



POSITIONING PORTFOLIOS IN A PROTECTIONIST WORLD

US Vice-President JD Vance spelled it out in Munich – “*there is a new sheriff in town*” – and that sheriff’s policies are already having far-reaching consequences. While dealing with geopolitical uncertainties is clearly nothing new for long-term investors, Trump’s re-election has once again vividly highlighted the need for a sound investment approach based on careful planning and positioning of assets.

Global growth has stabilised – but risks remain

In its latest assessment of world economic prospects, the World Bank highlighted several positive developments in the global outlook.

Specifically, it noted that global growth stabilised at 2.7% in 2024, after a series of negative shocks, and that this rate of expansion is expected to hold steady across 2025 and 2026. However, recent developments may add pressure to this outlook.

Policy uncertainties

The World Bank previously warned that adverse trade policy shifts could pose a risk to global growth. Those risks are now materialising. With new US tariffs in place, protectionism is no longer a theory — it’s a reality.

As global trade routes and economic alliances shift, UK investors may face indirect impacts through currency volatility, inflationary pressure, or market uncertainty.

In April 2025, President Trump implemented sweeping new tariffs — including a 10% universal levy on all US imports and a 60% tariff on Chinese goods. While these measures are targeted at US trade, they have global consequences. Higher tariffs can disrupt international supply chains, drive up the cost of goods, and create ripple effects across global markets — including here in the UK.

A permanent fixture

Another aspect of Trump's new tariff push is that it seems to represent a long-term policy shift with multiple objectives. It has a national security aspect, for instance, aiming to address immigration and drug-smuggling concerns; it has an economic leverage element designed to deal with trade imbalances, and is also viewed as a potential revenue generator to fund tax cuts. In essence, the trend to protectionism appears set to become the new norm, necessitating a need for strategic investment approaches in a shifting landscape.

Take control

Experienced investors know the importance of staying calm during periods of market uncertainty and the need to continue basing investment decisions on sound financial planning principles.

Why do US tariffs matter to UK investors?

When the world's largest economy raises trade barriers, global supply chains can shift, costs can rise, and investor sentiment can wobble — all of which may affect UK portfolios.

And, right now, the adoption of appropriate diversification and risk management strategies undoubtedly offer investors the safest route through any volatility in an increasingly protectionist world.

Navigating uncertainty together

Over the past five years, we've experienced a global pandemic, geopolitical conflicts, political upheaval and economic uncertainty.

Constant media coverage over what feel like daily developments, whether that be on the international stage as Donald Trump's second term impacts or on home shores, where the government's changes to policy and taxation naturally result in feelings of uncertainty.

This can lead many to make knee-jerk financial decisions without fully understanding the consequences. The confirmation of new US tariffs has only intensified those concerns, with many wondering how this will affect global markets — and their personal portfolios, even here in the UK

Now, more than ever, it's essential to take a step back and take advice before making any financial moves. Headlines create noise, but your financial plan should be tailored to your specific circumstances – not dictated by market noise or speculation. Investing is about the long term – not reacting to daily events.

We're here to help

We work hard to build a well-structured, long-term strategy. Take comfort from the fact that a solid plan can flex as different challenges present. You don't need to navigate this alone – stay disciplined and take advice to ensure your financial future remains on track. We're here to support and guide you.

If you're concerned about the impact of inflation or geopolitical risks on your investments, we're here to guide you. Our advisers are ready to help review your strategy and ensure your portfolio is positioned for steady growth in an uncertain world.

*Ref: [World Bank, Global Economic Prospects](#)

Important information:

The value of investments can go down as well as up, and you may not get back the full amount you invested. Past performance is not a guide to future performance, and past performance may not necessarily be repeated. Tax benefits depend on personal circumstances and current tax rules, which could change in the future. Information provided is for guidance only and does not constitute financial advice. Tavistock Investments Plc is authorised and regulated by the Financial Conduct Authority.