that investors effectively lock in their losses by selling low, and increase the probability of reducing their returns even further by buying high. It's important to remember that the very premise of investing is to buy low and sell high... and not the other way around.

Successful investing requires patience and hard work. Patience, to allow the underlying assets within the investment enough time to reach their intrinsic value; and hard work, to fight the urge of switching when things get tough. Unfortunately, there are no quick fixes when it comes to investing. It's about taking a long-term view and trusting your chosen fund manager to protect and grow your investment over time.

To discover the benefits of long-term investing, try our [Past Performance Calculator](#) to see how much your investment would be worth today had you invested earlier. You can also try our [Fund Selector Tool](#) to see which Prudential fund is best suited to your investment needs. Alternatively, for more information please feel free to contact our Client Services Team on 0860 105 775 or email us at query@prudential.co.za.