

Willing & Abel podcast: When finances meet feelings with investment expert Steven Nathan

[00:00:00] **Steven Nathan:** Outside of mega wealthy people, a lot of millionaires are actually blue collar workers who you wouldn't normally associate that with. So a lot of this is kind of, who do you hang out with? What kind of person are you? Do you have an outer scorecard versus an inner scorecard? I think that's really important because a lot of us we should be motivated internally what is important to us and peace of mind.

[00:00:21] **Steven Nathan:** I mean you mentioned swan sleep well at night I mean peace of mind we should value peace of mind highly which is part of an inner scorecard are we doing things we like with people we like as opposed to an outer scorecard where we're trying to impress others.

[00:00:34] **Mike Abel:** Hi, I'm Mike Abel. I'm a business, marketing, and communication specialist and the founder of MNC Saatchi Abel.

[00:00:42] **Mike Abel:** I'm a family man, a problem solver, a futurist, an optimist at heart. Welcome to my podcast, Willing and Abel, the home of hopeful conversations that challenge perspectives. It's a continuation of the ideas and conversations I began in my book, Willing and Abel, Lessons from a Decade in Crisis. My guest today is close friend and business associate Stephen Nathan, a numbers guy with over three decades of experience in finance.

[00:01:11] **Mike Abel:** In 2005, Stephen founded 10X Investments, a financial services company focused on providing higher retirement returns with lower fees. Now he's exploring new ventures in the United States as the CFO of HealthQuest Global, and joins me in the leadership team at Sense as a non-executive director of a disruptive market research company based in Ireland.

[00:01:37] **Mike Abel:** And in between all of that, he leads a successful family office business called SWAN, an acronym for Sleep Well At Night. Welcome, Stephen. Fantastic to have you with us. Nice to be here, Mike. So, I've just described you as a numbers guy, but what do you think makes you slightly different, or very different, from other CAs and CFAs?

[00:02:01] **Steven Nathan:** Yeah, you're never sure if it's a compliment to be told a numbers guy, but numbers have always interested me, but more specifically finance has interested me. The world of finance, you know, growing up, I didn't grow up with a lot of money in a household with a lot of money or with investments. It wasn't a topic of conversation, but it was always interesting to me.

[00:02:20] **Steven Nathan:** You know, how does some money work? How does money work? How do interest rates work? How does the stock market work? All of that. And in South Africa, when I went to university, you didn't have a broad range of

choices. I mean, there's much more choice today. So it was kind of, if you were going to do numbers and finance, it was more or less a chartered accounting route to go.

[00:02:38] **Steven Nathan:** That was kind of, and it was almost like a ticket to get into the world of finance. So that's kind of the background. But I do like through my experiences, I kind of like to try and simplify things. And if I look at sort of the world around me in the business world, maybe the world in general outside of business, you kind of like, there's three buckets I look at.

[00:03:00] **Steven Nathan:** There's people who are involved in problem-solving, solving a problem a great example of engineers. I mean, if you're going to build a bridge, the bridge is either going to stand or fall with the weight over time, or you're going to build a dam. Or if you look at finance, you're trying to solve a financial problem.

[00:03:16] **Steven Nathan:** Those are the kinds of problems that interest me. Then you get people who are sort of. In the world of opinion. So, excuse me. Increasingly so with social media and everything else. Exactly. So it's kind of an opinion like law. I thought law was quite factual based until I was involved in some legal cases.

[00:03:37] **Steven Nathan:** And then it's about opinion. It's about the argument one can make around it. And politicians I think are in the business of opinion. And then thirdly, you have the world of psychology, sort of consumer behaviour. Obviously that's a lot of your world is in around perceptions and storytelling and, and understanding and moulding perceptions.

[00:03:57] **Steven Nathan:** And for me, it's always been about, I like the problem solving side, but I'm learning that life is much broader than just the logic. We need to be far more emotional and in tune with people's feelings more than what logic tells us to do.

[00:04:09] **Mike Abel:** Hmm. Hmm. Well, that's really interesting because I think you've more than answered what makes you different because you talk to, in all aspects of that, the human condition and the motivations, and understanding the motivations to help people make better decisions. Because what I find in the investment industry so often is it's about selling products as opposed to understanding the underlying needs and hopes and dreams of the warm-bodied person that you're talking to.

[00:04:44] **Mike Abel:** What do you think it is though? Because similarly to you, you know, I don't come from a wealthy family per se. I'd say a comfortable family, but certainly not wealthy. But my grandfather, who was a dentist and maxillofacial surgeon, loved to play the stock market. And so from a very early age, I'd say from probably 11 or 12 years old, I read the Financial Mail, religiously, every Friday night that I used to go to them for dinner.

[00:05:09] **Mike Abel:** And that helped me enormously. Where did you start reading about finance and actually getting involved? Because you said it always fascinated you. How did that fascination manifest?

[00:05:20] **Steven Nathan:** So when I was still at high school, I started reading books. I wasn't actually a big reader of the stock market. So as you say, a lot of people like to buy shares that wasn't really my fascination.

[00:05:31] **Steven Nathan:** My fascination was more of a bigger picture. So there was some great books written in the seventies and the eighties, but things like management buyout. So the first management buyouts and the first leveraged buyouts and there was a very well-known book called Barbarians at the Gate, which is about the biggest, you know, RJ Nabisco, yeah, the takeover with KKR.

[00:05:51] **Steven Nathan:** It just seemed a very exciting, fascinating world. And then it's trying to understand, well, how do you raise money? What is an interesting opportunity? Why can some companies raise money and others can't? Why can some governments raise money more cheaply than others? It was more a fascination with what I'd call the macro, the bigger picture, as opposed to picking shares.

[00:06:12] **Steven Nathan:** I've never been that interested in picking shares, which for a lot of people is fun, but it's quite speculative.

[00:06:23] **Mike Abel:** And I think as you've taught me over the years for somebody to be winning on one share, it's likely that somebody is losing on another. And I don't think people understand that equation.

[00:06:34] **Steven Nathan:** So, I mean, it's called a zero-sum game. A lot of things, and especially in finance, superficially, they sound wonderful. So when someone says it to you, you know, it does something in our brain that says, well, that's, that sounds sensible. So, so a fund manager will say things like. We have a fantastic research team and we go and visit management and we, you know, we have artificial intelligence, which tells us how many cars are parked out of a shopping center, which is very much storytelling.

[00:07:01] **Steven Nathan:** And they say, basically it allows us to identify great companies, which we own and lousy companies, which we sell. And you go, and by doing that, we generate fantastic returns. And you go, well, I'm in, well, I'm in, but what you don't understand and what they don't tell you is that. For every person who buys a share, so let's say you bought Apple or Tesla or whatever, if you bought it, someone sold it.

[00:07:25] **Steven Nathan:** Yes. So even as we speak around the world, billions of dollars are being traded, bought and sold. And a seemingly smart person is buying a share and a seemingly smart person is selling the same share at the same price. Yes. They both can't be right. And that's the zero sum game. So if I did well because

my fund manager invested in Apple in an early stage, you know, I might have outperformed the index and my peer group.

[00:07:47] **Steven Nathan:** But equally so someone else doesn't have it in their portfolio and they underperforming that's the zero-sum game, which no one really tells you about, but it doesn't stop there. It's not a zero-sum game because if there were no cost in the system, you'd say, okay, well, it's not so bad because on average, you know, investors, some of us are going to lose and some of us are going to win.

[00:08:04] **Steven Nathan:** It's a bit like going to the casino and saying, well, you know, if the casino didn't take anything, we'd be okay over here, but you've got transaction costs, you know, investment banks exist and stock exchanges exist because they charge you fees. Every time you buy share in South Africa, you pay 0.25% tax to the government.

[00:08:20] **Steven Nathan:** There's market impact costs. So basically what happens is that the more active a fund manager is, and the more people are buying and selling, while it might create interesting headlines and news stories, the worse you are as an investor because you can only earn the return on the market, less the total cost of investing, and the higher that aggregate cost is, the worse you are.

[00:08:40] **Steven Nathan:** And that's also a little bit of something where you've gotta think about it because. The financial services industry doesn't add to your return. It subtracts from the return, but people think it adds to the return. They go, Oh, I don't want to mention any names here. We go XYZ fund manager gave me 11 percent this year.

[00:08:56] **Steven Nathan:** They didn't give you anything. The stock market would have given that to you. The stock market earns a return and it's corporate America and corporate South Africa and good companies that are generating the wealth and your investments is kind of what kind of access do I have to those and at what cost? You've just got to come into investing with a sceptical mind and to scratch a little bit beneath the surface and ask the simple questions. Cause so often people don't ask the simple questions a, because they think, well, maybe I'm going to embarrass myself, but also something that's so obvious and you don't want to be thought of as not sophisticated or not understanding it.

[00:09:34] **Steven Nathan:** So people are intimidated, but you've got to ask the simple questions. And one of the things, I mean, we, we speak about retirement and why we started a 10 X is because retirement is the biggest savings pot. In any country, the retirement assets, because for most people, your pension fund is what you're gonna be relying on almost exclusively for your retirement.

[00:09:51] **Steven Nathan:** Yeah. So you get like one shot at it. Yeah. But if you look around the world, in every country in the world, people are underfunded. Doesn't matter where you are, even in the richest countries, just like how much are you underfunded?

[00:10:02] **Mike Abel:** Well, I think, what I want to do, because this is absolutely vitally important stuff you're saying here, is almost take a bit of a leap back.

[00:10:11] **Mike Abel:** And I think that the interesting thing in the world today is, and for always really is, there's always such a small percentage of people that can afford to retire one day. And that is because they're not focused on their retirement and they live in the day. And there's, there's nothing wrong with living in the day, living in the moment and maximizing your life.

[00:10:32] **Mike Abel:** That's exactly what you should do. But you also do need to think about tomorrow. What do you think it is? Because there are going to be a lot of people listening to this right now that haven't put away a cent for their retirement. Or are earning big salaries and spending everything on overt consumerism, whether it's fancy cars or fancy clothing or fancy restaurants or fancy drinks and booze.

[00:10:57] **Mike Abel:** And I think that social media has amplified that dramatically in terms of the, you know, the need to, as my boys would say, flex and show that you're doing well. Why psychologically do you think people pay so little attention to saving? Because what people don't realize is that wealth creation has got absolutely nothing to do with earning.

[00:11:20] **Mike Abel:** It's only got to do with saving.

[00:11:23] **Steven Nathan:** Yeah, exactly. And I've told you this before, but there's a great book in America called The Millionaire Next Door. And it's a book that was written about at least 20 years ago. The Millionaire Next Door, this wealth management company, they tasked an individual to research what is the profile, the demographics of a millionaire because that was their target market.

[00:11:43] **Steven Nathan:** Yeah. And they wanted to have a marketing campaign to attract them. The research was fascinating and one of the big things coming out of the research as an example was that in America, a plumber is more likely to be a dollar millionaire than a lawyer, which you look at that and you kind of go, how can that be?

[00:11:59] **Steven Nathan:** You know, the lawyer's earning eight X what the plumber's earning. But what it comes down to is that wealth is what we don't spend. So one of the challenges we have is we confuse spending with wealth, but savings is invisible and wealth should be invisible. So what you find in America, and it's, it's the same here.

[00:12:20] **Steven Nathan:** We had an interesting situation like that where managing company pension funds, we used to manage company pension funds, some very high earners like an IT. And then we also manage some lower earners in the trade unions. And what was interesting is that the average employee in the trade union fund had more money saved than the person in technology.

[00:12:43] **Steven Nathan:** Once again, earning, you know, who knows eight times more. Yeah. Why is that the case? Well, the case quite simply is that the person in the technology company, while they earn much more, they save much less. So if they're given the option of saving, you know, you can save, let's say 2 percent to 15 percent of your salary.

[00:12:59] **Steven Nathan:** Well, the IT person normally saves 2 percent because they want to save as little as possible and spend as much as possible. Then when they change jobs and they change jobs quite frequently, they cash in their pension fund. So they're really poor savers. The person in the trade union, one of the good things that trade unions have done is they have negotiated high contribution rates to pension funds.

[00:13:21] **Steven Nathan:** So they saving 15 percent from your first paycheck to your last paycheck. And when you've got a good job in a unionized company, you don't tend to leave. So you're there your whole working career. That's the same thing that they saw in the US the millionaires is that when you're a lawyer, you hang around with other lawyers and then it's all about buying the latest car, going on the fanciest overseas holidays, moving house every three or four years.

[00:13:46] **Steven Nathan:** So your spending was just too high. You know, for every hundred you're earning, you're probably spending a hundred and maybe 110, you're going in debt. And whereas if you look at a plumber, a blue-collar worker, they live in the same house for 50 years. They drive an old car, the car last for 15 years. And it was very interesting.

[00:14:05] **Steven Nathan:** They even went down to like, what's the most expensive watch that you've ever bought. And what's interesting is that millionaires on average spend less on a watch than somebody who is far less wealthy. Now it's not from a spending perspective because we all know people who are quite flashy and they might have a very nice Rolex watch, but outside of mega-wealthy people, a lot of millionaires are actually blue-collar workers who you wouldn't normally associate that with.

[00:14:32] **Steven Nathan:** So a lot of this is kind of, who do you hang out with? What kind of person are you? Do you have an outer scorecard versus an inner scorecard? I think that's really important because a lot of us, we should be internally, what is important to us and peace of mind. I mean, you mentioned Swan, sleep well at night.

[00:14:48] **Steven Nathan:** I mean, peace of mind, we should value peace of mind highly, which is part of an inner scorecard. Are we doing things we like with people we like, as opposed to an outer scorecard where we're trying to impress others.

[00:14:59] **Mike Abel:** The fascinating thing there is, while I'm listening, is the notion of balance, because that has to be the key.

[00:15:06] **Mike Abel:** You don't want to be doing well, the IT guy, and not have experiences like traveling and doing wonderful things, but at the same time to think about tomorrow and what are the implications of that trip you're going to go and, you know, do you need to fly business class or could you fly economy or does my child need to go to X school or Y school if the education is equal at both?

[00:15:30] **Mike Abel:** Or do I need to drive that kind of car when I can get power steering and a reverse camera in the other one, a cheaper one as well? How does one think about balance? How does one think about prioritization of spending? Because I think that certainly for the younger generation, and I walk, you know, at the V&A Waterfront in Cape Town, which is a shopping centre for our listeners overseas, and I see all of these very, very fancy French and Italian brands and people waiting in queues outside.

[00:16:01] **Mike Abel:** And I'm thinking to myself, well, unless you've got an extraordinary amount of money, do you really need to be buying that? But that pair of whatever the brand might be, Gucci shoes might just be too irresistible to buy. What is your thinking on balance?

[00:16:18] **Steven Nathan:** It's not an easy one, but I think that we've got to have a good relationship with money.

[00:16:24] **Steven Nathan:** So I think we need to look at, at money as not our number one priority in life. But what are the things that bring true happiness? Now, these are always easier things to say than to do. And the younger you are, I think the less you pay attention, but we'll know as parents that saying that the best things in life are free is true.

[00:16:42] **Mike Abel:** That is true.

[00:16:43] **Steven Nathan:** Because for most of us, certainly the most important, exactly. You know, the birth of your first child, you know, it's just a game changing experience. And what price do you put on that? What price do you put on your children? What price do you put on family, on friendships, on doing the things you truly love?

[00:16:58] **Steven Nathan:** If you like running or cycling or, you know, whatever it might be, or being out in nature, you know, you can't put a price on those things. So I think it's important to have the right values and it comes back a little bit to what I said about the outer scorecard versus the inner scorecard, you know, try and have enough self-confidence.

[00:17:15] **Steven Nathan:** that you can back yourself. So you don't always have to keep up with whoever is in your peer group. And you don't always have to maybe have the fanciest car and you've got to have confidence. You've got to have self-confidence. Also, you've got to have gratitude. You've got to be grateful for what you got.

[00:17:30] **Steven Nathan:** You've got to value financial independence. You've got a value not being under financial stress. And I think it's something I did touch on earlier, but I've said to my kids is that we live in an affluent neighbourhood and there's a lot of affluent people at their school. And they would say to me, well, you know, dad, XYZ is a lot richer than us because, you know, they've got blah, blah, blah, and they've got this house and this car and whatever, you know, and from a young age, I said to my children, I said, listen, we have no idea how wealthy they are.

[00:17:56] **Steven Nathan:** I haven't seen their bank statement or their balance sheet. I have no interest in that either, but I have no idea. But what we do know is they spend a lot more money than we do. So, so that I can say, but I've no idea how wealthy they are. And you know, wealth is something that you don't see and it's something that gives you, you know, peace of mind.

[00:18:14] **Mike Abel:** Yeah. Well, many years ago, a cousin of mine, a Dutch girl, shame she passed away tragically, she said to me, money talks, and wealth whispers. And I've always liked that expression because as you say, all it means is that they spending more. Stephen, in your LinkedIn bio, you say that you're doing interesting things with people that you like and respect.

[00:18:37] **Mike Abel:** What qualifies as interesting to you?

[00:18:40] **Steven Nathan:** So something's interesting is something that it's a problem that is important that hasn't yet been solved. Or what's a problem that people think has been solved, but people might think it's been solved incorrectly as a better way of doing things. There's so many things going on in our world and there's so many opportunities.

[00:18:59] **Steven Nathan:** I'd like to be focused on doing things in a commercial sense. that it's not just about the money. It's not just about, is this a good financial opportunity? It's, is it an interesting opportunity? Is it something that we can kind of positively impact people's lives? You always want to have a commercial interest because if you want to scale things, if you want to do, you know, positively impact a lot of people, it's like a 10X.

[00:19:21] **Steven Nathan:** At 10X, our objective there was to help people retire with dignity, but We had to do that commercially because if you didn't have enough cash flow to grow the business, then you're not going to impact people. So you've got to balance that commercial side with the purpose and the social good side.

[00:19:37] **Mike Abel:** So if we talk about purpose, you call yourself purpose-driven.

[00:19:41] **Mike Abel:** What is your purpose?

[00:19:42] **Steven Nathan:** My purpose from a selfish perspective is to do exactly what you said there is to, to do interesting things with people I like. But I believe that if you have something to offer. And you have the ability to offer and positively

influence other people, then you should do that. And that's where purpose comes into it.

[00:20:00] **Steven Nathan:** So when I was working at, you know, I was working at an investment bank, I was a managing director of a global investment bank. I flew on the Concorde. I did some, you know, amazing experiences. But to be honest, it was quite

[00:20:11] **Mike Abel:** I can hear the Peter Stuyvesant.

[00:20:13] **Steven Nathan:** Well, exactly. You know, it's, it's the investment banking is one of those industries where what you see in the movies is kind of the real life, you know, the Wolf of Wall Street completely, you know, for better and for worse, but it's kind of, the purpose, I didn't feel that I was doing good because also one of the reasons why I wanted to, why I was interested in finance, which comes back to the earlier question is that the way that capital is allocated in a country is critically important. So if you look at really what investment comes down to you, what we call a capital allocator, which is if I am saving with my pension fund, where should that money go?

[00:20:50] **Steven Nathan:** And if you allocate that money to good projects and good investments, then you can create a lot of wealth in the economy, a lot of jobs, a lot of wealth for savers, for pension fund, ordinary, you know, people to help them retire with dignity. And that's why I left investment banking. It was phenomenally lucrative and it was great.

[00:21:09] **Steven Nathan:** It was exciting. And I didn't leave it because it wasn't an exciting, you know, but the purpose wasn't there. And I felt that a 10 X, I could have a far bigger impact on people, then I could at a big investment bank.

[00:21:22] **Bookstore:** Mike Abel's book, Willing and Abel, Lessons from a decade in Crisis, captures the stories of clients and partners and the wins, losses, and learnings through his eyes in a career spanning three decades. Whether you're looking for courage or inspiration to learn what it takes to disrupt industries or meaningfully and truly empower your people, you'll find it between these pages. You can listen to the audiobook on Audible, download it on your Kindle, order it online, or find it at your favourite bookstore.

[00:21:56] **Mike Abel:** Well, it's very interesting insofar as the investment guy flying on the Concorde versus the client flying on the Concorde, you know, and I often do think how many clients of the investment people can afford to lead the lifestyle of the investment guy. And yet they're the guys that are actually paying for that lifestyle through their investments.

[00:22:18] **Mike Abel:** Completely. Which I guess cuts to fees that you spoke about a little bit earlier. But I guess for me, and knowing you well as I do, and you've reminded us in terms of why you changed careers, why it didn't work for you, cuts to

values. Cuts to who you are and how you want to live your life, not necessarily what you want to have, but what you want to do.

[00:22:44] **Mike Abel:** And I think people think too little about that. And for our listeners to ask that question of themselves, you know, it isn't really about having, it's about doing. And you might get in the process of doing, but it's in the doing. When you sold and exited 10X Investments as the founder and successful CEO of that company at the end of 2022, sorry, end of 2020, actually, you told a newspaper, you said, I'm very proud of being a force for good in the retirement and investment industry.

[00:23:14] **Mike Abel:** That obviously then implies that their forces that are not so good. What was your experience of that?

[00:23:21] **Steven Nathan:** Well, the reason I started 10X is that I believed that the retirement fund industry was self-serving. Did a great job for itself. You mentioned, uh. The people who fly on Concord. Yes. Yes. There was a book in 1930s called Where Are the Customers Yachts?

[00:23:39] **Steven Nathan:** And I don't know if you were referring to that. No, that's interesting. Fred Shredd. It's a famous book. It's written in the 1930s. It's in New York.

[00:23:45] **Mike Abel:** It's a prescient observation of mine.

[00:23:49] **Steven Nathan:** Exactly. So they, they, and it's, it's, they were looking in New York and all the customer's yachts and you know, that belongs to JP Morgan and that's Mr. Stanley's yacht and, you know, and the person said, well, where are the customer's yachts because they weren't there. Those are the customer's yachts. Yeah, exactly. They just don't have access to them. Yeah. So, I mean, it's very interesting because. Early on in my career, I was an analyst on the JSC and I was covering the life insurance companies.

[00:24:16] **Steven Nathan:** So, Liberty, Momentum, Old Mutual. I would ask the CEOs, a simple question of all those life companies is, who's got the best RA? Which is a pretty fundamental and simple question. You know, because they've all been in the business for between 50 and 170 years.

[00:24:35] **Mike Abel:** So I just want to tell our listeners an RA is a retirement annuity.

[00:24:38] **Steven Nathan:** Exactly. So the retirement annuity, the investment product, and you would say, well, who should I go to? If I want to save for my retirement, who should I save with? Yeah. Because they've all been around for many, many years and they have millions of investors. Yeah. But you have no idea. You don't know who's got the best retirement annuity because they don't want you to know who's got the best retirement annuity because it's all about the marketing.

[00:25:01] **Steven Nathan:** And as you say, creating these expectations down the line, it's not about the rands and cents. So they all have, once again, it comes to things that sound attractive. So they'll, it used to be, In times gone by, it was that, uh, if you were at Liberty Life customer, you would have a Liberty Life investment product, old mutual, the same.

[00:25:18] **Steven Nathan:** And even then you couldn't tell the difference, which would say, well, if you've all got their own product, at least then there should be some kind of scorecard and benchmark. And then they moved to what they called open architecture, which is let's offer you the best of breed so that you can have the access to the best fund managers.

[00:25:31] **Steven Nathan:** So instead of having maybe five choices, you've now got one and a half thousand choices. But no one knows who the best fund manager is. So, you know, it's things like that where the poor customer, the person trying to save for retirement, they are so disempowered. There's so much complexity. They have no idea what to do.

[00:25:48] **Steven Nathan:** And, you know, when I started 10x, what we wanted to try and do is to reverse the model on its head. So even to this day, if you're an individual or you receive a company and you ask a financial advisor or retirement fund company, A simple question, like how should I say for my retirement?

[00:26:05] **Steven Nathan:** It's a simple question that hopefully they would have answered in an X million times.

[00:26:10] **Steven Nathan:** But there's a bit of a pause and they go, Oh, it depends. You know, Oh, it depends. It depends on many things. You know, at the moment, the U S may go into recession and there's conflict in the Middle East and you know, uh, interest rates are high that might come down. So what they say is, well, we don't know the answer, but here's 1, 500 funds to choose from.

[00:26:27] **Steven Nathan:** And, you know, give it your best shot.

[00:26:28] **Steven Nathan:** And what we wanted to do at 10X was to turn that on its head where I said, The industry gives you every option, but no solution. And we want to give you a solution with no options because there are ways to invest that ensure that you invest it appropriately to earn high returns, but not take excessive risk to earn the market return.

[00:26:46] **Steven Nathan:** So you're not paying fund managers a lot of fees to underperform and to pay low fees along the way. And that was sort of the whole essence of 10X. And most retirement fund companies don't do that. They offer you lots of competing choices and you know, this year it might be, The next year, it might be technology's done well.

[00:27:00] **Steven Nathan:** And next year, it might be resources and the year after it might be rent hedges. So they're chopping and changing your portfolio. The investor's got no idea. Most people if you say to them in a year, how did your retirement fund do? They have no idea. They don't know the number. The number would be what is the return.

[00:27:15] **Steven Nathan:** The investment companies invariably not telling you the return unless it was a very good year, then you'll know the return, but otherwise you won't. And even if they said you did 15 percent return this year, is that good or bad? Well, if the market did 20%, then 15 is not so good. So that was the whole essence of doing good.

[00:27:32] **Steven Nathan:** And unfortunately, retirement products are sold and not bought. So people are still disempowered. Hopefully they're less disempowered. Cause I think what we did at 10X is, you know, maybe three things. We gave people confidence to ask simple questions. What should I be doing? You know, knowing that you should be sceptical and blind faith is seldom repaid in the investment industry.

[00:27:53] **Steven Nathan:** The second thing is we made people aware of costs. So a lot of people, you know, have become far more aware of the total cost of investing because that seemingly small fee. While it may not have an impact in one year, in the long run, it's devastating. So we made people aware and sensitive to fees and hopefully negotiating lower fees because the lower fees, the more money you have and the more that compounds.

[00:28:16] **Steven Nathan:** And the third thing is, is also be sceptical of fund managers. Because 80 or 90 percent of fund managers underperform the index and you'd be better off owning a low cost index funds, no matter how impressive they seem when they talk.

[00:28:28] **Mike Abel:** Well, it's very interesting around the notion of things being opaque and not understanding what they're about.

[00:28:36] **Mike Abel:** I recall in about 2000, yeah, about 24 years ago when I was co leading the Ogilvy group, the late, uh, and great Robin Potter, uh, brilliant ad man asked me to be the representative of the company. We had 12 companies in the group and 900 people. And he asked me to sit on the retirement, I guess, decision making board, the retirement committee for the company.

[00:29:04] **Mike Abel:** And nobody had had any interest in the retirement committee. And it was like, for me, it felt like such a, an enormous responsibility because all of a sudden I was responsible for 899 plus myself, 900 people's retirement, and it struck me as being unbelievable almost that there had been so little interest in the decisions that were being made around the people's retirement.

[00:29:32] **Mike Abel:** Is that a common thing when you look at companies? Do companies obsess themselves with the retirement of their employees? And should employees be asking questions themselves to say, well, what does my retirement look like, as opposed to sitting back thinking that's taken care of. So within my group of companies, I look after, as you know, everybody's retirement with great concern because I understand how important it is.

[00:29:59] **Mike Abel:** But there does seem to be an enormous level of apathy within companies about how their employees are going to retire one day. Is that a common feature?

[00:30:09] **Steven Nathan:** Yeah, it is. If we just look at the history of pension funds, there used to be an obligation on the company to basically provide your pension. Yeah. Okay.

[00:30:18] **Steven Nathan:** And what that meant, it was called a defined benefit, but basically what it said is that, you know, for every year service, you would get, let's say two and a half to 3%. Let's, let's keep it simple. 3 percent of your final salary. Okay. So if you worked there for 30 years, then you would get 90 percent of your final salary.

[00:30:34] **Steven Nathan:** The company was obliged to pay that as a pension. So it was a liability. It was a, it was the company had to fund your liability and that was called defined pensions. And they were wonderful for employees because your pension future was not at risk. Yes. The employer took that risk. And the reason the employer assumed that risk, is because they have the expertise to work these things out. You know, they've got the technical expertise and the financial expertise to do the best job. The employee would not have that ability. So it was a very clever system.

[00:31:09] **Mike Abel:** Yeah.

[00:31:09] **Steven Nathan:** But then what happened is that companies didn't do a very good job of managing it.

[00:31:14] **Steven Nathan:** You know, it's a bit short term orientated. So let's not fund the pension enough. We'll have a bit of a pension fund holiday this year because I want to boost company profits and maybe my share options are expiring. So those pensions started to get what we call underfunded. So they weren't managing them very well and their future commitments were increasing relative to the underlying investments to support that.

[00:31:34] **Steven Nathan:** So then you had the pension fund industry with all the pension fund consultants identify a moneymaking opportunity. And they said, you know what? This defined pension is not very good. Take it off your balance sheet, give it to the employees. And remarkably, what happened is that the liability was

taken away from the company and put on the unsuspecting and unknowing employee who's got no ability.

[00:31:59] **Steven Nathan:** Well, not no ability, but you know, far less resources and ability to do a good job of it. So if you went back 30 or 40 years and you sat in a board meeting of a company, the pension fund liability would be a top three item because it was financially important. It's, ignore the moral. Yeah. Even if you didn't have a moral, you, you didn't feel you had a moral obligation. Today, it's not even on the agenda. The board has no idea because it's, you know, financially they're not, they're not interested. I mean, interested both in the sense of a financial interest and morally having some obligation, which is very, very sad. You would be on the more unique side of an employer taking, you know, being genuinely concerned and interested to make sure that your employees are getting a good deal.

[00:32:40] **Mike Abel:** Which in itself is an endowment of profound...

[00:32:43] **Steven Nathan:** Unfortunately, unfortunately it is. Uh, and if you look in South Africa, I mean, I've engaged with a lot of the pension funds and there are some companies who do a great job. Yeah, it really are. They've got high contribution rates. It's been well managed. They've got a good pension fund committee, uh, overseeing it, but unfortunately that is the exception, not the norm.

[00:33:01] **Steven Nathan:** Most people, no one wants to be on the pension fund committee. So, you know, the senior people aren't there, you know, it's who else can get on as maybe, you know, people who may have a good intention, but they're not always have the right skill set to manage it. And we have what we call, you know, it's the tail wagging the dog is that the pension fund consultant and the investment manager tells you how well you're doing rather than someone objectively saying, well, actually, you know, are we doing the best we can for our employees?

[00:33:26] **Mike Abel:** Some hard questions there that those that are listening should be asking the companies that they work for. Fortunately, you know, I say that without any concern for my company, but I agree, you could ask those questions because that thing that you're contributing every single month that you know so little about is going to make a profound difference to your life one day when you're not in a position to be earning.

[00:33:51] **Mike Abel:** We're going to now focus a little bit more on you, You were a highly rated provincial squash player when you were younger. What did sport at that level teach you, I guess, in applying to your approach to life today? Because you're a very disciplined man. Does it come from sport? Where does it come from?

[00:34:08] **Mike Abel:** And as you sit in front of me, not that much younger than I am, probably a year maybe, you look in showroom condition. So how does that happen and what did you learn from those early squash days?

[00:34:20] **Steven Nathan:** So, yeah, it's an interesting question, Mike, because it's kind of. It was my personality. Let's say, and some of my characteristics moulded by sport or did my personality lead me to want to be competitive in sport?

[00:34:33] **Steven Nathan:** And I think it's the former. I think that from a young age, I always wanted to do things well.

[00:34:38] **Steven Nathan:** I always wanted to perform and, You know, growing up as we did in South Africa, sport was a massive, part of our culture. School was important. Yes. But it wasn't kind of critical. You know, you kind of always had a sense that you were going to be okay school-wise, you know, academic-wise, unless maybe you wanted to be a doctor, which I didn't want to be.

[00:34:56] **Steven Nathan:** So sport was everything. And I've, you know, I always had a desire to play sport at a competitive level and to be good at something. And to hopefully play provincially and you know, who knows, take it further. And so given my personality and wanting to excel and I loved squash. And it was also, it's an interesting sport because it's one of the few sports that you can play on your own.

[00:35:18] **Steven Nathan:** You know, you can go and practice on a squash court, not like tennis.

[00:35:20] **Mike Abel:** Although I did spend many hours against a tennis wall, but yes, I get the point.

[00:35:24] **Steven Nathan:** It's not exactly the same thing.

[00:35:27] **Mike Abel:** No.

[00:35:27] **Steven Nathan:** So what it taught me is that discipline, perseverance, hard work pays off. Yeah. I'll never forget the first tournament I played, I think it was an under 15, the Transvaal under 15 championships at the old Hillbrow squash center, which I don't know. I'm sure some listeners will remember it was a magnificent center, squash center in Hillbrow. I played the number one. See the number one in South Africa and he absolutely killed me and I was bouncing off the walls because I was trying so hard, but my skill was just very poor.

[00:35:57] **Steven Nathan:** My determination was way ahead of my skill level. And you know, I lost three love and I came off and I was absolutely exhausted and, you know, but it taught me, keep on persevering. You've got to come back. You've got to fight. You've got to learn and you've got to improve. And a few years later, I actually beat that person to win the South African under 19 championships and it was just, you know a phenomenal feeling and one of pride. So I think sport, it's about discipline. I also, you know, fortunately, fortunately I wasn't very talented. I mean, I was good, but I wasn't super talented. And why I say fortunately from two reasons, the one is I had to work hard. So I had to work a lot harder than other people.

[00:36:34] **Steven Nathan:** And secondly, I was never that good that I could go professional. And professional squash is not really a career. So it was kind of, I was in quite a good sweet spot where I had to work really hard, but I was never going to be that good that I could be a world beater. And I met amazing people. And I think that's another big thing is you meet people.

[00:36:50] **Steven Nathan:** Also, when you're playing sport, you meet people of different ages. So I was at school and I was playing in the men's league and then I would be engaging with much older people. And I've always had a bit of a scepticism towards authority. And I think Mike, this is where I think you might have a similar, a similar affliction.

[00:37:08] **Mike Abel:** Innocent as chalk.

[00:37:10] **Steven Nathan:** You might have. And you know, I'll never forget. We played against the teacher's college. So I was a schoolboy and I was playing as a teacher's college. And then all of a sudden you're on the same level, you know, it's no longer a teacher. Exactly. Teacher, pupil. Exactly. It's first names.

[00:37:22] **Steven Nathan:** You know, it's no longer Mr. Abel. It's Mike. The person says, what school are you at? And I told them the school. And then he said, oh, is this person a teacher there? And he said, yeah. To the teacher who I didn't like. You know, and he said, well, you know, that guy's an absolute, gotta be careful what I say on your show here, you know, nob, but yeah, and I said.

[00:37:42] **Steven Nathan:** That's right. You know, he is, but it was like, like, like say liberating and empowering, you know, you could actually have that kind of a conversation.

[00:37:50] **Steven Nathan:** So the network's been amazing. Just, you know, meeting great people along the way. And even a lot of the friends I have today, and even from a business perspective, you know, are my squash friends from who knows, 35 years ago.

[00:38:00] **Steven Nathan:** Yeah.

[00:38:01] **Mike Abel:** What I love about that story as well is. that you didn't say when you came off the court when you were 15 that you were gutted. You came off realizing that that person was better than you. That there was a lot that you could learn from that person and that you were actually inspired to take those lessons and to master it to beat that person four years later at 19.

[00:38:27] **Mike Abel:** And I think a lot of people look at adversity in the moment as a defining moment. And maybe it is a defining moment, but for you, it was a defining moment for growth, not for retreat. And I think that's for me, one of the most important things in my life, you know, a company that, so when I applied to work at Ogilvy Cape Town as a graduate trainee, I was declined.

[00:38:50] **Mike Abel:** I wasn't accepted for the graduate trainee program. And then they had to come and headhunt me two years later when I was working at an agency in Johannesburg to come and work for them. And then a few years later, I was the managing director of the company. If I had taken that rejection to heart. and thought well I'm not good enough for this company.

[00:39:08] **Mike Abel:** I realized it was more a factor of their poor taste and judgment than my talent. And whether it was or wasn't is a separate matter altogether. But I do think that when you have these challenges in your moment and, and that is something that you've reminded me in terms of sport particularly is just that it teaches you resilience to bounce back. Do you think the fact that squash is not a team sport, but something where you are responsible entirely for yourself, for your performance, was something that mattered, or was it just something that you gravitated to automatically?

[00:39:44] **Steven Nathan:** Yeah, so I think that firstly, I like to, and certainly at that, at that stage, I like to rely on myself more than others.

[00:39:52] **Steven Nathan:** Some kind of thing. Let me rely on myself. Let me back myself. Yes. Not that I, I mean, I enjoy team sports, but it was more a thing of, this is something I can do myself. I can train when I want to, I can get up when I want to. I don't have to rely on, you know, five or 10 other people getting together. So I like that aspect of it.

[00:40:10] **Steven Nathan:** Yeah. But I think if you look at all individual sports, those individual sportsman, love team sports, sometimes more. So if you look at Davis cup would be a good example. Yeah. And if you look at golf, you look at Ryder cup, you know, those golfers are more pumped up and they more excited when they're playing in the team.

[00:40:28] **Mike Abel:** Yeah.

[00:40:28] **Steven Nathan:** So I think, you know, ultimately we love people. I think being part of a community and a team gives more satisfaction. And if you're playing an individual sport where you don't have that team around you, you probably value it more. So I did have uh, it's squash. We did play provincial, which was team events and there's a lot of fun.

[00:40:44] **Steven Nathan:** So I think it's about, it's about a balance, but I wanted to come back, Mike, what you said about sort of adversity, you know, it's really important and it's important at all ages, especially I think for our children, where if you're in an environment where, everything's paid for you and every minor hiccup you have as a child, you know, your parent, if you're not in the right school team or the right class or the right, this or the right, that, you know, your parent, I think they call it a helicopter parent these days, of which there are unfortunately, More than there should be.

[00:41:15] **Steven Nathan:** Yeah. The child never experiences any adversity. And the first time they do experience adversity, it's so devastating to them. So like with my kids, I try and let them experience adversity and let them know they're going to experience adversity. And I think a lot of people have become too soft. I think society has become too soft where we said life should be fair and it's unfair.

[00:41:35] **Steven Nathan:** And life is unfair. Not always the best people get selected and there might be prejudice and bias. But if you have an attitude that life is unfair and when something happens to you, you go, yeah, life is unfair. You're never going to reach your full potential and you're never going to break through those glass ceilings.

[00:41:50] **Steven Nathan:** And I think the book teaches you that.

[00:41:52] **Mike Abel:** Absolutely.

[00:41:53] **Bookstore:** The street store turns 10 this year. The world's first rent-free, premises-free, free pop-up store provides a dignified shopping experience to those in need, allowing them to choose from a selection of pre-loved clothing and shoes. Over a thousand stores have been hosted around the world in the past decade. And now we're calling on you to host your own. Visit the streetstore.org to sign up and find out how.

[00:42:20] **Mike Abel:** While you're speaking, I'm reminded of the old kind of ancient religious wisdoms of the Kabbalah or the Kabbalah as the Americans say, where there's aah that says, challenge is your only opportunity for growth.

[00:42:37] **Mike Abel:** And what that means is that without challenge, you can't grow. And as parents, that is what we today have been taught is to remove every obstacle from our children's lives. I think I've touched on this maybe in another podcast where I said, Margaret Thatcher says she was born with two distinct advantages.

[00:42:58] **Mike Abel:** She had good parents and they were poor. I think one of the greatest fears, you know, I think a lot of us are motivated by hope and a lot of us are motivated by fear, or any combination thereof. And I grew up in a home where it was feast or famine in terms of my father in terms of his career, either his shops were booming because he had retail shops when the economy was strong or they were in a dire situation.

[00:43:25] **Mike Abel:** And unfortunately for my very brilliant and successful grandfather, he just made sure that things carried on along on an even keel, whether it was boom or bust. But I did look at that as a kid and I thought, I never want that level of uncertainty for myself. My dad was one of the world's great optimists and an incredible dad and a wonderful human being.

[00:43:47] **Mike Abel:** But he was a Walter Mitty. He was like a bit detached from the reality, kind of thought that if you thought things would go well, they would go well.

So I think that those childhood things that you refer to, they do in many ways shape it. And I think that what I've, I don't know, I've been working for 35 years, and in 35 years, I've literally worked for three companies in that entire time.

[00:44:11] **Mike Abel:** And I think that most of it, I think, has been led by hope. But I think there has also been a degree that's been led by fear of uncertainty, of a lack of predictability, of removing barriers from our own life. In your vast career, you must have learned an enormous amount about human nature. What would you say about human nature you still don't understand?

[00:44:34] **Steven Nathan:** People are complex. Yeah. And I think that there's degree to their complexity. You know, some people, what you see is more or less what you get and other people, it's the complete opposite. I think I've learned to try and empathize more and to try and put myself in that person's position. So before I judge someone, or maybe not before, because I think your first instance is to judge, but let's say you judge them unfavourably, but whatever it might be is to try and put myself in their shoes and try and understand where they are coming from, but people are wonderful and people are terrible. It's the same thing. I remember in 2010, I interviewed John Bogle and John Bogle in United States in Boston, he is the founder of Vanguard. And Vanguard is the biggest investment company in the world. It's an absolute behemoth. And he's an, he's a legend.

[00:45:24] **Steven Nathan:** Shame he passed away. You know, he's all about simple, low cost investing and he shuns all these hedge funds and complex, expensive products. And I asked him, I said, what is your view on hedge funds? Yes. And I was expecting him to, to say to me, they're terrible. And he said, well, you know, that's like asking me, how do I feel about people?

[00:45:42] **Steven Nathan:** Some of them are good and some of them are bad. I think it's about trying to have a better understanding of people and be less judgmental and try and be more inclusive and try and see things from, from their side. Essentially when you're running a company, you know, one of the things is when people aren't performing in line with the culture or expectations, how much should you do to bring them up? And you know, that's, you know, how do you invest in people? And, and I, I've had experiences where when you invest in people, you know, some people you investing, you are able to turn them around and get much better results and some people it's very difficult. So it's almost as if, as if you're not going to be able to, you know, influence people.

[00:46:17] **Steven Nathan:** And I think that's the same in life. And maybe one thing that was interesting for me is when I was running research in South Africa for Deutsche Bank, I was also responsible for handing out bonuses to our research team. And the bonuses were sizable. I mean, a lot of money was made. There was always be a bonus day and we'd sit down with the various team members and you tell them their bonus.

[00:46:39] **Steven Nathan:** And it was like playing poker, because the very successful analysts, the number one rated analysts, you know, they would have expectations of very high bonuses. And I would sit down and I can still see it to this day. You tell the person what their bonus is and the higher the bonus, so the more people were paid, the less positive response you got.

[00:47:02] **Steven Nathan:** So you'd say to them, you know, you got X million, which was an astounding amount of money. Yeah.

[00:47:07] **Mike Abel:** The minute you just mentioned X million, you're talking about 15 years ago. Exactly, exactly.

[00:47:12] **Steven Nathan:** No, no, no. It's big, you know, and they would just look at you. They wouldn't be a thank you. Not that we didn't have to thank me, but on behalf of the company, you know, you can thank me on behalf of the company, you know, and they would just go, then you're trying to say, well, are you happy with that?

[00:47:22] **Steven Nathan:** You know, you don't want it to be unhappy. You know, you're happy. You know, it's, you know, it's, uh. It's fine. It's okay. It's in line with, you know, it's, it's, it's at the bottom end of my expectations, you know, like, yeah, I'll probably won't leave. I'll probably, you know, like, you know, I'll probably do your fav and spend another year here and you're going through this process and then our executive assistant who got the bonus and, you know, her bonus was the lowest bonus by country mile.

[00:47:48] **Steven Nathan:** And I said, Alison, this is your bonus. And she, she stopped breathing. And she went, I actually thought she was going to have a heart attack. She was so emotional, that, you know, it made a big difference in her life, kind of taught me a very good lesson about, you know, people, their relationship with money, their reactions to money.

[00:48:12] **Steven Nathan:** It was a good microcosm of, you know, what goes on in society as well.

[00:48:16] **Mike Abel:** Well, you know, you spoke a little bit earlier about gratitude and not necessarily, I guess, that one needs to be grateful or not grateful for a bonus per se, but for what that means in your life, what you can do with it, what the difference would be.

[00:48:31] **Mike Abel:** And how sad it is that somebody that's getting a lot of money is dissatisfied and somebody who's getting a little bit of money, but in their lives, transformative money, has a much richer experience of that moment. There's a big lesson there. Which brings me to my next question, which does cut to understanding people better and human psychology.

[00:48:54] **Mike Abel:** So, you're now involved with Sense, a disruptive market research company. As well as an innovative health care company in the States with a

mission to transform the global health care industry. What are you hoping to disrupt and to transform through these two ventures?

[00:49:11] **Steven Nathan:** Well, let's start with Sense. I mean, Sense, I think, you know, market research in and of itself, I mean, it's interesting, but for me, it's not that it's not, I'm not superbly interested in market research, but what I'm interested in with SANS is the ability to disrupt that industry in a sizable and scalable way. So you say, I'm not sure if you've spoken about this before, but you know, Sense.

[00:49:36] **Mike Abel:** I haven't, not on this podcast series.

[00:49:37] **Steven Nathan:** Okay. So here we go. Let's see. Is about, let's call it 70 percent of what people actually think is nonverbal. So what they tell you and what they write in a questionnaire is not what they fundamentally believe. And I think what's fascinating is to use technology, be it through voice, tonality, pitch, body language, and just the way people talk.

[00:49:59] **Steven Nathan:** So to use those nonverbal cues with technology to get deeper insights, I think is fascinating because it gives people a voice and maybe their true voice that they might be afraid to express. So I think that, you know, marrying that technology and getting far bigger insights and then having the ability to do that at scale.

[00:50:16] **Steven Nathan:** So we use avatars in Sense. So it's not a person, but it looks like a person and it's a person that you can relate to and you're far more comfortable. So you scaling deeper insights, and then you can give people a voice for other things. So you can get marginalized communities who may not have a voice because it's inaccessible and it's too expensive to do research into what actually matters to people.

[00:50:36] **Steven Nathan:** Let's say, you know, disadvantaged people, whether they might be whatever in a rural area, they might not have, access to running water, or they might be in a township, but we can't actually get to understand their problems and what is important to them. So I think Sense has got that very interesting ability to do that.

[00:50:51] **Steven Nathan:** And it's the technology behind it is very, very interesting.

[00:50:55] **Mike Abel:** And our people are going to say, well, Stephen, if they don't have access to running water, what access do they have to Sense research? And I think that's the point at which you say, well, there is practically a hundred percent smartphone penetration in South Africa.

[00:51:09] **Mike Abel:** And how I think the technology and mobile phones, if you like, I mean, whether they're mobile phones or not is another thing because you'd almost do everything else on it except for make phone calls. But I think of that, technology

does unlock a myriad of opportunities for growth in South Africa and new solutions and new solutions obviously come from unexpected sources.

[00:51:32] **Mike Abel:** Old solutions come from expected sources. The voices that you don't hear often to get to new solutions. So if you then look at your healthcare company, how different is that in terms of what you're trying to do?

[00:51:45] **Steven Nathan:** So I know close to zero about health care. Yes, but through a friend a former South African who's been living in the US for over 35 years.

[00:51:54] **Steven Nathan:** He was a former professional tennis player. His name is Mark Kaplan. He actually played in the final of the SA Open against Wayne Ferreira the one year. A healthy guy in his fifties had a heart attack, rushed to hospital, two stents put in his heart. His cardiologist diagnosed him with high cholesterol, high plaque, and said it's hereditary.

[00:52:11] **Steven Nathan:** You must take statins. Took statins, felt terrible, couldn't get out of bed after six months. And he decided to seek alternative cardiologists who didn't believe that statins or didn't believe that cholesterol was the cause of heart disease, a main risk factor. And there were other risk factors, primarily being insulin resistance.

[00:52:31] **Steven Nathan:** And it's kind of your intolerance to carbohydrates. Anyway, long story short, he fired his cardiologist and he got a new team and it took him 18 months, but he got himself right. And he got back on, he's the same weight now that he was on the ATP tour. His energy is phenomenal. His brain fog was cleared.

[00:52:50] **Steven Nathan:** It was transformative. It was a real game-changer for him. And then he decided that they, all of these, what are called metabolic health doctors around the world that are practising this type of medicine, which is very much, you know, when we talk about metabolic health, we're talking about our metabolism, which is our ability to process what goes into our body to give us energy.

[00:53:10] **Steven Nathan:** And if you think about how our diet has changed, you know, what we're eating, a lot of toxins are going into our body and that causes many of us to be insulin resistance. And that is the root cause of many chronic diseases. It's quite fascinating. So if you look at obesity and type two diabetes and Alzheimer's and cardiovascular disease, one of the main root causes of all of those diseases is poor metabolic health.

[00:53:32] **Steven Nathan:** And so what we're doing is we are consolidating all these metabolic health doctors. So there might be GPs, internal medicine, radiologists, cardiologists, health coaches, nutritionists. And we're trying to scale metabolic health because it's all about preventative healthcare. And the similarity with the healthcare industry and with the investment industry is conflicts of interest.

[00:53:55] **Steven Nathan:** Now this is, I don't know how much time we got Mike, but this could be topic for another day. Because if you think of a healthcare industry, it's a sick care industry. The industry only makes money if you're sick. Yeah. So if I'm sick, I'm going to need pharmaceuticals, I'm going to need medication, I'm going to, you know, need blood work done.

[00:54:11] **Steven Nathan:** I'm going to go to hospital. You know, if I'm healthy, who's going to make money off me? It's very, very interesting. And as a bit of a contentious point over here, I'll give you an example. You look at like discovery, you know, so discovery is a phenomenal company and they have innovated a lot, but discovery, you know, one of their goals is to make people healthier. Yeah, I think probably like the main vitality. That's what you associate with them. Driving good behaviours towards health. Exactly. Okay. So people are healthier. It means that they're going to spend less on healthcare, which means that your medical aid premium should come down because your medical aid contribution discovery can only make a fixed percentage of whatever your premium is.

[00:54:50] **Steven Nathan:** Let's say 15%. That's all they can make. But if you're healthy, then I'm going to spend less on my medical. So my medical aid contribution is going to fall. But if it falls, then discovery makes 15 percent of a smaller contribution. They make less money. It's not going to be a very good business model. And as brilliant as discovery is in terms of, you know, the vitality and making people healthier and their sheer size, they are so much bigger than anyone else.

[00:55:15] **Steven Nathan:** They're not cheaper. It's the same medical aid contribution, more or less. It's the same as in the, in the U S where they have health insurance. So there's a lot of vested interests that aren't necessarily interested in making us as patients, consumers, healthier. And if you look at the trends of obesity and type two diabetes, the risk and the prevalence of that is increasing dramatically.

[00:55:35] **Steven Nathan:** So the more we spending on healthcare, the actual healthcare outcomes are getting worse. And that's what we're trying to address at HealthQuest.

[00:55:41] **Mike Abel:** Well, that's very fascinating to consider, but what I like about any life company that does try and drive good behaviours is at least they're trying to do that as opposed to being more vested in sickness than they are in health.

[00:55:56] **Mike Abel:** I kind of want to gravitate a little bit towards the ones that are more vested in health.

[00:56:00] **Steven Nathan:** No Discovery is doing a great job, don't get me wrong. They, you know, their vitality program and as you say, encouraging people to exercise. But there is a commercial interest, which is interesting to think about.

[00:56:10] **Steven Nathan:** Yeah.

[00:56:11] **Mike Abel:** Very interesting. Very interesting. The other thing I'm going to come back to and pick your mind about later is statins because I am on a statin for my cholesterol. And if there's a way of solving that problem without one, I'd be delighted to hear.

[00:56:24] **Steven Nathan:** Mike, is there a point in the show where we say this is not medical advice?

[00:56:28] **Steven Nathan:** Consult your physician. Absolutely. This is not financial advice.

[00:56:31] **Mike Abel:** We are having a conversation. We're not telling people what to do with their retirement. We're not telling people what to do with their research, with their heart, anything else. But you're a wise man and I appreciate your honesty around that. So we're now in the homestretch of our conversation.

[00:56:47] **Mike Abel:** And these conversations are designed to empower, I guess, our listeners to make smarter decisions about their lives, or to have ah-ha moments, or even to strongly disagree with what we are saying. Because why do two people need to agree on everything? Because as they say, then you only need one of them. But Steve and I have great respect and admiration for your thought processes, as you know, and you as a person, a human.

[00:57:12] **Mike Abel:** If you were to give a 21-year As your final question from me, just one piece of advice, financial or otherwise, what would that one piece of advice be?

[00:57:25] **Steven Nathan:** It would be to trust yourself and to back yourself and be sceptical, maybe inquisitive is a better word. These days you've got access to so much great information.

[00:57:38] **Steven Nathan:** Finding information is not always that easy because you've got to look at the source. I think there's enough credible information out there for people to back themselves. And if it comes to sort of, as an example, finance, so if it comes to finance, you know, I'd say to them, do not listen to Bloomberg or CNBC.

[00:57:58] **Steven Nathan:** If you watch the financial news, you might think that you're learning something about finance, but you're not. It's very short term orientated. People are mostly hysterical. They're trying to confuse and disempower you. And the more that I listened to those programs, the worse I am as an investor, but I could find out what are the strong principles of investing.

[00:58:18] **Mike Abel:** Yeah.

[00:58:18] **Steven Nathan:** You know, And then you say, learn from successful people. What's amazing with investing is you've got someone called Warren Buffett, who we all know well by now,

[00:58:26] **Mike Abel:** 90,

[00:58:29] **Steven Nathan:** I think he's 93 or four, still stays in the same house. I visited that house in 2007, same house in Omaha, which is a very average house in Omaha.

[00:58:41] **Steven Nathan:** He still works every day in the same office. You know, that's happiness. So he's, you know, it's not about the money. It's about the joy he gets out of it, but you can. Go on YouTube and you can Google Warren Buffett's best investment advice. And not only will Warren Buffett give you brilliant investment advice, he'll give you brilliant life advice, you know, who to hang out with, who your peers should be, but somehow people don't gravitate there.

[00:59:05] **Steven Nathan:** If you look at Warren Buffett's best investment advice, you'll see a YouTube video that might have 50, 000 views, you know, and then you'll see some arbitrary person, I don't know doing some arbitrary thing and they'll have 200 million views. So I think people have got to invest more in themselves and back themselves.

[00:59:23] **Mike Abel:** So be more discerning about what you look for and take in. Yeah. Yeah. Because, I mean, there's so much shit being thrown at people every single day on social media, particularly on things like TikTok and all of the like, none of which is believable really or very little. Most of it's divisive nonsense, rather invest your time in quality endeavours.

[00:59:45] **Mike Abel:** I mean, it's funny you say that because a number of years ago I was doing a talk and I, I wanted to hear a bit of wisdom about civilization and humanity from. One of the greatest minds of our time, Stephen Hawking, to your exact point, and I went onto YouTube and he was talking about life and the universe and our future civilization.

[01:00:04] **Mike Abel:** And over a five year period, I think it was about 1. 7 million people had watched it. And then I did a bit more searching and I saw 26 million people had watched a dormer mouse snoring in a girl's hand. I think a greater number had watched a girl crying about how much she loved her cats. I think about 700 million people have watched Miley Cyrus come in on her wrecking ball and over 2 billion people had watched Cyrus Gangnam Style.

[01:00:30] **Mike Abel:** And it was astonishing to me, exactly corroborating what he's saying. So I do think for our listeners is spend time absorbing and listening to brilliant people like a Warren Buffett because they've got sage wisdom and they, they once in a generation, once in a lifetime people to learn from. So...

[01:00:52] **Steven Nathan:** And also if you read a good book or something, if you, you know, so if you want to understand investing, what I used to do is give people John Bogle's book called the little book of common sense investing.

[01:01:03] **Steven Nathan:** It's a very easy read. It might be 150 pages, but they're not thick pages. It's very, it's a, now, if you read that book. You will have a very good understanding.

[01:01:12] **Mike Abel:** The Little Book of Common Sense Investing.

[01:01:15] **Steven Nathan:** Wiley's the publisher. Little Book of Common Sense Investing. Fantastic. Easy, easy read. And that book will explain to you investing.

[01:01:23] **Steven Nathan:** It'll explain the principles of investing, how to make investing work for you, the impact of fees, not chasing the biggest fad, how to save properly, responsibly. You know, you'll read that book. It might take, I don't know, four hours, maybe, you know, maybe you read it twice because the second time, and also you'll get to the principles, you know, and you spend that time and you'll have a foundation that will be with you forever.

[01:01:47] **Steven Nathan:** Whereas what people will do is they'll spend more than that eight hours on nonsense. Maybe sitting in front of CNBC, you know, watching someone talk about the latest inflation figure, and now we've got the non-farm payrolls coming, it's all meaningless. It's just meaningless, you know, but you sit there and you're lazy and it's, yeah.

[01:02:04] **Mike Abel:** Well, we're going to close on that and I'm going to throw another book in that you gave me about two years ago to read, which was, I think called The Psychology of Money by Morgan Housel. Yes. I thought that was an outstanding book as well, so maybe you read those two books.

[01:02:16] **Steven Nathan:** Without a doubt. I gave that to my 19-year-old son to read on his vacation, Sam.

[01:02:21] **Steven Nathan:** I said, you read this book.

[01:02:24] **Mike Abel:** Good. Well, welcome to Sam for financial advice in a few years. Stephen, it's been absolutely fantastic to chat to you today. Thanks so much for sharing your invaluable time with me and giving our listeners such food for thought.

[01:02:37] **Steven Nathan:** Thanks, Mike. It's a lot of fun.

[01:02:47] **Mike Abel:** Thanks so much for listening today. If you enjoyed this podcast, why not leave us a five-star review? Tune in to Willing and Able next time for more conversations that challenge perspectives.

[01:02:58] **Credits:** This podcast is produced by 2Stories. Written by Linda Scarborough, produced by Carol Williams, with audio editing, engineering and sound design by Kozi Mzimela, with production assistance from M&C Saatchi Group South Africa's team, Maciek Dubla and Nadia Siegel. Special thanks to Sonic Nursery and Edible Audio for the recording of these episodes.