

Quarterly Insights

Economic and Investment Environment

The Federal Reserve's response to inflation negatively impacted markets during the last quarter. Their actions to intentionally hurt growth were more aggressive than were expected at large. Add to this the confusing and seemingly changing rhetoric, and markets immediately react to the uncertainty.

Thankfully looking ahead, there is a cause for rational optimism. As we spoke about last quarter, it is important to remember that markets move well before the economy does, by up to a year in many cases. We do not have to expect rosy economic conditions in order to cause an investment recovery, but just the anticipation of improvement is generally enough.



Many real time indications of inflation are coming down more than the headline numbers might suggest. At some point either the Fed will see this or their delayed data will show the same, and they will be able to reduce their tenacity. We believe this will be relatively soon.

Remember also that the first stages of market recovery are the sharpest & strongest, healing portfolios quicker than it might feel like. Most recently, the first two months of the 2020 bounce back healed the S&P 500 by 32%.

We are all ready for some improvement, and despite the valid concerns out there, there are powerful positives on the horizon.

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BFG's New President and COO — April Bortscheller, CFP®

We are very proud to announce that in mid September, April Bortscheller, CFP® was promoted to President and Chief Operating Officer (COO) of Berger Financial Group. She has been with BFG for over 16 years and throughout time has reshaped nearly every area of our firm's operations.

This is a well deserved promotion and we are so excited for what the future holds for April and her contributions to BFG.

Congratulations April!



Staff Updates



Welcome Eric Kautzman as a new Financial Advisor to our Plymouth office! He has been a financial advisor, focusing on retirement planning, since 2011. Previous to BFG, Eric spent over two decades in Development and Fundraising for universities. He continues to work with philanthropic individuals to identify gifting options and evaluate non-profit program success. Eric's drive, focus and passion for putting clients first make him a great addition to BFG.

Outside of the office, Eric enjoys mountain biking, running and spending time with family. His wife, Deb, is a former school teacher, son Brian is an engineer in the Twin Cities, daughter Anna is studying Physical Therapy at A.T. Still University, and daughter Kate is studying nursing at the University of Minnesota.



Congratulations to Patrick Noll, CPA on his recent promotion to BFG's new Chief Financial Officer (CFO).

Patrick has been with Berger Financial Group for over 8 years as our Tax Manager. As we continue to grow and partner with more locations, it's been wonderful having Patrick as a dedicated and qualified individual to strategize and help lead the firm with a financial vision at the forefront. We are very excited for Patrick and looking forward to what lies ahead.

Congratulations Patrick!



Jenna Bloom, our Marketing Coordinator, recently got engaged to her boyfriend Miles over the summer in their backyard.

Jenna and Miles have been together for three and a half years and share a home together in Southwest Minneapolis with their dog Maizy. They are currently in the midst of wedding planning for a Fall 2023 wedding and we are very excited for them!

Congrats Jenna and Miles!

Model Portfolio Update

The last three months, we've had a great deal of trading in our strategies due to market volatility. The stop loss provisions within our Dividend Stock Portfolio were active of course, but also many other ongoing tweaks in Bonds and other Stock portfolios have happened to make use of opportunities and implement improvements in real time. We see many price dislocations out there right now, and as these normalize we are likely to make additional trades this quarter. It's a great time to be very nimble, and we are making use of our capabilities in this area!

Investment Committee (IC)



Nick Asmus

Larry Berger,
CPA/PFS, CFP®

Mark Berger,
CFP®,EA

Blaine Conklin,
CFA®

Jackie Flahaven,
CFP®

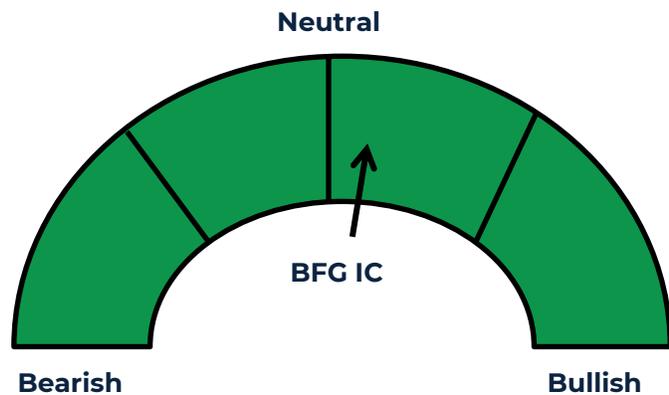
Bob Smrekar,
CFP®, AIF®

Tyson Pettitt

Kim Lillehaug,
CPA/PFS, CFP®

Benchmark Returns as of 9/30/2022		
	3rd Qtr	YTD
Bond Markets		
Barclay's US Aggregate Bond Index	-4.75%	-15.84%
Barclay's Global Aggregate Index	-6.94%	-21.34%
Stock Markets		
S&P 500	-4.88%	-23.87%
All Country World Index Ex-US (ACWX)	-6.82%	-25.77%
Russell 2000	-2.19%	-24.28%
Blended Indexes		
25% Equity	-4.78%	-17.85%
50% Equity	-4.82%	-19.86%
50% Equity w/ Foreign	-5.20%	-20.24%
Commodity		
Goldman Sachs Commodity Index (GSCI)	-10.31%	21.80%

BFG Investment Committee Q4 Market Outlook



Indices mentioned are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results. These are the opinions of BFG Investment Committee and are for informational purposes only, and should not be construed or acted upon as individualized investment advice. The market view information is based on a collective view of the current economy. This information cannot be guaranteed and should not be used as the basis for making an investment decision. Please consult your financial professional prior to making investment decisions.

Income Tax Update

Tax Season Reminders & Casualty, Disaster and Theft Losses

With the end of the year fast approaching, tax season will be here before you know it. There are steps you can take now that will make gathering information that much easier when your tax organizer arrives in the mail this January. These steps include:

- Gathering all charitable contribution receipts, including documenting non-cash donations to organizations like Goodwill. If these donations exceed \$500 in total, you also need to provide a description of the items donated along with the fair market value of each donation.
- If you have charitable, medical, or business miles on your personal vehicle and you typically itemize your deductions, make sure you have a log of these trips which includes the date and purpose of each trip along with the number of miles driven.

In the wake of Hurricane Ian, we'd like to remind you of the rules for deductibility of disaster losses. Generally, you may deduct casualty and theft losses relating to your home, household items, and vehicles on your federal income tax return if the loss is caused by a federally declared disaster. You may not deduct casualty and theft losses covered by insurance, unless you file a timely claim for reimbursement, and you reduce the loss by the amount of any reimbursement or expected reimbursement.

Visit the IRS website for specific qualifications and information on recent federally declared disasters:

<https://www.irs.gov/newsroom/tax-relief-in-disaster-situations>

You must reduce the loss, whether it's a casualty or theft loss, by any salvage value and by any insurance or other reimbursement you receive or expect to receive. The adjusted basis of your property is usually your cost, increased or decreased by certain events such as improvements or depreciation.

BFG and the Community

We were very proud to be a sponsor of the Tree House Women of Hope Event in late September. The event was a wonderful opportunity to share lunch and friendship while listening to inspiring speakers and learning more about Treehouse's mission to end hopelessness among teens.

For more information on Tree House visit [www.https://treehousehope.org/](https://treehousehope.org/)



At BFG, we provide comprehensive, ethical and personal service to help our clients navigate the complex world of personal finance. With experienced financial planners and dedicated CPAs, our unique tax-focused, team approach to planning sets us apart. As a result, we are able to seamlessly collaborate, plan for and implement multi-year financial and tax strategies few others are capable of.

Advisory services through Berger Financial Group, Inc., a Registered Investment Advisor

1695 State Highway 169
Plymouth, MN 55441

110 Kimball Ave
Suite 240
S. Burlington, VT 05403

107 Cedar St. Suite #4
Monticello, MN 55362

10800 Lyndale Ave S.
Suite 214
Bloomington, MN 55420

13517 W. Camino Del Sol
Sun City West, AZ 85375

23415 N. Scottsdale
Suite 104
Scottsdale, AZ 85255

17601 Highway 7 Suite 100
Minnetonka, MN 55345

Phone: 763-746-2666
Fax: 763-746-2669

Bergerfinancial.com