

What We're Seeing Right Now - Special Edition Tariff Man - April 2025

Produced exclusively for clients and friends of Triad Investment Management

Liberation Day is here. Unfortunately, the only liberation is the (temporary) lightening of your wallet. The Trump administration slapped much higher tariffs than expected on most United States trade partners. Which seems to be a feature of Trumponomics. Expect the unexpected. Hit 'em early and hit 'em hard.



It's impossible to know at this early stage whether investors are assuming a worst case or a realistic scenario. What we do know is it's next to impossible to model the entire globe and come up with accurate forecasts of the economic ramifications. Why? Because normal forecasting is hard enough. Too many variables to consider. Not to mention other countries' resulting actions, whether retaliation or cooperation. We just have to wait and see. And, from an investment perspective, that's ok. Forecasting is not a necessary piece of an investment program.

What we always come back to is our enduring belief: regardless of the course of economic events over the rest of this year and beyond, your portfolio of carefully selected, high-quality businesses, with decades of success and experience navigating the global economy, is well prepared to deal with today's environment. We typically see our companies take advantage of situations like this by acquiring weakened competitors, gaining market share through increased spending on marketing or capital equipment, geographic expansion, or repurchasing their shares more cheaply. The strong get stronger.

Could there be positive impacts from the Trump tariffs? Nothing operates in a vacuum, and one likely impact is the psychological effect on our trading partners. If you're shocked by all of this, imagine what they are feeling and thinking. They just woke up to the most powerful

country on planet Earth aiming a tariff gun at their heads.

What compromises might they offer to modify their trade practices and tariffs? Trump didn't cook this up by himself late at night. He has a team of people who aren't crazy—trust us, they're not—and they've given him their best advice.

Bottom line, Trump the poker player doesn't want to wreck the U.S. economy, especially as Congressional elections are next year, and that is likely Team Trump's focus. And this is a self-imposed situation that is reversible to an extent...which would be well received by the market. Still, we acknowledge that's a long way off. But we'd be surprised if Team Trump isn't negotiating right now with many of our major trade partners. That's Trump. Hit 'em early and hit 'em hard.

Despite the potential long-term positives, there will be plenty of negative news over the coming weeks and months. Do not let it consume you. It's a natural human emotion to be fearful at times like this. It's what has allowed humans to survive and evolve over millions of years.

Turn off the television and avoid the internet. Your investments are gonna be just fine.

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