

# Omnis Managed Portfolio Service



Trade tensions flared and economic signals softened, prompting market shifts and cautious repositioning

## Market-moving events

**Tariffs return to centre stage.** Tariff tensions intensified in April as President Trump announced a new wave of duties on Chinese imports, pushing the average tariff level to around 110%. The EU retaliated with tariffs on €26 billion of US goods, while China raised duties on select US imports to 125%. Markets were rattled by the renewed uncertainty.

**Markets bounce on hopes of talks.** Equity markets sold off sharply early in the month but rallied after the US paused most tariff increases for 90 days and reports suggested negotiations with China had resumed. Still, US GDP in Q1 2025 turned negative, dragged down by front-loaded imports and weak personal consumption – the slowest since Q2 2023.

**Growth outlook weakens, bonds disappoint.** Surveys point to sluggish global growth in the second quarter of the year. As a result, investors are pricing in more rate cuts across developed markets. Credit spreads widened during April, but government bonds offered little of their usual protection, challenging traditional portfolio diversification.

## Investment highlights

**Portfolio rebalance and new positioning.** We completed a full rebalance of OMPS portfolios in late April and transitioned to our latest 2025 Strategic Asset Allocation. This process ensures portfolios remain aligned with our long-term views and current economic expectations.

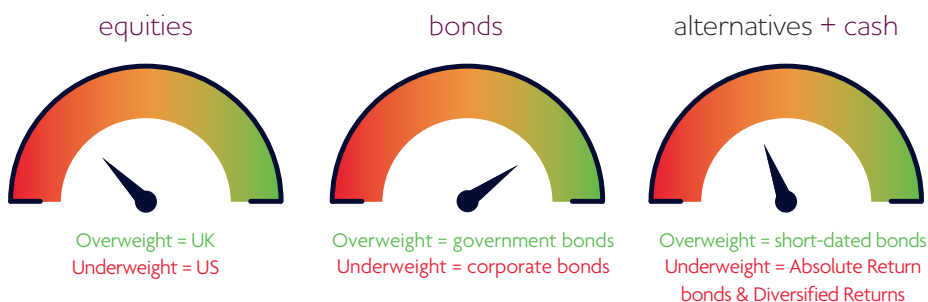
**Tilt towards smaller US companies.** We increased our allocation to the Omnis US Smaller Companies Fund while reducing exposure to the Omnis US Equity Leaders Fund. US smaller companies trade on more attractive valuations and may benefit more from any improvement in domestic economic conditions, especially with the market concentrated in mega-cap names

**Adding to Chinese equity exposure.** We also added to the Omnis Global Emerging Market Equity Leaders Fund, focusing on opportunities in Chinese equities. Policymakers in China are beginning to support the economy more forcefully, and many companies listed on Chinese markets have limited exposure to the US. This creates scope for recovery, particularly as domestic stimulus measures begin to take effect.

## Asset allocation

Red = underweight  
Amber = neutral weighting  
Green = overweight

If you'd like more detail on our asset allocation views then please visit our [online dashboard](#).



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Approved by Omnis Investments on 1 May 2025