

The Hefter Report – March 2025

Equity markets have been quite volatile since the presidential inauguration in January as investors digest the new administration's approach. Emerging policies regarding tariffs and government employment levels have placed pressure on stocks. With this uncertainty, corporate leadership find it difficult to make investment decisions and, consequently, investors react by taking off risk.

An additional factor in the recent market turmoil is stretched valuations which have increased substantially over the past few years to a point where the S&P 500 recently traded at over 23x forward earnings. Historically, that's a high multiple and many companies whose stock prices reflected near perfection scenarios, have seen their stock repriced.

While there may be continued impact on the market, we believe that policies that lower government spending will ultimately lower interest rates in the future and set up the stock market for renewed strength.

In the long run, we are still constructive on US stocks. Time has shown that staying invested during short-term disruptions is the best path to investment success. It is important to recognize that such fluctuations are a normal part of the investment landscape. By maintaining a long-term perspective, focusing on well-defined goals, and utilizing effective risk management strategies like diversification, we will navigate these temporary periods of uncertainty.

HLM Capital

DISCLOSURES.

Wells Fargo Advisors Financial Network did not assist in the preparation of this report, and its accuracy and completeness are not guaranteed. The opinions expressed in this report are those of the author(s) and are not necessarily those of Wells Fargo Advisors Financial Network or its affiliates. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Additional information is available upon request.

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value.

Asset allocation and diversification are investment methods used to help manage risk. They do not guarantee investment returns or eliminate risk of loss including in a declining market.

HLM Capital Management Group

1849 Green Bay Road
Suite 200
Highland Park, IL 60035
847 563-3400 phone
800 247-1541 toll-free
847 563-3420 fax
www.hlmcapital.com



*Partners: Ben Leshem, Charlie Margolis,
Steve Hefter, and Micah Nathan*