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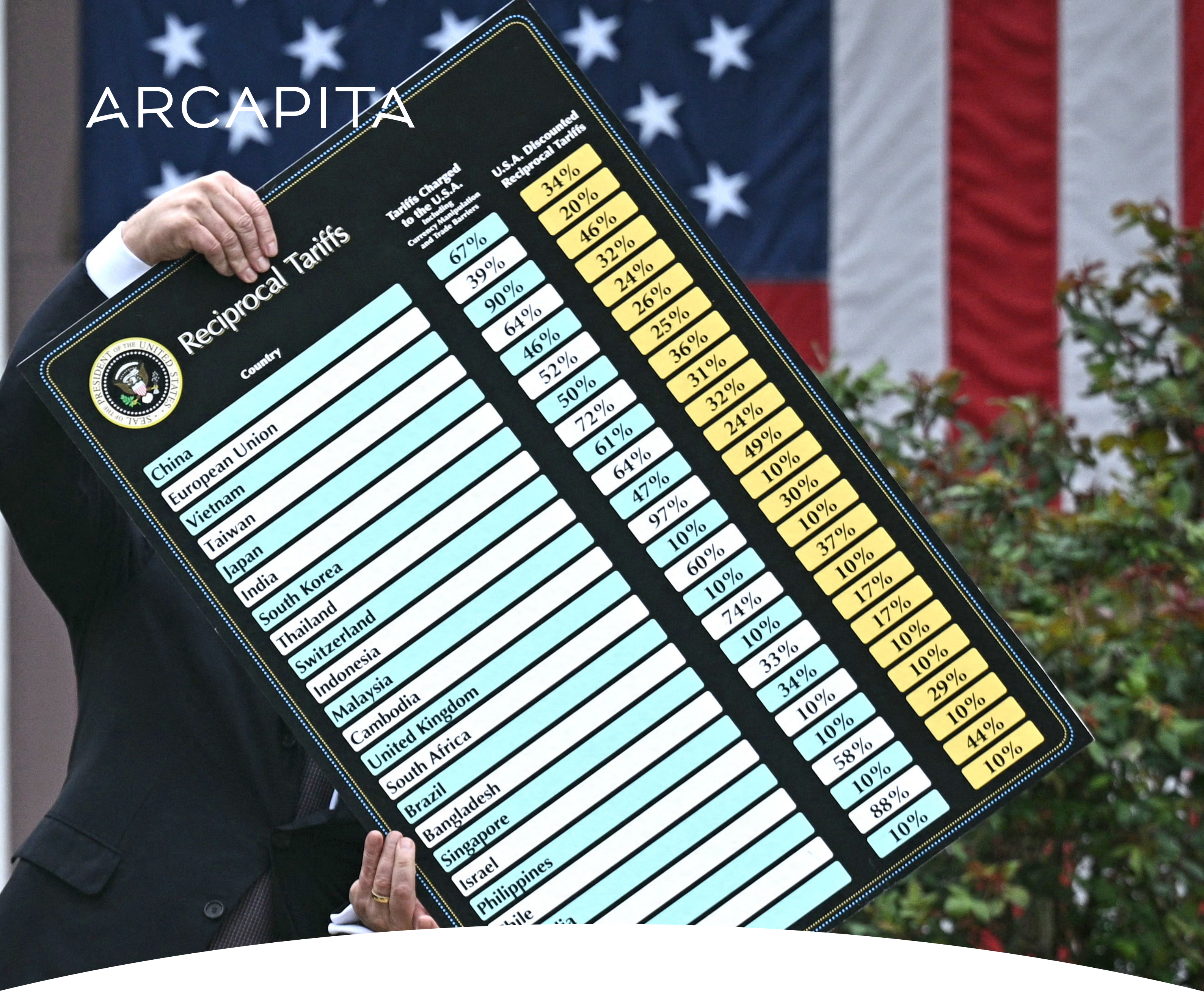


Trump Tariffs: The Known Unknown

Special Edition - April 2025

President Trump unleashed Liberation Day onto a global audience who are now gripped by the unfolding drama. It might make a good spectacle, but it has led to immediate volatility in public markets, and it has set in chain a series of events where the finale and impact is as yet unknown.

In this note, given the ongoing fluidity of the situation and the lack of immediate impacts on private markets, we have refrained from making snap judgements on specific outcomes. Instead, to understand better how the dominoes might fall and which areas may be negatively or positively affected, we have taken a considered view of the framework behind President Trump's plans and how they are part of his attempt to structure a new paradigm for the global political economy. We also look at where opportunities may open in this environment for disciplined investors.

Not Just The Economy

$$\Delta\tau_i = \frac{x_i - m_i}{\varepsilon * \varphi * m_i}$$

Tariffs are a key component of President Trump's political and economic agenda. Together with government cost cutting via DOGE and the already-introduced legislative proposals on government spending cuts and tax cuts, they form part of the administration's goal of restructuring the US's balance sheet and reducing the budget deficit.

However tariffs are not just about economics. For the Trump administration, trade is inherently linked to national security. The official White House statement released on 2nd April 2025 outlined that '*Large and persistent annual U.S. goods trade deficits have... undermined critical supply chains; and rendered our defense-industrial base dependent on foreign adversaries*'. This echoes the article written by US Treasury Secretary Scott Bessent in October for The Economist where he warned that '*integration with rivals, such as China, has created vulnerabilities*'.

For the Trump administration, trade is inherently linked to national security

For the Make America Great Again (MAGA) faithful, this ties into one clear narrative: the US lost industrial jobs to China, hollowing out its manufacturing base and leaving the country vulnerable to the removal of key supplies by hostile actors. Rust belt factory workers voted for Trump so that he could restore the balance – bring jobs back home and Make America Safe Again in the process. The 2nd April statement notes '*U.S. stockpiles of military goods are too low to be compatible with U.S. national defense interests*'. If tariffs force companies to produce more on American soil then this increases capacity to rebuild America's defence capabilities.

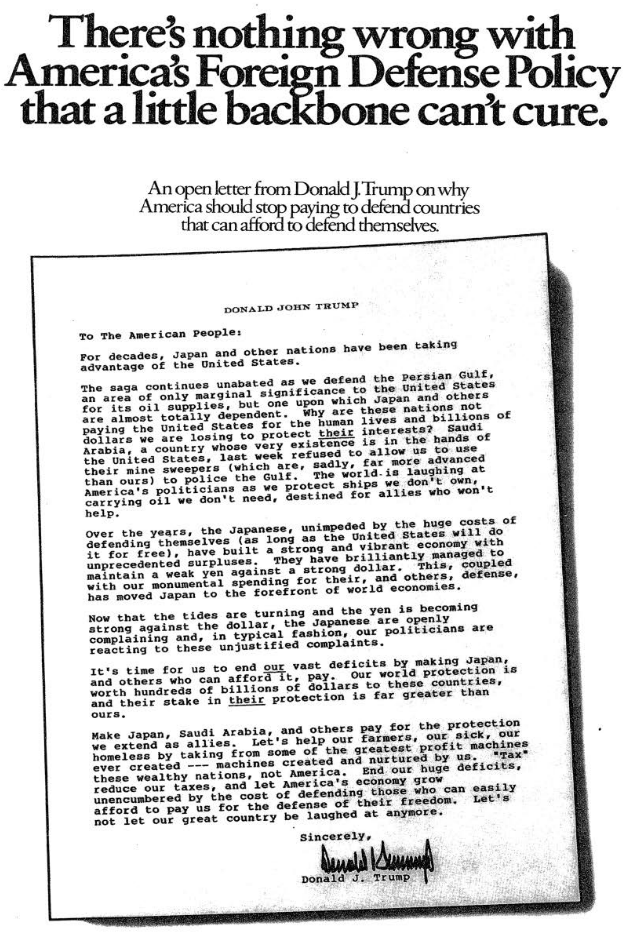
So even if the implementation of US tariffs over 10% have largely been paused outside of trade with China, we should not think that they are going away any time soon.

A New Global Paradigm?

Indeed, US tariffs are part of a fundamental reassessment of America's role in the world.

It is true that it was the US, as the dominant nation coming out of World War 2, that drove the resulting international landscape that included structures such as the IMF and the World Bank, and the framework of the Bretton Woods Agreement. These enabled the US to benefit from the US Dollar being used as the global reserve currency, and underpinned its postwar golden age of industrial might, defence hegemony and the American dream.

Yet despite this, Trump has felt for decades that other nations have taken advantage of America – its intellectual property, its capital markets and its defence umbrella. In 1987 he took out a full page advert in several US newspapers, where he argued "*Make Japan… and others pay for the protection we extend as allies… 'tax' these wealthy nations, not America*".



There's nothing wrong with America's Foreign Defense Policy that a little backbone can't cure.

An open letter from Donald J. Trump on why America should stop paying to defend countries that can afford to defend themselves.

DONALD JOHN TRUMP

To The American People:

For decades, Japan and other nations have been taking advantage of the United States.

The saga continues unabated as we defend the Persian Gulf, an area of only marginal significance to the United States for its oil supplies, but one upon which Japan and others are almost totally dependent. Why are these nations not paying the United States for the human lives and billions of dollars we are losing to protect their interests? Saudi Arabia, a country whose very existence is in the hands of the United States, last week refused to allow us to use their mine sweepers (which are, sadly, far more advanced than ours) to police the Gulf. The world is laughing at America's politicians as we protect ships we don't own, carrying oil we don't need, destined for allies who won't help.

Over the years, the Japanese, unimpeded by the huge costs of defending themselves (as long as the United States will do it for free), have built a strong and vibrant economy with unprecedented surpluses. They have brilliantly managed to maintain a weak yen against a strong dollar. This, coupled with our monumental spending for their, and others, defense, has moved Japan to the forefront of world economies.

Now that the tides are turning and the yen is becoming strong against the dollar, the Japanese are openly complaining and, in typical fashion, our politicians are reacting to these unjustified complaints.

It's time for us to end our vast deficits by making Japan, and others who can afford it, pay. Our world protection is worth hundreds of billions of dollars to these countries, and their stake in their protection is far greater than ours.

Make Japan, Saudi Arabia, and others pay for the protection we extend as allies. Let's help our farmers, our sick, our homeless by taking from some of the greatest profit machines ever created --- machines created and nurtured by us. "Tax" these wealthy nations, not America. End our huge deficits, reduce our taxes, and let America's economy grow unencumbered by the cost of defending those who can easily afford to pay us for the defense of their freedom. Let's not let our great country be laughed at anymore.

Sincerely,

Donald J. Trump

Source: New York Times advertisement, September 2, 1987

Now he has the mandate to deliver on the arguments of almost forty years ago, having run and won on a platform to, as he put it in the advert, "*end our huge deficits, reduce out taxes, and let America's economy grow unencumbered by the cost of defending those who can easily afford to pay us for the defense of their freedom*".

In many ways the issues that perturbed Trump back then have only become more acute. The world has been in a state of growing trade imbalances ever since China became a greater part of the global economy from the late 1990s. From the late 1990s onwards, Western consumers happily devoured goods produced cheaply in China in ever greater quantities, increasing the size of China's economy but also putting pressure on China's managed economy. Without a freely floating exchange rate or free capital account, imbalances built up whereby China became a huge saver, running surpluses, whilst the US became a huge spender, running deficits. The exchange rate would be the usual way to restore equilibrium but the Chinese wouldn't let that happen, for fear of losing control of their economic and social order. Although the US consumer benefited from cheap goods, the US worker lost out as companies moved their manufacturing over to China, and China's managed economy meant the world could not re-equilibrate.

President Trump is now attempting to redress the balance. He is looking to bring back jobs and manufacturing capabilities, rebuilding America's defence umbrella to cover its allies as long as they contribute to the process. The original tariff statement explains that the president can '*decrease the tariffs if trading partners take significant steps to remedy non-reciprocal trade arrangements and align with the United States on economic and national security matters*'. With multiple bilateral negotiations presumably about to start during the announced 90-day pause, it will be instructive to see the scope of the negotiations and how far the US may seek to extend them beyond simply trade terms.

Why now?

From a purely economic perspective, there has been confusion over why a newly elected President would rush to an act of economic self-harm. However, seen through the prism of national security, this confusion misunderstands how Trump is playing the game. He only has four years to make a difference – constitutionally this is his final term in office, not to mention that he will be 82 by the end of it. He knows he is turning around a super-tanker of an economy as part of this shift, upending decades of economic consensus and that there will be a painful adjustment in the short term. In this view, best to rip off the plaster immediately so that the economy can heal into something stronger when 2028 comes around.

President Trump also has maximum political capital to take the pain right now. Having won a nearly unprecedented second non-consecutive term as president (only done once before by Grover Cleveland in 1893), also winning the popular vote and with his party gaining control of both houses of Congress, he is in a very strong position. He can afford to see a decline in popularity now – even as the impact on the bond markets and the resulting announcement of a 'pause' suggests that there remains a limit to the pain that President Trump can withstand.

Next steps in the US

Trump therefore feels that he has the advantage and he has been using it.

Economists tend to look at certain policies in isolation, invoking the phrase *ceteris paribus*, or 'all things being equal'. They are therefore largely arguing that tariffs will increase prices in the US, where either the US producer or the US consumer will pay, leading to higher prices and/or reduced output. In turn that could reduce company profits leading to redundancies, less consumption and so on, increasing the chance of a recession.

Trump would argue that it is not ceteris paribus as he has other cards up his sleeve. Along with cutting government spending (Musk at DOGE), pulling back from what he considers unnecessary defence spending (the Ukraine war), restricting immigration and securing borders, he is now going to enact tax cuts. Or at least he is going to push Congress to do so. One of the first people he congratulated from the podium on Liberation Day was House Speaker Mike Johnson, "who has done an amazing job". Republicans had just won two key Florida house seats, giving Trump's party 220 seats versus 213 for the Democrats. President Trump now needs to use this majority to pass tax cuts.

Then, as he put it, '*If we get this done, it'll be the most incredible bill ever passed in the history of our Congress and Senate*'. It would certainly mitigate any reduction in demand caused by higher prices, if people were to have more money in their pockets and companies on their bottom line as a result of tax cuts.

It therefore seems that the success or otherwise of the Republican tax cut proposals currently working their way through the US Congress is the next domestic domino to fall in this process. Enacting these tax cuts would act to offset the domestic impact of the tariffs and would likely give a stronger support to the administration's geopolitical and national security efforts. In a similar way though on a slightly longer horizon, the impacts on government spending from Musk's DOGE will also influence the domestic impact of tariffs.

Immediate Responses to the Tariffs

The blockbuster breadth of the tariffs and the haste of their imposition left countries scrambling to respond. Despite the largest daily drop in US stock markets for five years, Trump simply noted with pleasure that "*the tariffs give us great power to negotiate, every country has called us*".

Reciprocity is key. As President Trump said himself in the Rose Garden of the White House when he announced his tariff plan, "*Reciprocal. That means they do it to us and we do it to them. Very simple. Can't get any simpler than that*".

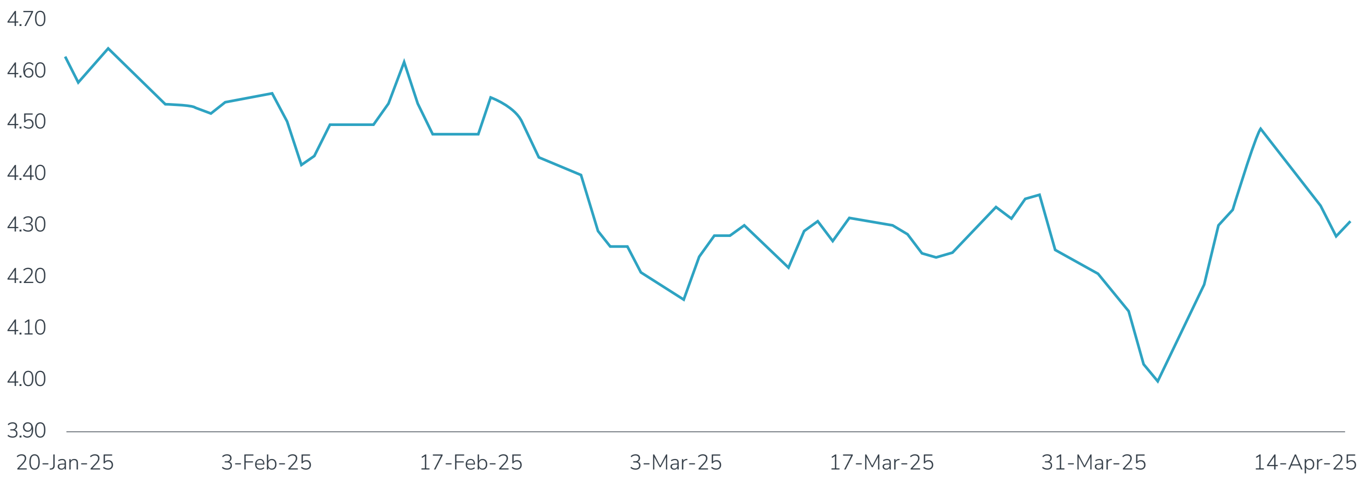
Indeed, when the 90 day pause in the implementation of tariffs (other than with China) was announced, the Trump administration sought to frame it in terms of an opportunity for bilateral negotiations with those countries that had reached out.

Going forward, with countries choosing whether to align with the US or not, whether to negotiate with the US and on what terms, the Trump administration expects them to naturally divide into three blocs: allies, enemies and neutrals. As Bessent explained in his Economist article, '*the cost to remaining outside the perimeter would be high*'. If you're on the inside, you're protected by the huge defence capabilities of the US and able to participate in US markets (again, note the national security angle). If you're on the outside, in Bessent's opinion, you are vulnerable: '*Chinese overcapacity would instead threaten the viability of other countries' domestic output. And would-be hegemons outside the US-led zone are unlikely to prove as benevolent as the United States in the post-war era*'.

The former head of the WTO, Pascal Lamy, is already alert to the threat of European countries being flooded with cheap goods that can no longer be sold in the same quantity to the US, telling The Observer that '*We have both a trade defence arsenal with anti-dumping, anti-subsidy and safeguard systems in case of import surges*'. Other countries will also be alive to the potential for goods diverted from the US to land elsewhere and lower prices – in some instances this will be seen as beneficial (say, reduced prices for construction materials or electric vehicles), but in others there will be concerns around protecting domestic industries in these sectors. This then is where the difficulties lie in identifying the next international dominoes: it is not simply how countries may respond to the US tariffs bilaterally (particularly in this initial 3 month window), it is also how they may respond to goods diverted from US markets, to increased or decreased cooperation with other countries, and indeed how domestic politics may change in coming months and alter the playing field.

Despite the largest daily drop in US stock markets for five years, Trump simply noted with pleasure that "the tariffs give us great power to negotiate, every country has called us"

US 10-year Treasury Yield Since Inaguration



The Risks

To put it simply, US tariffs make for a risky strategy. Tit-for-tat retaliations would hurt the US economy even if some mitigations were in place. The risk of other trading partners slapping tariffs on each other as global trading patterns realign in response has the potential to reduce global demand. The uncertainty will remain high as each country works out what is in its interest at each stage of the game. Having already announced a 90-day pause, President Trump is still likely to increase, decrease, un-pause or re-pause tariffs in response to negotiations and shifting impulses. There will be a period of adjustment. Even Trump's desire for re-shoring economic activity back into the US cannot happen at scale overnight.

We are therefore only in the first stage of a multi-stage game. Some countries will eventually cut tariffs to the US; others will increase them; and yet others will increase tariffs on other countries which could lead to further retaliation between other nations. Some countries' negotiations with the US will go further than tariffs, leading to additional second order effects. There will probably be a complex overlay of changing internal politics in various countries. The net effect is a period of uncertainty which would tend to reduce economic activity for every player in the game, and particularly leave the US open to a slowdown or even recession.

Hence financial market volatility has risen and will remain higher. In part this is due to a period of anomalous calm following the huge international stimulus undertaken to offset the repercussions of the Covid pandemic. Investors had become used to money flooding into US equity markets which appeared only to go up. But inflation and the accompanying higher interest rates changed the picture. Cracks emerged. Huge potentially systemic price moves caused difficulties for the London Metals Exchange in March 2022, then for the UK Gilt market in the wake of the Truss mini-Budget in September 2022, and then the run on Silicon Valley Bank in March 2023. The euphoria that greeted the return of Trump in November 2024 exacerbated complacency in US stock markets, with fund manager cash levels very low at the start of the year. When a shock hit, such as the known unknown of Trump's tariffs, the reaction was significant. Trump forced a deliberate schism on the global economy at the moment when markets were least prepared.

Even this is probably still part of the Trump administration's political preferences – if it is Wall Street rather than Main Street that feels the impact. President Trump cannot upset the big money men forever but if the goal is to bring jobs back to the working men of rust belt America, he is prepared for the billionaires to take some pain in the pursuit of long-term gain.

Unfortunately it is also likely to bring short term pain for Main Street. Credit might shrink if the cost of capital rises. With tariffs raising the price of inputs to factories, companies will bear lower profit margins – or if they don't swallow the cost, it will be the end consumer who pays.

Then there is the question of the timescale. The cost shock will be felt immediately but when will new jobs and factories arrive? On Liberation Day, President Trump called onto the stage a retired auto worker, Brian Pannebecker, who complained '*my entire life, I have watched plant after plant after plant in Detroit and in the metro Detroit area close*' before congratulating the president for his plans and concluding '*And in six months or a year, we're going to begin to see the benefits*'. It is quite possible that his expectations are set too high. Main Street could be disappointed if the revolution takes too long to bear fruit. In the meantime, the uncertainty itself will have knock on effects for investment and employment. Job vacancies and the ability to hire workers will also be more difficult as Trump's deportation and tighter immigration policies take hold.

Seen through this framework, one could argue that the near term may represent a generally good time for private equity investments in the US, with short term headwinds and less competition, but with the prospect of stronger growth over the medium term. That said, if credit becomes tighter or more expensive, not every investment opportunity may be worth the squeeze, while this may also weigh on potential near term exits.

Where could we go from here?

It will be a bumpy 90 days and beyond. Some countries might imminently gain certainty by signing trade deals, or demonstrate the kind of positive reciprocity that gets them off the hook. Others might find tariff levels increase if they fail to play ball. The 90 day period itself could be shortened or lengthened. It is time consuming to thrash out trade deals at the best of times; trying to do it with 75 or so countries all at once is almost certainly impossible. Instead we should try to monitor which countries fall into the ally category and which make themselves enemies of the current US administration.

This is not just about becoming an economic ally – we know that defence is intimately connected to President Trump's plan for a new world order. It won't be enough simply to be an ally of the US; countries must also demonstrate they share the same enemies as President Trump given how they will also come under the US security umbrella. This has ramifications for international relations.

The short term sticker shock for prices is likely to see US inflation rise. That will cause consternation for the Federal Reserve who had been primed to take interest rates lower in the fact of softer activity data. This conundrum worsens if financial stability were threatened and volatility were to increase as that would lead the market to demand lower interest rates in order to prop up asset prices.

This will not stop the president from exhorting action from the Fed to support markets amid the volatility. Trump wrote on his social media platform, 'CUT INTEREST RATES, JEROME, AND STOP PLAYING POLITICS!' after Powell had given a measured speech noting that it was too soon to tell what the impact would be, although there were now *'elevated risks of both higher unemployment and higher inflation'*. In our US election note, we highlighted that alongside tariffs on everyone, President Trump trying to replace the Fed Chair was something that we could see. The probability of this just increased, even though it would be constitutionally difficult to execute.

The risks of a US recession have increased, with even a tail risk of a stagflationary environment if price rises should accelerate and the Fed fails (or is not allowed) to get a grip. The President might be tempted to loosen fiscal policy if monetary policy can't take the strain, but that would only add to an already large US budget deficit and counteract his wider goal of reducing the deficit. He will be hoping that DOGE does its work to bear down on the deficit. One complication in this is that for all practical purposes, the existing data is blind to the impacts from the tariffs and uncertainty, and we will probably not see them reflected in the data until well into the 90 day window.

At the same time, there is the opportunity for tailwinds to emerge from any trade deals that could be negotiated in the current 90 day pause, and from targeted support or exemptions for strategic areas of the economy (for example, the auto sector or consumer electronics).

The US Dollar has its part to play. The price rise from any tariffs on foreign goods could be offset for the US consumer if the dollar were to weaken. A weaker dollar would also put more pressure on China, both politically and economically, as the Chinese have usually tried to offset currency appreciation in order to keep their exports more competitive. The Trade War could morph into a Currency War.

Adding to the complexity, in the middle of all this, global supply chains will continue to adjust. This process began with Brexit, accelerated due to the pandemic and will likely now be turbocharged as countries secure not only what is required economically but also for their defence and security. Supply chains must become invulnerable to hostile actors.

How Might the US Deficit be Reduced?

While the Trump administration has not set out in detail its plans for reducing the US budget deficit, and how tariffs may feed into them, it feels instructive to map out some plausible numbers based on public data and pronouncements, to get a rough sense of what the administration may have been aiming for.

To do so, we first look at the current deficit, then consider the triumvirate of DOGE cuts, tariff revenue and potential savings on US Treasury interest to see what their targeted effect on the deficit could be.

Step 1: The Current US Deficit

The Congressional Budget Office (CBO) projected a FY2025 deficit of approximately $1.9 trillion in its January 2025 Budget and Economic Outlook. However, the data over the past few months suggests that the deficit is trending slightly higher, such that the full-year deficit could exceed $2 trillion. For this calculation, let's assume a ballpark current US deficit of $2 trillion.

Step 2: Proposed DOGE Spending Cuts

The Department of Government Efficiency (DOGE), presently led by Elon Musk, has the aim of reducing federal spending. Musk initially suggested cuts of $2 trillion per year but later revised this to $1 trillion, although without any specific timeline. Independent experts doubt DOGE can achieve $2 trillion in cuts, given that discretionary spending (excluding defense) is roughly $1 trillion per year, and mandatory programs like Social Security and Medicare (which Trump has pledged not to cut) dominate the budget. Keeping matters unclear, on April 10 Musk told a cabinet meeting that anticipated 2026 savings were $150bn, while a White House official told the New York Times that $1 trillion of savings remained "the goal".

For this calculation, let's assume DOGE achieves $500 billion in annual cuts – less than the numbers proposed but more than $150bn and a substantial cut in US government spending.

Step 3: Expected Revenues from New US Tariffs

Treasury Secretary Scott Bessent has publicly stated that the new tariffs could bring in $6 trillion in revenue over the next decade, or $600bn per year. The Tax Foundation estimates that a 20% universal tariff plus an additional 50% on China (reaching 60%) would raise $3.8 trillion over 10 years, or $380 billion per year.

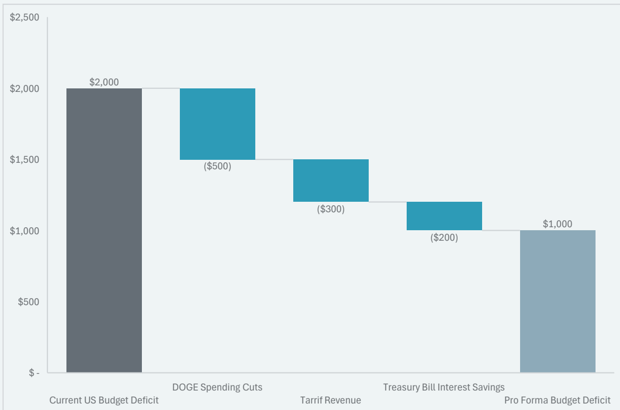
For this calculation, let's assume that tariffs are eventually in place and raise $300 billion in revenue, reflecting as with the DOGE cuts half of the number publicly floated by the US administration.

Step 4: Interest Savings from Lower US Treasury Yields

Net interest payments by the US government for FY2024 were $881 billion on its $36 trillion debt. Deconstructing the US government's debt profile is a complex task, so here let us use the benchmark 10 year Treasury yield as a proxy – for simplicity, and because Treasury Secretary Scott Bessent has said that this is the metric that he and President Trump are most focused on. The 10 year Treasury yield at Trump's inauguration was around 4.5%; taking this down to 4.0% and seeing this 0.5% drop in yield across the whole debt profile would provide approximately $180 billion annually in interest savings in due course. Were the 10 year Treasury yield to fall to 3.5%, then a 1.0% drop in yield across the whole debt profile would give $360 billion annually in interest savings. For context, the 10 year Treasury yield at President Trump's first inauguration in January 2017 was around 2.4%. For this calculation, let's assume $200bn of savings (noting that as of April 15, the 10 year Treasury yield is at 4.35% rather than around 4.0%)

Step 5: What could the 'New' Deficit Be?

Now, let us combine these estimates:



Note that were we to take the 'full fat' savings from this thought exercise ($1,000bn DOGE cuts, $600bn tariff revenue and $360bn interest savings), we near enough eliminate the present deficit. Might this be what members of the Trump administration were aiming at?

Investment Strategy Impacts

In the immediate aftermath of the April 2 announcement, public equity and fixed income markets have seen some sizeable movements and ongoing volatility. However given the differing impact of tariffs on sectors and indeed companies, and the uncertainty over their imposition, timescale and next steps, any public market re-rating in light of the new international landscape is only likely to become evident in the following weeks and months. Private markets should be insulated from this immediate equilibrium finding, even if the same re-rating of sectors and companies will be seen here too.

Looking through this uncertainty and volatility though, there remain good reasons for disciplined investors to consider this an attractive time to invest in the US. With or without tariffs, the US will remain one of the world's leading economies and the US Dollar remains the global reserve currency - but with the present uncertainty leading many to sit on the sidelines, there should be reduced competition right now and with financing markets dislocated at present, more attractive entry valuations achievable. In addition, should the weight of tariffs be progressively rolled back, we could see a quicker bounce back than is currently anticipated, giving a further tailwind to investors able to take advantage of this window.

In our view, any re-rating, and the most attractive investment opportunities, will favour those sectors that are based on long term fundamentals, mission-critical needs and are structurally supported, and in particular those that prove resilient to both the direct and indirect effects of tariffs. And indeed, these are the very sectors that Arcapita focuses on, across private equity and real estate:

Private Equity

In private equity, our focus is on essential business services – these are non-discretionary in nature, and importantly, are services not goods (note that the tariffs are on goods, not services). In this regard, our strategies are relatively insulated from any tariff-induced rise in goods prices in the US, and from any resulting supply chain realignment outside the US.

In the US, while the tariffs as they currently stand could lead to lower consumer or business spending, the non-discretionary nature of the companies we focus on, and the fact that they almost exclusively serve the domestic market, provides an additional buffer to any such impact.

Equally, the GCC presently stands out for its stability, regional coordination, consistent growth and the lowest level of announced US tariffs at 10%. This should make private equity investments in the region progressively more attractive on a global basis. The main headwind facing the GCC from the tariffs would appear to be a further drop in oil prices (although we highlight that oil and gas are exempt from the announced tariffs). However, given Saudi's Vision 2030 and the UAE's economic diversification plans, both countries have been visibly and tangibly diversifying their economies away from oil, and are encouraging more private equity flows into non-oil sectors like technology, tourism, and manufacturing.

Real Estate

In US real estate, our focus is principally on industrial assets serving domestic markets, with tenants that require a physical presence – an approach that has worked well through the economic headwinds of Covid. While the tariffs as they currently stand could lead to lower consumer or business spending, as with Covid we expect that these headwinds are likely to be offset by the necessity of these premises to their occupiers, the relatively low share of business costs they represent, and the continued low vacancy rates and steady rental growth seen in the asset class. Indeed, to the extent that tariffs lead to more expensive construction costs, this would likely lead to a drop off in construction beyond those projects underway or starting near term, setting the stage for continuing potential rental growth over the medium term.

In the GCC and the UK, our focus is also on industrial assets serving domestic markets, with tenants that require a physical presence. As things stand, we expect limited impact from the announced US tariffs on these occupiers and assets, with the potential for diverted construction materials to make new development incrementally more attractive in the near term.

Outlook

The Liberation Day tariff announcements by President Trump are the first in a series of events that will probably last the next several months. These may blow over within 2025, but at present it feels more likely that they will lead to consequential realignments in global trade and international dynamics.

Our goal here is not to make predictions about outcomes or the decisions made by different countries. Rather, we highlight that from the US administration's perspective, this is not just about economics and nor is it an isolated single step event: there are upcoming dominoes to fall both within the US and internationally, not just the impending round of bilateral negotiations, and these may or may not land as Trump expects. This may therefore give rise to repeated bouts of uncertainty, which may manifest in financial market volatility, in interest rates and in FX markets, although not to such an extent that we feel investors should react by exiting their US exposures. Indeed this market should also give rise to attractive buying opportunities, especially for disciplined investors focused on resilient sectors and long term fundamentals.

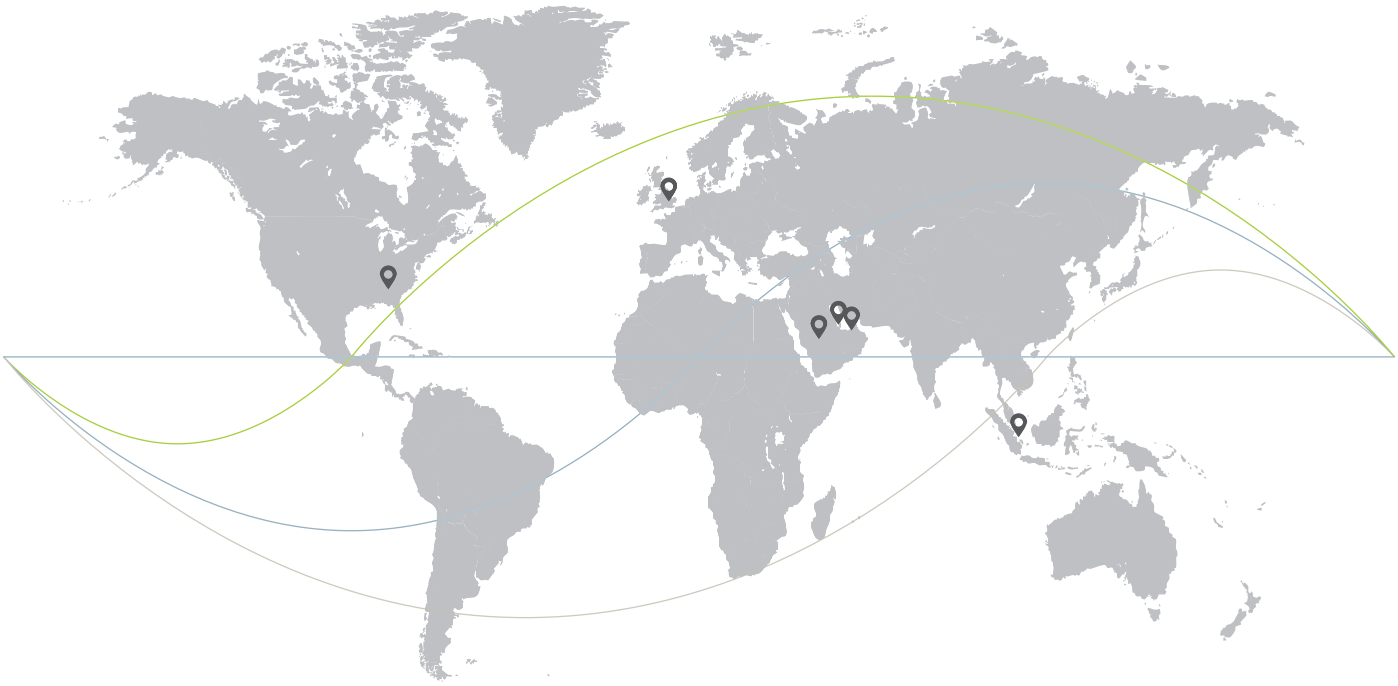
In this context, we are reassured that our focus on business-critical investments, in both private equity and real estate, should continue to be resilient to economic shifts and impacts. We will continue to monitor the unfolding events and we would be pleased to share our updated thoughts in due course as the next dominoes take shape.

ARCAPITA

Overview

Arcapita is a premier asset manager offering diverse investment opportunities, focusing on private equity and real estate. At the center of one of the fastest growing wealth markets in the world, Arcapita's management has been serving an exclusive group of investors in the GCC region over the past two decades. With offices in Bahrain, US, UK, Saudi Arabia, UAE, and Singapore, Arcapita's management team has completed transactions worth a total value of approximately $30 billion and possesses a footprint to invest on a global scale. Arcapita focuses on defensive and counter-cyclical sectors supported by long-term macroeconomic and demographic trends.

With two decades of experience, Arcapita's management has built a global investment platform to access the opportunities that exist in our core markets of the US, Europe, Middle East and Asia.



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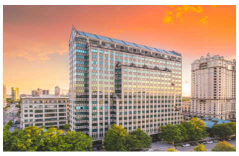

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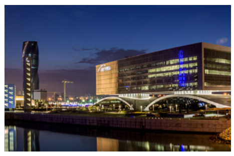

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