



March 3, 2022

Dear Valued Investor,

The green shoots are hard to see right now as spring approaches, clouded by war in Ukraine. Democracy is under attack and innocent lives are tragically being lost. But while we keep one eye on overseas developments, the other remains squarely focused on the fundamentals of the U.S. economy and the stock market to help investors stay the course.

Geopolitical uncertainty can be tough for investors to manage. The natural impulse for many is to sell, which history clearly shows is usually poorly timed. As difficult as it may be to see the green shoots through the fog of war, these periods usually end up representing good buying opportunities for investors.

Stocks have historically proven to be quite resilient to major geopolitical events and this time shouldn't be an exception, even if the wait is uncomfortable. Over the past 70 years, only three major geopolitical events took the S&P 500 Index more than nine weeks to recover its post-event losses: 1) Pearl Harbor (307 days), 2) the breakout of the Korean War (82 days), and 3) Iraq's invasion of Kuwait (189 days, when the U.S. economy was already in recession in 1990). None of these events seems comparable to the Ukraine conflict. Looking at all major geopolitical events since World War II, the average post-event loss for the stock market has been just 5%, with an average recovery time of less than seven weeks. The U.S. economy's track record of resilience and corporate America's ability to adapt are unparalleled.

The war in Eastern Europe will, however, carry an economic cost for the United States, though it will be modest. Although U.S.-Russia trade is minimal, we use very little Russian oil, and our banks hold a negligible amount of Russian assets, higher global oil prices will be felt by U.S. consumers. But it won't be enough to stop us from spending, especially as COVID-19 restrictions disappear. For Europe, the cost will be higher due to the continent's greater reliance on Russian energy.

This is a tough time for everyone as compassionate human beings and as investors. Russia's aggression is unsettling and the images of the humanitarian crisis in Ukraine are disheartening. Ukraine's resistance is inspiring and we pray for the country and its people.

While it's impossible to know how this conflict will play out, the outlook for the U.S. economy and corporate profits remains bright. Stocks have become more attractively valued following the latest correction, interest rates remain low, the Federal Reserve will likely now take a go-slow approach with its rate hiking campaign, and markets have historically proven resilient to major geopolitical events. Be patient and stick to your plan.

Please contact me if you have any questions.

Best regards,

Victor



**Victor S. Levy, J.D., LL.M., CLU, CFP®**

1818 Market St | Suite 3232 | Philadelphia, PA 19103

Main: 215-875-8720 | Fax: 267-875-8756

[vlevy@levywealth.com](mailto:vlevy@levywealth.com)

[www.levywealth.com](http://www.levywealth.com)

Securities offered through LPL Financial, Member of FINRA/SIPC. Investment Advice offered through Levy Wealth Management Group, a registered investment advisor and separate entity from LPL Financial.

The information contained in this email message is being transmitted to and is intended for the use of only the individual(s) to whom it is addressed. If the reader of this message is not the intended recipient, you are hereby advised that any dissemination, distribution or copying of this message is strictly prohibited. If you have received this message in error, please immediately delete.

#### Important Information

This material is for general information only and is not intended to provide specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. Investing involves risks including possible loss of principal. Any economic forecasts set forth may not develop as predicted and are subject to change.

References to markets, asset classes, and sectors are generally regarding the corresponding market index. Indexes are unmanaged statistical composites and cannot be invested into directly. Index performance is not indicative of the performance of any investment and do not reflect fees, expenses, or sales charges. All performance referenced is historical and is no guarantee of future results.

All data is provided as of March 1, 2022.

Any company names noted herein are for educational purposes only and not an indication of trading intent or a solicitation of their products or services. LPL Financial doesn't provide research on individual equities.

All index data from FactSet.

This Research material was prepared by LPL Financial, LLC. All information is believed to be from reliable sources; however LPL Financial makes no representation as to its completeness or accuracy.