

## The Caruso-Colonna Group at Morgan Stanley March, 2026 Newsletter

### Our Mission: To Gain and Maintain Financial Freedom

“Anyone can steer the ship when the sea is calm.” Publilius Syrus

### Markets, The Economy, and War:

Keith A. Colonna Sr., CFP®

Senior Vice President, Senior Portfolio Management Director, Financial Advisor

With the advent of warfare against Iran, we should revisit the history of prior geopolitical conflicts and how US equity markets responded to them. This table is instructive. (1)

Morgan Stanley

## S&P 500 Performance During Geopolitical Events

The Impact of Geopolitical Risk on Market Returns is Often Limited As Investors “Look Through” Events

### S&P 500 PRICE RETURN

Events	Start Date	1D	1W	1M	3M	12M
Korean War	25-Jun-50	-1.1%	-2.6%	-4.6%	7.2%	17.6%
Vietnam War starts	1-Nov-55	0.2%	5.5%	7.3%	3.6%	9.7%
Suez Crisis	29-Oct-56	-0.1%	2.6%	-4.2%	-4.1%	-12.9%
1958 Lebanon Crisis	15-Jul-58	0.3%	2.9%	6.2%	13.6%	32.0%
Cuban Missile Crisis	16-Oct-62	-0.3%	-6.3%	5.1%	14.1%	26.8%
Indo-Pakistani War	5-Aug-65	0.3%	0.7%	3.0%	7.8%	-2.2%
Six-Day War	5-Jun-67	2.0%	4.1%	3.3%	6.5%	13.1%
Arab-Israeli War	6-Oct-73	-0.1%	-0.2%	-4.0%	-11.0%	-41.1%
Fall/Liberation of Saigon	30-Apr-75	0.9%	2.0%	4.4%	1.8%	17.0%
Iran Hostage Crisis	4-Nov-79	-0.6%	1.7%	5.3%	12.3%	26.7%
Soviet Afghan War	24-Dec-79	0.1%	0.3%	5.4%	-7.8%	26.1%
Iran-Iraq War	22-Sep-80	-0.7%	-5.3%	1.2%	4.1%	-10.1%
Multinational Force in Lebanon	25-Aug-82	0.8%	0.6%	4.9%	13.9%	37.1%
1986 United States bombing of Libya	15-Apr-86	1.9%	2.0%	-1.4%	-1.7%	17.4%
United States invasion of Panama	20-Dec-89	0.6%	1.7%	-1.1%	-0.9%	-3.7%
Gulf War	2-Aug-90	-1.9%	-3.3%	-8.1%	-12.6%	10.1%
Iraqi no-fly zones conflict	1-Mar-91	-0.3%	1.2%	2.4%	5.2%	11.4%
Croatian War	31-Mar-91	2.2%	2.0%	2.4%	1.8%	8.5%
Bosnian War	6-Apr-92	-1.9%	0.1%	2.8%	2.0%	9.0%
Kosovo War	28-Feb-98	0.4%	0.4%	5.8%	4.1%	18.0%
War in Afghanistan	7-Oct-01	-0.5%	2.6%	5.0%	9.6%	-26.1%
Iraq War	20-Mar-03	2.3%	-0.8%	1.9%	13.6%	28.2%
Russian Invasion of Ukraine	20-Feb-22	-1.0%	0.8%	2.6%	-9.8%	-6.2%
<b>Average</b>		<b>0.2%</b>	<b>0.6%</b>	<b>2.0%</b>	<b>3.2%</b>	<b>9.0%</b>
<b>Median</b>		<b>0.1%</b>	<b>0.8%</b>	<b>2.8%</b>	<b>4.1%</b>	<b>11.4%</b>

Source: Morgan Stanley Wealth Management GIO, Bloomberg, Morgan Stanley & Co. Research. **Important note regarding economic sanctions.** This report may reference jurisdiction(s) or person(s) that are the subject of sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the United Kingdom, the European Union and/or by other countries and multi-national bodies. Any references in this report to jurisdictions, persons (individuals or entities), debt or equity instruments, or projects that may be covered by such sanctions are strictly incidental to general coverage of the relevant economic sector as germane to its overall financial outlook and should not be read as recommending or advising as to any investment activities in relation to such jurisdictions, persons, instruments, or projects. Users of this report are solely responsible for ensuring that their investment activities are carried out in compliance with applicable sanctions. **Any references in this presentation to entities or instruments that may be covered by such sanctions should not be read as recommending or advising on any investment activities involving such entities or instruments.** Users of this report are solely responsible for ensuring that your investment activities in relation to any sanctioned country/ies are carried out in compliance with applicable sanctions. Note: Start dates for conflicts are used, except for the Vietnam War, for which the start date and the US evacuation from Saigon are both included, due to the length of the conflict. 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.

# Morgan Stanley

We understand the war with Iran is disconcerting. We prefer peace and would rather our differences with any nation be resolved via negotiation.

The table on page one though shows though the historical resiliency of US markets. Twelve months after the commencement of each of the above listed hostilities, the average return of the SD&P 500 was +9% with the median (middle) return being +11%.

The graph below demonstrates this resiliency too. It shows trading in the S&P 500 index on Friday February 27, 2026, and Monday March 02, 2026, in 5-minute increments. This is granularity that we rarely consider but it is helpful here. We expected US markets to open lower on March 02 given the war news, and they did. The break and the big gap you see about midway across the chart is the close of trading on Friday and the open on Monday. Markets did open lower on the war news. However, at lunchtime, markets had largely recovered the morning sell-off. Even as a short-term example, we think this illustrates the futility of trying to time markets.



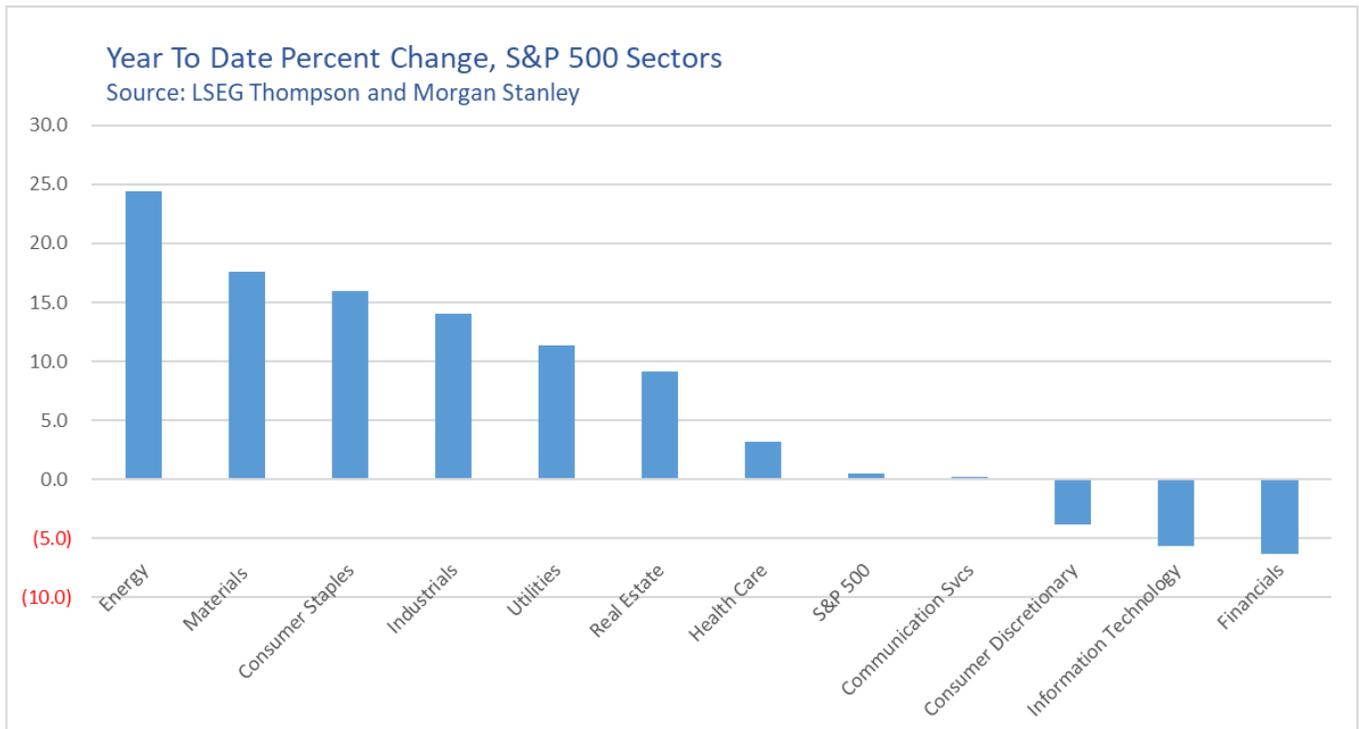
Past performance cannot guarantee future results of course. We do not know what may be next in the Middle East. However, the historical record gives us confidence about the future of markets with respect to this newest conflict. Needs and wants do not disappear during conflicts.

The sector rotation that we discussed in our February 2026 letter expanded last month. The S&P 500 sectors leading the way this year continue to be Energy, Materials and Consumer Staples, with each sector posting returns greater than 15% over the past two months. Financials have been the worst sector followed by Information Technology.

# Morgan Stanley

The heavy weighting of Technology in the market-capitalization-weighted S&P 500 index is evident from this graph. It is notable that five S&P sectors have advanced more than 10% year to date, and three are up more than 15%. Yet, the index itself is barely positive.

We continue to believe this sector rotation may be positive for markets and investors. We remain fans of technology, and we think we utilize it as much as anyone in our firm and profession. But we remain mindful that all the technology in the world still relies on energy and materials to build and run it.



The Iran war will probably dominate the headlines for the foreseeable future. This is normal and to be expected. The situation will likely remain fluid. We expect that there may be more near-term market volatility based on day-to-day events. We think heightened volatility will also be a normal response to war developments. We recommend not over-reacting to news.

As always, please reach out to any of us with questions or comments. We are happy to discuss your concerns and views at any time.

(1) Source: LSEG T1 and Morgan Stanley, 3/2/2026

(2) AUM Data as of 3/2/26

# Morgan Stanley

---



The Caruso-Colonna Group provides financial planning and investment management advice to meet the needs of successful individuals, families, businesses, and institutions. We are a family team with more than fifty combined years of professional experience. All Group Financial Advisors are CERTIFIED FINANCIAL PLANNER® Professionals. Our Group manages more than \$835 million in client assets. (2)

Left to Right: Keith Colonna Jr, Sandra Caruso, Keith Colonna Sr, Sarah DePaoli

For more information about individual years of experience please visit our website at

<https://advisor.morganstanley.com/the-caruso-colonna-group>

## The Caruso-Colonna Group at Morgan Stanley

### **Sandra B. Caruso, CFP®**

Senior Vice President  
Senior Portfolio Management Director  
Financial Planning Specialist  
Financial Advisor  
Office: 724-933-1494  
Mobile: 724-987-8619  
[sandra.b.caruso@morganstanley.com](mailto:sandra.b.caruso@morganstanley.com)  
NMLS #1326762

### **Keith A. Colonna Jr., CFP®, CRPS™**

Financial Planning Specialist  
Financial Advisor  
Office: 724-933-1593  
Mobile: 724-401-4305  
[keith.colonna.jr@morganstanley.com](mailto:keith.colonna.jr@morganstanley.com)  
NMLS #1827765

### **Keith A. Colonna Sr., CFP®**

Senior Vice President  
Senior Portfolio Management Director  
Financial Planning Specialist  
Financial Advisor  
Office: 724-933-1493  
Mobile: 724-987-2895  
[keith.a.colonna@morganstanley.com](mailto:keith.a.colonna@morganstanley.com)  
NMLS #1301236

### **Sarah A. DePaoli**

Registered Client Service Associate  
Office: 724-933-1479  
Mobile: 804-980-1583  
[Sarah.depaoli@morganstanley.com](mailto:Sarah.depaoli@morganstanley.com)

# Morgan Stanley

---

The views expressed herein are those of the authors and do not necessarily reflect the views of Morgan Stanley Smith Barney 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.

The individuals mentioned as the Portfolio Management Team are Financial Advisors with Morgan Stanley participating in the Morgan Stanley Portfolio Management program. The Portfolio Management program is an investment advisory program in which the client’s Financial Advisor invests the client’s assets on a discretionary basis in a range of securities. The Portfolio Management program is described in the applicable Morgan Stanley ADV Part 2, available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) or from your Financial Advisor.

In this program the client pays a wrap fee to MSWM (the “MSWM Fee”), which covers MSWM investment advisory services, custody of securities (if we are the custodian), trade execution with or through MSWM, as well as compensation to any Financial Advisor. The Portfolio Management program fees are described in the applicable Morgan Stanley ADV Part 2, available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) or from your Financial Advisor.

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.

To understand the differences between brokerage and advisory relationships, clients should consult their Financial Advisor, or review our Understanding Your Brokerage and Investment Advisory Relationships brochure available at <http://www.morganstanley.com/ourcommitment/>

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 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.

Past performance is no guarantee of future results. Actual results may vary. Diversification does not assure a profit or protect against loss in a declining market.

**Indices are unmanaged. An investor cannot invest directly in an index.** For index, indicator and survey definitions referenced in this report please visit the following:

<https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>

Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.

# Capital Market Indices

Monday, March 2, 2026

US Equities	Feb-27	1D	WTD	MTD	QTD	YTD	1Y
S&P 500	6,878.88	-0.4%	-0.4%	-0.8%	0.7%	0.7%	18.8%
Dow Jones Industrial Avg.	48,977.92	-1.0%	-1.3%	0.3%	2.1%	2.1%	15.2%
NASDAQ Composite	22,668.21	-0.9%	-0.9%	-3.3%	-2.4%	-2.4%	23.1%
NYSE Composite	23,494.44	-0.1%	0.2%	3.6%	7.1%	7.1%	21.3%
AMEX Composite	8,761.14	0.5%	0.5%	13.7%	27.7%	27.7%	83.4%
Americas Equities (USD)	Feb-27	1D	WTD	MTD	QTD	YTD	1Y
Canada S&P	25,194.42	0.1%	2.0%	7.3%	9.4%	9.4%	48.6%
Mexico IPC	4,147.64	0.4%	-0.4%	7.0%	16.4%	16.4%	67.9%
Brazil Bovespa	36,748.29	-0.7%	0.1%	6.5%	25.1%	25.1%	71.6%
Europe Equities (USD)	Feb-27	1D	WTD	MTD	QTD	YTD	1Y
UK FTSE 100	14,685.60	0.7%	1.9%	5.1%	10.3%	10.3%	37.4%
Eurozone STOXX 50	7,253.76	-0.0%	0.4%	2.9%	7.0%	7.0%	31.4%
France CAC 40	10,139.87	-0.1%	1.1%	5.1%	6.0%	6.0%	24.3%
Germany DAX	29,878.41	0.3%	0.4%	2.6%	3.8%	3.8%	27.3%
Spain IBEX 35	21,696.96	-0.4%	1.3%	2.2%	7.2%	7.2%	63.3%
Asia Equities (USD)	Feb-27	1D	WTD	MTD	QTD	YTD	1Y
Japan Nikkei 225	377.10	0.4%	2.9%	9.3%	17.2%	17.2%	50.7%
Hang Seng Hong Kong	3,404.66	1.0%	0.7%	-2.9%	3.4%	3.4%	15.4%
China Shenzhen Comp.	402.75	0.1%	3.7%	4.4%	11.3%	11.3%	42.4%
Alternatives	Feb-27	1D	WTD	MTD	QTD	YTD	1Y
FTSE EPRA/NAREIT Global	1,867.28	-0.0%	0.7%	5.8%	8.9%	8.9%	9.4%
Alerian Midstream Energy Select	869.51	0.8%	1.3%	9.6%	18.0%	18.0%	22.4%
HFRX Global Hedge Fund	1,631.04	0.0%	0.4%	0.5%	2.5%	2.5%	8.5%
HFRI Fund of Funds <sup>1</sup>	9,277.59	-	-	0.0%	2.0%	2.0%	11.1%
HFRX Macro/CTA Index	1,439.61	0.0%	1.1%	1.2%	5.3%	5.3%	10.6%
Commodities	Feb-27	1D	WTD	MTD	QTD	YTD	1Y
Bloomberg Commodity	121.68	1.2%	1.7%	0.8%	10.9%	10.9%	16.7%
...Ex-Energy	149.28	0.8%	2.1%	4.3%	9.4%	9.4%	26.9%
...Ex-Precious Metals	131.62	0.9%	0.9%	-1.4%	7.6%	7.6%	2.8%
CRB Index	552.33	0.3%	1.0%	1.0%	2.3%	2.3%	1.7%
Bloomberg Agriculture	54.57	0.6%	1.1%	2.8%	2.1%	2.1%	-7.3%
Bloomberg Energy	28.65	2.0%	0.7%	-6.0%	13.0%	13.0%	-9.6%
WTI Crude Oil Futures	67.02	2.8%	0.9%	2.8%	16.7%	16.7%	-4.7%
Brent Crude Oil Futures	72.48	2.4%	1.0%	2.5%	19.1%	19.1%	-2.1%
Gasoline Futures	2.08	2.2%	4.0%	8.1%	21.8%	21.8%	4.1%
Natural Gas Futures	2.86	1.1%	-6.2%	-34.3%	-22.4%	-22.4%	-27.3%
Bloomberg Ind. Metals	171.55	0.0%	1.5%	-0.3%	5.0%	5.0%	16.6%
Copper Futures	6.00	1.0%	2.8%	1.4%	5.7%	5.7%	31.1%
Bloomberg Prec. Metals	570.82	2.2%	5.1%	12.1%	24.0%	24.0%	97.4%
Gold Futures	5,247.90	1.0%	3.7%	11.3%	20.9%	20.9%	81.2%
Silver Futures	92.68	6.5%	12.6%	18.0%	31.3%	31.3%	191.4%
Palladium Futures	1,792.20	2.5%	0.7%	5.2%	8.5%	8.5%	98.8%
Platinum Futures	2,373.50	6.0%	9.1%	11.9%	16.7%	16.7%	147.8%
Bloomberg Softs	53.35	-0.9%	-1.6%	-9.3%	-15.9%	-15.9%	-24.2%
US Size-Style	Feb-27	1D	WTD	MTD	QTD	YTD	1Y
Russell 3000	3,917.03	-0.5%	-0.4%	-0.5%	1.1%	1.1%	18.8%
Russell 3000 Growth	3,540.51	-1.0%	-0.9%	-3.3%	-4.6%	-4.6%	16.8%
Russell 3000 Value	2,897.77	0.0%	0.1%	2.6%	7.3%	7.3%	20.2%
S&P 500	6,878.88	-0.4%	-0.4%	-0.8%	0.7%	0.7%	18.8%
S&P 500 Equal Weight	8,290.64	0.1%	0.4%	3.5%	7.0%	7.0%	17.2%
S&P 500 Growth	4,821.53	-0.9%	-1.2%	-3.4%	-2.9%	-2.9%	21.1%
S&P 500 Value	2,187.67	0.1%	0.5%	2.3%	4.8%	4.8%	16.3%
Russell 1000	3,756.96	-0.4%	-0.4%	-0.5%	0.8%	0.8%	18.5%
Russell 1000 Growth	4,530.99	-0.9%	-0.8%	-3.4%	-4.8%	-4.8%	16.8%
Russell 1000 Value	2,215.81	0.1%	0.1%	2.6%	7.2%	7.2%	19.9%
Russell Midcap	4,105.81	-0.4%	0.2%	3.8%	7.0%	7.0%	18.2%
Russell Midcap Growth	2,205.95	-1.0%	0.4%	0.8%	-0.1%	-0.1%	9.6%
Russell Midcap Value	3,534.20	-0.2%	0.2%	4.7%	9.2%	9.2%	20.8%
Russell 2000	2,632.36	-1.7%	-1.2%	0.8%	6.2%	6.2%	24.7%
Russell 2000 Growth	1,712.22	-1.6%	-0.6%	-0.2%	3.7%	3.7%	23.4%
Russell 2000 Value	2,953.75	-1.7%	-1.8%	1.9%	9.0%	9.0%	26.2%
S&P 500 Sectors	Feb-27	1D	WTD	MTD	QTD	YTD	1Y
Communication Services	453.56	1.4%	0.5%	-5.1%	0.4%	0.4%	32.9%
Consumer Discretionary	1,854.80	0.0%	-0.5%	-5.4%	-3.8%	-3.8%	9.8%
Consumer Staples	1,003.08	1.5%	2.7%	7.9%	16.3%	16.3%	13.5%
Energy	855.10	1.7%	2.0%	9.4%	25.2%	25.2%	30.2%
Financials	853.79	-2.0%	-2.0%	-3.7%	-6.1%	-6.1%	2.0%
Health Care	1,864.30	1.8%	2.2%	3.5%	3.5%	3.5%	10.8%
Industrials	1,497.59	0.3%	-0.0%	7.1%	14.3%	14.3%	33.5%
Information Technology	5,365.45	-2.2%	-2.2%	-3.9%	-5.5%	-5.5%	24.4%
Materials	675.69	0.8%	1.3%	8.4%	17.8%	17.8%	24.5%
Real Estate	278.35	0.5%	0.8%	6.4%	9.4%	9.4%	7.2%
Utilities	482.91	1.2%	3.0%	10.3%	11.9%	11.9%	25.9%
MSCI Indices (USD)	Feb-27	1D	WTD	MTD	QTD	YTD	1Y
All Country World	1,056.76	-0.2%	0.4%	1.3%	4.3%	4.3%	25.6%
... ex-US	467.95	0.1%	1.8%	5.0%	11.3%	11.3%	39.0%
World	4,556.79	-0.2%	0.1%	0.8%	3.0%	3.0%	23.1%
... ex-US	3,244.76	0.4%	1.3%	4.8%	9.8%	9.8%	35.6%
USA	6,547.15	-0.4%	-0.4%	-0.9%	0.4%	0.4%	18.4%
EAFE	3,179.91	0.5%	1.2%	4.6%	10.1%	10.1%	34.4%
Pacific	4,228.80	1.1%	2.3%	7.6%	14.8%	14.8%	37.8%
Japan	15.44	1.5%	2.7%	8.8%	15.9%	15.9%	40.7%
Pacific ex-Japan	1,757.21	0.7%	1.7%	5.6%	12.9%	12.9%	32.2%
All Country Asia ex-Japan	1,045.15	-0.5%	3.2%	5.9%	14.6%	14.6%	45.9%
Europe	250.16	0.5%	0.9%	3.6%	8.1%	8.1%	32.8%
... ex-UK	294.23	0.5%	0.6%	3.1%	7.3%	7.3%	31.4%
Emerging Markets	1,610.70	-0.5%	2.8%	5.5%	14.9%	14.9%	47.2%
Brazil	1,993.83	-0.7%	-1.3%	3.9%	21.4%	21.4%	66.5%
China	10.52	0.3%	-0.8%	-5.8%	-1.3%	-1.3%	10.8%
India	32.86	-1.2%	-1.1%	1.1%	-3.7%	-3.7%	10.4%
Mexico	8,703.40	0.3%	0.4%	7.2%	17.5%	17.5%	70.6%
Frontier Markets	802.20	-0.3%	0.0%	2.5%	6.4%	6.4%	48.4%
USD SOFR Rates	Feb-27	3M Ago	1Y Ago				
One-Month	3.67%	3.86%	4.32%				
Three-Month	3.67%	3.79%	4.32%				
Six-Month	3.62%	3.70%	4.26%				
One-Year	3.47%	3.51%	4.13%				
US Bank Rates	Feb-27	3M Ago	1Y Ago				
Federal Funds	3.64%	3.88%	4.31%				
Discount Rate	3.75%	4.00%	4.50%				
Prime Rate	6.75%	7.00%	7.50%				
Volatility	Feb-27	1D Chg.	4W Ago				
CBOE Volatility (VIX)	19.86	1.23	16.35				
Treasury Bond Volatility	73.38	14.78	56.12				
FX Volatility	7.21	1.12	7.82				
FX Rates	Feb-27	1D Chg.	1D %, FX				
US Dollar Spot Rate (DXY)	97.61	-0.18	-0.2%				
Euro (EUR/USD)	1.1812	0.00	0.1%				
British Pound (GBP/USD)	1.3482	0.00	0.0%				
Swiss Franc (USD/CHF)	0.7693	-0.00	0.6%				
Japanese Yen (USD/JPY)	156.05	-0.08	0.1%				
Australian Dollar (AUD/USD)	0.7118	0.00	0.2%				
Canadian Dollar (USD/CAD)	1.3640	-0.00	0.3%				
New Zealand Doll. (NZD/USD)	0.5998	0.00	0.4%				
Hong Kong Doll. (USD/HKD)	7.8233	-0.00	0.0%				
Singapore Dollar (USD/SGD)	1.2651	0.00	-0.1%				
Chinese Renminbi (USD/CNY)	6.8624	0.01	-0.2%				
Indian Rupee (USD/INR)	90.98	0.06	-0.1%				
Mexican Peso (USD/MXN)	17.23	0.03	-0.2%				
Brazilian Real (USD/BRL)	5.1252	-0.01	0.2%				

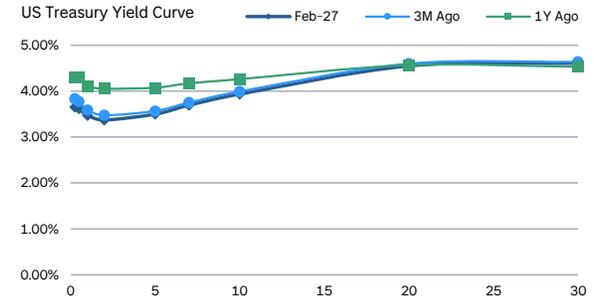
Source: Morgan Stanley Wealth Management GIO, Bloomberg, FactSet. <sup>1</sup>Data for HFRI Fund of Funds as of Jan. 31, 2026. YTD starts Dec. 31, 2025, and 1Y starts Feb. 27, 2025.

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.

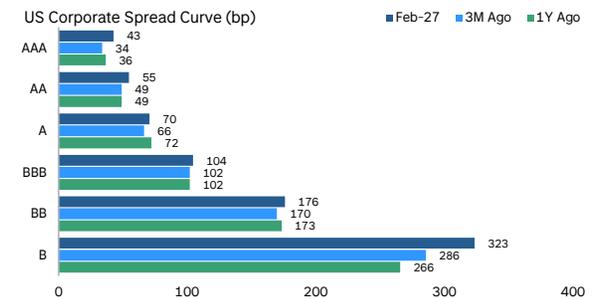
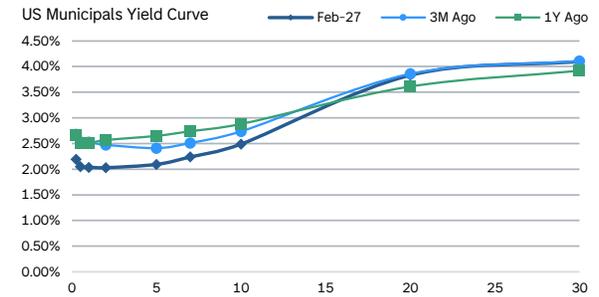
# Capital Market Indices

Monday, March 2, 2026

Maturity	Treasury						AAA General Obligation (GO) Municipals						
	Feb-27	1D	Dec-31	3M Ago	6M Ago	1Y Ago	Feb-27	% UST	1D	Dec-31	3M Ago	6M Ago	1Y Ago
Three-Month	3.66	-0.01	3.63	3.84	4.17	4.30	2.19	60%	-0.02	2.64	2.68	2.35	2.66
Six-Month	3.62	-0.01	3.60	3.78	4.00	4.29	2.05	57%	-0.02	2.50	2.53	2.20	2.51
One-Year	3.47	-0.03	3.47	3.59	3.84	4.11	2.04	59%	-0.02	2.49	2.52	2.20	2.51
Two-Year	3.37	-0.05	3.47	3.48	3.61	4.05	2.03	60%	-0.02	2.44	2.47	2.22	2.57
Five-Year	3.50	-0.07	3.73	3.57	3.70	4.07	2.09	60%	-0.01	2.39	2.41	2.38	2.65
Seven-Year	3.70	-0.07	3.94	3.75	3.93	4.17	2.24	61%	-0.01	2.50	2.51	2.73	2.74
10-Year	3.94	-0.07	4.17	3.99	4.23	4.26	2.49	63%	-0.01	2.73	2.74	3.22	2.88
20-Year	4.55	-0.05	4.79	4.60	4.87	4.57	3.83	84%	-0.02	3.94	3.86	4.37	3.61
30-Year	4.61	-0.05	4.84	4.64	4.92	4.53	4.10	89%	-0.01	4.19	4.11	4.66	3.92



Bloomberg Indices (USD)	Returns						Option-Adjusted Spreads (bp)					
	1D	WTD	MTD	QTD	YTD	1Y	Feb-27	1D	Dec-31	3M Ago	6M Ago	1Y Ago
Multiverse	0.2%	0.5%	1.1%	2.1%	2.1%	8.6%	—	—	—	—	—	—
Global Aggregate	0.2%	0.5%	1.1%	2.1%	2.1%	8.4%	—	—	—	—	—	—
US Aggregate	0.2%	0.5%	1.6%	1.7%	1.7%	6.7%	28	1	27	29	29	32
US Treasury	0.3%	0.7%	1.8%	1.7%	1.7%	5.8%	—	—	—	—	—	—
...Short	0.0%	0.1%	0.3%	0.6%	0.6%	4.2%	—	—	—	—	—	—
...One- to Five-Year	0.2%	0.3%	0.8%	0.9%	0.9%	5.5%	—	—	—	—	—	—
...Five- to 10-Year	0.4%	0.9%	2.2%	1.9%	1.9%	7.4%	—	—	—	—	—	—
...10- to 20-Year	0.5%	1.3%	3.8%	3.3%	3.3%	5.8%	—	—	—	—	—	—
...20+-Year	0.6%	1.5%	4.6%	4.0%	4.0%	4.0%	—	—	—	—	—	—
US Corporate	0.1%	0.2%	1.3%	1.5%	1.5%	6.9%	84	3	78	81	77	84
...One- to Five-Year	0.1%	0.2%	0.6%	1.0%	1.0%	6.4%	62	2	60	61	57	60
...Intermediate- Term	0.1%	0.3%	1.0%	1.2%	1.2%	7.3%	75	3	70	73	69	74
...Long- Term	0.1%	0.1%	2.0%	2.1%	2.1%	6.1%	105	3	94	97	92	105
...AAA	0.2%	0.5%	2.0%	1.8%	1.8%	5.4%	43	1	34	34	29	36
...AA	0.2%	0.4%	1.6%	1.6%	1.6%	5.9%	55	2	48	49	42	49
...A	0.1%	0.2%	1.3%	1.4%	1.4%	7.0%	70	3	64	66	64	72
...BBB	0.1%	0.1%	1.2%	1.5%	1.5%	7.1%	104	3	97	102	95	102
US Securitized	0.2%	0.6%	1.6%	2.0%	2.0%	7.9%	24	1	25	31	35	34
...Mtge.-Backed Securities (MBS)	0.2%	0.6%	1.7%	2.1%	2.1%	8.0%	21	1	22	28	33	31
...Commercial MBS	0.2%	0.5%	1.3%	1.6%	1.6%	7.4%	74	-0	81	82	84	86
...Asset-Backed Securities (ABS)	0.2%	0.3%	0.9%	1.1%	1.1%	5.9%	49	-1	52	55	50	48
US Municipal	0.1%	0.3%	1.2%	2.2%	2.2%	5.0%	—	—	—	—	—	—
...One- to Five-Year	0.1%	0.1%	0.7%	1.5%	1.5%	4.6%	—	—	—	—	—	—
...One- to 10-Year	0.1%	0.2%	0.9%	1.9%	1.9%	5.5%	—	—	—	—	—	—
...10+-Year	0.1%	0.5%	1.5%	2.5%	2.5%	4.7%	—	—	—	—	—	—
US TIPS	—	—	1.3%	1.6%	1.6%	5.8%	—	—	—	—	—	—
US High Yield Corporate	-0.1%	-0.2%	0.2%	0.7%	0.7%	7.2%	291	9	266	279	270	275
...BB	-0.1%	-0.1%	0.5%	1.1%	1.1%	8.1%	176	7	165	170	168	173
...B	-0.2%	-0.3%	-0.1%	0.3%	0.3%	6.6%	323	11	268	286	264	266
...CCC	-0.3%	-0.7%	-0.6%	-0.2%	-0.2%	6.0%	623	12	615	635	613	553
US High Yield Municipal	0.2%	0.4%	1.7%	2.7%	2.7%	3.2%	—	—	—	—	—	—
Global ex- USD Aggregate	0.1%	0.5%	0.7%	2.4%	2.4%	9.7%	—	—	—	—	—	—
EM Hard-Currency	0.0%	0.2%	1.0%	1.7%	1.7%	11.4%	—	—	—	—	—	—
EM Local-Currency	-0.2%	-0.7%	1.5%	2.5%	2.5%	10.3%	—	—	—	—	—	—
Morningstar LSTA Leveraged Loan	-0.1%	-0.7%	-0.8%	-1.1%	-1.1%	3.8%	—	—	—	—	—	—



Source: Morgan Stanley Wealth Management GIO, Bloomberg, FactSet. <sup>1</sup>Data for HFRI Fund of Funds as of Jan. 31, 2026. YTD starts Dec. 31, 2025, and 1Y starts Feb. 27, 2025. 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.

# Disclosures

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States. This material has been prepared for informational purposes only and is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Past performance is not necessarily a guide to future performance. Please refer to important information, disclosures and qualifications at the end of this material.

For index, indicator and survey definitions referenced in this report please visit the following:

<https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>

**International investing** entails greater risk, as well as greater potential rewards compared to U.S. investing. These risks include political and economic uncertainties of foreign countries as well as the risk of currency fluctuations. These risks are magnified in countries with emerging markets, since these countries may have relatively unstable governments and less established markets and economies.

**Alternative investments** which may be referenced in this report, including private equity funds, real estate funds, hedge funds, managed futures funds, and funds of hedge funds, private equity, and managed futures funds, are speculative and entail significant risks that can include losses due to leveraging or other speculative investment practices, lack of liquidity, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification, absence and/or delay of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than mutual funds and risks associated with the operations, personnel and processes of the advisor.

**Investing in commodities** entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention.

**Physical precious metals** are non-regulated products. Precious metals are speculative investments, which may experience short-term and long term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. If sold in a declining market, the price you receive may be less than your original investment. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be appropriate for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor. The Securities Investor Protection Corporation ("SIPC") provides certain protection for customers' cash and securities in the event of a brokerage firm's bankruptcy, other financial difficulties, or if customers' assets are missing. SIPC insurance does not apply to precious metals or other commodities.

**Bonds** are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer. Bonds are subject to the credit risk of the issuer. This is the risk that the issuer might be unable to make interest and/or principal payments on a timely basis. Bonds are also subject to reinvestment risk, which is the risk that principal and/or interest payments from a given investment may be reinvested at a lower interest rate.

**Bonds rated below investment grade** may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk and price volatility in the secondary market. Investors should be careful to consider these risks alongside their individual circumstances, objectives and risk tolerance before investing in high-yield bonds. High yield bonds should comprise only a limited portion of a balanced portfolio.

Interest on **municipal bonds** is generally exempt from federal income tax; however, some bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, if applicable, local tax-exemption applies if securities are issued within one's city of residence.

**Treasury Inflation Protection Securities' (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation.

**Yields** are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision.

**Equity securities** may fluctuate in response to news on companies, industries, market conditions and general economic environment.

**Investing in smaller companies** involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.

**Stocks of medium-sized companies** entail special risks, such as limited product lines, markets, and financial resources, and greater market volatility than securities of larger, more-established companies.

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

**REITs investing** risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions.

Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies. **Technology stocks** may be especially volatile. Risks applicable to companies in the **energy and natural resources sectors** include commodity pricing risk, supply and demand risk, depletion risk and exploration risk.

**Investing in foreign emerging markets** entails greater risks than those normally associated with domestic markets, such as political, currency, economic and market risks.

**Investing in foreign markets** entails greater risks than those normally associated with domestic markets, such as political, currency, economic and market risks. **Investing in currency** involves additional special risks such as credit, interest rate fluctuations, derivative investment risk, and domestic and foreign inflation rates, which can be volatile and may be less liquid than other securities and more sensitive to the effect of varied economic conditions. In addition, international investing entails greater risk, as well as greater potential rewards compared to U.S. investing. These risks include political and economic uncertainties of foreign countries as well as the risk of currency fluctuations. These risks are magnified in countries with emerging markets, since these countries may have relatively unstable governments and less established markets and economies.

**Value investing** does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.

**Growth investing** does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations.

**Asset-backed securities** generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.

Certain securities referred to in this material may not have been registered under the U.S. Securities Act of 1933, as amended, and, if not, may not be offered or sold absent an exemption therefrom. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

**Environmental, Social and Governance ("ESG") investments** in a portfolio may experience performance that is lower or higher than a portfolio not employing such practices. Portfolios with ESG restrictions and strategies as well as ESG investments may not be able to take advantage of the same opportunities or market trends as portfolios where ESG criteria is not applied. There are inconsistent ESG definitions and criteria within the industry, as well as multiple ESG ratings providers that provide ESG ratings of the same subject companies and/or securities that vary among the providers. Certain issuers of investments may have differing and inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. ESG designations are as of the date of this material, and no assurance is provided that the underlying assets have maintained or will maintain and such designation or any stated ESG compliance. As a result, it is difficult to compare ESG investment products or to evaluate an ESG investment product in comparison to one that does not focus on ESG. Investors should also independently consider whether the ESG investment product meets their own ESG objectives or criteria. There is no assurance that an ESG investing strategy or techniques employed will be successful. Past performance is not a guarantee or a dependable measure of future results.

The **indices** are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment.

The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time.

© 2026 Morgan Stanley Smith Barney LLC. Member SIPC.