



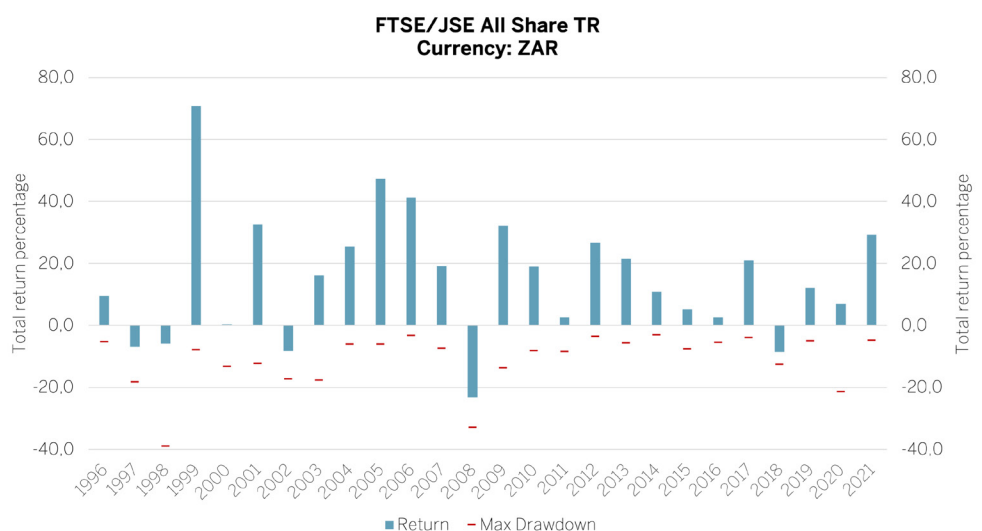
Intra-year drawdowns are normal

....stock market's
general direction
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As investors, we look to balance investments with consistent returns as well as the potential to outperform inflation over the long-term. Cash is the only asset class that rises in value smoothly over time, but over the long-term does not provide investors with inflation beating returns. Other asset classes experience bumps along the way, but it rewards you with the potential of providing inflation beating real returns over the long-term.

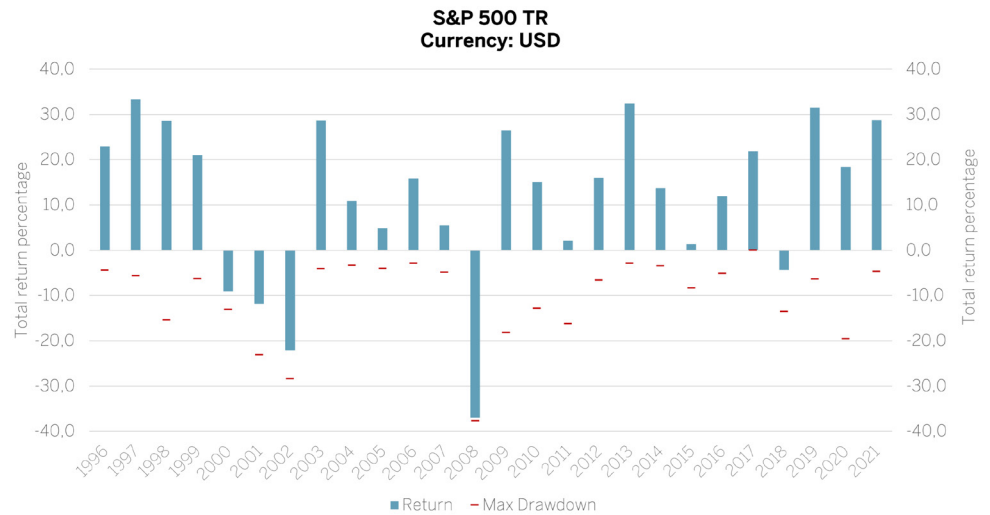
Historically, the stock market's general direction has been up, but during any given year, drawdowns are common and not unexpected.

Looking at the two charts below, it shows the maximum intra-year equity market drawdowns since 1996 for the FTSE/JSE All Share in Rands and the S&P 500 in US\$. From this, we can see how frequently at least one double-digit decline occurs, within any given calendar year. However, in the years where investors did experience double-digit decline, half of the time, they were rewarded with positive returns for that calendar year.



Data source: Factset & Analytics Consulting; data period: December 1996- December 2021

...even in rising
markets investors will
see a drawdown...



Data source: Factset & Analytics Consulting; data period: December 1996- December 2021

How do we limit the impact of drawdowns?

The best way for investors to limit the impact of drawdowns is to stay invested. Research illustrates that investors that missed out on the 10 biggest daily gains in most markets over the past 10 years would have experienced drastically lower performance than the index.

Maintain your course, stay invested.

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