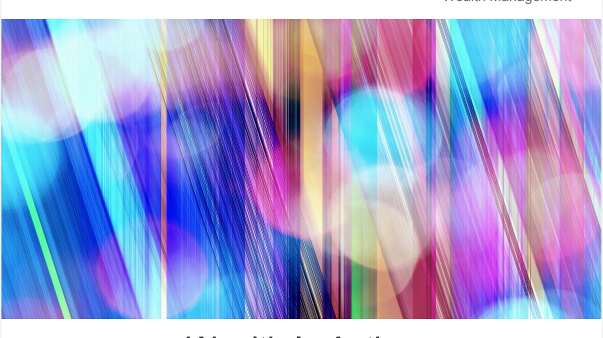
Morgan Stanley

Carolina Silva
Wealth Management



Wealth In Action

*Wealth in Action is a newsletter for subscribers passionate about building wealth. As many of you know, I am passionate about the power of financial literacy and economic empowerment. With the right information, continuing education, and access to the intellectual capital of Morgan Stanley, you will have the tools you need to potentially build your wealth. If you would like to refer someone to join this distribution, reply to this email. If you'd like to stay further connected, you can find me on **LinkedIn**. If you'd like to see past publications, you can view them on the **Content Library** tab on my website.*

Carolina's Corner

With the Iran conflict changing rapidly, I wanted to share my key takeaways from Morgan Stanley's thought leadership.

1. Three Scenarios
Morgan Stanley is outlining three scenarios for this conflict with (1) de-escalation and regime change, (2) prolonged external conflict with IRGC consolidation, and (3) civil war with proxy fragmentation. Each scenario carries different implications for global oil flows, terrorism risks, and geopolitical reactions, particularly from China and Russia. Read more about these scenarios here: **Implications of the War on Iran**

2. Immediate Impact
The immediate impact is a moving target. We will continue to provide insights as the situation progresses. Brent crude oil prices are up. This has raised concerns about inflation and potential supply disruptions. Morgan Stanley's Chief US Equity Strategist, Mike Wilson, remains optimistic about the 6-12 month outlook for US equities, noting that geopolitical shocks rarely lead to sustained market volatility. However, a sharp and persistent rise in oil prices could pose risks, especially if it coincides with a late-cycle macroeconomic backdrop.

The conflict's impact on energy markets is significant, with the Strait of Hormuz being a critical chokepoint for global oil and LNG (liquefied natural gas) supply. Disruptions here could lead to substantial impacts on global energy prices. Morgan Stanley's oil strategists have raised their Brent crude oil price forecast for the second quarter of 2026 to $80 per barrel, with potential for further increases if disruptions persist.

3. The Bigger Picture
In terms of financial implications, the conflict could lead to increased volatility, with defensive assets like US Treasuries, the US dollar, and gold likely to benefit. Central banks may face pressure to cut rates more aggressively if markets sell off. The conflict could also affect various sectors differently, with defense, mining, materials, and cybersecurity companies potentially benefiting, while consumer discretionary, airlines, and energy-intensive sectors could face pressure from higher oil prices.

Overall, Morgan Stanley emphasizes the importance of monitoring the situation closely, particularly the traffic through the Strait of Hormuz, missile exchanges, and potential diplomatic off-ramps. The conflict's duration and its impact on oil prices and global markets remain key areas of focus.

As always, I am one click away. If you would like to talk through what the Iran conflict could mean for your portfolio and long-term plan, **you can book time on my calendar**.

Wealth Wednesday Webinar

Wealth Wednesday Webinar
March Topic: Women & Wealth

True wealth is about more than money—it's about the life you're building, the people you care about, and the goals that matter most.

Every month I host a Wealth Wednesday Webinar to share practical, high level insights on building generational wealth in a way that is accessible and actionable. This series will cover a variety of topics - **you can stay up to date on my website**.

In honor of #WomensHistoryMonth, March's session will focus on the unique financial needs and opportunities women often navigate, and how to prioritize what matters most so you can create a personalized plan to support your financial goals.

Register to attend

Feel free to share with anyone who values financial literacy and long term wealth.

Podcast Picks

War and Oil Shocks | War-induced oil shocks have not been kind to the equity markets in the past. Yet, since the invasion of Iran, US equities have been relatively resilient. How is this time different?

The Alts Report | Jed Finn, Head of Morgan Stanley Wealth Management, hosts Marc Rowan, CEO of Apollo Global Management, to discuss the growing demand and versatility of alternatives, how public and private markets are converging, the private credit landscape and more.

POTUS vs. SCOTUS: Tariff Talk | A court ruling can change the playbook, but it doesn't end the game. Tariffs are still a key lever, and markets are recalibrating what they mean for growth, inflation, and rates.

Planning to Win

Alternative Investing: 6 Key Themes Shaping 2026 | In today's dynamic economic environment, strategies that worked before may not be as effective. Alternative investments could play a valuable role in your portfolio.

Protecting Yourself From Tax Season Scams | While you're busy gathering your paperwork for tax season, cybercriminals are devising schemes to steal your identity and money. Know how to protect yourself and your loved ones.

Tax Season 2026: Planning After OBBBA | How could the One Big Beautiful Bill Act shape your taxes and household finances? Top thought leaders share insights.

Timeless Thoughts

Thinking About Your Legacy? Why You May Need a Trust | A trust can help you define how your life's work and wealth can continue benefiting the people and causes you care for.

Risk Mitigation to Help Preserve Wealth | Hidden risks abound. For affluent families, this can mean unwanted financial exposure. A simple risk assessment can go a long way to help close these gaps.

Preparing for Life After Selling a Business | Selling your business can mean big changes for your life, both personally and financially. Know how to make the most of your windfall.

Ask Me Anything

Each month, I'll answer one question I've received from readers—focused on practical, real-life wealth planning topics (e.g., retirement, navigating markets, saving, and planning ahead). My goal is to share helpful education in a simple, approachable way.

Have a question you'd like covered next?
*Just **reply to this email** with your question. If your question is personal or situation-specific, **you can always book time on my calendar**.*

This month's question:
What is the difference between a mutual fund and an ETF, and when might someone choose one over the other?

My answer:
A mutual fund and an exchange-traded fund (ETF) are both pooled investment vehicles that let investors gain diversified exposure to a basket of securities. The key differences are primarily how they trade, how they're priced, and how costs and taxes may work in practice.

Core Differences
1) How they Trade
Mutual fund: Bought/sold directly with the fund company (or through a platform) and typically trades once per day.
ETF: Bought/sold on an exchange like a stock and can be traded throughout the trading day.

2) Pricing
Mutual fund: Orders are executed at the fund's net asset value (NAV) calculated after market close.
ETF: Price fluctuates intraday based on supply/demand; it usually stays near NAV but can trade at a premium/discount.

3) Costs and Minimums
Mutual fund: Often has minimum investment requirements; may have different share classes with different fee structures.
ETF: Typically no fund minimum beyond the price of one share (plus any brokerage requirements). You may incur commissions (often $0 at many brokers) and bid–ask spreads.

4) General Tax Considerations
ETFs are often described as more tax-efficient than traditional mutual funds due to how they can handle creations/redemptions (though this varies by structure and jurisdiction). Mutual funds may distribute capital gains depending on trading activity and shareholder flows (again, structure matters—some mutual funds are managed to be tax-aware).

5) Management Style
Both can be index/passive or actively managed. While ETFs are commonly index-based, active ETFs have grown in availability.

When someone might choose one over the other
Someone might prefer an ETF if they:
- Want intraday liquidity and the ability to use limit orders (e.g., for price control).
- Prefer potentially lower ongoing costs in many broad, index-based exposures (not universal).
- Are sensitive to tax outcomes in taxable accounts (where applicable).
- Want to implement tactical allocation changes efficiently.

Someone might prefer a mutual fund if they:
- Prefer simplicity: automatic investing, recurring contributions, and end-of-day NAV pricing.
- Want fractional investing more naturally (depending on platform; some brokers now offer fractional ETF shares too).
- Are using certain retirement plans or platforms where mutual funds are the primary options.
- Want a specific active manager/strategy that's offered in a mutual fund structure or with a particular share class.

When it comes to my clients, I tend to have a hybrid approach. As you think about your own portfolio, ask yourself, what is my investment philosophy? What is my investment strategy and why? It is important to be intentional with your investments.

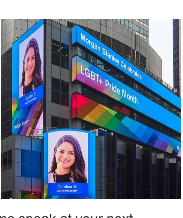
The Classics

- **Investing 101**
- **Dollar-Cost Averaging vs. Lump-Sum Investing**
- **Understanding Social Security** & **When to Claim Social Security**
- **Equity Compensation**
- **Checklist: Countdown to Retirement**
- **401(k) Plans: Frequently Asked Questions**
- **10 Rules for Talking to Kids About Money**

Working with Carolina

For those of you wondering what it looks like to work with me, I invite you to **take a look at my website** to learn more about the clients I love to represent.

If we have never met before, you can learn more about **what it looks like to work with me**.



If you would like to have me speak at your next event, **you can reference my speaker overview**.

If you would like to connect 1-1, **you can always book time on my calendar**.

[1] Market Essentials