



When news breaks and markets move, content-starved media often invite talking heads to muse on the repercussions. Knowing the difference between this speculative opinion and actual facts can help investors stay disciplined during purported "crises."

At the end of June this year, UK citizens voted in a referendum for the nation to withdraw from the European Union. The result, which defied the expectations of many, led to market volatility as participants weighed possible consequences.

Journalists responded by using the results to craft dramatic headlines and stories. The Washington Post said the vote had "escalated the risk of global recession, plunged financial markets into free fall, and tested the strength of safeguards since the last downturn seven years ago."<sup>1</sup>

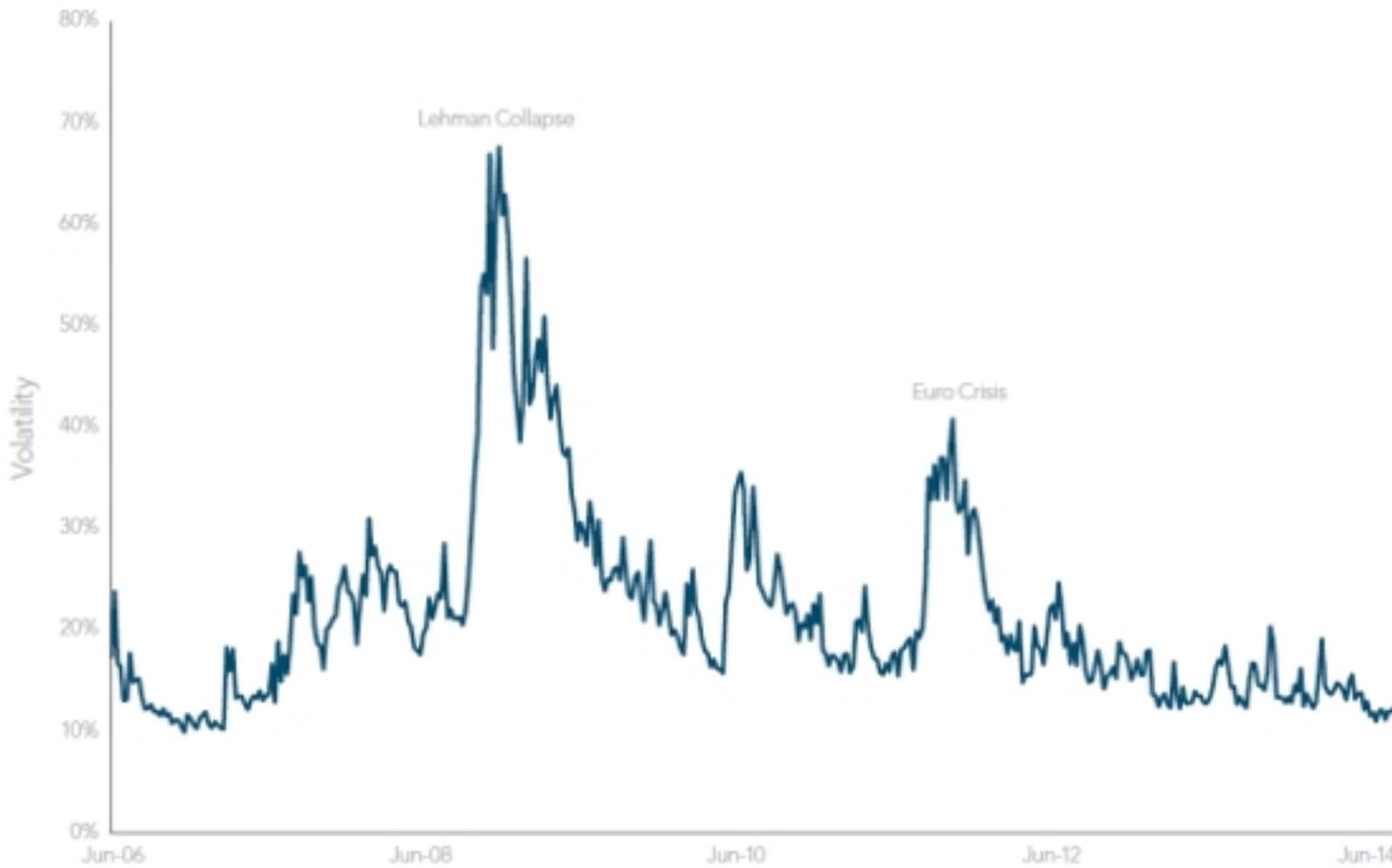
## Did you Know... | History on the Run

Written by Tim Decker

Wednesday, 19 October 2016 00:00



Exhibit 1: CBOE Volatility Index® (VIX)®



Source: Datastream.

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