



# Trump wins U.S. election.

**Donald Trump won the 2024 U.S. presidential election. We are not making changes to our portfolios based on the election's outcome.**

President-elect Trump ran on a populist platform focused on illegal immigration, crime, tariffs, and tax cuts. His proposals include:

- Extending provisions of the Tax Cuts and Jobs Act, informally known as the "Trump tax cuts," some of which are set to expire in 2025. He has also proposed more targeted tax policies, including eliminating federal income tax from tipped wages and Social Security income for seniors. More recently, he proposed eliminating the individual income tax altogether.
- Taxing imported goods and services. He has proposed a 10% (or higher) tariff on all imports and a 60% tariff on Chinese goods<sup>i</sup>. He has gone so far as to suggest a 200% (or higher) tax on cars built in Mexico<sup>ii</sup>.
- Increasing security at the U.S. border with Mexico and deporting millions of undocumented immigrants in hopes of reducing crime<sup>iii</sup> and improving housing affordability<sup>iv</sup>.
- Scaling back regulations in an effort to unlock economic growth.
- Including the president in the Federal Reserve's monetary policy decisions.
- Implementing a tax credit for family caregivers. Additionally, Trump's running mate JD Vance has signaled an interest in expanding the annual Child Tax Credit from \$2,000 to \$5,000 per child<sup>v</sup>.

## Our view

We expect that the president-elect's legislative agenda will be tempered before being put into effect. We also believe it is usually best that investors pay strict attention to the market fundamentals and ignore the politics. Accordingly, we are not making changes to our portfolios based on the election's outcome.

As always, we will pay close attention to policy-driven fundamental changes and the financial-market imbalances they create, in terms of the risks and opportunities they present. At present, rising government debt and inflation are among the range of topics we are tracking. Clearly, deporting undocumented immigrant workers, who comprise almost 5% of the U.S. labor force, will result in higher labor costs. Furthermore, allowing a president to shape monetary policy could have dramatic impacts on borrowing costs and the economy. We will continue to position portfolios based on economic and legislative developments.

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<sup>i</sup> <https://www.cnn.com/2024/10/13/politics/donald-trump-tariffs/index.html>

<sup>ii</sup> <https://www.reuters.com/world/us/trump-suggests-tariffs-higher-than-200-vehicles-mexico-2024-10-13/>

<sup>iii</sup> <https://www.reuters.com/world/us/trump-focuses-migrants-crime-here-is-what-research-shows-2024-04-11/>

<sup>iv</sup> <https://www.nytimes.com/2024/10/11/business/economy/trump-housing-crisis-deportations.html>

<sup>v</sup> <https://www.cbsnews.com/news/jd-vance-child-tax-credit-5000-what-to-know/#:~:text=Sen.%20JD%20Vance%2C%20the%20Republican%20vice-presidential%20nominee%2C%20says,trillions%20in%20federal%20spending%2C%20according%20to%20policy%20experts.>