Trump's Trade Wars

It's Time to Start Looking Out for Cheaper Stocks

Market Insights

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Money Minder Financial Services (UK) Limited
The Old Ale House, 41 Boston Road, Sleaford, Lincolnshire, NG34 7ER
Tel: 01529 300 300 **Fax:** 01529 300 400 **Email:** info@money-minder.com **Web:** www.money-minder.com

In this issue of 'Money Minder's Market Insights', Ray Black, Managing Director and Investment Committee Chairman shares his updated view on Trump's tariffs, inflation, interest rates, investment markets and the global economy.

Trump Trade Wars, Interest Rates, Borrowing Costs, Inflation, Global Debt, Property Price Reductions, BRICS+, Commodity Prices, & potentially some profitable buying opportunities ahead……….

Introduction

Inflation went down (a little) in February (the ONS data for the 12 months to February 25 was released on 26 March 25) but not as much as you may have been led to believe in the press. It's now highly likely to start going up again, at least in the short term. Tariffs are often and widely reported as inflationary. However, in reality it will depend on how much of the tariff costs manufacturers are able to pass on to the consumer. In the short term we can expect many companies to try to do that, but they may not be successful in doing so.

If consumers stop buying their products because they are just too expensive, companies will have to think again about their pricing structures. If consumers choose to 'batten down the hatches' on their spending, potentially, companies may need to bring their prices back down in order to survive a downturn. That's deflationary over time as opposed to inflationary. Reducing prices means companies will need to reduce their overheads for both raw material costs (and potentially labour costs) and in turn can lead to lower profits. Lower profits means lower share prices due to a reduction in corporate earnings.

Interest rates have been reducing in the UK, Europe and in the US since last summer, but not by much. Central banks are now worried that to reduce rates further in the short term, alongside increased costs due to new tariffs, it could ignite the already 'sticky' inflation problem they are desperately trying to manage.

Global stock markets experienced a very fast & very significant drop in values in early April, immediately after 'Liberation Day' on 2nd April 2025. There was a reasonable bounce on 8th April but this could be short lived. We now have a clear sign that potentially, a sale is on its way which could provide investors with some significant bargains to 'stock up' on.

If the economy stalls & markets continue to fall in value, which is now widely expected, interest rate reductions may come later as central banks feel more comfortable about lowering interest rates that hopefully won't stoke up even more inflationary pressures.

Markets are expecting central banks to cut interest rates if a global recession ensues, and if they're right, fixed interest rates on deposit based savings accounts and corporate bond yields will fall which may then lead to the capital values of those corporate bonds going up.

Despite Elon Musk's recent appointment to Trump's new cost-saving initiative called the 'Department of Government Efficiency' (DOGE), US debt levels continue to rise at around $3 trillion per year. The US debt clock now stands at an incredible $36.7 trillion! In addition, if Jerome Powell (Chair of the Federal Reserve of the United States) continues to defy Trump regarding lowering interest rates because of his concerns about inflation, higher interest rates for longer will increase the cost of borrowing for both the Administration and consumers. Higher borrowing costs are a global issue, it's not something that only the Americans need to worry about.

With higher borrowing costs and higher living costs, it's become difficult to find buyers for residential homes, Buy-to-Let investors and commercial properties. Now that the Stamp Duty holiday is also over, which means buyers' costs have risen, some owners are struggling to sell their properties and are now reducing their asking price on a monthly basis in an attempt to attract potential buyers.

Geopolitical tensions continue to cause concern. The BRICS+ Trading Group has expanded significantly over the last 18 months. They recently publicised the development of a new cross border trading platform/payment system to allow members to trade between themselves without having to use the American owned 'Swift Payment System'.

Now that the market correction concerns that I have been writing about and discussing with our clients since April 23 are starting to unfold, some profitable buying opportunities are also starting to present themselves!

Read on for a more detailed analysis and information that will help you to consider what action you may wish to consider taking in the next few weeks and months?

If you're concerned about market volatility, or curious about how to position your portfolio to take advantage of emerging opportunities, please don't wait for your next scheduled review. Reach out to us today to discuss your options.

Whether it's preserving your wealth, reassessing your risk, or being ready to invest when the time is right, our team is here to support you.

If after reading this report you'd like to review your portfolio or explore our latest investment strategies, please call us on 01529 300 300.

Estimated Reading Time – 20 to 25 minutes

The views and comments in this report are my own. It has been written with the sole intention of helping you to 'read between the headlines' in order for you to make informed decisions in regard to your lifetime savings.

Whilst the comments in this article are my own, it has been formulated as a direct result of my constant research into current and historical data and market insights. This is continually being updated as I seek out market views and commentary from some of the most respected economists and investment managers from around the world. My view is not dissimilar to some of the World's most well-known and revered investment managers and financial commentators, however, it may be quite different to what you read in the main stream press. Please also be aware, similar but different views of the global economy and where we might be headed are both common and to be expected, especially when two or more economists and /or investment managers are discussing both the global and their own domestic economies.

Inflation & Interest Rates – Where are they now and where are they headed?

Inflation Now

When housing costs are included (CPIH), inflation currently stands at 3.7%. Whilst you may have been told in the press that inflation rose to 2.8% in March, that's the CPI figure that does not include housing costs and in recent times has become the Bank of England's and the Governments 'preferred' measure of inflation to be quoted as opposed to CPIH which does include housing costs. I wonder why?

Inflation Going Forward

Trump's Tariffs, through increased import costs, have further intensified inflationary pressures globally. Central banks face the complex challenge of managing persistent inflation while responding to economic slowdowns. When stock markets fall in value or consumers are struggling to pay outstanding loan payments and meet their normal day to day living costs, Central banks often lower interest rates and engage in Quantitative Easing (QE) to stimulate the economy. However, these actions can also devalue currencies and drive up prices even further, especially for commodities (the basic resources of life) like energy costs, infrastructure metals and food.

Oil prices dropped by almost 20% on the news of the new tariffs and you may see that reflected in pump prices reasonably quickly. It will probably take a few weeks (possibly months) before we notice it in our household energy costs, however, due to continuing geopolitical tensions and ongoing conflicts in the middle east and tensions between America and the OPEC countries, we cannot rely on low prices continuing. If energy costs rise again because of these issues, buying in to energy stocks at present could be a good long term bet. Whilst this view needs to be caveated with the fact that global recessions often lead to lower consumption, now could be a good buying opportunity for cheaper energy shares. And although it may be a little while before we see an increase in the share prices of such companies, as a long term hold, energy companies often provide good dividends and reliable profits. Having watched companies like BP lose almost 20% of its share value in less than a week and Shell's share price decline almost 25% over the same period (between 2 April 25 and 7 April 25) high-dividend-paying companies like BP (6.8%) and Shell (4.5%) already look better value than they did at the end of March 2025.

If energy costs go up again, perhaps due to the onset of trade wars and ongoing global conflicts, this may present investors with a reasonable buying opportunity in energy stocks as in theory, share prices should rise again alongside the cost of oil and gas.

In summary, whilst the threat of a slowing economy and/or a global recession and a lack of future demand brings the share price of energy companies down, lowering interest rates and more QE to stimulate the economy could put the price of oil and gas up, which may then be reflected as an increase in both the share prices and higher dividends being delivered from energy companies.

It's for these reasons that investors have recently been presented with a potentially profitable buying opportunity as a longer term hold in natural resources and energy stocks this week.

Interest Rates Now

Whilst interest rates began decreasing modestly in Europe last June, July in the UK and August in the US, all will now be cautious about dropping them again in the short term due to renewed inflation concerns, directly spurred by Trump's tariffs. Further cuts may be postponed, maintaining a cautious stance due to trade-induced economic uncertainty.

2 days after 'Liberation Day' (on 4 April 25) Jerome Powell (the Chairman of the American Federal Reserve – aka The Fed) announced that irrespective of Trumps call for an immediate interest rate cut on the same day, he would instead adopt a 'wait and see' policy. In the same week, Clare Lombardelli (The Deputy Governor of The Bank of England) told the press that the BoE was taking a very similar stance.

In the past, Central Banks have been keen to reduce interest rates when it looks likely that the economy is going in to recession, or even more likely, shortly after they have the evidence that a recession is in full play. Normally this would happen as a direct result of a downturn in global or domestic stock market values, a decline in corporate incomes or an increase in unemployment.

In line with my Market Insight Reports over the last 2 years, we now have firm evidence of the trials and tribulations that governments, companies and individuals are having to navigate due to higher borrowing costs and a slowing global economy.

It's at the most challenging times in the global economic outlook that profitable buying opportunities can arise. Watching the news and keeping myself abreast of updates on almost an hourly basis, it would appear to me that the consensus view in the media this week has been that 'Trump's Trade Wars' could have indeed been the trigger for such a challenging outlook. It's often found that specific points in time, just like this one, provide investors with an opportunity to take advantage of lower share prices that may, given time, be financially rewarding.

Interest Rates Going Forward

Whilst it's unlikely that interest rates will go lower in the very short term, given a big enough fall in stock market values over the next few weeks and months, it is very likely that the Banks will decide to reduce interest rates quickly to try to offset a deep recession. If they don't, they'll risk moving in to a depression, which is something none of us want to be forced to live through, including the bankers and politicians!

Significant and successive reductions in interest rates are designed to help stimulate the economy. If central banks want to really juice up the underlying consumer activity, they may well consider restarting the digital money printing presses via Modern Monetary Theory (MMT), which often involves large-scale Quantitative Easing (QE). Lower interest rates and QE helps to stoke up values in real asset values due to the devaluation of domestic currencies.

When QE is started and interest rates reductions are working together, generally speaking, bonds, commodities and the shares of companies that are related to consumer staples (like food, agriculture and energy) tend to rise.

Therefore, if interest rates start to come down again, potentially, that's another reason for investors to consider 'stocking up' in the hope of taking advantage of seeing some positive growth (hopefully in line with or above inflation) on their investments over the medium to long term.

Bond Yields

Corporate bonds, UK Gilts, and US Treasuries (also known as 'fixed income investments) have fallen slightly in value since 2 April 25, once again due to global trade disruptions instigated by Trump's Tariffs. With uncertain market conditions, bond markets are experiencing periods of fluctuating yields, presenting potential strategic buying opportunities for careful investors.

When investors adopt a 'risk off' position, the demand for lower risk interest rate based assets, as opposed to stocks and shares, rises. In addition, if interest rates start to fall later in the year due to continued stock market volatility, the capital value of corporate bond investments (loans to companies, not shares in companies) are likely to go up in value.

Investment grade corporate bonds are still trading at competitive prices when compared to their 2021 highs, when global interest rates were at an historical low. And despite an increase in price from the lows of October 2022, they still look reasonable value. There is potential for some extra capital growth if interest rates are lowered more quickly than is currently expected due to Trump's Trade Wars. **Now that we are edging ever closer to global recession, it would appear that another profitable buying opportunity is already starting to present itself in the short term.**

When unsettling market headlines become widespread, it's not unusual to see asset prices fall in the short term. This is often driven by some investors making hasty decisions—selling investments they'd likely be better off holding. Ironically, it's during these periods of panic that value opportunities begin to surface.

Lowering interest rates, a common response to economic slowdown, tends to make borrowing cheaper and can breathe life into the economy. Historically, this has boosted the value of fixed income assets such as Corporate Bonds, UK Gilts, and US Treasuries. There may still be some volatility, but as rate cuts accumulate, these assets often begin to deliver capital growth.

After several years of maintaining a lower allocation to fixed income, we began increasing our exposure to UK Corporate Bonds, UK Gilts, and US Treasuries during 2022 and 2023. Since then, these assets have delivered reasonable returns and we continue to see merit in including them within well-diversified portfolios. While it's not too late to consider fixed income as part of an investment strategy, we do anticipate that continued market setbacks in the near term could open the door to more attractive buying opportunities in this asset class.

Stock Prices

Global stock markets have initially reacted negatively to Trump's tariffs, particularly sectors reliant on international supply chains. Mega-cap tech stocks involved with Artificial Intelligence (AI) like NVIDIA, Apple, and Microsoft etc. have demonstrated particular vulnerability, due to cost pressures and disrupted global supply chains. Investors should watch carefully for high-quality stocks that become attractively priced amidst volatility. In my own (and others) opinion, Mega Cap Stock prices have been overvalued for some time now.

Large tech based firms have seen a significant drop in the value of their share prices over the last week, which is probably well overdue. They are still overvalued, so it's very possible that share prices will fall again in due course, especially if corporate earnings start to disappoint.

Whilst I can't tell you exactly when the bottom will be in, evidence suggests that we have now entered a point in time where savvy investors will want to start deploying cash in to medium to long term investments.

Therefore, we are now starting to see potentially profitable buying opportunities for investors to pick up some high quality stocks at lower prices.

Property Prices are Still Going Down - despite what you may hear in the news!

There are a lot of properties for sale in many regions of the UK, however, with a lack of potential purchasers (due to high borrowing costs, a lack of a large cash deposit and the stamp duty holiday now over) for the amount of inventory available at present, it's now become a buyers' market as opposed to a seller's one.

Property prices are still being reduced to attract buyers.

You can check how much prices being reduced by in your area (and others) by inputting the first part of your postcode, i.e. LN1, NG34, PE20 or a location i.e. London, Lincoln (pick larger areas to get a better overview, not just the town or village where you live) in to Zoopla's Search Engine and then sort the results by 'most reduced'.

Ignore any premium, highlighted or 'property of the week' listings and move down the list to see when properties were originally listed, when they were last reduced and by how much they have been reduced. For some, this is becoming a favourite pastime! Beware, I noticed recently that Zoopla have limited the history to just 1 year on many of the reduced property price data, so you only see the last 12 months history of price reductions. Some of the properties you'll see have been on the Market longer than a year, so you may not get to see the original listing price if it was more than 12 months ago.

Official figures show that unemployment figures are still rising. It's up on the quarter and up on the year, and is above pre-pandemic rates.

With the cost of living crisis still placing strain on many households, it's unlikely we've seen the bottom of the current property downturn. Even if interest rates fall significantly over the next year—just as they rose sharply in 2022—for some homeowners, the damage is already done. Coming off low fixed-rate mortgages has pushed some into arrears, forcing them to sell quickly.

Those who remember the late 1980s may recall a similar scenario, when property prices continued falling until the mid-1990s.

There's optimism for first-time buyers as lower house prices could offer a long-awaited entry point. However, for those considering Buy-to-Let as an investment, caution is key. Many landlords have exited the market recently due to rising borrowing costs, tax pressures, and uncertainty over future tenant rights.

There are often smarter, more tax-efficient ways to invest—especially if you're drawn to property. For example, commercial property funds can offer access to property investments without the hassle of managing tenants or maintenance issues. These funds also tend to be more flexible, offering easier access to capital and a tax-efficient income tailored to your needs.

At Money Minder, we avoid residential property funds for clients, but we do support diversified portfolios that may include UK commercial property funds. While these fell in value during late 2022, many have started to recover. The main fund we use has held steady between January 2023 and May 2024 and is showing signs of growth—while still offering good value.

With the Labour Government committed to tackling housing shortages, more supply means potentially even lower prices going forward. Commercial properties being converted into homes could offer both investment potential and social impact. Better yet, these funds can be held in tax-efficient wrappers like Pensions and ISAs, and are far simpler to manage than a Buy-to-Let.

As reported in my last Market Insights Report, there have been significant increases in landlords selling up. At present this trend doesn't appear to be slowing down much. Even with the rents going up, increased borrowing costs, taxation implications and an uncertain future in regard to tenant's rights are making Landlords nervous about the future and some are deciding the risks are now greater than they are prepared to accept.

As residential and/or commercial property prices continue to fall in value in the near term, another profitable buying opportunity begins to unfold for longer term investors.

Some Globally Exposed Banks Failed in Spring 2023..........has anything changed?

As of April 2025, the full outcome of the 2023 banking crisis remains uncertain. While major global banks have reported strong profits in 2023 and 2024, concerns persist regarding the stability of smaller regional banks in the US. The Federal Deposit Insurance Corporation (FDIC) has emphasised the need for more proactive supervision of these institutions to reduce risks associated with high levels of uninsured deposits.

In response to economic challenges, central banks have begun to reduce central bank interest rates, albeit slowly. The U.S. government has injected significant liquidity into the economy over the past year. These measures aim to avert a second financial crisis, though outcomes cannot be guaranteed.

The total assets of the three U.S. banks that failed in 2023—Silicon Valley Bank, Signature Bank, and First Republic Bank—surpassed the combined assets of all 25 banks that failed in 2008, with figures of $532 billion versus $526 billion, respectively, when adjusted for inflation. This underscores the importance for depositors to remain within the Financial Services Compensation Scheme (FSCS) limits, which currently protect deposits up to £85,000 per person, per banking institution. However, the Prudential Regulation Authority has proposed increasing this limit to £110,000, a change expected to take effect from 1 December 2025.

Reflecting on historical events, the stock market crash of 1929 led to a series of regional bank failures, culminating in the Great Depression. However, investors who remained committed to diversified portfolios during those low points often realised significant profits over the medium to long term. Since the 2008 financial crisis, central banks and governments have demonstrated a tendency to respond to similar threats by implementing monetary easing and lowering interest rates to stave off prolonged recessions.

While the prospect of a stock market downturn is unsettling, such periods can present profitable opportunities for medium to long-term investors. **As Warren Buffett famously advised, "Be fearful when others are greedy. Be greedy when others are fearful."**

Update: BRICS+ Alliance - 'BRICS Pay' and a proposed 'BRIC Coin'

BRICS+ Membership: As of January 2025, the BRICS alliance comprises ten full members: Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, the United Arab Emirates, and Indonesia. Notably, Argentina and Saudi Arabia have not yet completed their accession processes.

BRICS Pay System: Since my last Market Insights Report, the BRICS nations have continued to develop a decentralised payment system known as BRICS Pay, aiming to facilitate transactions using member countries' local currencies and reduce reliance on the U.S. dollar and SWIFT network.

There are verifiable expectations of BRICS+ launching a digital payment network powered by digital assets such as cryptocurrencies and central bank digital currencies.

Commodity-Backed Digital Currency Discussions: BRICS members have been exploring the idea of creating a new trading currency, potentially backed by 60% of their respective currencies and 40% gold. Their objective is to reduce dependency on the U.S. dollar as the main currency they use when trading with each other. The discussions are ongoing with the aim of enhancing financial cooperation among member nations and promoting 'de-dollarization'.

The potential introduction of a new digital currency by the BRICS has attracted significant attention due to its possible impact on the U.S. dollar's global dominance. However, while a new currency could influence the dollar's value, and affect commodity prices, short term, widespread adoption is unlikely. Unless of course 'Trump's Tariffs' bring the current timeline for creation and adoption forward significantly.

Potential Impact on the U.S. Dollar and Commodity Prices

The establishment of a BRICS currency could lead to a reduction in the global reliance on the U.S. dollar, and could decrease demand for it, potentially leading to further depreciation. Given that many commodities are priced in dollars, a weaker dollar could result in higher commodity prices globally.

Challenges to Adoption for Leading Economies

Despite the potential implications, the introduction of a new BRICS currency as the global reserve currency faces significant hurdles. Major economies outside the BRICS alliance may be hesitant to adopt such a currency quickly due to concerns about its stability, reliability, and the political compromises required for its implementation. The U.S. dollar remains the principal reserve currency, used in over 80% of global trade, making a swift transition to an alternative currency challenging.

Should the BRICS nations adopt an alternative trading currency, it could lead to short-term volatility in currency markets and a potential depreciation of the U.S. dollar. In turn, this could result in lower valuations for U.S.-based companies, presenting buying opportunities for those looking to acquire shares at reduced prices. However, such scenarios are speculative and depend on various geopolitical and economic factors.

Alternative Investment Options to help Diversify your Portfolio

Gold as a Safe-Haven Asset

In times of geopolitical tension and financial uncertainty, gold often attracts increased investor interest as a safe-haven asset. Recent trends have shown gold reaching record highs, driven by factors such as trade tensions and economic instability. For instance, on April 3, 2025, gold prices surged to an all-time high of $3,167.57 per ounce amid escalating trade disputes and market volatility. This suggests that, during periods of anticipated currency fluctuations or financial crises, gold may continue to experience heightened demand and potentially higher prices.

Investment Opportunities in Precious Metals , Industrial Metals and Rare Earth Minerals

In this evolving economic environment, precious metals like gold and silver often serve as safe-haven assets. Increased demand for these metals can drive up their prices, presenting opportunities for investors. Beyond purchasing physical bullion, investing in mining companies offers exposure to the precious metals market. Rare earth elements are critical for modern technologies, including electronics and renewable energy systems, which is why Donald Trump is so keen on buying Greenland, trying to absorb Canada into the US and wanting to cut a deal with Vladimir Putin over Ukraine's resources. Investing in Natural Resources based investment funds that in turn invest in companies involved in the extraction and processing of these minerals is a hands free way of getting exposure to this interesting and potentially profitable sector.

Oil and Gas Sector Investments

The oil and gas industry continues to present investment opportunities, particularly in exploration and production companies.

Diversification using Collective Investment Funds

For investors seeking diversification without the need to wade through company reports and geological studies in order to understand the short and long term potential of a specific mining operation, highly regulated collective investment funds (like the ones we use within our client portfolios) that focus on precious metals, oil and gas, and rare earth minerals offer a balanced approach. These investment vehicles can provide exposure to a broad range of companies within these industries, mitigating individual company risks. Allocating a percentage of your portfolio to the shares of mining companies within the precious metals, oil, gas, and rare earth minerals sectors, can offer strategic opportunities in response to evolving economic landscapes. **In summary, the potential shift in global currency dynamics, geopolitical tensions that politicians are currently having to deal with due to Trump's Trade Wars and a changing and challenging global economic environment underscore the importance of diversifying investment portfolios.**

What has Money Minder been doing to provide our clients with an opportunity to both protect and grow their wealth?

We continue to deliver bespoke investment portfolios, ensuring our clients' strategies align with the prevailing economic environment—something that is especially important during uncertain and volatile periods.

Over recent months, we've been actively engaging with our investment and pension clients to review and adjust their portfolios. In many cases, this has involved releasing profits from well-performing funds and increasing cash positions within portfolios. This approach, known as **tactical asset allocation**, helps reduce volatility and manage downside risk.

As a general framework, our client portfolios maintain a diversified allocation:

- **Lower risk assets** – cash, bonds, and commercial property
- **Medium risk assets** – UK, European and US equities
- **Higher risk assets** – Asia Pacific, Emerging Markets, and Commodity-based funds (including oil, gas, and infrastructure metals)

This multi-asset class structure helps buffer portfolios during market declines while allowing for opportunity capture in recovering or outperforming sectors. During our client review meetings, we reassess risk attitudes and investment goals, and with permission, rebalance and switch funds to maintain alignment with agreed strategies. This is part of our **strategical asset allocation** process.

An evolving portfolio approach

In 2023, we launched the **Money Minder Aggressively Defensive Portfolio**, offering a lower volatility option for clients who wanted more protection. This portfolio has served clients well, particularly through recent inflation spikes, geopolitical tensions, and interest rate transitions. It has delivered resilience while taking advantage of rising values in fixed income, UK equity income (featuring well-established household brands), and commodities—including gold, energy and infrastructure-related assets.

Looking ahead into 2025, with 'Trump's Trade Wars' and escalating geopolitical tensions, we believe we're nearing a significant shift in the investment landscape.

To prepare for this, we introduced a new **strategically asset allocated** portfolio called '**The Money Minder Growth Opportunity Portfolio'**.

This portfolio is particularly relevant for clients looking to **take advantage of market pullbacks** in the short term to achieve real growth over the medium to long term.

Why Consider the 'Growth Opportunity' Portfolio?

There is **no obligation to make changes** to your current investment strategy. However, for clients holding cash or seeking investment opportunities, this portfolio offers a timely and balanced solution.

Now markets are falling, and may continue to do so over the coming days, weeks and possibly months, we are in a strong position to re-enter equities efficiently. By deploying cash during dips, we can aim for returns that outpace inflation (though this can't be guaranteed).

The 'Growth Opportunity' Portfolio includes:

- Equity exposure to the **US and European markets**
- An **overweight allocation to UK equity income**
- Targeted holdings in **Asia Pacific, Emerging Markets, and Commodity funds** (limited to 15% total to help contain volatility)

It also maintains exposure to **Bonds and Commercial Property**, both of which are considered lower-risk and may benefit from falling interest rates in 2025. That said, if interest rates were to rise again unexpectedly, these sectors may face renewed headwinds.

For those who remain invested in their current strategy, there is absolutely no pressure to switch. Many of our clients are seasoned long-term investors who have navigated past events like the **dot-com bubble**, the **Credit Crunch**, **Brexit**, and the **COVID-19 pandemic** with us. Through it all, we've maintained our commitment to diversification, discipline, and proactive advice.

Every portfolio under our care benefits from access to **some of the world's top fund managers**, secured at **highly competitive rates**. The key to long-term investment success remains unchanged: diversified exposure across asset classes so that **when one sector falls**, another can potentially rise. This balanced structure continues to help smooth out the ups and downs of investing.

What should you do next?

If you're comfortable with your existing strategy, **no action is needed**. We hope this update to *Money Minder's Market Insights* has provided you with reassurance and perspective.

However, if you're interested in learning more about the **Money Minder Growth Opportunity Portfolio**, and how it could support your goals for 2025 and beyond, we're here to help.

We'd be delighted to email you:

- A **Factsheet** with full portfolio details
- A **Free Guide to Phasing**, which explains how to gradually move capital into the market to manage risk while seeking opportunity during price fluctuations

The Growth Opportunity Portfolio has been designed to take advantage of market downturns and help our clients **capture capital growth** where available. If you choose to explore this option, we'll ensure it's reviewed in full at your next meeting to confirm alignment with your overall strategy.

Final Thoughts & Past Performance

As we wrap up this edition of *Money Minder's Market Insights*, I want to remind you that fluctuations in the value of stock markets, bonds, property, and commodities are completely normal. These ups and downs have occurred throughout history, over decades, even centuries, and they will continue to do so.

Over the last 25 years, we've all witnessed the natural cycles of boom and bust across various asset classes. That pattern is unlikely to change in the next 25 years. While we can't control these movements, we can control how we respond to them.

Having a diversified investment portfolio, spread across different asset classes and global regions, is one of the most effective ways to manage risk and capture long-term opportunity. When markets fall, don't let emotion drive your decisions. Instead, view downturns as potential opportunities to buy high-quality investments at lower prices.

Ultimately, successful investing is less about timing and more about time itself. The longer you remain invested—especially when working with some of the world's top fund managers—the greater your chances of achieving strong long-term returns. That's the foundation of how we manage money at Money Minder.

On **9 April 2025**, we compared a typical **Money Minder Asset Allocated Portfolio** with the [Adviser Fund Index (AFI) benchmarks] Cautious, Balanced, and Aggressive, compiled by our commercial data provider, Financial Express. The AFI portfolios reflect the actual fund recommendations made by a panel of leading UK financial advisers, offering valuable industry insight.

I'm pleased to report that the typical **Money Minder Asset Allocated Portfolio** has outperformed both the **Balanced and Aggressive AFI benchmarks** over the following time periods: 3 months, 6 months, 1 year, 3 years and 5 years. Additionally, clients invested in our **Aggressively Defensive Portfolio,** which features an overweight position in cash, have also seen strong results. As of 9 April 2025, this portfolio outperformed all three AFI benchmarks over 1 month, 3 months, 6 months and 1 year. Finally, our **Money Minder Growth Opportunity Portfolio** has delivered superior returns across all measured timeframes, 1 month, 3 months, 6 months, 1 year, 3 years, and 5 years when compared to all three AFI benchmarks. (Full research retained on file.)

These results are not only encouraging, they reflect the care, discipline, and diligence we apply when constructing and managing portfolios on behalf of our clients.

I hope these insights provide you with added reassurance that your investments are in experienced hands, and that our track record stands strong, especially during challenging market conditions.

In closing, I'd like to say thank you to all of our clients: for your continued trust, your loyalty, and your generous recommendations to friends and family. Your support is truly appreciated and never taken for granted.

If after reading the article you would like to speak to us about your investments, or any other matter, please do call the office on 01529 300 300.

We'll be pleased to help you in any way we can and we are only ever a phone call away.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM CAN GO DOWN AS WELL AS UP. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

financial services
moneyminder

Money Minder Financial Services (UK) Limited
The Old Ale House, 41 Boston Road,
Sleaford, Lincolnshire, NG34 7ER
Tel: 01529 300 300
Fax: 01529 300 400
Email: info@money-minder.com
Web: www.money-minder.com

Appendix: Important Market Update – 10 April 2025

Recent Tariff Pause, Insider Trading Concerns & Short-Term Market Reversal Risks

Trump's 90-Day Tariff Pause – A Temporary Relief?

On 9 April 2025, President Trump announced a 90-day pause on tariff increases for most countries, while raising tariffs on Chinese imports to 125%. The move was framed as a temporary de-escalation in trade tensions to allow for further negotiations—though China was pointedly excluded, with Trump citing their "lack of respect" as a key reason for maintaining pressure.

Markets responded swiftly, with the Nasdaq surging 12%, the S&P 500 rising 9.5%, and the Dow Jones Industrial Average jumping 2,963 points—its largest one-day point gain on record. Despite the pause, geopolitical risk remains elevated, and European leaders cautiously welcomed the move, with EU President Ursula von der Leyen describing it as a step toward stability, though stopping short of confirming EU action

Insider Trading Concerns Spark Political and Legal Scrutiny

The timing of the announcement and the preceding social media post from Trump urging investors to "BUY" have raised serious questions around possible insider trading or market manipulation. Congressman Adam Schiff has called for a formal investigation, suggesting individuals close to the Trump administration may have had foreknowledge of the tariff pause and acted on it.

Concerns have also been raised about White House staff potentially profiting from volatility that many believe was exacerbated—or orchestrated—by policy unpredictability. Critics warn this sets a dangerous precedent for using policy to sway markets for personal or political gain

Meanwhile, the U.S. Trade Representative, Jamieson Greer, was questioned by lawmakers including Rep. Steven Horsford, who expressed frustration over what he called a "lack of coherent strategy" and the possibility of deliberate market manipulation.

Short-Term Rally or a Pause Before the Storm?

While markets have rallied sharply, leading economists and analysts caution that this may only be a temporary bounce. According to JPMorgan, the probability of a U.S. recession remains at 60%, even following the positive market reaction to the tariff pause.

Others warn that the underlying issues driving volatility: trade policy instability, inflation, and global debt, remain unsolved. The Wall Street Journal notes that continued unpredictability in trade decisions could further unsettle markets, potentially leading to a renewed downturn in the coming weeks.

In Summary: Despite the 90-day breather, most experts agree that the trade war is far from over, and investors should prepare for further turbulence, particularly with China excluded from the policy shift and BRICS+ nations accelerating their moves toward de-dollarisation.

Money Minder Financial Services (UK) Limited
The Old Ale House, 41 Boston Road,
Sleaford, Lincolnshire, NG34 7ER
Tel: 01529 300 300
Fax: 01529 300 400
Email: info@money-minder.com
Web: www.money-minder.com