

# QUARTERLY NEWSLETTER

ST. THERESE FINANCIAL LLC

June 30 2025



“While the stars remain, and the heavens send down dew upon the earth, so long shall the Union last.”

This is a quote from an angel in George Washington's vision while he was having a Marian apparition. The vision is documented in the National Tribune Vol 4 No. 12. The story was relayed to Wesley Braushaw from a man named Anthony Sherman who was in George Washington's command when Washington told his troops about the vision he had. The vision talks about three great wars that will inflict the United States with the third being the greatest peril. During this third war, America is in battle on its own shores against the entire world. America is about to be defeated until the angels from heaven intervene and helps push back the enemy leading to victory and prosperity afterwards. At the end of the battle an angel dawning the American flag states, “While the stars remain, and the heavens send down dew upon the earth, so long shall the union last.”.

While this is not an approved apparition and by no means does anyone have to believe its authenticity, their remains an important point, belief in America's future.

With tariffs, deportations, riots, dollar degradation, China trade war, Russian-Ukraine War, and lately, Israel's strike on Iran, it is hard to look at a bright tomorrow for America.

However, in my opinion, even if and when America goes through tough periods, it will come back stronger on the other side. WWI, WWII, Korean War, Vietnam War, Gulf War, Iraq War, Great Depression, Great Recession, 9/11, COVID, Cuban Missile Crisis, Civil Rights, presidents' assassinations and attempts, Cold War, and AI. That's just since 1900. Yet here we stand with the largest economy in the world. In my opinion, each time we fall we get back up stronger and if you don't believe that America can keep doing that, then investing isn't for you.

In this newsletter you can expect:

George Washington Story

US Markets Update

Greece Update

Shipping and Oil Tankers

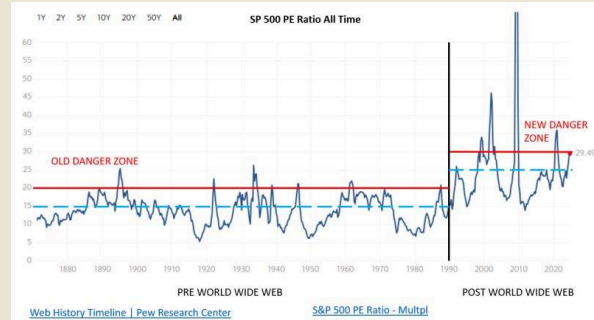
Gold Update

References and Contact Information

# US MARKETS UPDATE

The S&P 500 peaked this year at 6144.15 on 2/18/25 and then preceded to slide to 4982.77 on 4/07/2025 [1]. This pullback was aligned with President Trump's announcement of reciprocal tariffs on other countries [2]. However, in my opinion this pullback shows a deeper problem in the US Markets, an overzealous belief in America's short-term prospects (and by short-term, I mean in the next 10 years). I know this sounds contradictory to my commentary on the first page, but it isn't. In the long-term, I believe that America can overcome all trials and have prosperity but, it will suffer trials, and, in my opinion, the valuations of the US markets don't believe in that same philosophy.

Point #1: From 1871 - 1990 the danger zone (or high end) of the S&P 500 PE ratio was 20. Since 1990 the danger zone is now 30 [3]. To put that into perspective, Peter Lynch, the Fidelity Magellan Fund manager said that a good rule of thumb is that whatever a company's PE ratio is that should be the rate their earnings are growing by [4]. Currently the PE ratio of the S&P 500 is 28.52 [3]. Using Lynch's methodology that means the growth rate on earnings for the S&P 500 should be 28.52%. Is that the case? No. In the last 10 years the average earnings growth rate of the S&P 500 is 12.15% and over the last 5 years the earnings growth rate is 17.12% [5]. Now, one could argue that future earnings will be 28.52% per year and that is why the valuations are so high but, since 1990, anytime the S&P 500 PE ratio went above 30, it was associated with major draw down events. Tech Bubble, Financial Crisis, and Covid.



Point #2: The national debt for the United States is, at time of writing, \$36.986 Trillion [6]. The US debt/GDP ratio is currently 120.81% which is the highest it has ever been since WWII [7]. Our current US federal budget deficit is a little over \$2 Trillion and our net interest on debt is a little over \$1 Trillion [6]. To put this in perspective, the debt to GDP ratio during the great depression was 16.34% [6].

Point #3: The second largest budget item for the federal government is social security at \$1.519 Trillion [6]. I mentioned this in my last newsletter but, it is worth repeating. The Social Security Old-Age and Survivorship Trust Fund is projected to become insolvent by 2033 where if no corrective measures are taken then the Trust Fund will only be able to cover 79% of benefits [8]. Social security isn't a new topic but, what makes it more real is that 2033 is only 8 years away. I mentioned earlier that our debt/GDP is at historic highs and in 8 years the federal government will need to come up with an additional 21% which is the equivalent to about \$319 Billion [6]. That isn't just for one year either, it will be every year going forward not adjusting for inflation.

Point #4: Since 1900 there have been seven generations, The Greatest Generation, The Silent Generation, Baby Boomers, Gen X, Millennials, Gen Z, and Gen Alpha. Taking return data from the S&P 500 since 1928 we see that the S&P 500 moves in cycles, where one generation averages double digit returns and then the next averages single digit returns, seen in table on the next page [9]. Generation Alpha is a sixteen-year period from 2013-2028 and from 2013 - 2024 the S&P 500 averaged 15.72% annual returns [9]. One other thing to note is that from 2010 - 2024 the S&P 500 has averaged 14.78% and we haven't seen a two decade stretch like that since the 80s and 90s [9]. Why is this important? Because the 80s and 90s was when the Millennial generation was being born and that was the last generation that had double digit returns for the S&P 500 [9]. What succeeded that was the 2000's, also known as the lost decade where the S&P 500 only averaged 1.21% annual returns from 2000 - 2009 [9].

	YTD	1YR	5YR	10YR
DJIA	-.07%	10.17%	10.09%	9.03%
S&P 500	2.58%	11.07%	14.06%	11.15%
NASDAQ	2.02%	11.38%	14.76%	14.57%
RUSSELL 2000	-4.13%	7.37%	9.36%	6.79%

DJIA DATA: [HTTPS://WWW.MORNINGSTAR.COM/INDEXES/DJI/DJI/PERFORMANCE](https://www.morningstar.com/indexes/dji/dji/performance)  
S&P 500 DATA: [HTTPS://WWW.MORNINGSTAR.COM/INDEXES/SPI/SPX/PERFORMANCE](https://www.morningstar.com/indexes/spx/spx/performance)  
NASDAQ DATA: [HTTPS://WWW.MORNINGSTAR.COM/INDEXES/XNAS/@CCO/PERFORMANCE](https://www.morningstar.com/indexes/xnas/@CCO/PERFORMANCE)  
RUSSELL 2000 DATA: [HTTPS://WWW.MORNINGSTAR.COM/ETFS/XNAS/VTWO/PERFORMANCE](https://www.morningstar.com/etfs/xnas/vtwo/performance)  
DATA COLLECTED ON 06/17/2025

## US MARKET UPDATES CONT.

These four points lead me to believe that we have about four more years of a S&P 500 market that will average about 15-16% annual rate of returns. However, in my opinion, starting in 2029 and going through the 2030s I think we will be experiencing a bear market similar to the 2000s or the 1930s where the S&P 500 averaged annual rates of returns of 1.21% and 1.28% respectively [9].

## GREECE UPDATE

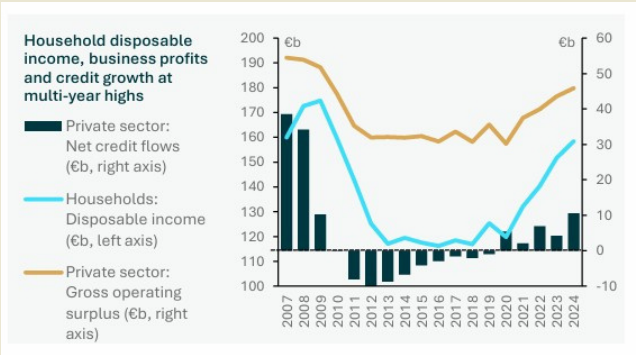
YTD the Global X MSCI Greece ETF (GREK) is up 41.03% (data collected 6/20/2025) [10]. With tariffs being put in place by the Trump administration it is worth spending a little time to see how tariffs will affect Greece. President Trump put into place a sweeping 20% tariff on all goods exported from the EU (which includes Greece) [11]. The implications of this are more indirect than direct. Exports to the US from Greece account for 4.8% of all Greece exports which largely cater to the Greek population in the US and there is an expectation that demand will not be hindered [11]. The real impact is the exports to other EU members which accounts for 50% of Greece exports [12]. Since all EU members have a 20% tariff and are in various economic conditions, it remains to be seen how it will affect Greece exports as other EU members, theoretically, could potentially have a decrease in their own exports leading to less revenue and less money to spend on exports from other countries.

In terms of the Greek economy, the S&P Global Ratings upgraded Greece to BBB (which is investment grade) citing “unwavering fiscal discipline” and “good outlook” [12]. Greece was also one of six out of 27 EU members that posted a budget surplus in 2024 which led to one billion Euros in financial benefits to low-income households and to the public investment program [13]. In a recent economic study done by the Hellenic Republic, the risk of poverty in 2015 was 32.4% and as of the end of 2024 that number has dropped to 26.9% [14].

In a Q1 presentation of earnings for the National Bank of Greece (1 of 4 systemic banks in Greece) states the unemployment rate for Greece has fallen to 8.9% which is a 15-year low and household disposable income has increased to its highest point since 2010 [15]. Private sector profits also climbed to an all-time high of 46 billion euros, international tourist arrivals increased 13.7%, primary fiscal surplus increased to an all-time high of 4.8% of GDP, and the Debt/GDP ratio is at a 14yr low of 153.6% [14].

Generation	Years	S&P 500 Annual Returns
Silent	1928-1944	5.45%
Baby Boomer	1945 - 1964	13.66%
Gen X	1965 - 1980	8.52%
Millennials	1981 - 1996	16.02%
Gen Z	1997 - 2012	8.02%
Gen Alpha	2013 - Present	15.72%

[HTTPS://WWW.SLICKCHARTS.COM/SP500/RETURNS](https://www.slickcharts.com/sp500/returns)



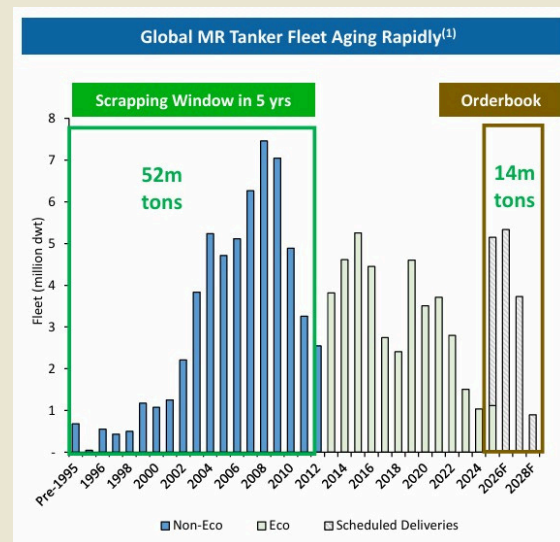
NATIONAL BANK OF GREECE Q1 PRESENTATION [15]

# Shipping and Oil Tankers

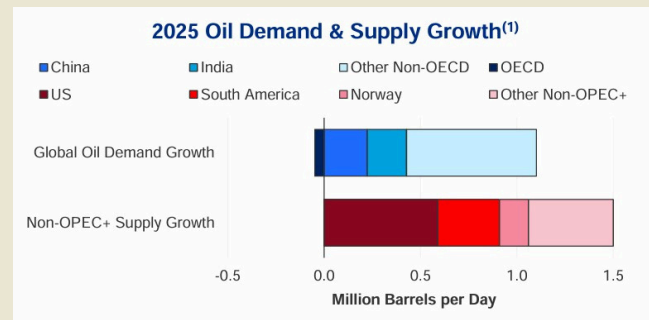
Oil tankers are seeing positive supply-side dynamics that could prove favorable in the near term for a few reasons:

1. The current average MR (medium range) tanker fleet age is 14.1 years old with 53% of fleet reaching 20 years old in the next five years leading to a large scraping window. [16]
2. MRs scheduled to be delivered through 2028 will only represent 14% of the MR fleet. This also included deceleration in ordering as shipyards are at max capacity. [16]
3. China-built and owned/operated vessels to face penalties of up to \$1.7m per port call per US Trade representative actions. 60% of product tanker orderbook to be built in China.
4. 500 tankers have been sanctioned along with additional 1500 tankers part of overall dark fleet serving Russia. [16]
5. Oil production in the west is increasing with oil refining increasing the east. This creates a situation for increased long-distance movement of oil. [16]

These factors create a situation where overall demand for oil is increasing and the demand for tankers is increasing but, the supply is going to be stagnant or decrease over the next few years [16].



file:///C:/Users/bksch/Downloads/Ardmore%20Shipping%201Q%202025%20Earnings%20Presentation%20(1).pdf



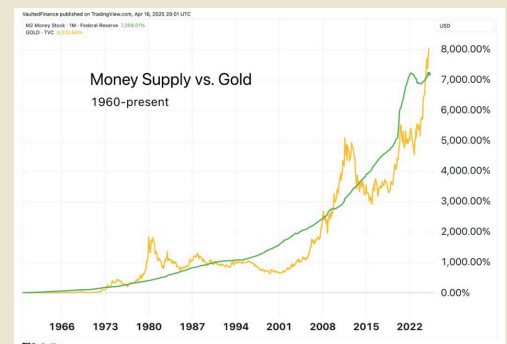
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## Gold Update

Here are a few interesting facts about gold:

1. During the reign of Emperor Augustus (27 B.C. to 14 A.D.), a Roman centurion earned an annual salary of approximately 3,500 denarii, which equated to 36 ounces of gold. The closest modern comparison to a Roman centurion might be a U.S. Army Sergeant with an enlisted pay grade of E-6 to E-9, who earns an annual salary equivalent to, you guessed it, 36 ounces of gold. [17]
2. 14th Century England: A knight banneret (a military rank designating a knight who led troops under his own banner) earned an annual income of 60–100 pounds sterling, which equated to 24–40 ounces of gold (£1 was worth 0.3–0.5 ounces of gold). Compare this to the annual earnings of King Edward III (~£50,000 or ~20,000 gold oz) and an average skilled laborer (just ~£6 or ~2.4 gold oz). [17]

I believe this shows that over the course of human history (or at least since the reign of Emperor Augustus, Gold has maintained its value. Like I mentioned in the last newsletter, Gold's price is directly affected by the M2 money supply as shown in the graph to the right [17]. The YTD return for SGOL (abrdn Physical Gold Shares ETF) is 28.18% (data collected on 6/20/2025) [18].



<https://vaulted.com/nuggets/gold-vs-money-supply/>

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