

# FundForum 2025 Spotlight

IMPower FundForum takes place from 23-25 June in Monaco this year. Ahead of the event, now in its 35th year, we spoke to some of the participants about various panel topics including industry growth and regulatory trends.

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*Fiona Frick, CEO of Circe Invest, previews a panel session on how geopolitics impacts the world of finance*

Geopolitics has moved from the margins to the epicentre of financial strategy in 2025. Trade wars, regional conflicts, and the global power realignment are reshaping capital flows, risk models, and sector exposure. Markets that once moved primarily on inflation data or central bank signals now react sharply to diplomatic ruptures and military escalations. Defence stocks surge on NATO announcements; currencies fluctuate on sanctions threats. Investors are asking: have geopolitical risks become more influential than traditional macroeconomic indicators?

These tensions are introducing macro-level disruptions: weakening diversification, distorting capital allocation, and increasing volatility

as global coordination unravels. The familiar framework of global investing is giving way to a more fragmented, politically driven landscape.

Developed economies are “friend-shoring” critical supply chains. In contrast, emerging markets remain more exposed to geopolitical shocks, suffering sharper drops in capital inflows, higher funding costs, and greater volatility.

NATO’s defence push and reduced U.S. engagement are driving investment in defence manufacturing and cybersecurity. Once excluded by ESG mandates, defence is being redefined as a stabilising force and increasingly integrated into sustainable portfolios.

Momentum is building behind a European defence bond. Yet, these large-scale investment efforts carry fiscal strain and long-term inflation risks, potentially pressuring sovereign debt.

Safe havens are being redefined. Gold and Swiss franc are hitting record highs. Meanwhile, the U.S. dollar is shedding its role as a financial refuge undermined by rising protectionism, fiscal strain, and political pressure on the Fed. Investors are watching closely. Is this merely a short-term disruption—or the beginning of a new and enduring market equilibrium?