

# WEALTH MANAGEMENT NEWSLETTER

FALL 2025



## TIMELESS WISDOM FROM WARREN BUFFETT

In May, legendary investor Warren Buffett announced he will retire as CEO of Berkshire Hathaway at the age of 95. Sixty years ago, Buffett took over Berkshire Hathaway, a struggling New England textile company, and built it into a powerhouse that operates everything from insurance companies to household brands like Duracell batteries. Along the way, he became known as the “Oracle of Omaha” due to his reputation for carefully identifying undervalued companies and sticking with them for the long haul. It’s a strategy that has served him well. Today, he is the sixth richest person in the world with a net worth of about \$154 billion.

Throughout his career, Buffett has shared some of the secrets to his success, often through his famed—and frequently funny—shareholder letters. Below are some of our favorite insights that continue to guide investors of all kinds.

### NAVIGATING FEAR AND GREED

“Occasional outbreaks of those two super-contagious diseases, fear and greed, will forever occur in the investment community... We never try to anticipate the arrival or departure of either disease. Our goal is more modest: we simply attempt to be fearful when others are greedy and to be greedy only when others are fearful.”

Investing is carried out by people, and people are emotional. As a result, human behavior plays a huge role in the movements of markets. The powerful impulses toward fear and greed can lead investors to hop in and out of the market en masse, often to their detriment. Buffett warns us to be wary when investors are “greedy,” as they can push prices up—sometimes unsustainably—leading to a crash. Similarly, when investors are fearful, they may miss out on powerful opportunities to invest in bargains during a market downturn.

The key to good investing is controlling emotional urges. Buffett has said: “The most important quality for an investor is temperament, not intellect. You need a temperament that neither derives great pleasure from being with the crowd or against the crowd.”

### BURSTING BUBBLES

“Bubbles blown large enough inevitably pop. And then the old proverb is confirmed once again: ‘What the wise man does in the beginning, the fool does in the end.’”

During market bubbles—like the Dot Com bubble of the late 1990s or the housing boom that preceded the 2008 crash—prices rise rapidly beyond their true value driven by speculation and hype. Even investors who were initially skeptical might succumb to the urge to jump on the bandwagon, entering the market when prices are overly inflated and due for a crash.

Buffett has also said, “It’s only when the tide goes out that you learn who’s been swimming naked.” Indeed, when a booming market reverses course, you don’t want to be the one who has taken on too much risk and is left scrambling for your clothes.

### PLAYING THE LONG GAME

You’ve probably heard us say investing is a long-term venture. This happens to be one of Buffett’s fundamental tenets as well. To wit: “Our favorite holding period is forever.” He has also said, “Only buy something that you’d be perfectly happy to hold if the market shut down for 10 years.”

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The evidence is clear: Over the long term, the stock market has historically moved higher. Committing to long-term holding periods is the best way to ride out the inevitable short-term market fluctuations that come with the historical upward trend.

### STARTING EARLY

“Someone’s sitting in the shade today because someone planted a tree a long time ago.”

Unsurprisingly, there is a lot of overlap in aphorisms about planting trees and investing. Both require planning and an early start to ensure you reap their benefits. Likewise, a well-built investment plan requires attention and nurturing,

which we can make easier through disciplined approaches like dollar-cost averaging—the practice of regularly investing a set amount of money no matter market conditions—and periodic rebalancing. But mostly, wealth and trees just need time to grow.

In that sense, Buffett’s “secrets” of success have never really been secrets. They are just simple truths that all investors can follow: stay calm when others panic, resist the hype, invest regularly and think long term. But even with these insights, it’s not always easy to stay the course—especially when markets get turbulent. Please reach out when you have questions about the markets and how they affect your long-term plan.

## THE POWER OF PURPOSE IN RETIREMENT

If you’re lucky, summer has been a chance to unwind, catch up on beach reads and spend quality time with family and friends before the familiar rhythm of fall resumes. But what happens when there’s no routine to return to? For many, that’s the dream of retirement: endless relaxation, free from the constraints of work. But the reality can be more complicated.

Retirement is a major life shift, one that impacts more than just your schedule. It can reshape your sense of identity, daily habits and even your health. In fact, research has shown that retirement can raise the risk of heart disease and other medical issues by up to 40%. The reason? Experts point to a loss of purpose and reduced social connection, both of which can take a toll on mental and physical well-being. Without a plan for how to spend your time meaningfully, the transition can bring unexpected emotional challenges.

### THE RISKS OF UNSTRUCTURED RETIREMENT

Many retirees begin this new chapter with a “honeymoon phase”—a period marked by the novelty of free time, relaxation or long-awaited travel plans. But this initial high can eventually fade. When the excitement of sleeping in and checking items off the bucket list wears off, retirees can find themselves facing unexpected emotional challenges. Common struggles include boredom, loss of routine, identity shifts and social isolation. In fact, 24% of older adults are considered to be socially isolated. Isolation can also have a ripple effect on health: It’s associated with a 50% increase in risk of developing dementia and increased risk of premature mortality.

### DESIGNING A RETIREMENT WITH PURPOSE

To avoid some of the potential pitfalls of an unstructured retirement, it’s important to think carefully—and proactively—about purpose. What do you want this next phase of life to look and feel like? Beyond financial planning, consider how you’ll meet the deeper needs that your pre-retirement life—including work and raising kids—may have fulfilled: structure, identity, accomplishment, social connection and a sense of meaning. What brings you

pleasure and meaning? What have you always wanted to try or learn? Pursuing these activities can provide purpose and help ensure retirement is not just a long vacation, but a rewarding chapter of your life. Feeling stuck here? Try asking close friends or family what they see light you up. Often, others can reflect back passions or strengths that are hard to see on your own.

### STAYING CONNECTED AND ACTIVE

Relationships and physical routines matter more than ever when you retire. Staying active, both physically and socially, offers measurable health benefits. Regular physical activity lowers risks, including the likelihood of dementia, heart disease, stroke and eight types of cancer. People-centered activity is important, too. Look for ways to stay engaged, whether through volunteering, mentoring, part-time work, creative pursuits or community involvement. Older volunteers, aged 55 and up, who gave 100 hours or more each year were two-thirds less likely to report poor health than non-volunteers.

Spending more time with family is a high priority for many retirees and can be a great way to fulfill social needs. But make sure that vision is shared. Open conversations with loved ones about time together, expectations and boundaries can help align plans and avoid disappointment down the road.

### THE RETIREMENT IDENTITY SHIFT

In many ways, it’s hard to define what retirement is. After all, it’s not a single moment but a series of transitions. For instance, rather than an abrupt shift to not working at all, you may consider bridge employment—usually part-time work in a temporary position or as a consultant in your field or in a different industry. This can offer a gradual shift into retirement, providing continued income and engagement as you adjust. As your vision for retirement evolves, keep us in the loop. We’d love to hear what you’re planning—and we’re here to help ensure your financial strategy stays aligned with your goals.

# DONUT BUY THE MEME HYPE

Lately, investors may be having flashbacks to the early days of meme investing. Newly labeled meme stocks like Krispy Kreme (DNUT) have joined the meme menu with members of the original stack, including GameStop (GME) and AMC Entertainment (AMC).

But before investors consider loading up their portfolios with DNUT or any other meme stock, remember that chasing them is just another form of stock picking and market timing. History suggests such tactics rarely pay off: Those who try to pick winners generally lose to the broad market.

Single stocks—meme or otherwise—have a wide range of returns and on average underperform the broad

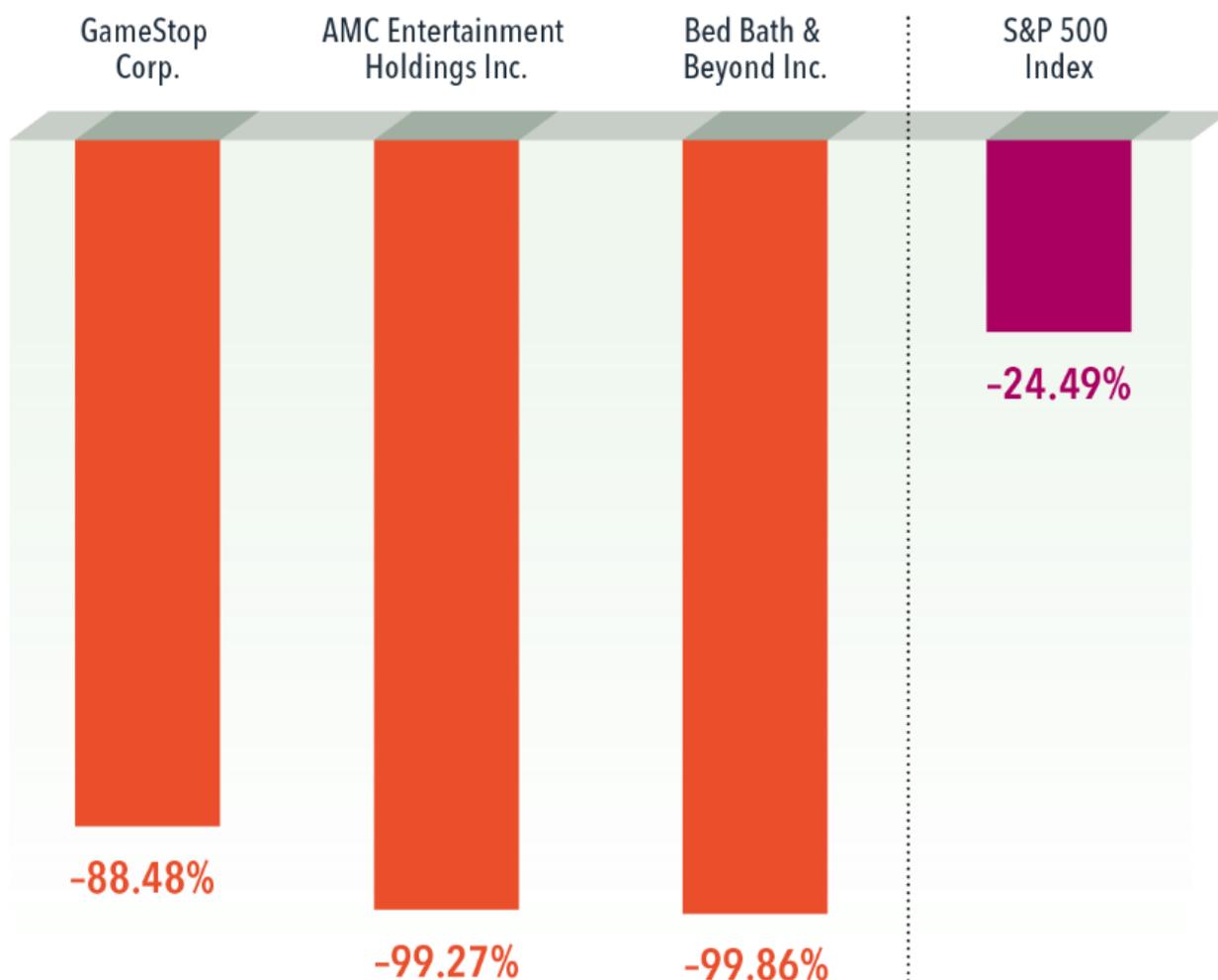
market. Examining how meme stocks have fared since the phenomenon began can provide a reminder to investors to take caution. Many meme stocks have experienced extreme volatility: GME, for example, saw eye-wateringly high returns in early 2021 before falling sharply. Some, like Bed, Bath, and Beyond (BBBY), don't even exist anymore.

By holding a diversified portfolio, investors often get exposure to meme stocks, while being more likely to capture market returns and limit individual stock risk. Stocking up on just one thing—whether it's donuts or stocks with buzzy appeal—is not a reliable strategy for long-term satisfaction. But a well-balanced portfolio will often include a few meme stocks, which, like donuts, are best enjoyed in moderation.

## EXHIBIT 1

### Meme Stocks of 2021

*Max drawdown, January 1, 2021–July 31, 2025*



#### Past performance is not a guarantee of future results.

Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. In USD. Source: Dimensional, using FactSet data. Drawdowns are the cumulative negative returns from the prior peak. Peak is defined as the highest cumulative return level prior to a given day. This information should not be considered a recommendation to buy or sell a particular security. Named securities may be held in accounts managed by Dimensional. It should not be assumed that an investment in the securities identified was or would be profitable. S&P data © 2025 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

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#### RISKS

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## IN SUMMARY

Last quarter we referred to Warren Buffett deciding to step down from his current position with Berkshire Hathaway. In this issue, we wanted to share once more a few of his investment strategy ideas.

With the volatility in the market that we have been experiencing, more people have been questioning investing in gold. Gold does not provide the stability that many people think that it does. Warren Buffett does not favor investing in gold, saying that it just lies there and does not produce anything. Bitcoin has also been in the news and talked much about lately. It is very speculative in nature, and does not provide a source for long-term investment. If you have extra money that you are not afraid to lose and want to gamble or speculate with, then bitcoin might be an answer to that.

The resurgence of meme stocks such as Krispy Kreme, GameStop, and AMC highlights their volatility and tendency to underperform the broader market. A diversified portfolio offers broader market exposure and stability, with meme stocks best enjoyed in moderation rather than as the core of an investment strategy.

Planning for your retirement should probably include more than just the dollars and cents needed. It has been proven that we need a “purpose” to get up in the morning, including when you are retired.

There is a lot of noise out there in the news. Try not to let it influence your views and decisions when it comes to investing. If you have any questions or concerns, please contact us. Wishing you and your family a great fall season!

### Disclosures for *Donut Buy The Meme Hype*

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