

Financial WISDOM



FALL 2026



INVESTMENT CORNER

HIGHER RATES RESHAPE THE MARKET

In the third quarter of 2026, the S&P 500 Index gained 2%, while mid- and small-cap stocks declined. The S&P MidCap 400 and S&P SmallCap 600 had quarterly declines of 6% and nearly 8%, respectively.

Looking at the year-to-date period, small-cap stocks remained ahead of their large-cap peers despite their third-quarter pullback. Through September 30, the S&P SmallCap 600 gained 14%, compared with 13% for the S&P 500 and 10% for the S&P MidCap 400.

AI-related spending continued to support semiconductor and technology stocks, particularly companies tied to chips, memory and data-center infrastructure. For example, Technology was one of only two S&P 500 sectors to post a gain in September, rising over 4%.

In September, the Federal Reserve raised the federal funds target range by 25 basis points, citing persistent inflation. Market expectations are for an additional one or two more rate increases in the near term.

Bonds in particular felt the effects of higher interest rates. The 10-year Treasury yield ended September at 5.3%, its highest level in over 20 years. Higher yields pressured bond prices, particularly longer-duration securities.

Inflation remained elevated in August, with consumer prices rising 3.4% over the past year.¹ Oil prices added to inflation concerns during September, with Brent crude finishing the month over \$100 per barrel as Middle East tensions created uncertainty around global supplies.

At the same time, economic growth also proved stronger than previously estimated. GDP grew at a 2.2% annualized rate in the second quarter, revised up from an earlier estimate of 1.5%, supported by consumer spending and investment. Consumer spending remained firm in August, rising 0.9% during the month.²

IN THIS ISSUE

The **fear of missing out (FOMO)** can make an investment decision feel urgent. Read three ways you can keep your portfolio connected to your personal financial goals.

Learn how **IRMAA** can increase Medicare costs for higher-income retirees.

Is a **Health Savings Account** an underrated investment tool? Find out why it may deserve a place in your financial plan.

As always, Jemma Financial is here to help you meet your financial goals.

MARKET PERFORMANCE

% as of September 30, 2026

	1 YR	3 YR*	5 YR*
Dow Jones	11.50	17.01	10.58
S&P 500	15.74	22.89	13.79
Nasdaq	24.00	28.31	16.56

*Average annual total return. Past performance is no guarantee of future results.
Source: Morningstar.

As of the end of September, **more than 40% of S&P 500 stocks were trading at least 20% below their 52-week highs, even as the index itself remained near a record high.**³ That wide gap between winners and losers is a reminder that headline index performance can mask very different experiences across individual stocks and sectors.

With that in mind, now is a good time to review with your Jemma Financial Advisor how market moves may have changed your portfolio's allocation, plan for any upcoming cash and tax needs, and discuss any lifestyle changes that may affect your longer-term financial plan.

BEYOND THE BUZZ

DON'T LET FOMO DRIVE YOUR PORTFOLIO

With today's 24-hour news cycle, a stock can quickly become the focus of attention as its price rises. You may start wondering: Should I buy? Should I sell and take a profit? That's a natural reaction, especially when a stock is getting a lot of attention.

The fear of missing out (FOMO) can make an investment decision feel urgent so here are three ways to keep your portfolio connected to your personal financial goals.

- 1 Give your portfolio room to grow in different ways.** You may already own some of the companies making headlines through various exchange-traded funds (ETFs) and mutual funds. This added diversification allows you to participate in an individual stock's potential growth while maintaining exposure to other opportunities.

Keep in mind, simply owning many stocks, ETFs, or funds does not necessarily mean you are diversified. The key is to include different types of investments that are less likely to rise and fall together. These may include large, mid-sized and small companies, growth and value styles, U.S. and international stocks, bonds and cash.

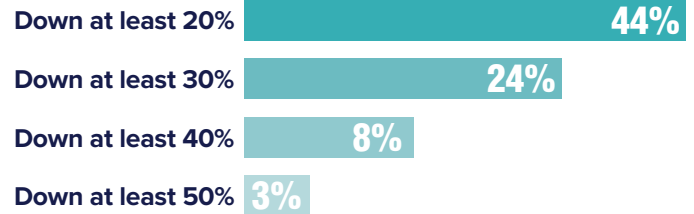
By spreading your investments across different areas, you are less dependent on any one company or group of companies to do well. While diversification cannot guarantee profits or prevent losses, it can help reduce the overall risk in your portfolio.

- 2 Rebalance regularly.** Over time, some investments may grow faster than others, changing the mix of investments in your portfolio.

For example, if stocks rise substantially faster than bonds, they may become a larger portion of your portfolio than originally intended. You could be taking on more risk even though you have not purchased anything new.

PERCENTAGE OF S&P 500 STOCKS BELOW THEIR 52-WEEK HIGHS

Through September 28, 2026



Source: FactSet, MarketWatch

Regular portfolio reviews help identify these changes. Rebalancing brings investments back toward their intended allocations. That may involve trimming holdings that have grown or directing new contributions to areas that have become underrepresented.

At Jemma, we consider whether adjustments are appropriate in light of your goals, time horizon, risk tolerance and potential tax consequences.

- 3 Take advantage of dollar-cost averaging.** When an asset class, such as large company stocks, keeps rising, it is natural to wonder whether to buy now or wait for a pullback.

By investing a fixed dollar amount at regular intervals, you buy more shares when prices are lower and fewer when prices are higher. This spreads the purchase price over time, reducing the impact of any single purchase price.

Automatic contributions make this approach easy to put into practice. While dollar-cost averaging cannot guarantee a profit or prevent losses, it can help you continue investing without trying to identify the best moment to buy.

KEEP YOUR GOALS IN VIEW

There will always be some company making headlines. Your portfolio deserves attention that goes beyond the news of the day. Jemma's Financial Advisors regularly review your investments within the context of your broader long-term financial plan.



UNDERSTANDING IRMAA

WHEN YOUR INCOME RAISES YOUR MEDICARE PREMIUMS

You've spent years saving for retirement but higher Medicare premiums may be a cost you didn't anticipate. Medicare adds an income-based surcharge called the Income-Related Monthly Adjustment Amount (IRMAA), which can cost higher-income retirees thousands of dollars a year. Learning how it works before you enroll in Medicare can help you plan ahead and understand your options.

WHAT IS IT?

IRMAA is a monthly charge that people with higher incomes pay in addition to their Medicare Part B and Part D premiums. For 2026, the IRMAA surcharge begins with incomes above \$109,000 for individual filers and \$218,000 for married couples filing jointly, and it increases at higher income levels. IRMAA is based on the Modified Adjusted Gross Income (MAGI) from two tax years earlier. That means your 2026 premiums reflect your 2024 income, reported on the return filed in 2025.

Notably, for a married couple, both spouses on Medicare pay their own IRMAA surcharge. That effectively doubles the household impact at every threshold.

FINANCIAL DECISIONS CAN AFFECT FUTURE PREMIUMS

Importantly, a higher income year does not always come from earning a larger paycheck. Savings and investments can also increase the income used to calculate IRMAA, including:

- Taking taxable withdrawals from a Traditional IRA or other retirement account, including required minimum distributions (RMDs).
- Converting Traditional IRA assets to a Roth IRA.
- Selling investments and realizing taxable capital gains.
- Receiving dividends, interest or other income.

2026 MEDICARE PREMIUMS AND IRMAA

Income ranges based on 2024 MAGI. Monthly amounts are per person.

INDIVIDUAL FILERS 2024 MAGI	MARRIED FILING JOINTLY 2024 MAGI	TOTAL PART B Premium/Month	PART D Surcharge/Month
\$109,000 or less	\$218,000 or less	\$202.90 (standard)	\$0.00
109,001 – 137,000	218,001 – 274,000	284.10	+14.50
137,001 – 171,000	274,001 – 342,000	405.80	+37.50
171,001 – 205,000	342,001 – 410,000	527.50	+60.40
205,001 – 499,999	410,001 – 749,999	649.20	+83.30
500,000 or more	750,000 or more	689.90	+91.00

For married couples, the premium and surcharge apply separately to each enrolled spouse.

Source: Medicare

For example, a Roth conversion may make sense for your long-term plan but may also increase your MAGI used to determine your Medicare premiums, thus potentially triggering IRMAA two years later.

WHEN YOUR INCOME OR SITUATION CHANGES

Your tax return may reflect a time when you were still working full time. If your income has since declined because of a qualifying life-changing event, you can ask Social Security to consider more recent information.

Qualifying events include:

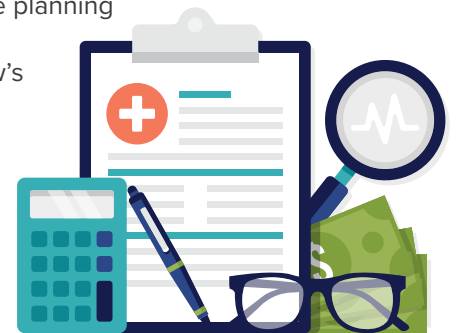
- You or your spouse stopped working or reduced work hours.
- Marriage, divorce, annulment or the death of a spouse.
- Loss of income-producing property due to circumstances beyond your control.
- Certain losses of pension income or qualifying employer settlement payments.

A decline in income alone generally does not qualify under these life-changing-event rules. If a qualifying event has reduced your income, you can request a review using Form SSA-44 and provide documentation of the event and your lower income.

CONSIDER MEDICARE COSTS IN YOUR FINANCIAL PLAN

Before making a sizable withdrawal, realizing gains or completing a Roth conversion, consider how the decision could affect both taxes and Medicare premiums.

Jemma's Advisors can help you consider Medicare costs alongside taxes, retirement income and your broader financial goals. A little planning today can help you understand tomorrow's costs and assist in decision-making with your overall financial picture in mind.



HEALTH SAVINGS ACCOUNTS

AN UNDERRATED INVESTMENT TOOL

You may think of a Health Savings Account (HSA) as a convenient way to pay for doctor visits, prescriptions and other medical bills. You contribute money, use it as needed and carry any unused balance into the next year.

However, an HSA's benefits extend beyond paying for today's expenses. Its combination of tax advantages and the ability to invest unused contributions in mutual funds and ETFs make it a valuable tool for building savings for health-care costs in retirement.

THREE TAX ADVANTAGES

HSAs offer a combination of Federal tax benefits:

- 1 **Deductible contributions**
- 2 **Earnings grow tax-free**
- 3 **Tax-free withdrawals for qualified medical expenses**

Unused balances roll over each year and remain yours when you change jobs or retire. To contribute, you must meet HSA eligibility requirements, including qualifying health coverage and no Medicare enrollment.

TWO WAYS TO PUT YOUR HSA TO WORK

An HSA offers the opportunity to invest for future health-care expenses, yet relatively few account holders do so. In 2024, only 18% invested HSA money in assets other than cash.⁴ Depending on your budget and health-care needs, consider one of these approaches:

» Pay current bills separately and invest for retirement.

If you can comfortably cover medical expenses from other savings or income, consider leaving your HSA funds invested for health-care costs in retirement. This gives your savings more time to potentially grow.

2026 HSA CONTRIBUTION LIMITS

Individual **\$4,400**

Family **\$8,750**

» **Pay for care today and invest for tomorrow.** Use your HSA funds to pay current medical expenses, keeping enough cash in the account for upcoming health-care bills. The remaining balance can be invested for future health-care costs.

You can adjust your approach as your needs change. If your budget allows, consider increasing your contributions within the annual limit. Review your HSA's investment options, fees and minimum cash requirements. Invest based on your time horizon and comfort with market risk, recognizing that investments can lose value.

HOW YOU USE YOUR HSA MATTERS

Qualified medical withdrawals remain tax-free at any age. At age 65, nonmedical withdrawals are no longer subject to the 20% additional tax, but ordinary income tax applies.

WITHDRAWAL PURPOSE		
	BEFORE AGE 65	AGE 65 & OLDER
Qualified medical expenses	Tax-free	Tax-free
Nonmedical expenses	Income tax + 20% additional tax	Income tax

General federal tax rules shown. Exceptions may apply.

ONE PART OF YOUR BIGGER FINANCIAL PICTURE

At Jemma Financial, we can help you consider how your HSA fits alongside your other savings and investments. Together, we can discuss what you need for current expenses, what you can set aside and whether investing a portion supports your longer-term goals.

Did You Know?



A child or other non-spouse who inherits your HSA generally must report its value as taxable income for the year you pass away. Review your beneficiary designation as part of your estate plan.⁵

1 U.S. Bureau of Labor Statistics. 2 Bureau of Economic Analysis. 3 MarketWatch. 4 Employee Benefit Research Institute. 5 Internal Revenue Service.

Past performance is no guarantee of future results.

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