

Navigating Market Volatility with Discipline and Perspective

In response to recent market volatility sparked by the announcement of new tariff policies, we want to share our perspective and assure you that we are actively monitoring the situation across all sectors of the fixed income markets.

The sudden reintroduction of broad-based tariffs has led to sharp moves across equity markets and triggered broader risk aversion. These dynamics have also affected high-quality bond markets—including municipal bonds, U.S. Treasuries, agency mortgage-backed securities (MBS), and corporate bonds—with price swings driven more by liquidity constraints and technical factors than by underlying credit concerns.

We understand this can be unsettling, especially when price movements appear disproportionate to the long-term fundamentals of your holdings. Our clients' portfolios are carefully constructed with a focus on high-quality, investment-grade securities. Whether you own municipal bonds, taxable corporate debt, Treasuries, or MBS, these assets are selected and managed to preserve capital, generate consistent income, and withstand short-term dislocations. During volatile periods, even the most creditworthy bonds can experience temporary pricing distortions—particularly in markets that trade over the counter, like municipals or certain MBS pools. These shifts often reflect reduced liquidity rather than a deterioration in credit quality.

Importantly, we do not believe these market swings signal a need to shift away from the core strategies we've put in place for your portfolio. That said, we are actively assessing the environment for both risks and potential opportunities to make thoughtful adjustments where appropriate.

We remain committed to prudent, hands-on portfolio management and are here to guide you through uncertain conditions with clarity and discipline. If you'd like to discuss how recent developments relate to your portfolio specifically, I and our team are available at your convenience and welcome the opportunity to connect. We can be reached at 212-644-9440.

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