

MUHENKAMPMemorandum

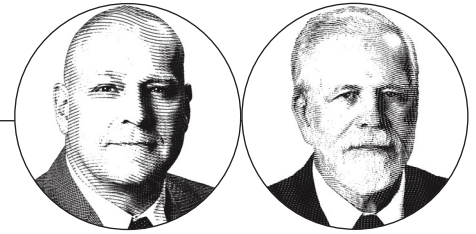
Issue 155

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QUARTERLY LETTER, JULY 2025

By Jeff Muhlenkamp, Portfolio Manager and Ron Muhlenkamp, Founder



Fellow Investors,

When we started gathering the economic and financial metrics we so often include in these letters, we found that for the second quarter in a row little had changed. Inflation as measured by the U.S. Consumer Price Index (CPI) was 2.4% on May 31, 2025, right where it was in September of '24. The May 31st, 2025 U-3 unemployment figure was 4.2%, a number we've seen repeatedly since July of '24. The yield on the 10-year U.S. Treasury bond was 4.24% on June 27th, 2025, squarely in the middle of the 3.6% - 4.9% range it's been in for two years now. The Federal Reserve has kept its target rate at 4.25% - 4.50%, unchanged since December '24. Finally, we note that the S&P 500 Index has fully recovered from its March-May dip and is once again at the high-water mark it set in late February.

For all the dramatic headlines about the Department of Government Efficiency (DOGE), tariffs, immigration, and war, very little has changed from an investing perspective in the last six months. A significant exception (at least for us) is the price of gold, which is up roughly 25% year to date. Our gold-related holdings have benefited from this price increase. So, this quarter, I will keep the memo

short. Some economic data has become very volatile as businesses react to tariffs and threats of tariffs, making it more difficult than usual to discern the underlying economic trend. We expect most of the tariff questions to be answered in the next few months. Many economic data points are still weak, so a recession in the near future remains a possibility. We hold some cash to take advantage of the investment bargains we expect would accompany a recession. Our gold-related investments have done well for us this year, as mentioned above, and we think they will continue to do so. As always, when companies we own disappoint us, we sell them, and when we see good investment opportunities, we take advantage of them. That will continue.

If you have any questions, please get in touch with us. We'd love to hear from you.

With our best wishes for your continued success and good health this summer. 🏖️

Consumer Price Index (CPI) - measures the average change in prices over time that consumers pay for a basket of goods and services, commonly known as inflation. One cannot invest directly in an index.

S&P 500® Index - is a widely recognized, unmanaged index of common stock prices. The S&P 500® Index is weighted by market value and its performance is thought to be representative of the stock market as a whole. One cannot invest directly in an index.

U-3 Unemployment Rate - a measure of the unemployed, as a percent of the civilian labor force. It only includes those currently looking for work. Listed as the "official unemployment rate" according to the U.S. Bureau of Labor Statistics.

Past performance does not guarantee future results.

The comments made in this letter are opinions and are not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

Visit our website for past Quarterly Letters and other archives - <https://muhlenkamp.com/>

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WHAT MAKES MUHLENKAMP DIFFERENT

by Tony Muhlenkamp, President - Muhlenkamp & Company, Inc.



I periodically get this question from people interested in our firm. (I never get this question from existing clients—they already know.) And it's a hard question to answer because it begs a return question: "Different from whom?"

We're not very different from the active value firms with good long-term track records and a consistent investment discipline. I can name half a dozen of them, and the only difference tends to be in how we determine "value."

We're not very different from client-focused advisors. We are fiduciaries and have adopted "Know Your Client" policies to ensure a good client/manager fit. We make sure we are the right manager for our clients according to their needs, not ours.

But I think the combination is uncommon and fairly unique. Most money managers don't interact with their clients directly, and most advisors are not stock pickers. We talk to clients as often as they like, helping them sleep at night and figuring out what else is going on in their financial life. And we actually manage client money, day in and day out, doing research, analysis, and stock picking.

Nearly 50 Years of Family Commitment

What really sets us apart is something that can't be easily replicated: time and trust built over generations. For almost five decades, we've been managing money for families—not just individual clients,

but entire family trees. We've helped grandparents plan for retirement, parents navigate career changes and college funding, and now we're working with their children as they start families of their own.

Think about that for a moment. We've been through multiple market cycles, recessions, booms, and everything in between—always with the same fundamental approach. We don't chase trends or reinvent ourselves every few years. We stick to what works: buying good companies at reasonable prices and holding them for the long term.

More Than Money Management

Our conversations with clients rarely start with "How are your investments doing?" They start with "How are you doing?" We know about graduations, weddings, new babies, job changes, and retirement dreams because those life events shape financial decisions. When a client calls worried about market volatility, we don't just explain our investment philosophy—we talk about their specific situation and what it means for their family's future.

We take exceptional care of the families who trust us with their financial futures, just as we have for nearly 50 years.

When people ask what makes us different, here's the honest answer: We're investment managers who actually know our clients, and we're advisors who actually manage the money. We've been doing both for the same families across multiple generations.

In a world where financial services firms get bigger, more automated, and more distant from their clients, we've stayed deliberately personal.

That's not different for the sake of being different. That's different because it works—for our clients and for us. And after nearly five decades of doing business this way, we're not about to change now. ▲▲

The opinions expressed are those of Tony Muhlenkamp and are not intended to forecast future events, guarantee future results, or offer investment advice. Investing involves risk. Principal loss is possible.

ANNOUNCEMENTS

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Muhlenkamp & Company regularly publishes information that gets distributed by email only. To be added to our email list, visit www.muhlenkamp.com or call us at (877) 935-5520.

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A LETTER FROM THE PRESIDENT

by Tony Muhlenkamp, President - Muhlenkamp & Company, Inc.

July 1, 2025

Dear Friends of Muhlenkamp,

We started implementing a succession plan for Ron a decade ago when Jeff became our Portfolio Manager and I assumed the administrative duties of President and Chief Compliance Officer. The next step in that plan is for Jeff and me to become majority owners of Muhlenkamp & Company, Inc.

Ron is moving substantially all his ownership to us in August 2025, but not much else is changing. Jeff is still investing your money, our team remains in place, and I'm still the person you call with questions, problems to solve, or ideas to share.

Please contact me with your questions and comments. As always, I look forward to talking with you. 🙏

Best regards,



Anthony Muhlenkamp
President/CCO
724.934.5139
tony@muhlenkamp.com

If you are a shareholder of the Muhlenkamp Fund, you will receive a package with fund-specific actions that we need you to complete. If you DO NOT receive that package by July 15, 2025, please contact me as soon as possible. Thanks.



**MUHLENKAMP
& COMPANY INC.**

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MUHLENKAMPMemorandum

Inside this issue:

- Quarterly Letter
- What Makes Muhlenkamp Different
- A Letter from the President
- Announcements



**Is it time
for you
to evaluate
your risk
scenario?**



**Thoughts on Risk:
Something a Little Different**

Scan this code
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Muhlenkamp
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MUHLENKAMP SMA ALL-CAP VALUE

For the period ended 06/30/2025

Muhlenkamp & Company's All-Cap Value SMA (Separately Managed Account) is designed for investors' accounts over \$100,000. We employ full discretion, applying fundamental analysis.

INVESTMENT OBJECTIVE

We seek to maximize total after-tax return through capital appreciation, and income from dividends and interest, consistent with reasonable risk.

INVESTMENT STRATEGY

We invest in undervalued assets wherever they may be found. Typically, this results in holding a portfolio of companies we believe are materially undervalued by the market. Bonds may be included in the portfolio if they are a good investment.

INVESTMENT PROCESS

We start with a bottom-up scan of domestic companies, typically looking at most U.S. companies at least four times per year. We add to that an understanding of the sector dynamics in which companies are operating, an assessment of the business cycle, and a review of macroeconomic conditions.

Our primary screening metric is return on shareholder equity (ROE). We are looking for companies with stable returns that can be purchased cheaply, or for companies with improving returns that have not yet been recognized by the market.

We don't believe that a holding period of "forever" is appropriate in all cases, but are comfortable holding companies as long as they continue to meet expectations.

INVESTMENT RISK

We define investment risk as the probability of losing purchasing power over long periods of time, which is quite different from Wall Street's definition which focuses on price volatility in very short periods of time. Taxes, inflation, and spending will ALL impact the purchasing power of your assets.

ALL-CAP VALUE COMPOSITE PERFORMANCE (NET OF FEES)

	Year to Date	One Year	Past 3 Years	Past 5 Years	Past 10 Years	Past 15 Years
Return	8.18%	11.10%	13.19%	16.63%	7.52%	8.92%
S&P 500 Total Return*	6.20%	15.16%	19.70%	16.64%	13.65%	14.86%
Consumer Price Index**	1.86%	2.35%	3.22%	4.63%	3.06%	2.62%

* The S&P 500 is a widely recognized, unmanaged index of common stock prices. The figures for the S&P 500 reflect all dividends reinvested but do not reflect any deductions for fees, expenses, or taxes. One cannot invest directly in an index.

** Consumer Price Index (CPI) – As of May 2025 – U.S. CPI Urban Consumers NSA (Non-Seasonally Adjusted), Index. The Consumer Price Index tracks the prices paid by urban consumers for goods and services and is generally accepted as a measure of price inflation. Price inflation affects consumers' purchasing power.

Consolidated performance with dividends and other earnings reinvested. Performance figures reflect the deduction of broker commission expenses and the deduction of investment advisory fees. Such fees are described in Form ADV 2A. The advisory fees and any other expenses incurred in the management of the investment advisory account will reduce the client's return. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the above accounts.

TOP TWENTY HOLDINGS

Company	Industry	% of Net Asset
EQT Corporation	Oil, Gas, & Consumable Fuels	5.49%
McKesson Corporation	Health Care Providers & Services	4.65%
Agnico Eagle Mines Ltd	Metals and Mining	4.25%
Mastec Inc	Construction & Engineering	4.20%
SPDR Gold Shares	Exchange Traded Funds	4.09%
NMI Holdings Inc	Thriffs and Mortgage Finance	4.08%
BGC Partners Inc	Capital Markets	4.04%
Berkshire Hathaway Inc Class B	Diversified Financial Services	3.60%
Microsoft Corp	Software	3.59%
Microchip Technology Inc.	Semiconductors & Equipment	3.43%
Recurrent MLP & Infrastructure Fund 1	Mutual Funds	3.28%
Wabtec Corp	Machinery	3.24%
Rush Enterprises Inc	Trading Companies & Distributions	2.94%
Newmont Corporation	Metals and Mining	2.86%
Royal Gold Inc	Metals and Mining	2.77%
United Rentals Inc	Trading Companies & Distributions	2.76%
Apple Inc	Technology Hardware, Storage, & Peripherals	2.72%
Schlumberger NV	Energy Equipment & Services	2.31%
Tencent Holdings Limited ADR	Interactive Media and Services	2.29%
Taylor Morrison Home Corp	Household Durables	2.12%

Composite holdings are subject to change and are not recommendations to buy or sell any security.

Composite Top Twenty Holdings are presented as supplemental information to the presentation on the next page.

Return on Equity (ROE) is a company's net income (earnings), divided by the owner's equity in the business (book value).



PORTFOLIO MANAGER



Jeffrey P. Muhlenkamp, Portfolio Manager, CFA, has been active in professional investment management since 2008. He is a graduate of both the United States Military Academy and Chapman University.

INVESTMENT ADVISER

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SMA FACTS

Average Number of Equity Holdings 26
Cash & Cash Equivalents 24.62%

SMA INFORMATION

The inception date for the All-Cap Value Composite is December 31, 1993. The All-Cap Value Composite was created in December 2003. The Composite includes fee-paying accounts over \$100,000, full discretion, under management for first full month which are invested in the All-Cap Value strategy. The composite excludes the Muhlenkamp Fund and any wrap fee account.

Minimum Initial Investment \$100,000.00
Management Fee* 1% (first \$1 million);
0.5% on the remainder

* May vary by account.

Muhlenkamp & Company serves individual and institutional investors through our no-load mutual fund and separately managed accounts.

MUHLENKAMP & COMPANY, INC. ALL-CAP VALUE COMPOSITE ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Number of Accounts	ANNUAL PERFORMANCE			THREE-YEAR ANNUALIZED STANDARD DEVIATION*		
				Composite Gross	Composite Net	S&P 500 Total Return Index	Composite	S&P 500 Total Return Index	Composite Dispersion**
2024	396	75	71	12.07	11.23	25.02	13.01	17.40	1.24
2023	370	62	66	13.79	12.98	26.29	13.01	17.54	2.50
2022	396	54	57	2.82	2.06	(18.11)	19.51	21.16	0.82
2021	317	48	48	28.05	27.11	28.71	18.28	17.41	1.67
2020	265	38	45	14.06	13.14	18.40	18.63	18.79	1.38
2019	253	34	48	14.70	13.78	31.49	10.33	12.10	1.37
2018	254	32	51	(11.71)	(12.45)	(4.38)	9.24	10.80	1.21
2017	342	40	52	15.24	14.30	21.83	8.70	9.92	2.12
2016	339	39	52	(1.86)	(2.68)	11.96	9.73	10.59	1.17
2015	422	48	67	(4.66)	(5.45)	1.38	10.41	10.47	0.68
2014	541	51	67	10.27	9.37	13.69	9.55	8.97	2.06
2013	585	50	60	35.50	34.39	32.39	11.29	11.94	3.13
2012	491	41	66	11.29	10.34	16.00	12.02	15.09	1.14
2011	555	45	74	(2.84)	(3.67)	2.11	16.60	18.70	0.85
2010	724	59	82	2.96	2.15	15.06			1.45

The objective of this All-Cap Value Composite is to maximize total after-tax return, consistent with reasonable risk—using a strategy of investing in highly profitable companies, as measured by Return on Equity (ROE), that sell at value prices, as measured by Price-to-Earnings Ratios (P/E).

Muhlenkamp is an independent registered investment advisory firm registered with the Securities and Exchange Commission.

Returns are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite may invest in American Depositary Receipts (ADRs).*** Accounts may be shown gross or net of withholding tax on foreign dividends based on the custodian. Past performance is not indicative of future results.

The U.S. dollar is the currency used to express performance. Returns are expressed as percentages and are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual Composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the Composite the entire year.

* **Three-Year Annualized Standard Deviation** is a measure of volatility, calculated by taking the standard deviation of 36 monthly returns, net of fees, then multiplying the result by the square root of 12 to annualize it. Since standard deviation measures the dispersion of a set of numbers from its mean, higher results indicate more variation in monthly returns over the trailing three years.

** **Composite Dispersion** is a measure of the similarity of returns among accounts in the Composite. It is the standard deviation of the annual returns, net of fees, for all accounts which were in the Composite for the entire year.

*** **American Depositary Receipts (ADRs)** are shares that trade in U.S. markets, but represent shares of a foreign company. A bank (the depository) purchases a number of the foreign shares and holds them in a trust or similar account; in turn, the bank issues shares tradable in the U.S. that represent an interest in the foreign company. The ratio of ADRs to foreign shares is set by the bank. ADRs do not mitigate currency risk, but can reduce transaction costs and simplify trading compared to buying the local shares in the foreign markets.