CASUAL FRIDAY

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Tariff Impact? + "Barndominiums"

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TARIFF IMPACT?

Tariff implementation and negotiations spiked market volatility this week.

Economists have two hands for a reason! On one hand, if the administration negotiates better trade deals, this could be a tailwind for the US economy. On the other hand, while in place, the tariff crosscurrents will impact certain industries/companies more than others. The market is whipping back and forth.

Using Bloomberg Analytics, Berkshire appears to have less aggregate tariff exposure than the market on average. We believe the portfolio has held up well through the volatility so far. Downside protection is a key tenant in Berkshire's process.

We are, however, measuring company exposure and will make changes as needed. We ask... is this a short-term earnings impact OR a long-term earnings impact and a change in the market's willingness to pay for long-term earnings / PE. We believe focusing on the latter is a more elevated approach. Still, the analytics we access are faster and more precise than ever, aiding in our long-term portfolio management decisions. (i.e., Bloomberg tariff tools)

Overall, we hope for a quick diplomatic resolution and solid improvement in trade. There certainly could be bumps along the way, but we'll stay consistent and thoughtful as we navigate.

Our steadfast approach focuses on committing to long-term holdings with a dividend and dividend growth component. In our opinion, this is an optimal way to build and maintain wealth. CNBC on dividend investing: 85% of the stock market's return since 1960 came down to this factor

TARIFF IMPACT ON US COMPANIES AND INDUSTRIES 3/5/2025 (SOURCE: BLOOMBERG)

Industry	Companies Impacted	Impact
Alcoholic Beverages	Diageo PLC	Negative
Apparel	Carter's Inc, Under Armour Inc, adidas AG, Lululemon Athletica Inc, Urban Outfitters Inc, Steven Madden Ltd, Aritzia Inc, NIKE Inc, Birkenstock Holding Plc	Negative
Autos	Polestar Automotive Holding UK PLC, Volvo AB	Negative
Autos	Bayerische Motoren Werke AG, Ford Motor Co, General Motors Co, Tesla Inc, Volkswagen AG, Stellantis NV, Mercedes-Benz Group AG	Negative
Banks	Comerica Inc, Truist Financial Corp, Royal Bank of Canada, PNC Financial Services Group Inc/The, Bank of Nova Scotia/The, Bank of Montreal, Toronto-Dominion Bank/The	Negative
Commercial Vehicles	PACCAR Inc, Daimler Truck Holding AG, Volvo AB	Negative
Commercial and Residential Building Equipment	Assa Abloy AB	Negative

Communications Equipment	Apple Inc, Arista Networks Inc, Cisco Systems Inc	Negative
Computer Hardware and Storage	Hewlett Packard Enterprise Co, Dell Technologies Inc	Negative
Consumer Discretionary	adidas AG, NIKE Inc	Negative
Diversified Industrials	Honeywell International Inc	Negative
E-commerce	Alibaba Group Holding Ltd	Negative
E-commerce	Amazon.com Inc	Negative
Electrical Equipment	GE Vernova Inc, Schneider Electric SE, Vertiv Holdings Co, Eaton Corp PLC, Siemens Energy AG	Negative
Insurance	Progressive Corp/The, Allstate Corp/The, GEICO Corp	Negative
Iron	Rio Tinto PLC	Mixed
Machinery	AGCO Corp, CNH Industrial NV, Deere & Co	Negative
Medical Equipment	Dexcom Inc, GE HealthCare Technologies Inc, Intuitive Surgical Inc	Mixed
Metals	Nucor Corp, Alcoa Corp	Mixed
Oil and Gas	Phillips 66, TC Energy Corp, South Bow Corp, LNG Energy Group Corp, Pembina Pipeline Corp, Suncor Energy Inc, Imperial Oil Ltd, Enbridge Inc, Cenovus Energy Inc, Canadian Natural Resources Ltd, BP PLC, Exxon Mobil Corp	Negative
Packaged Food	Tyson Foods Inc, General Mills Inc, Kellanova, Hormel Foods Corp, Kraft Heinz Co/The, Mondelez International Inc	Negative
Personal Care Products	elf Beauty Inc	Negative
Retail	Home Depot Inc/The, Lowe's Cos Inc, Best Buy Co Inc	Negative
Retail	Albertsons Cos Inc, Costco Wholesale Corp, Kroger Co/The	Negative
Retail	Loblaw Cos Ltd, METRO AG, Empire Co Ltd	Negative

Steel	Steel Dynamics Inc, Nucor Corp, ArcelorMittal SA	Mixed
Toys and Games	Mattel Inc, Hasbro Inc	Negative
Transportation and Logistics	RXO Inc, FedEx Corp, Deutsche Post AG, Landstar System Inc, CSX Corp, Expeditors International of Washington Inc, United Parcel Service Inc, Union Pacific Corp, XPO Inc, JB Hunt Transport Services Inc, AP Moller - Maersk A/S, DSV A/S, Kuehne + Nagel International AG, CH Robinson Worldwide Inc	Negative

DIGITAL ESTATE PLAN!

"Historically, estate planning centered on tangible documentation – wills, account access, and critical information stored in safes or files, with clear instructions for heirs. However, as assets and personal information have become increasingly digitized and moved online, ensuring smooth access to digital accounts has become increasingly complicated. Digital assets range from email accounts and social media to online banking and cryptocurrency – essential elements of daily life that are often trapped behind passwords and authentication barriers. As a result, integrating digital assets into estate plans has become a crucial part of an advisor's process."

Estate Planning In The Digital Age: Why Digital Assets Are A Critical Part And How To Help Clients Address Them

‘GARAGE MAHALS’ ARE DRIVING NEIGHBORS NUTS

"Call them car barns, barndominiums, toy sheds, garage mahals or shouses (for shop houses), they are a big hit in the Land of 10,000 Lakes."
https://www.wsj.com/lifestyle/garage-mahal-man-cave-car-barn-storage-shed-45681baa?mod=lifestyle_trendingnow_article_pos1

Have a great weekend!
Gerry

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