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Written by Strata Financial Group, LLC

Market Overview

Welcome to the fourth quarter. It's been quite a ride so far this year. Per Morningstar, we just had the worst September since the 2008 financial crisis, which capped off a third consecutive quarterly loss – the longest streak since, you guessed it, the 2008 financial crisis. The NASDAQ was the biggest loser in September, down a whopping -10.44% for the month, while all other major equity indices were down more than -8.50% each. Even bonds shed another -4.32% in September.

Based on the year-to-date numbers below, you would think there is nowhere for investments to go but up. But the reality is, there still could be some more pain ahead as the Fed has hinted at additional rate hikes through the end of the year.

While concerning for the market, this is actually positive news for federally insured deposit accounts (such as savings accounts and CDs) and state insured products (such as fixed annuities). The yields on these products are based on interest rates, so there are some high-yield savings accounts right now offering 2% interest, CDs are currently yielding 3-4%, and some longer-term fixed annuities are approaching 5%. While these yields may *seem* attractive in this market of red, be sure to talk with a financial advisor before making any big changes to your financial plan. For example...

If you have at least 5+ years until retirement, history suggests that you may be better served investing in the market. While 5% a year sounds like a dream right now, you could possibly double that return by investing in the market. Take a look at the chart below. Even with the rough year we've had so far, the S&P 500 index has still averaged 9.24% per year over the past 5 years. The NASDAQ has done even better at 11.25%.

That is not to say a fixed annuity wouldn't be a great option for someone right now who is in retirement with some excess cash, or someone nearing retirement that is risk-averse.

Point being, there are limitless options out there on what to do with your money. In a market like this, it is especially difficult – *and extremely crucial* – to make sound, emotionless financial decisions. Shelby Davis said it best, "You make most of your money in a bear market, you just don't realize it at the time."

That's why we are here. To help you make the RIGHT decisions in this pivotal time.

Visit our website to view our blog posts, past newsletters, and learn more about our company and team members.

www.stratafinancial.com



Market Indices

Source: Morningstar
Percent annualized total return rates as of 09/30/2022

Index Descriptions

Global (including US)
International
500 largest US stocks
Tech-weighted US index
30 large blue-chip US stocks
US small cap stocks
US intermediate BBB+ bonds

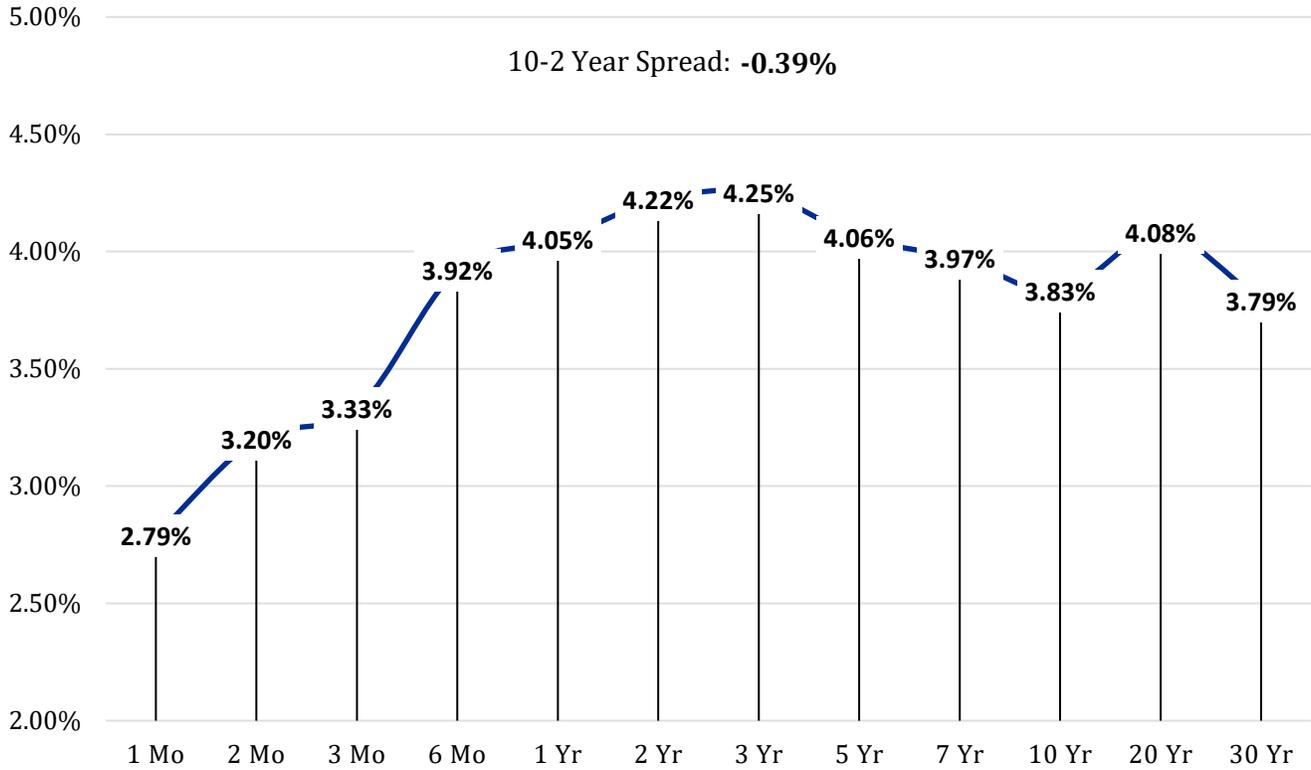
Index	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
MSCI ACWI	-25.63%	-20.66%	3.75%	4.44%	7.28%	4.07%
MSCI ex US	-26.50%	-25.17%	-1.52%	-0.81%	3.01%	0.57%
S&P 500	-23.87%	-15.47%	8.16%	9.24%	11.70%	8.03%
NASDAQ	-32.00%	-26.25%	10.63%	11.25%	14.22%	10.67%
DJIA	-19.72%	-13.40%	4.36%	7.42%	10.45%	7.62%
Russell 2000	-25.10%	-23.50%	4.29%	3.55%	8.55%	6.40%
Barclays US Bond	-14.61%	-14.60%	-3.26%	-0.27%	0.89%	2.74%

Indices cannot be invested in directly, are unmanaged, and do not incur management fees, costs, and expenses. Past performance is not a guarantee of future results.



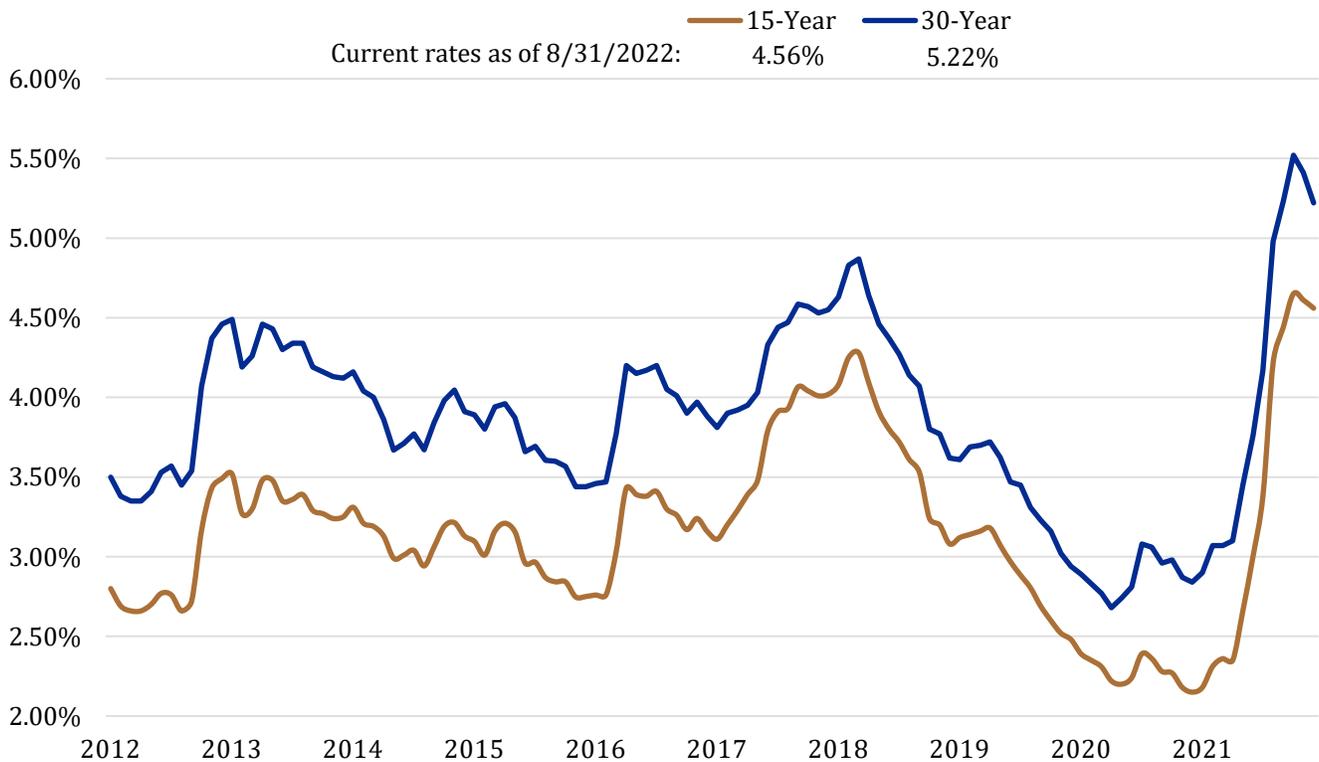
Treasury Yield Curve

Source: U.S. Department of the Treasury
Rates as of 09/30/2022



Mortgage Rates

Source: Freddie Mac
10-Year rolling monthly rates



Featured Article

When it comes to retirement planning, one thing all of us worry about is whether we will have enough money to last. Financial professionals can help you plan for retirement now and ensure your money lasts through your golden years.

Retirement Comfort: How to Avoid Running Out of Money

6/25/2022 – Tony Drake, CFP® (Click [here](#) for the link to the article online)

Nowadays, we're all living longer, and those life expectancy numbers are only going to rise. With people living up to three or four decades in retirement, it's crucial you have enough money to enjoy all your retirement days. What do you do if you run out of money? There are many ways people can run out of money, but there are some easy ways to avoid that.

Write Out Your Retirement Plan (and Check It Often). The No. 1 question we get as financial experts is: Will I have enough money for retirement? No one wants to outlive their money, so our first piece of advice is to make a plan. Having a comprehensive plan before you head into retirement can save you headaches down the road.

To create a retirement plan, you need to answer some basic questions:

- What are your income needs?
- Do you have any additional income sources?
- Will you have a shortcoming in your income needs?
- If so, what resources will you have to address those shortcomings?

A financial adviser can help you answer those questions and start putting a plan in place. Having that retirement professional helps you identify your needs now and in the future.

Invest Your Money in the Right Place. An important part of your retirement plan is deciding where to [invest your money](#). This is one of the reasons why when we are putting a retirement plan together, one of the first things we look at is our clients' [risk tolerance](#). This is one of the most important things to know before investing. If you are taking more risk than you are comfortable with and the market declines, you may panic and make a costly decision. Remember that an investment that works for one person may not be a good investment for you. Talk to a financial adviser to learn your options and what approach best suits your needs.

Don't Fall Victim to Fraud. Phishing emails and scamming phone calls are becoming more and more common. This is especially true for those already in retirement. People are trying to take advantage of our older generations. On average, senior citizens lose [\\$1 billion a year in scams](#). All retirees and even those getting close to retirement need to be informed and educated on [avoiding scams](#).

First and foremost, research any purchase, donation or investment before you jump into it. If an opportunity sounds too good to be true, it probably is. The consequences of falling victim to fraud could be far-reaching. You may think it will never happen to you, but it could. It happens more often than you think. Scammers are getting smarter and more sophisticated, especially with all of our information online.

If you are scammed or fall victim to fraud, you may not know it until it is too late. Always be proactive as opposed to reactive. Trust your gut, be concerned, and ask lots of questions. Don't make a quick decision on your own. Always ask your financial planner if this financial decision is a smart one.

Have a Budget and Stick to It. When most people get to retirement age, they want to maintain the same standard of living they have gotten used to. [Having a budget](#) can help get you there. While many of us may think of this as a simple step, it is surprising how many people do not have a budget.

Begin your budget planning by tracking all of your expenses. This will help you see where every single dollar is going. Start tracking your income, where it is coming from and exactly how much is coming in on a monthly basis. After tracking your income, make sure that your expenses are less than your monthly income. If they aren't, find a way to cut back on some expenses. This budget will help you determine how much money you need on a monthly and annual basis to support the lifestyle you want and to help you continue that into retirement.

A budget is a helpful tool on your journey of financial planning. But also make sure you have an emergency fund set aside. We saw how crucial this was for many people at the height of the pandemic. Try to have at least three to six months of expenses in that fund should you lose your job, experience car trouble or have an emergency house repair.

No matter how close or far you are from retirement, you want to make sure you will have enough money. Don't be afraid to ask your financial planner what you need to do. You want to continue living the lifestyle you have become accustomed to well into your golden years, and achieving that starts with a plan.

Strata News

COUNTDOWN: 4 Weeks Until Our 3rd Annual “401(K)anned Food Drive!”

Last year we were blown away by the generosity of our clients, friends, families, and community as we collected 944 pounds of food as well as \$50 in monetary donations (that’s almost 200 pounds more than our inaugural food drive!). Our goal for this year is to collect **over 1,000 pounds of food** to benefit [Goodwill of Lorain County](#).

If you need to make more room in your pantry this Fall for soups and pumpkin spices, this is the perfect opportunity for a “pantry cleanse” for a great cause!

The food drive will run for 2 weeks – **Tuesday, November 1st through Tuesday, November 15th**. Mark your calendars and keep your eyes peeled for BOGO deals while shopping at the supermarket!

*More details to come in next month’s newsletter.

Community Service

For our September community service initiative, Strata made a donation to the [8th Annual Dick Goddard APL Telethon](#) hosted by Fox 8. This year, the telethon ran from 6:00 AM to 7:00 PM on September 15th and raised **\$170,951!** The donations will go towards Tremont-based Cleveland Animal Protective League’s mission of fostering compassion and ending animal suffering by providing shelter to homeless animals and animals that have been rescued from abuse or neglect.



If you’re looking for a furry friend to adopt, feel free to stop by the Cleveland Animal Protective League located at 1729 Willey Avenue, Cleveland, OH 44113.

You can find out everything you need to know about adopting [here!](#)



The Strata Team



Anthony Campagni, CFP®
Managing Partner & Financial Advisor
(614) 798-8666 Ext. 120
apc@stratafinancial.com



Ronald Jurczynski, CPA, PFS
Managing Partner & Financial Advisor
(440) 934-3222 Ext. 118
rjurczynski@stratafinancial.com



Mitchell Romeo, CPWA®, CPFA®
Managing Partner & Financial Advisor
(440) 934-3222 Ext. 115
mromeo@stratafinancial.com



Kyle Hancharick
Financial Advisor
(440) 934-3222 Ext. 117
khancharick@stratafinancial.com



Emily Dohnenko
Business Operations Manager & Advisor Assistant
(440) 934-3222 Ext. 114
edohnenko@stratafinancial.com



Dominic Elmo
Wealth Management Operations Associate
(614) 798-8666 Ext. 119
delmo@stratafinancial.com

Our Offices

CLEVELAND
5058 Waterford Drive
Sheffield Village, OH 44035
Phone: (440) 934-3222
Fax: (440) 934-3223

COLUMBUS
6195 Emerald Pkwy, One North
Dublin, OH 43016
Phone: (614) 798-8666
Fax: (614) 798-1382

Office of Supervisory Jurisdiction
Harrington Asset Management, Inc.
6195 Emerald Pkwy, One North
Dublin, OH 43016
Phone: (614) 798-1345
Fax: (614) 798-1382

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