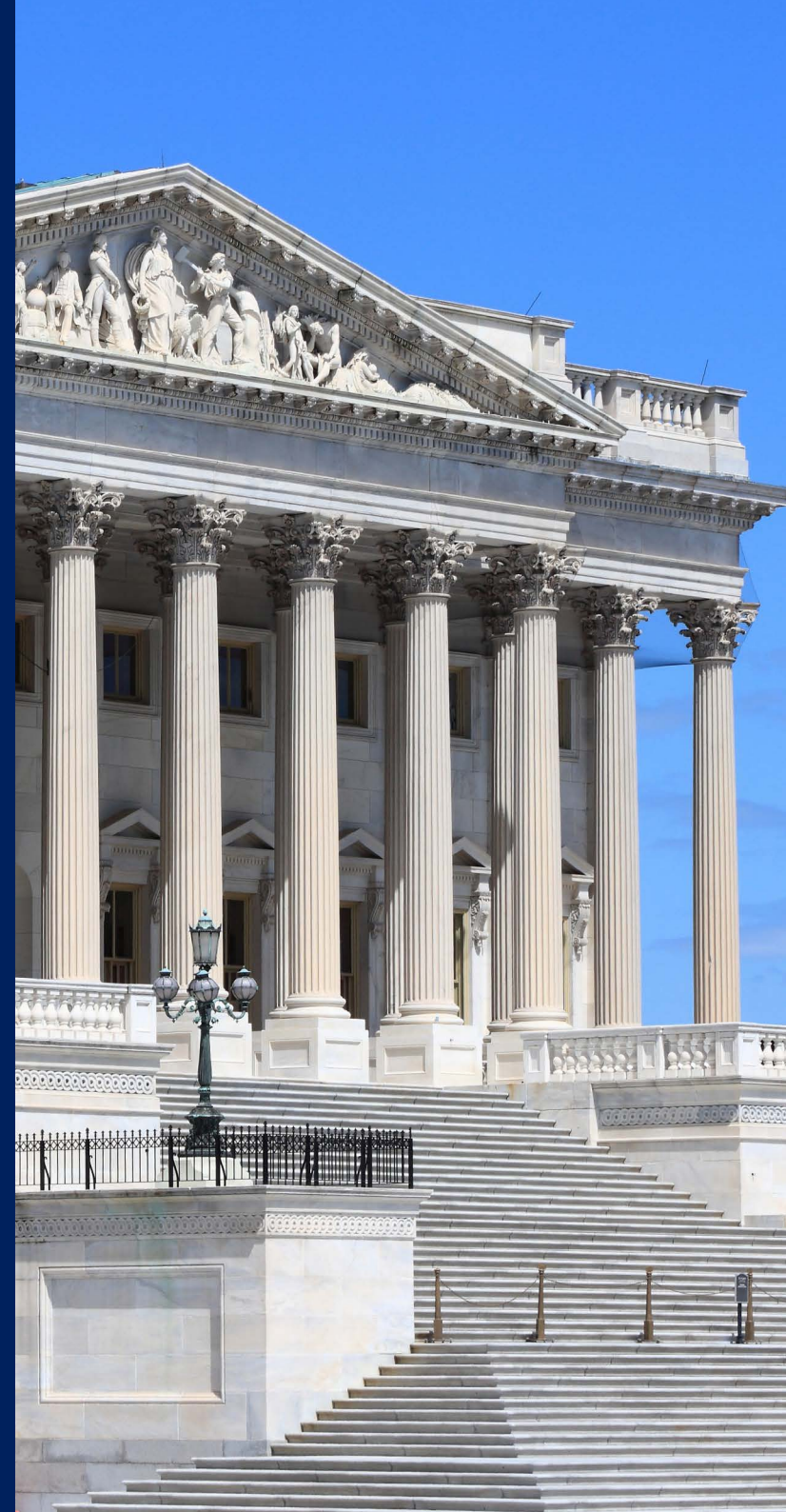


Steady through the storm: *Trump's Tariffs* *and Your Investments*

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What has happened?



On 2 April 2025, President Trump announced new tariffs on imports, citing a national emergency over the US trade deficit. Starting with a baseline of 10% across the board, these tariffs will climb higher by 9 April for countries with larger trade imbalances—20% for the European Union, and up to 34% more for countries like China. Markets have reacted sharply and we know this volatility, or market turbulence, can feel unsettling. Our goal with this update is to provide clarity, explain what's happening, and reassure you that your portfolio remains in capable hands.

What's happening with tariffs?



Trump is using tariffs as a tool to address trade deficits, but he has also hinted they could be a bargaining chip for negotiations. If other countries push back, he has warned of even steeper increases. While the situation is fluid, Monday 7 April's market swings, including in the US stock market, showed how fast sentiment can shift on just a rumour of delay. The US stock market experienced an 8.5% rise and fall in one day. The reality is that no one knows exactly how this will play out. That uncertainty is driving much of the market's reactions right now.

How are markets responding?



- Global stock markets have taken a hit since the initial announcement. US shares, after a remarkable run in 2023 and 2024, have seen some of the sharpest declines, with other regions following suit.
- Investments like US and UK government bonds initially went up as investors looked for safer places to put their money, though some of those gains have faded as worries about inflation creep in. Riskier assets, like low quality bonds, have struggled, but we are pleased to note that your portfolios with us have minimal exposure there.
- Meanwhile, alternative assets in your portfolios that don't move in the same direction as the stock market have held steady, offering a buffer against the turbulence.

What does this mean for the economy?



Economists are adjusting their forecasts, trimming global growth estimates by 0.5% to 1%. Inflation could tick up—some predict it might hit 3.5%—which could complicate things for the US Central Bank as it weighs interest rate decisions. There is now a higher risk of 'stagflation', which means high inflation paired with sluggish growth. While that is a concern, others expect Trump's promised tax cuts and deregulation to eventually provide a boost to the US economy. For now, though, the picture remains unclear.

Our approach - steady hands in uncertain times



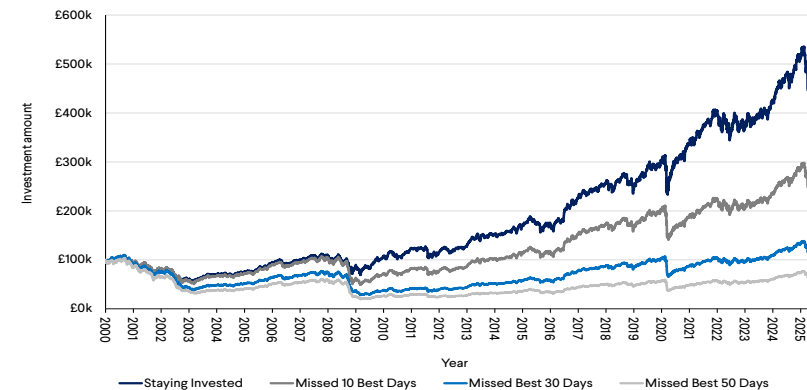
When markets get this noisy, it is tempting to react, but history shows that knee-jerk moves often backfire. Selling now could lock in losses, while staying invested positions you to benefit when calmer waters return. We have seen this before during Covid and The Global Financial Crisis in 2008. Volatility is part of the journey, and the data backs this up: investors who stick to their plans through ups and downs tend to come out ahead over time.

The cost of timing the market - staying invested pays off

The chart below demonstrates how missing out on the best days dramatically reduces the longer-term returns generated from global markets. The best days are commonly the days immediately following the worst days. Peak pessimism, counterintuitively, is the best time to invest. Rather than being optimistic or pessimistic we try to be realistic. The intelligent investor buys from the pessimist and sells to the optimist.

Looking ahead

Instead of chasing headlines, we focus on opportunities, especially areas of the market that look attractively valued. By building in this margin of safety, we aim to protect and grow your wealth over the long term, no matter how the tariff saga unfolds. We understand that market turbulence can be unsettling, but rest assured that your portfolio is in capable hands. Our experienced team is here to navigate these uncertain times and help you achieve your financial goals.



Source: Bloomberg, MSCI AC World TR £ (MSCI: please see important information), Dates 03/01/2000 to 07/04/25. Chart shows performance of a £100,000 investment. Past performance is not a reliable indicator of future results.

Important information

Investors should be aware that the price of investments and the income from them can go down as well as up and that neither is guaranteed. Past performance is not a reliable indicator of future results. Investors may not get back the amount invested. Changes in rates of exchange may have an adverse effect on the value, price or income of an investment.

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