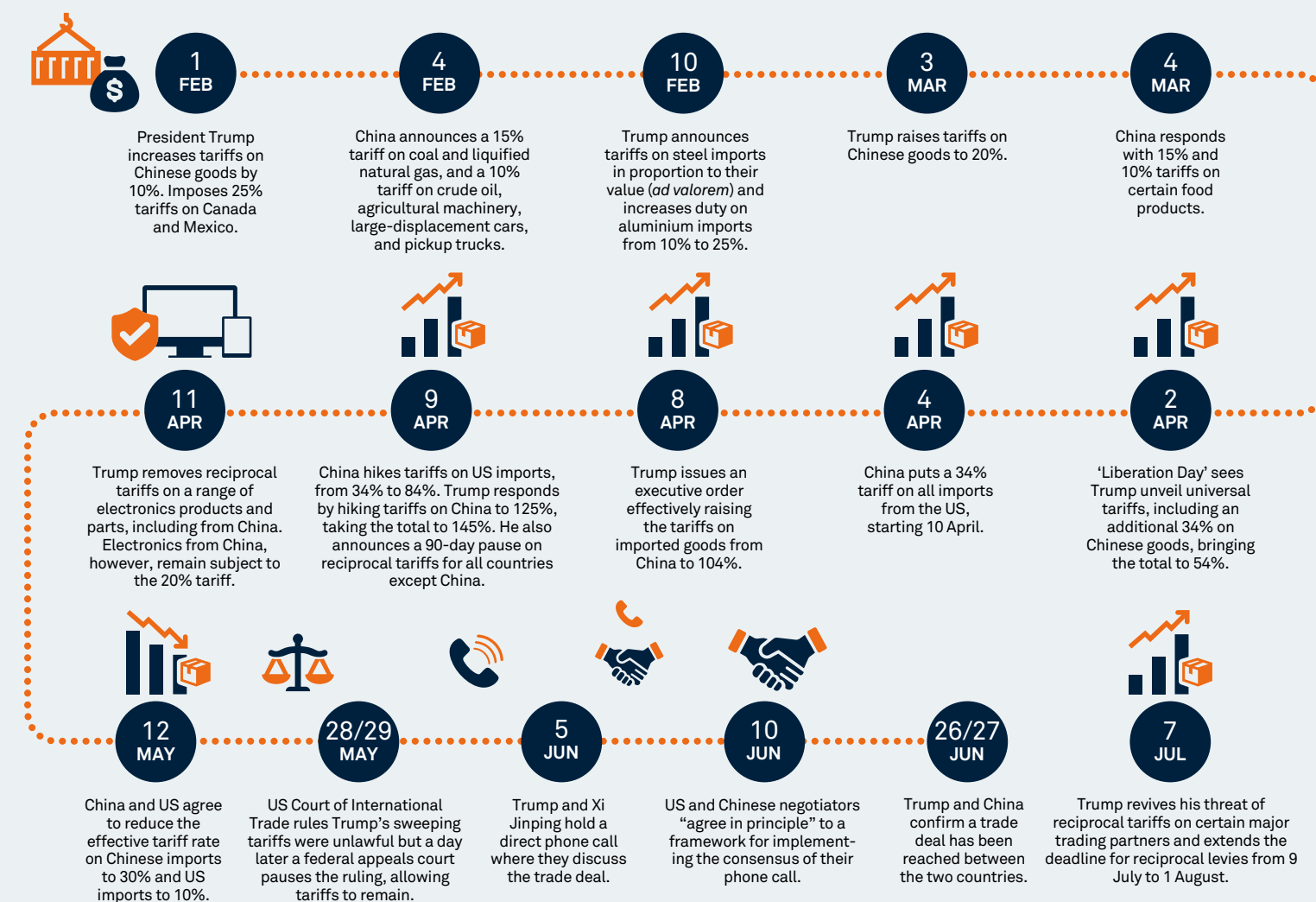


KEEPING TABS ON TARIFFS

TIT FOR TAT: A TRUMP TARIFF TIMELINE:¹

Follow the tariffs tale between the US and China so far...



ADDRESSING TARIFF VOLATILITY

Our fund managers and investment experts highlight three trends resulting from tariff turbulence and how they are influencing their investment thinking.

Higher inflation?

"Since the end of the Covid pandemic, we have been of the view that deglobalisation, increased defence spending, rising wages and nationalisation of natural resources had led to an important transition in global economies, from deflation to inflation. This framework has been helpful for us as we think about the impact of the Trump administration's agenda, there is nothing there that changes our view, the world is a more inflationary place. As a result we believe it is time for a change in equity market leadership, one that favours income and value stocks."



Jon Bell, global income portfolio manager, BNY Investments Newton

Global supply chains

"The team at Walter Scott has been evaluating the potential impact of various tariff scenarios on their supply chains. During times like these, we rely on the companies we invest in to demonstrate resilience and adaptability. While some businesses are more vulnerable than others, we are seeing a growing number – such as the Taiwanese semiconductor manufacturer, TSMC – make strategic investments in US -based manufacturing facilities. However, not all companies have the financial resources or leadership strength to navigate these challenges effectively. This environment underscores the value of active stock selection, which becomes increasingly critical amid uncertainty and market volatility."



Murdo MacLean, client investment manager, Walter Scott & Partners

Looking outside the US

"Fiscal largesse has boosted the US economy, while Europe has been in the doldrums due to fiscal restraint. We believe this is part of the reason why the US economy has done better than other markets. But we think it's important to look outside the US, from a diversification standpoint. Is it appropriate for individual investors to have so much of their wealth tied up in a small number of stocks?"



Paul Flood, head of mixed assets investment, BNY Investments Newton

1 Time.com. A timeline of the US-China Trade War So Far. 27 June 2025.

2 Office for National Statistics. UK trade with the United States (2024), 25 April 2025.

3 Ibid.

4 BBC. What is in the UK-US tariff deal? Updated 17 June 2025.

5 Ibid.

6 Office for National Statistics. UK trade with the United States (2024), 25 April 2025.

7 Ibid.

IMPORTANT INFORMATION

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TARIFFS: A UK PERSPECTIVE



10% Additional tariff for exporting to the US.



16.2% Percentage of all the UK's goods exports to the US (the largest buyer of UK goods).²



£700m Value of UK exports of steel and aluminium to the US.⁵



£9bn The value of car exports to the US in 2024, accounting for 27.4% of total UK car exports.⁶



£59.3bn Total value of goods exported to the US in 2024.³



10% Tariff on UK cars (the biggest export to the US, worth about £9bn).⁴



5% Value of UK exports of products made with steel and aluminium, including things such as gym equipment, furniture and machinery – worth about £2.2bn.⁷