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Dear Partners,

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Greetings from your team at DA Davidson, where we are eagerly awaiting the "lamb" in the markets this spring after the "lion" recently showed up. I did something last week that I generally try not to do - I looked at the list of our clients' returns at the end of the first quarter. I try not to spend much time looking at short term results as it often leads me to do dumb things. But in reading and listening to the media, I was feeling some anxiety and was expecting rather ugly numbers. We are pleased to report, however, that most of our clients were up a little bit in the first quarter. Unfortunately, this doesn't include early April, after severe Tariffs were announced. I'm sure reasonable people can disagree about whether we might be getting the short end of the stick with certain countries and our trade policy. However, it's not hard to make a rational case that global free trade has lifted all boats. Everything is not a "zero sum game." Fortunately, it's not always, I lose when you win. We suspect global trade fits in the win-win category. We've all seen a number of reports and articles explaining what might be good portfolio strategy in a scenario of high tariffs, but it's likely premature to make investment alterations based on what could be a dramatically changing policy landscape. In the world of political spin, we can see the story-line next month: "US declares victory in the trade war. The world has felt our wrath and has now decided to play fair."

Your quarterly updates will be in the mail shortly and are currently available online. After reviewing these, please give us a call if you have any questions or concerns. It's also very helpful for us to know if you have any anticipated large cash needs from your account. We generally try and keep a sufficient "rainy day fund" available so that we are not forced to be a seller of stocks when inopportune. And equally important, that rainy day fund also gives us some "dry powder" to take advantage of market opportunities. We structure portfolios by holding funds expected to be withdrawn in the next few years in much more conservative assets fully expecting that challenging markets will occur quite often. Doing this allows the stocks a chance to recover over time, and US stocks have a great record of doing so over long periods of history. Along these lines you have probably noticed we have also been fairly active over the last year in buying shorter-term bonds and CDs to prepare for more challenging times.

We put together a little chart below to give you a sense of how some of our more common holdings have been performing as of 3/31/2025 and more importantly over the long-term.

Ticker	Company	YTD Return % (as of 3/31/25)	12-Month Return %	5-Year Annualized Return %
AMZN	Amazon.com Inc	-13.3%	-5.4%	11.4%
AAPL	Apple Inc	-11.2%	5.6%	22.3%
BRK.B	Berkshire Hathaway Inc	17.5%	20.2%	21.2%
AVGO	Broadcom Inc	-27.6%	21.9%	47.6%
KO	Coca-Cola Co	15.9%	19.9%	11.0%
CL	Colgate-Palmolive Co	3.7%	3.6%	7.3%
CMI	Cummins Inc	-9.7%	-8.3%	15.4%

DUK	Duke Energy Corp	14.3%	25.8%	10.8%
FI	Fiserv Inc	7.5%	25.8%	15.1%
JNJ	Johnson & Johnson	15.6%	2.6%	3.9%
MSFT	Microsoft Corp	-10.8%	-14.4%	17.9%
PG	Procter & Gamble Co	2.3%	5.1%	9.5%
QCOM	Qualcomm Inc	0.5%	-24.1%	14.4%
RTX	RTX Corp	15.1%	20.9%	16.9%
SPGI	S&P Global Inc	2.2%	4.0%	12.3%
UNP	Union Pacific Corp	4.2%	-10.5%	9.4%
V	Visa Inc	11.1%	14.5%	13.3%
GWV	W.W. Grainger Inc	-6.1%	-7.4%	29.7%
WMT	Walmart Inc	-2.8%	41.8%	17.3%

\*Chart data from GuruFocus.com and Financecharts.com

As always, there are some surprises on the list. We certainly wouldn't have expected Walmart's return over the last year to be almost 50% better than Amazon's. You can also see the markets have been shifting toward companies that are perceived to be more predictable and stable. The good news on this front is that boring companies happen to be our sweet spot. And speaking of relatively boring, you might have noticed some recent commercials by a company called Grainger, which is basically a very well-run supplier of exciting industrial products like floor cleaning solutions. The commercial highlights a worker from Grainger, who actually is housed in a customer's factory, fixing a potentially problematic plumbing issue. This rather overlooked stock has gone from about \$270 per share to \$1,000 over the last five years. It's returns, are you ready for this, exceed Apple and Microsoft over this period. Ryan has also had similar success with another sleeper in Cummins Inc from the exciting heavy trucking and equipment industry. I truly believe our clients are best served when we are spending more time looking for these hidden business gems and less time focused on CNBC or FOX news. I'm hoping Susan and Ryan will have a few more like Grainger up their sleeves in the future.

Finally, I wanted to share something unusual I read the other day from an old Franciscan friar. He said that he "prayed for at least one good humiliation a day." I guess I'm terribly fortunate to have chosen a career that sometimes offers multiple opportunities for humiliation most days. I've been thinking about this lately because when investing, you need conviction and a high degree of confidence to take appropriate action (or inaction), usually during stressful periods. Fortunately, I notice this kind of confidence in the younger smart folks on our team. I hope it's good to have a blend of caution (my contribution) and confidence when making important financial decisions on your behalf. And we certainly don't take this responsibility lightly.

These can be terribly unsettling times when we experience rather dramatic swings in our life's savings. We are hardly immune from emotion, but like good scouts we have tried to be prepared and disciplined in building portfolios that can survive these kinds of inevitable challenges. We know we won't be able to dodge the occasional pain, but we are holding good quality merchandise run by industrious, smart, hard-working folks who will likely figure out how to survive and maybe even prosper in the future.

Yours humbly (but not too humbly.)

Your Blueprint team: Russ, Susan, Ryan, Jackson and Michael

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