

BENA CAPITAL, LLC

February 16, 2025

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 I will be glad to resend it to you.

Last month, for January, Bena Capital Fund rose 1.34% to start 2025. In addition, for the first two weeks of February, we're up +5.2%. Of course, there are approximately two more weeks left to go, so as we all know, we could gain more for the month or go down.

The Bena Capital Fund ended:

<u>FY2024</u>	<u>January</u>	<u>February 1st-15th</u>
+24.96%	+1.34%	+5.2%

FY2025

Bena Capital up months

January

Bena Capital down months

n/a

According to Ryan Detrick, Chief Market Strategist at Carson Group, since 1950, the 2nd half of February is usually weak. He says:

- * The 2nd half of February, historically since 1950, is the weakest part of the year.
- * February is the worst month in post-election years.
- * Choppiness here would be normal.

But having said that, he also is predicting some upside for 2025, after a Presidential election:

- * Remains overweight on equities/stocks
- * Expects a +12% to +15% for stocks this year
- * Fed will cut more interest rates than is being priced in.

The Consumer Price Index (CPI) for January was at 3.0% year-over-year, which was higher than December's 2.9%. Anyone who's bought eggs recently knows exactly what I'm talking about. Due to the bird flu, the cost for eggs has risen +53% and that's since January 1st!

Elon Musk and his D.O.G.E. (Dept. of Governmental Efficiency) have been uncovering a lot of waste, fraud, and/or just abuse. Some of those items include those receiving monthly Social Security checks. According to the Social Security database, these are just some of the people in the age range collecting monthly checks that are OVER THE AGE OF 100!:

Social Security recipients 150-159 years old: 1,345,083
 Social Security recipients 200-210 years old: 879
 Social Security recipients 210-219 years old: 866
 Social Security recipients 240-249 years old: 1

And on another note, according to Elon Musk on Twitter (X) about Social Security, there are more people collecting Social Security checks than the population of the United States! (Think there's no waste, fraud & abuse?)

\$60 Billion

Savings according to Treasury Secretary, Scott Bessent by D.O.G.E.
 as of Tuesday, February 18th

\$4.7 Trillion

Payments from the U.S. Treasury that have no 'line item'
 as to what the payments are for OR where the payments went!!
 (Think about that on your own checking account or credit card.)

Taxpayer Money Wasted:

Estimated annual fraud per year
\$233B - \$521B

Source: U.S. Govt. Accountability Office; 2/10/2025

A Penny for Your Thoughts

According to Treasury Secretary Scott Bessent, it's only a matter of time before Treasury will be doing away with the one-cent penny!

Production & Distribution Costs:

<u>Penny</u>	<u>Nickel</u>	<u>Dime</u>	<u>Quarter</u>
\$0.04	\$0.14	\$0.06	\$0.15

Source: U.S. Dept. of Treasury

The cost of interest on the national debt is continuing to rise, with the U.S. spending \$84B in interest last month for January. This \$84B is 21% more than the same month just one year ago!

Now for some good news!

The S&P 500 ended up 2.04% for January
(see top of next page as to why that matters!)

The January Barometer

If the S&P 500 ends up for January (especially for a Presidential 1st year in office), the stock market gained for that year 91% of the time, **rising more than 18%**. But if the S&P 500 ends negatively for January, the market has been down 2% on average for the full year and rose in price only 1/3rd of the time! (As I said, the S&P ended positively)

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 January:		1-year (12 month) returns:	
Dow Jones:	+4.30%	Dow Jones:	+13.82%
S&P 500:	+2.04%	S&P 500:	+19.72 %
Nasdaq:	+0.55%	Nasdaq:	+20.78%
Berkshire Hathaway:	+3.42%	Berkshire Hathaway:	+21.36%
Bena Capital Fund:	+1.34%	Bena Capital Fund:	+36.21%

Some highlights of last month:

- January non-farm payrolls were 143K reported vs. 169K estimated
- January unemployment rate decreased to 4% from December’s 4.1%
- January’s Consumer Price Index (CPI) is at 3.0% rising from Dec’s 2.9%
- January’s Labor Force Participation Rate rose to 62.6% (Dec, 2024 at 62.5%)
- Southwest Airlines to cut 15% of corporate workforce or 1,750 jobs in 1st mass layoff in its 53-year history.
- 30-year fixed mortgage for February at 6.96% (as of 2/17/25)

- Intel eyed to be broken up and purchased by Broadcom & Taiwan Semiconductor

January Consumer Price Index (CPI)

Year-over-Year
3.3% **3.0%**
Core Overall
(excl. food & energy)

Source: BLS; 2/12/25

Tariff Tracker

(Latest U.S. Tariffs)

10%	25%	25%	25%	15%: coal, LNG
China	on all steel	Mexico	Canada	10%: oil, agricultural, mach. large engine cars
(as of March 12 th)				China

Obesity in the U.S.

(FY2024)
20% **42%**
Children Adults

Source: CDC; January 2025

Super Bowl LIX

127.7 Million

U.S. viewers

Source: Fox News; 2/11/25

Home interest rates rise

7.13%

30-year fixed home mortgages this week

Source: CNBC; 2/13/25

Home Sales Drop -5.5%

(Pending home sales for December)

Northeast: -8.1%
 West: -10.3%
 Midwest: -4.9%
 South: -2.7%

Source: NAR, January 30, 2025

Things are getting so Egg-Spensive!

Year-over-Year change since January 2024

+53%	+4.4%	+11.8%
Eggs	Shelter/Rent	Auto insurance

Source: CNBC; 2/12/25

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

Breakdown of the S&P 500 stocks:

Dispersion of returns for 2024

Stocks in the S&P	Gain/Loss
Up 50% or more	53
Up 20% or more	126
Up 0-10%	158
Down 0-10%	113
Down 10% or more	51

Source: CNBC

Tax Revenues Before and After 2017 Trump Tax Cuts

\$3.31 Trillion	\$4.89 Trillion
FY2017 Receipts	FY2022 Receipts
+47.73%	

Percentage increase in Revenue

Source: Congressional Budget Office

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

I've been asked to repeat this from our last 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

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Source: Dimensional Funds

Have you moved?

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