



# ROVIN CAPITAL NEWSLETTER

June 1, 2023

Here at Rovin Capital, we know that when you start talking about investments things can get really confusing really fast. How are you supposed to know how to invest your hard-earned money when your Uncle Bob is saying one thing, Twitter is saying something else, and the market has a mind of its own?! That's where we come in. So, as part of our first ever Rovin Capital Newsletter, we thought it would be valuable to outline 10 simple principles of investing. Here they are:



## 1. LENGTHENING YOUR INVESTMENT HOLDING PERIOD INCREASES YOUR ODDS OF MAKING MONEY

*Historic Odds of Making Money in the S&P 500 By Holding Period \**



**1 DAY**



**1 YEAR**

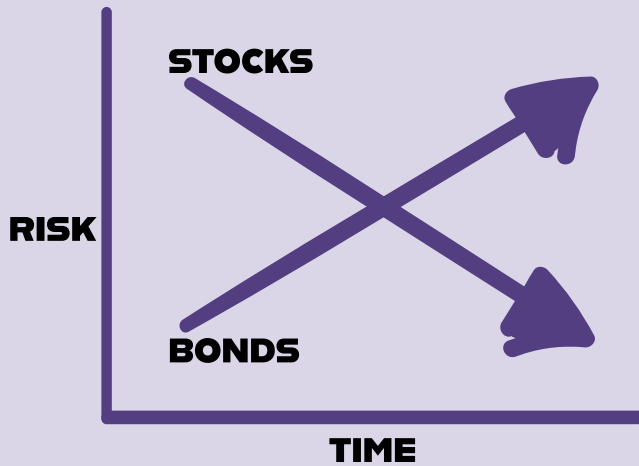


**10  
YEARS**



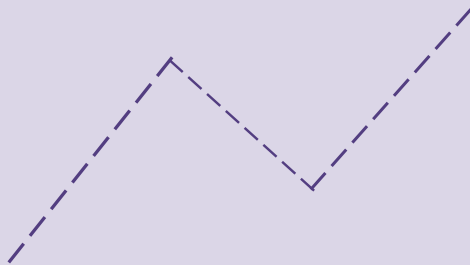
**20  
YEARS**

## 2. WHAT IS RISKY SHORT TERM LEADS TO GREATER LONG-TERM GAIN. WHAT IS SAFE IN THE SHORT-TERM IS A LONG-TERM RISK.

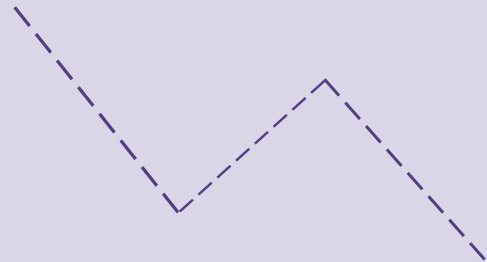


*From 1871-2006, stocks outperformed bonds 60.3% over one year periods with more volatility. But, over 30 year periods, stocks outperform bonds 100% of the time. \**

## 3. WHEN IT COMES TO INVESTING, MAKING MONEY IS JUST A MATTER OF TIME



**"MY PORTFOLIO IS UP!"**



**"STOCKS ARE ON SALE!"**

*If you invested \$100 in the S&P 500 in 1900, you would now have \$9,789,827.58. That's an average of 9.79% per year!*

## 4. THE VAST MAJORITY OF WEALTH BUILDING COMES FROM 3 ACTIONS:



**SAVE MONEY**



**WAIT LONGER**

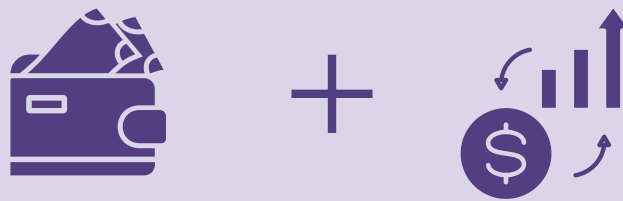


**INVEST BETTER**

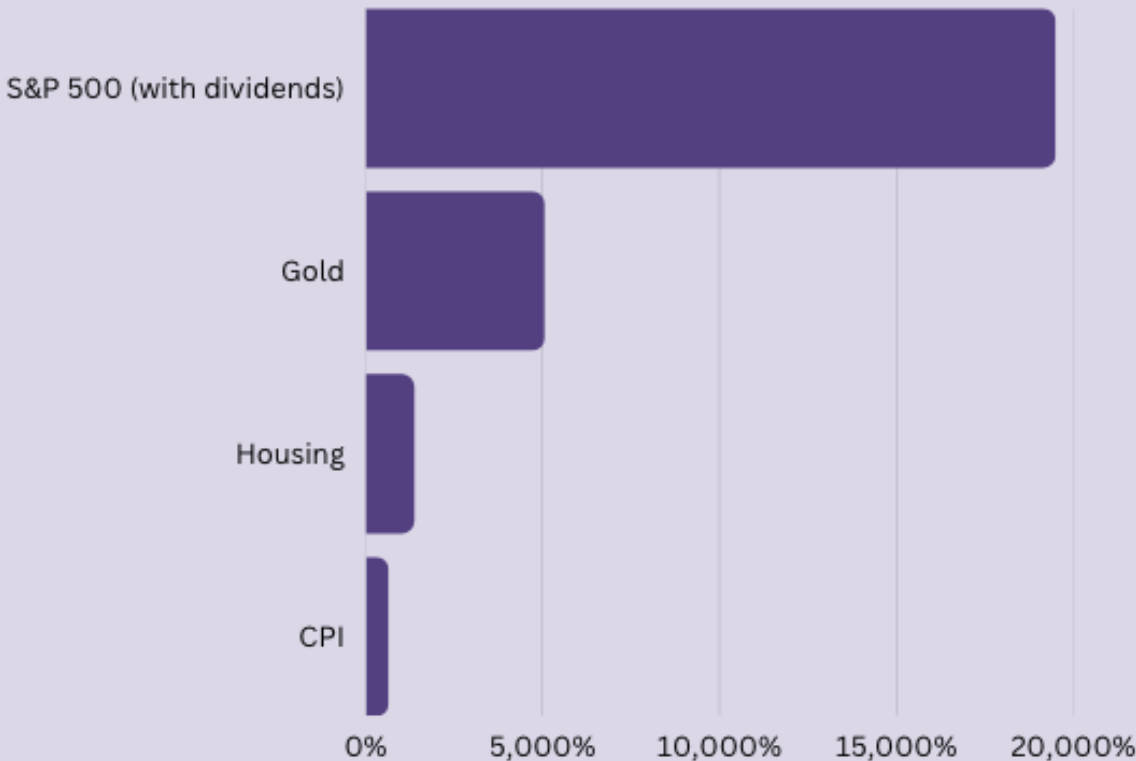
## 5. DON'T TRY TO TIME THE MARKET, INSTEAD DOLLAR COST AVERAGE



## 6. BUILDING WEALTH REQUIRES BOTH SAVING AND INVESTING



## 7. WHAT IS THE BEST HEDGE AGAINST INFLATION OVER TIME? THE STOCK MARKET



*Total return for each index/asset class from December 1970 through January 2023 \**

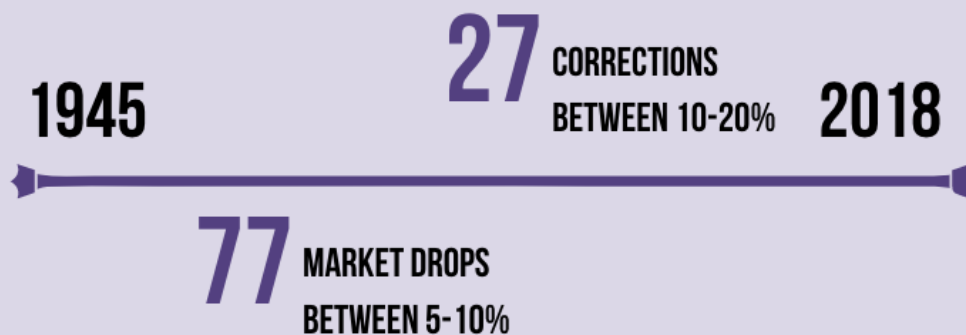
## 8. FEAR IN THE MARKET IS A GREAT TIME TO INVEST

*S&P 500  
Index Returns  
(%) When VIX  
>40 Since  
1990 \**

*Note: VIX or "fear  
index" levels above  
40 indicate extreme  
market volatility*

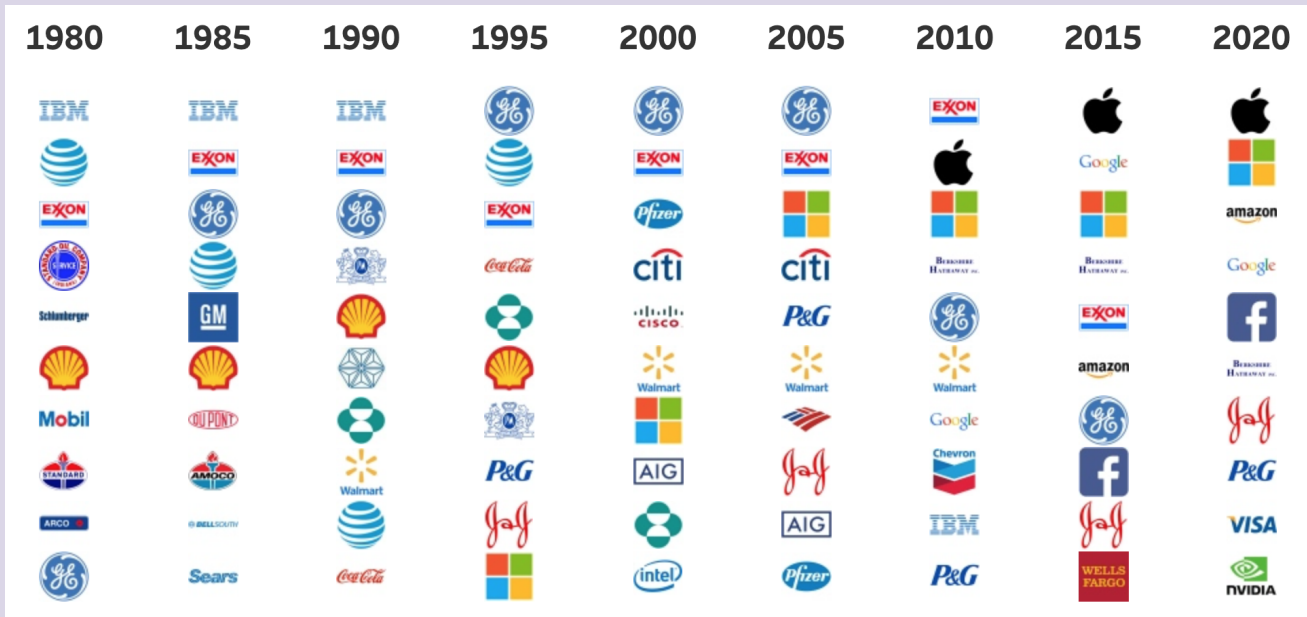
DATE	1 YEAR	3 YEAR	5 YEAR	S&P 500 DAILY LOSS *	EVENT
8/31/1998	39.82	7.14	2.48	-6.80	RUSSIA'S ECONOMIC CRISIS
9/17/2001	-14.64	4.55	6.76	-4.89	TRADING RESUMES FOR THE FIRST TIME FOLLOWING THE SEPTEMBER 11 TERRORIST ATTACKS
7/22/2002	22.73	16.64	15.43	-3.29	ACCOUNTING SCANDALS HIGHLIGHTED BY BANKRUPTCIES AT ENRON AND WORLDCOM
9/29/2008	-1.54	3.90	11.32	-8.79	US HOUSE OF REPRESENTATIVES REJECTS A PROPOSED \$700 BILLION BANK BAILOUT PLAN
5/7/2010	23.05	15.98	15.88	-1.53	"FLASH CRASH" CAUSES STOCKS TO DECLINE RAPIDLY WITH NO APPARENT REASON. DOW JONES INDUSTRIAL AVERAGE FALLS 999 POINTS INTRADAY BEFORE RECOVERING.
8/8/2011	28.09	22.59	16.76	-6.65	EUROPEAN DEBT CRISIS AND S&P DOWNGRADES US GOVERNMENT DEBT FROM AAA TO AA+ FOR THE FIRST TIME IN HISTORY
8/24/2015	17.48	17.34	14.94	-3.94	CHINA CURRENCY DEVALUATION SPARKS SELLOFF
2/28/2020	31.29	12.15	?	-0.81	CORONAVIRUS OUTBREAK INDUCES FEAR-BASED SELLING

## 9. IN ORDER TO GET LONG-TERM POSITIVE PERFORMANCE, CORRECTIONS ARE NEEDED



*Market corrections are a  
feature of good market  
performance, not an  
anomaly*

# 10. INNOVATION AND CHANGE ARE A GIVEN



*10 Largest Companies in the S&P 500 Index Over Time \**

We hope these principles will bring clarity to your investment mindset. If you still have any questions, feel free to reach out to your advisor today. At

Rovin, our focus is on partnering with you to provide peace of mind. Contact us today to discuss how any of these principles can help you make the most of your money!



\* Sources:

1. Feroldi, Brian.
2. Adviser, Bloomberg. & Case-Shiller Home Price Index.
3. Hartford Funds, Morningstar, and Factset, 4/23.
4. Compounding Quality.
5. John VanGavree.

This information should not be considered investment advice or a recommendation to buy/sell any security. In addition, it does not take into account the specific investment objectives, tax and financial condition of any specific person. This information has been prepared from sources believed reliable but the accuracy and completeness of the information cannot be guaranteed. This material and/or its contents are current at the time of writing and are subject to change without notice.