



Investments

Finding clarity  
in chaos



**Edward Semanya**  
**Senior Investment Specialist**

**Let's talk about  
something super  
important in the  
world of investing:**

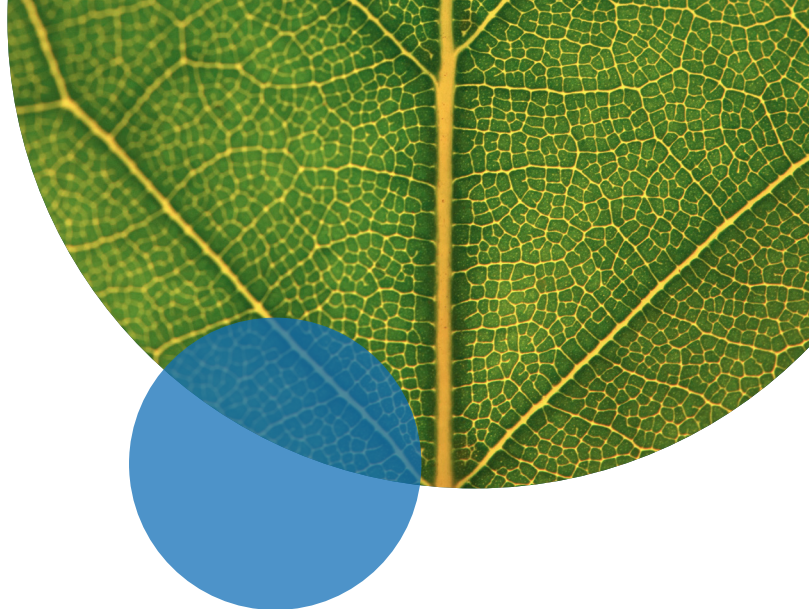
### **finding clarity**

Tackling the markets can feel like wrestling a bear or chasing a bull at times, but it doesn't have to be. Let's clear the way and put things in perspective.



A lost dog in the jungle encounters a vicious lion. Panicking, the dog sees bones nearby and loudly says, “Mmm... that was some good lion meat!” The lion, scared, retreats. A monkey sees this, tells the lion the truth, and they rush back to the dog. The dog, seeing them approaching, shouts, “Where’s that monkey? I told him to bring me another lion an hour ago!”

– Ancient fable



## Lesson: Don't believe everything you hear.

Just as the lion was misled by the dog's clever trick and the monkey's insistence, investors can be swayed by market noise. The constant stream of headlines, fake news and disinformation can create turbulence, often leading to impulsive investment decisions.

Donald Rumsfeld, the former US Secretary of Defence, famously said in 2002: “There are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns—the ones we don't know we don't know”.

At the risk of adding to the chaos, simply put, he offers valuable insight for investors. He says that there are things we fully understand, things we recognise but don't fully grasp and things that completely surprise us.

Interpreting that into our daily lives, it highlights the importance of being prepared for uncertainty and focusing on what we can.

It is therefore essential to manage what we can—our emotions—and trust the expertise of a financial adviser to guide us through uncertain times in the market. Experience shows that your actions, not the market, are the biggest factor in achieving your investment goals. The good news is that you don't need to constantly monitor market movements, as markets can be unpredictable. Skilled investment professionals oversee your investment portfolios, continuously evaluating large volumes of good information, using their experience and understanding of markets and economies to make sound investment decisions.

**Stay informed, not overwhelmed**

Avoid focusing on known unknowns and unknown unknowns – consult only reputable sources for information.

**Keep your emotions in check**

Stick to your investment plan and avoid making impulsive decisions based on short-term market movements.

**Diversification: the only free lunch in investing**

Risks cannot be eliminated, but they can be managed. Diversifying across different asset classes, investment strategies, investment managers and geographies can help cushion against uncertainty and potential downturns in markets. A multi-managed portfolio is a great way to access this kind of diversification from a single investment.

**Advice: best delivered by experts, not clickbait sensationalists**

Speak to your financial adviser to help you tune out the noise. It could be the difference between an abandoned or misplaced investment strategy, and one that ultimately rewards.



**At Alexforbes, we believe that the experience towards achieving a financial goal is as important as the financial goal itself.**

Don't let emotions win over reason. The combination of a purposefully diversified portfolio and skilled financial adviser can help to keep you focused on your destination and in your seat especially when the going gets tough. That's the power of having disciplined investing and perspective on your side.

**With Alexforbes, no matter your investment destination, you're in the right place.**



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