



New Tariffs, Big Consequences: Preparing for What's Ahead

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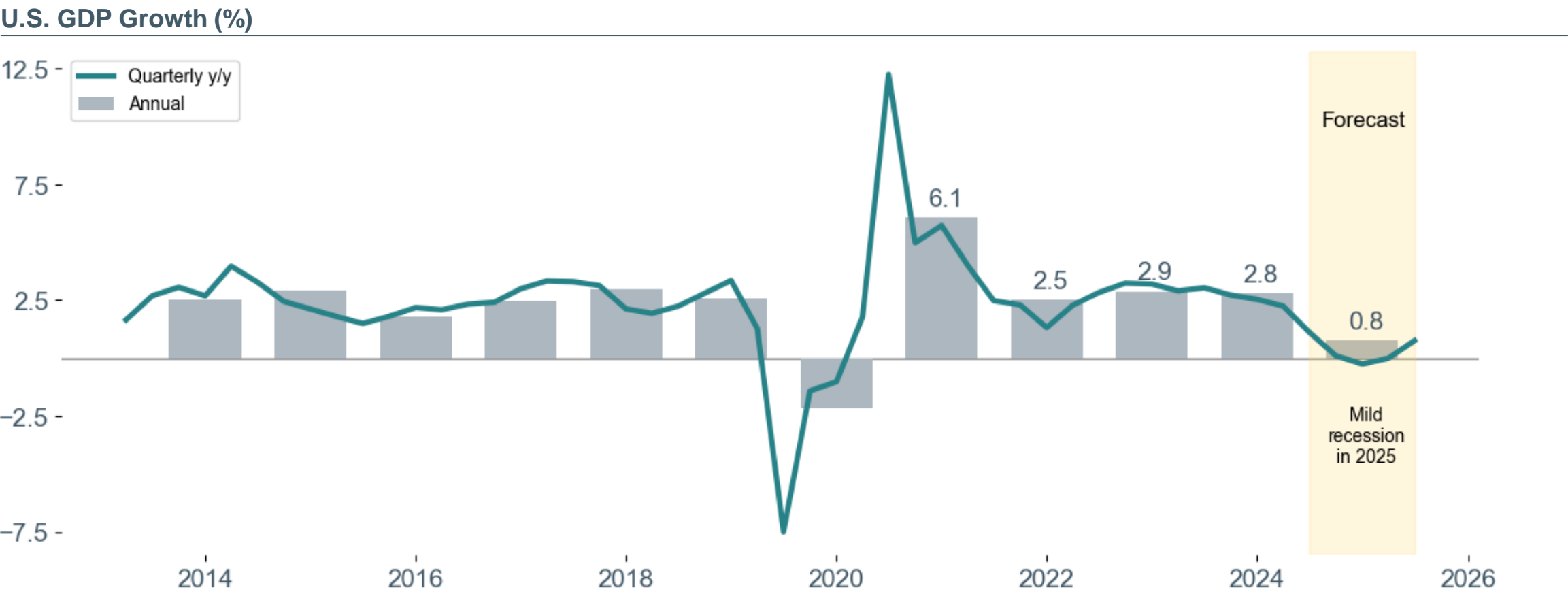
Neutral Allocation to Equities

High-net-worth portfolios with private markets*

	Tactical tilts	<div> <div>←</div> <div>-</div> <div>Neutral</div> <div>+</div> <div>→</div> </div>	Positioning
Equities	U.S. Large Cap	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	Neutral
	U.S. Small Cap	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	
	International Developed	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	
	Emerging Markets	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	
Fixed Income	Investment Grade	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	Neutral
	Tax-Exempt High Yield	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	
Real Assets	Global REITs	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	Neutral
	Other/Commodities	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	
Alternatives	Equity Long/Short Hedge	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	Neutral
Private Markets*	Equity/Debt/Real Estate	<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	Neutral
Cash		<div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>	Neutral

Data as of March 31, 2025. Positioning reflects our monthly tactical asset allocation (TAA) versus the long-term strategic asset allocation (SAA) benchmark. For an overview of our asset allocation strategies, please see the disclosures.
 *Private markets are only available to investors that meet Securities and Exchange Commission standards and are qualified and accredited. We recommend a strategic allocation to private markets we do not tactically adjust this asset class.

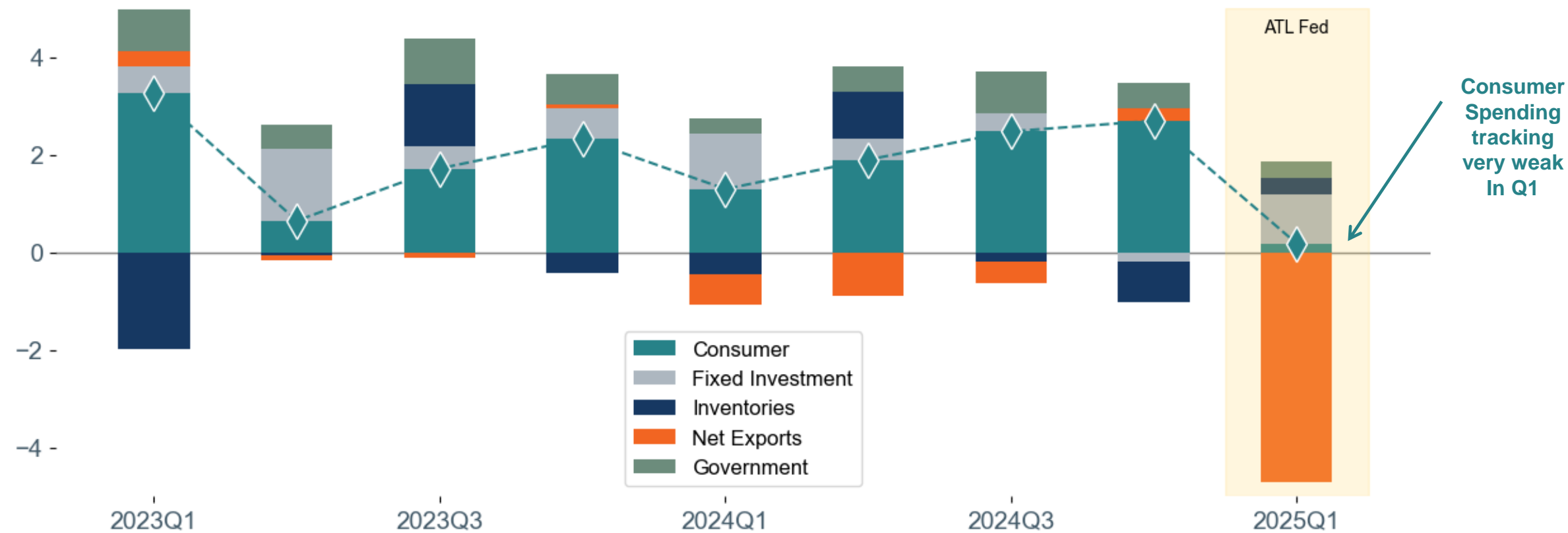
Expecting a Mild Recession in 2025



Data as of April 8, 2025. Sources: Bureau of Economic Analysis, WTIA.

Consumer Slowdown Heading into Tariffs

Contributions to Gross Domestic Product Growth and Atlanta Fed GDP Now Tracker (%)

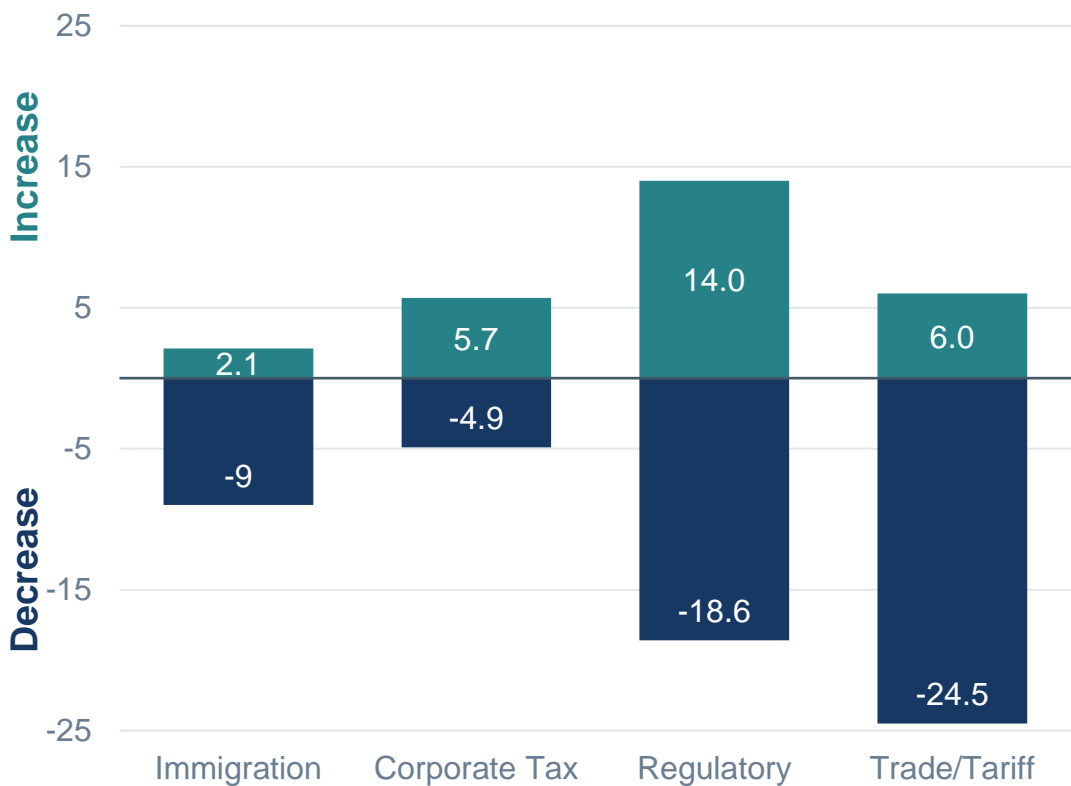


Data as of April 2, 2025. Sources: Yale Budget Lab, WTIA.

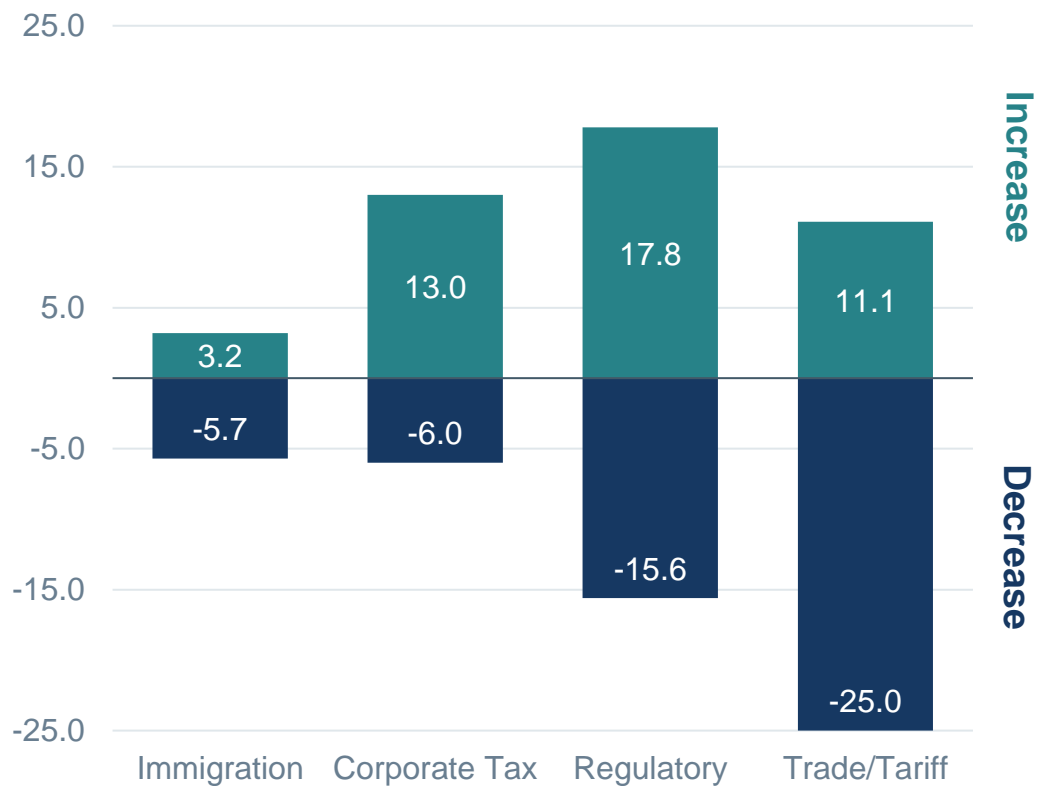
Firms Cutting Back on Hiring and Capital Expenditures

How have your company's 2025 plans changed?

Hiring



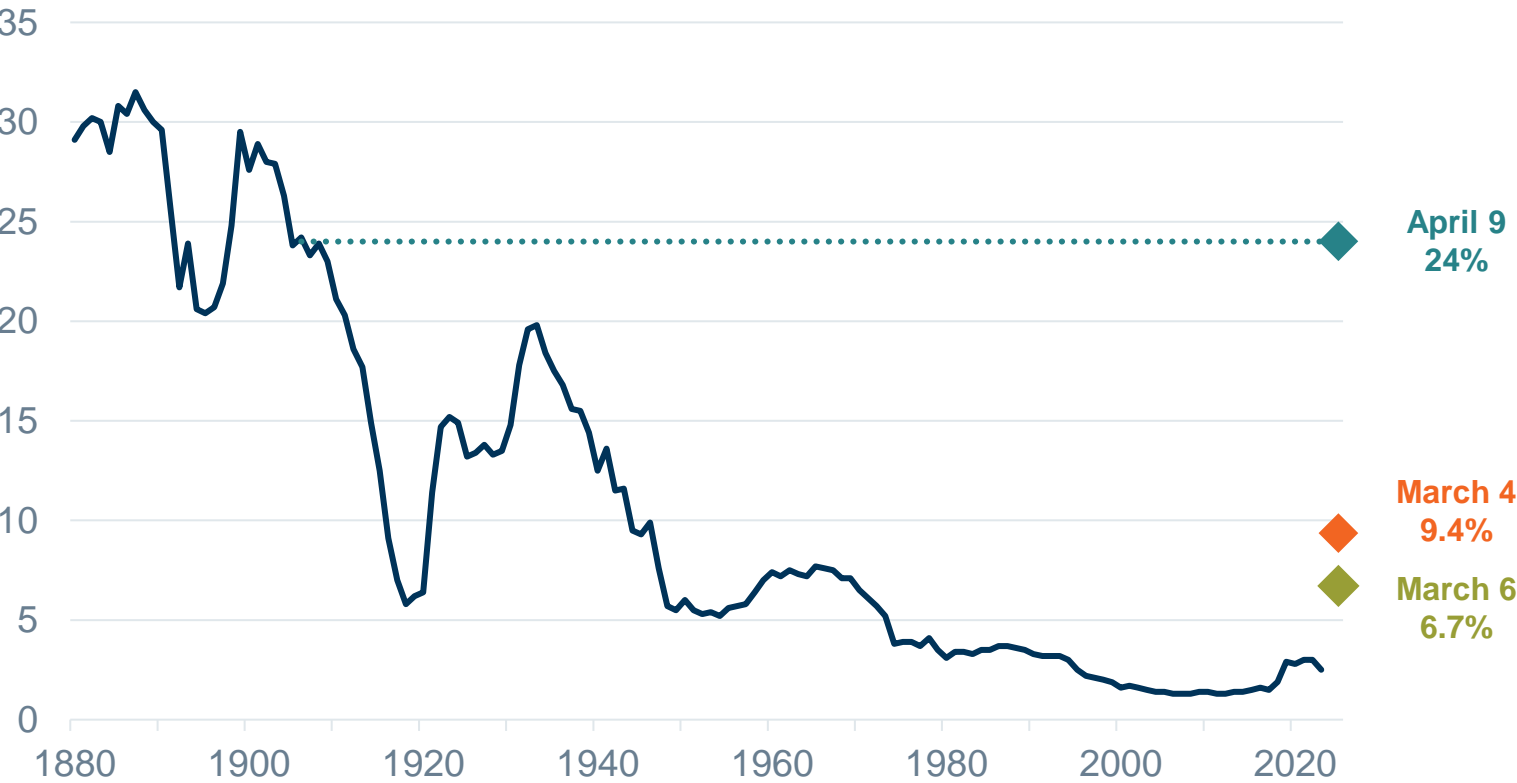
Capital Spending



Data as of March 26, 2025. Sources: The CFO Survey (Duke, Federal Reserve Banks of Atlanta and Richmond), WTIA.

Tariff Increases are Massive

U.S. Effective Tariff Rate (%)



Data as of April 9, 2025. Sources: Yale Budget Lab, WTIA.

\$3.3T

Total Imports

\$665bn

Exemptions

\$2.6T

Subject to higher tariffs

\$795bn

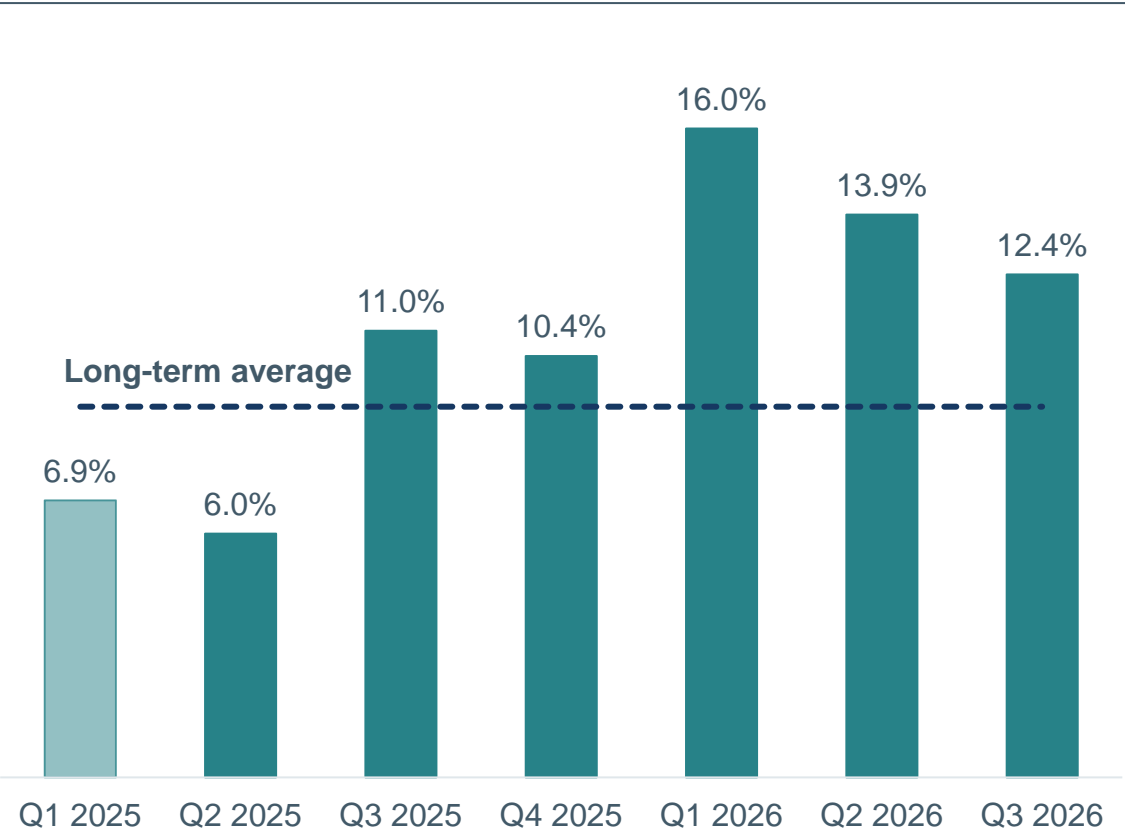
Tariff Revenue*

2.7% or **9.3%**
of GDP of Retail Sales

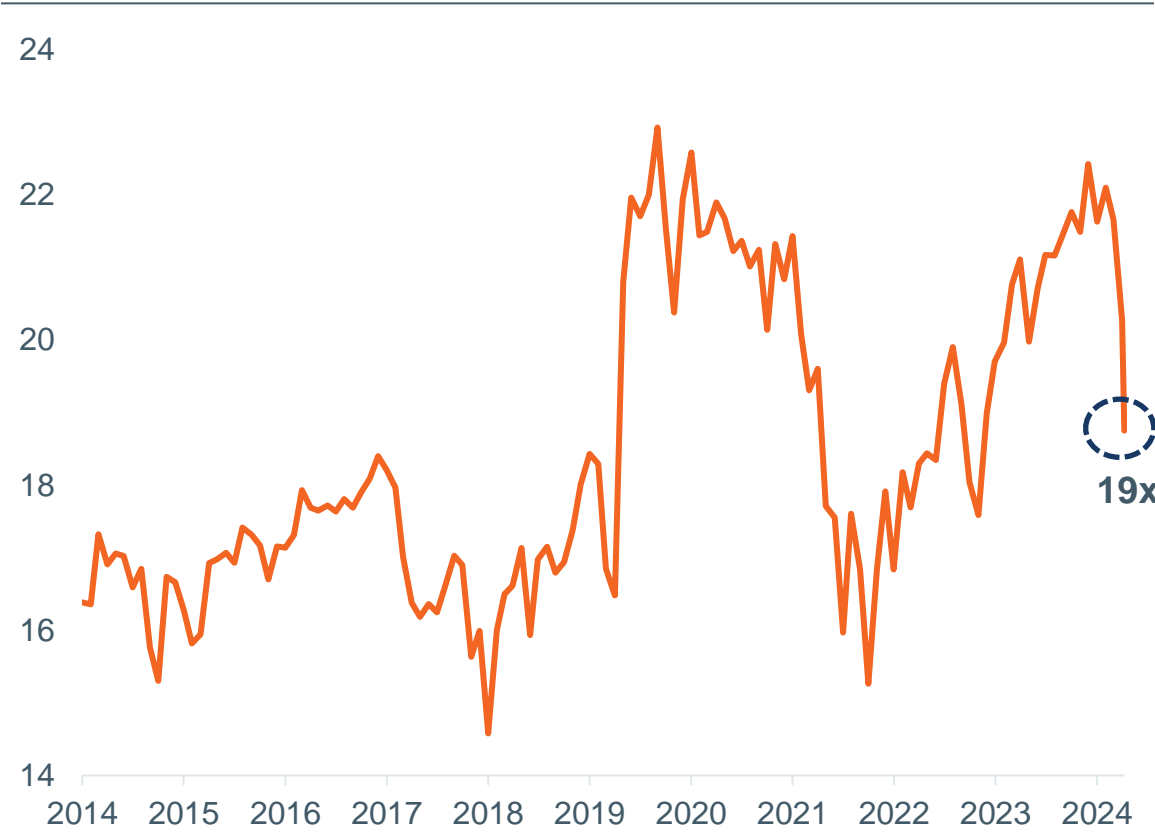
Sources: Census, BEA, White House, WTIA.
*Applied to static import levels from 2024

Markets Entered the Year Due for a Correction

S&P 500 adjusted earnings per share (EPS) growth (Y/Y)



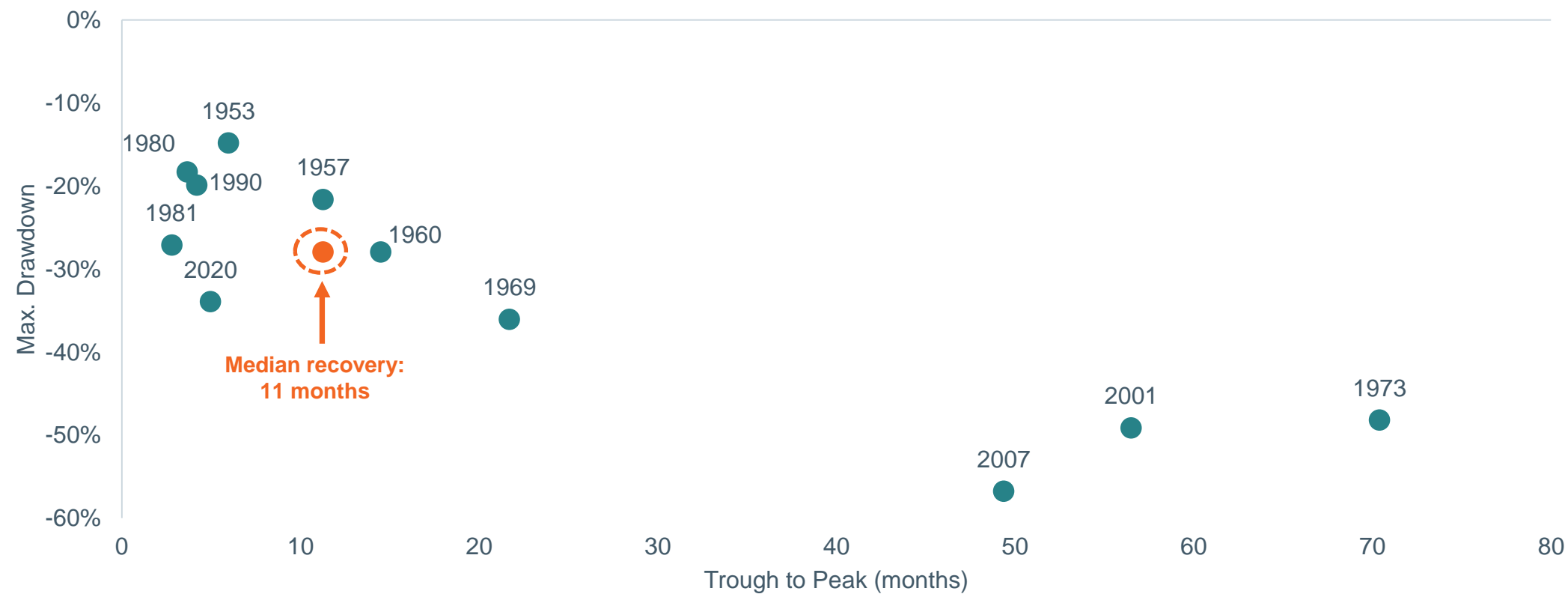
Forward P/E ratio



Data as of April 8, 2025. Sources: WTIA, Bloomberg. EPS growth represented by adjusted earnings from continuing operations. Dark bars represent consensus projections for EPS growth. P/E ratio represented by 12m forward estimate.

Median Historical Recessionary Recovery <1 Year

Maximum drawdown and duration of recovery (in months) for historical recessions



Source: Bloomberg, WTIA. Reflects price return for the S&P 500 going back to 1953 (post- Great Depression). Data as of March 31, 2025. Duration is measured in calendar days (converted into months assuming 30 days/month).

Credit Spreads Wider, but Likely Further to Go

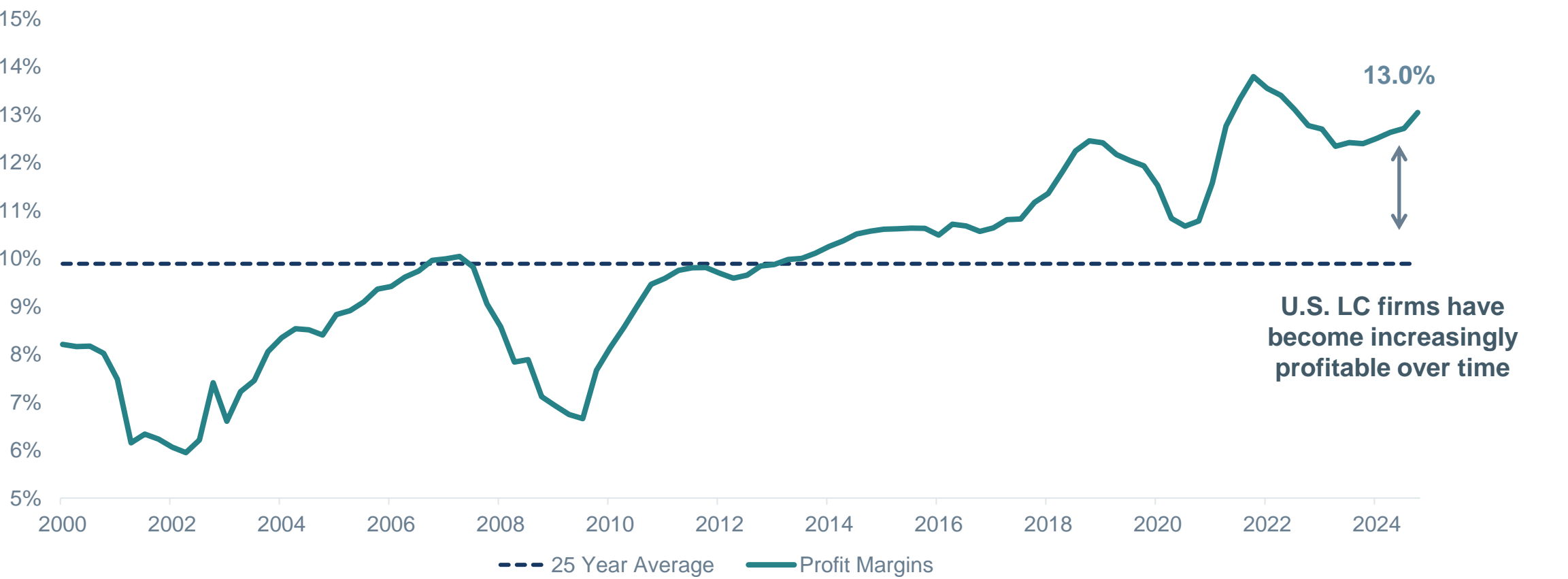
High yield option adjusted spread



Data as of April 8, 2025. Sources: Bloomberg, WTIA.

Corporate Profit Margins, Cash Levels Offer Support

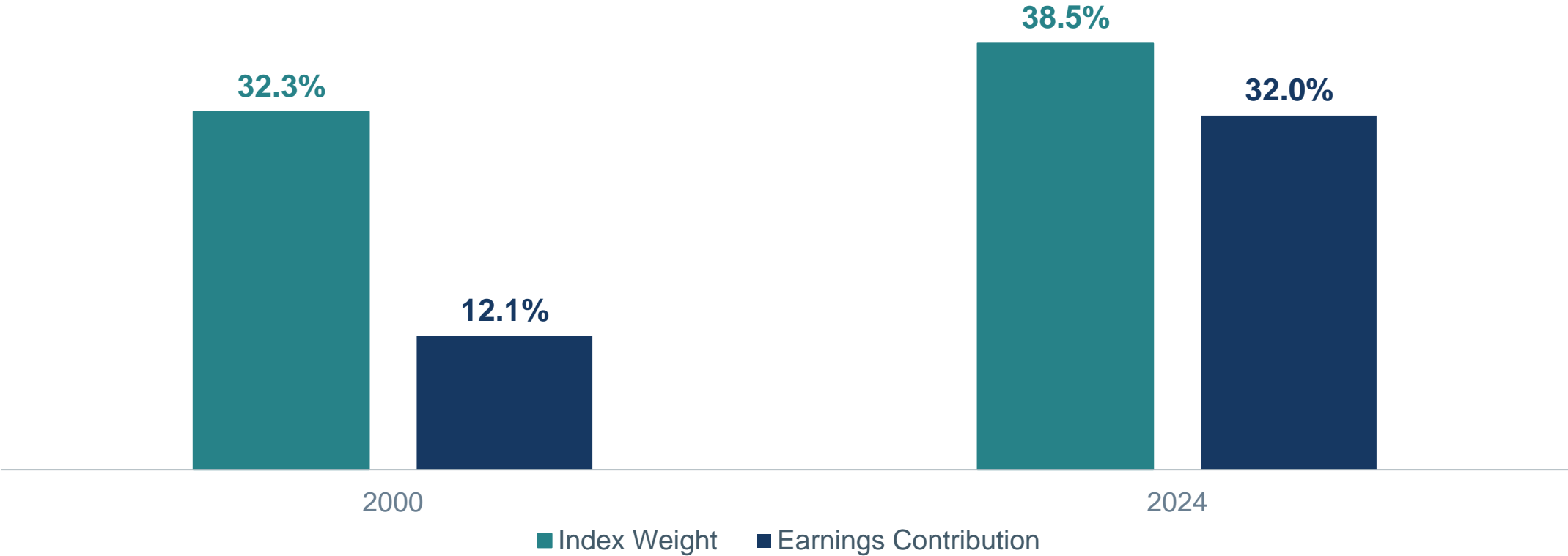
S&P 500 trailing 12m corporate profit margin (quarterly, last 25 years)



Data as of December 31, 2024. Sources: Bloomberg, WTIA.

Tech Fundamentals Sound; Not Likely a Bubble

Technology and interactive media (% of total index weight and index earnings contribution, S&P 500)



Data as of December 31, 2024 and June 30, 2000. Sources: Empirical Research Partners, WTIA. Chart represents S&P 500 index weights and earnings contribution. Investing involves risks, and you may incur a profit or a loss. Past performance cannot guarantee future results.

Perspective is Everything, and we Have Been Here Before

S&P 500 price return index



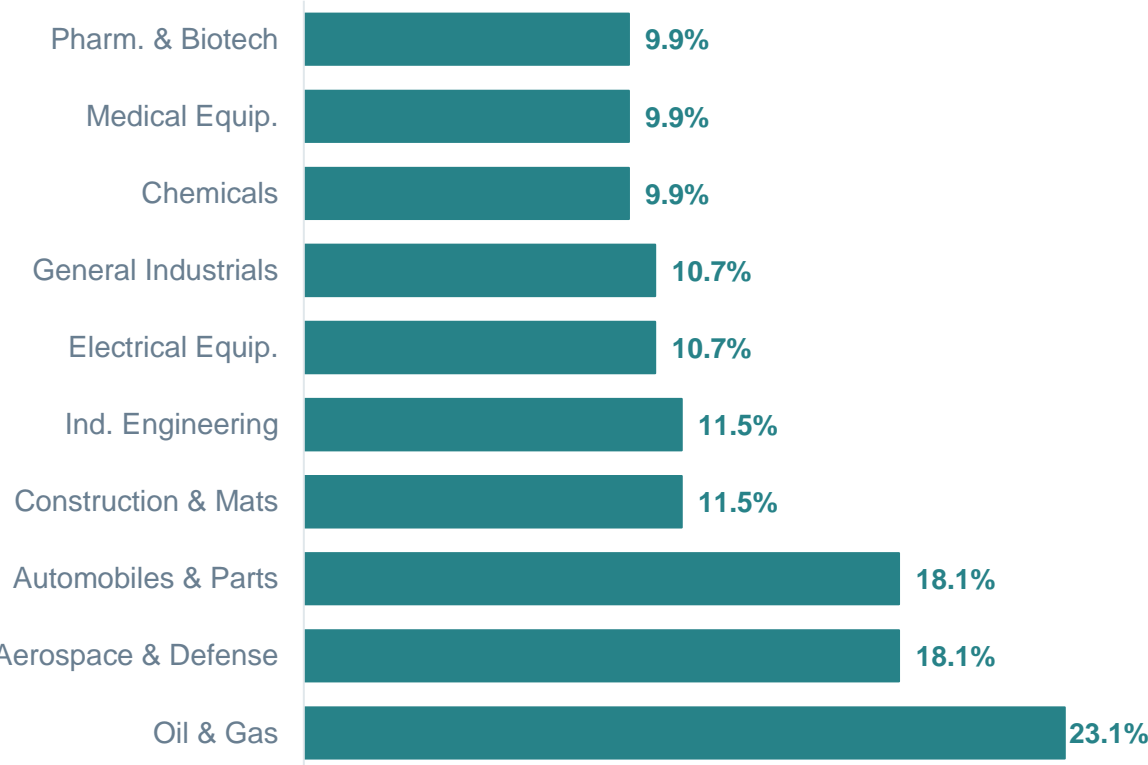
Data as of April 7, 2025. Source: Bloomberg. Past performance cannot guarantee future results. Indices are not available for direct investment. Investment in a security or strategy designed to replicate the performance of an index will incur expenses such as management fees and transaction costs which will reduce returns.

Q&A

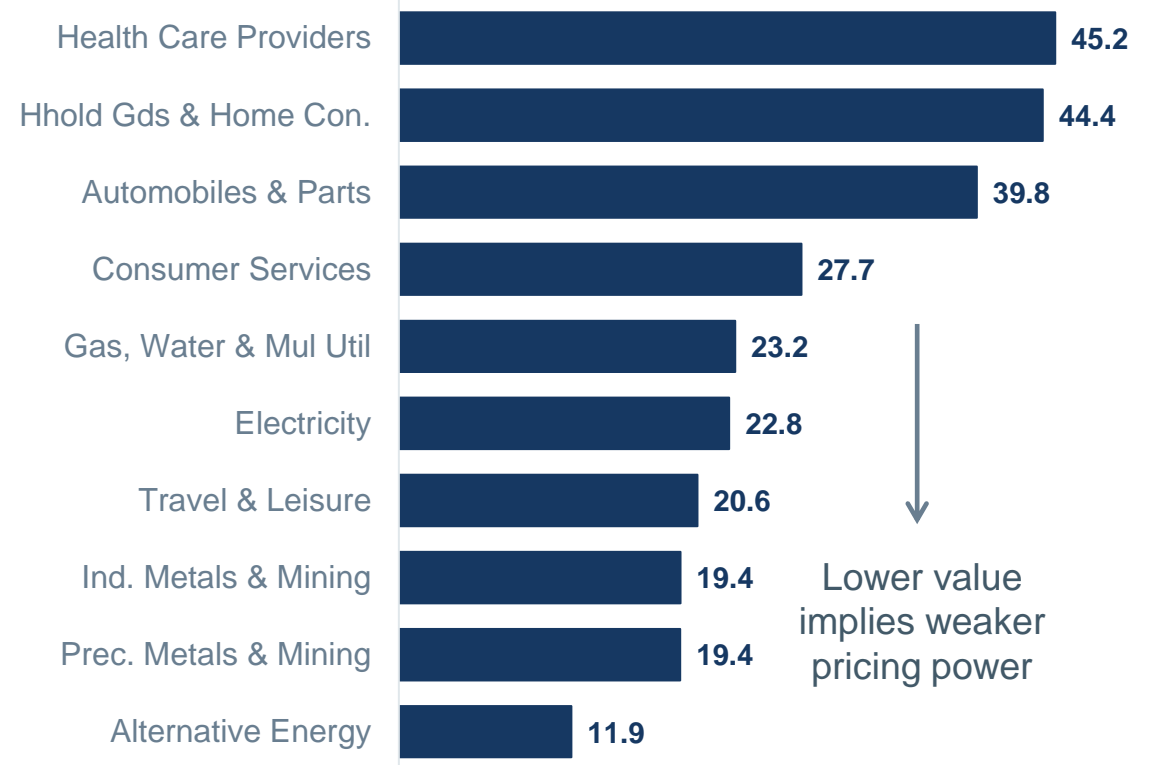
Appendix

Industries Most Vulnerable to Tariffs

Sectors with highest direct import share of inputs



Sectors with weakest pricing power*



Sources: Oxford Economics and Bureau of Economic Analysis. *Defined as 1/(5Y standard deviation of gross margins), lower score implies weaker pricing power.

Disclosures

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Some investment products may be available only to certain "qualified investors"—that is, investors who meet certain income and/or investable assets thresholds. Any offer will be made only in connection with the delivery of the appropriate offering documents, which are available to pre-qualified persons upon request.

An Overview of Our Asset Allocation Strategies

Wilmington Trust offers seven asset allocation models for taxable (high-net-worth) and tax-exempt (institutional) investors across five strategies reflecting a range of investment objectives and risk tolerances: Aggressive, Growth, Growth & Income, Income & Growth, and Conservative. The seven models are High Net Worth (HNW), HNW with Liquid Alternatives, HNW with Private Markets, HNW Tax Advantaged, Institutional, Institutional with Hedge LP, and Institutional with Private Markets. As the names imply, the strategies vary with the type and degree of exposure to hedge strategies and private market exposure, as well as with the focus on taxable or tax-exempt income. On a quarterly basis we publish the results of all of these strategy models versus benchmarks representing strategic implementation without tactical tilts.

Model Strategies may include exposure to the following asset classes: U.S. large-capitalization stocks, U.S. small-cap stocks, developed international stocks, emerging market stocks, U.S. and international real asset securities (including inflation-linked bonds and commodity-related and real estate-related securities), U.S. and international investment-grade bonds (corporate for Institutional or Tax Advantaged, municipal for other HNW), U.S. and international speculative grade (high-yield) corporate bonds and floating-rate notes, emerging markets debt, and cash equivalents. Model Strategies employing nontraditional hedge and private market investments will, naturally, carry those exposures as well. **Each asset class carries a distinct set of risks, which should be reviewed and understood prior to investing.**

Disclosures

ALLOCATIONS:

Each strategy group is constructed with target policy weights for each asset class. Wilmington Trust periodically adjusts the policy weights target allocations and may shift away from the target allocations within certain ranges. Such tactical adjustments to allocations typically are considered on a monthly basis in response to market conditions. The asset classes and their current proxies are:

- Large-cap U.S. stocks: Russell 1000® Index
- Small-cap U.S. stocks: Russell 2000® Index
- Developed international stocks: MSCI EAFE® (Net) Index
- Emerging market stocks: MSCI Emerging Markets Index
- U.S. inflation-linked bonds: Bloomberg US Treasury Inflation Notes TR Index Value Unhedged USD (took effect 8/1/22)
- International inflation-linked bonds: Bloomberg World ex US ILB (Hedged) Index
- Commodity-related securities: Bloomberg Commodity Index
- U.S. REITs: S&P US REIT Index
- International REITs: Dow Jones Global ex US Select RESI Index
- Private markets: S&P Listed Private Equity Index
- Hedge funds: HFRX Global Hedge Fund Index (took effect 8/1/22)
- U.S. taxable, investment-grade bonds: Bloomberg U.S. Aggregate Index
- U.S. high-yield corporate bonds: Bloomberg U.S. Corporate High Yield Index
- U.S. municipal, investment-grade bonds: S&P Municipal Bond Index

Risk Assumptions

All investments carry some degree of risk. The volatility, or uncertainty, of future returns is a key concept of investment risk. Standard deviation is a measure of volatility and represents the variability of individual returns around the mean, or average annual, return. A higher standard deviation indicates more return volatility. This measure serves as a collective, quantitative estimate of risks present in an asset class or investment (e.g., liquidity, credit, and default risks). Certain types of risk may be underrepresented by this measure. **Investors should develop a thorough understanding of the risks of any investment prior to committing funds.**

Diversification cannot ensure a profit or guarantee against a loss. There is no assurance that any investment strategy will be successful.

The names of actual companies and products mentioned herein may be the trademarks of their respective owners.

Reference to the company names mentioned in this presentation is merely for explaining the market view and should not be construed as investment advice or investment recommendations of those companies.

The gold industry can be significantly affected by international monetary and political developments as well as supply and demand for gold and operational costs associated with mining.

Disclosures

Index Descriptions

The Bloomberg U.S. Aggregate Index measures the performance of the entire U.S. market of taxable, fixed-rate, investment-grade bonds. Each issue in the index has at least one year left until maturity and an outstanding par value of at least \$250 million.

The Bloomberg U.S. High Yield Corporate Index, formerly known as Lehman Brothers U.S. High Yield Corporate Index, measures the performance of taxable, fixed-rate bonds issued by industrial, utility, and financial companies and rated below investment grade. Each issue in the index has at least one year left until maturity and an outstanding par value of at least \$150 million.

The Bloomberg World Government Inflation-Linked Bond (WGILB) Index measures the performance of investment grade, government inflation-linked debt from 12 different developed market countries.

Bloomberg Commodity Index measures the performance of 19 futures contracts on physical commodities. As of the annual reweighting of the components, no related group of commodities (for example, energy, precious metals, livestock, and grains) may constitute more than 33% of the index and no single commodity may constitute less than 2% or more than 15% of the index.

The Dow Jones Global ex-U.S. Index is an equal-weighted stock index composed of the stocks of 150 top companies from around the world (excluding the U.S.) as selected by Dow Jones editors and based on the companies' long history of success and popularity among investors. The Global Dow is designed to reflect the global stock market and gives preferences to companies with global reach.

The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is composed of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

The MSCI All-Country World Index ex USA measures the performance of large- and mid-capitalization stocks in approximately 50 developed and emerging equity markets, excluding the United States.

The MSCI EAFE® (net) Index measures the performance of approximately 20 developed equity markets, excluding those of the United States and Canada. The total returns of the index are net of the maximum tax withholding rates that apply in many countries to dividends paid to nonresident investors.

The MSCI Emerging Markets Index captures large- and mid-cap representation across 26 emerging markets countries. With 1,198 constituents, the index covers approximately 85% of the free-float-adjusted market capitalization in each country.

Russell 1000® Growth Index measures the performance of those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000® Value Index measures the performance of those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. As of its latest reconstitution, the index had a total market capitalization range of approximately \$128 million to \$1.3 billion.

The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. As of its latest reconstitution, the index had a total market capitalization range of approximately \$128 million to \$309 billion.

The S&P 500 Index measures the performance of approximately 500 widely held common stocks listed on U.S. exchanges. Most of the stocks in the index are large-capitalization U.S. issues. The index accounts for roughly 75% of the total market capitalization of all U.S. equities.

The S&P Developed Property defines and measures the investable universe of publicly traded **property** companies domiciled in developed markets.

The S&P 500® Equal Weight Index (EWI) is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

The S&P Municipal Bond High-Yield Index consists of bonds in the S&P Municipal Bond Index that are not rated or are rated below investment grade.

The S&P Municipal Bond Index is a broad, market value-weighted index that seeks to measure the performance of the U.S. municipal bond market.

The S&P United States REIT Index measures the investable U.S. real estate investment trust market and maintains a constituency that reflects the market's overall composition.

Disclosures

Definitions

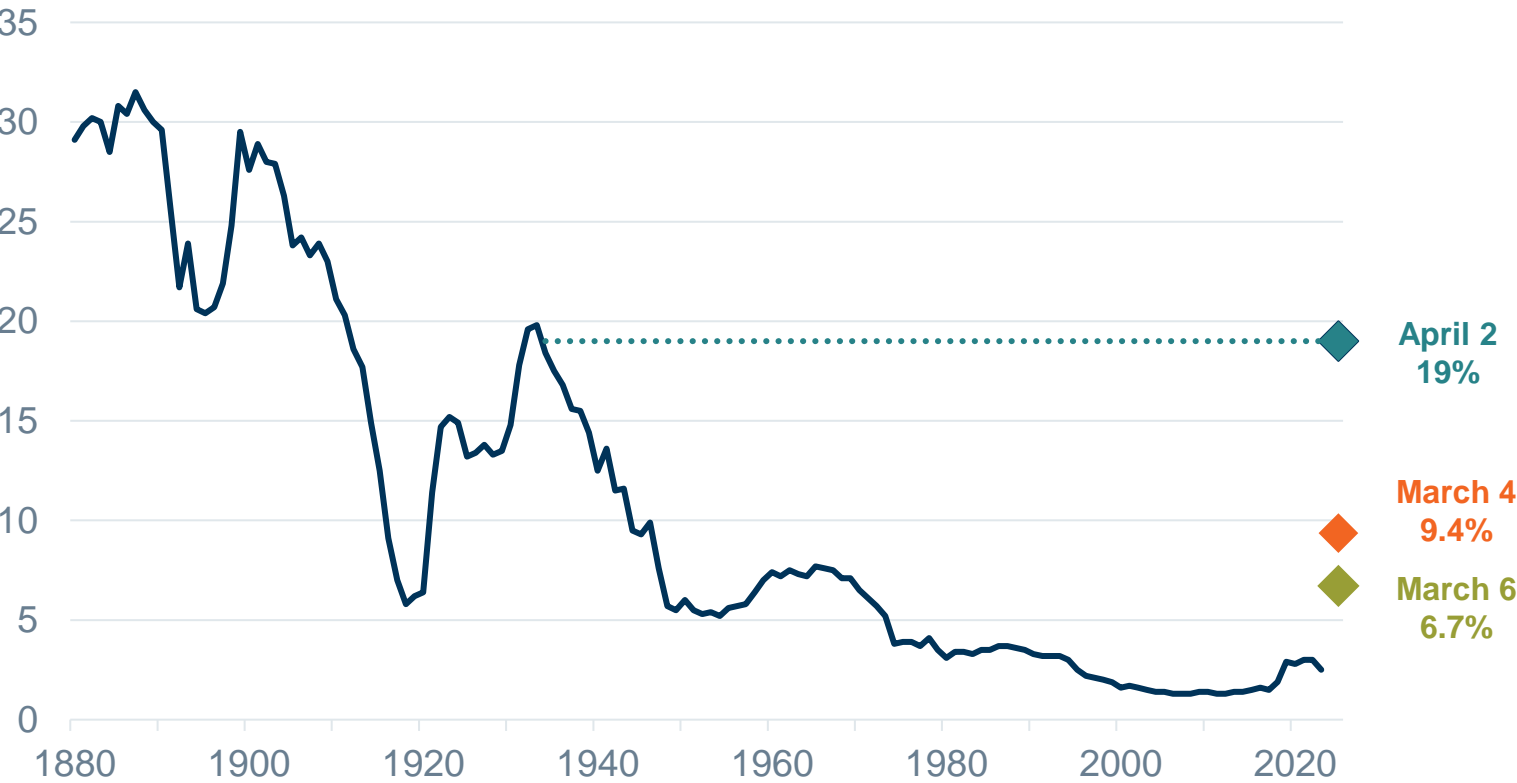
Core PCE, or the core Personal Consumption Expenditures price index, is a measure of inflation that excludes food and energy prices. It's the Federal Reserve's preferred way to gauge inflation.

Personal consumption expenditures (PCE) is a measure of how much money US households spend on goods and services

The price-to-earnings (P/E) ratio is a valuation metric that compares a company's share price to its earnings per share (EPS).

Tariff Increases are Massive

U.S. Effective Tariff Rate (%)



Data as of April 2, 2025. Sources: Yale Budget Lab, WTIA.

\$3.3T

Total Imports

\$665bn

Exemptions

\$2.6T

Subject to higher tariffs

\$620bn

Tariff Revenue*

2.1% or **7.2%**
of GDP of Retail Sales

Sources: Census, BEA, White House, WTIA.
*Applied to static import levels from 2024