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CREAMER WEALTH MANAGEMENT

Advisor with D.A. Davidson & Co. member SIPC

Your Trusted Partner for Life's Key Moments

SPRING 2025 | 111 E. Roanoke St. | Blacksburg, VA 24060 | (540) 554-7050 | dadavidson.com

MIKE'S MINUTE



The Return of Mr. Market

In the 1987 Berkshire Hathaway Shareholder Letter, Benjamin Graham coined the character Mr. Market in a famous illustration of what it is like to invest in public companies. Any time you buy a stock, bond, mutual fund, or any other publicly traded security, you unknowingly enter into a business relationship with a most accommodating fellow named Mr. Market.

Why is he accommodating? Because he owns a piece of every business and, every single day, he knocks on your door to name a price at which you can sell your share of the business back to him—or buy out his. Almost everyone you know—your friends, family, co-workers, and neighbors—are also in business with Mr. Market, and he visits them daily as well. This consistency gives him credibility. Surely, he must be a good business partner if everyone you know does business with him regularly.

You must also admit that when you're around him, his

personality is infectious. When he's in a good mood, you find yourself in a good mood, and when he's in a funk, you feel the same. After a while, you begin to notice a pattern: the price he offers you is directly related to his mood that day. Mr. Market isn't valuing the business—he's pricing his sentiment about it at that moment.

Make no mistake, Mr. Market is more attuned to today than anyone else. He reads the newspaper, scrolls through social media, listens to the talking heads on TV, and even studies the minutes of Federal Reserve meetings. His knowledge of the present moment is so compelling that it lends credibility to his mood and, therefore, to his offer price. However, this obsession with the present is also his greatest flaw. His emotions are so intense that he believes the way he feels today is the way he has always felt and will always feel in the future. His impulsive nature makes him a terrible guide in business.

As one might imagine, the underlying economics of a business do not change much from day to day or even week to week. Mr. Market's daily price quotes sharply diverge from a company's actual value. If you follow his lead, you will quickly lose sight of the fundamental reasons why you own a business, shifting your focus instead to his fluctuating offers.

Successful investors recognize Mr. Market's erratic behavior for what it is: emotional instability. They use it to their advantage, buying shares from him when he is inconsolable and selling to him when he is euphoric. This is no easy feat, as emotions are highly contagious and in excess supply in today's marketplace.

One of Ben Graham's famous quotes sums it up well: "In the short run, the market is a voting machine, but in the long run, it is a weighing machine." Don't let short-term noise distract you from the true purpose of investing—to own an interest in the public companies that provide the goods and services we use every day.



Welcome Paul Torgersen, Financial Advisor!

We have enjoyed the addition of Paul Torgersen to our wealth management team here in Blacksburg, VA. Paul became a Financial Advisor in February 2025, after spending the better half of the fall and winter completing his Series licensing and undergoing thorough training at our headquarters in Great Falls, MT.

Paul brings a wealth of experience from his career in the Virginia Tech athletic department, where he played a pivotal role as the Director of Major Gifts for the Hokie Club. His experience building strong relationships and his dedication to client success make him a valuable asset to our team.

In addition to being a FA, Paul will focus on business development and relationship management. This strategic hire is a testament to the growth and success of our practice, as we continue to expand and enhance our services to meet the needs of our clients.

When not working, you can find Paul golfing and traveling with his fiancé, Katie, or spending time with his parents on Claytor Lake. If you have not already, we hope you have the chance to meet Paul in the coming days.

Please NO TEXTING!

As financial advisors, we must adhere to strict regulations regarding electronic communication, most notably text messages, to ensure compliance with recordkeeping requirements set by the SEC and FINRA. Violating these rules can lead to fines and other penalties.

To help us comply, please do not text our team about anything work related. If you have questions or need to contact a team member, please call or email.



SAVE THE DATE

Inaugural Shred Party

Have years and years of personal documents accumulated in your house? This is your opportunity to safely and securely dispose of unneeded financial/confidential documents.

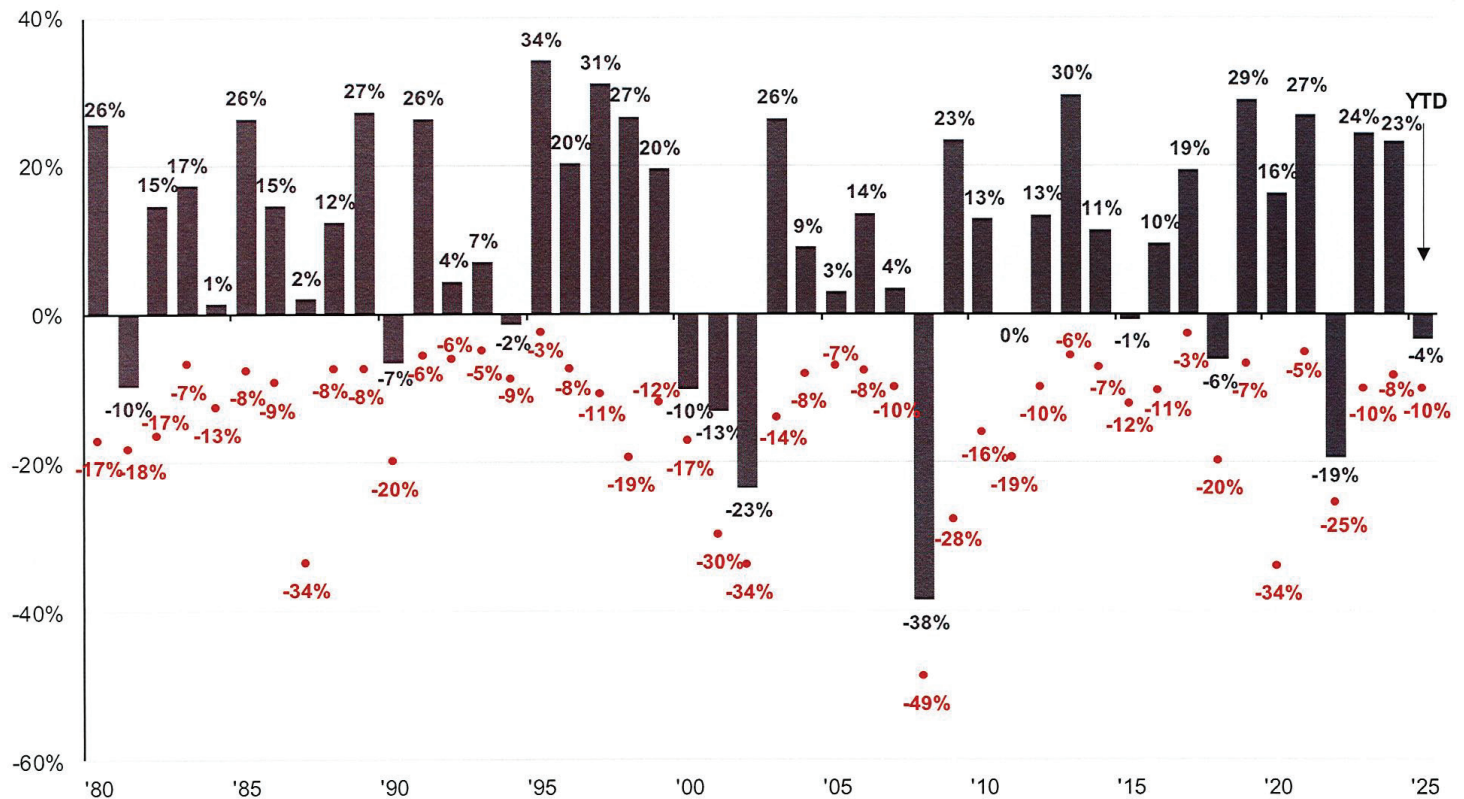
**Join us at our D.A. Davidson office in Blacksburg, VA.
August 2025 - Date and time to be announced this summer!**

WE ACCEPT THE FOLLOWING:

- Financial Documents
- Photos
- Old mail
- Magazines/Newspapers

S&P intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.1%, annual returns were positive in 34 of 45 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2024, over which time period the average annual return was 10.6%.
Guide to the Markets – U.S. Data are as of March 17, 2025.

J.P.Morgan
ASSET MANAGEMENT

Measles Chart: Annual returns and intra-year declines

Often refer to this as the Measles Chart. It is a simple yet powerful image. The bars represent the annual return for the S&P 500 each year from 1980-2024. The red dots below each bar represent the degree of the intra-year decline in the market that calendar year. In 1980, despite a market decline of 17% during the year, the S&P 500 returned 26% to those who remained invested. The message: pullbacks in the market are normal and those who remain invested have been rewarded. Here are some simple reminders to help you stay the course.

Do not react impulsively

Avoid turning a temporary market decline into a permanent loss from an impulsive sell.

Keep things in perspective

The stock market has averaged an intra-year decline of 14.1%. Corrections aren't only normal, they are a healthy way to reset investor expectations and remove excess leverage from the market.

Diversify your portfolio

By doing so, you can spread your assets across investments that tend to perform well at different times,

reducing overall portfolio risk. We can help you build a diversified portfolio of stocks, bonds, cash and other investments.

Invest regularly

By investing a fixed amount of money at regular intervals, you have created a disciplined method of investing. This allows you to spread your purchases over many parts of the market cycle and helps you mitigate risk.

Build in a buffer

For retirees withdrawing regular income, I advise keeping 6-12 months' worth of distributions available in cash or money market to fund income through a market decline.

Focus on long-term goals

We cannot control short-term volatility in the markets. Cash is only safe in the present. Inflation will erode the value of cash quicker than you think.

Consolidate assets

Now is a great time to review your entire portfolio, consider re-balancing it so that you have the appropriate blend of investments, and think about your total financial picture.

Our Wealth Management Approach

In addition to investment selection and portfolio management, your relationship with Creamer Wealth Management and D.A. Davidson includes access to a wide range of financial planning tools and resources.

Family Needs Planning

- Prepare for Life's Key Moments
- Adding a Family Member
- Loss of a Loved One
- Marriage, Divorce, Family Care

Investment Planning

- Proper Asset Allocation & Risk Management
- Construct Tax Efficient Portfolios
- Monitor and Rebalance as Warranted

Estate Planning & Wealth Transfer

- Family Gifting Strategies
- Charitable Solutions
- Establish or Update Will
- Proper Titling of Assets
- Tax Reduction Techniques
- Tax Advantaged Distribution Plans

Tax Management

- Tax Planning Strategies
- Harvest Tax Losses
- Ongoing CPA Collaboration

Education

- Basic Financial Concepts
- Build Education Plan for Heirs

Business Owner Services

- Business Valuation
- Business Succession & Exit Planning
- Assess Business Disruption Risks
- Advise on Employee Benefit Plans
- Investment Banking Guidance



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