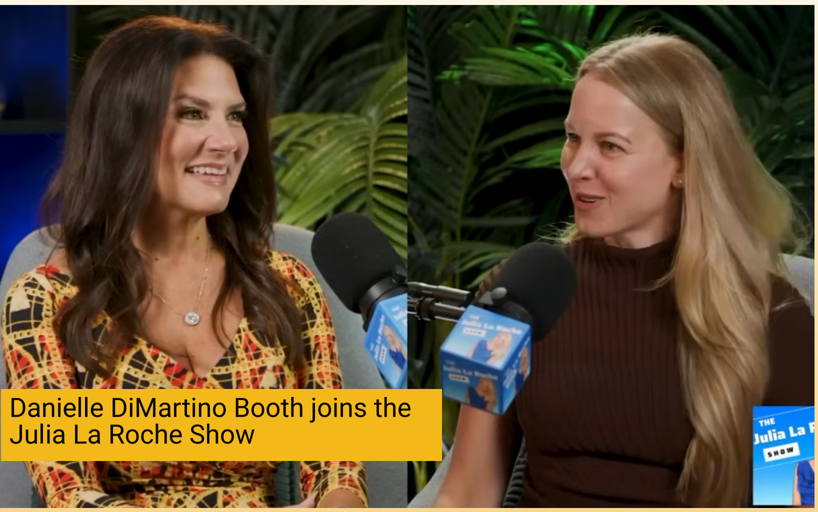
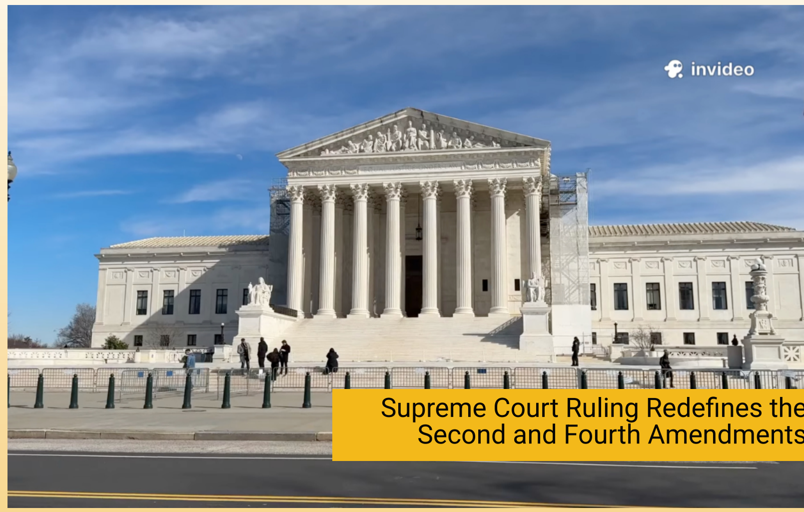
October Effect, Ltd.

October 2025 Financial Market Report

Prepared Especially for
Our Clients and Friends


Danielle DiMartino Booth joins the Julia La Roche Show



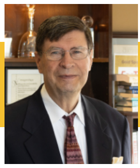
Supreme Court Ruling Redefines the Second and Fourth Amendments

Victor Davis Hanson: The Collapse of Europe's Socialist Experiment

WATCH THE Q4 MARKET NEWS PLAYLIST ON YOUTUBE

October Effect, Ltd.
Registered Investment Advisor

Presented by
The Tehel, Moravek, and James Team
Your Retirement Planning Specialists



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Let us help you with all your financial planning needs in a holistic approach.

The Tehel, Moravek and James team, a dynamic team with big results.
Call 757-390-3341 for a consultation.

Reading the Market
October 22, 2025

Master Allocation

	D	A
STOCKS	▶	H
BONDS	▶	H
COMMODITY	▼	B
CASH	▶	L
$DXY	▼	S
FXE	▲	L

Stock Allocation

	D	A
DIA	▶	H
IYT	▶	H
SPY	▶	H
QQQ	▶	H
IWM	▶	H
EFA	▶	L
EEM	▶	H

Bonds Yield Allocation

	%	D	A
BIL 90 DAY	4.07	▶	H
US2Y	3.47	▼	H
TNX 10Y	4.35	▼	H
TYX 30Y	4.51	▼	H
VTEB TAX F	3.38	▼	H
HYG JUNK	5.67	▶	H
MORTGAGE	6.2	▼	S

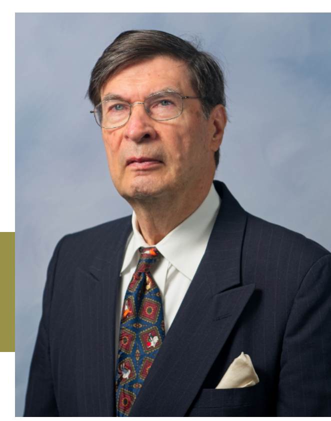
Commodity Allocation

	D	A
DBC	▶	L
USL	▶	H
GLD	▲	H
FCX	▲	L
MOO	▶	H
CUT	▼	B
VALE	▶	H

Key:
D = Direction: ▲ ▼ ▶
A = Action Index: (L)ong, Buy; (S)hort, Sell; (H)old

Inflation: 2.6%

For the last 45 years, I have maintained a fee-based financial planning practice and investment advisory services encompassing multi-generational estate planning, portfolio coordination, business succession planning and non-qualified retirement income planning.



Spotlight
ON FRANK TEHEL

Academic and Professional Accomplishments

- Postville High School, Iowa 1964
- Advanced Electrician (USN) 1971
- Bachelor of Science, Accounting (ODU) 1975
- CERTIFIED FINANCIAL PLANNER TM (CFP) 1982
- Enrolled Agent (EA) (IRS Exam) 1983
- Master of Science in Financial Services (MSFS) 1991
- Chartered Life Underwriter (CLU) 2000
- Master of Science in Financial Analysis (MSFA) 2006
- Chartered Retirement Planning Counselor SM (CRPC) 2007
- CERTIFIED TAX PLANNER (CTP) 2024

757-390-3341| Frank.Tehel@oeltd.co Team Leader, The Tehel, Moravek, James Team

Financial Planning Matters ...

ASK THE EXPERTS!

Q. How do Medicare and Social Security benefits factor into retirement planning?

A. Understanding the interaction of Social Security, Medicare, and health insurance is the first step. After building a detailed balance sheet and adding your current budget, next look at employer health insurance, Medicare, and Social Security benefits

The target date to start Medicare is age 65. This is the key point in building a successful retirement plan.

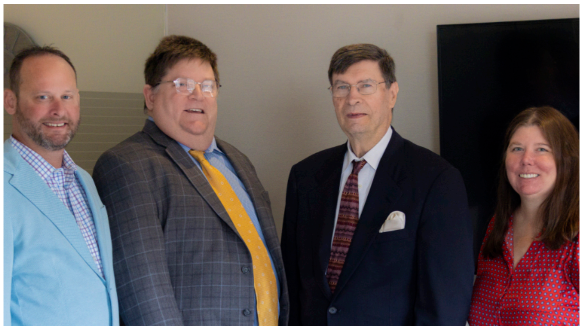
Does your company health insurance expire when Medicare benefits begin? For those of you with the dream of retiring at 55 (or earlier) this is a make-or-break consideration. The largest cost of early retirement is health insurance until both spouses reach the age of 65. If one or both spouses keep corporate health insurance benefits until age 65 the problem itself evaporates. Should the plan be to stop the corporate health insurance before age 65 a major cost will be incurred. That cost will start at $1200 each per month and by 62 will reach the price of $1500-$2000 a month for each of you for health insurance. If you both elect to have no health insurance! This exposes you to the problem of prior existing conditions when you do reach a point where health insurance is to be added. So, the health insurance expense of $2000-$5000 a month needs to be factored into the assets for early retirement.

So, retiring at 55 would need $600,000 cash for health insurance needs before age 65. So yes, if you are one of the fortunate ones with $5 million in your checking account at age 55, early retirement is possible otherwise reconsider.

When to start Social Security is equally as complicated. Yes, 62 is a starting age for reduced Social Security benefits. Your benefit is reduced to 70% of your max benefit. You're limited to $23,400 a year of W-2 or Schedule C income in calendar year 2025. For a married couple, the plan should always be the largest benefit possible by delaying the start of benefits until age 70 for the high-income earner in the family. This will increase your benefit by 24% over age 67. This dramatically increases the Social Security benefits available to the couple and the surviving spouse for the balance of their lifetime. Adequate investment dollars to offset delaying until age 70 needs to exceed $8 million in assets, whether stocks and bonds or real estate with no debt.

The second factor is equally important in guiding the start of Social Security benefits. Your health. If there are health issues and you are unable to work, by all means begin your Social Security benefits. If you are healthy, look at the longevity of your mother and father and your aunts and uncles. If they lived into their late 80s you will likely match that number or exceed it. In that case delay starting Social Security benefits until age 70.

Where does the money come from to cover your living costs if you wait until age 70 to start Social Security? The consensus breakeven of holding until age 70 is age 86. When we factor in the net present value of the cash used before Social Security starts. the breakeven age moves to 95. The average life expectancy for a white male to reach age 95 is 5%.



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Let our family of planners help to build your family's financial future.

757-390-3341
octobereffectlimited.com | Frank.Tehel@oeltd.co

2025 Q4 MARKET READ

Retirement Strategy: Sequence of Returns

In the ongoing saga of managing an investment portfolio for retirees, an entirely different problem arises with the sequence of returns.

As each of us builds our investment portfolio/401(k)/403B with the objective of retiring, the goal is to set aside certain dollars every month and ideally have a corporate or company match.

When this is accomplished, the market fluctuations work to our advantage. If we set aside a flat $100.00 a month into the stock market, when prices go down, the cost to buy a share of stock is less and we buy more shares of stock. This is a built-in advantage of dollar cost averaging. The single most crucial step is that we set aside those $100.00 every month regardless of other activities in our life.

As we make the decision to retire, the sequencing of returns turns upside down. Once we are taking money out of the retirement account in the stock market, when it goes down, the sequence of returns is a problem, now working to our disadvantage.

In the recorded live workshop on our website, I show the graphs and flowcharts that illustrate the negative impact of the sequencing returns problem.

It becomes extremely important for a retiree to be fortunate to have positive returns in the stock market in the early years of retirement. Those positive years will allow distributions to support our lifestyle without dramatically impacting the underlying value of our portfolio.

When we are retired and drawing money out of our portfolio and the stock market goes down in value, we are required to sell more shares to take home the same amount of that our budget requires. This is the inverse effect of dollar cost averaging and is the heart and soul of the sequencing problem.

The sequencing of the return problem is directly tied to the reality that no one, no company, no entity, knows what the stock market or life is going to give us tomorrow. Each of us must take action to protect our portfolios, our cash flow, and meet our family needs when the cruelty of the market works to make our lives difficult.

With that in mind, a three-bucket approach must be implemented. To accomplish the three buckets, we must include modern technology in protecting our family's needs going forward.

Bucket number one incorporates new annuity complications to create the indexed annuity contract. This allows an insurance company to guarantee your principal and nominal return with the possibility of the market moving in a positive direction. However, it does protect us when a down market moves to lower our cash flow.

The other two buckets use the technology currently available. Bucket two will match inflation, and bucket three will outperform inflation. This allows your cash flow to be met by the guaranteed bucket when everything is working against us, and by the other two buckets when the market is working in our favor. A review of the graphs on our website will support these actions.

If you're ready to invest in the future of your financial health, call us today and discover how our team of trusted advisors can help.

The Tehel, Moravek, and James Team 757-390-3341

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