

INVESTMENT UPDATE

JUNE 2025



ROMANO
BROTHERS & CO.

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Member FINRA/SIPC

TARIFFS ON? TARIFFS OFF? TARIFFS *AD NAUSEUM!*



If there is one theme that has dominated world markets this year it's—I can hardly say it anymore—tariffs. There, I said it, and I know you are sick of hearing that word too. So by now you are aware of their supposed benefits and risks. Namely, that they are intended to even out trade imbalances with our import partners and on the flip side, can disrupt the flow of trade and the supply chain, while causing higher prices.

Instead, I'll simply focus on the impact they have had on financial markets as it's been quite some ride, to say the least. In the four trading sessions after the April 2nd "Liberation Day," the S&P 500 cratered 20% reaching bear market territory on an intraday basis. But almost as quickly as it came, Trump announced a 90 day pause (ending July 12th) on essentially all countries except China which led to one of the most explosive single day rallies in history, as the S&P rose 9% and the NASDAQ climbed 12%. That's market whiplash, and my neck hurts just thinking about it!

Eventually, China would come to the table to meet the U.S. in Geneva resulting in another suspension of tariffs on Chinese goods until August 14th. Markets would again rally with the S&P up 6% for May, its best performance in two years. Still, even with all of this back and forth, the S&P 500 is up +1.1% year to date as of this writing (June 2nd).

But let us remind the weary that this is not at all over, and we expect the same pattern of tariff on, tariff off volatility

to continue throughout the summer. Just this morning markets opened on the downside to the tune of 350 points as Trump accused the Chinese of violating the tariff suspension only to rally in the afternoon as he then vaguely indicated that he and President Xi would speak "very soon."

So, the situation is at best tentative and uncertainties remain while we are in the early stages of trade negotiations. As always, but especially in times like these, we favor quality companies with strong and stable profit margins, low debt, and cash flow. Under the experienced and steady leadership of Doug Geisser on our bond desk, we we're able to take advantage of the dislocation in bond markets during the worst of the crisis. We continue to look for opportunities both on the equity and fixed income fronts.

We wish you and your family an enjoyable and relaxing summer. With my son Leo finishing his first year of college and my daughter doing the college search going into her senior year, summer vacations are becoming limited and taking on new meanings. While I say it every year, I'm going to do my best to really enjoy it this year. I hope you do too.

Thank you for your continued trust and confidence in us.

Joe Romano
President

ARE YOU A BUSINESS OWNER OR EXECUTIVE?

CONSIDER HAVING US REVIEW YOUR EMPLOYEE BENEFIT PLAN.



Among the biggest objectives we have as advisors and planners is to be the first call for our clients for all things financial in their lives. We aim to provide solutions to financial problems, whatever they may be. While these often pertain to personal finances, many of our clients own businesses or are in decision-making roles within their organization. In working with them, we had the chance to review a number of 401ks and other employer-sponsored plans.

Every retirement plan has fees and costs. I find that this is widely misunderstood because those costs are not explicit to most employees. Among those costs are often ongoing fees paid to the financial advisor who helped setup the plan. While some advisors do a great job in this space, it is common practice for an advisor to setup the plan and offer little to no ongoing support to justify those fees.

During my time at Merrill Lynch prior to joining Romano, I worked with a team that specialized in retirement plans. While I have been with Romano, we have used that experience to build up similar capabilities here to add value for our clients that exceeds the support they are currently receiving, if they are receiving any support at all.

Retirement plans can be complicated to institute and maintain, so our role is to simplify that process for the business, distilling and guiding with the information they need to make decisions. The typical retirement plan team has four different roles: the plan sponsor, the administrator, the record-keeper, and the advisor.

- **Plan sponsor:** the business or business owner, typically appointing one person in the organization in charge of the plan.
- **Administrator:** can be bundled with the record-keeper or it can be a third party. Their job is to make sure the plan complies with the IRS.
- **Record-keeper:** the firm that custodies the assets and provides the client-facing infrastructure like website and app. Common record-keepers are well-known firms like Fidelity, Vanguard, Principal, or John Hancock.

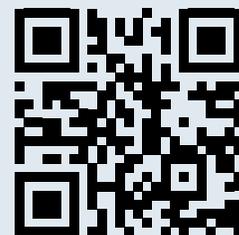
Then there is the role of the advisor. As the advisor, we provide three primary services:

1. **Record-keeper and administrator evaluation:** identify all costs and compare service providers for record-keeping and administration to make sure fees and services provided are competitive.
2. **Investments recommendation:** implement investment menu available to participants and monitor on an ongoing basis to ensure it remains appropriate.
3. **Participant education and support:** provide in-person or online educational seminars as well as on-demand access to personalized financial advice for plan participants.

For those clients that are business owners or are in positions to affect decisions, we would be happy to offer our support. If either you are thinking about instituting a retirement plan, or you recognize the advisor currently with your company's plan is not offering these services, we can do a review of the plan and options to see if it makes sense to do something differently. We have found that we are competitive on pricing, and in many cases are able to reduce fees. And we provide the same level of service, education, and care to the employees of the plan that you have come to expect working with Romano Wealth Management.

Peter Hemwall, CFA, CFP®
Portfolio Manager

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www.romanowealth.com

UPGRADES COMING TO BANKING SERVICES & ONLINE ACCESS



Starting in September First Clearing is making two important upgrades. The upgrades center on banking services related to your investment account and online access.

If you access your Romano account(s) online, beginning Friday, September 26th First Clearing will be replacing the current online access website with a new version. This version will include improved navigational capabilities, improved security features, and enhanced mobile capabilities. The new platform will utilize Two-Factor Authentication which is one of the highest security standards used by financial institutions, email service providers, and other organizations large and small to help prevent unauthorized account access. It generally entails sending a code to a registered email address or text to a known cell phone number. If you use online access, after September 26th you will need to log in, set up your security profile, and re-enroll in any paperless delivery options.

If you use banking services attached to your investment account(s), such as check writing, debit card, bill pay, or externally initiated ACH withdrawals and deposits, First

Clearing is replacing the backend processor from United Missouri Bank (UMB) to Wells Fargo. This means that if you have a First Clearing checkbook or debit card, you will receive new checks and cards in late September/early October. If you externally authorize deposits or withdrawals or use your Romano Wealth Management account to receive direct deposits, you will need to update the routing number and bank account number as soon as you receive this information, after September 26th.

As we get closer to the conversion date, we will be sending the forms needed for the new banking services along with targeted informational emails to users of these specific services. The emails will detail what you need to do, and the completion date(s) required.

If you have questions, please contact your portfolio manager.

Eric Bederman
Chief Operating & Compliance Officer

ROMANO NEWS



James Brenner, a longtime Romano client and The Board Chair for The Bridge in Palatine, was honored as Volunteer of the Year. The Bridge provides services to support youth and families in creating emotional wellness, strong relationships, and successful futures. Congratulations James!



This March was the 100th birthday of original founder & Romano brother, Bob Romano. 92-year-old 'baby' brother, Dick Romano, flew up from Florida to celebrate the milestone. A profound thank you and hearty cheers to the man who started this firm 63 years ago!



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ROMANO NEWS



We loved seeing Gerry Romme from Evanston Post 42 on National Poppy Day! Led by the American Legion Auxiliary, each year members of The American Legion Family distribute poppies with a request that the person receiving the flower make a donation to support the future of veterans, active-duty military personnel and their families with medical and financial needs.



Joe Romano was pleased to receive an invitation to long time client Joan Eddy's 90th birthday celebration this past April. He jumped at the opportunity and made the 250 mile road trip to celebrate with Joan, friends and family at their scenic golf club in Brighton, MI. Even though she was the guest of honor, Joan made Joe feel like royalty and seated him next to her at the head table, introducing him to everyone. Celebrating milestones like these are the perks of the job. Happy Birthday Joan!

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