



Dear Fellow Investors,

We felt given the fast moving announcements and market impact, it was advisable to provide another update on the latest set of events. Since our initial communication, post President Trump's announced sweeping tariffs on 2 April, global markets have endured a fortnight of policy-induced chaos. We've seen violent market swings, sharp bond yield drops, spikes, and a series of contradictory policy announcements that have sown uncertainty across the global financial system. Despite this, our decision to remain calm and disciplined, anchored by robust diversification and deep engagement with global managers has proven both prudent and profitable. While others reacted emotionally to headlines, we focused on the underlying trends and held our course, helping our client funds/portfolios remain top performers vs peers.

Timeline of Turmoil: April 2–13, 2025

Date	Headline	Key Events	S&P 500 Close	10-Year Treasury
April 2	The Opening Salvo	• Trump announces 10% universal tariff (Including Heard Island Penguins) • 34% reciprocal tariff on China (total 54%) • Markets react negatively	5,396.52	4.20%
April 3	Shock & Slide	• S&P plunges 4.8% • Flight to safety begins • Bond yields drop to 4.06%	5,074.08	4.06%
April 4	Flight to Safety	• China retaliates with 34% tariffs • Rare earth export restrictions announced • 10-year yield hits 3.86%	4,982.77	3.86%
April 7	Whiplash Monday	• Record intraday swing (+411 pts) as fake 90 day pause tweet circulates • Trump tweets 'we hold ALL THE CARDS'	5,062.25	4.15%
April 8	Policy Panic	• Trump raises China tariffs to 104% • Bond yields spike to 4.26%	4,982.77	4.26%
April 9	The Relief Rebound	• Trump pauses tariffs for most nations (excl. China) • S&P surges 9.52% • 10-year yield rises to 4.34%	5,456.90	4.34%
April 10	Retaliation Resumes	• China raises tariffs on US goods to 84% • EU warns of asymmetric retaliation	5,268.05	4.40%
April 11	Warning Signs Multiply	• US Treasury acknowledges bond market dysfunction • 10-year yield ends at 4.48%	5,363.36	4.48%
April 12	Policy Adjustment Announced	• Trump exempts smartphones, laptops, semiconductors from tariffs • Retroactive to April 5 • Markets closed	Weekend	Weekend
April 13	Midnight Flip-Flop	• Trump reclassifies electronics as 'non-strategic' • Electronics under 20% fentanyl-linked tariffs • Flip-flop confirmed	Weekend	Weekend



Bond Market Stress & Political Capitulation

The bond market proved to be the most telling and decisive voice during this chaotic stretch. What began as a brief flight to safety quickly gave way to a sharp and sustained sell-off in Treasuries. Investors were rattled by a trifecta of risks: widening fiscal deficits, inflationary pressures from tariff-induced import costs, and speculation that key foreign buyers, particularly China, were scaling back Treasury purchases. Hedge fund liquidations of leveraged bond positions further destabilized markets, pushing the 10-year yield from 4.18% to 4.61% in just over a week.

This sudden spike in yields placed enormous pressure on the administration. Faced with a looming self-inflicted recession and midterm elections on the horizon, Trump was forced to retreat from his all-out tariff stance. But the nature of this reversal, midnight announcements, walk-backs, and inconsistent language, only compounded market uncertainty. With his political capital eroding and voter anger building, it's clear that **self-preservation, not economic logic, is shaping the path forward.**

Our Strategy: Insight Over Instinct

Amid the chaos, our investment philosophy remained grounded in foresight, discipline, and high-quality information. We drew on direct communication with leading managers in the U.S. and China and coupled that with real-time geopolitical intelligence from our offshore experts. This gave us an edge, allowing us to anticipate that the economic damage would likely force a policy reversal and that making emotionally driven portfolio changes would be counterproductive.

Moreover, our diversified portfolio construction, across regions, asset classes, and risk profiles helped us navigate the storm more effectively than many peers. While others were blindsided by the swings, our positioning allowed us to weather the worst and take advantage of mispricing's without overreacting to noise.

Looking Ahead: More Volatility, More Opportunity

Despite the temporary consumer electronics exemption, the picture is far from clear. Trump's latest reversal makes it evident that volatility will persist. With semiconductor and pharmaceutical tariffs now firmly on the agenda and China holding its line, there is no easy exit from this trade war.

Markets will remain sensitive to every tweet, press conference, and policy leak. Bond yields are still elevated, inflation fears are lingering, and global supply chains are reassessing exposure. Importantly, Trump's credibility has taken a hit, and with midterms fast approaching, his next moves are likely to be politically not economically motivated.

Our Guidance Remains the Same:

- **Stay diversified** – avoid overexposure to single geographies or narratives.
- **Remain disciplined** – don't get caught reacting emotionally to news cycles.
- **Be selective and opportunistic** – use dislocations to your advantage, but only with strong conviction and clear risk controls. We have done as much in the various portfolios
- **Trust process over panic** – strategy and structure will always outperform noise and narrative over time.





We'll continue to monitor developments closely and keep you informed as events unfold. Our focus remains squarely on protecting and growing your capital, through the noise, not because of it.

Warm regards,
Iza Capital Partners
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