



CMEFS WEEKLY INVESTMENT NEWS

19 JUNE 2020

Hello and welcome to this week's edition of Investment News.

Before we go into this week's discussion, let's see how the CMEFS Flexible fund has done for the year thus far as compared to the All Share Index (ALSI)

Fund	Last week Thursday	This week Thursday
ALSI	-5.98%	-5.35%
CMEFS Flexible Fund	-0.61%	-0.57%

We are now all but done in so far as our switch out of the Coronation Balanced Defensive Fund is concerned (as this is where all the damage is being done) into either the Coronation Jibar+ Fund, or where this is not available on the relevant platform, then into a Money Market Fund.

As I am a bit under more pressure than usual time-wise this week, this week's newsletter will be a lot shorter than usual, but hopefully interesting nonetheless.

I am now reading a book titled "Factfulness" written by Hans Rosling, and what I am reading is not only confirming what I have suspected for a very long time, it is also more than a little frightening in what it reveals in terms of just how little we really know about just what is going on around us in the world, and then making massive decisions based on this incorrect knowledge.

We THINK we are right, but he has compiled thousands of very basic questions about just where we are in the world from almost every important perspective, and the fact is, we not only get most of the answers to these questions wrong, we get them horribly wrong and then end up having to suffer the unintended consequences.

And without meaning any disrespect, he put a system in place where monkey's gave random answers to the questions posed and almost without exception (or was it without exception – I can't remember right now) the monkeys, as a group beat us, humans, hands-down in answering on average 33% of the questions correctly.

We scored, on average, depending on the questions asked, somewhere between 10% and 20% if my memory serves me correctly.

The use of monkeys was not intended to belittle, but to emphasise just how important it is to establish the facts of the matter before we head off in a particular direction in our thinking in so far as what we believe to be true of the world is concerned.

In next week's newsletter, I will give you some examples of the very fundamental questions asked along with the answers he usually got.

And when I use the royal "we" in this newsletter, please understand that this finding was true of World leaders, Nobel laureates, and Heads of Global Corporations.

Basically, the people who are running the world and making life-changing decisions about it don't know what is actually going on and base their decisions on what they learned a very long time ago, not realizing by just how much the world has changed in the interim.

Here's an example. This question was asked from an annual gathering of global financial managers at the headquarters of one of the world's ten largest banks.

"How many of the world's 1-year-old children today have been vaccinated against some disease?"

- A. 20%
- B. 50%
- C. 80%

A staggering 85% of the 71 well-dressed bankers in the room got this question wrong, answering 20%, when in fact it is 88%.

And so the book goes.

As I said, it is a real eye-opener.

And does explain a lot when I look at what is happening, and has happened globally from a financial point of view, and wondering to myself how on earth we have arrived at the point we have, especially overlaying all of this with the Covid-19 pandemic.

Like I said, a short letter this week.

More on the same subject next week,

I hope you enjoyed the read.

Until next time then, do take good care of yourselves.

Kind regards, Nine, Charles, and all of us at CMEFS.