

Focusing on long-term investment objectives rather than short term market volatility

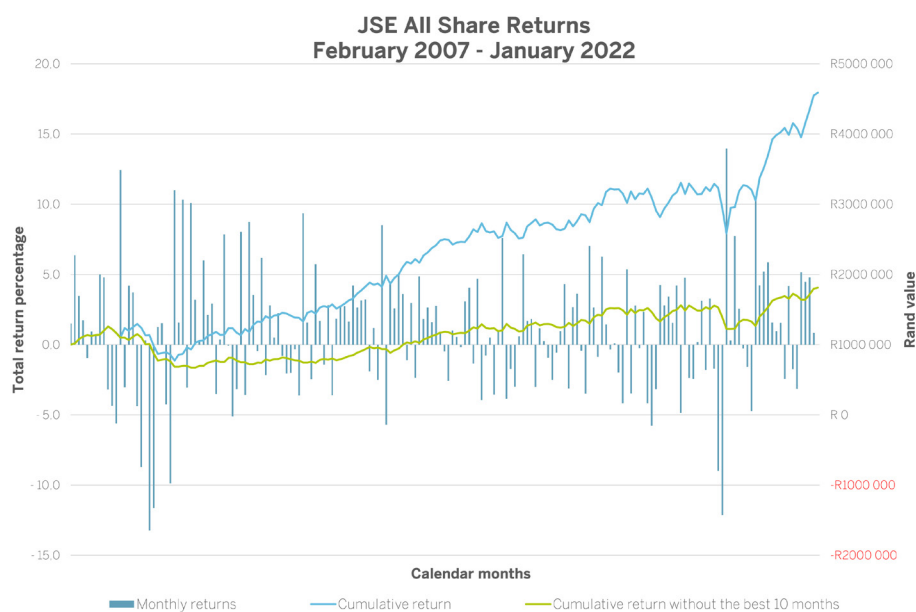
... extreme negative months were immediately followed by positive months....

The one thing we know for sure about the market is that it will go through negative periods. However, predicting exactly when these negative periods are going to be is nearly impossible and trying to time when to be invested or not, could be costly.

Over the past 15 years (180 months) the JSE All Share Index had 70 negative months and the S&P 500 had 59 negative months. Many of the extreme negative months were immediately followed by positive months, which investors would have missed out on if they had disinvested from the market.

Examples:

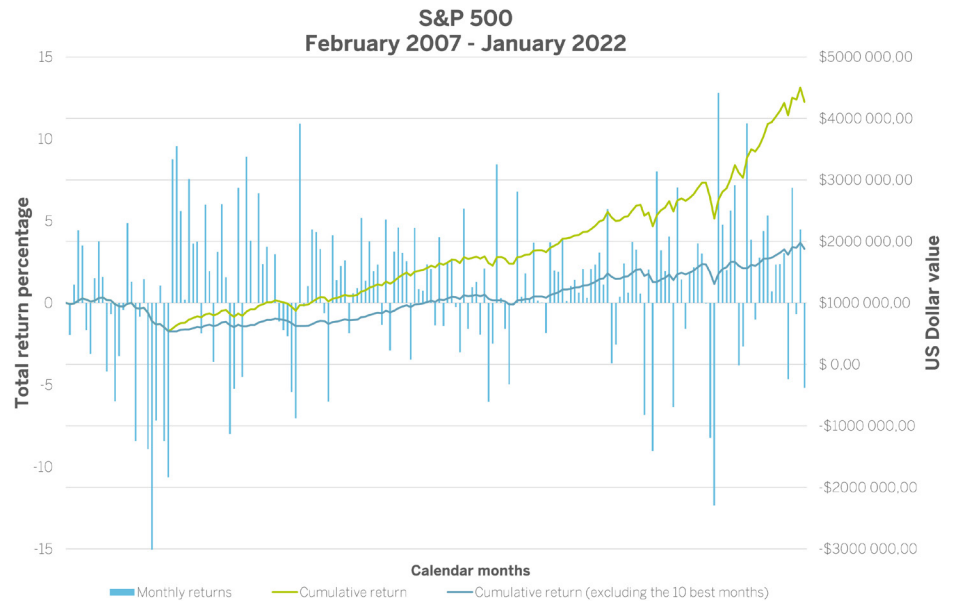
An investor that invested R1m in the JSE All Share Index on 1 February 2007 would have had R4.6m at the end of January 2022. However, if the same investor missed out on the 10 best performing months (out of the 180) their money would have only grown to R1.7m over the same period.



Data source: Factset, Morningstar Direct & Analytics Consulting

...it is so important to establish long-term goals & avoid making emotional short-term decisions...

An investor that invested \$1m in the S&P 500 on 1 February 2007 would have \$4.3m at the end of January 2022. However, if the same investor missed out on the 10 best performing months (out of the 180) their money would have grown to \$1.8m over the same period.



Data source: Factset, Morningstar Direct & Analytics Consulting

Most investors are uncomfortable during volatile times, and no one enjoys negative returns. However, you lock in your losses by disinvesting from the market at the wrong time, normally when emotions are high. This is why it is important to establish long-term investment goals and to remain focused on these through uncertainty and volatility to avoid making emotional short-term decisions.

Maintain your course, stay invested.

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