

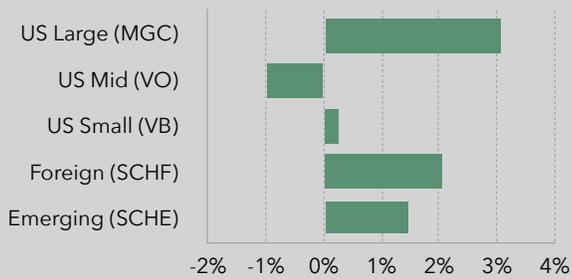
October 2025

Economic Data

- Employment data is delayed due to the government shutdown, but ADP reported 48,000 private-sector jobs were added in October
- Retail sales data is delayed due to the government shutdown
- Y/y inflation (CPI) accelerated to a 3.0% pace in September; the core rate (less food and energy) edged down to 3.0%
- Existing homes were up 1.5% in September and up 4.1% y/y; the median home price fell to \$415,200

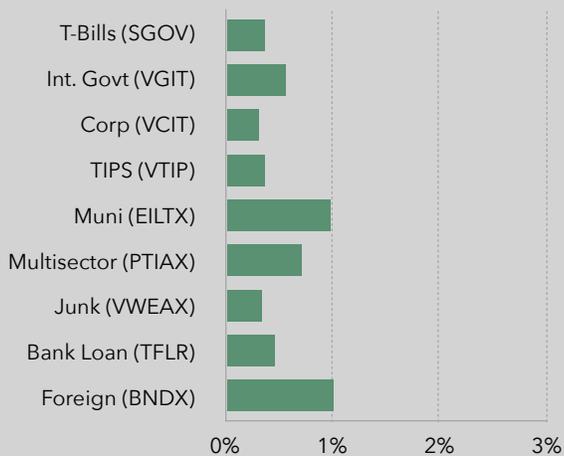
Stocks

October Returns



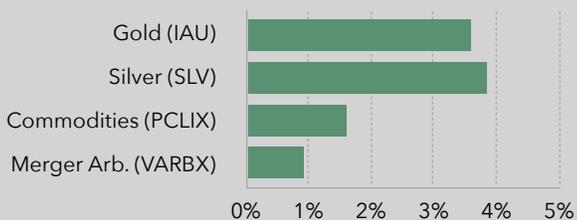
Bonds

October Returns



Alternatives

October Returns



Performance data provided by Morningstar

The brain uses two systems to process information. The first type is intuitive but lazy, rapidly forming judgements with no conscious input. The second system is slow, reflective, and not guided by emotions. It is that second system — type 2 — that we want in control of our investment portfolios.

Is Chase Sapphire Reserve Still Worth it?

A long time ago, sitting out in the sun on the deck of the Downtowner Lounge in Houghton, MI, a college buddy spent ten minutes chastising me for carrying a wallet stuffed with unnecessary items like a dental plan card and a Blockbuster card. A thick wallet, as he explained, tilts your pelvis to one side putting pressure on your sciatic nerve, and that's bad. Since then I have only carried a tiny leather card wallet (a cherished re-gift from my dear friend, Andy). The wallet has room for only four cards. This has included my ID, debit card, and whatever the relevant transit pass is for where I am (currently a Japanese Suica card with a cartoon penguin on it). For the last nine years or so, the coveted fourth slot has been the exclusive home of my Chase Sapphire Reserve (CSR) credit card.



However, CSR recently announced an annual fee increase to an eye-popping \$795 per year. That's a sizable increase from \$550. My initial reaction was that I would downgrade my card right before my renewal fee would be charged in April. However, details of the new benefits the card offers are now available, so it's worth reevaluating if they warrant the higher cost of admission. This, of course, depends on the individual.

The points system has changed quite a bit. Points are only worth 1x now for travel, instead of 1.5x, which is a big loss. The net effect on how points are earned could be positive or negative depending on your spending:

- Flights and rental cars went from 5x to 8x points per dollar spent on purchases made through Chase Travel, while hotels went from 10x to 8x
- Flights and hotels booked directly went from 3x to 4x
- Other travel (trains, taxis, 3rd party booking, etc.) went from 3x to 1x
- Dining remains 3x
- 1x per dollar spent on everything else

The classic benefits remain. Some benefits aren't much use to me outside the US, like Lyft and DoorDash. But others are more valuable, like Priority Pass which gives me access to lounges at almost every airport I travel through outside the US:

- The \$300 annual travel credit is an almost guaranteed benefit you will utilize, and that perk alone reduces the annual cost to \$495
- Up to \$300 in annual promos with DoorDash—this is pretty much useless to me
- Up to \$10/mo in Lyft credits—I might see \$20 of this
- Up to \$120 for Global Entry, TSA PreCheck or Nexus—useful every four years
- Priority Pass and Sapphire Lounge access—Priority Pass is a bit limited for domestic travel in the US, but on the international scene it's quite good. This makes me feel marginally superior to other people when traveling and is thus a huge perk for me (costs \$469 on its own)
- You also receive Visa Infinite perks including primary rental car insurance, trip cancellation and delay coverage, lost luggage reimbursement, and a concierge service—all of which I value

These are pretty good, but to be honest you can get a very similar benefits experience with the Capitol One Venture X card, which only costs \$395 per year. Let's take a look at all the new benefits of the CSR to see if they are enough for it to hold space in your wallet.

\$500 (\$250 every six months) in credit for The Edit hotels. What is The Edit, you ask? It is just a list of hotels that Chase made up. Here is an example of how it works. I am going to New Zealand around Christmas. The Edit list includes exactly one hotel in Auckland, so I didn't have to waste too much time choosing. I booked the Cordis Hotel for three nights. The cost on Chase Travel was \$398.54. The cost to book this room directly with the hotel would have been \$339.45, so Chase's price was \$59.09 higher. However, by booking through Chase I receive free breakfast, a free room upgrade, and a \$100 room credit which I will apply to parking. They were offering a 2x points boost, so I paid \$250 on my credit card and redeemed 7,427 points for the balance. The \$250 was promptly refunded as part of The Edit credit. This worked pretty well, but I don't think that will be the norm. Most of the hotels on The Edit list are high-end accommodations at a price point that is beyond what I would normally spend. Sadly, Super 8 didn't make the cut. They also require a two-night minimum stay, which could put you in a position of paying more than you normally would for a nicer hotel just to use the credit. So far it's been a benefit, but I'm not sure it will always prove to be.

The new benefits also include **Apple TV+**, which I currently have and pay \$12.99/mo for (\$155.88/year), and **Apple Music** which I don't have and wouldn't be willing pay for otherwise but is worth \$131.88 per year.

\$300 (\$150 every six months) in StubHub and viagogo credit. I have been to exactly three concerts since Woodstock '99, so I am not likely to use the full benefit of this. But I could potentially use \$150 of it to offset the elevated cost of Detroit Lions tickets now that they're good.

\$300 (\$150 every six months) in dining credit for restaurants in the Sapphire Reserve Exclusive Tables program booked through OpenTable. These are select restaurants pretty much just in major cities in the US and Canada and a few other places, but with a little forethought I could probably use half of this.

Up to \$120 for **Peloton** memberships—haha, no thank you.

Instant Platinum status with IHG hotels. Finally, some recognition when I stay at a Holiday Inn Express.

Binge Box

Tulsa King (Paramount+)

And I'm back on Taylor Sheridan. In *Tulsa King*, Sylvester Stallone brings his gravitas playing Dwight "The General" Manfredi, a grizzled New York capo exiled to Oklahoma after 25 years in prison. It starts out a little more light-hearted than Sheridan's usual stuff, with some fish-out-of-water comedy. But a few episodes in it finds its feet as the gangster story you would expect. There are a lot of recycled mob tropes, but the characters and story make it very bingeable. Season 3 is almost done, with just two more episodes left.

Tactical Asset Allocation					
Asset Class	Heavy Under-weight	Under-weight	Neutral	Over-weight	Heavy Over-weight
Fixed Income			●		
Duration		●			
Inflation				●	
Credit	●				
Foreign	●				
Equities		●			
Large Cap		●			
Mid Cap			●		
Small Cap		●			
Developed Intl.			●		
Emerging			●		
Alternatives					●
Commodities					●
Merger Arbitrage					●

Another new twist is the **unlockable benefits after spending \$75,000** or more in a calendar year. These benefits include:

- IHG Diamond status—marginal benefit as you already have Platinum status
- Southwest Airlines A-List status—this is kind of nice
- \$500 Southwest statement credit for flights booked through Chase Travel—I could definitely use this
- \$250 annual The Shops credit where you can use your points to buy select items from a limited set of brands—I don't really buy stuff, so this is of little value to me

These perks are nice to have if you already spend that kind of money, but I don't and I wouldn't recommend altering your spending habits to get you there. If you are going to be just a little shy, you could manufacture spend by paying estimated taxes with your card. This will come with a 1.75% to 1.85% fee, though. While you'll get back 1% of that in points, the other 0.75% is a cost. If, for example, you paid \$10,000 in estimated taxes at the end of the year to get you over the line, this would cost you \$175 (effectively \$75 after considering cash value of points), which could be worth it if you were for sure going to be flying Southwest.

For some, the added benefits could very well outweigh the increased cost of the card. But it all kind of feels like a coupon book to me, and there is nothing elite about coupon books. I think I will be getting rid of the CSR before my next annual fee is due in April. I will likely downgrade to the Preferred version in order to keep the points and credit history, though. The coveted slot in my card wallet will likely go to the Capital One Venture X Rewards Credit Card instead. It offers all the things I love about the CSR, without the extra fluff and cost.

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About EmeraldSpark

EmeraldSpark Investments, LLC is a Registered Investment Adviser. We were founded by Ryan P. Layton, CFA in 2015 to provide personalized financial planning and fiduciary investment management services to select clients. Our investment process blends the foundations of Modern Portfolio Theory with the latest research in the field of behavioral finance. We specialize in asset allocation and investment due diligence to help provide our clients with investment strategies personalized to match their specific goals and risk comfort zone.

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