

# BENA CAPITAL, LLC

May 18, 2025

To all my Partners,

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

When April closed for the stock market, stocks staged a late rally to end one of their wildest-ever months on a high note, overcoming earlier declines.

Last Saturday, Warren Buffett had his annual Berkshire Hathaway stockholders meeting in Omaha, called the “Woodstock for Capitalists”. He noted with the recent stock market downturns that he was not worried at all and, in fact, was hoping they’d go down further so he could pick up some good bargains. (BTW, anyone who had talked to me during the last 5-8 weeks would have heard the same thing.)

Some key takeaways of Buffett’s style of investing:

- \* Culture of long-term investing
- \* Favorite holding period: ‘Forever’
- \* Buyer when stocks and the stock markets were down

I want to thank everyone who participated in our 2-week 1-year 10% CD.

## **The Bena Capital Fund ended:**

<u>FY2024</u>	<u>March</u>	<u>May 1<sup>st</sup>-16<sup>th</sup></u>
<b>+24.96%</b>	<b>+5.02%</b>	<b>+17.9%</b>

## ***The Economy:***

The U.S. economy contracted in the first three months of 2025, as businesses rushed to stock up on imports ahead of the Trump tariffs and consumer spending slowed. The Commerce Dept. said gross domestic product, the value of all goods and services produced across the U.S. economy, fell at a seasonally and inflation-adjusted -0.3%. That was the first contraction since the first three months of 2022.

Consumer spending, the economy’s main engine, rose at a +1.8% pace in the 1<sup>st</sup> Quarter.

### ***Don't sell in May???***

S&P 500 returns (May-October)

<b>Year</b>	<b>Returns</b>
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.

### **FY2025**

#### ***Bena Capital up months***

January  
April

#### ***Bena Capital down months***

February  
March

### **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?***

<b>For April:</b>		<b>1-year (12 month)</b>	
Dow Jones:	-3.2%	Dow Jones:	+ 4.91%
S&P 500:	-0.80%	S&P 500:	+ 6.17%
Nasdaq:	+0.84%	Nasdaq:	+ 5.86%
Berkshire Hathaway:	+1.39%	Berkshire Hathaway:	+31.2%
<b>Bena Capital Fund:</b>	<b>+5.2%</b>	<b>Bena Capital Fund:</b>	<b>+11.68%</b>

### ***Some highlights of last month:***

- April's non-farm payrolls were up 177K vs. 133K estimated
- April's unemployment rate stayed at 4.2% same as March's
- April's Average Hourly Wages (M/M): up +0.17% and Y/Y are up +3.8%
- U.S. economy contracts at -0.3% rate in 1<sup>st</sup> Quarter of 2025

- Trump threatens colleges if student loans are not repaid
- Home prices decline in the South but rise elsewhere
- Oil prices fall to 4-year low on supply hike
- Rite Aid seeks bankruptcy for second time in 2 years
- Dept. of Homeland Security has asked the Pentagon to provide 20K Natl Guardsman to secure the southern border.
- Moody's downgrades U.S. credit rating from AAA

### ***April's Jobs Report***

- \* Non-farm payrolls added +177K jobs
- \* Unemployment Rate for April stayed same as March at 4.2%
- \* Labor force participation rate increased: 62.6% from March's 62.5%
- \* Average hourly earnings from March up +0.17%
- \* Average hourly earnings Y/Y at +3.8% vs. +3.9% estimated
- \* March's non-farm payrolls revised to +185K from prior +228K

#### ***Where were jobs added in April?***

* Health Care	+51K
* Transportation & Warehousing	+29K
* Leisure & Hospitality	+24K
* Professional/Business Serv.	+17K
* Financial Activities	+14K
* Local/State Govt	+10K
* Manufacturing	-1K
* Retail trade	-2K
* Federal Govt.	-9K

Source: BLS

## *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

## *30-Year Mortgage Rates Coming Down*

(Average rate)

**6.9%**

**6.81%**

**7.22%**

Current

Last week

One year ago

Source: Freddie Mac

## *Consumer Rates Then/Now*

(week of 3/11/22 vs. 5/5/25)

Category	2022 (%)	2025 (%)
30-year fixed-rate mortgage	4.29	6.90
Credit card	16.34	20.12
Used vehicle APR	9.1	11.5
Effective Fed Funds rate	0.08	4.33

Source: CNBC; 5/7/25

## *Memorial Day Weekend*

**45.1M**

Americans expected to travel

Source: AAA

### ***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.; 4/6/25

### ***Govt. Benefits Received by Illegal Immigrants on Terror Watchlist:***

* Collecting Medicaid:	902
* Collecting Unemployment Insurance:	41
* Receiving Fed. Student Loans:	22
* Receiving Tax Refunds:	409

Source: White House; 4/11/25

### ***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)

<b><i>S&amp;P</i></b>	<b><i>% advance each year</i></b>
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**

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.