

SOUTH AFRICA

A GUIDE TO NAVIGATING A
TREACHEROUS FUTURE



CAPITALIST
EXPLOITS



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ABOUT THE AUTHORS

WHO WE ARE



[Capitalist Exploits](#) is a proprietary investment research firm specialising in asymmetric payoffs globally. We take a macro view to the world spending an extraordinary amount of time focussed on deep value situations globally resulting from geopolitical events and unfolding macro trends.

As such, the lens we look at this through is not isolated nor is it myopic.

Our team is as diverse as the United Nations and our founder has lived in 7 different countries, lost count of those traveled to and is a well known and respected professional in the investment markets.

This report is therefore a divergence from the sort of work done at Capitalist Exploits as it is not focussed specifically on investment implications (though it touches on that) but rather a report designed to act as a wake up call to us all and specifically to South Africans.

WHERE YOU'LL FIND US



INTRODUCTION

WHY THIS REPORT?

In 2003 I met a farmer from Zimbabwe. Actually, I should say ex-farmer.

He was in his mid to late 50's and had spent his entire adult life devoted to farming his land. I met him in Johannesburg, South Africa. He'd recently arrived after having fled Zimbabwe escaping what was then the early stages of Mugabe's marxist agenda. At the time most folks outside of Zimbabwe hadn't heard of what was already slowly taking place. The media were slow to report it, the world didn't care and it wasn't officially "policy". In short Mugabe and his henchman hadn't gone full retard. Not yet at least.

Unfortunately it was a sign of more to come. Much more!

I felt deep sorrow for him. He had nothing... literally. He'd left the country with his family, each of whom had taken a bag of clothing, jumped into what was a 10 year old Toyota Hilux and fled. Everything had been taken from him as he was forced to flee, which he did with the help of friends and family. And this is how I met him in South Africa.

This man had gone to South Africa to do two things. Firstly to escape being murdered, which was, by the time the mobs began squatting on his farm and surrounding his farmhouse, a very real possibility if not probability.

The nightmare of watching his daughter and wife brutally raped and then murdered in front of him followed by his own torture and death was sufficient to move him.

The second thing that led him to South Africa... and not some other country was to build a new life. His prospects of moving to Europe, the US, Australia or some other country seemed too difficult to him and within Southern Africa, South Africa appeared to offer somewhat of an oasis in what is a rather chaotic and tumultuous part of the world.

At the time, I had strong reservations of this assessment for a host of reasons though I said nothing of my concerns. Remembering that suicides were not uncommon for folks who were going through these things I didn't want to do anything to dash what

little hope he had left. Another reason I said nothing was that I sincerely hoped I would be proven wrong... even though I'd seen ample warning signs to the contrary.

Perhaps this major trend that was somewhat slow in gathering speed would be arrested and reversed. Perhaps... hopefully... maybe. That was 15 years ago and everything since then has been constantly and rapidly proving my worst fears correct.

My liberal left leaning friends may well be outraged by my observations about South African society's most likely path. So let me be very clear:

This report has NOTHING to do with what *should* take place, or what *should* happen, but is based on what *will, in all probability, take place.*

If you want to debate the theoretical, then this is not for you.

As a professional money manager and investor I've been battered from the school of hard knocks, which has taught me very clearly that conflicting what we *wish* to happen with what is *probable* is a bloody terrible idea and a one track road to poverty. And since we've no interested in that we'll not go there.

Additionally we're keenly aware of a media bias that not only ignores what is already taking place in South Africa, but labels any voice against the racism perpetrated against a minority white population "white nationalists" or even "nazis".

It's beyond absurd.

Truth really is stranger than fiction. We have written at length about the ramifications for global financial markets on our blog at [Capitalist Exploits](#) and what is taking place in South Africa is but one of many themes we are covering (we recently ran a webinar on it [here](#)).

Given that my day job is running an asset management firm, managing a hedge fund and a research advisory business you'd be forgiven for thinking this report is about investment implications but that's not what this report is really about. It's certainly not why I sat down to write it.

I grew up a South African, I have friends still in the country and our head trader spent a decade living in the country marrying a South African. In short at HQ here we've both

strong connections to the country as well as a deep understanding of its history, its present and what many South Africans of all ethnic groups are experiencing.

We've lived in dozens of countries, traveled much of the world and studied political, economic, and social conditions across this great ball of dirt orbiting that ball of fire that warms us. In short we're well qualified in this space. We've seen this before and we know all too well what signs to look for. And THAT is why we've written this.

This report has two purposes:

1. To provide South Africans, white, black, pink or purple with *a potential roadmap with which they can form their own thoughts and subsequent actions around*, because the warning signs are flashing red and to ignore them is pure folly. And...
2. To provide non South Africans, or at least those not directly affected by what transpires in the country, *a framework to understand a crisis with, so as to spot them coming* should they ever cause risk to yourself or those you care about wherever you may be.

BACKGROUND

I don't wish to spend too much time on the background which brings us to present day South Africa though it's definitely useful to understand. The history of South Africa and in particular the details of apartheid are both well documented and available to anyone who cares to find out about it.

In short Apartheid was a system of institutionalised racial segregation and discrimination that existed in South Africa from 1948 until the early 1990s. Apartheid was characterised by an authoritarian political culture based on *baasskap*, which encouraged state repression of black African, coloured, and Asian South Africans for the benefit of the nation's minority white population.



This system was abolished in the early 1990's (coinciding with the Berlin Wall falling) and, in 1994, Nelson Mandela was elected president of a coalition government.

That was 24 years ago and in the early years, work was done to bring about economic growth, resources to the poor, and infrastructure underpinning the backbone to the strongest most prosperous nation in Africa.



Suffice to say apartheid was a terrible thing. To treat another human being unfairly and to punish them and hurt them due to the colour of their skin is and always will be abhorrent.

Unfortunately, that did not stop it from happening, and neither will it stop if from happening again in the future. Not now, and likely not ever. This is not mere opinion but has been proven time and again throughout history.

LIFE AFTER APARTHEID

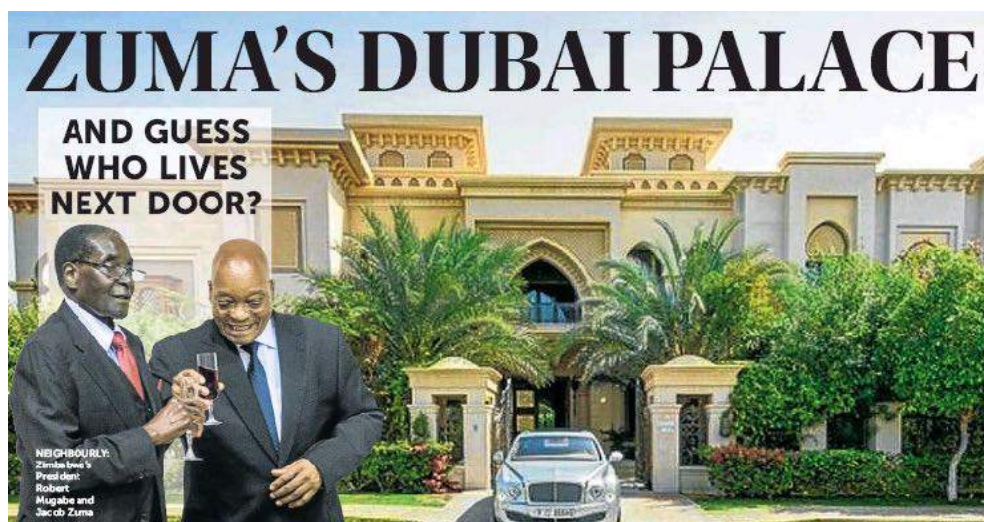
With the death of Nelson Mandela and the ever worsening calibre of leadership within the ranks of the African National Congress (ANC) who led the country out of apartheid, things have been on a progressive slide.

Here are a few pics of the recently departed president Jacob Zuma's homes.



No, this is not a suburb. It's actually one home. But it's not enough... He has accumulated more.

Zuma's palace in Dubai



Realise - this is a guy who, prior to coming to power, was for all intents and purposes penniless. I could point the finger at many others aside from Zuma but the truth is the ruling party the ANC is today as corrupt as they come.

The inevitable results have been a widening chasm between the ultra wealthy and the very poor. Unsurprisingly the middle class has, in recent years, come under increasing pressure. There are many factors contributing to this. The truly absurd level of ever increasing violent crime together with anti white, pro black policies has ensured a brain drain.

Corruption and mismanagement of the country's infrastructure, which is falling apart have led to rolling blackouts and policies which are marxist in nature are gathering popularity.

Most notable of these is the Black Economic Empowerment (BEE) which dictate ownership structures for businesses based on skin colour.

As the wealth gap has widened, the ANC, has unsurprisingly seen support slipping. They are after all the guys in power and logically the party to blame. Now you may think this a good thing until you realise where these previously loyal followers have been signing up...

This imbecilic, murderous thug and his devotees.



Julius Malema, Leader of the Economic Freedom Fighters
Possible President of the People's Republic of South Africa

Here are some choice quotes from Malema to give you an idea of his politics:

**"WE ARE NOT CALLING FOR THE SLAUGHTERING OF WHITE PEOPLE...
AT LEAST FOR NOW."**

"THE WHITE MAN HAS BEEN TOO COMFORTABLE FOR TOO LONG."

"WE MUST IMPREGNATE WESTERN WOMEN AND AFRICANIZE THE GLOBE."

Malema is no lone voice in the wild within the EFF. Ekurhuleni EFF Leader Mampuru Mampuru said the following this year:

"WE NEED TO UNITE AS BLACK PEOPLE, THERE ARE LESS THAN 5 MILLION WHITES IN SOUTH AFRICA VS. 45 MILLION OF US. WE CAN KILL ALL THIS WHITE WITHIN TWO WEEKS."

The Economic Freedom Fighters (EFF) is one party that has gained at the expense of the ANC. As the ANC has lost power, it's been forced to form coalitions which has meant conceding to many of the policies and ideologies of thugs such as the EFF.

Policies which in a nutshell are Marxist.

They include the expropriation of land without compensation, ownership of all land by the state, and the nationalisation of the backbone of the economy, notably the mining and finance, inclusive of the formation of a state bank and removing independence of the Reserve bank.

You'll notice perhaps that such policies, though disastrous to all, are the same policies which find an ear with the poor and economically illiterate. A group which, due to the increasing corruption and failures of the ANC are a fast growing group.

Interestingly if you look at the policies championed by the EFF, the ANC themselves have been providing a "soft" cover to many of these initiatives. We can see this as they have progressively been rolled out over recent years. The "*land seizures without compensation*" and the latest "*mining charter*" are simply two of the most recent and terrifyingly egregious to date.

The EFF aren't an outlier either.

Black First, Land First (BFLF) are another political party who are openly calling for white genocide.

This gem is from the party's spokesperson Lindsay Maasdorp.



And when questioned by a white journalist about his and his parties racist objectives... his response was this.



Realise that this isn't just about farmers, or about any particular white person. It's ALL WHITE people whose very existence is a crime.

Within the ANC we have:

Velaphi Khumalo, a government official, who a couple of years ago stated the following:

Turning to the military we have Major M.V Mohlala, a senior official in the South African National Defense Forces, who said of the murder of a 76-year-old white professor:



Velaphi Vel-hova Khumalo

Noo seriously though u oppressed us when u were a minority and then manje u call us monkeys and we suppose to let it slide . white people in south Africa deserve to be hacked and killed like Jews. U have the same venom moss . look at Palestine . noo u must be bushed alive and skinned and your off springs used as garden fertiliser .

Just now • Like • Reply

"IT IS YOUR TURN NOW, WHITE PEOPLE... [HE] SHOULD HAVE HAD HIS EYES AND TONGUE CUT OUT SO THAT THE FACES OF HIS ATTACKERS WOULD BE THE LAST THING HE SEES."

And what happened to the Major? Was he fired, chastised, and did his career end with this atrocious despicable racist statement?

Well no...

He received a mere warning of possible future disciplinary action. Why? Because this is the underlying zeitgeist in the country.

To ignore this is likely a tragic tragic mistake.

A slow white genocide is already in motion. Consider that being a policeman in South Africa isn't exactly a safe job. After all we're talking about a country with one of the highest murder rates in the world. Now further consider that the murder rates if you're a white farmer are currently 4x that of a policemen in the country. And since these numbers are so telling of what is already a tacit open policy on the "boers", the ANC in 2008 stopped recording farm murders. There is a very good reason for this and it's one that has been used in past atrocities. I'd caution readers that ignoring these flashing warning signs is beyond myopic.

It's potentially deadly.

Which brings us to...

NOBODY'S COMING TO THE RESCUE

I know there are hopeful folks out there who believe that the western world will step in and pressure the ANC to stop what has already been started. As I like to say here at our hedge fund, and investment business.

Hope is not a strategy.

Probability is everything and we must trade accordingly. Except this "trade" may well be for your life.

This report however isn't about trading or profiting necessarily. That is the domain of our fund and our "[Insider](#)" investment research service.

Instead this is about identifying this probability and some practical solutions for those who are caught in the midst of it.

So the question is not whether whites will be targeted. This is already happening.

I do wish it wasn't so but if we look at how the developed world is viewing this the view out the window is particularly bleak.

Consider:

The IMF

"WE ARE IN FULL SUPPORT OF THE NEED TO UNDERTAKE LAND REFORMS IN ORDER TO ADDRESS THE ISSUES OF INEQUALITY"

The British Government

"THE UK HAS BEEN SUPPORTING LAND REFORM PLANS FOR A LONG TIME"
- THERESA MAY

Donald Trump on the other hand stepped up the questioning of this only to have entire media outlets scream "white nationalist, apartheid lover" at him. Apparently it's only non-white people who can be victims.



Donald J. Trump ✓
@realDonaldTrump

Following



I have asked Secretary of State
[@SecPompeo](#) to closely study the South
Africa land and farm seizures and
expropriations and the large scale killing of
farmers. "South African Government is now
seizing land from white farmers."
[@TuckerCarlson](#) [@FoxNews](#)

2:28 PM - 23 Aug 2018

It's worth remembering that Donald Trump is fighting battles on the home-front and expecting him to devote significant time and resources to the plight of white South Africans doesn't impress us as a sound strategy. Should the United States or for that matter another country sanction South Africa it's not entirely evident this would necessarily halt the trend in motion.

Certainly it never did so in neighbouring Zimbabwe, nor countless other countries which have been through similar situations.

Once again it's important to analyse the events and trend in motion and make decisions according to reality not to what we may wish reality to be.

We may not like the reality but **we must to embrace the reality and deal with it.**

LAND EXPROPRIATION HEARINGS

It is both frightening and sad to have watched the Land Expropriation Hearings that took place recently in South Africa.

Frightening because the cat has been let out of the bag. Amongst the seething hissing mob the expectations are now set. Pulling back from this will not be easy...even if it was tried and there are no indications that's in the cards. If you watch these hearings one thing is evident - the majority of blacks are unanimous in their demand for getting "their" land back.

"Militant" is the word that best describes the zeitgeist:



Sad because as the many whites attend the Hearings and outline the reasons why they are opposed to expropriation, you can tell that they actually believe their protestations mean anything to those they're addressing. It is clear they do not.

That they are unwilling to accept this is understandable, but both sad and myopic.

Their opinions don't matter at this point anymore than a fly stuck in a jar of honey protesting does. The honey doesn't care and is incapable of doing anything but being... well... honey.



Looking at this from the outside in, we ask ourselves the question: why are the whites bothering to even turn up to the hearings?

The fact, however, is this:

None of us own anything if it can be taken from us, and unless we've the actual means to protect those assets, whether that be in a legal environment and country which provides us this, or whether it be with some overwhelming force, anything and everything we own is never set in stone.

In today's South Africa, few of these protections exist and with each passing day those that do are further eroded.

Whites are now a small minority up against a very angry, militant, Marxist tide.

There is nothing that the whites can do to hold back this tide. They would all be way better off to accept the inevitable and get their affairs in order.

Sure Donald Trump is "promising" to look into the land expropriation, but realise this: He has little interest in South Africa. He's forever fighting multiple battles on the home front. And, if we look at similar situations in the past - most notably Zimbabwe - we can see that sanctions and rhetoric from the west did zero, zilch, nada to stop the trend in motion.

Indeed any responses from the west were used as fodder by the governments in question to spew racist vitriol against the "colonialists". Why would South Africa be any different?

No - white South Africans are on their own - no other country is going to come to their rescue. If this wasn't obvious with the British Prime Minister's recent visit then I don't know what is....

"THE UK HAS FOR SOME TIME NOW SUPPORTED LAND REFORM, LAND REFORM THAT IS LEGAL, THAT IS TRANSPARENT, THAT IS GENERATED THROUGH A DEMOCRATIC PROCESS."

Clearly if you change the constitution to make what was illegal *legal* then all is well and we can all smile and pretend we're not destroying the fundamentals of civilised society...namely the rule of law and protection of property rights.



Theresa May's comments during her trip were asinine and if they'd been uttered by any leader of the developed world only a decade prior would have been unbelievable... but they were real. This is the reality folks. Failure to accept reality and move on before it is too late impresses us as a spectacularly bad idea.

It is not just a land expropriation issue... rightly or wrongly there is a deep and ingrained hatred towards whites in South Africa, and the expropriation issue is one step towards expropriation of other white owned assets, along with myriad other policies which will be used to placate the seething mob in an attempt to retain power.

Up until now whites have been "quietly" forced to give away their wealth under the guise of the policy of "Black Empowerment". But the pace of this is now accelerating.

The recent Mining Charter is a clear example of this.

Here is the essence of the new mining charter. Brace yourself, you might just fall off your chair when you think of the long-term consequences of this:

OWNERSHIP

- A new mining right must have **30% Black Persons' shareholding**, with the 30% shareholding to be apportioned between employees, communities and entrepreneurs in a specific manner
- An **8% shareholding is allocated to mine communities**, to be held through a trust
- A **14% shareholding to black entrepreneurs**

ANNUAL TURNOVER

- Holder of a mining rights must pay **1% of its annual turnover to the 30% black persons' shareholding** prior to, and over and above any distributions made by a Holder to its shareholders

This 1% payment is always subject to the solvency and liquidity test as provided for in the Companies Act

PROCUREMENT

- The Charter requires **70% procurement of mining goods and 80% procurement of services from BEE entities**; it also requires that analysis of **100% of mineral samples be done by South African based companies**

EMPLOYMENT EQUITY

- **50% black representation at board level, 25% of which must female black representation**
- **Minimum of 50% black representation at executive/top management level, 25% of which must be female black representation**
- **A minimum of 60% black representation at senior management level, 30% of which must be female black representation**

- A minimum of **75% black representation at middle management level, 38% of which must be female** black representation, and
- A minimum of **88% black representation at junior management level, 44% of which must be female** black representation.

HUMAN RESOURCE DEVELOPMENT

- A holder **must invest 5% of the leviable amount on essential skills development.**

Ask yourself this question: Why would any foreigner want to do business in, or allocate capital to South Africa?

These policies of the South African government are completely anti-capitalistic... and reflect instead policies more closely aligned with communism. And you don't need me to remind you that if communism actually worked I'd be writing this report to you in Russian.

Even the average village idiot could tell you that the South African mining industry is going to follow a slow and painful decline with the "irony" that the very people that the mining charter is purportedly going to "empower" will be those worst affected, along with all the businesses surrounding this industry and, in turn, those businesses surrounding the mining service businesses. In short, the whole of South Africa.

Sadly in many respects I think South Africa is going about doing a more thorough job at screwing up their economy up than Venezuela and Zimbabwe ever did.

The Big Debate

The way I see it there is absolutely no debate as to whether or not South Africa will become another African basket case like Zimbabwe, Mozambique, DRC, Somalia, or Sudan (and that's not an exhaustive list). ***The only issue up for debate is how quickly South Africa "mean reverts" to the economic status of these countries!***

We suspect that the process of "mean reversion" to the rest of Africa will only gather momentum.

HOW BAD CAN IT GET?

This is a road that we'd really rather not travel down. But travel we must.

In this respect I'm borrowing heavily from some recent examples where ethnic tensions have boiled over and exploded. Where ethnic cleansing has won the day. I chose these because the calls for ethnic cleansing in South Africa grow louder with each passing year and frighteningly they're not only prevalent now but come from people in very powerful positions. History has shown in the most brutal detail that this my friends is NOT something to take lightly.

In any event these stories are worst case scenarios but I'd caution anyone from believing they're not possible. Indeed indications are they are more probable than we'd all like to believe.

The following is an on the ground account from a survivor in the Bosnian civil war. You can find one source [here](#) and though the original source cannot be verified the lessons are grimly illustrative.

I am from Bosnia. Between 1992 and 1995, it was hell.

For one year, I lived and survived in a city with 6,000 people without water, electricity, gasoline, medical help, civil defense, distribution service, any kind of traditional service or centralized rule.

The following is my experience...

Our city was blockaded by the army; and for one year, life in the city turned into total crap. We had no army, no police. We only had armed groups; those armed protected their homes and families.

When it all started, some of us were better prepared. But most of the neighbors' families had enough food only for a few days. Some had pistols; a few had AK-47s or shotguns.

After a month or two, gangs started operating, destroying everything. Hospitals, for example, turned into slaughterhouses. There was no more police. About 80 percent of the

hospital staff were gone. I got lucky. My family at the time was fairly large (15 people in a large house, six pistols, three AKs), and we survived (most of us, at least).

The Americans dropped MREs every 10 days to help blockaded cities. This was never enough. Some – very few – had gardens. It took three months for the first rumors to spread of men dying from hunger and cold. We removed all the doors, the window frames from abandoned houses, ripped up the floors and burned the furniture for heat. Many died from diseases, especially from the water (two from my own family). We drank mostly rainwater, ate pigeons and even rats.

Money soon became worthless. We returned to an exchange. For a tin can of tushonka (think Soviet spam), you could have a woman. (It is hard to speak of it, but it is true.) Most of the women who sold themselves were desperate mothers.

Arms, ammunition, candles, lighters, antibiotics, gasoline, batteries and food. We fought for these things like animals. In these situations, it all changes. Men become monsters. It was disgusting.

Strength was in numbers. A man living alone getting killed and robbed would be just a matter of time, even if he was armed.

Today, me and my family are well-prepared, I am well-armed. I have experience.

It does not matter what will happen: an earthquake, a war, a tsunami, aliens, terrorists, economic collapse, uprising. The important part is that something will happen.

Here's my experience: You can't make it on your own. Don't stay apart from your family; prepare together, choose reliable friends.

1. How to move safely in a city

The city was divided into communities along streets. Our street (15 to 20 homes) had patrols (five armed men every week) to watch for gangs and for our enemies.

All the exchanges occurred in the street. About 5 kilometers away was an entire street for trading, all well-organized; but going there was too dangerous because of the snipers. You could also get robbed by bandits. I only went there twice, when I needed something really rare (list of medicine, mainly antibiotics, of the French original of the texts).

Nobody used automobiles in the city: The streets were blocked by wreckage and by abandoned cars. Gasoline was very expensive. If one needed to go somewhere, that was done at night. Never travel alone or in groups that were too big – always two to three men. All armed, travel swift, in the shadows, cross streets through ruins, not along open streets.

There were many gangs 10 to 15 men strong, some as large as 50 men. But there were also many normal men, like you and me, fathers and grandfathers, who killed and robbed. There were no “good” and “bad” men. Most were in the middle and ready for the worst.

2. What about wood? Your home city is surrounded by woods; why did you burn doors and furniture?

There were not that many woods around the city. It was very beautiful – restaurants, cinemas, schools, even an airport. Every tree in the city and in the city park was cut down for fuel in the first two months.

Without electricity for cooking and heat, we burned anything that burned. Furniture, doors, flooring: That wood burns swiftly. We had no suburbs or suburban farms. The enemy was in the suburbs. We were surrounded. Even in the city you never knew who was the enemy at any given point.

3. What knowledge was useful to you in that period?

To imagine the situation a bit better, you should know it was practically a return to the Stone Age.

For example, I had a container of cooking gas. But I did not use it for heat. That would be too expensive! I attached a nozzle to it I made myself and used to fill lighters. Lighters were precious.

If a man brought an empty lighter, I would fill it; and he would give me a tin of food or a candle.

I was a paramedic. In these conditions, my knowledge was my wealth. Be curious and skilled. In these conditions, the ability to fix things is more valuable than gold.

Items and supplies will inevitably run out, but your skills will keep you fed.

I wish to say this: Learn to fix things, shoes or people.

My neighbor, for example, knew how to make kerosene for lamps. He never went hungry.

4. If you had three months to prepare now, what would you do?

Three months? Run away from the country? (joking)

Today, I know everything can collapse really fast. I have a stockpile of food, hygiene items, batteries – enough to last me for six months.

I live in a very secure flat and own a home with a shelter in a village 5 kilometers away. Another six-month supply there, too. That's a small village; most people there are well-prepared. The war had taught them.

I have four weapons and 2,000 rounds for each.

I have a garden and have learned gardening. Also, I have a good instinct. You know, when everyone around you keeps telling you it'll all be fine, but I know it will all collapse.

I have strength to do what I need to protect my family. Because when it all collapses, you must be ready to do "bad" things to keep your children alive and protect your family.

Surviving on your own is practically impossible. (That's what I think.) Even you're armed and ready, if you're alone, you'll die. I have seen that happen many times.

Families and groups, well-prepared, with skills and knowledge in various fields: That's much better.

5. What should you stockpile?

That depends. If you plan to live by theft, all you need is weapons and ammo. Lots of ammo.

If not, more food, hygiene items, batteries, accumulators, little trading items (knives, lighters, flints, soap). Also, alcohol of a type that keeps well. The cheapest whiskey is a good trading item.

Many people died from insufficient hygiene. You'll need simple items in great amounts. For example, garbage bags. Lots of them. And toilet papers. Non-reusable dishes and cups: You'll need lots of them. I know that because we didn't have any at all.

As for me, a supply of hygiene items is perhaps more important than food. You can shoot a pigeon. You can find a plant to eat. You can't find or shoot any disinfectant.

Disinfectant, detergents, bleach, soap, gloves, masks.

First aid skills, washing wounds and burns. Perhaps you will find a doctor and will not be able to pay him.

Learn to use antibiotics. It's good to have a stockpile of them.

You should choose the simplest weapons. I carry a Glock .45. I like it, but it's a rare gun here. So I have two TT pistols, too. (Everyone has them and ammo is common.)

I don't like Kalashnikov's, but again, same story. Everyone has them; so do I.

You must own small, unnoticeable items. For example, a generator is good, but 1,000 BIC lighters are better. A generator will attract attention if there's any trouble, but 1,000 lighters are compact, cheap and can always be traded.

We usually collected rainwater into four large barrels and then boiled it. There was a small river, but the water in it became very dirty very fast.

It's also important to have containers for water: barrels and buckets.

6. Were gold and silver useful?

Yes. I personally traded all the gold coins in the house for ammunition.

Sometimes, we got our hands on money: dollars and Deutschmarks. We bought some things for them, but this was rare and prices were astronomical. For example, a can of beans cost \$30 to \$40. The local money quickly became worthless. Everything we needed we traded for through barter.

7. Was salt expensive?

Yes, but coffee and cigarettes were even more expensive. I had lots of alcohol and traded it without problems. Alcohol consumption grew over 10 times as compared to peacetime. Perhaps today, it's more useful to keep a stock of cigarettes, lighters and batteries. They take up less space.

At this time, I was not a survivalist. We had no time to prepare — several days before the shit hit the fan. The politicians kept repeating over the TV that everything was going according to plan, there's no reason to be concerned. When the sky fell on our heads, we took what we could.

8. Was it difficult to purchase firearms? What did you trade for arms and ammunition?

After the war, we had guns in every house. The police confiscated lots of guns at the beginning of the war. But most of them we hid. Now I have one legal gun that I have a license for. Under the law, that's called a temporary collection. If there is unrest, the government will seize all the registered guns. Never forget that.

You know, there are many people who have one legal gun, but also illegal guns if that one gets seized. If you have good trade goods, you might be able to get a gun in a tough situation. But remember, the most difficult time is the first days, and perhaps you won't have enough time to find a weapon to protect your family. To be disarmed in a time of chaos and panic is a bad idea.

In my case, there was a man who needed a car battery for his radio. He had shotguns. I traded the accumulator for both of them. Sometimes, I traded ammunition for food, and a few weeks later traded food for ammunition. Never did the trade at home, never in great amounts.

Few people knew how much and what I keep at home.

The most important thing is to keep as many things as possible in terms of space and money. Eventually, you'll understand what is more valuable.

Correction: I'll always value weapons and ammunition the most. Second? Maybe gas masks and filters.

9. What about security?

Our defenses were very primitive. Again, we weren't ready, and we used what we could. The windows were shattered, and the roofs in a horrible state after the bombings. The windows were blocked – some with sandbags, others with rocks.

I blocked the fence gate with wreckage and garbage, and used a ladder to get across the wall. When I came home, I asked someone inside to pass over the ladder. We had a fellow on our street that completely barricaded himself in his house. He broke a hole in the wall, creating a passage for himself into the ruins of the neighbor's house – a sort of secret entrance.

Maybe this would seem strange, but the most protected houses were looted and destroyed first. In my area of the city, there were beautiful houses with walls, dogs, alarms and barred windows. People attacked them first. Some held out; others didn't. It all depended how many hands and guns they had inside.

I think defense is very important, but it must be carried out unobtrusively. If you are in a city and SHTF comes, you need a simple, non-flashy place, with lots of guns and ammo.

How much ammo? As much as possible.

Make your house as unattractive as you can.

Right now, I own a steel door, but that's just against the first wave of chaos. After that passes, I will leave the city to rejoin a larger group of people, my friends and family.

There were some situations during the war. There's no need for details, but we always had superior firepower and a brick wall on our side.

We also constantly kept someone watching the streets. Quality organization is paramount in case of gang attacks.

Shooting was constantly heard in the city.

Our perimeter was defended primitively. All the exits were barricaded and had little firing slits. Inside we had at least five family members ready for battle at any time and one man in the street, hidden in a shelter.

We stayed home through the day to avoid sniper fire.

At first, the weak perish. Then, the rest fight.

During the day, the streets were practically empty due to sniper fire. Defenses were oriented toward short-range combat alone. Many died if they went out to gather information, for example. It's important to remember we had no information, no radio, no TV – only rumors and nothing else.

There was no organized army; every man fought. We had no choice. Everybody was armed, ready to defend themselves.

You should not wear quality items in the city; someone will murder you and take them. Don't even carry a "pretty" long arm, it will attract attention.

Let me tell you something: If SHTF starts tomorrow, I'll be humble. I'll look like everyone else. Desperate, fearful. Maybe I'll even shout and cry a little bit.

Pretty clothing is excluded altogether. I will not go out in my new tactical outfit to shout: "I have come! You're doomed, bad guys!" No, I'll stay aside, well-armed, well-prepared, waiting and evaluating my possibilities, with my best friend or brother.

Super-defenses, super-guns are meaningless. If people think they should steal your things, that you're profitable, they will. It's only a question of time and the amount of guns and hands.

10. How was the situation with toilets?

We used shovels and a patch of earth near the house. Does it seem dirty? It was. We washed with rainwater or in the river, but most of the time the latter was too dangerous. We had no toilet paper; and if we had any, I would have traded it away.

It was a "dirty" business.

Let me give you a piece of advice: You need guns and ammo first – and second, everything else. Literally everything! All depends on the space and money you have.

If you forget something, there will always be someone to trade with for it. But if you forget weapons and ammo, there will be no access to trading for you.

I don't think big families are extra mouths. Big families means both more guns and strength – and from there, everyone prepares on his own.

11. How did people treat the sick and the injured?

Most injuries were from gunfire. Without a specialist and without equipment, if an injured man found a doctor somewhere, he had about a 30 percent chance of survival.

It ain't the movie. People died. Many died from infections of superficial wounds. I had antibiotics for three to four uses – for the family, of course.

People died foolishly quite often. Simple diarrhea will kill you in a few days without medicine, with limited amounts of water.

There were many skin diseases and food poisonings... nothing to it.

Many used local plants and pure alcohol – enough for the short-term, but useless in the long term.

Hygiene is very important, as well as having as much medicine as possible – especially antibiotics.

The second example comes from Rwanda.

The following is reprinted in full. Source [here](#).

I SURVIVED THE RWANDAN GENOCIDE

Jean Louis Mazimpaka



Jean Louis Mazimpaka, survivor of the Rwandan genocide, photographed at his home in West Drayton, London. Photograph: Ivor Prickett

When the president was killed in April 1994, we thought there might be some trouble in the capital, but we had no idea of the scale of what followed.

I was 17 and studying to be a nurse. I was shy, quiet and hard-working. I liked visiting my cousins, and playing football and basketball. My father was a teacher, my mother worked in the education department, and I had two brothers at home and two sisters studying in France and Belgium. We were a normal family.

My family is Tutsi, but there was no Tutsi land or Hutu land. People had mixed marriages. We went to the same schools, lived in the same villages, shared a language. We heard on the radio that Tutsis were being attacked, and that roadblocks were being erected, but we

weren't worried for ourselves - we didn't think it would reach where we lived in Nyamasheke in the south-west.

We were wrong. The killings in my town didn't start until a week after the president was killed, but on 15 April a friend, the husband of a teacher, was killed. People with machetes came to steal from his house, and they killed him. Still we thought we were safe and that this was a one-off, but the next day in the neighbouring town another teacher and his family were killed and we started to get worried.

A friend warned me our family was next - he was part of the militia, but I used to give him medicine for free and we played football together. We took his warning seriously and that night we stayed with a Hutu friend who had a Tutsi wife. When we went to look at our house the next morning, there was nothing left - everything had been stolen.

We went to the church. Refugees started arriving, too - mostly Tutsis, but some Hutus. Some had machete wounds. They were crying, hungry, desperate and confused. There had been violence in 1959 and 1973; the churches had been a sanctuary then, so people thought they'd be safe. Some of us suggested escaping in boats over Lake Kivu to the Democratic Republic of Congo, but the older people, including my parents, still believed we'd be OK, that we wouldn't be attacked in church.

The next day refugees began to arrive in large numbers. We convinced the school head to open up the supply of food so we could feed them - we still thought with food and water we would be OK.

On 18 April the militia arrived and we saw them preparing to attack. We gathered all the old people, women and children in the buildings and formed four fronts outside to protect them. Young girls found stones for us to throw, and we kept them away for four days. By then it wasn't just the militias, it was the rest of the population as well, including the friend who had warned us - everybody had been brainwashed by the militia to join in. They had machetes, sticks, clubs and grenades. I remember seeing one of my friends hit by a grenade - it scattered his body parts all around.

With some friends I managed to hide in a building that housed a herd of cows. I didn't know whether my parents were dead or alive, but there was no time to look for them and no time to think about it. We had to concentrate on hiding. We stayed hidden while the militia stole the cows. When they were gone, we decided to swim across Lake Kivu.

There were 12 of us - the other 11 drowned. I couldn't think about it, I had to keep swimming. After two nights I reached the other side. A fisherman gave me food and I went to find my uncle who lived there.

A year later, I went back to Rwanda. I was traumatised. I didn't want to go back to school, but a priest convinced me to. After school, I got a job but I wanted to leave. I had two cousins who survived, but everyone else was gone. I couldn't take the loneliness any longer, so in 1999 I came to the UK.

I met my wife, another survivor, through friends. We got married in 2005 and now have a daughter. It's hard for survivors to speak about what happened, and my wife doesn't like to talk about it to strangers. But it helps me, because I am doing something to continue the memory of what happened. I speak to groups about it through the charity Survivors Fund. People are shocked that it happened, that they didn't know. It is exhausting, but that is what we have left, the story of our loved ones.

SOME PRACTICAL STEPS TO CONSIDER

The steady path towards an incredibly bad outcome is both obvious and indisputable. It is therefore our opinion that to do nothing in the face of such obvious dangers would be foolhardy.

Ignorance is one thing. It is merely the absence of knowledge.

Stupidity, on the other hand, is the presence of knowledge and refusal to use it.

12 WAYS TO PROTECT YOURSELF AGAINST WHAT'S COMING

In the early 2000s we saw many Zimbabweans both black and white turn up in South Africa with not much more than the shirts on their back. We felt sickened - often these were middle-aged people who had to start all over again.

You see when the whites were targeted, everyone suffered - not just whites.

The economic collapse in the country meant that everyone *except for those in power* suffered hardship. There was little we could do to help these people, and as is the case when confronted with helplessness it's an awful feeling. We just wish there was more we could have done.

So in light of our motivations discussed above, we would like to highlight 12 big ways that South Africans (that is all South Africans, not just whites) can protect themselves and families from what we see as the inevitable collapse in the South African economy.

It's not just ways to protect your wealth... but your long term well being.

Keep an open mind about these ideas. Whatever your beliefs and ideas about the outcome of South Africa are... here is something to ponder. We would encourage you to think about your kids' future and ultimately *yours*.

You may decide to stay but what if your kids leave and don't come back to live? The life ahead may involve the risk of growing old in South Africa only to see your kids and grandkids once or twice a year if you are lucky.

Something else to consider if you've younger children still under your care. It's a tough question but you need to ask it: What kind of future will they have?

We know of many older South African couples who decided not to leave South Africa in the 1990s when they probably had a decent shot of migrating to other countries with minimal effort. However they now they find themselves in their 60s and 70s with children all having left South Africa to build lives elsewhere with little prospect of ever returning to South Africa to live.

What the hell was the point of having kids in the first place when you can't enjoy them growing up and hardly ever getting to know your grandkids?

Think about it carefully - your decision to stay in South Africa may haunt you in ways you've not yet thought through.

The biggest part in dealing with this is getting your head into the right place. I'm not going to suggest I know how hard it may be but I've some sense of it having lived in 7 different countries myself and traveled to over 50, and living a life where now I dedicate 100% of my professional time towards observing global trends, markets, politics and investing large pools of capital accordingly.

Trying to "fix" the problem will be as useful and productive as hacking your thumb off with a spoon. It's just not a good idea and your skills, time and energies are likely better spent on more productive outcomes.

Have you ever needed to cut loose something in your life? Perhaps it was a bad relationship, maybe it was a dead end job, maybe it was a bad habit. Whatever it is we've all been there at some point. The folks who succeed typically have learned how to make decisions.

The word decision comes from the latin word *Decisio* which literally means, "to cut off." Making a decision is about "cutting off" choices – cutting you off from some other course of action. Now that may sound a little severe and limiting, but it's not.

It's liberating.

Once you make a decision things become far clearer. This is because your mind is now focussed solely on one thing. All other things are “cut off”. Your brain is a problem solving tool - it works poorly under too many stimuli. When you decide on something you’re effectively cutting off unnecessary stimuli allowing it to do what it does best.

Solve problems.

So with that prelude let me ask you to do something.

Imagine all you have being worth nothing. Well if you’re a white South African and indeed even if you’re a black South African the value of what you currently own may well not be worth very much within as short a timeframe as a decade. When you think about that possibility, which I’d suggest is an entirely rational one, then it’s far easier to make what is otherwise a hard decision.

So... what are the options available?

GET A 2ND PASSPORT

Do it now. Don’t muck around. Should the time come when you really need it and don’t have it you’ll find yourself amongst a rush to do so and the restrictions likely to be put in place will only make it more difficult. If you are eligible to get a 2nd passport to another country then for goodness sake what are you waiting for?

For the effort and hassle you will have to go through to obtain the passport - it is easily one of the cheapest insurance policies you’ll ever buy.

Even if you’re dedicated to staying in South Africa get the passport. It is a free option and without trying to be too dramatic it may mean the difference between life and death at some point. We don’t know.

LOOK INTO WHAT IT TAKES TO IMMIGRATE

Immigrating these days is easy, albeit knowing what it requires to immigrate to a country. The internet is a wonderful tool and in most cases government departments make it very clear as to what is required. If you are educated with tertiary degrees you will probably discover you are already eligible to immigrate to many countries!

Sure there is a cost to getting permanent residency in another country, for Australia it is about \$10-12,000 for a four person family though every country is different but in most instances the details are available on the respective government websites or by contacting them directly.

Depending on your own financial position you may say “well, that’s a lot of money” but tell me this - would you rather be driving a flashy car in South Africa (and have a big “come get me” target on your back) or catch the bus and have a permanent residency in a country where you can safely walk the streets and have a future?

The answer seems obvious to us.

FORGET HOLIDAYS TO MAURITIUS

Instead of doing the usual South African holiday and going for trips to Mauritius why not start building your familiarity with a country that you’d consider moving to.

Moving to another country is one thing but figuring out where to move to within that country is something else. There are agents who will help with most of the facets of moving including actually taking you around to see properties, schools etc. If you can afford this then fine but we think just going and spending time yourself in a country, driving around and observing will go a long way to helping you figure out what is right for you. Being in a position to choose is far better than being in a position where you’re making decisions because you now HAVE to. Proactive is better than reactive.

Approach employment agents while you are in the country. Where you live will largely be a function of where you can gain employment. Naturally we can’t be too prescriptive here because of the incredibly wide and varied range of both countries considered and skills and occupations that readers of this article will have. But we can tell you is sure makes moving a better experience (a lot less stressful) when you know you have a job to go to when you move... we speak from experience.

This is a process and it all takes time, it may take you a year or so to figure out what geographical location works for you. And remember if there is a spouse involved then getting their “buy in” to the affair is vital - again, we are telling you from experience.

START BUILDING YOUR SUPPORT NETWORK

This goes for whether you're going to move to a foreign country or will be staying in South Africa. We all need help at some point and developing a strong support network will prove invaluable in this regard. If you re-read the report from the Kosovo survivor it becomes clear that a support network is invaluable.

Make contact, even if you don't have any favours to ask for the time being because odds are you will in the not too distant future. Be a help to others. Offer support. Do what you can because it's the right thing to do and it will help you and others.

GET RID OF YOUR INVESTMENT PROPERTIES

Instead of having a holiday home in St Francis Bay, Plettenberg Bay, or Cape Town or a rental property someplace, get that money out of South Africa. You'll likely be better off with a house or property in a country you'd consider relocating to.

GET RID OF STUFF YOU DON'T NEED

The gents from the absolutely great band Crowded House nailed it in their song "Mansion In The Slums"

*I'd much rather have a caravan in the hills
Than a mansion in the slums
I'd much rather have a caravan in the hills
Than a mansion in the slums
When the taste of success only lasts you
Half an hour or less, but it loves you when it comes
And you laugh at yourself
While you're bleeding to death*

For goodness sake, don't show your wealth... the more you show, the more unwanted attention you will attract to yourself.

South Africa is an incredibly status conscious materialistic society. Having lived in 7 different countries now I do find it rather bizarre how South Africans (particularly Johannesburg and Cape Town) are completely caught up in a materialistic

showmanship. Wearing flashy watches, expensive jewellery and expensive cars to exhibit status.

Get rid of that stuff - you really don't want to be showing off how much money you have (or even pretend to have). Getting capital out of the country and obtaining residency in Canada or Australia is way more important than wearing a Rolex or driving that Beemer.

GET AN OFFSHORE BANK ACCOUNT

There are plenty of well known banks that allow people and companies to setup accounts without being there in person. There are agents who will set-up offshore companies and associated bank accounts in a range of jurisdictions. In days gone by it was hard to get money outside of South African due to exchange controls. But these days it is very different. Here are the limits:

- [Annual foreign investment allowance](#) – available to all South African adult citizens or [permanent residency](#) holders over the age of 18. The annual limit is R10 million per calendar year per person. The utilisation of this allowance requires the individual be in good standing with the South African Revenue Service and a tax clearance certificate is required.
- [Annual discretionary allowance](#), this cannot exceed the limit of R1 million per year per adult and no tax clearance is required.

With an offshore account you can hold whatever currency you like, meaning you're no longer subject to currency turmoil which we believe is coming. Equally importantly your capital is out of the country which will help should capital controls be imposed. A near certainty in the fullness of time provided the current trends aren't reversed.

FOR THOSE WHO CAN'T GET OUT OF DODGE

We do recognise that there are likely to be a number of people reading this who don't have any realistic chance of getting out of South Africa. We know full well that it can be a costly exercise and many folks just don't have the funds to make that leap. That said there is a very important saying which holds true.

The difference between an immigrant and a refugee is often timing, though the experience is vastly different.

That said if you have to stay let's look at practical steps as to what can you do to protect what you do have. Here are some thoughts.....some of them may be a little obvious but it won't hurt to give them serious consideration

For starters many folks think of migrating only to a developed country which naturally will cost money. But this doesn't mean that neighbouring countries should be ignored, either.

Botswana, Namibia, and Mozambique all have considerably less ethnic tensions than does South Africa. Furthermore on a relative basis to South Africa they're cheap. Right now I'd not be caught dead owning a property in South Africa. *Any property.* I'd sooner sell it and buy something in a neighbouring country such as Botswana, or Namibia, or Mozambique. This could be used as a rental property and if you need to be in South Africa then renting, rather than owning, makes sense to us.

GET AN INTERNATIONAL BROKERAGE ACCOUNT

There are a number of trading platforms that allow you to invest in international markets for very low rates. The brokers I have in mind are Interactive Brokers, Saxobank and IG.com (no, we don't get any kickbacks). These platforms will allow you to trade most instruments on global markets. So there is absolutely no reason to think you have to invest in stocks on the JSE.

BUY GOLD AND/OR PLATINUM

If you live in South Africa and are paid in Rands, you'll want to be consistently converting your Rands into something that will hold its value. Precious metals serve this purpose very well. We don't see the supply of precious metals being being increased materially over the coming years. However, the exact opposite is likely true for the Rand - we anticipate that the SA Reserve Bank will have to increase the supply of Rands.

Perhaps the not so obvious question is how do you store your precious metals? Do you do so electronically (for example buying a gold ETF with a broker)? Or do you do it physically?

Our thoughts are to do it physically.

Get a safe deposit box at one of the international banks (have a couple of Safe Deposit boxes) or use an online service such as goldmoney.com which allows you to own and store physical gold offshore (again, we get no kickbacks). The [Perthmint](#) offers a range of similar opportunities.

In almost any country keeping a safe at home is perfectly reasonable but to us this doesn't make sense in South Africa. You basically want to get your gold stored offshore with an international custodian who offers you easy enough access to it.

We know that if the shit hits the fan, physical gold in your hand will always be accepted as a medium of exchange and it will retain its value better than South African Rands.

Now here is something else that few people know - when arriving in a country at customs you are asked to declare cash you are carrying (over a certain sum, usually USD\$10,000) but numismatics are not typically included in this in most countries. (check before you go)

BUY BITCOIN

While its relatively new to the global stage bitcoin offers an unprecedented method of moving and storing value, especially in an environment where capital controls are in place.

Over the page are the countries where Bitcoin is most actively traded.



What we've seen in the past is that when a country goes through a crisis, especially one involving capital controls Bitcoin is one of the most actively traded currencies in that country. We saw this in Cyprus, Argentina, and present day Venezuela.

If we're right about the trend in South Africa then we're likely to see bitcoin become rather popular. If you're not already proficient in using the required technology to buy, store, and trade bitcoin then you've some homework ahead of you.

INCOME GENERATION

We've talked about a number of ways to protect capital but when we look at worst case scenarios, it's evident that capital saved, no matter how well thought through,

eventually runs out. That is unless you've high 7 figures. If that's the case then you'll be one of those who hops on a plane in a crisis.

Being tied to a country that is turning into chaos is stressful enough but what happens all too often is that folks lose their jobs as the economy tanks, and those running businesses find their real earnings collapse as the currency implodes.

As such thinking about developing one or more income streams from outside the country seems to us to be something we'd have started yesterday if we were in this situation. That topic is far too diverse for this report and could easily make up entire books.

What I can say is this... and this comes from someone who's had to start with nothing (being the very fortunate son of dead-broke parents) from scratch...

Build income streams, and move to hospitable countries to achieve your goals.

The world is much much smaller than ever before and though it's hard not taking the steps to insulate yourself as best you can may well not really be an option as time passes. Being in that situation really isn't a good option.

In summary. South Africa is rapidly turning towards the extreme left risking any sort of economic viability. We sincerely hope that this is somehow halted and indeed reversed however hope isn't any rational sort of strategy and we must play the cards dealt us.

We sincerely wish you all the very best. Please share this report with anyone who can benefit from it.

A handwritten signature in black ink, appearing to read "Chris MacIntosh", with a long horizontal flourish extending to the right.

Chris MacIntosh

Founder & Editor In Chief, Capitalist Exploits Independent Investment Research
Founder & Managing Partner, Asymmetric Opportunities Fund

ADDITIONAL READING

MORE FROM THE CAPITALIST EXPLOITS BLOG

<https://capitalistexploits.at/2017/08/south-africa-crack/>

<https://capitalistexploits.at/2018/08/how-to-profit-from-the-inevitable-descent-of-south-africa/>

<https://capitalistexploits.at/2018/08/lets-play-make-believe/>

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We have structured a basket of trades with respect to the likely outcomes in South Africa, to find out more head over to <https://capitalistexploits.at/africa-webinar/>