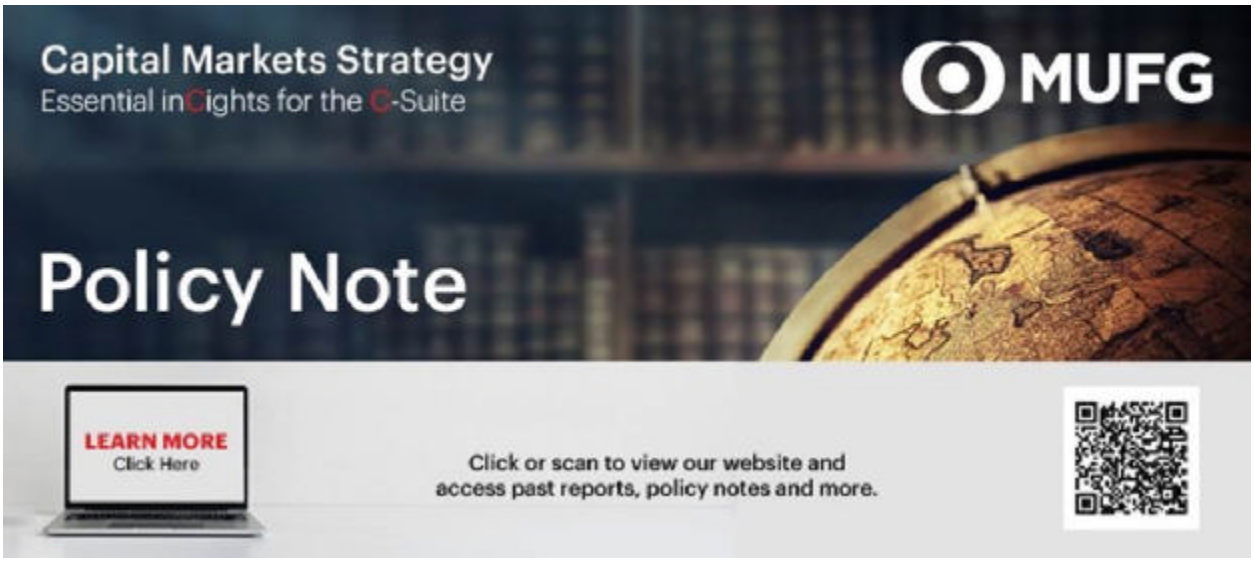


We have emphasized since January the importance of shedding the 2018-19 mindset, that Trade War 2.0 will be different (larger, sooner, more countries and products, fewer exemptions, more retaliation, markets more sensitive). In fact, as we show below, President Trump had been front-running Liberation Day with new tariff announcements every three days, on average, since the Inauguration 10 weeks ago.

While the President tends to be more tactical than strategic on trade policy, the direction of travel is generally clear, and we do not view yesterday as peak trade war, with downhill skiing from here. In our view, Trump trade policy is less "Art of the Deal" escalate to de-escalate, and more of an economic philosophy.

Importantly, the multi-layered tariff escalation tools (10% universal tariffs, higher reciprocal tariffs, sector-based tariffs, secondary and policy based tariffs) each have different objectives that range from raising revenue to fund tax cuts, to addressing US trade imbalances, protecting core industries, safe-guarding national security and addressing more personal policy grievances. Bilateral deals and negotiations will follow, but many of the tariffs are here to stay. Notably, the President's IEEPA Orders yesterday included modification authority, permitting him to increase or decrease tariff levels from yesterday's levels.

In our view, Liberation Day was a significant day, but just another day in a new economic paradigm that is still in its early stages.

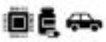
Trump's Liberation Day Happens Every 3 Days



Announced / threatened tariff actions

JAN 20	President Trump issues **"America First Trade Policy"** EO requiring a review of global trade imbalances and US tariff recommendations by Apr 1
APR 1	President Trump's trade advisory team (USTR, Treasury, Commerce, Homeland Security) provides review and recommendations from **Jan 20 "America First Trade Policy"** EO
APR 2	**Liberation Day**: President Trump announces new and more expansive wave of tariff escalation

	# of days since prior tariff escalation	
JAN 21	1 DAY	President Trump threatens 25% tariffs on **Canada** and **Mexico**
JAN 22	1 DAY	President Trump threatens new tariffs on **Russia**
JAN 23	1 DAY	President Trump threatens tariffs on **Europe**
JAN 27	4 DAYS	President Trump threatens tariffs on **computer chips** and **pharma**
JAN 27	4 DAYS	President Trump threatens 25% tariffs on **Colombia** to accept deportation flights
JAN 28	1 DAY	President Trump threatens **BRICS nations** with a 100% tariffs if they move away from the USD as reserve currency
FEB 1	4 DAYS	President Trump announces 10% tariffs on **China**
FEB 1	4 DAYS	President Trump announces 25% tariffs on **Canada** and **Mexico**
FEB 3	2 DAYS	President Trump threatens 25% tariffs on the **EU**
FEB 4	1 DAY	President Trump suspends de minimis, a type of duty-free treatment

	FEB 10	6 DAYS	President Trump announces 25% tariffs on steel and aluminum
	FEB 13	3 DAYS	President Trump announces a policy of reciprocal tariffs on countries that tax US imports
	FEB 14	1 DAY	President Trump threatens 25% tariffs on auto
	FEB 18	4 DAYS	President Trump threatens 25%+ tariffs on autos, semiconductors and pharma
	FEB 21	3 DAYS	President Trump mandates investigations and threatens tariffs against countries with digital service taxes (DSTs)
	FEB 25	4 DAYS	President Trump orders new investigation on tariffs on copper
	FEB 27	2 DAYS	President Trump announces additional 10% tariff on China
	MAR 1	2 DAYS	President Trump order new investigation on tariffs on timber and lumber
	MAR 4	3 DAYS	President Trump threatens 25% tariffs on copper and lumber
	MAR 4	3 DAYS	President Trump threatens reciprocal tariffs on April 2 on any trading partner that charges tariffs or imposes other trade barriers on US products
	MAR 7	3 DAYS	President Trump threatens Russia with tariffs over the war with Ukraine
	MAR 11	4 DAYS	President Trump threatens 50% tariffs on steel and aluminum
	MAR 13	2 DAYS	President Trump threatens 200% tariffs on wine and spirits from the EU
	MAR 24	9 DAYS	President Trump announces 25% tariff on goods from any country that buys oil or gas from Venezuela
	MAR 26	2 DAYS	President Trump announces 25% tariffs on autos
	Apr 2	7 DAYS	Liberation Day: President Trump announces new and more expansive wave of tariff escalation

3.0 DAYS	Average # of days between tariff threats and escalations
3.0 DAYS	Median # of days between tariff threats and escalations

2025 Tariff Implementation Dates



Tariff implementation dates in Trade War 2.0

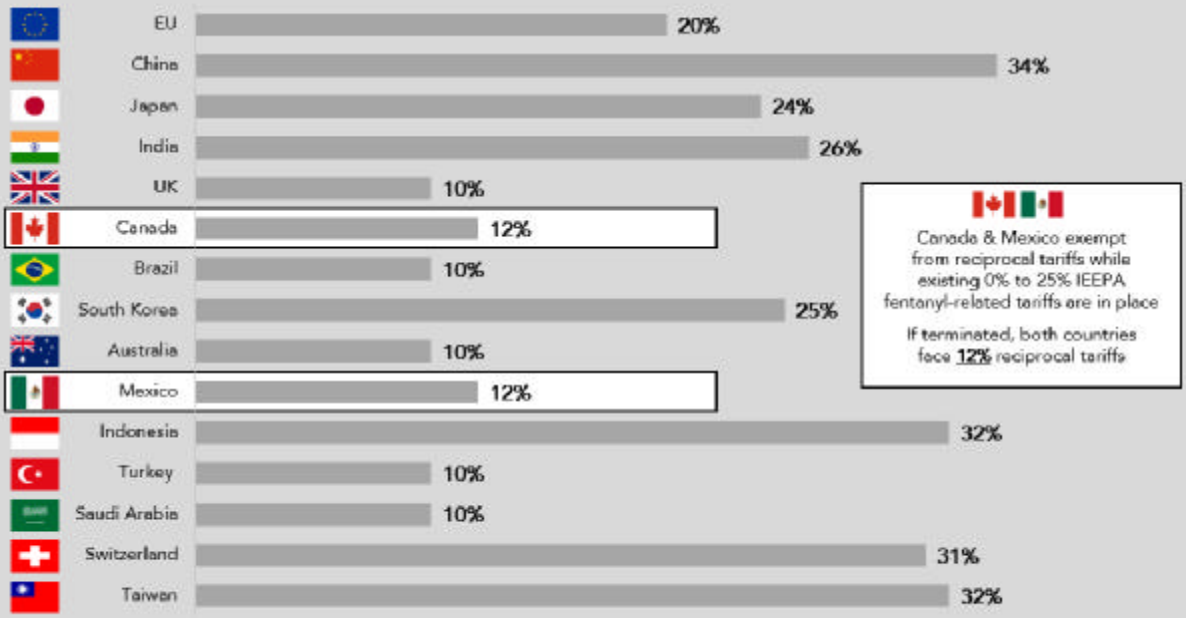
FEB 4	10% tariffs on **China** implemented
MAR 4	Additional 10% tariffs of **China** implemented
MAR 4	25% tariffs on **Mexico** and **Canada** implemented (delayed 30 days for USMCA compliant products)
MAR 12	25% tariffs on **steel** and **aluminum** imports implemented
APR 2	Effective date for delayed **Canada** & **Mexico** auto and USMCA tariffs
APR 3	25% tariffs on **cars** and **light trucks** go into effect
APR 5	10% universal tariffs on **ALL countries** go into effect
APR 9	**Country-specific** reciprocal tariffs go into effect
MAY 2	25% tariffs on **car engines**, **transmissions**, and **electrical components** go into effect

Multi-Layered Approach With Varying Objectives

TARIFF STRATEGY	TACTICAL / STRATEGIC OBJECTIVE
Universal **Tariffs** **10%** of all US imports	• Creates large base of revenue to fund tax cuts and spending priorities
Reciprocal **Tariffs** • Larger than universal rate • Varies by country	• Increases revenue base • Retaliatory • Incentivize "bilateral" agreements
Sector-Based **Tariffs** • **25%** steel & aluminum • **25%** auto • **TBD** Semis, pharma, lumber, copper, agriculture, shipbuilding	• Protect core US industries (auto) • National security (steel, semis) • Re-industrialization of America
Secondary **Policy-Based Tariffs** • **TBD** digital service taxes • **TBD** Venezuelan oil purchases • **TBD** foreign policy priorities	• Advance policy objectives • Retaliatory

Reciprocal Tariffs: 15 Largest Economies (ex US)

Reciprocal tariff rate for 15 largest economies by GDP



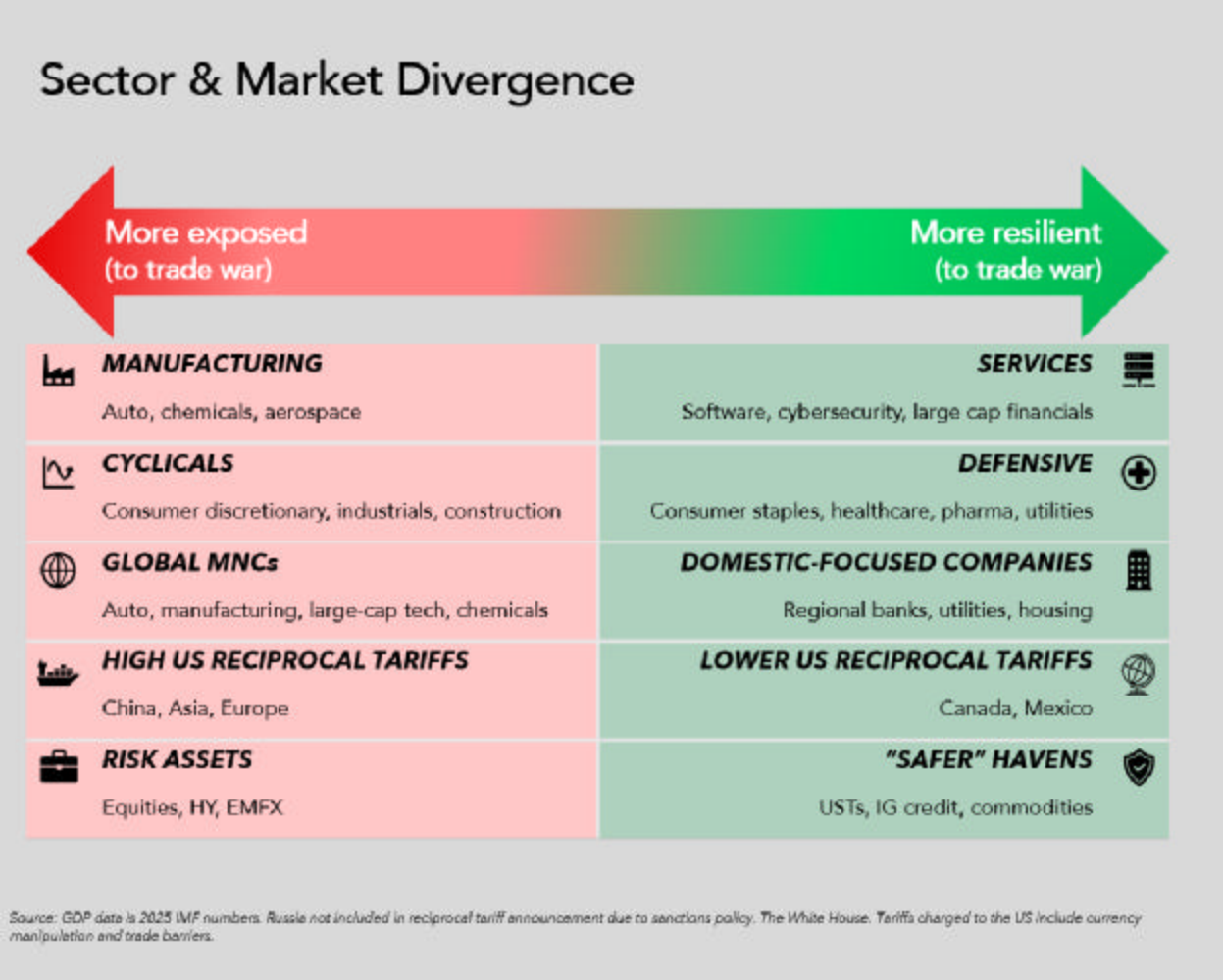
Reciprocal Tariffs: The 60 "Worst Offenders"

Region / country	Tariffs charged to US	US reciprocal tariffs
Europe		
Serbia	74%	37%
Lichtenstein	73%	37%
Bosnia & Herzegovina	70%	35%
North Macedonia	65%	33%
Switzerland	61%	31%
Moldova	61%	31%
European Union	39%	20%
Norway	30%	15%
APAC		
Cambodia	97%	49%
Laos	95%	48%
Vietnam	90%	46%
Sri Lanka	88%	44%
Myanmar (Burma)	88%	44%
Bangladesh	74%	37%
Thailand	72%	36%
China	67%	34%
Taiwan	64%	32%
Indonesia	64%	32%
Fiji	63%	32%
Nauru	59%	30%
Norfolk Island	58%	29%
Kazakhstan	54%	27%
India	52%	26%
South Korea	50%	25%
Brunei	47%	24%
Japan	46%	24%
Malaysia	47%	24%
Vanuatu	44%	22%
Philippines	34%	17%

Region / country	Tariffs charged to US	US reciprocal tariffs
Americas		
Saint Pierre & Miquelon	99%	50%
Falkland Islands	82%	41%
Guyana	76%	38%
Nicaragua	36%	18%
Venezuela	29%	15%
MENA		
Lesotho	99%	50%
Madagascar	93%	47%
Syria	81%	41%
Mauritius	80%	40%
Iraq	78%	39%
Botswana	74%	37%
Reunion	73%	37%
Angola	63%	32%
Libya	61%	31%
South Africa	60%	30%
Algeria	59%	30%
Pakistan	58%	29%
Tunisia	55%	28%
Côte d'Ivoire	41%	21%
Namibia	42%	21%
Jordan	40%	20%
Zimbabwe	35%	18%
Israel	33%	17%
Malawi	34%	17%
Zambia	33%	17%
Mozambique	31%	16%
Nigeria	27%	14%
Chad	26%	13%
Equatorial Guinea	25%	13%
Cameroon	22%	11%
DR Congo	22%	11%

Allies and Adversaries Ready This Time





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"Macro stability isn't everything, but without it, you have nothing."