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WEALTH MANAGEMENT
M I D W E S T I N C

SUMMER 2025

Quarterly Investment Newsletter

As I See It

As Americans get their grills and beach chairs ready for the summer, the stock market and the weather across much of the country have both been on heaters. Stocks and bonds continue to effectively navigate a complex policy landscape shaped by evolving trade dynamics, geopolitical tensions, and fiscal stimulus. The market's resilience in the face of these crosscurrents has been impressive, proving yet again that the fundamentals of the U.S. economy and corporate America can withstand a lot.

In a volatile first half, the S&P 500 completed an impressive recovery from the April lows to end June at a fresh record high. The round trip from the February 19 high to the April 8 low and back, in slightly over four months, was one of the fastest recoveries on record from a 10–20% correction. Importantly, history tells us stocks tend to go higher after recovering correction losses, with average gains of 9.6% and 16.2% in the subsequent six and 12 months.

Several factors helped fuel this rally:

- Israel-Iran cease-fire and resulting lower oil prices and lower interest rates
- Progress on trade deals and, so far, little evidence of tariff-driven inflation
- Stimulus from the pending tax cuts and spending bill
- Firming expectations of Federal Reserve (Fed) rate cuts and related weakness in the U.S. dollar
- Resurgence in demand for artificial intelligence (AI) investments
- Buying by under-invested institutions trying to keep up with the rally

While history suggests achieving new highs may bode well for the rest of the year, we know stocks don't go up in a straight line. Several obstacles lie ahead. Perhaps the biggest one is the yet-to-be-felt effects of tariffs on companies' profit margins. With stock valuations elevated (as they've been for a while), earnings will be key to further upside. Potentially higher interest rates from additional deficit spending are another risk to monitor. And as always, geopolitics are a wild card.

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As I See It-Continued From Page 1

We continue to monitor the macroeconomic backdrop, corporate fundamentals, policy developments, and technical indicators to guide our outlook. We believe the foundation for continued economic growth is intact, supported by resilient consumer spending, a healthy job market, modest earnings growth despite tariffs, the likely resumption of Fed rate cuts this fall, and the stimulus from the pending reconciliation bill. Staying invested and well-diversified while looking for opportunities to potentially add equities on weakness remains the prudent approach for this market environment.

Thank you for your continued support, especially during these volatile times. I am grateful for our relationship. Let's stay healthy and positive, and please contact me if you have any questions.

Sincerely,

D&P

Dave Purdy

Important Information: This material is for general information only and is not intended to provide specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. Investing involves risks including possible loss of principal. Any economic forecasts set forth may not develop as predicted and are subject to change. References to markets, asset classes, and sectors are generally regarding the corresponding market index. Indexes are unmanaged statistical composites and cannot be invested into directly. Index performance is not indicative of the performance of any investment and do not reflect fees, expenses, or sales charges. All performance referenced is historical and is no guarantee of future results. All data is provided as of July 2, 2025. All index data from FactSet. The Standard & Poor's 500 Index (S&P500) is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk. Past performance does not guarantee future results. Asset allocation does not ensure a profit or protect against a loss. This research material was prepared by LPL Financial, LLC.

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Not Bank/Credit Union Guaranteed

Not Bank/Credit Union Deposits or Obligations

May Lose Value

Please take note: Our emails have changed; however, our old emails will work for 6 months.

Please update our emails to:

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Getting Started With Account View

With the convenience and security of Account View 2.0, you can access your most up-to-date account information 24/7 from your desktop, mobile phone, or tablet. Through its modernized dashboard, you can easily view the total portfolio value for all of your accounts, monitor individual account balances and investment returns, view account performance by time period and even get your year-end tax forms!

It's EASY! To set up Account View 2.0, please contact our office and we will be happy to email a link to connect.

**Account
Access 24/7
7 Days a Week**





Save The Date!

Sunday, September 28, 2025

Announcing Our Fall Client Appreciation Train Ride!

Save the date for a family memory you won't forget! On Sunday, September 28th, at 1:15pm.

We are excited to announce a new and different client event. Please join us as we kick off the Fall season with a unique 90- minute train ride through the breathtaking St. Croix River Valley, where autumn colors of the season and stunning landscapes will be on display and visible only from the comfort of the historic Osceola train. Come for the ride and enjoy light appetizers, beverages and camaraderie. Watch for an invitation and complete event details!



From the desk of Dave Purdy:

**Happy 90th Birthday,
Eugene Hallberg!**

I want to take a moment to recognize someone very special—Gene Hallberg, who turned 90 on July 16th. Back in 1988, when I was just starting out in financial services, Gene took me under his wing. He believed in me, mentored me, became a trusted client, and offered the kind of friendship and wisdom that left a lasting impact. Gene, along with his wonderful family and dedicated employees, has been a source of unwavering support throughout my career. I can never thank him enough and I'm incredibly privileged to know him and deeply grateful for the role he's played in my journey. Happy birthday, Gene—you've made a difference.



What's Happening in MN – Back to the 50's By Ali Kari



Every June, the Minnesota State Fairgrounds host an amazing tradition, MSRA Back to the 50's car show. The fairgrounds become home for one weekend to vintage cars of all kinds, custom and original.

I went on both Friday and Saturday. I indulged in Sweet Martha Cookies, freshly popped popcorn, and a nice juicy burger. While my 1960 Ford truck project is put on pause, I happily rolled in on Saturday in my dad's 1964 Buick Riviera.

It was special to have Lesley attend too, her stepdad & mom go every year with their 1940 Chevrolet. The laid back atmosphere with chairs under canopies surrounded by vintage cars is so endearing. Despite the heat, Lesley's boys loved the inflatables, shopping and spending time with their grandparents.

It's more than just chrome and fins—it's a step back in time. We both love vintage cars, the oldies music, and the stories behind every vehicle. There's something magical about seeing thousands of original and beautifully restored classics and chatting with the proud owners who bring them to life.

For Lesley and I, it's not just a weekend event, it's an annual tradition that brings joy, memories, and a lot of great photo ops.

The 6 Value Propositions of Wealth Management Midwest

1. **Organization:** We create order to your Financial Life. We strive to make your Financial Situation more straightforward, rather than more complicated.
2. **Accountability:** We guide you on your Financial Commitments. We encourage you to set goals and dreams, and we will provide a framework of how to pursue them.
3. **Transparency:** We disclose our resourceful and credible insight. We are diligent with our decisions, and we strive to provide you with options that best aligns with your situation.
4. **Proactivity:** We plan and prepare for your future. We assess potential life changes and challenges in your future, we create an action plan, and then we activate it when needed.
5. **Education:** We obtain valuable knowledge for your position. We provide credible information that strive to add value to your financial situation and goals you have.
6. **Partnership:** We build a relationship with you to better serve you. We strive to create opportunities for you to live your best life. We not only value you, but we value your loved ones, your goals, and your achievements.

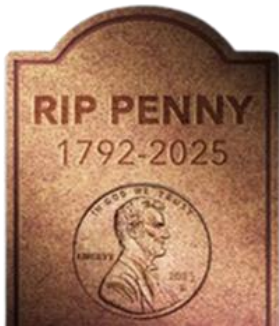
The US will stop minting pennies this summer

For over 230 years, the humble penny has been a part of American commerce. First minted in 1793, the original U.S. penny was made of pure copper and much larger than the one we know today. Featuring figures like Benjamin Franklin and, since 1909, Abraham Lincoln, the penny has long symbolized thrift and tradition.



But as our economy has evolved, the practicality of the penny has diminished. The US Treasury will discontinue penny production this summer, federal officials announced recently. Today, it costs nearly three cents to manufacture a single one-cent coin—an inefficiency that adds up to tens of millions of taxpayer dollars each year. Furthermore, inflation has significantly eroded the purchasing power of the penny. What once bought a loaf of bread now gathers dust in jars and couch cushions.

Several countries, including Canada and Australia, have already eliminated their lowest denomination coins. In those systems, cash transactions are simply rounded to the nearest five cents, with minimal impact on pricing or consumers. Electronic transactions, which dominate today's marketplace, are unaffected.



From a financial advisor's perspective, the move to eliminate the penny is not only fiscally sensible but reflects a broader truth: our money—and our habits—must evolve with the times. As we move increasingly toward a digital economy, clinging to outdated financial instruments can hinder rather than help.

While the penny may still hold sentimental value, its financial value is negligible. Eliminating it is a smart, symbolic step toward greater efficiency in both government spending and personal finance.

Source: Morningbrew.com 2025

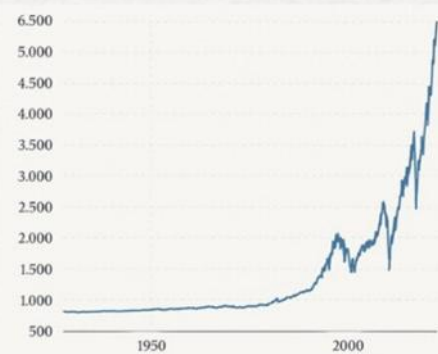
Quote of the Quarter

Over the years, Chad and I have heard people say, "I'll invest when the market settles down." But here's the reality: markets are always moving. Waiting for the "perfect" moment often means watching opportunity pass you by. Over time, history has shown that staying invested—through ups and downs—tends to deliver better results than trying to jump in and out at the right time. Rather than guessing when to act, it's smarter to stick with a well-diversified plan, and stay focused on your long-term goals.

~~David Purdy

Market cycles are inevitable—*guessing them is impossible.*

S&P 500 Monthly Index Average



source: <https://endlessmetrics.substack.com/p/100-years-of-s-and-p-500-history>

W&M

WEALTH MANAGEMENT

Food for thought from the desk of Chad Olson:

Warren Buffett to Retire: A Legacy of Wisdom



After six decades at the helm of Berkshire Hathaway, Warren Buffett—known globally as the “Oracle of Omaha”—has announced he will retire as CEO at the end of 2025. At 94, Buffett leaves behind a legacy that transformed a struggling textile mill into a \$1.2 trillion conglomerate spanning insurance, railroads, energy, and consumer goods.

Buffett began his investment journey in the 1950s, inspired by Benjamin Graham’s value investing principles. In 1965, he took control of Berkshire Hathaway, applying a disciplined approach to capital allocation and long-term investing. Under his leadership, Berkshire’s Class A stock has grown by over 5.5 million percent since 1965, vastly outperforming the S&P 500.

Greg Abel, Berkshire’s Vice Chairman of non-insurance operations, will succeed Buffett as CEO. Abel, a 25-year veteran of the company, has overseen many of Berkshire’s diverse businesses and was named Buffett’s successor in 2021.

Even in retirement, Buffett plans to remain engaged, stating he won’t be “sitting at home watching soap operas.” His enduring passion for business and philanthropy continues to inspire investors worldwide.

As your financial advisors, Dave and I believe Buffett’s legacy reinforces the value of patience, discipline, and long-term thinking in investing. His departure marks the end of an era, but his principles remain timeless.

Source: Reuters.com 2025

Wealth Management Midwest:

Mission & Vision

Mission

To inspire our clients to make sound financial choices, avoid costly mistakes, and live their best financial life.

Vision

Our industry needs leadership to move forward and be reshaped into a valued and supportive role in our clients’ lives. We will help lead this change by committing to always do what we believe is in our clients’ best interest. Our clients must have faith that our advice is drawn from our knowledge and desire to help them work towards their unique goals.

Need something Notarized? Don’t fret. Ali is a Notary.

This complimentary service is another way we add value for our clients!



Personal Notes

Dave Purdy

Happy summer everyone! The last three months we have done a lot of traveling. In April, Lori and I attended an LPL top producer investment conference at the JW Marriott Desert Ridge in Phoenix. The weather was great, and we enjoyed inner tubing around the resort on their "Lazy River". We also went to one of our favorite restaurants, Ocean Prime for a fantastic seafood dinner. In May, we attended a wedding in the Dominican Republic at the all-inclusive Hyatt Dreams Macao Beach Punta Cana. The weather was beautiful and spending quality time with good friends made it a very special event. Lastly, in June, we took a RV trip to the beautiful Black Hills, SD. It was nice to have some extended time in Spearfish. Our dogs were with us and my brothers were able to join us for a few days as well, having both my brothers come made it a truly special family vacation for me. We enjoyed sightseeing on motorcycles, hiking, mini golf, and a little rest and relaxation. I am always surprised at the number of people that are not familiar with the Black Hills. If you haven't experienced the area, it's a must see.



Ali Kari

It's finally summer! For a fun update... I BOUGHT A HOUSE! After many many years of saving, I was finally able to save up enough for a down-payment and purchase my first home! A townhome in Hugo, MN now has a proud new owner. These past few months have been packed with painting, prepping, and moving. I'm now fully settled and grateful for this opportunity. Life happens in funny ways because at the end of June I will be having surgery on my foot so I will be crutching and scootering around my new house for a little while.



Lesley Kirchoff

I find that summer is the perfect time to slow down and make lasting memories with my kids. Whether it's a day at the beach, a backyard picnic, or a simple neighborhood walk, these warm months offer so many opportunities to connect. It's so refreshing to unplug, laugh, and enjoy the sunshine with my boys! Here we are all dressed up for a family wedding in May. Kyle (6), Kevin (9)



Chad Olson

I hope you are all enjoying your summer so far! We are off to a fast start around our house with outside projects that never seem to stop coming. Brielle and Aria are enjoying a break from school and are keeping busy outside. Brielle has a volleyball camp coming up this summer, then both of my daughters are spending a week up north at their first "overnight" camp. They are super excited, and it will be interesting to see how they feel about being away from home and away from Ashley and me for an entire week! Hopefully they will miss us at least a little bit. While the kids are at camp, Ashley and I are going to spend a few days up in the Brainerd lakes area. We've been up there a few times and always have a great time. Here is a picture of me with my daughters on my 50th birthday, about to devour a homemade slice of Key Lime Pie...my favorite!





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