

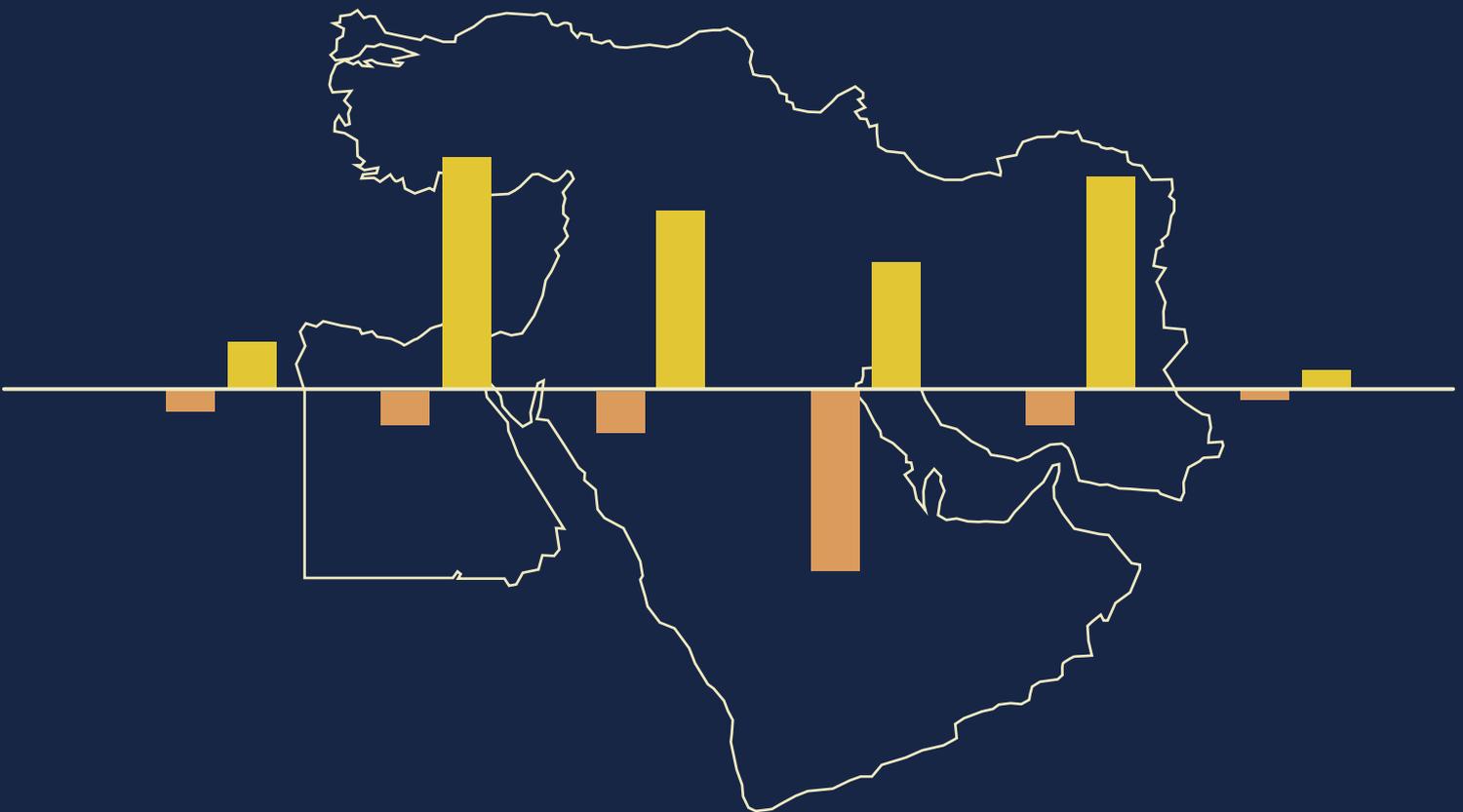
INSIGHT

THE GREATEST WEALTH IS **YOUR PEACE OF MIND...**



**BARNETT
RAVENSCROFT**
WEALTH MANAGEMENT

Markets and the Middle East



Markets and the Middle East

Periods of geopolitical tension often dominate the headlines, and the recent military action involving the US, Israel and Iran is no exception. Such events naturally heighten uncertainty. As ever, markets digest new information rapidly. Prices reflect the consensus view of millions of participants, each interpreting evolving events in real time. Where the situation goes next is unknowable. Markets will move as fresh information arrives - a random process - and investors should be cautious in drawing firm conclusions from the present moment.

Despite the concerning news flow, global markets remain positive year-to-date in GBP terms. Value, small-cap, emerging markets and commercial property have all delivered additional gains, offering helpful diversification. High-quality bonds have also held up well. This is what a diversified portfolio is designed to do: provide exposure to different sources of return so that no single event determines the outcome.

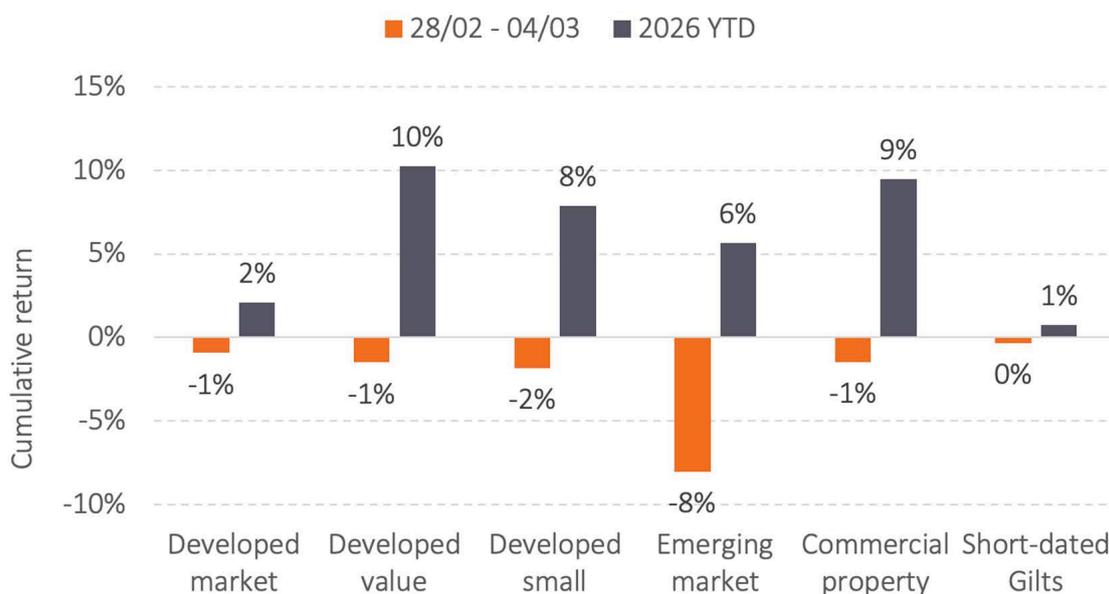


Figure 1: Market returns in 2026

Data source: see endnote. Returns in GBP to 04/03/2026.

Returns over the past few days - since the latest escalation - are, as expected, noisier. A handful of trading days during a geopolitical shock rarely provide meaningful insight. Markets are simply repricing risk as new information becomes available, and they will continue to do so.

Events such as these can tempt investors to question whether they should do something. The short answer is that they should not. Periods of market stress - whether caused by conflicts, pandemics, political upheaval or economic surprises - are a feature of investing, not a bug. They feel uncomfortable, but they are expected.

The chart on the following page demonstrating that “every year the market falls” is a powerful reminder. Even in strong years, intra-year declines are entirely routine. Falls of 10% or more happen with regularity. Investors who remain disciplined, diversified and patient have historically been rewarded with returns well above inflation over time. Volatility is not an anomaly; it is the mechanism by which long-term returns are earned.

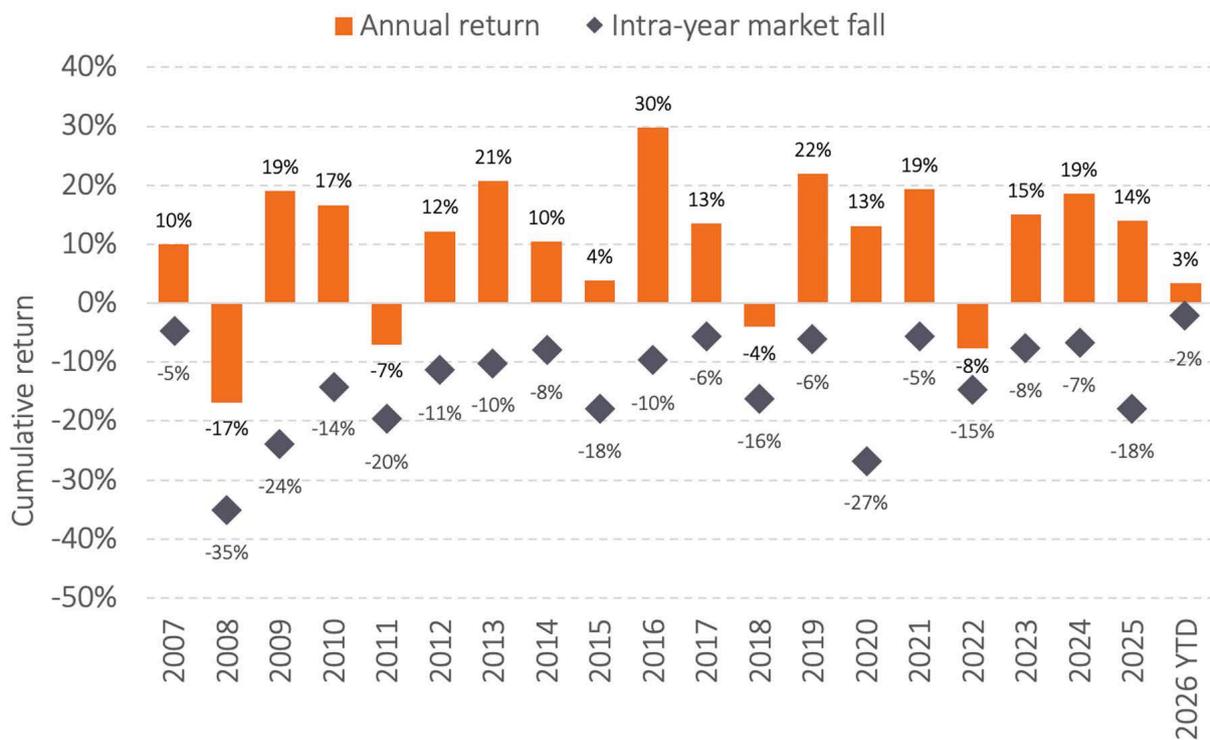


Figure 2: Every year the market falls

Data source: Albion World Stock Market Index. Returns in GBP from 01/01/2007 to 03/03/2026.

We do not know how the conflict in the Middle East will develop, and the day-to-day movement of markets is no clearer now than at any other time - it is essentially a coin toss. What we do know is that a well-structured, globally diversified portfolio is designed to cope with periods of uncertainty. Markets absorb new information quickly, meaning today's prices already reflect the best collective view of the future. Trusting that process - rather than reacting to short-term noise - has served long-term investors well for decades.

Stay diversified, stay disciplined, and remain focused on long-term goals. Keep calm and carry on!

Data source endnote:

Asset class	Proxy ETF	Identifier
Developed market	UBS Core MSCI World ETF USD dis	IE00B7KQ7B66
Developed value	Avantis All Equity Markets Value ETF	AVGV
Developed small	iShares MSCI World Small Cap ETF USD Acc	IE00BF4RFH31
Emerging market	UBS Core MSCI EM ETF USD dis	LU0480132876
Property	HSBC FTSE EPRA/NAREIT Developed ETF	IE00B5L01S80
Short-dated Gilts	iShares UK Gilts 0-5yr ETF GBP Dist	IE00B4WXJK79

Other notes and risk warnings

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The registered office address of the Firm is 13 Portland Road, Edgbaston, Birmingham, B16 9HN

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WEALTH MANAGEMENT

Barnett Ravenscroft Wealth Management
13 Portland Road
Edgbaston
Birmingham
B16 9HN
UK

Tel: +44 (0)121 454 0910
Fax: +44 (0)121 410 5619
Email: info@brwm.co.uk
Web: www.brwm.co.uk