



Prudential Investment Managers

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# Heritage Day Series: The Magic Anthill

In the first instalment of our 2021 Heritage Day series, we looked at the fable “Cook, Eat and Carry Me” and how important it is to follow the right guidance to get the best results. In investing, this message extends to aligning with the right asset manager, which might not always be the current top-performing manager.

With that in mind, we look at the Zambian fable “The Magic Anthill”, which teaches the lesson that initial perceptions may not always be accurate, and shows how important proper due diligence is to avoid potentially costly mistakes.

## **The Magic Anthill**

A beautiful girl had her choice of any suitor in her village. Many tried to win her heart but failed, until one day a handsome stranger caught her eye. At first, she pretended not to be interested. But

once the man had integrated himself into the village, impressing everyone with his hunting skills, she was delighted when he asked for her hand. And so, they were married.

Every day he would return with food for all to eat, which particularly impressed the girl's younger brother. He decided to secretly follow his new brother-in-law on his next hunting expedition, hoping he could learn how to improve his own hunting abilities.

Hidden, he watched as his brother-in-law climbed an anthill and said "Anthill, anthill, let us go and kill. My father-in-law wants meat!" As he said this, he transformed into a fierce, enormous lion. Using the magic anthill as cover, he moved towards a herd of buck and made a kill to take home. The younger brother was able to rush home undetected and tried to warn his sister that her husband was a ferocious lion-man. She of course had only seen her husband's human form and said her brother was lying and ordered him not to speak of it again.

Some months later, the couple moved to the husband's home village. The younger brother wanted to go with them, but was left behind, only he again followed along secretly. He was discovered when they arrived and luckily was made welcome.

One night the younger brother awoke and saw the lion-man standing over his sleeping sister with an evil expression. She had become fat from all the meat he had brought to her and now he was going to eat her. As he tried to go for her throat, the younger brother leapt to his sister's rescue. This broke the spell, making the man transform back into a human. He didn't realise the younger brother had seen him as a lion-man and the younger brother had no proof of the truth.

This same event repeated a few more times, until the younger brother found a way to convince his sister of her husband's true nature. Finding their own anthill to wish upon, the beautiful girl and her brother were able to return safely to their home. In Northern

Zambia, the saying “ask him about his home and his family, or you may find yourself marrying a lion” is still used today.

### **What is the investment lesson?**

Sometimes we don't properly consider who we are investing with before we commit. We tend to look at recent past performance to determine our present and future investment decisions. In the fable, the man's good looks and hunting skills managed to hide how vicious he really was, even though he seemed like the top choice for the beautiful girl.

The danger of exclusively looking to today's best performer is that these funds can easily turn out to be tomorrow's worst performers. Investment returns often occur in cycles, to the benefit of one fund or investment style and the detriment of another. As conditions change, so do the top-performing funds.

Choosing an asset manager should be based on proper due diligence, with a longer-term view to staying invested with the same manager in order to benefit from their investment philosophy through the entire cycle. A trusted financial adviser can certainly help you to make your decision.

Once you have found an investment house and fund that meets your requirements, it's important to accept that ups and downs are normal in investing. Chasing past performance is a losing strategy that more often than not results in your capital being eroded, since you end up selling out when markets (and fund performance) is down, and buying when markets are higher. This is a recipe for capital losses.

In the fable the girl and her brother were able to escape without any real damage to themselves. But when it comes to investing, the damage can be lasting as the greater your losses, the bigger the gain you need just to get back to where you started. So, selecting your manager and your investments carefully at the outset is imperative. A good financial adviser can help you establish your

investing goals and strategy, and from there, can guide you to the best asset managers and investments for your needs. Prudential's [Goal Calculator](#) is also a good place to start.

For more information, contact our Client Services Team on 0860 105 775 or email us at [query@prudential.co.za](mailto:query@prudential.co.za).