

My, what a difference a few weeks can make. As we put the final touches to our commentary now in early April, the global markets have begun a rollercoaster ride in response to the U.S. tariff announcements. Should we scrap our initial draft plan and shift focus on the volatility? No - all the more reason to reinforce what you have come to expect from us – patience and consistency.

There is more economic commentary in our market review on the following pages, but we think it's important to highlight a couple of our themes:

1. Markets are highly volatile, and there is limited pricing transparency at this point, making it difficult to judge relative value. Liquidity risks can quickly become credit risks, particularly if the economy goes into a recession. Assessment of relative value ultimately depends on the full outcome of tariffs, etc. and it is too soon to evaluate this completely.
2. We are comfortable with our positioning given the market environment as we are highly diversified and have a higher quality bias, which tends to limit downside risk. We continue to be mindful of downside risks and potential headwinds that may impact our portfolio allocation and positioning decisions.
3. In our view, the potential unwinding of 40-50 years of globalization obscures the longer-term outlook. As consumers and businesses adjust to policy changes, the risk of an economic downturn in the near term is increasing. The direction of monetary policy continues to be highly uncertain, and the Fed may well face a stagflationary economy in the future at which point the central bank will have tough choices to make.

Our investment thesis has not changed – we will continue to focus on our strategy of broad diversification across sectors and securities and take advantage of relative value opportunities as conditions warrant, in order to deliver our focused, risk adjusted returns.

Speaking of delivery, we continue to work to have investment vehicles available to meet various needs. Galliard is now managing a core bond focused ETF in the Allspring ETF family.

Whether you look to Galliard for fixed income or stable value solutions, rest assured we continue to be patient and focus on consistency. There will likely be more volatility in the months ahead and our time-tested team is ready to navigate the choppy waters.

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