

LETTER TO CLIENTS

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William Madison Advisors

6452 Central Park Blvd
Abilene, Texas 79606
325.673.6171

williammadison.com

If you glanced at the stock market on January 2 and again on June 30, you might assume that very little happened in between. In reality, the first half of 2025 was anything but quiet. Beneath the surface, there was a storm of volatility, political drama, and economic noise—and yet, long-term investors once again came out steady on the other side.

The S&P 500 hit a new all-time high in mid-February, only to drop nearly 19% by early April following President Trump's surprise announcement of expanded tariffs. The market reaction was swift and emotional. But then, just as quickly, that panic gave way to relief when those tariffs were largely postponed. In the weeks since, markets bounced back sharply, regaining much of what was lost.

These kinds of sharp moves can feel unsettling, especially when they are triggered by unpredictable events. But they also serve as a powerful reminder that long-term success does not come from predicting the next move—it comes from sticking to your plan.

There is no crystal ball when it comes to investing. We had no forecast on January 1, and we don't have one now. What we have is a deep conviction that high-quality companies will continue to adapt, innovate, and create value over time. The businesses we invest in are led by talented management teams, supported by strong fundamentals, and built to weather uncertainty. They grow earnings, raise dividends, and power the portfolios that support your long-term goals.

Beyond the headlines, the economic picture remains mixed—but not dire. Inflation continues its march lower, the labor market is cooling but still historically strong, and consumer spending has held up better than expected. The Federal Reserve has kept interest rates steady this year but remains open to cuts later this year. Meanwhile, earnings reports from major U.S. companies came in solid, providing a much-needed anchor amid the noise.

This quarter was a timely case study in how emotional responses can derail sound financial planning. Investors who panicked in April and sold into fear missed a sharp recovery in May and June. We view this as a real-life “tutorial” in the importance of discipline. As always, the most effective strategy is to continue working your plan—even when the news cycle tempts you to do otherwise.

We remain grateful for your trust and the opportunity to walk alongside you through all seasons—both calm and turbulent. If you have questions about your plan, the markets, or anything else, please do not hesitate to contact us.

As a reminder, we recently created a single email address that connects you directly with the members of our service team: service@williammadison.com. Please use this email for any account-related requests—withdrawals, deposits, address changes, etc. It ensures your message is received promptly by our Client Service Specialists, Stephanie Kabala and Drew Papineau.

It is a privilege and honor to serve you.

Cary D. Beard
cary@williammadison.com

Gregory J. Oglesby
greg@williammadison.com