Morgan Stanley

THE MURRAY LEGACY GROUP
AT MORGAN STANLEY

Well Advised

September 2026

Issue #14: The Cost of Waiting

When markets reach new highs, it's natural to wonder whether it might be better to wait.

Wait for a pullback. Wait for valuations to improve. Wait for a more attractive entry point.

The problem is that waiting can feel prudent without necessarily improving the outcome.

Markets don't move in a straight line, and periods of volatility are inevitable. But over time, growing markets also tend to reach new highs, and then go on to reach new ones.

That makes an all-time high very different from a market top. One is simply a fact about where the market has been. The other can only be identified with certainty after the fact.

It's also worth remembering why we invest in the first place. For long-term investors, owning assets that have the potential to grow is an important part of preserving and increasing purchasing power over time. Inflation steadily raises the cost of the things we buy, which means sitting on the sidelines for too long carries a cost of its own.

For long-term investors, the more important questions are usually whether the money is intended for long-term growth, whether the portfolio is appropriately diversified, and whether the investment strategy fits the goal.

If those things are in place, trying to identify a better moment to invest can introduce another risk: spending too much time on the sidelines.

Sometimes waiting works. Sometimes the pullback comes. And sometimes the market simply keeps moving higher. The challenge is that we never know which one it will be in advance.

Practical Planning Considerations

Ask yourself:

- Is money intended for long-term growth sitting in cash while I wait for a better time to invest?
- Am I allowing current market levels to influence decisions that should be based on long-term goals?
- If the market continued higher from here, would I regret having waited?
- Does my investment strategy reflect my time horizon, or my expectations about what markets might do next?

A thoughtful investment plan should be built around your goals and time horizon, not the ability to predict the next market move.

Looking Ahead

There will always be a reason to wait. Markets may be at record highs, valuations may feel elevated, or the next pullback may seem just around the corner.

But long-term investing has never required finding the perfect entry point. It requires having a plan, understanding what your money is intended to accomplish, and giving that plan time to work.

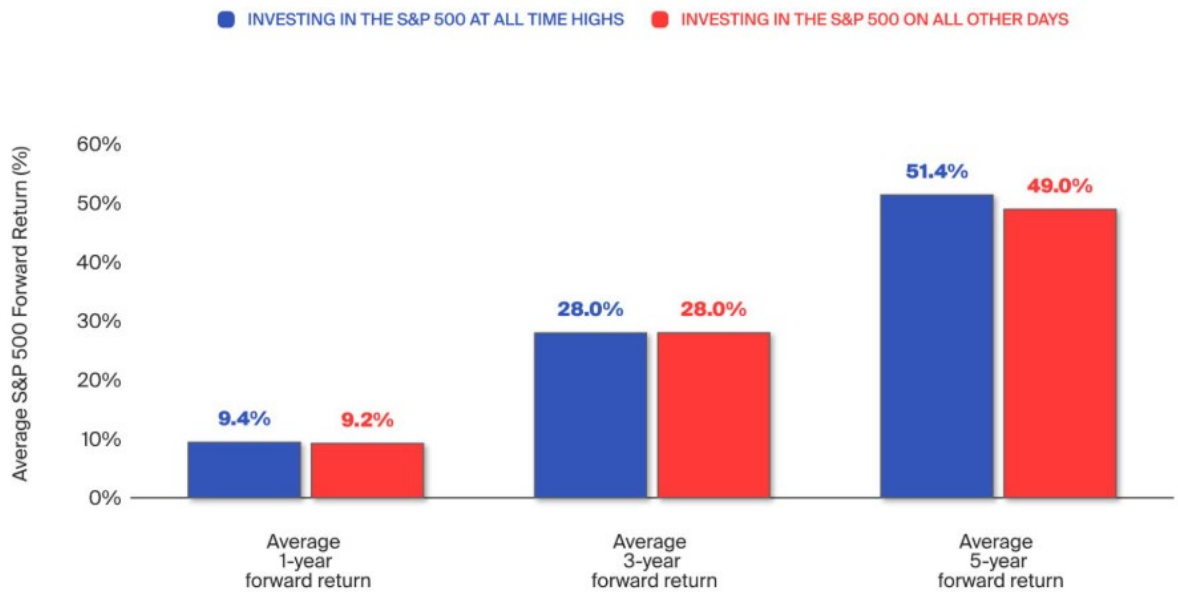
Inflation makes that especially important. For money intended to support long-term goals, remaining on the sidelines indefinitely can carry its own risk as the cost of those goals continues to rise.

Thanks for reading this issue of ***Well Advised***. We hope this perspective is a useful reminder that successful investing is less about finding the perfect time to begin and more about making thoughtful decisions that align with your long-term financial plan. If you'd like to discuss how your investment strategy fits within your broader goals, we'd be happy to connect.

Adam J. Murray, CFP®, CPM®
Managing Director, Wealth Management
Financial Advisor & Family Wealth Director
Global Sports & Entertainment Director
Senior Portfolio Management Director
The Murray Legacy Group at Morgan Stanley

Chart of the Month: Don’t Fear All-Time Highs

When markets reach record levels, it can be tempting to assume that future returns may be limited. History suggests that reaching an all-time high, by itself, has not been a reason to expect weaker returns ahead.



Source: Exhibit A. FactSet Research Systems Inc., Standard & Poor’s. Data since 1950 and as of 8/4/2026.

Explaining the Graphic

The chart compares average S&P 500 forward returns after the market reached an all-time high with returns following all other trading days since 1950.

Over the following one year, the average return after an all-time high was 9.4%, compared with 9.2% on all other days. Over three years, both averaged 28.0%. And over five years, the average return following an all-time high was higher: 51.4% compared with 49.0%.

In other words, historically, investing when the market was at a record high did not result in lower subsequent returns. In fact, average forward returns were as strong – or stronger – following all-time highs across each of the periods shown.

Our Perspective

An all-time high can feel like a warning because it’s easy to associate a higher market with greater downside risk. But new highs are also a natural consequence of long-term market growth.

That doesn’t mean that markets won’t experience pullbacks, corrections, or periods of disappointing returns. They will. It simply means that the level of the market relative to its previous high tells us very little about what happens next.

For long-term investors, we believe decisions should be driven by goals, time horizon, and an appropriate investment strategy – not by whether the market happens to be setting a new record.

You Asked, We Answered

Each month the newsletter will include a reader-submitted question and our take on it. If there's a topic you'd like us to explore – or something you've been wondering about – we'd love to hear from you.

Question: "Should I pay off my mortgage early or invest the extra cash?"

Our Take:

There isn't a universal answer.

Start with the interest rate. Paying down a mortgage provides a known benefit: the interest expense you'll no longer owe. The higher the rate, the more attractive that certainty becomes.

Investing offers a different trade-off. Over long periods, investments may earn more than the cost of a relatively low-rate mortgage, but those returns aren't guaranteed. Keeping the money invested also preserves liquidity that is lost once additional cash is used to pay down the loan.

Taxes, time horizon, other financial goals and your comfort with debt can all influence the decision as well.

And it doesn't always have to be one or the other. For some investors, directing a portion of excess cash toward the mortgage while continuing to invest can provide a reasonable balance.

The right decision isn't necessarily the one that produces the highest theoretical return. It's the one that best fits your broader financial plan.

Thanks for reading this issue of ***Well Advised***. If you'd like to submit a question for a future edition – or talk more about anything we covered today – we'd love to hear from you. Let's keep the conversation going.

Meet the Murray Legacy Group

Attorney Team

Adam J. Murray, CFP®, CPM®
Managing Director, Wealth Management
Financial Advisor & Family Wealth Director
Global Sports & Entertainment Director
Direct: 610-260-7009
Adam.Murray@morganstanley.com
NMLS #2317486

Philippa J. Lumsden, CFP®
Vice President, Wealth Management
Financial Advisor
Financial Planning Specialist
Direct: 610-260-7044
Philippa.Lumsden@morganstanley.com
NMLS #2317486

Corporate Executive Team

Brian J. Degnan, CFP®
Senior Vice President, Wealth Management
Financial Advisor & Senior Portfolio Management Director
Direct: 610-260-7011
Brian.Degnan@morganstanley.com
NMLS #1456519

David P. Drea, CFP®
Financial Advisor, Wealth Management
Workplace Advisor – Equity Compensation
Financial Planning Specialist
Direct: 610-260-7013
David.Drea@morganstanley.com
NMLS #2056666

Sports & Entertainment Team

Adam J. Murray, CFP®, CPM®
Managing Director, Wealth Management
Financial Advisor & Family Wealth Director
Global Sports & Entertainment Director
Direct: 610-260-7009
Adam.Murray@morganstanley.com
NMLS #2317486

Katelyn E. Goodwin
Financial Advisor, Wealth Management
Financial Planning Specialist
Direct: 401-845-3514
Katelyn.Goodwin@morganstanley.com
NMLS #2631787

Matthew C. Carroll
Financial Advisor, Wealth Management
GSE Associate Director
Direct: 610-260-7464
Matthew.Carroll@morganstanley.com
NMLS #2806914

Support Professionals

Samantha L. Staudt
Business Development Associate
Financial Planning Specialist
Direct: 610-260-7045
Samantha.Staudt@morganstanley.com

Amara M. Mulloy
Registered Client Service Associate
Direct: 610-260-7348
Amara.Mulloy@morganstanley.com

Brett M. Mallee
Registered Client Service Associate
Direct: 610-260-7273
Brett.Mallee@morganstanley.com

Sabine M. de Ruijter
Client Relationship Analyst
Financial Planning Specialist
Direct: 610-260-7272
Sabine.De.Ruijter@morganstanley.com

Olivia C. Kelley
Client Service Associate
Direct: 610-260-7212
Olivia.Kelley@morganstanley.com

Disclosures

The views expressed herein are those of the author and do not necessarily reflect the views of Morgan Stanley Wealth Management or its affiliates. All opinions are subject to change without notice. Neither the information provided nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. **Past performance is no guarantee of future results.**

This material has been prepared for informational purposes only. It does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. Morgan Stanley Smith Barney LLC ("Morgan Stanley") recommends that investors independently evaluate particular investments and strategies and encourages investors to seek the advice of a Morgan Stanley Financial Advisor. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. **Past performance is no guarantee of future results**

Morgan Stanley Global Sports & Entertainment is a highly specialized wealth management division, dedicated to serving the unique and complex needs of athletes, entertainers, creators and top professionals in the sports and entertainment industry.
Information contained herein has been obtained from sources considered to be reliable, but we do not guarantee their accuracy or completeness.

Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors or Private Wealth Advisors do not provide tax or legal advice. Individuals should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trusts, estate planning, charitable giving, philanthropic planning or other legal matters.

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.

Asset Allocation and diversification do not assure a profit or protect against loss in declining financial markets.

The Standard & Poor's (S&P) 500 Index tracks the performance of 500 widely held, large-capitalization US stocks. **An investment cannot be made directly in a market index**.

Morgan Stanley Smith Barney LLC. Member SIPC.

CRC 5846313 | 09/26