



CMEFS WEEKLY INVESTMENT NEWS

30-10-2020

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	-3.93%	-8.37%
CMEFS Flexible Fund	+0.97%	+1.02%

Again, we continue to make progress on our journey to re-inventing how we are going to be managing our client funds during this continuing period of great uncertainty as well as into an increasingly uncertain future.

This week is going to be a very short newsletter as not only have I run out of time to put anything meaningful together, but I am still trying to process just how I need to think about the recent Medium Term Budget Policy Statement presented by our Minister of Finance Tito Mboweni.

The questions I am asking myself are not so much from a content point of view, but from a political willingness/ability point of view as these attributes are central to whether the plan put forward will work or not work.

In this regard, I am reminded of a true story told by a person of great ability and influence that goes something like this.

He ran a very successful business and was making a lot of money. However, the one person in whom he placed every trust ended up defrauding him to the tune of hundreds of millions of dollars, to the point that not only was the business totally insolvent, there was also absolutely no hope of recovery from this position whatsoever.

He was advised by every expert he knew, and many he did not know, to simply allow the business to go under so that he could start anew once again without the burden of all this unpayable debt hanging over his head.

But this was not what our man was made of.

It was his view that he simply could not let all those people who depended on him down.

Not only his creditors but also his many employees and associates.

So virtually overnight he put together a plan that all the experts told him was unworkable and a total waste of time and effort.

But HE believed in it.

He believed it not only COULD work but WOULD work.

Yes, it was going to demand a lot of him and others who chose to support him in his endeavors, but in the end, he was convinced it WOULD work.

And in the end, no doubt much the chagrin of all those naysaying experts, it did indeed work.

He not only put himself and the business back in a profitable position after repaying ALL of the debts, but the business also became more profitable than ever, mainly as a result of what he learned from the previous experience after drawing all of the POSITIVES out of it.

Note that we are not talking about positive thinking here. Quite the contrary. We are simply talking about seeing what is necessary, and then DOING it.

Was it easy? No.

Was it worthwhile? Absolutely yes.

He would not be where he is today had he not had that experience and is thus eternally grateful for it, as it taught him that even when something appears to be beyond impossible, it does not mean that it is.

And so too can it be for the South African economy, and for the seemingly impossible amount of government debt that has been run up in the last number of years.

Neither, actually, is a problem (Seriously). Both are an opportunity for us to prove our resolve and our mettle. It is only a question of will. Virus or no virus.

And I would much rather be in a bad place with a good leader than in a good place with a bad one.

And there is MUCH good going on in the background. Things are happening that would have been both inconceivable and unbelievable just three or four years ago. And these things augur well for the future. It's not going to be easy, but it is going to be worth it. So let's roll up our sleeves and get on with it, as the future is indeed what you think it to be.

I hope you enjoyed the read. Until next time then, do take good care of yourselves. Kind regards, Nine, Charles, and the rest of the team at CMEFS.