

BENA CAPITAL, LLC

November 15, 2024

To all my Partners,

By now all of you have received your individual monthly statements. If for any reason you have not, please contact me and will be glad to resend it to you.

For October, consumer prices edged up after having recorded the slowest rate of growth in 3-1/2 years!

The report released on Wednesday wasn't enough to derail another interest-rate cut from the Federal Reserve possibly in December. The CPI, released by the Labor Dept, reported that consumer prices rose +2.6% from a year earlier. The core prices, which exclude food and energy, was up +3.3% for the year.

Voters around the world have punished leaders and their ruling parties for high prices and inflation. Prices for used cars and trucks rose +2.7% from September, and airline fares rose +3.2%, also from a month earlier.

This week all the stock indexes ended lower after a Trump post-election surge. The stock market ended for the week:

| Dow Jones | S&P 500 | Nasdaq |
|------------------|--------------------|---------------|
| -544.00 | -124.92 | -606.66 |
| -1.24% | -2.08% | -3.15% |

For October, the Bena Capital Fund had a +2.87% return for the month

| <i>Bena Capital up months</i> | <i>Bena Capital down months</i> |
|--------------------------------------|--|
| February | January |
| March | April |
| May | July |
| June | |
| August | |
| September | |
| October | |

So far this November:

+7.04%

November 1st-15th

YTD

+24.52%

January 1st-October 31th

Wall Street has rarely been more excited by an election!

U.S. stocks' capitalization rose by \$1.62 Trillion, their 5th best 1-day showing ever, the day after Donald Trump's decisive election victory.

U.S. stocks' largest 1-day gains in market cap:

| | | | | |
|----------------|-----------------|-----------------|-----------------|-----------------|
| \$2.24T | \$2.164T | \$2.127T | \$1.785T | \$1.616T |
| Mar. 13, 2020 | Nov. 10, 2022 | Mar. 24, 2020 | Apr. 6, 2020 | Nov. 6, 2024 |

Elon Musk and Vivek Ramaswamy have joined forces to create D.O.G.E. (Dept. of Government Efficiency). This will be a non-paid 'outside of government' look into cutting government waste and inefficiency. Some of the spending in last year's federal taxes include:

Wasteful Government Spending:

1. \$500K on a study to see if selfies make you happy.
2. \$20K on drag shows in Ecuador
3. \$80K in Ghana to ask taxi drivers if climate change makes it harder to drive
4. \$478K spent to see if we can create trans-gender monkeys
5. \$1.3 billion in government checks sent to dead people.
6. \$549K for Russian cat research
7. \$7 billion on empty federal buildings including maintenance of those buildings
8. \$101 billion in Medicare & Medicaid improper payments, mostly from fraud
9. \$38.7 million for HHS to hire 294 employees to oversee DEI

**to see more wasteful spending please see below*

The Social Security Administration separately said last week that Social Security benefits would rise +2.5% in 2025, the smallest cost-of-living adjustment in four years! The increase is calculated using a different version of the September CPI.

So what do we do?

History reminds us that it has typically been better to 'buy' than 'bail'. We at Bena Capital Fund are playing the long game! By that I mean in two to three years from now, we really won't remember did the Federal Reserve cut 2 or 3 times back in 2024? If markets drop for a month, or more it may create a market correction which have occurred naturally throughout the years.

For all 24 corrections in the S&P 500 since W.W. II (1945), it took only 4 months to recover losses.

Never let your emotions become your portfolio's worst enemy.

So, how did we do?

| For October: | | 1-year (12 month) returns: | |
|---------------------------|---------------|-----------------------------------|----------------|
| Dow Jones: | -0.18% | Dow Jones: | +16.97% |
| S&P 500: | -0.99% | S&P 500: | +28.54% |
| Nasdaq: | -0.52% | Nasdaq: | +31.18% |
| Berkshire Hathaway: | -2.06% | Berkshire Hathaway: | +28.63% |
| Bena Capital Fund: | +2.86% | Bena Capital Fund: | +35.22% |

Some highlights of last month:

- Sony sues CBS over game show revenue sharing
- Striking Boeing union endorses 38% wage hike offer
- Nvidia & Sherwin-Williams replaced Intel and Dow Chemical in the Dow Jones Industrial Averages on November 8th
- October's unemployment rate stays at 4.1%
- Jobs added for October rose only 12,000. Lowest increase since January 2020
- CPI for October rose 0.2% for the month and up +2.67% for the year
- John Thune (R-ND) becomes next Senate Majority Leader for 2025 session
- NHTSA fines Ford Motors \$165 million for faulty rear-view cameras
- Palantir (PLTR), presently listed on the NY Stock Exchange will be moving to the Nasdaq on November 26th
- Connan O'Brien will host the Academy Awards in March, succeeding late-night host Jimmy Kimmel
- President-elect Donald Trump chooses RFK, Jr. as Health Secretary
- Berkshire Hathaway purchases a small slice of Domino's Pizza & Louisiana's Pool Corp, in the 3Q of 2024.

New corporate tax rates proposed

| | |
|----------------|-----------------------|
| 15% | 21% |
| Trump proposal | Presently under Biden |

Global Corporate Income Tax Rate

| | | | | | |
|------------|------------|------------|----------------|------------|---------------|
| 30% | 26% | 25% | 25% | 24% | 21% |
| Germany | Canada | France | United Kingdom | Italy | United States |

Sony Sues CBS Over Profits

Sony Pictures filed suit this month against CBS for putting its wholly-owned shows, like ‘*Entertainment Tonight*’ at the top-ranked stations in certain markets while putting ‘*Wheel of Fortune*’ & ‘*Jeopardy*’, at the lower-ranked stations. Over time, Sony alleges that this has had a detrimental effect on the shows.

October Jobs Report

| | |
|--------------------------|-------|
| Non-farm payroll | +12K |
| Aug & Sept. revisions: | -112K |
| Unemployment Rate: | 4.1% |
| Avg. Hourly Wages (M/M): | +0.4% |
| Avg. Hourly Wages (Y/Y): | +4.0% |

Where are the jobs?

(October Jobs Report)

| | |
|-----------------------------|------|
| Health care/Soc. Services: | +51K |
| Government (State & Local): | +39K |
| Retail: | -6K |
| Manufacturing: | -46K |
| Temporary help: | -49K |

Source: BLS

Berkshire Hathaway's Growing Cash Pile

(3Q Results)

\$325.2B

\$276.9B

as of end of September

2nd Quarter (April-June)

Source: WSJ; 11/4/24

Berkshire Hathaway's Top 5 Holdings

\$69Billion

\$31.7Billion

\$41.1Billion

\$28.7Billion

\$17.5Billion

Apple

Bank of America

American Express

Coca-Cola

Chevron

Source: WSJ; 11/4/24

Iconic voice of Elwood Edwards Passes Away

Who's Elwood Edwards, you may ask? Anyone with AOL, when opening their mail was greeted with, "*You've got mail*". That voice was Elwood

He recorded that phrase as well as a few others in 1989, after his wife volunteered his voice for the software. How much did Elwood get paid for, "*You've got mail*"?

Answer: \$200.00 in 1989!

Billionaire Election Week Wealth

Since the November 5th election, these billionaires have increased their wealth

Elon Musk

Larry Ellison

Jeff Bezos

Mark Zuckerberg

Bill Gates

+50B

+18B

+10B

+7B

+5B

Net worth:

\$314B

\$202B

\$230B

\$209B

\$162B

Source: CNBC; 11/11/24

October's CPI Report

+0.2%

+2.6%

+0.3%

+3.3%

M/M

Y/Y

M/M

Y/Y

Core CPI (excl. food & energy)

Increases from prior month (August)

Source: Commerce Dept.; 11/14/24

The Ups & Downs for Inflation

October rose +2.67% for year-over-year / Up +0.2% since September

Categories up since last month

Used cars & trucks: +2.7%
Electricity: +1.2%
Housing/shelter: +0.4%
Food: +0.2%

Categories down since last month

Fuel oil: -4.6%
Gasoline: -1.0%
Apparel: -1.5%

Source: U.S. Commerce Dept; 11/13/24

And this is just interest alone!

\$82 Billion

October 2024 on national debt

Source: U.S. Treasury; November 14, 2024

Do you think there's waste in the FY2024 federal budget?

1. \$45 million for a 'Diversity & Inclusion' scholarship in Burma
2. \$3 million for 'girl-centered climate action' in Brazil
3. \$1.3 billion for checks sent to dead people
4. \$125 million to racialize public health
5. \$5 million for 'hipsters' to stop smoking
6. \$518,000 to study how cocaine affects the sexual behavior of Japanese quails.
7. \$3 million to watch hamsters fight.
(Some involved injecting hamsters with steroids)
8. \$1.6 billion for empty federal office buildings including their maintenance.
9. \$615,000 to digitize Grateful Dead memorabilia
10. \$862,000 to unused warehouse space every year for the IRS.
11. \$500,000 from U.D. Dept. of Health to International House of Pancakes (IHOP)
to be built in a Wash. D.C. Washington D.C. neighborhood
12. \$1.7 million to the Natl. Comedy Center in Jamestown, NY for holograms of
dead comedians.
13. \$288,500 for 'diverse' bird watching
14. \$549K for Russian cat research
15. \$20K for a drag show in Ecuador

....and there's a lot more!!

Tax Revenues Before and After 2017 Trump Tax Cuts

\$3.31 Trillion

FY2017 Receipts

\$4.89 Trillion

FY2022 Receipts

+47.73%

Percentage increase in Revenue

Source: Congressional Budget Office

Treasury Statement, Fiscal 2024

\$4.9 Trillion

Total revenue

\$6.8 Trillion

Total spending

Source: U.S. Dept. of Treasury

Top line items in Treasury's budget

FY2024

* Social Security: \$1.5 Trillion

* Health: \$912 billion

* Net interest: \$882 billion

* Medicare: \$874 billion

Source: U.S. Dept. of Treasury

Top oil producers within OPEC

(barrels per day, FY2023)

| | | | | |
|---------------|--------------|--------------|--------------|--------------|
| 11.13M | 4.42M | 4.16M | 3.99M | 2.91M |
| Saudi Arabia | Iraq | UAE | Iran | Kuwait |

Source: U.S. Energy Information Administration

Average Car Age

in the U.S. as of 05/22/24

12.6 years

for cars & light trucks

Source: S&P Global Mobility

Who pays the most in federal income taxes?

| Income group (percentile) | Tax rate paid |
|---------------------------|---------------|
| Top 1% | 47% |
| Top 10% | 70% |
| Top 50% | 5.3% |
| Bottom 50% | -2.2% |

Source: non-partisan Joint Committee on Taxation

Tupperware Files for Bankruptcy

Tupperware Brands, founded in 1946 by Earl Tupper and known for its resealable plastic containers and pioneering direct-to-consumer sales, has filed for bankruptcy after years of struggling weak sales. In June, the company was going to close its only factory in the U.S. and lay off nearly 150 employees.

Most Expensive States for Auto Insurance

June 2024 – Full coverage annual costs

| | | | | |
|----------------|----------------|----------------|----------------|----------------|
| \$3,400 | \$3,336 | \$3,325 | \$3,271 | \$3,201 |
| Maryland | South Carolina | New York | Nevada | Florida |

Source: Insurify

IRS increasing of audits for those making under \$200K

Passage last year of the ‘*Inflation Reduction Act*’, an increase to the IRS was included for \$80 billion to hire 87,000 more agents and the promise that this would go towards audits for those making \$400K or more. Now, according to the Treasury Inspector General for Tax Administration (page 16) in his August 31, 2023 report says:

“63% of SB/SE Division’s FY2023 total new examinations will be on taxpayers with less than \$200,000 TBI.”

Well, so much for believing a politician!!

I've been asked to repeat this from our March's Partner's Letter, so:

History has shown that some months are kinder than others to investors.

According to records spanning over 95 years, since 1929:

Months with the biggest gains:

January, April, July & December

Months with the biggest losses:

February, May, August, September

The S&P Rises 3 out of 4 years since 1926!

the S&P is up approx. 75% of the time going all the way back for almost 100 years!

(since 1926)

| <i>S&P</i> | <i>% advance each year</i> |
|-----------------------|-----------------------------------|
| 20%+ | 36% |
| +10% to +20% | 21% |
| 0 to +10% | 15% |
| 0 to -10% decline | 15% |
| 10%+ decline | 13% |

Source: Dimensional Funds

Have you moved?

If you have moved or change of address to where the your 1099's should be sent, please contact me with the new information.