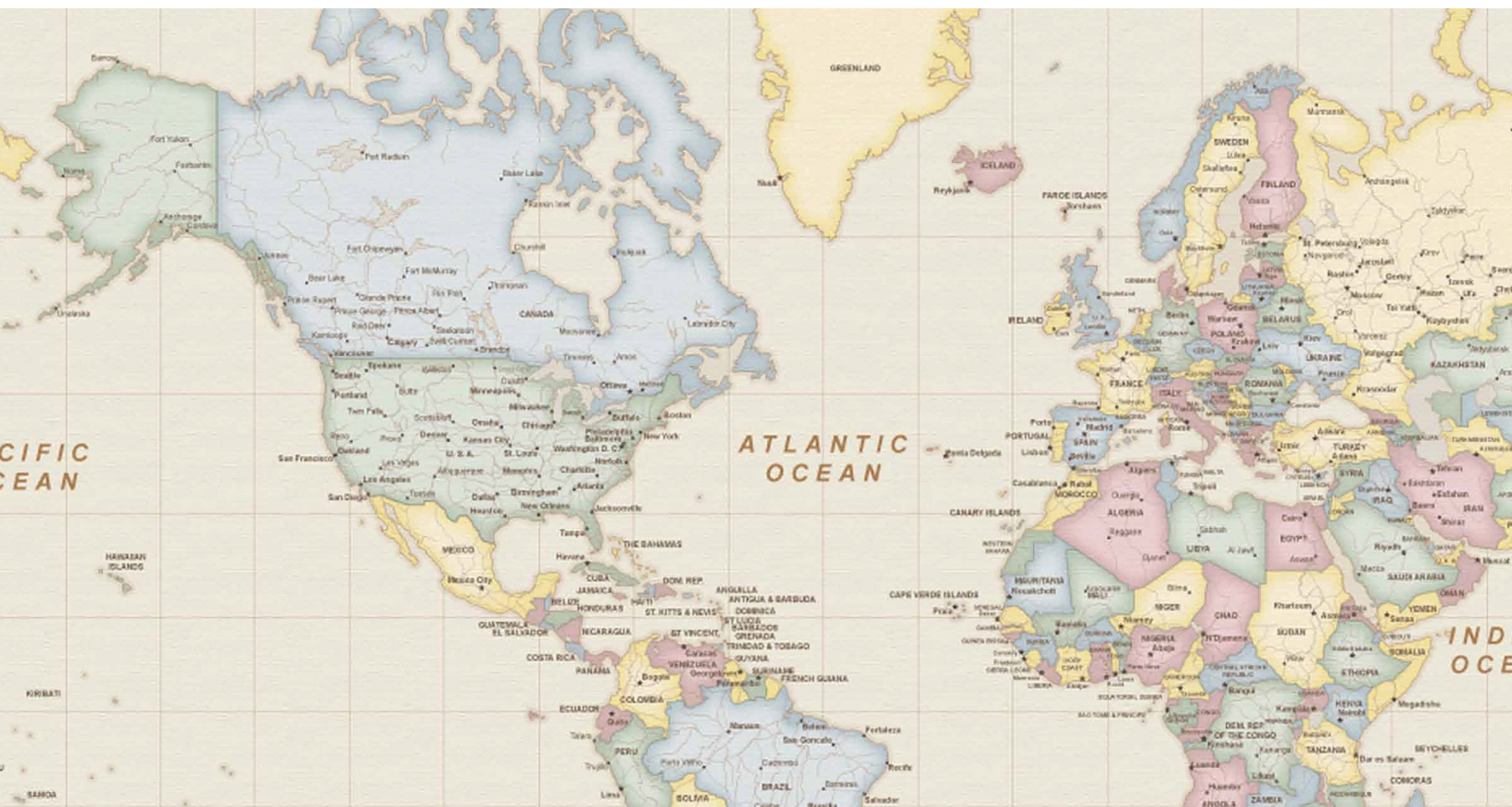


# DASH INVESTMENTS

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QUARTERLY UPDATE



To Our Partners,

May 2025

As we reflect on the first quarter of 2025, we are reminded that markets are dynamic, often shifting dramatically in response to new realities. Our commitment to you remains steadfast: to navigate these changes with discipline, focusing on long-term growth through high-quality, resilient businesses. This letter reviews Q1 market developments, updates you on your portfolio, and outlines our perspective moving forward.

### **Q1 2025 Market Recap**

Entering 2025, global markets were riding the momentum of a historic two-year rally in the stock market, largely fueled by the AI infrastructure boom. Late 2024 saw U.S. stocks outperform international peers, driven by optimism for a business-friendly administration postelection. This enthusiasm pushed valuations and risk tolerance to elevated levels by year-end.

However, February's announcement of new U.S. tariffs disrupted this narrative, triggering volatility not seen since the 2020 COVID-19 onset. International stocks (MSCI ACWI ex U.S.) outperformed U.S. counterparts (S&P 500) by nearly 10%, bolstered by a sharp dollar decline. Early Q2 brought further turbulence with President Trump's April 2 "reciprocal tariffs" announcement, signaling ongoing trade policy uncertainty.

While tariffs may raise short-term risks—potentially increasing inflation and curbing consumer spending—their long-term impact remains uncertain. Our focus is on sustainable, long-term returns.

### **Portfolio Positioning and Performance**

Your portfolio is designed to weather volatility, not predict it. In late 2024 and early 2025, we proactively shifted toward safety-oriented holdings, anticipating risks from high valuations and potential inflationary policies. Our focus remains on competitively advantaged businesses—branded software and services companies with pricing power and strong balance sheets. These holdings are less exposed to tariff-related disruptions and are well-equipped to adapt through supplier negotiations or pricing adjustments.

Despite Q1's market sell-off, your portfolio outperformed the stock market, reflecting the resilience of our quality-oriented approach. As of the time of this writing, our average portfolio is down about 5% for 2025. Since our inception 21 years ago, we've delivered an annualized return of 10%, driven by 10%+ earnings growth from the companies we owned. This consistency underscores our ability to protect capital during turbulence while positioning for long-term growth.

### **Our Long-Term Perspective**

Market narratives shift rapidly—from AI companies in 2023 to tariff concerns today. We remain unmoved by these tides, focusing instead on the steady compounding of earnings through exceptional businesses. Our portfolio consistently holds businesses with more robust balance sheets, higher profitability, and faster-than-average growth—which should be able to grow, rain or shine.

As Warren Buffett said, "Predicting rain doesn't count; building an ark does."

Our portfolio is our ark.

Our goal is to deliver sustainable 10%+ earnings growth with the companies we own in our portfolio, translating into commensurate returns over time. By avoiding hype cycles and adhering to our disciplined process, we position your portfolio to capitalize on opportunities, such as attractive valuations during market downturns.

### Navigating Market Turbulence

Markets are rarely calm for long. When volatility strikes, portfolios decline, and panic creeps in, it's natural to feel unsettled. Our instincts, honed by ancestors who reacted swiftly to danger—a rustle in the bushes—urge us to act when markets flash red. Selling feels like control, but history shows that the hardest yet most effective choice is often to do nothing.

The greatest threat to your wealth isn't inflation, tariffs, or recessions—it's the emotional impulse to abandon a well-crafted plan. Investing demands resilience through discomfort. Your financial strategy is built for the long term, designed to weather storms and capitalize on recoveries.

### What Does Staying the Course Look Like?

- **Resist impulsive actions.** Selling during a downturn may feel rational but often locks in losses.
- **Limit portfolio checks.** Daily or weekly price swings are noise, irrelevant to your long-term goals.
- **Ignore the headlines.** Financial media amplifies fear, distracting from your plan.
- **Trust the process.** Short-term setbacks are part of a disciplined strategy built for lasting success.

By focusing on our proven approach—investing in high-quality, resilient businesses—we position your portfolio to thrive through uncertainty. Your plan is your anchor, and we're here to help you hold steady.

While trade policy uncertainty persists, we are confident in our portfolio's resilience and long-term growth potential. We stand ready to seize compelling opportunities if further sell-offs arise, ensuring your investments remain aligned with your goals. As always, we are here to discuss your portfolio, answer questions, or address concerns.

### In Closing

Thank you for your continued trust. We look forward to navigating the path ahead together.

Respectfully,



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.

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