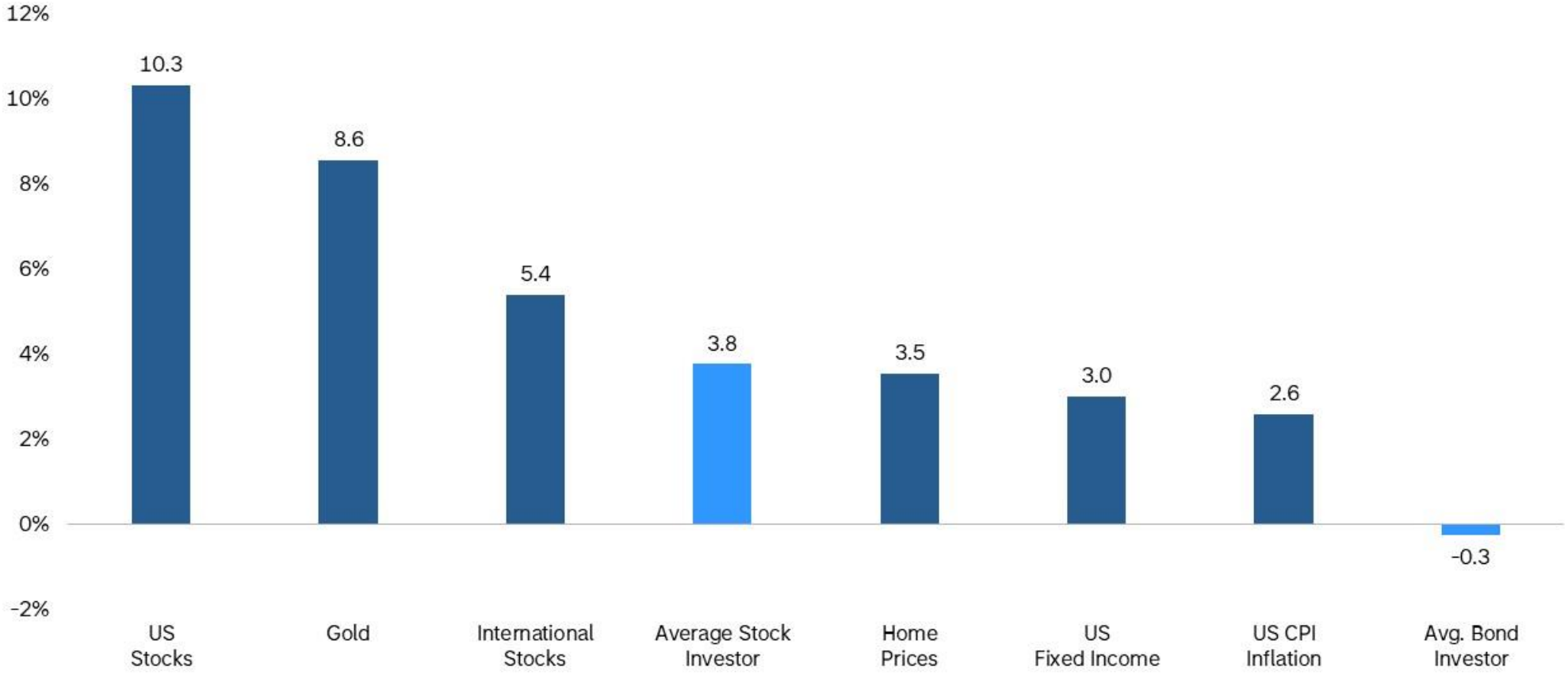
WEALTH MANAGEMENT

Gold as a Strategic Allocation

Average Investor vs. Asset Class Performance

TOTAL RETURNS (20-YEAR, ANN.)

AS OF DECEMBER 31, 2024



Source: Morgan Stanley Wealth Management GIO, Bloomberg, Dalbar's "2025 QAIB Report." Note: We use the US NAR Existing Home Sales Median Price to represent "Homes". We represent the "Average Investor" by Dalbar's average asset allocation investor return, which utilizes the net of aggregate mutual fund sales, redemptions, and exchanges each month as a measure of investor behavior. We annualize these returns, using total return for the financial assets, and represent the 20-year period ending Dec. 31, 2024, to match Dalbar's most recent analysis. US Stocks is represented by the S&P 500; US Bonds is represented by the Bloomberg US Aggregate Index; International Stocks is represented by the MSCI EAFE Index; Gold is represented by the Bloomberg Gold Subindex, and US CPI Inflation is represented by the US CPI Research Series All Items Index.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

We May Be in New Inflation Regime

Especially if Fed Independence Is Questioned

US DOLLAR INDEX

AS OF NOVEMBER 10, 2025

GOLD PRICE ($/OZ)

AS OF NOVEMBER 10, 2025

Source: Morgan Stanley Wealth Management GIO, Bloomberg

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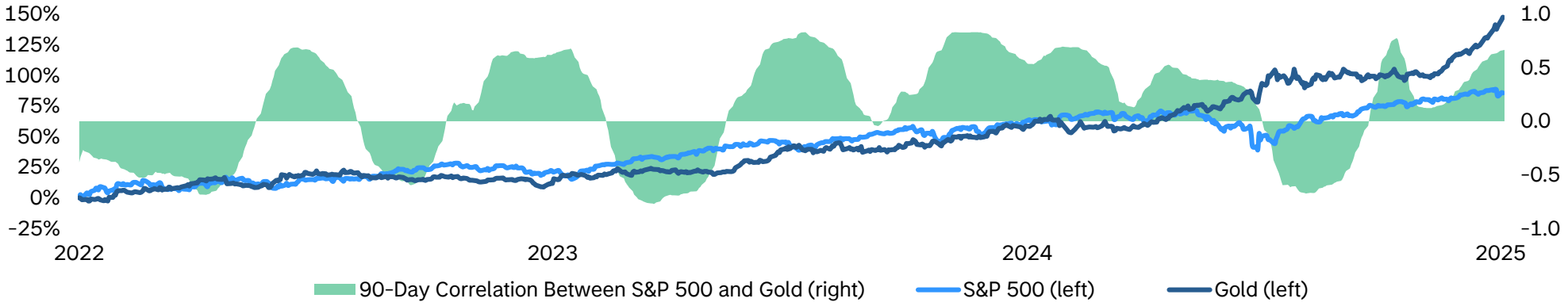
...And Gold...Now a Secular Growth Story?

S&P 500 AND GOLD: RETURN AND CORRELATION

AS OF OCTOBER 13, 2025, (OCTOBER 12, 2022 = 0)

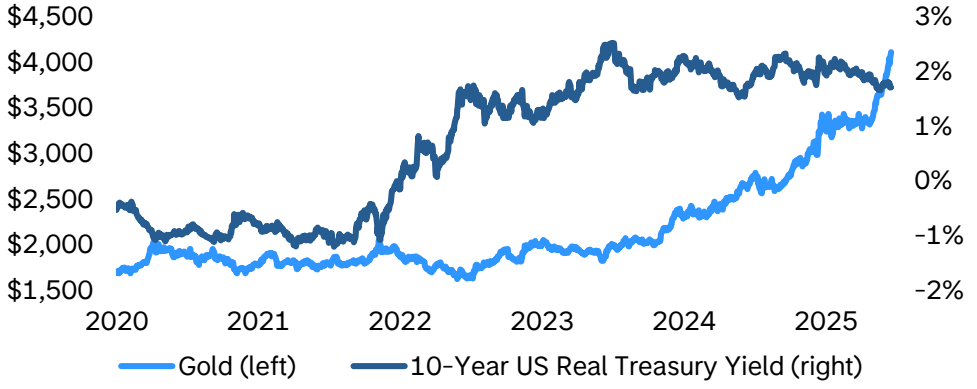


GOLD PRICE ($/OZ)

AS OF OCTOBER 13, 2025

GOLD VS. 10-YEAR US REAL TREASURY YIELD

AS OF OCTOBER 13, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg.

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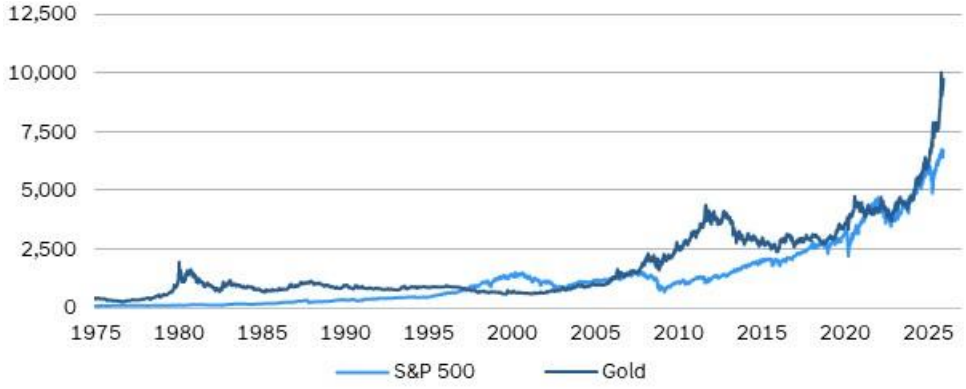
Gold vs. S&P 500

TOTAL RETURN: THE S&P 500'S 15 WORST MONTHS SINCE 1971

AS OF DECEMBER 31, 2025

S&P 500 VS. GOLD (USD/TROY OUNCE)

AS OF DECEMBER 31, 2025



S&P 500 RELATIVE TO GOLD (DEC. 31, 2000 = 100)

AS OF DECEMBER 31, 2025

Source: Morgan Stanley Wealth Management GIO, Bloomberg. On Aug. 15, 1971, the US abandoned the gold standard.

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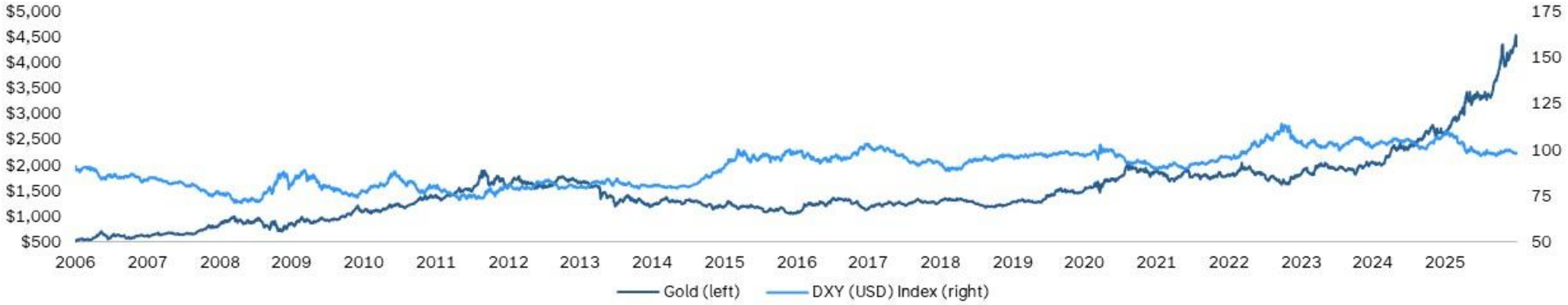
Gold vs. the US Dollar and Real Yields

GOLD VS. THE DXY (USD) INDEX

AS OF DECEMBER 31, 2025



GOLD VS. 10-YEAR US REAL TREASURY YIELD

AS OF DECEMBER 31, 2025

Source: Morgan Stanley Wealth Management GIO.

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Money Market Funds: You could lose money in money market funds. Although government money market funds (defined as investing 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (defined as money market funds open to natural person investors only) seek to preserve value at $1.00 per share, they cannot guarantee doing so. The price of other money market funds will fluctuate, and when you sell shares they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A money market fund investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund and investors should not expect that the sponsor will provide financial support to the Fund at any time.

Investing in **Commodities:** Commodity prices may be affected by factors such as supply and demand, government policies, domestic or international political and economic events (including war or terrorism), changes in interest and exchange rates, trading activity in commodities and related contracts, pestilence, technological developments, weather, price volatility, and liquidity constraints. Physical precious metals are speculative, non-regulated products that may experience short- and long-term price volatility. Precious metals do not make interest or dividend payments and therefore may not be appropriate for investors who require current income. Precious metals must be stored, which may impose additional costs on investors.

Master Limited Partnerships (MLPs): Investments in MLPs are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity price fluctuations, supply

and demand imbalances, resource depletion and exploration risk. MLPs also carry interest rate risk and may underperform in rising interest rate environments. In addition, MLP funds accrue deferred income taxes on net operating gains and capital appreciation; as a result their after-tax performance could differ significantly from that of its underlying assets.

Exchange Funds are private placement vehicles that enable holders of concentrated single-stock positions to exchange those stocks for a diversified portfolio. Investors may benefit from greater diversification.

Alternative investments are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They are appropriate only for eligible, long-term investors willing to forgo liquidity and put capital at risk for an indefinite period. They are often illiquid, may employ leverage, short-selling, or other speculative practices that increase volatility and risk of loss, and may require large minimum investments and initial lock-ups. Alternative investments may also involve complex tax structures, tax-inefficient investing, and delays in distributing important tax documents. Clients should consult their own tax and legal advisors, as Morgan Stanley Wealth Management does not provide tax or legal advice. They also typically carry higher fees and expenses than traditional investments, which can reduce overall returns.

Sector investments, due to their narrow focus, tend to be more volatile than broadly diversified investments. **Non-diversified portfolios:** Portfolios that hold a concentrated number of securities may experience greater overall declines when those securities lose value compared with more diversified portfolios. Portfolios that invest heavily in one or a few industry sectors are more vulnerable to price fluctuations than those diversified across a wider range of sectors.

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