

ABOVE THE FRAY

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## Geopolitical Jitters

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Jul 03, 2025

Since mid-June, news around the world has focused on the conflict between Israel and Iran. As with any major geopolitical event, investors face uncertainty about the impact these events might have on global economies and financial markets.

Taking a broad perspective, investing for the long run inevitably means weathering political and economic events that may cause market turmoil. Over the past 50-plus years, investors have experienced challenges, including double-digit inflation, financial crises, and a global pandemic. However, markets have consistently demonstrated their resilience, continually adjusting to new information and rewarding discipline in the long run. One dollar invested in the MSCI World Index in 1970 grew to \$126 by June 24, 2025, despite numerous challenges along the way. Investors tempted to react to short-term turmoil may risk missing out on these longer-term returns.

Maintaining broad diversification and adhering to a sound financial plan remain reliable ways to stay the course and capture markets' long-term growth potential.

### Exhibit 1 Growth of \$1—MSCI World Index

January 1, 1970–June 24,  
2025



**Past performance is not a guarantee of future results.**

**Diversification neither assures a profit nor guarantees against loss in a declining market.**

*In USD. Source: MSCI World Index (net div.). MSCI data © MSCI 2025, all rights reserved. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Data presented in the Growth of \$1 chart is hypothetical and assumes reinvestment of income and no transaction costs or taxes. The chart is for illustrative purposes only and is not indicative of any investment.*

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