OCTOBER 2026

From the Desk of the Lev Rourk Group

U P D A T E

JUDITH WILKENS LEV
Senior Vice President
Investment Management Consultant
Financial Advisor
NMLS# 1252284

COREY D. LEV, CFP®, CRPC®
Senior Vice President
Financial Planning Specialist
Financial Advisor
NMLS# 1261752

RONALD L. ROURK, CFP®
First Vice President
Financial Advisor
NMLS# 1255573

1200 Franklin Avenue
Garden City, New York 11530
516-227-2899
800-645-8600
516-248-8630 Fax

judy.w.lev@morganstanley.com
corey.d.lev@morganstanley.com
ronald.l.rourk@morganstanley.com

Morgan Stanley

Nurture Your IRA

It's tempting to pay little attention to an individual retirement account (IRA). After all, with a contribution limit of $7,500 in 2026 ($8,600 if you are over age 50), how much can an IRA contribute to the vast sums you'll need for retirement? The answer is plenty, especially if you follow these tips:

✔**Start contributing as soon as possible.** That way, tax-deferred or tax-free compounding of earnings can have a dramatic impact on your IRA's ultimate value. Consider the following example. Four individuals, ages 20, 30, 40, and 50, each contribute $5,000 to an IRA this year. What will that amount grow to when each person reaches age 65, assuming an 8% annual rate of return? The 50-year-old will potentially have $15,861, the 40-year-old will have $34,242, the 30-year-old will have $73,927, and the 20-year-old will have $159,602. Compounding of earnings turned the 20-year-old's contribution into a much larger balance.*

✔**Contribute every year until you reach retirement.** Even if you can't afford the maximum contribution, contribute something every year. Over a period of time, a modest investment program can grow to a significant sum. Assume that at age 30 you start contributing $5,000 per year to an IRA, earning 8% compounded annually. After one year, you'll have only $5,400. But that will grow to $29,333 after five years, $72,433 after 10 years, $228,810 after 20 years, and $861,581 after 35 years, when you turn age 65.* (Keep in mind that an automatic investing program, such as dollar cost averaging, does not assure a profit or protect against loss in declining markets. Because such a

Continued on page 2

Consider Maturity Dates

Bonds can be purchased with maturity dates ranging from several weeks to several decades. Before deciding on a maturity date, review how that date affects investment risk and your ability to pursue your goals. Typically, yield increases as the maturity date lengthens, since you assume more risk by holding a bond for a longer time. If you purchase a long-term bond knowing you'll need to sell before the maturity date, interest rate changes can significantly affect the bond's market value. Two fundamental concepts about bond investing apply:

✔**Interest rates and bond prices move in opposite directions.** A bond's price rises when interest rates fall and declines when interest rates rise. The existing bond's price must change to provide the same yield to maturity as an equivalent, newly-issued bond with prevailing interest rates. You can eliminate the effects of interest rate changes by holding the bond to maturity, when you will receive the full principal amount.

✔**Bonds with longer maturities are more significantly affected by interest rate changes.** Since long-term bonds have a longer stream of interest payments that don't match current interest rates, the bond's price must change more to compensate for the interest rate change.

Although you can't control interest rate changes, you can limit the effects of those changes by selecting bonds with maturity dates that align with when you need your principal. In many cases, you may not know exactly when that will be, but you should at least know whether you are investing for the short, intermediate, or long term. ✔✔✔

Nurture Your IRA

continued from page 1

strategy involves periodic investments, consider your financial ability and willingness to continue purchases through periods of low price levels.)

✔**Select investments with care.** Your IRA should be a long-term investment vehicle for retirement, so your investments should be appropriate for that long time frame. Even modest changes in your rate of return can substantially impact your IRA's ultimate value. For example, assume you have $10,000 in your IRA, which will be invested for 30 years. If you earn an average rate of return of 6% compounded annually, your ending balance will equal $57,435. Increase that return to 8%, and your ending balance will equal $100,627, a difference of $43,192.*

✔**Fund your IRA at the beginning of the year, rather than at the end of the year.** This allows your contributions and earnings to compound for a longer period. For example, assume you are 30 years old and make $5,000 IRA contribution at year-end for 35 years. If you earn 8% compounded annually, your IRA balance would equal $861,584 at age 65. Make the contribution at the beginning of the year instead, and your balance would equal $930,511, a difference of $68,927.*

Please call if you'd like to review strategies to help maximize your IRA's value. ✔✔✔

** These examples are provided for illustrative purposes only and are not intended to project the performance of a specific investment. They do not take into account the effects of commissions or any taxes that may be due.*

Incorporating Bonds in Your Portfolio

When selecting investments for your portfolio, you should customize your investments to your personal situation and specific financial goals. By taking the time to consider certain specifics about bond investing, you can determine the appropriate way to include bonds in your portfolio, which may help you pursue your short- and long-term financial objectives.

Identify your investment goals. Your investment goals will help determine the role bonds should play in your portfolio. An investor focused on long-term growth and capital appreciation with no need for current income may have less need for bonds. On the other hand, an investor looking for a balance of income and capital appreciation may have more bonds in his/her portfolio. An investor primarily interested in interest income may have a significant portion of his/her portfolio devoted to bonds.

Know your investment timeframe. As you select bonds for your portfolio, consider when you will need the principal. Investors often purchase bonds with long maturity dates because the yield on bonds tends to increase as maturity dates lengthen. However, if you purchase a long-term bond and sell it before maturity, interest rate changes can significantly affect the bond's market value. Although you can't control interest rate changes, you can limit the effects of those changes by selecting bonds with maturity dates close to when you need your principal.

Determine your risk tolerance. Typically, the higher a bond's return, the greater its risk. Thus, U.S. Treasury securities, which are considered one of the safest bonds, typically carry lower interest rates than municipal or corporate bonds. Make sure you understand the risks involved before purchasing a specific bond.

Understand the tax ramifications. Different types of bonds are taxed differently. Interest income from U.S. Treasury securities is exempt from state and local income taxes, but is subject to federal income taxes. Interest income from municipal bonds is exempt from federal income taxes, and typically is exempt from state and local income taxes for residents in the issuing state. Interest income from corporate bonds is subject to federal and state income taxes. Investors in higher marginal tax brackets typically find tax exemption of interest income more valuable. Any exemption from income taxes applies only to interest income, so capital gains from the sale of a bond are still subject to income taxes.

Consider specific bond variables. Before you purchase a specific bond, make sure you fully understand its features, including the following:

— Maturity date
— Credit rating
— Call provisions
— Coupon rate
— Yield to maturity
— Price
— Tax ramifications of interest income

The role of bonds in your portfolio will depend on these variables. Please call if you'd like help evaluating bonds for your portfolio. ✔✔✔

Managing Bond Risks

All investments are subject to risk, although the types of risk can vary. While you can't totally eliminate those risks, you can develop strategies to minimize them. For bonds, consider these strategies:

Interest rate risk — Interest rates and bond prices move in opposite directions. A bond's price will rise when interest rates fall and decrease when interest rates rise. This occurs because the existing bond's price must change to provide the same return as an equivalent, newly-issued bond paying prevailing interest rates. The longer the bond's maturity, the greater the impact of interest rate changes. Also, the effects of interest rate changes tend to be less significant for bonds with higher-coupon interest rates.

To reduce this risk, consider holding the bond to maturity. This eliminates the impact of interest rate changes, since the total principal value will be paid at maturity. Thus, selecting a maturity date that coincides with your cash needs will help reduce interest rate risk. However, you may still receive an interest income stream that is lower than current rates. Selecting shorter maturities or using a bond ladder can also help with this risk.

Reinvestment risk — You typically know what interest income you will receive from a bond, but you must then take the periodic income and reinvest it, usually at varying interest rates. Your principal may also mature at a time when interest rates are low.

Staggering maturities over a period of time (laddering) can lessen reinvestment risk. Since the bonds in your ladder mature every year or so, you reinvest principal over a period of time instead of in one lump sum. You may also want to consider zero-coupon bonds, which sell at a deep discount from par value. The bond's interest rate is locked in at purchase, but no interest is paid until maturity. Thus, you don't have to deal with reinvestment risk for interest payments, since you don't receive the interest until your principal matures.

Inflation risk — Since bonds typically pay a fixed amount of interest and principal, the purchasing power of those payments decreases due to inflation, which is a major risk for intermediate- and long-term bonds.

Investing in short-term bonds reduces inflation's impact, since you are frequently reinvesting at prevailing interest rates. You can also consider inflation-indexed securities issued by the U.S. government, which pay a real rate of return above inflation.

Default and credit risk — Default risk is the risk the issuer will not be able to pay the interest and/or principal. Credit risk is the risk the issuer's credit rating will be downgraded, which would probably decrease the bond's value.

To minimize this risk, consider purchasing U.S. government bonds or bonds with investment-grade ratings. Continue to monitor the credit ratings of any bonds purchased.

Call risk — Call provisions allow bond issuers to replace high-coupon bonds with lower-coupon bonds when interest rates decrease. Since call provisions are generally only exercised when interest rates decrease, you are forced to reinvest principal at lower interest rates.

U.S. government securities do not have call provisions, while most corporate and municipal bonds do. Review the call provisions before purchase to select those most favorable to you.

Keep in mind that the assumption of risk is generally rewarded with higher return potential. One of the safest bond strategies is to only purchase three-month Treasury bills, but this typically results in the lowest return. To increase your return, decide which risks you are comfortable assuming and then implement a corresponding bond strategy. Please call if you'd like help with your bond investing strategy. ✔✔✔

Which Goal Is More Important?

With limited resources for saving, which is the most important financial goal — saving for your retirement or saving for your child's college education? Many parents want to pay the entire cost of their children's college educations, and there are a variety of ways to save for that education. Unfortunately, there aren't similar options for your retirement. You may want to maximize your retirement savings, realizing that there are ways to use those savings to help with education costs.

✔ **Your retirement savings won't be considered in financial aid formulas.** The federal financial aid formula does not consider retirement accounts, including 401(k) plans and individual retirement accounts (IRAs), when calculating your expected family contribution. For other assets, the formula assumes that 5.6% of the parents' assets and 20% of the student's assets will be used annually for college costs.

✔ **You can still use these retirement assets to help pay for college costs.** Money in IRAs can be withdrawn to pay higher-education expenses before age 59½ without incurring the 10% federal tax penalty, although income taxes will be assessed on the taxable portion of the distribution. If the money is withdrawn from a Roth IRA, your contributions can be withdrawn at any time without penalty or taxes, while earnings can be withdrawn before age 59½ by paying income taxes but not the 10% tax penalty. With 401(k) plans, you typically can't withdraw the money before retirement age unless it is for a hardship withdrawal, but you can borrow funds. ✔✔✔

FR2026-0414-0289

Market Data

	Month End			% Change	
Stocks:	Aug 26	Jul 26	Jun 26	YTD	12-Mon.
Dow Jones Ind.	53185.90	52485.03	52319.20	10.7%	16.8%
S&P 500	7686.14	7489.72	7499.36	12.3	19.0
Nasdaq Comp.	26370.89	25373.85	26213.72	13.5	22.9
Total Stock Market	76015.30	74106.82	74557.05	12.6	18.8
Precious Metals:					
Gold	4443.00	4036.00	4029.00	2.3	30.3
Silver	66.95	57.35	59.45	-7.6	70.8
Interest Rates:	Aug 26	Jul 26	Jun 26	Dec 25	Aug 25
Prime rate	6.75	6.75	6.75	6.75	7.50
Money market rate	0.44	0.44	0.51	0.41	0.44
3-month T-bill rate	3.77	3.82	3.74	3.57	4.10
20-year T-bond rate	5.24	5.28	4.93	4.79	4.86
Dow Jones Corp.	5.72	5.72	5.40	5.00	5.07
Bond Buyer Muni	4.81	4.77	4.59	4.79	5.06

Sources: Barron's, Wall Street Journal. An investor may not invest directly in an index.

Morgan Stanley Smith Barney LLC offers a wide array of brokerage and advisory services to its clients, each of which may create a different type of relationship with different obligations to you. Please visit us at http://www.morganstanleyindividual.com or consult with your Financial Advisor to understand these differences.

This newsletter was produced by Integrated Concepts Group, Inc. on behalf of Morgan Stanley Financial Advisors Judith Wilkens Lev, Corey D. Lev, CFP® Ronald R. Rourk, CFP®. The opinions expressed in this newsletter are solely those of the author and do not necessarily reflect those of Morgan Stanley. Morgan Stanley can offer no assurance as to its accuracy or completeness and the giving of the same is not deemed an offer or solicitation on Morgan Stanley's part with respect to the sale or purchase of any securities or commodities.

Tax laws are complex and subject to change. This information is based on current federal tax laws in effect at the time this was written. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates, and Morgan Stanley Financial Advisors do not provide tax or legal advice. Individuals should consult their personal tax advisor for matters involving taxation and tax planning and their attorney for matters involving personal trusts, estate planning, and other legal matters.

Investments and services offered by Morgan Stanley Smith Barney LLC, Member SIPC.

2026-PS-552

THE LEV ROURK GROUP AT
MORGAN STANLEY WEALTH MANAGEMENT

Morgan Stanley

1200 Franklin Avenue
Garden City, New York 11530