

# Omnis Managed Portfolio Service



Tariff uncertainty persists, while US fiscal policy takes centre stage, keeping markets buoyant but investors wary

## Market-moving events

**Tariffs stay in focus.** Markets welcomed a 90-day pause in US–China trade tariffs, but tensions remain. Tariffs are still higher than before and President Trump has accused China of reneging on the deal. The US also doubled duties on steel and aluminium, while a court ruled earlier tariffs illegal, though they remain in place pending appeal.

**Markets buoyed by tax shift.** With trade talks on hold, the US administration is pushing to extend Trump-era tax cuts before the summer recess. While the bill holds few surprises, it has supported the recent bounce in risk sentiment. Combined with worries about the widening fiscal deficit, it helped lift long-dated government bond yields towards their recent highs.

**Data resilient but unclear.** US economic data has so far held firm despite April's dip in sentiment, though investors remain cautious. Strong figures may reflect pre-shock momentum, while weak numbers could be shrugged off in the hope of a rebound. For now, the outlook remains clouded by political noise.

## Investment highlights

**Portfolio rebalance and new positioning.** We completed a full rebalance of 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.

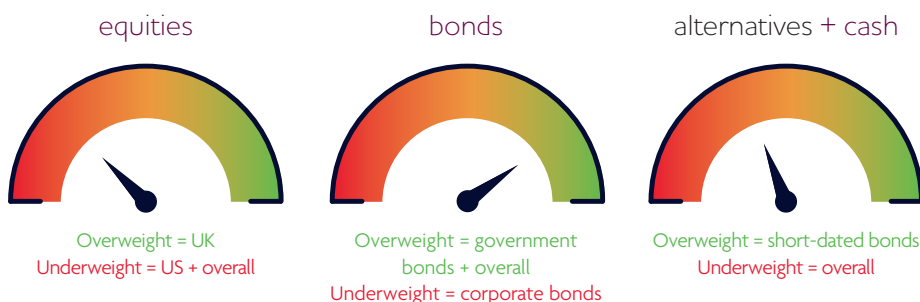
**Tilt to smaller US companies.** We recently increased our allocation to the Omnis US Smaller Companies Fund while reducing exposure to the Omnis US Equity Leaders Fund. US smaller companies trade on more attractive valuations and may benefit more from any improvement in domestic economic conditions,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

**Adding to Chinese equity exposure.** We also recently 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 situation 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](#).



[www.omnisinvestments.com](http://www.omnisinvestments.com)

Issued by Omnis Investments, which is authorised and regulated by the Financial Conduct Authority. Registered address: Auckland House, Lydiard Fields, Swindon SN5 8UB. This update reflects our view at the time of writing and is subject to change. The document is for informational purposes only and is not investment advice. We recommend you discuss any investment decisions with your financial adviser. Omnis Investments is unable to provide investment advice. Every effort is made to ensure the accuracy of the information but no assurance or warranties are given. Past performance should not be considered as a guide to future performance.

Approved by Omnis Investments on 4 June 2025

**Omnis**  
INVESTMENTS