

From the Desk of Chris Eckert, May 2025 – Have We Seen the Bottom in Stocks?

Market Commentary

The markets have been in rally mode over the past month, recouping most of the double digit losses sustained in the wake of President Trump's April 2nd tariff announcement. Newfound optimism surrounding trade deals and solid first quarter earnings have helped push stocks higher. Does this mean we have seen the bottom for stocks in 2025? My best guess is yes, but there are still plenty of challenges to navigate and in my estimation, the biggest risk to markets is geopolitical risks, which are always difficult to handicap. That said, a summer pullback in stocks would not surprise me before a year-end rebound.

Some of my favorite headlines in the past month:

- Investors should keep in mind that stock market volatility like we've seen in recent weeks is par for the course.
- Markets fluctuate. Your strategy shouldn't.
- Volatility creates opportunity.
- Trade war fails to end civilization (my favorite).

Key Takeaway

For investors with a long-term perspective, short-term market volatility is a distraction that is better off ignored.

Portfolio Corner

This month we highlight our **Quality Growth Model Portfolio (Q-GARP)**, which seeks companies that can provide a combination of quality growth at a reasonable price (or Q-GARP for short). The primary objective in the stock selection process is to identify those companies that can generate above-average earnings growth over the next several years.

Key characteristics:

- Quality – high and stable profitability.
- Reasonable Price – attractive valuation relative to peers.
- EPS (earnings per share) Growth – strong secular growers.

Although the portfolio is actively managed, it's our intention to hold stocks in the portfolio over a multi-year time frame. Portfolio holdings will generally vary from 30-35 stocks. For more conservative investors, the **Quality Growth Model Portfolio** is available with allocations of 80/20, 65/35 and 50/50, equity to fixed income investments.

Recent additions to the portfolio include Hess (HES), MercadoLibre (MELI), Nvidia (NVDA), Uber Technologies (UBER) and Vertiv Holdings LLC (VRT).

Please [click here](#) to access the **Quality Growth Model Portfolio** with the current equity sector weightings as well as our other custom model portfolios.

Save the Date: 2025 Midyear Outlook Call

Please join Wells Fargo Investment Institute (WFII) strategists for a live conference call discussing the second-half outlook for the economy, markets and investments. Darrell Cronk, President of WFII and Chief Investment Officer for Wealth and Investment Management, will host a roundtable to discuss:

- Their expectations for economic growth and inflation for the next 18 months, as well as how geopolitical risks could affect investment returns.
- Their forecast for interest-rate changes, corporate earnings and key market indices.
- Their top ideas for positioning portfolios for the next 12 to 18 months.

Date: Wednesday, June 11

Time: 4:15 p.m. ET

Dial-in: 877-601-6604

Passcode: 71-306-44

[Add to your calendar \(Outlook reminder\)](#)

May 29th is National College Savings Day

During the month of May there is a lot of media attention on 529 college savings plans, culminating in National College Savings Day (a.k.a 529 Day) on May 29th. Please [click here](#) to learn more on how you can help your children or grandchildren pay for college.

Insights from the Home Team (WFA)

- Investing Strategy – A sustainable emerging markets rally? We are skeptical. [Read now](#)
- Chart of the Week – Tailwinds supporting small and mid-market buyout. [Read report](#)
- Weekly Market Commentary – Nice Surprise. [Click here](#)

Insights from our External Partners

- Globalization isn't dead. It's changing. (Capital Group) [Read now](#)
- 5 charts that put market volatility in perspective. (Capital Group) [Read now](#)
- The high cost of cashing out. (T. Rowe Price) [Read now](#)

About Chris Eckert

For over 40 years, I have been helping our clients to prepare for and navigate through life's most important transitions. Whether it's marriage or divorce, changing jobs or retirement, selling a business, or losing a loved one, these moments can present investors with formidable challenges or tremendous opportunities. Yes, life can be unpredictable, but it does not have to be unplanned. If you have questions or concerns about whether you are on the right path, then let's have a conversation. [Click here](#) to get started.

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As always, please let me know if you have questions, thoughts, or comments.

All the best

Chris

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