



# BRACE FOR VOLATILITY AMID TARIFF TURMOIL

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As stocks continue their freefall and market sentiment sours amid a potential global trade war set off by steep tariffs announced by President Trump, we urge investors to stay the course but look for opportunities should the rout [deepen](#).

With markets barreling towards their worst week since March 2020 and the S&P 500 Index down nearly 600 points in the last two days, we believe volatility is here to stay until greater clarity emerges around the administration's policy on tariffs and tariff rates.

At NEPC, we remain steadfast in our belief in the importance of a [diversified portfolio](#). We encourage investors to ensure they have appropriate safe-haven fixed-income exposure and sufficient levels of liquidity for any cash flow needs that may arise.

Also, it is critical to reinforce the importance of staying invested in markets and not pulling away when panic takes hold. In fact, history has shown time and time again that periods of heightened market fear yield future opportunities. For example, the VIX Index, a gauge of volatility, just touched 40, which is a strong signal to rebalance. To that end, we encourage investors to review their equity targets and consider adding S&P 500 exposure back to targets.

While the tariffs announced on April 2 were stiffer than expected, we remind investors that many questions remain around their implementation, whether the rates will stick, and potential negotiations with or retaliatory actions from the affected countries.

We remain vigilant and will continue to provide updates with any changes in our economic and investment outlooks. Please reach out to your NEPC consultant if you have any questions or concerns.

## IMPORTANT DISCLOSURES

Past performance is no guarantee of future results.

All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.

This memo should not be considered customized investment advice. Please contact NEPC for advice specific to your investment program.

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