



Keep Calm and Carry On: What the Data Tells Us About Geopolitical Crises

There's an odd phenomenon whereby geopolitical crises occur in March and April. Covid in 2020, Russia's invasion of Ukraine in 2022, the 'Liberation Day' tariffs in 2025, and now the Iran conflict in 2026 have all occurred around this time and have each created unique challenges for investors. A common theme also emerges: panic selling does little to aid portfolio returns.

The effective closure of the Strait of Hormuz and significant damage to energy infrastructure have pushed energy prices higher, reigniting inflation fears and the prospect of fewer rate cuts, triggering a drawdown of 7% in the MSCI ACWI in GBP. While the headlines urged investors to de-risk, those who maintained their positioning have, in most cases, been rewarded.

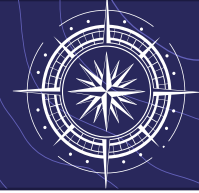
Contrasting the recent uncertainty with similar events provides some interesting insights. In early 2020, Covid caused a rapid market decline, with the S&P 500 falling 33.9% in just 33 days. However, what matters is what came next. Investors who simply held through the downturn recovered their losses within five months. Similarly, those who stayed invested through the Liberation Day drawdown would have recovered within three months. In both cases, the market did the work, and the investor only had to stay in their seat.

The cost of failing to do so can be significant. Selling 20% of a portfolio at the Covid low pushed the breakeven point out by about three and a half months, while selling 20% at the Liberation Day low delayed recovery by about six weeks, from late June to mid-August. The deeper the drawdown, the steeper the penalty, and it is paid through lost compounding and missing out on the biggest up days.

This highlights a related risk: missing periods of sharp market rebounds as incremental good news emerges. Many of the best trading days in the S&P 500 in recent years have followed geopolitical events, such as the staggering 9.5% rally following Trump's tariff U-turn. Over the past three years, investors holding 20% in cash on just the ten best trading days would have given up around ten percentage points of return. Over five years, the shortfall increases to about thirteen percentage points. Best days tend to cluster around the worst, meaning reduced exposure during periods of stress often results in missing the recovery.

Throughout the Iran crisis, we remained fully invested and have been rewarded for that conviction. The Aubrey Global Conviction Fund is up 16% for the month and 18.1% year to date versus the MSCI ACWI's 5.7%.¹ While we have made selective tweaks around the edges, including exiting Safran in the face of some aerospace headwinds, we continue to believe the portfolio is well positioned to navigate the current storm. Markets recover, usually faster than expected. The investors who benefit are those who maintain discipline and remain invested.

¹ As of 27 April 2026.



Biography

Tom Dalrymple | Investment Analyst



Tom joined Aubrey in 2024 as an Investment Analyst, working across both the Global and Emerging Markets strategies.

Previously, Tom worked at J. Stern & Co. in London for 4 years, where he undertook a broad range of work across client relations and performance analysis.

Tom has a degree in History from the University of Newcastle and is a CFA charter holder.

Further Reading

If you would like to read further articles, please select the following link - [Aubrey Research](#)

If you would like to receive more articles like this, [sign up to the Aubrey mailing list now.](#)

Important Information

This is a marketing communication issued by Aubrey Capital Management Limited, which is authorised and regulated by the Financial Conduct Authority and registered as an Investment Adviser with the US Securities & Exchange Commission. You should be aware that the regulatory regime applicable in the UK may well be different in your home jurisdiction. Aubrey Capital Management has taken reasonable care to ensure the accuracy of this information at the time of publication but it is subject to change without notice and it does not in any way constitute investment advice or an offer or invitation to deal in securities.

Past performance is not a guide to future returns and may not be repeated. All performance data for the SVS Aubrey Global Conviction Fund Institutional A Accumulation share class. Fund Source: Aubrey Capital Management. Performance data is calculated on a net basis by deducting fees incurred at fund level (e.g. the management fee and other fund expenses), save that it does not take account of initial charges or switching fees (if any). Income reinvested is included on a net of tax basis. Index Source: MSCI, MSCI AC World Index Net GBP income reinvested net of tax. The manager has selected this benchmark and believes it best reflects the Fund's asset allocation. Aubrey Capital Management Limited accepts no liability or responsibility whatsoever for any consequential loss of any kind arising out of the use of this document or any part of its contents. The Fund is not registered for sale in the United States and is not available to, or for the benefit of, U.S. persons as defined by U.S. securities laws.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).