Volatility Sparks Emotion – But Discipline Wins

Pullbacks are Normal... And Often Followed by Recoveries

While it may be tempting to have kneejerk reactions to short-term volatility, exercising patience and discipline helps keep investors on track to hit their long-term goals. When markets do the unexpected, it can test the nerves of even the savviest investor.

The CBOE Volatility Index (VIX), also referred to as the ‘fear gauge,’ is a measurement that reflects investor sentiment and market uncertainty. Typically, values above 20 are considered more volatile than normal.

The chart below shows major market pullbacks over the past 30 years, which coincide with volatility spikes and have historically been followed by recoveries.

Major market pullbacks

S&P 500 Price Index

Source: Bloomberg VIX as of 3/13/2025, S&P as of 3/12/2025

Volatility

VIX Index

Staying focused on long-term goals and avoiding emotional decision-making can help in navigating periods of volatility. While history shows that markets have often recovered from downturns, future performance is not guaranteed.

A Record of Resilience

Historically, the stock market has shown resilience in the face of adversity and some market downturns have been followed by relatively short recovery periods. While painful, multi-month corrections are common with the average intra-year drop for equity markets over the past 35 years standing at 13.95%. In 27 of the last 35 years, the S&P 500 saw a pullback of 7% or higher. Yet only 10 of those years had a negative annual return.

Despite Frequent Market Pullbacks, Annual Returns Have Often Remained Positive

	Maximum Drawdown	Annual Price Return
2024	(8.49%)	23.31%
2023	(10.28%)	24.23%
2022	(25.43%)	(19.44%)
2021	(5.21%)	26.89%
2020	(33.92%)	16.26%
2019	(6.84%)	28.88%
2018	(19.78%)	(6.24%)
2017	(2.58%)	19.42%
2016	(10.27%)	9.54%
2015	(12.04%)	(0.73%)
2014	(7.28%)	11.39%
2013	(5.58%)	29.60%
2012	(9.58%)	13.40%
2011	(18.64%)	(0.00%)
2010	(15.63%)	12.78%
2009	(27.19%)	23.45%
2008	(47.71%)	(38.49%)
2007	(9.87%)	3.53%

	Maximum Drawdown	Annual Price Return
2006	(7.46%)	13.62%
2005	(7.01%)	3.00%
2004	(7.43%)	8.99%
2003	(13.78%)	26.38%
2002	(33.01%)	(23.37%)
2001	(29.09%)	(13.04%)
2000	(16.56%)	(10.14%)
1999	(11.80%)	19.53%
1998	(19.19%)	26.67%
1997	(10.80%)	31.01%
1996	(7.60%)	20.26%
1995	(2.53%)	34.11%
1994	(8.94%)	(1.54%)
1993	(4.99%)	7.06%
1992	(6.24%)	4.46%
1991	(5.60%)	26.31%
1990	(19.92%)	(6.56%)

Maximum Drawdown Average
(13.95)

Annual Price Return Average
9.84%

Source: FactSet, OAM Research. Max drawdown is per calendar year. Note: These results cannot and should not be viewed as an indicator of future performance. Return data excludes applicable costs including commissions and interest

Stay Invested for the Long Run

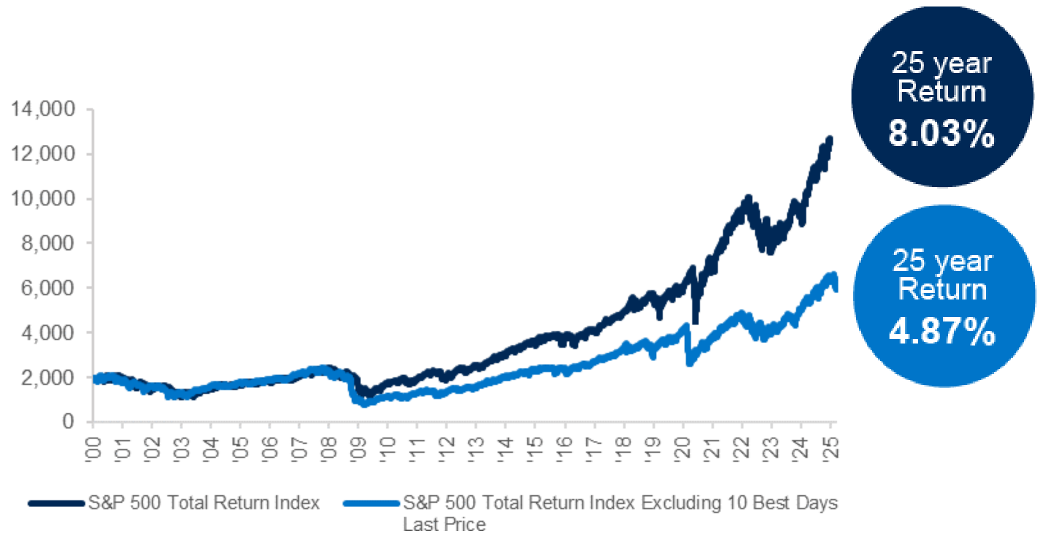
Trying to predict the market’s next move is nearly impossible, and missing just a few of the market's best days has historically reduced long-term returns in some scenarios.That’s why we believe time in the market often matters more than timing the market.

Market history suggests that investors who maintain a long-term perspective may be better positioned than those who react to short-term volatility. The key? Avoid kneejerk decisions during volatility. Talk to your financial advisor about strategies that can help support your long-term goals.

Missing the market’s strongest days has, in some historical periods, significantly reduced returns.

S&P 500 Total Return (including and excluding 10 best days)

Top 10 Best Days	
10/13/2008	11.58%
10/28/2008	10.79%
3/24/2020	9.39%
3/13/2020	9.32%
3/23/2009	7.10%
4/6/2020	7.03%
11/13/2008	6.93%
11/24/2008	6.47%
3/10/2009	6.37%
11/21/2008	6.35%



Source: Bloomberg, OAM Research

Disclosures

This material is intended for informational purposes only. The information and statistical data contained herein have been obtained from sources we believe to be reliable. Oppenheimer Investment Advisers (OIA) is a division of Oppenheimer Asset Management Inc. Oppenheimer Investment Management is a subsidiary of Oppenheimer Asset Management. The opinions expressed are those of Oppenheimer Asset Management Inc.("OAM") and its affiliates and are subject to change without notice. No part of this material may be reproduced in any manner without the written permission of OAM or any of its affiliates. Any securities discussed should not be construed as a recommendation to buy or sell and there is no guarantee that these securities will be held for a client's account nor should it be assumed that they were or will be profitable. Securities referenced herein are used as proxies or illustrations of broader market or sector principles. Past performance does not guarantee future comparable results.

Investing in securities involves risk and may result in loss of principal. Past performance does not guarantee future results. Some of the information in this document may contain projections or other forward looking statements regarding future events or future financial performance of funds, countries, markets or companies. Actual events or results may differ materially.

The Standard and Poor's (S&P) 500 Index is an unmanaged index that tracks the performance of 500 widely held, large capitalization U.S. stocks. Individuals cannot invest directly in an index. A history of paying dividends is not a guarantee of such payments in the future. Companies may suspend their dividends for a variety of reasons, including adverse financial results.

S&P 500 Total Return Index is a total return index that reflects both changes in the prices of stocks in the S&P 500 Index as well as the reinvestment of the dividend income from its underlying stocks. CBOE Volatility Index (VIX) is quoted as a percentage that represents an expected annual change of the S&P 500 index and it measures the market's expectation of 30-day S&P 500 volatility as reflected in the prices of near term S&P 500 index options.

This material is not a recommendation as defined in Regulation Best Interest adopted by the Securities and Exchange Commission. It is provided to you after you have received Form CRS, Regulation Best Interest disclosure and other materials.

OAM is a wholly owned subsidiary of Oppenheimer Holdings Inc. which also wholly owns Oppenheimer & Co. Inc. ("Oppenheimer"), a registered broker/dealer and investment adviser. Securities are offered through Oppenheimer and will not be insured by the FDIC or other similar deposit insurance, will not be deposits or other obligations of Oppenheimer or guaranteed by any bank or other financial institution, will not be endorsed or guaranteed by Oppenheimer and will be subject to investment risks, including the possible loss of principle invested.

Market declines and recoveries vary in timing and magnitude. Historical performance is not indicative of future results. This material is provided for informational purposes only and is not intended as investment advice or a guarantee of future outcomes. 7831977.1