


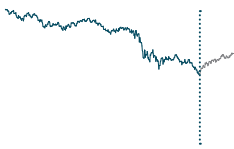

TIME DRAGS WHEN YOU'RE NOT HAVING FUN, BUT WE BELIEVE THAT **PATIENCE IS KEY**

June 2025

We are coming up on nearly half a year of tariff-induced market volatility, and some investors are growing increasingly uneasy. Although it may feel as if market volatility has lasted a very long time, history shows that prolonged drawdowns are not uncommon, and recoveries do take place.

Let's rewind the clock to the year 2000, when the tech bubble burst triggered a prolonged bear market. The 2000 Dot-Com Bust drawdown lasted 769 days, the longest drawdown we have experienced in modern economic history. During this time, the S&P 500 Index (S&P 500) declined by over 47% from March 2000 to October 2002, as

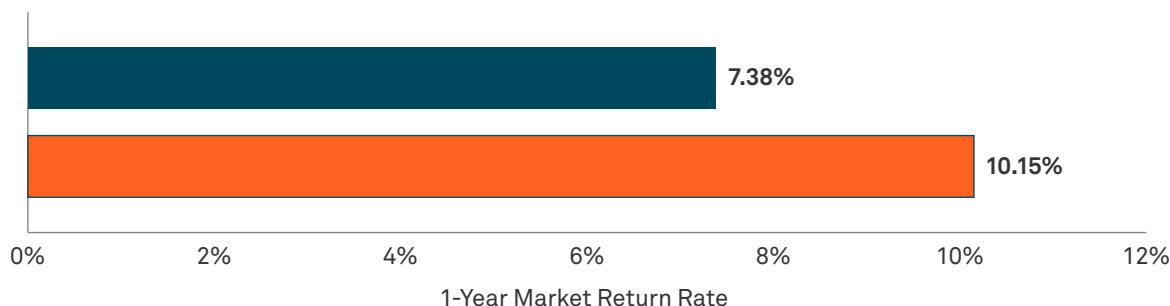
the collapse of technology stocks and a subsequent recession took its toll. However, after two years of market volatility, the S&P 500 made an extraordinary rebound by surging 33%.¹ The Dot-Com Bust showed that the long-term trajectory of the market can withstand lingering volatility for an extended period of time.

	DOT-COM BUBBLE A major historical bear market	GLOBAL FINANCIAL CRISIS The most severe market downturn in modern history	COVID CRASH The fastest bear market in history
# of drawdown days	769	518	34
Start Date – Max Drawdown Date	9/1/00 – 10/9/02 	10/09/07 – 03/09/09 	02/19/20 – 03/23/20 
Max Drawdown	-47.41%	-55.25%	-33.79%
1-Year Forward Return*	31.82	70.28	73.92
3-Month Forward Return*	14.48	38.30	35.95

Source: Morningstar, April 2025. * From max drawdown date.

AVERAGE MARKET RETURNS

■ S&P Return Since 2000 (annualized) ■ S&P Return After 20% Drawdown



Source: Bloomberg, April 2025.

Charts on this page are for illustrative purposes only. **Past performance is not necessarily indicative of future results.**

Now, fast forward to the year 2007, when we saw the most severe market drawdown in modern history — the Global Financial Crisis (GFC), lasting 518 days. The S&P 500 had been on a steady upward trajectory since 2003. After the index peaked in October 2007, it began to decline for the next 17 months. During the GFC, the index fell more than 55% and eventually bottomed out in March 2009. Yet the index achieved a dramatic recovery and gained 70% within the next 12 months.² The GFC is a prime example that even deep and prolonged downturns may have the potential to transform into new cycles of opportunity.

More recently, the COVID-19 pandemic triggered the fastest bear market in history, with the S&P 500 losing 34% of its value in just over a month. Although this market crisis was severe, it was remarkably short-lived and lasted only 34 days. As many remember, the market made a historic recovery as the S&P 500 surged 74% over the next 12 months.³ This was one of the strongest one-year returns on record in modern history.

The COVID-19 drawdown shows that drawdowns can take various shapes, but even the most rapid and severe declines

have historically been followed by strong recoveries. Notably, since 2000, the average 1-year return is just under 7%. However, over the same timeframe, the average 1-year return after periods of a 20% drawdown is more than 9.7%.⁴

In light of the recent and very short COVID-19 downturn, the current bout of market volatility may feel like it has lasted a long while. But going further back in history, we see that prolonged periods of volatility are not uncommon, and even those can lead to strong recoveries.

^{1,2,3} Morningstar, April 2025. ⁴ Bloomberg, April 2025.

IMPORTANT INFORMATION

All investments involve risk including loss of principal. Certain investments involve greater or unique risks that should be considered along with the objectives, fees, and expenses before investing.

Past performance is not necessarily indicative of future results. Asset allocation and diversification do not ensure a profit or protect against a loss.

This material has been provided for informational purposes only and should not be construed as investment advice or a recommendation of any particular investment product, strategy, investment manager or account arrangement, and should not serve as a primary basis for investment decisions. Prospective investors should consult a legal, tax or financial professional in order to determine whether any investment product, strategy or service is appropriate for their particular circumstances.

Views expressed are those of the author stated and do not reflect views of other managers or the firm overall. Views are current as of the date of this publication and subject to change. This information may contain projections or other forward-looking statements regarding future events, targets or expectations, and is only current as of the date indicated. There is no assurance that such events or expectations will be achieved, and actual results may be significantly different from that shown here. The information is based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be and should not be interpreted as recommendations. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission.

Statements are current as of the date of the material only. Any forward-looking statements speak only as of the date they are made, and are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment and past performance is no indication of future performance.

IMPORTANT INFORMATION – Hong Kong and Singapore

This document is provided for information purposes only. This document may not be used for the purpose of an offer or solicitation, directly or indirectly, in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. This document has not been reviewed or approved by any regulatory authorities. This document may not be copied, duplicated in any form by any means, published, circulated or redistributed or caused to be done so, whether directly or indirectly, to any other persons without the prior written consent of BNY. This document is not for distribution to, or to be used by, any person or entity in any jurisdiction or country in which such distribution or use would be contrary to local law or regulation, or where there would be, by virtue of such distribution or use, new or additional registration or approval requirements. Persons into whose possession this document comes are required to inform themselves about and to observe any restrictions that apply to the distribution or use of this document in their jurisdictions. Accordingly, this document and any other documents and materials, in connection therewith may only be circulated or distributed by an entity as permitted by applicable laws and regulations. BNY Investments do not have any intention to solicit for any investment or subscription in a fund or use of BNY Investments services and any such solicitation or marketing will only be made by an entity permitted by applicable laws and regulations. BNY Investments do not intend to conduct any offering activities, investment management business, investment advisory business, and/or any other securities business in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorized.

Any views and opinions contained in this document are those of Investment Manager as at the date of issue; are subject to change and should not be taken as investment advice. BNY is not responsible for any subsequent investment advice given based on the information supplied. BNY, BNY Mellon and Bank of New York Mellon are the corporate brands of The Bank of New York Mellon Corporation and may also be used to reference the corporation as a whole and/or its various subsidiaries generally. BNY Investments encompass BNY Mellon's affiliated investment management firms and global distribution companies. Any BNY entities mentioned are ultimately owned by The Bank of New York Mellon Corporation. This document is not intended as investment advice. Investment involves risk. Past performance is not indicative of future performance. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. The value of investments and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested. No warranty is given as to the accuracy or completeness of this information and no liability is accepted for errors or omissions in such information. BNY accepts no liability for loss arising from use of this material. The investment program contained in this presentation may not meet the objectives or suitability requirements of any specific investor. An investor should assess his/her own investment needs based on his/her own financial circumstances and investment objectives. You are advised to exercise caution when reading this document. If you are in any doubt about the contents of this document, you should obtain independent professional advice. The information contained in this document should not be construed as a recommendation to buy or sell any security. It should not be assumed that a security has been or will be profitable. There is no assurance that a security will remain in the portfolio. Tax treatment will depend on the individual circumstances of clients and may be subject to change in the future. If there is any inconsistency between this warning statement and the disclosure stated under this document, this warning statement shall prevail to the extent of the inconsistency.

Issuing entities

Hong Kong: BNY Mellon Investment Management Hong Kong Limited, which is registered with the Securities and Futures Commission (Central Entity Number: AQI762).

Singapore: BNY Mellon Investment Management Singapore Pte. Limited Co. Reg. 201230427E. Regulated by the Monetary Authority of Singapore.

S&P definition: The S&P 500® Index is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Investors cannot invest directly into any index.

Number of drawdown days: The count of consecutive days during which an investment or a trading account experiences a decline in value from its peak. **Max drawdown date:** The largest decline in value from a peak to a trough over a specific period of time.

BNY Investments is one of the world's leading investment management organizations, encompassing BNY's affiliated investment management firms and global distribution companies. BNY is the corporate brand of The Bank of New York Mellon Corporation and may be used to reference the corporation as a whole and/or its various subsidiaries generally.

© 2025 BNY Mellon Securities Corporation, distributor, 240 Greenwich Street, 9th Floor, New York, NY 10286.

Investments: Not FDIC-Insured. Not Bank-Guaranteed. May Lose Value.