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TARIFFS, TRADE WARS, and WEALTH PROTECTION

Building Resilient Portfolios Amid Global Volatility

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Summary

- The current tariff environment and increased volatility signal a long-term trend – a shift in the world order, where countries have begun to reposition in anticipation of a more fragmented and multipolar global landscape.

- In this evolving landscape, wealth is best preserved by building structures that are resilient, and investors must develop strategic frameworks that can endure across regimes, currencies, and crises. Simply holding high-quality assets may not be sufficient – it's important to consider assets that are also portable, liquid, and protected by institutions with a demonstrated track record of neutrality and competence.

- In a world increasingly shaped by state-level economic intervention, understanding "How to own" and "Where to own" your assets is critical to planning. Geographic diversification is about aligning a portfolio with jurisdictions that have a structural incentive to preserve property rights, currency strength, and financial privacy.

Amid the ongoing market turbulence, discussions about tariffs, trade policy, and geopolitical maneuvering are becoming increasingly urgent. Comparisons to past economic crises – the COVID-19 market crash, the 2008 Great Financial Crisis, and even the Great Depression – are now standard fare in media analysis. These analogies are not hyperbole. In fact, they are increasingly relevant, especially in light of historical examples like the 1930 Smoot-Hawley Tariff Act, which deepened and prolonged the Great Depression.

A renewed commitment to protectionist policies – particularly through aggressive tariffs – risks triggering a similar dynamic. Should these policies escalate unchecked, the current market drawdown may be remembered as the beginning of a prolonged period of economic volatility. Even if recent political rhetoric is partially performative or tactical, the uncertainty itself is enough to undermine market confidence and global economic coordination.

The unpredictability surrounding U.S. trade policy reflects a broader reshaping of the international order. Countries are repositioning in anticipation of a more fragmented and multipolar global landscape. Even if tariffs are scaled back, the geopolitical and economic incentives for countries to diversify away from reliance on the United States remain strong.

This shifting order raises fundamental questions not just about market timing or asset selection, but about how and where wealth should be held. The deeper challenge is structural: how to ensure that assets can endure and adapt in a world marked by institutional flux and geopolitical stress.

RESILIENCE IS KEY TO GENERATIONAL PERSPECTIVE

On a generational time horizon, history shows that most states eventually claim a significant portion of private wealth – sometimes overtly, through taxes and nationalization, and sometimes through more subtle mechanisms like inflation and currency devaluation. These patterns are not unique to failed or failing states. Even stable democracies have used fiscal and monetary tools to reallocate wealth under the banner of political necessity or fairness.

Today's volatile trade environment reflects similar political dynamics. Tariffs and retaliatory measures are not merely economic tools – they are expressions of shifting power, national priorities, and ideological conflict. As these dynamics unfold, they threaten not only short-term returns but the very assumptions undergirding the global investment environment.

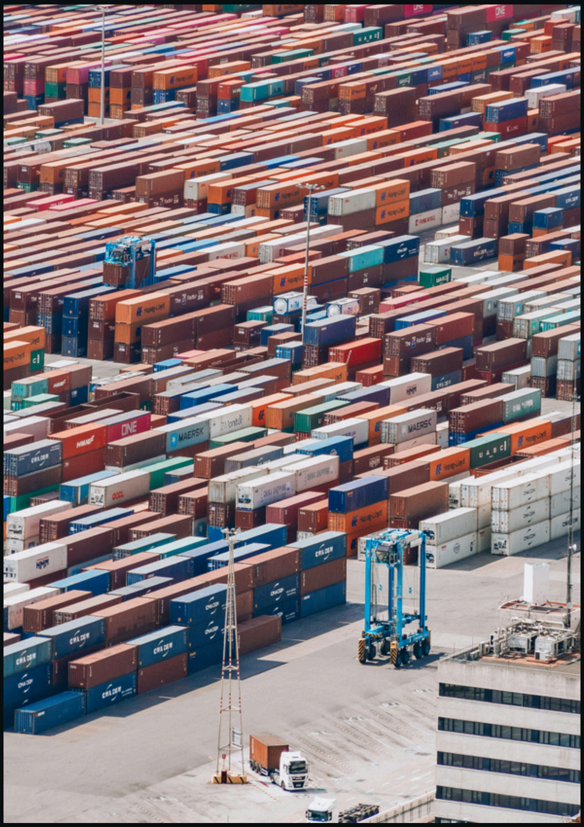
They also make resilience an extremely important component of wealth management.

Resilience depends not only on what is owned, but also on where and how assets are held. Ownership is not abstract; it is embedded in legal, institutional, and geopolitical structures that vary widely by country.

In this framework, geographic diversification is not simply a matter of chasing tax arbitrage or regional growth trends. It is about aligning a portfolio with jurisdictions that have a structural incentive to preserve property rights, currency strength, and financial privacy. Switzerland and Singapore, for example, serve as modern-day analogues to historical Venice – small, wealthy, politically neutral states whose survival depends on maintaining reputations as trusted entrepôts.

These jurisdictions have demonstrated remarkable monetary and political stability, low levels of sovereign debt, and a long-term commitment to the rule of law – all aspects of the U.S. environment that have weakened in recent years. Unlike larger states with more populist pressures and debt overhangs, they have a direct incentive to continue serving as safe havens for capital.

Against the backdrop of trade disputes and rising protectionism, it is prudent to revisit the architecture of portfolios. In a world increasingly shaped by state-level economic intervention, merely holding high-quality assets may no longer be sufficient.



Those assets must also be portable, liquid, and protected by institutions with a demonstrated track record of neutrality and competence.

These assets include cash in hard currencies like the Swiss franc and Singapore dollar, title-held gold, digital assets like Bitcoin, and equity participation in resilient businesses in niche industrial sectors and unique geographies like Switzerland and Singapore, where entities often enjoy monopolistic or oligopolistic positions in markets that are too specific to attract intense competition but essential enough to ensure ongoing demand.

What unites these elements is their resistance to the two greatest threats to long-term capital: institutional failure and liquidity loss. By structuring portfolios around jurisdictions and assets that are independently robust, investors can insulate themselves from both political caprice and macroeconomic instability.

RECENT MOVES AND THEIR IMPACT

The Trump administration's trade policy illustrates the broader realignment already underway. Regardless of whether these moves are strategic or reactive, their global impact is the same: countries are revisiting old alliances, forging new trade blocs, and developing domestic alternatives to U.S.-based supply chains and financial infrastructure.

Evidence of this trend can be seen in EU–India negotiations, U.S.–Iran backchannel diplomacy, and China's increasing reliance on internal demand and domestic innovation, all developments in the past days that have been obscured by the myopic focus on tariff policy in the White House.

Markets have responded with volatility – surging and retrenching based on rumor, policy whispers, and social media statements. These fluctuations are unlikely to resolve into stability anytime soon. More likely is a continued pattern of decoupling, where the future global economy is defined less by shared frameworks and more by parallel systems competing for influence.

For investors, this suggests that resilience requires not only diversification across sectors, but also across legal and institutional regimes. It means recognizing that global capital is increasingly subject to local rules, and that those rules can shift rapidly in times of crisis.

NAVIGATING THE MULTIPOLAR ERA

The end of U.S. global economic hegemony does not signal chaos, but it does signal a return to historical norms. For most of human history, the international system has been multipolar, and resilience was a function of strategic diversification, political awareness, and institutional judgment.

The current tariff environment, and the broader volatility it reflects, should be seen not merely as a short-term risk, but as a long-term signal. Investors must respond not only with tactical adjustments, but with strategic frameworks that can endure across regimes, currencies, and crises.

In this emerging landscape, wealth is best preserved not by trying to predict the next headline, but by building structures that are resilient to whatever may come. That begins with understanding where and how assets are held – and ensuring those choices are rooted in history, aligned with incentives, and designed for adaptability.

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If you're interested in learning more about Bespoke's approach to private wealth management and how we can help you build a secure financial future, we invite you to reach out to us directly. We'd be happy to set up a confidential consultation at your convenience.

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