

RECOVERING FROM A MARKET DOWNTURN

History shows that investors benefit from staying invested

- Investors' fears are running high amid uncertainty over financial markets. Yet, the stock market and economic experiences over the past decades were at times quite frightening too.
- The U.S. stock market has been remarkably resilient; it has routinely recovered from short-term crisis events to move higher over long-term periods.
- This chart demonstrates that while the Dow Jones Industrial Average (DJIA), on average, declined during periods of crisis, the ensuing 12 months typically produced double-digit returns.

Crisis events since 1929

Event	Reaction dates	Gain/loss*	DJIA percentage change after crisis			
			1 mo.	3 mos.	6 mos.	12 mos.
Market Crash of 1929	10/11/1929-11/13/1929	-43.7	27.3	34.1	46.0	11.8
Germany invades France	05/09/1940-06/22/1940	-17.1	-0.5	8.4	7.0	-5.2
Pearl Harbor	12/06/1941-12/10/1941	-6.5	3.8	-2.9	-9.6	5.4
Korean War	06/23/1950-07/13/1950	-12.0	9.1	15.3	19.2	26.3
JFK assassinated	11/21/1963-11/22/1963	-2.9	7.2	12.4	15.1	24.0
U.S. bombs Cambodia	04/29/1970-05/14/1970	-7.1	0.4	3.8	13.5	36.7
Nixon resigns	08/07/1974-08/29/1974	-17.6	-7.9	-5.7	12.5	27.2
U.S.S.R. invades Afghanistan	12/24/1979-01/03/1980	-2.2	6.7	-4.0	6.8	21.0
Financial Panic 1987	10/02/1987-10/19/1987	-34.2	11.5	11.4	15.0	24.2
Iraq invades Kuwait	08/02/1990-08/23/1990	-13.3	0.1	2.3	16.3	22.4
Asian stock market crisis	10/07/1997-10/27/1997	-12.4	8.8	10.5	25.0	16.9
WTC and Pentagon terrorist attacks	09/10/2001-09/21/2001	-14.3	13.4	21.2	24.8	-6.7
Madrid terrorist attacks	03/10/2004-03/24/2004	-2.4	3.9	3.9	-0.1	4.4
India, Israel and Lebanon bombings	07/11/2006-07/18/2006	-3.0	5.0	10.9	16.4	28.3
Lehman Brothers collapse	09/15/2008-09/16/2008	1.3	-18.8	-22.6	-32.3	-11.5
Israel invades Gaza	12/27/2008-01/21/2009	-3.0	-13.5	-4.2	7.9	23.6
Boston Marathon bombing	04/12/2013-04/15/2013	-1.8	4.6	6.1	4.4	11.4
Chinese market turmoil	08/21/2015-08/25/2015	-4.8	4.1	13.6	6.6	17.8
U.K. votes to leave E.U.	06/23/2016-06/27/2016	-4.8	7.7	5.6	N/A	N/A
Average		-10.6	3.8	6.3	10.8	15.4

* Change in DJIA during the period indicated in "Reaction dates" column.

Past performance does not guarantee future results. It is not possible to invest in an index.

Columbia Threadneedle Investments is a leading global asset manager that provides a broad range of investment strategies for individual and institutional clients. With over 450 investment professionals across 17 countries, we manage \$494 billion* across asset classes. Our global investment team debates and challenges their best ideas to make better decisions, leading to better outcomes for you and your clients.

To find out more, call **800.426.3750**
or visit **columbiathreadneedle.com**



Copyright 2020 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers refer to www.ndr.com/vendorinfo/

Sources: Columbia Management Investment Advisers, LLC and Ned Davis Research, Inc., 02/2020.

The most widely used indicator of the overall condition of the stock market, the Dow Jones Industrial Average Index is a price-weighted average of 30 actively traded blue chip stocks as selected by the editors of the Wall Street Journal.

Securities products offered through Columbia Management Investment Distributors, Inc., member FINRA. Advisory services provided by Columbia Management Investment Advisers, LLC.

* In U.S. dollars as of December 31, 2019. Source: Ameriprise Q4 Earnings Release. Contact us for more current information.

Not FDIC insured • No bank guarantee • May lose value

Columbia Threadneedle Investments (Columbia Threadneedle) is the global brand name of the Columbia and Threadneedle group of companies.

Columbia Management Investment Distributors, Inc., 225 Franklin Street, Boston, MA 02110-2804

© 2020 Columbia Management Investment Advisers, LLC. All rights reserved.