DASH INVESTMENTS

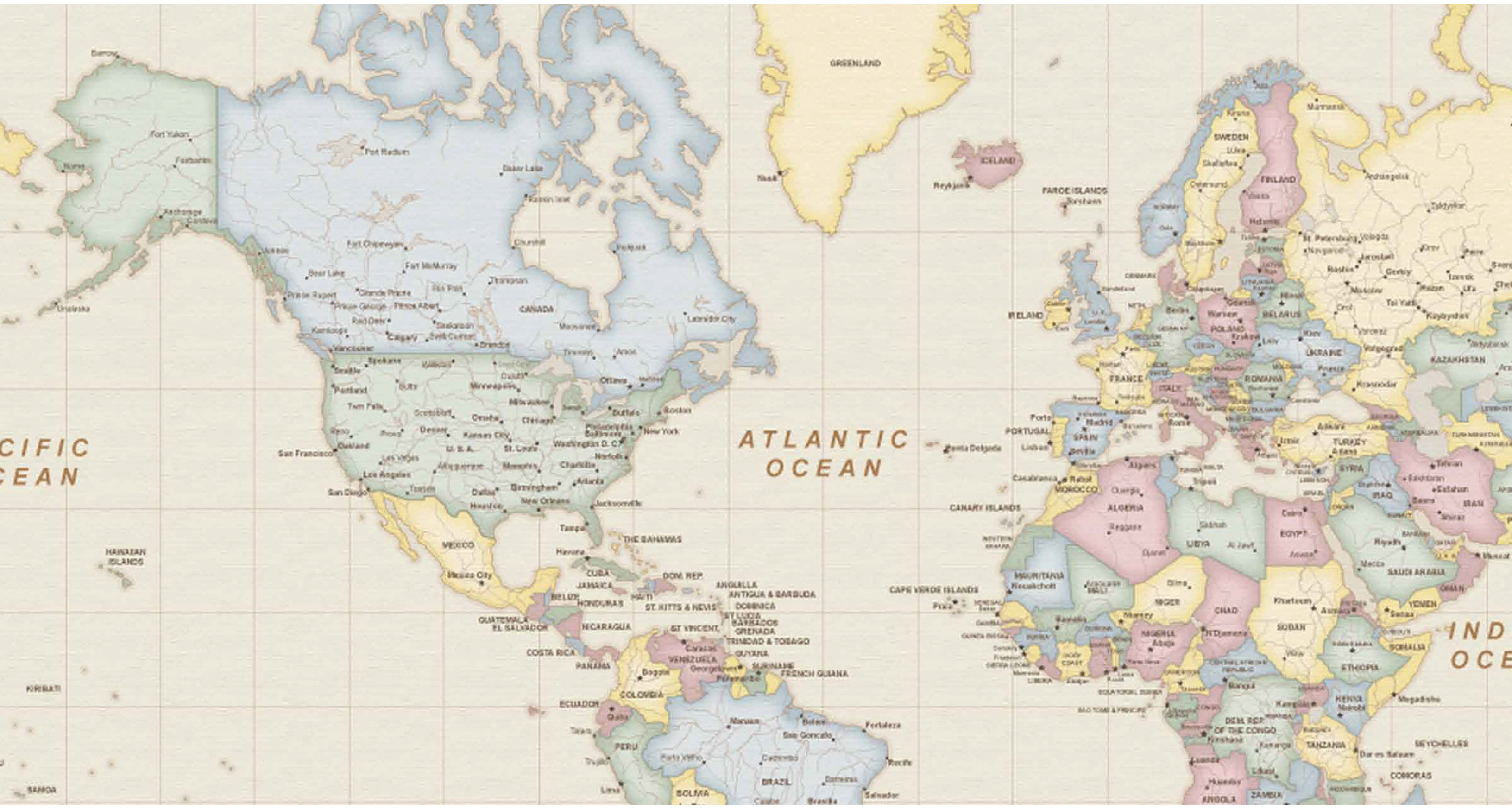
DASH

DASH

DASH

DASH INVESTMENTS

QUARTERLY UPDATE



DASHINVESTMENTS®

To Our Partners, February 2025

Overview

As we close out 2024, I'd like to take a moment to reflect on the economic and market developments of the year and share our thoughts as we move into 2025. At Dash Investments, our commitment remains steadfast: navigating your portfolio through evolving economic landscapes, identifying opportunities for growth, managing downside risk, and creating stability for your financial future.

At Dash Investments, we remain politically neutral, focusing instead on the broader economic systems that underpin market performance. It is worth noting that the stock market has historically performed well under administrations from both political parties—a testament to the resilience and innovation inherent in the U.S. capitalist system. Moreover, many of the actions expected under the Trump administration, such as executive orders and tariffs, have already been priced into the market, reflecting the efficient nature of financial markets in processing information.

Economic Outlook Under a Trump Administration

With Donald Trump's return to the White House, several policy shifts are expected to shape the economic landscape in the coming years:

- **Pro-Business Policies:** Lower corporate tax rates and deregulation are likely to foster an environment conducive to business growth and investment. Small and medium-sized enterprises may benefit significantly, driving innovation and job creation.
- **Infrastructure Investments:** Renewed focus on infrastructure development could spur growth in industries like construction, engineering, and energy, creating significant investment opportunities.
- **Market-Friendly Measures:** Historically, markets have responded positively to pro-growth policies, particularly in sectors like technology, energy, and financial services.

While these policies present growth opportunities, markets can be unpredictable. Our approach at Dash Investments remains rooted in objective analysis to ensure your portfolio's resilience in all economic climates.

Lessons from Argentina: Javier Milei's Economic Reforms

Argentina's recent experience under President Javier Milei offers valuable insights into the potential impact of structural reforms. About 12-18 months ago, Argentina implemented many policies similar to those the Trump administration aims to pursue, providing a valuable case study for potential outcomes in the United States:

- **Government Efficiency:** Streamlined bureaucracies and privatized inefficient enterprises redirected resources toward essential investments, highlighting the benefits of fiscal discipline. These reforms in Argentina mirror the efficiency measures the Trump administration seeks to implement.
- **Monetary Stabilization:** Adopting the U.S. dollar addressed hyperinflation, restored confidence, and attracted foreign investments, emphasizing the importance of monetary stability. While the United States does not face hyperinflation, stable monetary policy remains a cornerstone of economic growth.
- **Pro-Business Policies:** Tax reforms and deregulation energized Argentina's entrepreneurial ecosystem, benefiting both domestic businesses and foreign investors. Similar pro-business initiatives in the United

States could yield comparable growth opportunities.

Since implementing these reforms, Argentina's stock market has risen over 50%, showcasing the market's favorable response to structural changes and the potential for sustained growth. Argentina's reforms have led to job creation, higher disposable incomes, and sustainable development—a testament to the transformative power of sound economic policies. Observing Argentina's progress provides context for what similar policies might achieve in the United States.

Navigating Tariffs: Understanding Their Impact
One of the anticipated policies under the Trump administration is the implementation of tariffs. Historically, tariffs have been used primarily as a negotiating tactic with specific countries rather than as sustained economic measures. Here are key considerations:

- **Limited Economic Impact:** When tariffs are imposed on specific countries, the United States typically finds alternative sources for goods, often at competitive prices. For instance, tariffs on steel imports from one country may lead to increased imports from others, minimizing disruption.
- **Currency Fluctuations:** Exchange rate adjustments often offset tariff impacts, resulting in minimal changes to consumer prices in the United States.
- **Negotiation Leverage:** Tariffs are frequently employed to incentivize trade agreements. Their strategic use can lead to favorable outcomes without significantly altering market dynamics.

While tariffs may create short-term volatility, their broader economic impact is generally muted. Our focus remains on navigating these developments with a data-driven approach to protect and grow your portfolio.

Navigating 2024: A Year of Resilience
Despite geopolitical tensions, inflation concerns, and electoral uncertainty, 2024 showcased the resilience of financial markets. Global equity markets delivered strong gains, underpinned by businesses adapting to challenges, entrepreneurs innovating, and scientists making groundbreaking discoveries.

Key highlights include:

- The MSCI World Index delivered a cumulative total return of +45% from 2023-2024, marking one of the best two-year stretches since its inception.
- Inflationary pressures eased, with the PCE price index rising by just 1.5% in Q3, down from 2.5% in Q2.
- GDP growth moderated to 2.8% annualized in Q3, supported by consumer spending, increased exports, and government expenditures.

These trends remind us of the futility of making macroeconomic predictions and reinforce the importance of staying invested and focused on long-term fundamentals.

Positioning Your Portfolio for Success
As we look ahead to 2025, we are cautiously optimistic. Factors like the Federal Reserve's easing cycle, disinflation, and solid earnings growth suggest a positive trajectory. However, we expect returns over the next couple of years to be lower than the previous two years. These anticipated returns have already

been factored into your financial plans, ensuring they remain aligned with your long-term goals. At Dash Investments, we prioritize:

- **Data-Driven Strategies:** Investment decisions rooted in sound financial analysis, focusing on market fundamentals rather than political noise.
- **Risk Mitigation:** Diversified portfolios and disciplined risk management to limit downside exposure while maximizing growth potential.
- **Long-Term Focus:** Navigating short-term volatility with strategies designed to capitalize on enduring trends.

Whether it's leveraging pro-business policies in the United States or identifying opportunities in global markets, we remain dedicated to protecting and growing your wealth in a disciplined, consistent manner. Our emphasis on quality, durable earnings growth, and strong balance sheets continues to position your portfolio for success, regardless of economic conditions.

In Closing

As always, we thank you for your trust and partnership. Should you have any questions or wish to discuss how these developments align with your financial goals, please don't hesitate to reach out. We remain committed to helping you achieve financial success.

"Only for short-term investors and market timers is a correction not an opportunity"

— Warren Buffett

Respectfully,

J. Dash

Jonathan Dash
CEO & Chief Investment Officer

Forward-Looking Statement Disclosure

The discussion of our investments represents the views of the Company's portfolio manager at the time of this report and is subject to change without notice. References to individual securities are for informational purposes only and should not be construed as recommendations to purchase or sell individual securities. As portfolio managers, one of our responsibilities is to communicate with clients in an open and direct manner. Insofar as some of our opinions and comments in our letters to our partners are based on current management expectations, they are considered "forward-looking statements," which may or may not be accurate over the long term. While we believe we have a reasonable basis for our comments and we have confidence in our opinions, actual results may differ materially from those we anticipate. You can identify forward-looking statements by words such as "believe," "expect," "may," "anticipate," and other similar expressions when discussing prospects for particular portfolio holdings and/or the markets, generally. We cannot, however, assure future results and disclaim any obligation to update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise. Further, information provided in this report should not be construed as a recommendation to purchase or sell any particular security.

DASHINVESTMENTS®

Woodland Hills, California
800.549.3227
www.dashinvestments.com