



# BIRCHWOOD CAPITAL

## 2025 Annual Letter

January 28th, 2026

*“The ultimate form of preparation is not planning for a specific scenario, but a mindset that can handle uncertainty.” - James Clear*

*“Your family is broken but you’re going to fix the world.” - Naval Ravikant*

### The Ceiling

The main challenge of 2025 wasn’t markets, unique client situations, or asset growth. It was a founder bumping up against his own limitations and learning how to become less of a founder and more of a leader.

In this past year, Birchwood continued to grow with new clients thanks to an incredible team: Matt Higbie and our newest addition to the lineup, Linda Jones-Zack, who brings tons of experience and much-needed process management. I can’t believe it’s only been a year of having team members. Why did I wait this long? We weathered a tariff tantrum, an AI surge, and so many geopolitical events that I’m losing count.

Before last year, I was teetering on the decision of whether to stay a solopreneur or build a small team. In 2025, I found out the truth in the saying, “If you want to go far, go together.” Having team members has completely blown my expectations out of the water and has truly raised our level of service to something I couldn’t have fathomed over a year ago. But it was a big change and the learning curve was steep for a guy who started out with a Chromebook computer on his kitchen table and a bare wall for company.

When you start a firm from basically nothing, you gain a certain skill set: everything falls on your shoulders so you get it done. You learn to thrive in that environment. But as growth continues, you run into your human limitations. I could no longer be the accountant, compliance officer, marketer, advisor, trader, back office, HR, financial planner, and business owner all at once. I understood that this was the case. I wanted to share, delegate and empower my team, but I didn’t know exactly *how* to do that.

As such, I put my head down and put band-aids on bullet wounds, thinking this was just the way things were going to be. Essentially, for a good portion of the year, I didn’t run the business the business ran me. The solution in my head could be summed up in one word: *more* - as in more time, more clients, more money, more initiatives, more complexity. That would be the solution to my problems. Ironically, this is what the financial industry hounds at clients: more is better, and specifically, more *complex*. At Birchwood, we pound the table as hard as we can about simplicity - for portfolios and for clients’ financial lives. Ironically, companies themselves are not exempt from being drawn to complexity.



# BIRCHWOOD CAPITAL

Owner/operator Brent Beshore says: “The surest path to misery is to: 1) take for granted what you have, 2) anxiously strive for more, 3) think of yourself as a serious person doing serious things. Any one of these is harmful, but all three in combination is a living hell.”

If we’re not careful, we can find ourselves moving up and down on the escalator of business or life without being intentional. We wake up and find ourselves quite a ways from where we wanted to be. We were busy hustling and running around and all that seemed good, but we’re no less anxious or satisfied even after accomplishing a lot, or so we thought.

What are we doing here?

## The Way Out

Marcus Freeman, the head football coach for the University of Notre Dame, [was being interviewed](#) on a national news network and was asked about motivation. He shared a perspective that stuck with me, and I’ll share it with you here now [I’ve re-contextualized it to my situation, so it’s not a direct quote].

“I don’t want to talk to the person you are now, I want to talk to the person you were when you just began this journey of starting Birchwood. That first day when you were still plugging in your Wi-Fi router and had a clear computer desk in front of you and a big dream. You were on the bottom rung. You didn’t have a client or any financial planning strategies to implement.

Remember who you were then. Now in that moment I’m going to tell you that you get to love and serve 50 families with the strategies and experience you’ve gained from the rigorous training you’ve gone through. You get to help them invest and manage their life savings, the value of which is worth over \$100 million. You get to celebrate them and walk them through all the ins and outs of retirement. Those are your people. They voluntarily linked up with you for this. You need to understand the privilege you have to do this, but also the responsibility you have to your colleagues and clients. Make sure you give it your all for those folks.”

I believe that’s what we’re all doing here. We’re all on a journey of living life’s purpose. For our firm, I needed to recenter on our vision. Birchwood is living out its core values when it’s serving others with integrity, honesty, effort and excellence. And while traversing this adventure with all its hills and valleys, we need to be reminded of that purpose again and again, because everything is set up to distract us from it.

Many of our frustrations stem from seeing a world with so much brokenness and frailty and not understanding why everyone else doesn’t see it the same way. We spend a lot of time and energy on the ‘what-ifs’ and maybe not enough time on the ‘here-nows.’ We try to fix the world out there (usually by adding more to-dos and busyness) while stepping over the work that needs to take place internally and with those around us. I was as guilty of that as ever.



When the chaos in business, in markets, or in your family rears up, what are you going to fall back on? Plan for the worst, and hope for the best? Try to plan for every contingency? Just keep marching forward with your head down?

The way forward isn't to buck up, deal with it, or run Monte Carlo scenarios to infinity— but to be open-minded, willing to admit weakness, stay growth-oriented, and maintain a willingness to be vulnerable. The way forward isn't to add more and more, but to subtract. The way forward isn't to be everything to everyone, but to be something to someone.

The way out for me isn't going to be striving harder, or having a better morning routine. It will be truth and love. I've found no greater purpose and no greater satisfaction than resting in the truth and love of the One who created me and calls me His son. It is a mystery (I'll admit!) and awe-striking that the Creator deeply loves a broken man like me. It's a great paradox - as the Apostle Paul says, "...my power is made perfect in weakness." It will be me waking up and remembering that I didn't get here because I'm somehow smarter, more driven, or came from the right family. I'm here because God designed it and put me in this position to work with some of the most interesting and delightful clients, and do great work for them – so that they may, in turn, get a taste of the love I've received.

Uncertainties will inevitably arrive, but a mindset of humility and simplicity will certainly be able to weather them.

## **The Numbers**

Here's how the year shook out in numbers, for the markets and the firm:

In 2025, the U.S. equity market returned over 17%. The market return for the past three years has been 22%. It's been an incredible ride, but it was outdone this year by international markets. Developed and emerging markets each posted 30%+ returns. Real estate posted a strong return, coming in at 7.7%, and U.S. bonds earned above-average returns at 7.3%.

While many of our peer firms are already trying to adjust portfolios to anticipate what's to come, we're thankful for our long-term approach and the "buy-in" our clients have with our philosophy. We invest in markets, not strategies that come and go like NFL head coaches. Our boring strategy continues to produce fabulous results. Go figure.

OK, vanity metrics time: We welcomed 11 new clients to the Birchwood family this past year. For those keeping score, assets managed by the firm at the start of 2025 were \$74.5 million, and we were working with 42 clients. We ended the year with \$105 million of assets under management and are now working with 53 wonderful families.

If my math is right, we crossed over the \$100 million threshold of managed assets . This is a *big deal* for most firms because it means the firm can register with the SEC rather than just be state-registered. Saying



you're SEC-registered is like saying you belong to an exclusive 'members-only' club. All industries have these markers that help rank you among your peers. It's the advisory version of peacocking.

While we're not into those status games, we are incredibly appreciative of the confidence and trust our clients have shown in us. Those are not Birchwood assets; those are clients' assets. Don't confuse the two. We're thrilled the numbers align with the effort and thoughtfulness we've tried to put into our clients' lives.

## Recentered and Refocused

As we break through this ceiling and head toward the next, I have to give a lot of credit to the book *Traction* by Gino Wickman for giving me the *how* when I needed it most.

A few key takeaways I'll share:

**The founder isn't the one at top; they are the one who serves.** It means lovingly learning to say "no" - which is a very hard thing for me to do. You pick up a shovel and dig when everyone else is, and you absorb issues as they arise so they don't fall on your team members.

**People are the most important decisions. Get the right people, put them in the right seats and then elevate them to take responsibility with accountability.** We have high standards because our business and clients demand it. Matt and Linda are top notch, and they know the stakes.

**Put a plan (both long-term and short-term) in place for your business.** In the short term, we'd ideally like to grow by only four new client households in 2026 and 12 total households over the next three years. We'd like to provide health insurance and great compensation to our team. Our longer-term goal is about 30 new families over the next eight years. We quietly launched [Birchwood Family Office](#) as a multi-family office venture focused on walking alongside families with wealth who want to raise grounded and successful children. We don't necessarily know where this road leads, but we hope to continue serving families who need and want guidance.

**Systemize everything.** Every process and action we do internally needs to be outlined and written down. Nothing lives in my head.

**Slow down.** There's no award awaiting the one who gets there faster with the most stress. Results are what matter.

\*\*\*

In the end, we hope to widen our measure of success. Sure, we're shooting for our goals, but those can't be narrowly defined by an asset number or money in the bank. Enjoy the pleasure of playing the game of business. Enjoy serving people well. Enjoy what you've accomplished and what's to come. Life is not a zero-sum game. There's abundance to embrace. There's success in it all, not the kind that leaves you



BIRCHWOOD CAPITAL

numb and is short-lived, but the kind that lasts. My renewed purpose is to continue to point those things out when we inevitably feel like we've fallen short.

-Stephen H. Nelson

*Blessed are those who find wisdom, those who gain understanding, for she is more profitable than silver and yields better returns than gold. - Proverbs 3:13-24*