ROBERT COWEN INVESTMENTS

NEWSLETTER – END JULY 2022

11 August 2022

The Family Office

HIGHLIGHTS OF THIS NEWSLETTER ARE:

- Important information on 2022 tax certificates and the first 2023 provisional tax deadline

- Anchor Succession – *by Kate Trollip*
  - Our exciting new joint venture with Wealth Succession

- What have we been doing in the offshore funds – *by the RCI Investment Team*
  - Overview of the challenging economic landscape & our approach in navigating it
  - Summary of the investment thesis behind our exciting new position in Shopify

- What have we been doing in the local fund – *by the RCI Investment Team*
  - Outline of factors that drove the SA equity market in July
  - Summary of the changes made in the fund during July

- Learning Corner & charts for the month
  - Why the USA is still our investment destination of choice – *by Keiran Witthuhn*
  - US Gasoline prices rolling over & the importance of remaining invested

- Latest Research from Anchor Capital
  - US GDP data disappoints - https://anchorcapital.co.za/macro-research/us-2q22-gdp-data-disappoints-with-investment-and-goods-spending-a-drag-on-economic-activity/
  - Should investors currently avoid investing in technology shares - https://anchorcapital.co.za/global-research/should-investors-currently-avoid-investing-in-technology-shares/

Due to the current economic environment, we have increased the cash positions inside our client accounts to provide sufficient liquidity to meet drawings over the next 12 months so that we are not forced sellers in a downturn. For investors concerned about equity exposure in the current environment, we suggest some context by considering the following aspects/questions:

- *Are you likely to want to withdraw money from your offshore portfolio in the next 3 years? Do you need the money? If you don't, it is almost always the right thing to stay invested.*
- *What are equities as a proportion of your net asset value? Don't generally consider down-weighting equities if it is less than 50%.*
- *Is a compound 8-10% USD return for the risk portion of your portfolio a target you are comfortable with, and are you prepared to have up and down years in the pursuit of this long-term objective?*

The market is presenting opportunities to invest in top quality companies at more reasonable valuations that do not come around often. RCI aims to take advantage of this as, on a 3 to 5 year view, there is potential for great returns for those who can stomach the current volatility in equity markets.

If you have any questions about your portfolios, please feel free to reach out to one of our team members. We are always happy to help.

Note: *If any of our clients wish to be added to the Anchor research and news mailing list, kindly let us know and we will gladly add you.*

*If you know of anybody who would like their financial affairs looked at, please do not hesitate to send them our contact details and we will ensure we get back to them with a proposal plan. They can contact us at eric@rcinv.co.za or 082 561 3124.

We hope to continue assisting you, our clients, by being the best Family Office we can be.

Di, Mike & The RCI Team

PS: Please feel free to pass this newsletter on to friends and family who may wish to learn more about investing. To be added to our mailing list, contact eric@rcinv.co.za

ANCHOR SUCCESSION – AN EXCITING NEW JOINT VENTURE

For 40 years, Robert Cowen Investments has prided itself on offering Family Office services. We are now looking after the fourth generation of families stemming from the very first handful of clients that signed up with us when Rob Cowen started the business in 1982.

Over the years, we have learnt that looking after our clients and their families involves much more than simply investing their funds for them. Many of our clients now have family members that live overseas, or have bought property or own other types of assets offshore in different jurisdictions, or need assistance and advice in creating tax efficient vehicles for themselves or their companies etc.

This created an opportunity for us to develop our skills to assist clients with these issues and as Di famously likes to say, “to know enough when we don’t know enough!” Over the years we have built up relationships with an enviable number of experts in the fields of emigration, fiduciary law, Reserve Bank applications, VDP, tax opinions, offshore Wills (specifically UK), offshore Trustee relationships etc.   Add to this our expertise in investments, estate planning, wealth management, Trusteeships and all the knowledge and experience we have accumulated over many years we now have a full offering of services for our clients in this arena.

A company that forms part of this collection of experts is Wealth Succession, represented by Louis Venter and Seugnette Schwim. RCI has worked very closely with Louis and Seugnette on many of our clients’ fiduciary needs and from that work, it was evident that working in synergy with legal experts of their calibre, who have the same way of thinking as we do was invaluable to us and to our clients. This has definitely added another string to our bow!

We are very excited to announce that we have entered into a Joint Venture with Wealth Succession called Anchor Succession (Pty) Ltd. Anchor Succession forms part of the Family Office offerings that are available to our clients and takes a holistic approach with regards to estate planning, covering the four asset silos, namely: Trusts, Estates, Company and Life and Pensions. Anchor Succession offers bespoke planning across these silos, both locally and offshore, which ensures a solution that is tailored to each family group’s unique situation and needs.

Please feel free to get in touch with us to find out more about how Anchor Succession can assist you and your family with your Family Office needs or if you would like to learn more about what we can do for you.

IMPORTANT TAX INFORMATION
2022 TAX CERTIFICATES & 2023 PROVISIONAL TAX

The Family Office

28 February 2022 Tax Certificates

The 2022 tax certificates were sent to clients and tax practitioners via email on the 09th and 10th July 2022.

The email would be received from Kirsty Lucas (kirsty@rcinv.co.za) with the subject line ʻʻ Tax Certificates 28 February 2022 ʼʼ.

Whilst care has been taken to check, on a sample basis, the contents of the reports, we do recommend that you check the detail that was provided.

If you have any queries or identify any missing reports, please don’t hesitate to contact us.

Please take note of the dates below relating to the submission of the 2022 income tax returns – these dates distinguish between non-provisional taxpayers and provisional taxpayers.

Filing Season 2022 for Individuals

Income tax return filing dates

- **1 July 2022 to 24 October 2022**
  - Taxpayers who file online
  - Taxpayers who cannot file online can do so at a SARS branch by appointment only.
- **1 July 2022 to 23 January 2023**
  - Provisional taxpayers including Trusts may file via eFiling or SARS MobiApp.

2023 1st Provisional Tax – due to SARS on or before 31 August 2022

A reminder to clients who are **provisional taxpayers** that the 2023 1st provisional tax is due next month, 31 August 2022.

If you or your tax practitioner require a report for purposes of calculating your provisional tax, please contact your portfolio manager to request this information or send an email request to Lizette Lotz (lizette@rcinv.co.za) and we will arrange to provide you with the detail.

This information will not be sent out automatically but will be provided upon request.

Source: iStock.com

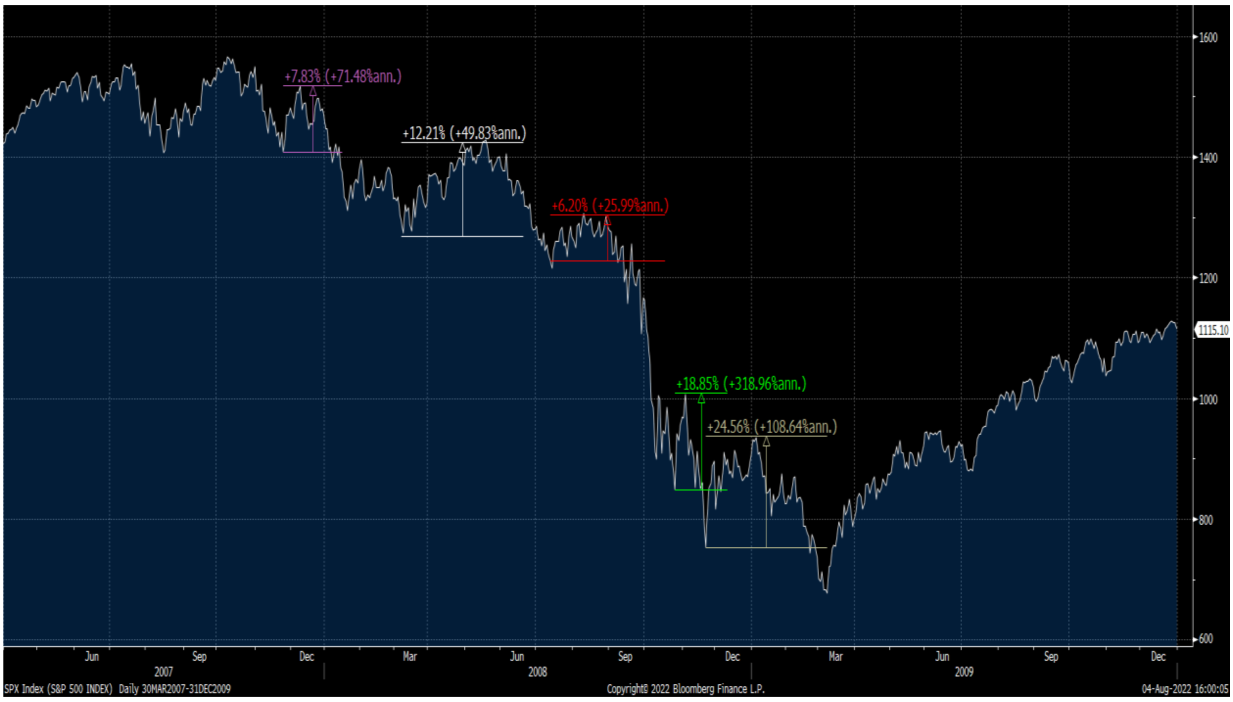
WHAT HAVE WE BEEN DOING IN THE OFFSHORE FUNDS?

The Family Office

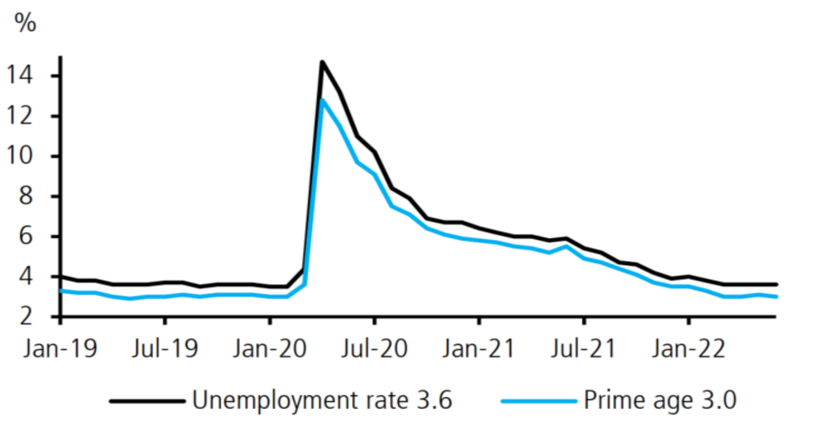
RCI BCI WORLDWIDE FLEXIBLE FUND – An overview of the current economic landscape & our portfolio strategy as the market searches for direction

July has been the strongest month since the COVID-19 V-shape recovery, a welcome relief to an incredibly tough start to the year. The MSCI World index rose 5.2% for the month and the S&P 500 index rose 6.6%. The ultimate question is whether the market made a bottom in June, and this is the turn back up or whether this is simply a bear market rally, and we will soon see further market weakness.

Below is the price graph of the S&P 500 during the Great Financial Crisis of 2008. Several bear market rallies occurred during the 2008/2009 market sell off. It is exceedingly difficult to know where we are in a bear market right now but if we explore what is worrying the market we can try and gauge the degree of pessimism currently reflected in the market.



Other than supply chain woes, China's Zero-COVID policy, inflation and subsequent interest rate hikes (a long list!), the next major worry is whether the USA will go into recession over the coming months. The US has already entered a period of technical recession, which is defined as having two or more quarters with a drop in GDP, but according to the Fed, rising employment is not indicative of a recession.



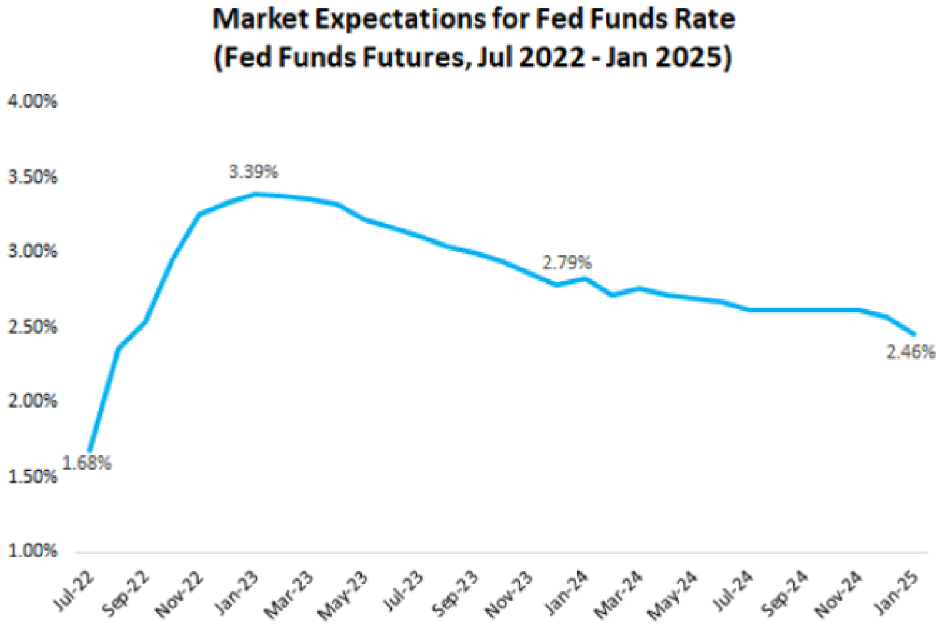
Source: BLS, UBS

[Prime Age is defined as 25-54 year olds]

Some would argue that employment is not a good indicator of recession as there is a significant lag from the initial economic downturn to when workers are actually laid off.

Robert Cowen Investments
Growing families' wealth since 1982

The below market expectations show where the federal funds rate is forecasted to be through to 2025. Market participants expect an additional 1.5% of inflation-combatting interest rate hikes for the rest of the year followed by a new rate cutting cycle throughout 2023. The bond/rates market therefore clearly disagrees with the Fed's claim of commitment to fighting inflation, pricing in a Fed pivot (easing off on the rate tightening cycle) by January 2023.



Why would the Fed start cutting so soon after hiking? Market participants believe that in 2023 the US will enter a recessionary period that will force the Fed to cut rates to save jobs and prevent a significant slowdown in the economy. In terms of the 40 year-high inflation in the US, a recession will certainly lead to lower inflation as economic activity slows. With the backdrop of this negative economic picture, why is the market rallying at the moment?

The logic is that lower interest rates are positive for equity valuations, specifically those stock valuations that use earnings relatively far into the future which are then discounted to the present using current interest rates. Growth stocks, which fall under this category, performed very well during COVID-19 when interest rates were at all-time lows. The stock market is therefore taking bad economic news as good news for equity valuations. In short, the expected looming recession will force the Fed to cut interest rates, which in turn is positive for stock market valuations.

At present the market is valuing the S&P 500 index on the basis that earnings growth will only slow and not decline. Thus, if we expect a harsh recession, the market is still too expensive at current prices:

WHAT HAVE WE BEEN DOING IN THE OFFSHORE FUNDS?

BY THE RCI INVESTMENT TEAM (CONTINUED)

The above graph shows the S&P 500 in yellow. The blue line is the forecasted earnings of the index for the next twelve months. Forecasted earnings have contracted slightly, indicating a slowdown in year-on-year growth. But should we experience a deeper than feared recession, these earnings estimates have not fallen enough. It is important to note that stock market is a forward-looking mechanism whereby stock prices fall prior to analysts revising their forecasted earnings estimates. At this point, the key question is - how far do earnings fall over the next year and has the market corrected enough to price in this contraction in earnings?

Only with the benefit of hindsight will we know the answer, but we do feel that the recent bounce in markets may be a slightly optimistic amidst all the present uncertainty. This however, is all speculation and at RCI we believe that rather than obsessing over short-term economic indicators, we should concentrate on building a high-quality portfolio that compounds its earnings growth over time. A quality portfolio is the best defence for tough times.

Portfolio Strategy

The focus of the portfolio continues to be direct investment in high quality offshore equities that are world leaders in their industries, with emphasis on businesses with high Return on Capital Employed combined with excellent free cash flow generation. We tend to ignore whether or not a company pays a dividend but usually prefer those businesses that reinvest earnings back into their internal operations. We also tend not to chase short-term investment narratives and themes that could be trending in the market, as we would not want to reduce the quality of the portfolio for the sake of following the flavour of the month.

Other than a total global economic recession our portfolio is well positioned to handle any short-term pull backs in the stock market as we currently have approximately 13% in cash as well as several holdings that are defensive in nature.

Our top 10 positions:

	PEG Ratio ('22 PE/'22-24 Growth)	PE in one years time	EACH YEAR		
			2020-2021 Growth	2021-2022E Growth	2022-2023E Growth
ADOBE SYSTEMS INC	1.72	28.06	-8%	35%	18%
ALPHABET INC-CL C	1.25	18.85	92%	15%	15%
AMAZON.COM INC	0.63	52.21	55%	-51%	117%
BOSTON SCIENTIFIC	1.77	22.46	70%	8%	9%
DISNEY	0.78	21.48	13%	67%	39%
GLENCORE	-0.17	4.76	247%	106%	-32%
KRANE SHARES CHINA INTERNET ETF					
MICROSOFT CORP	2.11	26.95	38%	19%	9%
PAY PAL	1.06	22.05	98%	-15%	22%
VISA	1.60	25.24	17%	25%	14%
PEG Ratio (Forward PE/'23 Growth in EPS)	**1.25**				
Median PE		**22.46**			
Annual EPS Growth Rate (Median)			**55%**	**19%**	**15%**

Our top 10 positions are expected to grow earnings per share by about 17% per year for the next two years. Our companies are trading at higher valuations (22x versus the S&P 500's 17.5x) but they deserve to do so as they are higher quality and are growing earnings at a higher rate than the market as a whole. Especially when compared to expected returns on investments in bonds or cash.

At present there are no investments in South Africa, other than rand flows due to new subscriptions.

Main changes during the month

Purchased Shopify:

- Shopify is an e-commerce business that enables merchants to sell their products online by acting as both an online platform and a fulfilment company. It offers a wide variety of services to merchants, including website construction, payments, invoicing, fulfilment, advertising, analytics, etc. It therefore also has a wide variety of competitors, ranging from Wix and Squarespace for web design, PayPal for payments, Adobe for analytics, Amazon, and eBay for fulfilment. However, Shopify aims to provide an all-in-one service, thus making it unique from all the above competition.
- The company's focus is onboarding new merchants, as it is generally able to successfully upsell its services. It then benefits from the merchants' success, as this will inevitably lead to more use of its services.
- Shopify has two sources of revenue:
    - Subscription solutions: The fees it charges to run the online business, including the platform, website, point-of-sale, domain name, etc. These subscriptions ratchet up as the merchant requires a more complex solution.
    - Merchant solutions: This includes all fees relating to payments and fulfilment, such as processing fees, currency conversion fees, shipping, etc. As the merchants grow, they use more of Shopify's solutions e.g. selling internationally leads to currency conversion revenue.
- E-commerce sales, as a percentage of total retail sales has grown consistently since the early-2000s.
    - The industry experienced a significant boom when the COVID-19 pandemic hit, as consumers were forced to shift their spending online.
    - This has corrected as the global economy has reopened and consumers are shifting spending towards travel and services.
    - Despite disruption over the past two years, we expect that this will normalise, and e-commerce will continue to grow in line with its long-term trend over the coming years and Shopify will benefit from this.
    - The heightened spending during the pandemic resulted in Shopify doing extremely well in FY20 and FY21 and is now lapping a very high base and we expect revenue growth to be depressed for the next year, but it should pick up from 2023 onwards.
- Shopify operates within a growing sector with secular tailwinds and it is gaining market share within this sector, thus we are confident that there is tremendous potential for further growth going forward.

Switched Wells Fargo into Citigroup: Although banking exposure is not a main strategy for the fund, we took the opportunity to switch our small position in Wells Fargo into Citi Group before results as the valuation differential was attractive.

Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2017	-	-	-	-	5.1%	-1.6%	1.5%	-1.8%	3.2%	5.8%	-2.9%	-6.8%	**1.9%**
2018	1.4%	-3.2%	-3.6%	6.8%	1.4%	10.8%	-2.1%	14.1%	-4.1%	-7.3%	-3.8%	-2.8%	**5.6%**
2019	-0.7%	7.1%	4.3%	4.0%	-2.9%	0.5%	2.6%	3.3%	-0.3%	2.5%	-0.3%	-1.1%	**20.3%**
2020	7.3%	-1.5%	5.6%	10.2%	-1.9%	1.7%	3.5%	6.0%	-4.7%	-2.8%	0.4%	-3.0%	**21.5%**
2021	5.4%	1.0%	-1.9%	2.7%	-4.5%	7.9%	1.8%	0.7%	-1.2%	4.2%	0.8%	-1.2%	**16.3%**
2022	-12.4%	-2.5%	-6.0%	-2.4%	-5.9%	-4.3%	8.2%						**-23.5%**

The fund returned +8.2% in ZAR terms (+6% in USD) for the month. The ZAR weakened 2% against the USD for the month which added to the ZAR performance.

Thus far for 2022, the fund is down 23% in Rands or 26% in USD terms, with the rand having weakened 4% against the dollar. The MSCI Developed Markets Index has fallen 16% in USD for the same period.

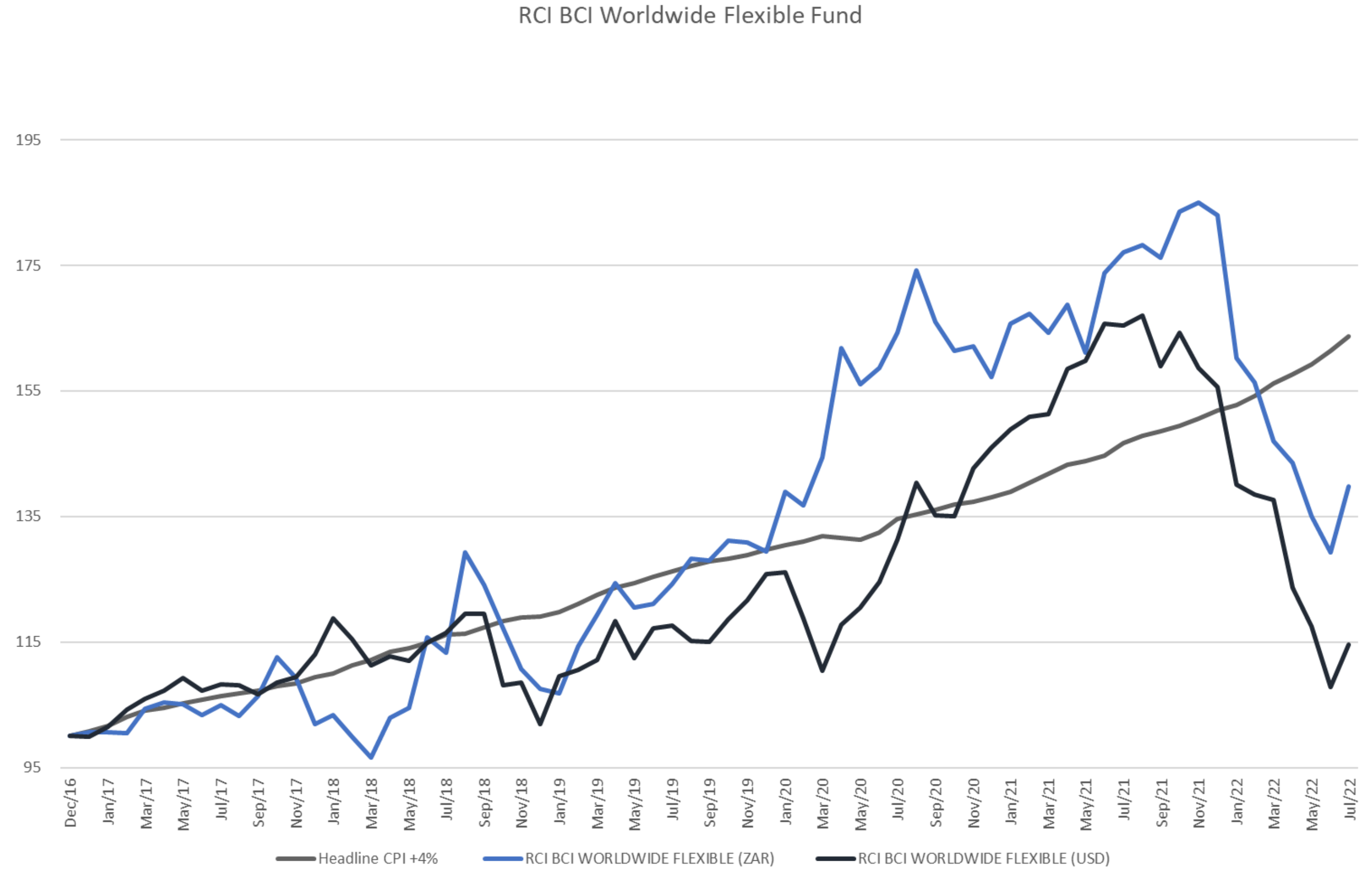
For the 2021 year, the fund closed up 16.3% in Rands or 7% in USD terms, with the rand having weakened 8.1% against the dollar. The MSCI Developed Markets Index achieved 20% in USD for the year.

RCI OFFSHORE UNIT TRUSTS

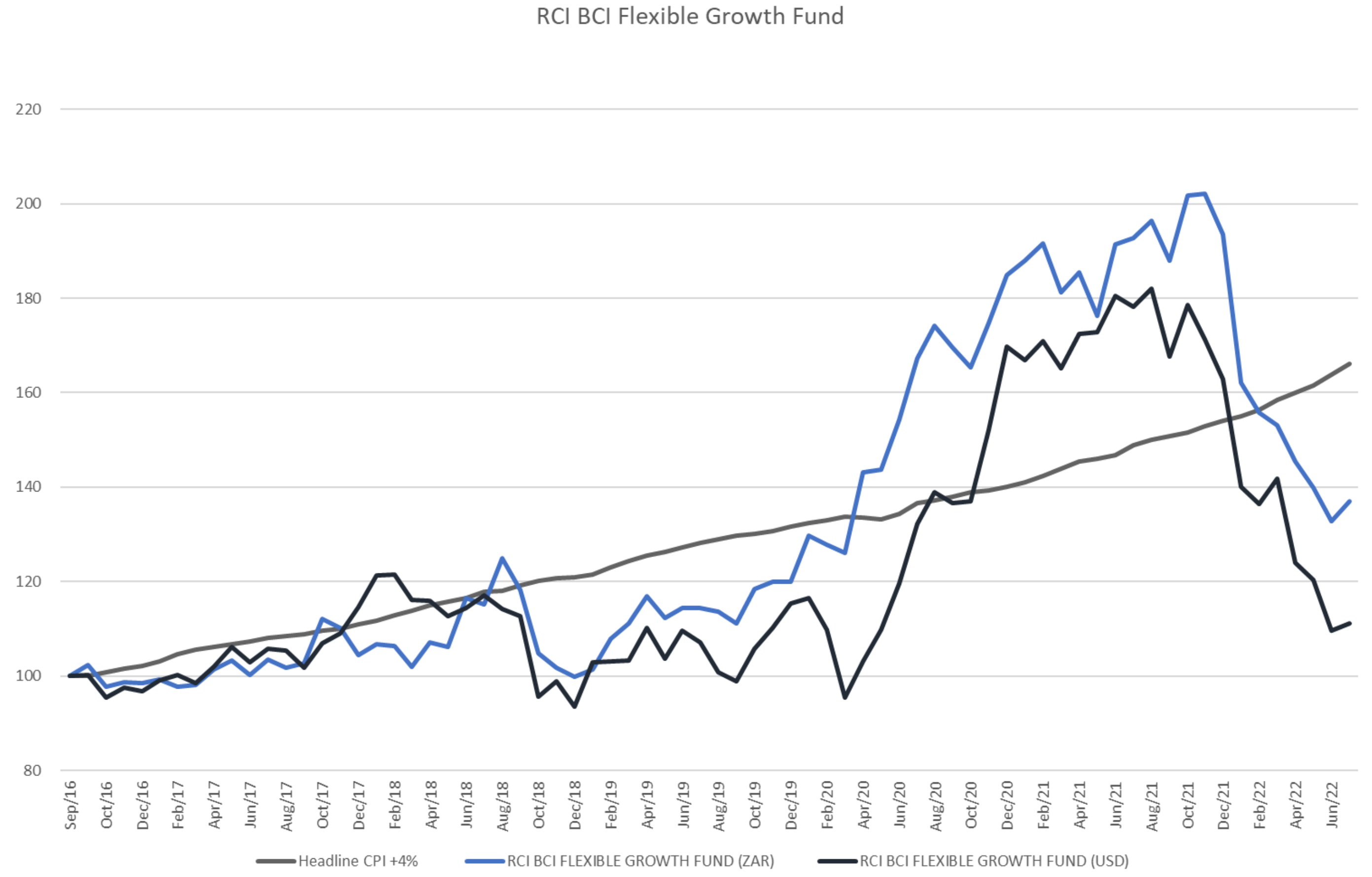
"In the short run, the market is a voting machine, but in the long run it is a weighing machine." – Benjamin Graham

The Family Office

RCI BCI Worldwide Flexible Fund closed July at 139.86c, up 8.21% for the month and down 20.99% for the last 12 months.



RCI BCI Growth Fund closed July at 137.02, up 3.19% for the month and down 28.94% for the last 12 months.



WHAT HAVE WE BEEN DOING IN THE LOCAL FUND?

RCI BCI FLEXIBLE FUND – South African equities still largely contingent on Chinese economic prospects

The Family Office

BY THE RCI INVESTMENT TEAM

Global equity markets rebounded strongly in July (MSCI World +8% MoM), the strongest monthly performance since November 2020 (when news of successful COVID-19 vaccine trials was announced). Indicative of how negative investor sentiment had become as we entered July was the fact that this performance came against a backdrop of US 2Q reporting that, although lacklustre, has so far been less bad than feared. With the Fed remaining largely on script, delivering a 75bp rate hike as was widely expected, no further bad news was added into the market. July's snap back in performance has subsequently given rise to a fierce debate as to whether equity investors have become too optimistic in their growing expectation, as evidenced by July's rally, that the Fed will pivot later this year from its currently hawkish stance aimed at tackling inflation to a more accommodative stance as economic data in the coming months deteriorates. Bears argue that likely persistence in inflation will not allow the Fed to pivot as soon as equity investors expect (hope?), leading to them predicting that this will prove to be a bear market rally rather than the beginning of a sustained bull market beginning – as highlighted previously, time will tell. Emerging Market equities were unable to capitalise on the improved investor sentiment seen in Developed Markets (MSCI EM -0.2% MoM), weighed down in particular by China (Hong Kong-listed corporates -9.3% MoM) as further regulatory penalties were imposed on its large tech counters and new curbs on human movement, courtesy of its zero-COVID policy, portend more economic damage to come.

SA equities mirrored better DM investor sentiment, bouncing back in July from a terrible June (FTSE/JSE Capped SWIX +2.8% MoM). Companies geared to the domestic economy were generally in the green, despite SA experiencing severe loadshedding, while shares linked to commodities were a rather mixed bag. Large diversified miners bounced back in July, while Sasol continued to sell off as oil came under further pressure. The rand depreciated 2% against the US dollar which provided a slight tailwind for rand hedges, amongst which Richemont's 15% rally in July stood out. Naspers and Prosus began July strongly, continuing their rally following the announcement of the enlarged buyback program in June, but faded in the final days of the month as Tencent (-13% MoM) sold off – they finished relatively flat for July.

Portfolio Strategy

The focus of the portfolio is on investing in domestically listed companies that have an investment case that insulates them from SA's difficult economic situation (strong multinational franchise, rand hedge, dominant local platform, or clear local expansion strategy for example); high confidence in improving Return on Capital Employed and excellent cash flow generation. Of those companies that pay a dividend we prefer businesses with a dependable and solid payment history.

At the end of June, the top 14 holdings in the fund, making up 65% of the equity exposure, were as follows:

- Prosus
- Naspers
- Bidcorp
- Afrimat
- Investec
- Glencor
- Advtech
- Richemont
- Absa
- MAS Real Estate
- Thungela
- Sasol
- South 32
- AECI

Robert Cowen Investments
Growing families' wealth since 1982

WHAT HAVE WE BEEN DOING IN THE LOCAL FUND?

BY THE RCI INVESTMENT TEAM

Main changes in the month

In July we sold out of **MultiChoice**, as we concluded its subdued results and mounting macro headwinds provided little prospect of upside for the time being. Having successfully held an overweight position in **Naspers** relative to **Prosus**, we switched this around owing to our belief that the past relative outperformance of Naspers had become too extended. We took advantage of temporary weakness in **Shoprite** to add to the position – a long-term quality holding. We also took advantage of the significant sell-off in miners over the last few months to reinitiate a position in **Anglo American** in expectation that Chinese economic stimulus later this year should provide support for commodities and the share alike.

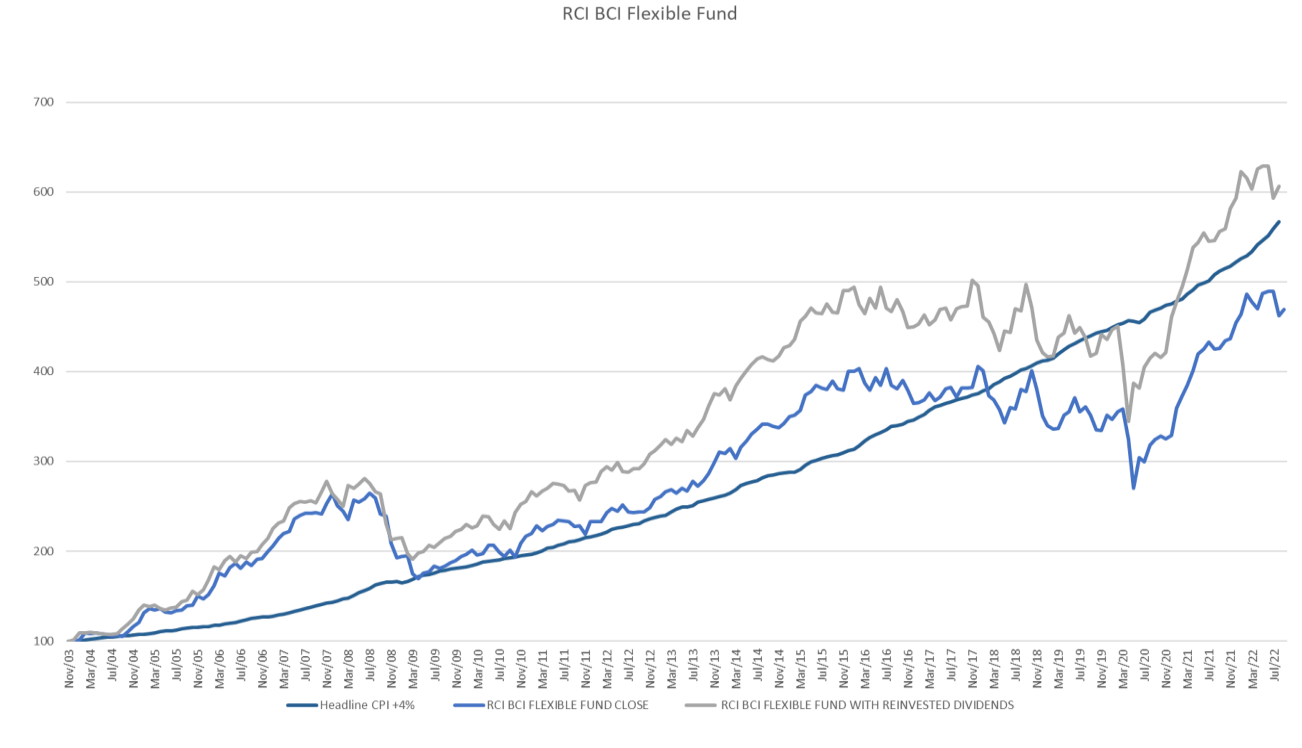
Performance

After a bruising June, the RCI BCI Flexible Fund recovered slightly in July (+1.5% MoM). Late weakness in Naspers/Prosus and Afrimat, a large holding in the fund, which sold off because of what looks at the moment like a rather inopportune capital raise, put a dent in what would otherwise have been a solid month.

The RCI investment team

- **Mike Gresty**
- **Di Haiden**
- **Ross McConnochie**
- **Eric Lappeman**
- **Andrew Lawson**
- **Gontse Dikeledi**
- **Keiran Witthuhn**

RCI BCI Flexible Fund closed July at 469.06c, up 1.52% for the month and up 10.07% for the last 12 months. The fund is now ranked 6th in its category over the last three years, out of 58 funds, with an annualized performance of 10.09%.



Collective Investment Schemes in Securities (Unit trusts) are generally medium to long term investments. The value of participatory interests (units) may go down as well as up, and past performance is not necessarily a guide to the future. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. Commission and incentives may be paid and, if so, would be included in the overall costs. The portfolio is registered under the license of Boutique Collective Investments, a member of the Association for Savings & Investment SA. Forward pricing is used. More details are contained in a fact sheet that is available upon request.

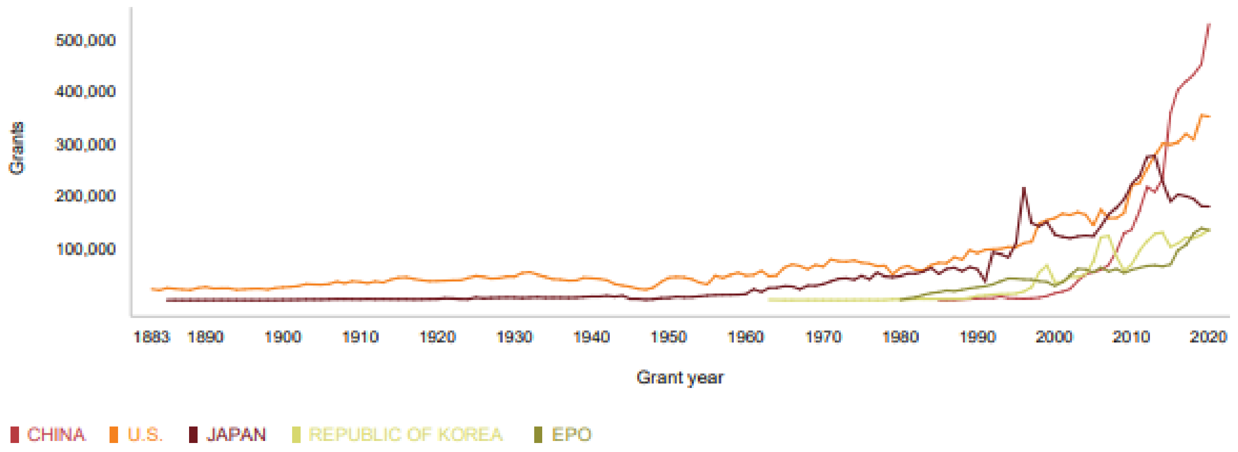
LEARNING CORNER - WHY THE USA IS STILL OUR INVESTMENT DESTINATION OF CHOICE

JULY 2022

In April 2020, after the COVID-19 market sell-off had taken place, the US economy lost 22 million jobs in 1 month, from 152 million (3.5% unemployment) to 130 million jobs (14.7% unemployment). In July this year, the US had managed to recover all of those lost jobs and the unemployment rate now sits back at pre-pandemic levels of 3.5%, which was then the lowest levels seen since 1969. Despite the rare nature of the cause of the mass loss in jobs, this was the greatest jobs comeback in history. This phenomenon cannot be understated, and is one of the reasons that the 66% of our flagship offshore fund is invested in companies that originate from the US. One simply has to look at the current economic situations in the UK, Europe, and Japan to recognize that the US has the more robust economy and is still the global powerhouse that you should not bet against.

Besides the resilience of the US economy, another important feature that makes it our investment destination of choice, is their national system of innovation. This system fosters the flow of information and technology among people and institutions and incentivizes entrepreneurship. When you break it down to its core, their system of fostering innovation to thrive is ultimately why the US is likely the home to most of your favourite companies. An innovation system describes the interactions between the relevant parties that are needed to turn an idea into a process, product or service in the market. To demonstrate how the US economic and regulatory environment efficiently allows the creation and adoption of new technologies to occur, one can use patents as a proxy.

A14. Trend in patent grants for the top five offices, 1883–2020

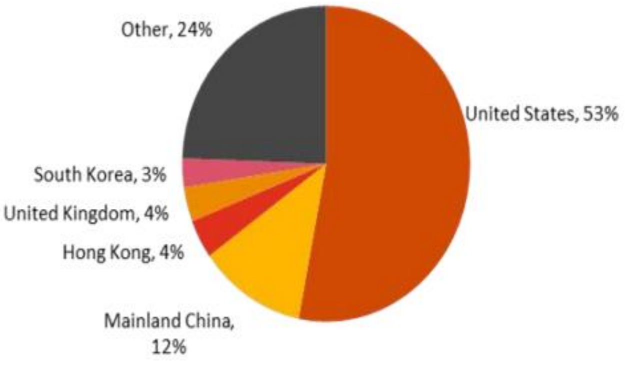


Note: EPO is the European Patent Office. The top five offices were selected based on 2020 totals.
Source: WIPO Statistics Database, September 2021.

We therefore believe that a significant proportion of the most innovative companies will continue to originate from the US. The below chart from PwC shows that the US is still the world leader in IPO's. This highlights the nature of their capital markets in making sure that great ideas are actually brought into the market place through companies with ground-breaking new products.

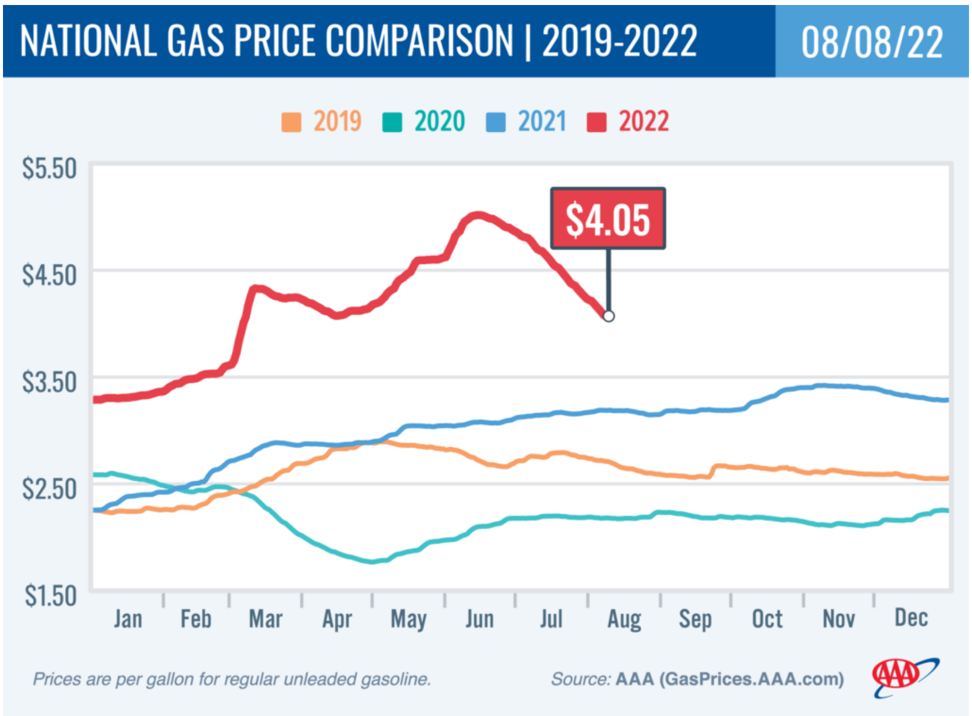
Despite the rapid rise in Chinese competitiveness, we are still confident that the US is the world leader in innovation and commerce. The relationships between industry, government and academia help to foster the development of science and technology. This allows the companies we own to thrive in an environment that fosters continuous innovation. And this is why companies like Apple, Amazon, Alphabet, Microsoft, Tesla, Nvidia and Johnson & Johnson are some of the best companies to own in one's share portfolio. No matter what the current economic environment is, companies that continue to innovate and bring new technologies to the market, will continue to yield above market returns for their shareholders.

Global IPO activity and top locations 2021



Source: PwC

The oil burden as a percentage of global GDP is 3%, down from 6% in 1980. It therefore does still remain an important component of inflation. If the price of oil doubles, clearly it will have a significant impact on inflation. The below graph shows that despite being significantly elevated relative to previous years, US gasoline prices are rolling over. The cure for high prices in the commodities market is often said to be high prices, as it eventually leads to increased production (supply) and reduced demand. We're seeing both of these factors influence the price of gasoline, which is at a 5-month low ($4.05/gallon) and 96 cents below its all-time high from June. According to the Energy Information Administration (EIA), the total domestic gasoline supply has increased by 7.8 million barrels from the low in June. And in a recent survey from AAA, 64% of Americans have made changes to their driving/lifestyle in response to higher gas prices, which is translating into lower demand (gas demand dropped from 9.25 million barrels/day to 8.54 million barrels/day last week, which is 1.24 million lower than last year and back to July 2020 levels when COVID-19 restrictions were still in place). All of this should aid in bringing down the highest level of inflation in 40 years.



After the recent rally in shares, we would again like to bring home the message from the old adage that "time in the market, beats timing the market". As you lengthen your investment horizon and remain invested through the inevitable business cycles, the returns you attain are more likely to be consistent with the historical long-term trend. In a study we recently did, we found that the worst market timer (someone who invested in the S&P 500 on the day of the peak before a significant downturn) would still have achieved an annual return in US dollars of: 7.3% if they had invested on 1 September 2000 (the day before the Dot-com bubble started to deflate), 10.0% if they had invested on 9 October 2007 (the day before the housing crisis in the US and subsequent global financial crisis started to bring markets down), and 17.9% if they had invested on 19 February 2020 (the day before the Covid-19 sell off took place). Keep in mind, these are all dollar returns!

Source: AhSeeit