



Prudential Investment Managers

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Heritage Day Series: The Story of Fudwazana and Gongongo

In this third and final instalment of our 2021 Heritage Day series, we've chosen to focus on an enemy that every investor must face: inflation. But first, let's look at the Xhosa fable that inspires this important investment lesson, "The Story of Fudwazana and Gongongo".

This fable begins with a scene from the past when all the animals (including humans) lived in total harmony, with no fear of one another, as they were vegetarians. However, when the Creator divided up the land, none was put aside for animals. This forced them to look for food in the gardens of their human neighbours, and sadly meant many were caught and killed while they foraged.

Lord Lion, their ruler, called a meeting of all the animals to find solutions to the problem. He declared that enough was enough; too many animals were being killed and it was time to relocate. They wanted their own lands to grow crops.

Suitable land was found, and the King of the Beasts set his subjects to work on farming. All was well, until one day all of their crops were destroyed by a beast called Gongongo, who was even mightier than Lord Lion. The animals rushed to tell Lord Lion that a monster had eaten everything they had grown. Lord Lion went to defend his kingdom, but found Gongongo to be terrifyingly large and fierce, and he ran away.

Fudwazana, the tortoise, offered to try to defeat Gongongo, but said he would need a weapon – a small, sharpened axe. Lord Lion was sceptical, but gave Fudwazana the weapon he wanted, and the tortoise began his slow journey to face the monster, with the axe hidden under his shell. Once he arrived, he challenged Gongongo, who in turn threatened to eat him. Fudwazana said to go ahead, as now that the lands were destroyed, there was nothing for him to eat anyway. But as Fudwazana reached Gongongo's mouth, he pulled out the axe and began chopping away at the monster's tongue, until it was completely severed, ultimately killing Gongongo.

The animals were elated with Fudwazana's victory, allowing them to replant the land and live in harmony once more. To this day, thanks to Fudwazana's actions, tortoises are respected as among the wisest, most cunning, bravest and most persevering of all the animals.

What does this fable tell us about investing?

In investing, inflation is Gongongo, the monster that 'eats away' at - and can ultimately destroy - your investments. If your portfolio isn't performing better than inflation, you're effectively going backwards and won't be able to meet your investment goals over time.

Gongongo was eating everything in sight until Fudwazana attacked his fundamental ability to eat by cutting out his tongue.

What can investors do to combat inflation? One of the best ways is to choose a fund manager that uses an active approach to investing. This is where the manager actively monitors the market, making buy and sell decisions to exploit fluctuations in asset

prices. The objective is to outperform a particular benchmark, which can be inflation or a certain index, for example. Prudential's [Inflation Plus Fund](#) not only aims to beat inflation, but also to add a further 5% return each year.

Choosing the right mix of assets for your portfolio is also key in beating inflation. Equity exposure is important, since equities have proven to be the top-performing investments over time, and fixed-income holdings are also necessary to help lower risk. Prudential's view is that both SA equities and SA bonds are currently attractively priced, and that the Prudential Inflation Plus Fund's holdings should allow it to deliver returns to investors that are well above inflation over the next three to five years.

To find out more about our investment view, see our recent article "[South African investments hold much promise](#)".

For more information please contact our Client Services Team on **0860 105 775** or email us at query@prudential.co.za.

<https://www.prudential.co.za/insights/articlesreleases/heritage-day-series-the-story-of-fudwazana-and-gongongo/>