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WEALTH MANAGEMENT

5 LESSONS FOR LONG-TERM INVESTORS

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Against a backdrop of rapid change across technology, geopolitics, and demographics, we share our perspectives on the forces shaping global markets today. For long-term investors navigating an increasingly complex world, five key lessons stand out.

01

History provides perspective in uncertain times

Periods of disruption can feel unprecedented, but they rarely are. Across more than a century of economic cycles, geopolitical shocks, and technological change, equities have consistently outperformed other asset classes. This highlights the importance of maintaining perspective, staying invested and focusing on long-term fundamentals when navigating periods of short-term uncertainty.

02

Application, not access, may ultimately define the AI winners

The debate has moved beyond who has adopted artificial intelligence (AI) to who is using it most effectively. In global payments, for example, AI is already embedded at scale, supporting vast transaction volumes and new developments such as digital currencies. This points to a broader shift: competitive advantage lies not in access to AI, but in how effectively companies deploy it across their operations to drive long-term growth.

03

Geopolitics is becoming more central to investment outcomes

Geopolitics is playing a more persistent role in shaping capital allocation, supply chains, and policy. Future conflicts may be more complex, interlinked, and prolonged, with risks stemming from supply-chain chokepoints, including potential disruptions to routes such as the Strait of Hormuz. This more fragile backdrop also has economic consequences, including a shift toward a more fragmented global system and competing economic blocs.

04

The energy transition is becoming an energy expansion

Rising demand from AI and digital infrastructure is reshaping the energy debate, making a simple transition away from fossil fuels increasingly difficult. Instead, we may be moving toward a world of "energy addition," where both renewables and traditional energy sources grow together, while improving energy efficiency remains essential to meeting demand.

05

Consumer behavior is fragmenting, not weakening

Demand is becoming more selective as households prioritize value, flexibility, and experience. Rather than declining outright, spending is shifting across categories, with consumers placing greater emphasis on multi-channel engagement, targeted purchasing, authenticity, personalization and experiential luxury. This shift increases the importance of differentiation, as companies need to stand out rather than compete in crowded segments.

About Walter Scott

Walter Scott is the global equities-focused investment firm within BNY Investments.

Artificial intelligence (AI) refers to computer systems that can perform tasks typically requiring human intelligence, such as visual perception, speech recognition, decision-making and language translation.

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