Kavilco Incorporated

KAVILCO NEWS

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Dividend Checks Are Now Processed Directly From Principal (PCI)

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President's Report

by Jeane Breinig, President

Jeane Breinig, President

Kasaan was lively in March with over 100 people attending events connected to the Dagwii Gawtlass (Fresh Strength) Winter Culture Camp.

Held March 3rd through the 8th, the Organized Village of Kasaan (OVK) and Southeast Island School District invited Prince of Wales Island youth to this special event.

Other guests traveled from across Alaska and from Haida Gwaii, to share, learn and practice Haida traditional village ways. Participants carved, weaved, processed foods, and practiced our Haida language.

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Dividend Distribution

We are pleased to announce that on March 7, 2025 the Kavilco Board of Directors declared a cash dividend of $13.00 per share (long term capital gains are unknown at this time.) The dividend was payable on March 24, 2025 and reflects un-distributed earnings from 2023.

A Registered Investment Company (RIC) must distribute at least 90% of their earnings to avoid being subject to a 35% federal income tax rate. For shareholders with 100 shares your dividend is $1,300.00. The Spring dividend completes the distribution of earnings for 2024; combined with the Fall dividend the total earnings distribution for 2024 is $83.00 per share.

If Kavilco was not a Registered Investment Company and had to pay income tax your Spring dividend after tax would have been $845.00. You receive an additional $455.00 because Kavilco does not have to pay federal income tax.

Economy & Portfolio

Scott Burns, CFO

The downside to the T-Bill strategy are actions by the fed reducing Federal Fund Rate which, in turn, reduces short-term interest rates. The following are excerpts from the March 8th board meeting minutes.

Inflation has not been tamed. This is evident in the latest round of price data that showed notable increases at the producer (wholesale) and consumer levels. On a 12-month basis, the Producer and Consumer Indexes increased 3.5% and 3.05 respectively in January, running well above the Federal Reserve target rate of 2%.

According to one of the tenets of the cause for inflation is too much money chasing too few goods and services. This played a part of the high inflation created by the prior administration that flooded the economy with trillions of dollars for various government programs. However, it is the debt that has accumulated over the years that will be highly inflationary.

There will be $28 trillion in Treasury Bonds that will be maturing over the next four years. That is more than 75% of the total $36 trillion in national debt. These bonds were issued when interest rates were substantially lower than they are today. Accordingly, as these bonds mature, they will be re-issued at a higher rate. This is going to be inflationary because the government will have to print more money to pay for these expenses.

The Bloomberg News just released, what would be considered. Negative news on the economy. “U.S. factory actively edged closer to stagnation in February with orders and The Federal Reserve’s (Fed) primary goal is to keep inflation at or below 2%. In the case of an economic slowdown the Fed will reduce short-term interest rates to spur on the economy. Currently, the U.S. economy is confronted with the worst economic scerio-stagflation. Basically, stagflation is inflation combined with weak economic growth. It’s the worst of both worlds and most difficult to correct.

In the next six months the Fed is unlikely to decrease interest rates.

On the portfolio front, equity indicators point to a dangerous level of complacency in the stock market. The Bank Credit Analyst Valuation Indicator has risen into extremely overvalued territory, and their Speculation Indicator has surged back into extremely speculative territory.

Concurrent with this view, Bob Prechter, author and top authority of the Elliot Wave, performed an analysis of the stock market valuation based on S&P companies’ book values and dividends for the period 1927-2024. His conclusion was that stocks have never in history been has overvalued and expensive as they are now.

Reviewing various Treasury bond yields, the 6-month T-Bill yield, the target investment maturity, is still outperforming various short-term Treasury Bond interest rates, commercial paper, and stock dividend yields.

Sincerely,

Scott Burns, CFO

Kavilco INCORPORATED

www.kavilco.com

Super Moon at the Beach, Kasaan, AK

Kavilco's Mission Statement

"To honor the vision and unselfish actions of our Haida ancestors and elders, the goals of Kavilco Incorporated are to provide dividends and to preserve the assets for all generations."

President's Report

The Culture Camp culminated in a pole raising, now standing inside OVK's Tribal Hall/Totem Trail Café, and ended with feasting, dancing, and singing. The Kavilco Board and Kasaan Haida Heritage Foundation (KHHF) was pleased to support this important event.

In other news, KHHF received a surprise $5,000 donation from Susan Friedenberg in Bradford, New Hampshire. After receiving the donation, I called to thank her and asked her if she had connection to Kasaan or Haida people. She shared she did not, but is generally supportive of Indigenous peoples and may have learned about us from a film she watched. Ha'waa Ms. Friendenberg!

Ha'waa,

Jeane Breinig

Jeane Breinig, President