

Investing for the long run: Equity markets are upward trending with short term drawdowns

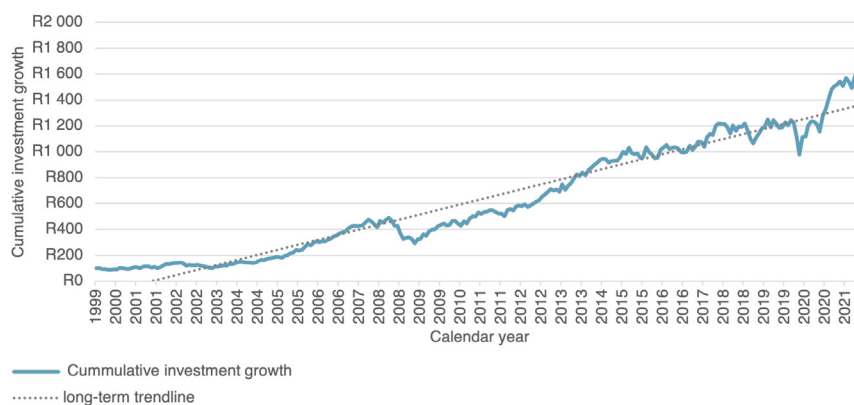
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Markets are upward sloping in the long run but one thing that's certain is that drawdowns are inevitable.

Investments 101 is to buy low and sell high. In theory, this strategy makes sense and sounds easy, but in reality, market timing is one of the most difficult and precarious things to do. Emotional thinkers feel the urge to do something in their portfolios when the market is down, but generally this results in value destruction and locks in losses. Remember, market volatility and fluctuations are expected but keep in mind what Peter Lynch said, "When you sell in desperation, you always sell cheap."

Since January 1990, the JSE All Share has provided an annualised return of 14.4% per year in Rands while the S&P 500 has delivered 7.5% per year in US Dollars, this includes price appreciation plus dividends reinvested. These are solid inflation beating returns.

JSE All Share Total Return Index ZAR



Estimated growth of R100 invested with all distributions reinvested (for illustrative purposes only).

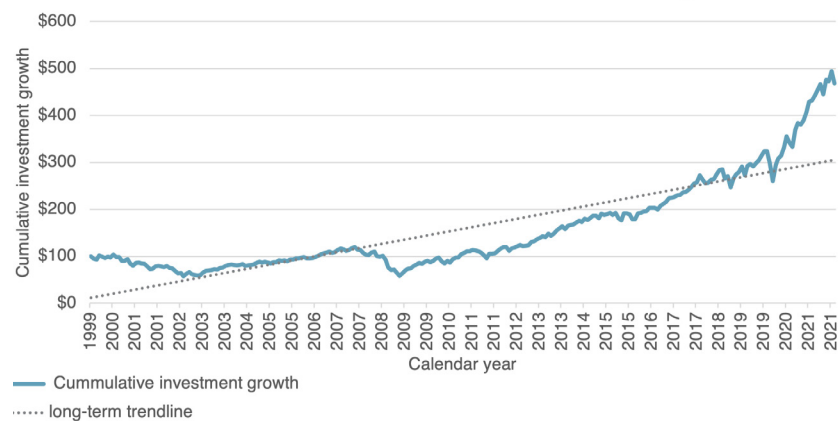
Data source: Factset & Analytics Consulting; data period: 31 December 1999 – 31 January 2022

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If one compares the cumulative market performance to its linear trendline there are periods where the market outperforms and underperforms the trendline, however the trend line remains upward sloping over the long-term.

Markets do not move in straight lines and corrections are inevitable from time to time, however if you remain invested during the ups and downs it will result in reaching your long-term investment objective.

S&P 500 TR USD



Estimated growth of \$100 invested with all distributions reinvested (for illustrative purposes only).

Data source: Factset & Analytics Consulting; data period: 31 December 1999 – 31 January 2022

Maintain your course, stay invested.

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