



NOVEMBER NEWSLETTER

Cutting Through the Noise:

Commodities – We're Still Pounding the Table



INSIDE, WE
ALSO
TALK
ABOUT:

Old Hedge vs.
New Hedge

FTGC

A Changing
World

Those who've been following our letters know we've been pounding the table on commodities—and we're not stopping!

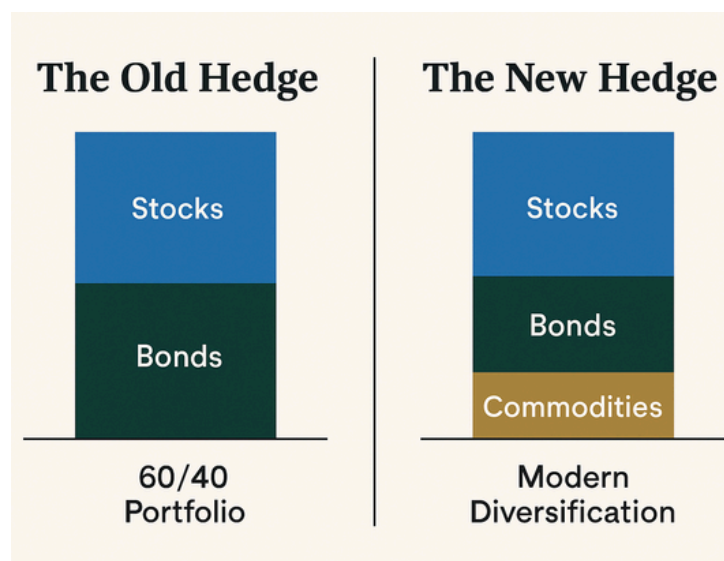
Commodities are sometimes overlooked as an important diversification tool in today's market.. While stocks and bonds continue to dominate most portfolios, we believe the world has changed in ways that make this third asset class more important than ever.



The Old Hedge Isn't What It Used to Be

For decades, investors could count on bonds to act as a cushion when equities stumbled. But since 2020, that relationship has weakened. The global surge in fiscal spending, record public debt, and persistent inflation have altered the landscape.

When both stocks and bonds move in the same direction—as we saw in 2022—traditional diversification loses its effectiveness. Commodities, on the other hand, often march to a different beat. They can rise when inflation heats up, supply chains tighten, or global demand shifts.



Commodities are real assets—energy, metals, and agriculture that power the global economy. They're not driven solely by central bank policy or corporate earnings but by tangible supply and demand.

In a world grappling with resource constraints, geopolitical competition, and structural inflation, commodities offer a powerful counterweight to the financialized parts of a portfolio. Even modest exposure can help stabilize long-term results.

A Smarter Way to Invest: First Trust Commodity Fund (FTGC)

We recognize that not all commodity funds are created equal. Many are overly volatile or too dependent on the energy sector. That's one reason **we've been adding to the First Trust Commodity Fund (FTGC)**—an **actively managed** solution that diversifies across commodity sectors and adjusts its exposure dynamically.

FTGC's tactical approach helps smooth the ride, reducing some of the extremes that can turn investors off from commodities, without diluting their diversification benefit.

The World Has Changed—Diversification Should Too

Commodities aren't a short-term trade for us; they're a structural allocation for a structural shift. Global debt levels are high, inflation pressures are sticky, and markets are more interconnected than ever.

In summary, owning commodities is mostly about acknowledging that the hedge has changed.



Financial Planning Tidbit:

As the year comes to a close, it's important to remember that Required Minimum Distributions (RMDs) must be taken from eligible retirement accounts by December 31st. This applies to traditional IRAs, SEP IRAs, SIMPLE IRAs, and most employer-sponsored retirement plans once you reach the IRS-determined age for mandatory withdrawals.

Missing the deadline can lead to a penalty of up to 25% of the amount not withdrawn, so planning ahead is key. If you're unsure whether an RMD applies to you or need help processing your distribution, please contact our team — we're here to assist you and help keep your retirement strategy on track.

That's a wrap for this month. Happy Thanksgiving!



Carrera_Capital_Advisors



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October 2025 Returns:

S&P 500 +2.4% || Dow 30 +2.6% || Nasdaq 100 +4.8% || Aggregate Bonds +0.6% || LT Treasuries +1.4% T-Bills +0.4% || Int'l Developed +1.2% || Emerging Markets +3.6% || GSCI Commodity +1.0%
REITs -2.5% || U.S.D +2.5% ||

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Information is gathered from sources believed to be reliable, but there is no warranty regarding that information. There is no requirement to update the information presented herein, unless otherwise required by applicable law. The information presented should not be considered as a solicitation for services. See Carrera Capital Advisors' ADV 2A for more information about the firm.

We use total returns that include the dividends and the expenses charged to investors for holding funds that track all corresponding benchmark indexes, so-called "Index Funds". Total returns use dividend-adjusted closing prices from Yahoo Finance as a raw input. Calculations are conducted in the R programming language by Carrera Capital Advisors.

The index returns for the month also utilize index funds that are designed to track an underlying index. Additional disclosures on each fund:

S&P 500 – iShares Core S&P 500 ETF ("IVV")

The Fund seeks to track the investment results of the S&P 500, which measures the performance of the large-capitalization sector of the U.S. equity market, as determined by S&P Dow Jones Indices LLC (the "Index Provider" or "SPDJ").

Dow 30 – SPDR Dow Jones Industrial Average ETF Trust ("DIA")

The Trust seeks to achieve its investment objective by holding a portfolio of the common stocks that are included in the Dow Jones Industrial Average (DJIA), with the weight of each stock in the portfolio substantially corresponding to the weight of such stock in the DJIA.

Aggregate Bonds – iShares Core U.S. Aggregate Bond ETF ("AGG")

The iShares Core U.S. Aggregate Bond ETF (the "Fund") seeks to track the investment results of an index composed of the total U.S. investment-grade bond market.

LT Treasuries – iShares 20+ Year Treasury Bond ETF ("TLT")

The iShares 20+ Year Treasury Bond ETF seeks to track the investment results of an index composed of U.S. Treasury bonds with remaining maturities greater than twenty years.

T-Bills – SPDR Bloomberg 1-3 Month T-Bill ETF ("BIL")

The SPDR Bloomberg 1-3 Month T-Bill ETF (the "Fund") seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of an index that tracks the 1-3 month sector of the United States Treasury Bill market.

Int'l Developed – iShares MSCI EAFE ETF ("EFA")

The iShares MSCI EAFE ETF (the "Fund") seeks to track the investment results of an index composed of large- and mid-capitalization developed market equities, excluding the U.S. and Canada.

Emerging Markets – iShares MSCI Emerging Markets ETF ("EEM")

The Fund seeks to track the investment results of the MSCI Emerging Markets Index, which is designed to measure equity market performance in the global emerging markets.

Commodities – iShares S&P Goldman Sachs Commodity Index Trust ("GSG")

The Trust seek to replicate the performance of the S&P GSCI Excess Return Index (S&P GSCI-ER), together with collateral assets consisting of cash, U.S. Treasury securities or other short-term securities that are eligible as margin deposits for index futures on the S&P GSCI-ER.

REITs – SPDR Dow Jones Global Real Estate ETF ("RWO")

The SPDR Dow Jones Global Real Estate ETF (the "Fund") seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of an index based upon the global real estate market

U.S.D. – Invesco DB US Dollar Bullish Fund ("UUP")

The Invesco DB US Dollar Index Bullish (Fund) seeks to track changes, whether positive or negative, in the level of the Deutsche Bank Long USD Currency Portfolio Index – Excess

Return™ (DB Long USD Currency Portfolio Index ER or Index) plus the interest income from the Fund's holdings of primarily US Treasury securities and money market income less the Fund's expenses