What do ODIs and OBI have in common?

Rowan Burger Head of Client strategy at Momentum Investments believes that, “chasing down a cricket total is a lot like saving for an outcome”. You need a good balance of chasing runs (returns) to offset losing wickets (risks). In the One Day International (ODI) format, you obviously have a different approach chasing down 200 runs versus 350 runs in a 50 overs match. When chasing a lower total you have the option of pacing yourself by just knocking around the ball for ones and twos and an occasional four here and there, basically you take less risks. But when you chase a large target like 350 runs, you are forced to take riskier shots in order to reach it.

This is similar to investments. While all investments carry some sort of risk whether it is economic downturns, inflation or other factors, the higher the investment risk, the larger the potential return on investment. Outcomes-Based Investing (OBI) is about maximising the chances of you achieving your investment goals, even through volatile markets and obstacles like inflation.

Saving towards a set outcome is similar to being the team that bats second (chasing). Unlike the team that bats first (conventional investing) and who has a score in mind but who can live with not reaching or exceeding it, they already know what they have to do to get to their goal in that set timeline. They also have an idea of how to pace themselves and when they just have to go for it. Keeping in mind factors that would influence the game i.e. the weather, injuries, losing wickets

Conventional investment strategies often focus solely on returns or to outperform a group of competitors.

And just like an ODI fan will stay glued to the screen throughout the world cup, so should the OBI investor stay the course and stay invested throughout the term to achieve the desired outcome.

Momentum media release