
Investment News & Year End Reminders

SSA Announces COLA Increases for 2023

The Social Security Administration recently announced the cost-of-living adjustment (COLA) for benefit payments beginning in January 2023. The federal government began indexing Social Security for inflation starting in the 1970s. The adjustment of 8.7% is the largest in the last four decades. The increased benefits will be coupled with a 3% reduction in Medicare Part B premiums, making the COLA even larger for most retirees. For those of you that are not currently receiving benefits, the COLA will be a part of the calculation used when your benefit begins.

2022 Deadlines for Qualified Charitable Distributions

We wanted to remind everyone of an important deadline for those that make charitable gifts from their IRA as a qualified charitable distribution (QCD). Please remember that checks that you write must be cleared at Charles Schwab in the calendar year you intended. So, if you write a check and it's not cleared by December 31 that does not constitute a 2022 QCD. Additionally, there is a hefty 50% IRS penalty on any amounts that should have been withdrawn but weren't. We need a final determination of your total QCDs for the year in time to make any additional distribution that may be required. On several occasions we have seen checks clear more than a month after they were sent to the charitable organization. For these reasons, we ask that you send any QCD checks no later than November 1.



Additionally, if you would like for Charles Schwab to process any charitable gifts from your IRA and send those directly to a charity, those instructions need to be provided to our office no later than November 1.

US Treasury Series I Bonds

In times of high inflation, Series I Bonds offered by the US Treasury can provide competitive returns with little risk to principal. I Bonds pay a stated rate of interest based upon the rate of inflation and is set twice per year. The bonds have a maturity of 30 years but can be sold before maturity.

The current interest rate on new I Bond purchases through October 31, 2022, is 9.62%. There are several important features to Series I Bonds:

- They can only be bought directly from the US Treasury.
- They must be purchased with after-tax dollars.
- The initial interest rate will be paid for 6 months, and a new rate set every 6 months.
- Investors can only purchase up to \$10,000 in I Bonds per person, per year.

Purchases can be made by:

- Individual Investors
- Children under the 18 (if purchase is made by a parent/adult custodian)

- In some limited cases, trusts/estates can make purchases
- You must hold I bonds for a period of at least 12 months. If you cash in the bonds within the first five years, you will forfeit the last three months of interest earned.

New accounts can be opened electronically using the US Treasury's TreasuryDirect.gov website. Let us know if we can be of assistance.

Market Summary as of September 30, 2022

Index/Market	YTD
S&P 500 Index	-24.77%
DJ Industrial Average	-20.95%
Russell 3000	-25.48%
Russell 2000	-25.86%
Nasdaq	-32.40%
MSCI EAFE Index	-28.88%
Barclays US Agg Bond	-14.61%
0-Year U.S. Treasuries (Yield)	3.80%
WTI Crude Oil	17.92%
DJ Commodity Gold Index	-23.82%
CBOE Market Volatility	31.62%

Index/Market	YTD
Basic Materials	-24.66%
Communication Services	-40.31%
Consumer Cyclical	-31.49%
Consumer Defensive	-14.36%
Energy	30.15%
Financial Services	-23.30%
Healthcare	-16.17%
Industrials	-20.95%
Real Estate	-30.59%
Technology	-34.56%
Utilities	-8.68%

Source: ycharts.com

The S&P 500 ended down for the final week of the third quarter concluding three consecutive weeks in the red. For the quarter the index dropped 5.3%, including a 9.3% decline for the month of September. Adding to market stress, the 30-year mortgage rate is now at its highest level since 2007 with global central banks continuing to signal further rate hikes to combat inflation. However, declines have slowed for the month of October with indexes showing modest gains to start the fourth quarter.

Office News & Updates

Coming Soon...The New CollegiateCapital.com

CCM anticipates launching its website redesign this quarter. Among the enhancements, you will find a better overall user experience with easier navigation to information you are looking for, like the CCMconnect[®] Client Portal. If you bookmarked any of these pages, you will still be able to



access these as the URLs are not changing.

Collegiate Capital Management, Inc. |

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