

BENA CAPITAL, LLC

June 17, 2025

To all my Partners,

“The stock market is a system that transfers money from the impatient, to the patient!”
- Warren Buffett

For May, Bena Capital Fund was up & price of eggs went down!

The Bena Capital Fund ended:

<u>May</u>	<u>June 1st-14th</u>
+18.9%	+2.19%

FY2025

Bena Capital up months

January
April
May
June

Bena Capital down months

February
March

As I write this, President Trump is deciding whether to assist the Israelis in destroying the nuclear plant(s) known as the Fordow Fuel Enrichment Plant. It's built deep beneath a mountain and designed to withstand bombings.

President Trump gave Iran 60 days to come up with a plan to disassemble their nuclear facilities, and I think they/Iran were dealing with previous Administrations and continued to stonewall Steve Wiskoff and the negotiating team. On day 61, one day after the deadline, Israel launched an attack to destroy Iran's nuclear facilities.

I say this (which you probably already know) because when this happened, the price of crude oil shot up and equities/stocks dropped. We at Bena Capital shorted oil and bought calls on stocks. This means we're expecting oil to rebound and go down from its present \$73 per barrel (was \$68 before the Israeli strike). As many of you know, Wall Street uses a 'meat cleaver' when they should be using a scalpel. There's a lot of oil in the system, and barring the Iranians choking the Straits of Hormuz, where 20% of oil travels, I feel oil will be returning to a natural level.

- * 90% (or more) of Iranian oil goes to China
- * Iran is President of OPEC this year (it's a rotating leadership)
- * Strait of Hormuz is still busy
- * U.S. oil production at record highs

Plus, I don't think even the Iranian leaders will be brazen enough to choke off the Straits of Hormuz and have the Trump Administration, Saudi Arabia and all other nations come after them. We'll see if I'm right...or wrong!

Inflation coming down.....

According to May's CPI, gasoline since last year (June, 2024) has gone down -12%!

May's Consumer Price Index (CPI) was up only +0.1% for the month and +2.4% for the year, surprising many economists and in line with the Trump Administration's projections. And wait, there's more good news....

The Producer Price Index (PPI) for May what producers or manufacturers pay, came in lower than expected, lowering the inflation level to +0.1% vs. the expected +0.2% for last month

Here's something you won't hear on the network news.....

Blue-Collar Wages Rising Fastest in 50+ Years!

The Trump Administration has reported wages for blue-collar workers have risen at an annual rate of +1.7% in the past 5 months. That's the largest increase under any administration dating back to 1968!

(see later on this letter for a Presidential breakdown)

Stock Funds Roared 6% in May

That was a Wall Street Journal headline when May ended. In May, the average U.S. stock mutual fund or exchange-traded fund rallied to a 6.1% total return, according to data from LSEG.

The Bena Capital Fund returned: 18.9%!

Job growth held steady for May, with the economy adding 139,000 jobs. The unemployment rate has stayed in a tight range between 4 to 4.2% over the past year.

For May, stocks posted their best month since late 2023!

In May, stock investors were learning to tune out the steady sound bites of doom & gloom of the possible effects of Trump tariffs and focused on what the Commerce Dept. and Bureau of Labor Statistics data on how the economy is actually going when it comes to inflation, unemployment and jobs growth.

A key U.S. inflation gauge slowed last month. Spending by Americans slowed from the Commerce Department showed that consumer prices rose 2.1% last month with a year earlier, down from 2.3% in March and the lowest since September. Possibly, you may be seeing a decrease in the rate of growth when going to the grocery store. On a monthly basis, overall prices and core prices both increased just 0.1% from March to April, surprising many doomsday economists.

There was an old Wall Street saying:

“Sell in May and come back after Labor Day” but that seems untrue the last few years!
(but see the top of next page!)

Don’t sell in May???

S&P 500 returns (May-October)

Year	Returns
2020	+12.3%
2021	+10.1%
2022	-6.3%
2023	+0.6%
2024	+13.3%

Amazon.com celebrates their IPO May 15, 1997.

+273,406.67%

(as of May 16, 2025)

A \$1,000 investment on May 15, 1997, today would be worth just over \$3 million in unrealized capital gains. But, from 1997 until around 2005, the stock was flat and only took off after around 2008.

S&P 500 Corrections

(1950 to present)

37%

Market falls 0 to -5%

15%

Market falls -5% to -10%

21%

Markets fall -20% or more

Source: Investing.com

The Rule of 10 Best Days

The 10 best days of any calendar year make up the bulk of gains for that year.
In 2024 for instance, the S&P was up 23.31%,

But excluding the 10 best days of 2024, the S&P 500 was only up 4%!

We at Bena Capital Fund was up +24.9%!!

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

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 May:

Dow Jones:	+3.93%
S&P 500:	+6.64%
Nasdaq:	+9.6%
Berkshire Hathaway:	-5.80%
Bena Capital Fund:	+18.90%

1-year (12-month)

Dow Jones:	+6.54%
S&P 500:	+8.01%
Nasdaq:	+8.28%
Berkshire Hathaway:	+22.66%
Bena Capital Fund:	+44.28%

Some highlights of last month:

- May's non-farm payrolls were up 139K vs. 125K estimated
- May's unemployment rate stayed at 4.2% same as April's
- May's Average Hourly Earnings/Wages Y/Y are up +3.9%, last month was up+3.8%
- Labor Force Participation Rate for May was 62.4%
- Home sellers exceeded home buyers last month
- 'Blue-collar' wages rising fastest in 50+ years according to BLS

CPI: Consumer Price Index (M/M)
Y) 0.3% 0.4% 0.5% 0.2% -0.1% 0.2%
2.3%

Nov Dec Jan Feb Mar Apr May
 May

CPI: Consumer Price Index (Y/
Y) 2.7% 2.9% 3.0% 2.8% 2.4%

Nov Dec Jan Feb Mar Apr

Source: BLS

Unemployment for May breakdown:

By demographics:

	May	April
Whites	3.8%	3.8%
Blacks	6.0%	6.3%
Hispanics	5.1%	5.2%
Asians	3.6%	3.0%

Female demographics:

	May	April
White females	3.3%	3.3%
Black females	6.2%	6.1%
Hispanic females	5.0%	4.6%
Asian females	3.2%	2.7%

Source: BLS

May's CPI (Consumer Price Index)

(While economists & political TV hosts were predicting tariffs would make prices rise....)

Biggest decliners in month-over-month:

Gasoline:	-2.6%
Utility Gas:	-1.0%
Used Cars:	-0.5%
Clothing/Apparel:	-0.4%

Source: Commerce Dept.

Biggest moves within food prices, in month-over-month:

Cereals & Bakery Products: +1.1%
Ice Cream: +2.4%
Eggs: -2.7%
Frozen Noncarbonated drinks: -4.6%

Source: Commerce Dept. 6/11/25

and for the year....

+2.4%	+3.9%	+2.9%	-12%	+1.8%	+41%
Overall	Shelter/housing	Food	Gasoline	Used cars	Eggs

Source: BLS; 6/11/25

May's CPI Inflation going down!

CPI for May: +0.1% M/M, estimated +0.2%
Core (excl. food & energy) for May: +0.1%, estimated +0.3%
Core CPI for Y/Y for May: +2.8%, estimated +2.9%

Source: Commerce Dept., 6/11/25

May's CPI Core Inflation (excl. food & energy) M/M

Up 0.1% in May

+0.40	+0.20%	+0.10%	+0.20%	+0.10%
<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>

(election of DJT)

Source: Commerce Dept. 6/11/25

PPI: Producer Price Index for M/M

Up 0.1% in May

+0.70%	+0.10%	-10%	-20%	+0.10%
<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>

Source: Commerce Dept. 6/12/25

Where were jobs added in May?

* Health Care	+62,000
* Leisure & Hospitality	+48,000
* Manufacturing	-8,000
* Retail trade	-6,500
* Federal Govt.	-22,000 (most since 2020)

Source: BLS

Blue-Collar Wages Rising Fastest in 50+ Years!

The Trump Administration has reported wages for blue-collar workers has risen at an annual rate of +1.7% in the past 5 months. That's the largest increase under any administration dating back to since 1968!

Real Blue-Collar Wage Growth

+0.8%	0.0%	-0.9%	-3.0%	-0.6%	-0.6%	-0.3%	+1.3%	-1.7%	+1.7%
Nixon	Carter	Reagan	H.W.Bush	Clinton	W. Bush	Obama	Trump	Biden	Trump
(1969)	(1977)	(1981)	(1989)	(1993)	(2001)	(2009)	(2017)	(2021)	(2015)

Source: Dept. of Treasury

So long free bags when flying:

Southwest Airlines Officially Ends Decades of Long Free Baggage Police

(started on May 28, 2025)

\$35	\$45
1 st bag checked	Each addl. bag

Networks' Negativity

abc	CBS	NBC
92%	7.8%	
Negative	Positive	

Source: Media Research Center (MRC); January 20-April 9, 2025/ ABC's World News Tonight; NBC'S Nightly News & CBS's Evening News

Home Sellers Exceed Buyers by Plenty!

The inventory of homes for sale is finally rising. But buyers are not interested. The U.S. housing market had nearly half a million more sellers than buyers in April

Source: WSJ; 6/16/25

Average FICO Credit Scores Drop to 715

FICO reports that credit scores have dropped 1 point lower in April and 2 points from April of 2024.

FICO says the reason for the drop is that student loan deficiencies are now being reported on credit reports.

Source: FICO; CNBC, 4/15/25

Illegal Immigrants on Medicaid

1.3 Million \$6.5 Billion

Cost to U.S. taxpayers

Source: D.O.G.E

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

Don't let them tell you, 'How are we going to pay for the tax cuts?'

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

Who pays the most in federal income taxes?

Income group (percentile)	Tax rate paid
Top 1%	47%
Top 10%	72%
Top 50%	98%
Bottom 50%	-2.2%

Source: non-partisan Joint Committee on Taxation

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.