

The Caruso-Colonna Group at Morgan Stanley November 2025 Newsletter

Our Mission: To Gain and Maintain Financial Freedom

**“Older people sit down and ask, 'What is it?' but the child asks, 'What can I do with it?'
Steve Jobs**

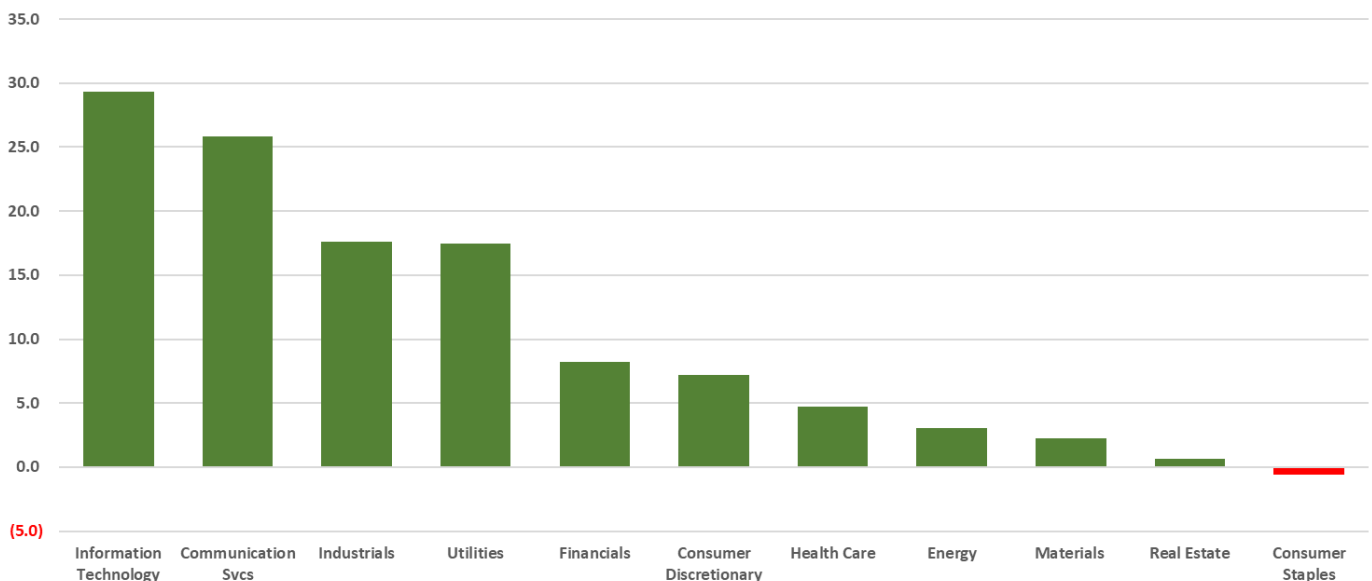
Markets and The Economy:

October was kind to investors for a change and major US equity indices continued to demonstrate strength. The graph below shows more detail on how US market gains are being derived. Information Technology, Communications Services, Industrials, and Utilities all enjoyed double digit gains this year. Every other sector of the S&P 500 though has returned less than 10% year to date. The defensive Consumer Staples sector is flat on the year.

We think the driver within the top four sectors is largely due to the combination of computing hardware, artificial intelligence (Ai), and the power systems needed to run them. The investment dollars flowing throughout these sectors have been robust for the past couple years. Spending within these sectors is showing few signs of slowing. The returns however remain concentrated atop the S&P 500 market cap weighted index.

Year-to-Date Percent Change, S&P 500 Sectors

Source: LSEG and Morgan Stanley, 11/1/25

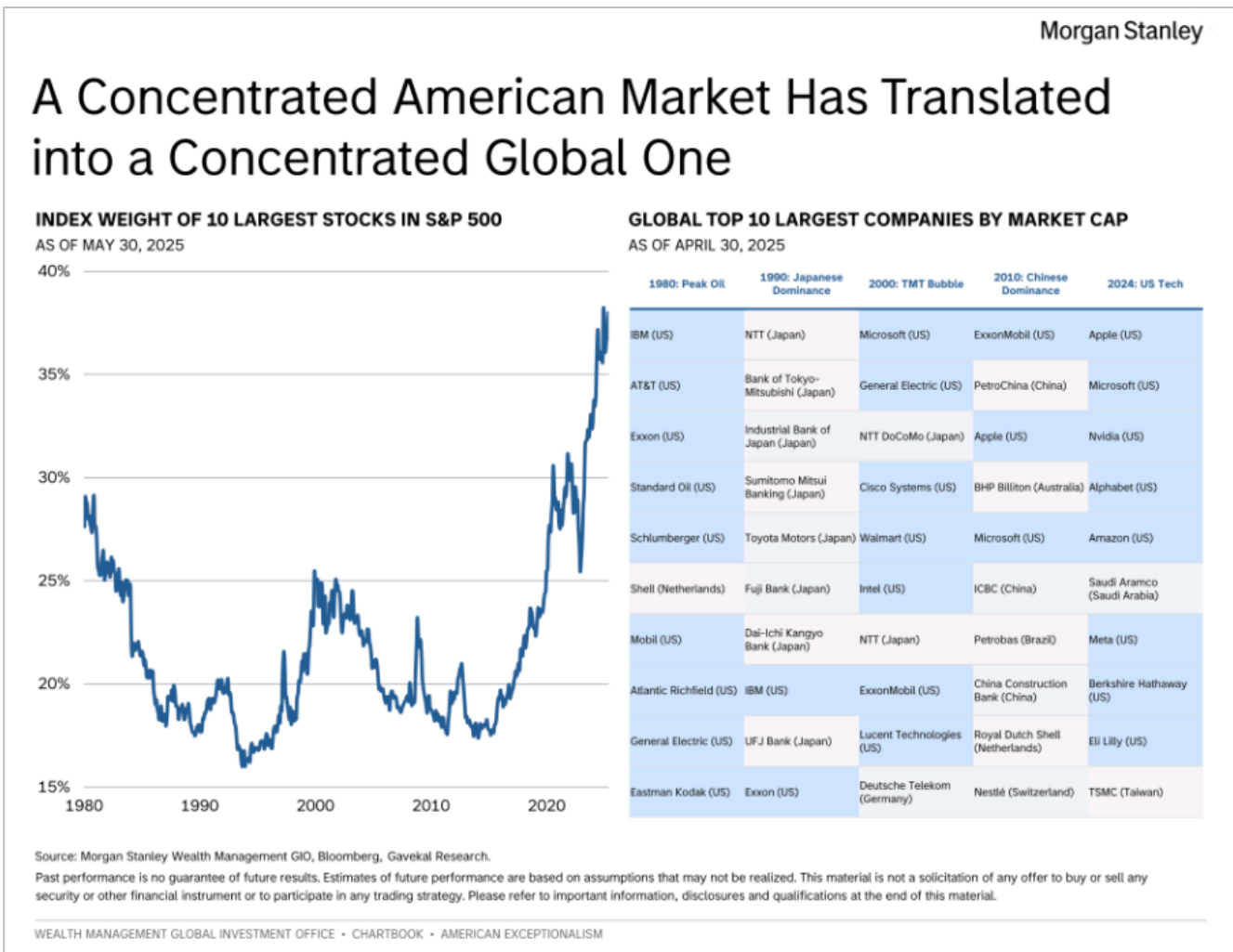


Morgan Stanley

While the market-cap-weighted S&P 500 index has posted a YTD return of more than +17%, the equal-weighted S&P 500 index's return is less than 9% on the year. The Russell Value indices have also posted YTD returns below 10%. The market's advances have largely been driven by growth issues in tech, communications, and industrials.

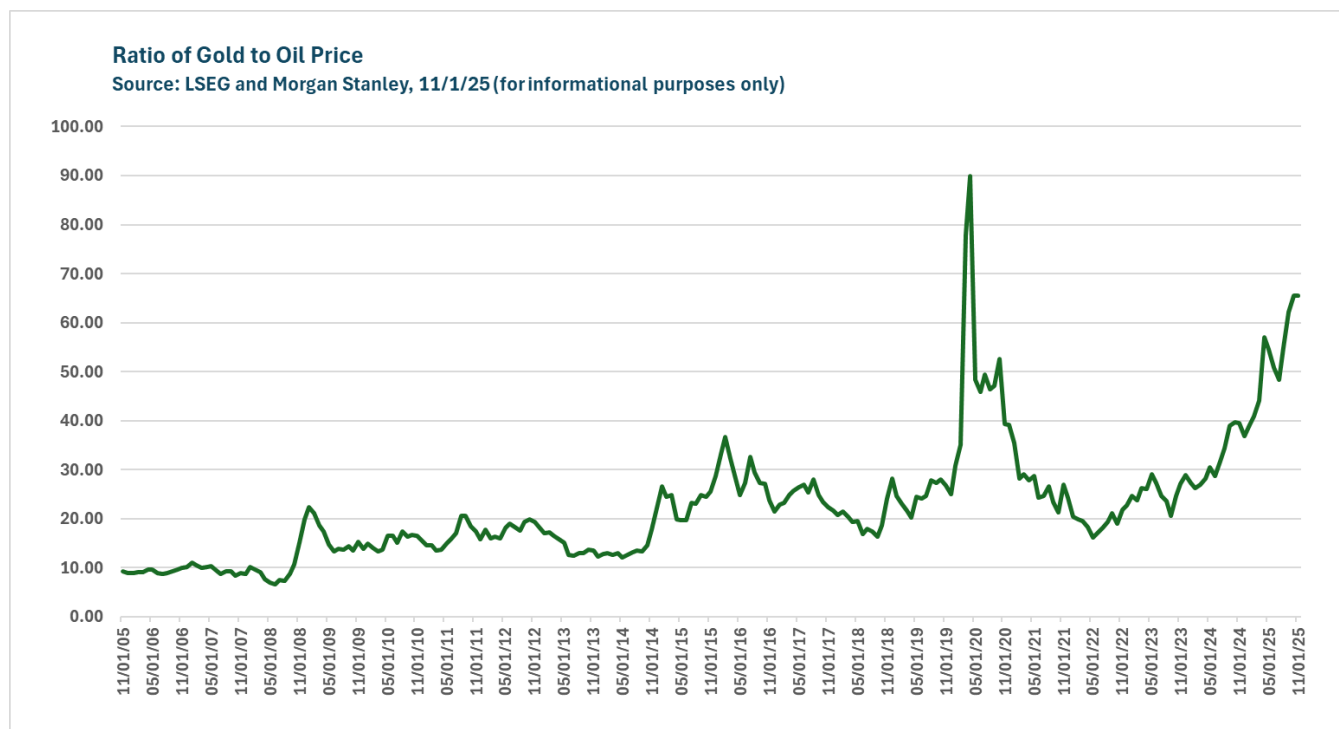
We pointed out before that the growth of the largest companies in the S&P 500 index has concentrated much of the value at the top of the index. The graph at left in the chart below (1) shows that the ten largest companies in the index now represent nearly forty percent of the index's value. History though reminds us of why we need to be careful of recency bias, which is the proclivity to assume that the future will mirror the past.

The right side of the chart shows (1) the top ten largest companies in the world ranked by market capitalization for various past decades. In the 1980's, US petroleum companies dominated the list. In the 1990's, Japanese banks were among the world's most highly valued. In the 2000's, technology and telecommunication companies dominated. In the 2010's, only three US companies were in the top ten. Today, most of the top ten are US technology companies. We think it is prudent to consider the possibility that today's top ten companies – which were largely not among the top ten in previous decades – may not be among the top ten five to ten years from now.



Morgan Stanley

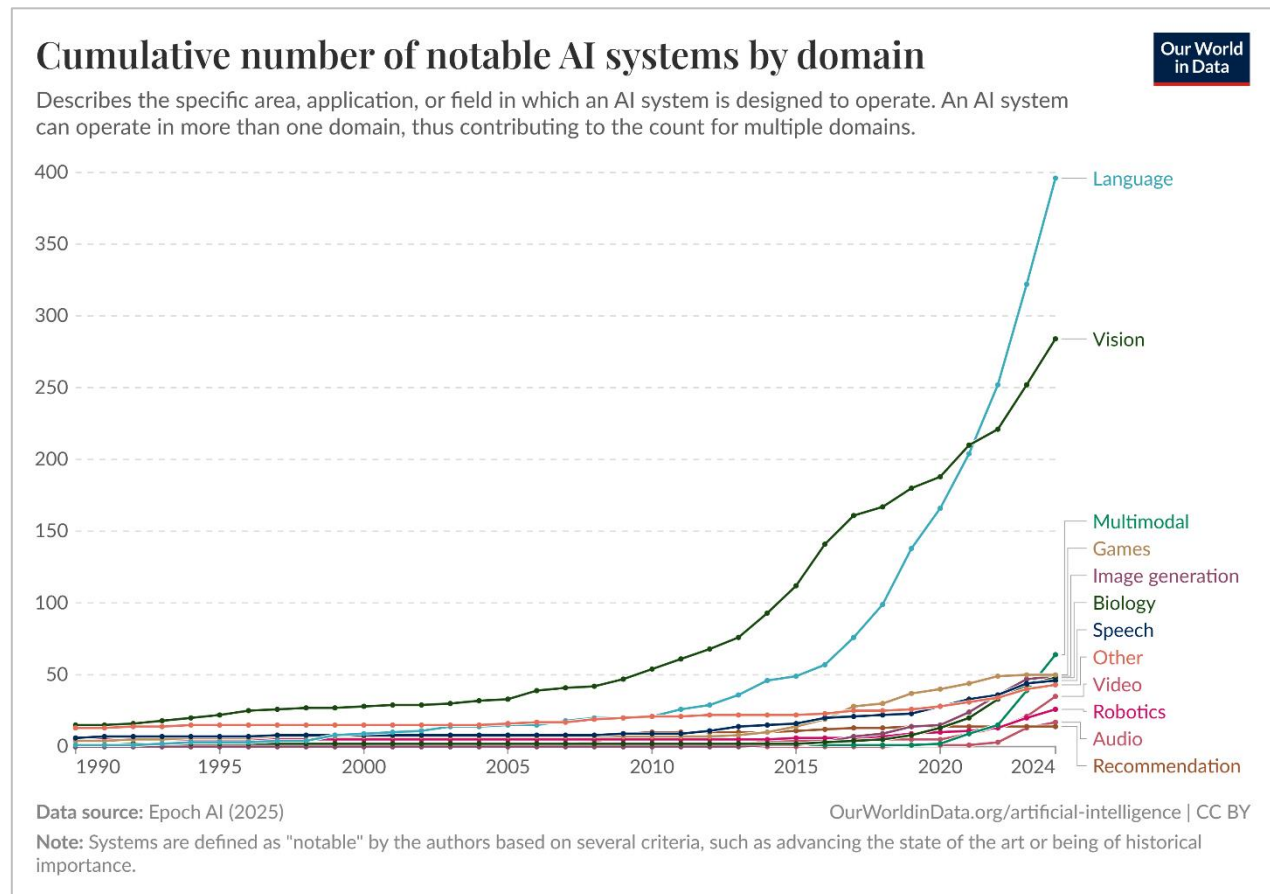
Energy prices tumbled this year while precious metal prices soared. Plotted below is a graph showing the ratio of gold to oil prices for the past twenty years. While gold prices have soared to record highs this year, the ratio was still far higher during COVID. It is our observation that the ratio spikes during periods of elevated uncertainty. We see spikes during the 2007-2009 financial crisis and again during the 2015 to 2016 election campaign. The COVID pandemic tripled the ratio, although that was due in part to a temporary but deep collapse in oil prices.



We think the current spike is being driven by soaring federal debt and US tariff unknowns. Oil supplies are also more abundant, and they have helped restrain oil prices. For decades though the ratio ranged from 10 to 20, making spikes of 60 to 90 seem quite abnormal. Those who subscribe to the theory of central tendency – meaning that long term prices, ratios, and processes tend to follow historical long-term averages – would suggest that this ratio is unlikely to hold.

The Federal Reserve cut the Fed Funds rate another 25 bps in late October, marking its second cut of the year. (2) The FOMC statement about the cuts pointed to moderating economic and jobs growth as the reason to reduce rates again. We find ourselves in agreement with this logic given that the Fed pushed rates up so swiftly and sharply in their recent rate hike cycle. Inflation data that we monitor suggests that inflation rates continue to moderate which also gives the Fed more room to ease rates.

For now, technology remains in the equity investors driver's seat. The explosion of artificial intelligence models and systems cannot be overstated and is shown via the chart at the top of page four. (3) Ai systems for language and vision are growing the most rapidly but we note that the third fastest grower is multimodal systems. All the sectors shown though are growing and we see no near-term evidence of slowing system development and growth.



Some people have begun using the word 'bubble' to describe markets. We have read negative reporting that suggests that meaningful Ai investment returns are not there yet. We are not in the camp though that calls this a bubble. There is a difference in our view between 2000's profitless dot.com companies and the now highly profitable companies atop the technology sector.

As users of Ai now within our daily work, we already see clear evidence of its benefits. For us, Ai adds efficiency and frees time for more important work. Tasks that once took hours, such as manually entering statement data for a client's external account, can now be completed in minutes with an Ai scan of a statement PDF. The concept is simple enough, but the time benefits should be substantial over the long term.

Uncertainty will never go away. It is the reason the gold to oil ratio is currently above 60. People have long worried about job destruction driven by technology advances and fretted over the meaning of new technology adoption. We are sure that horse-driven carriage drivers feared the automobile. Telephone operators had reason to fear the internet search engine. But employment opportunities grew in new fields and jobs were created that nobody ever imagined.

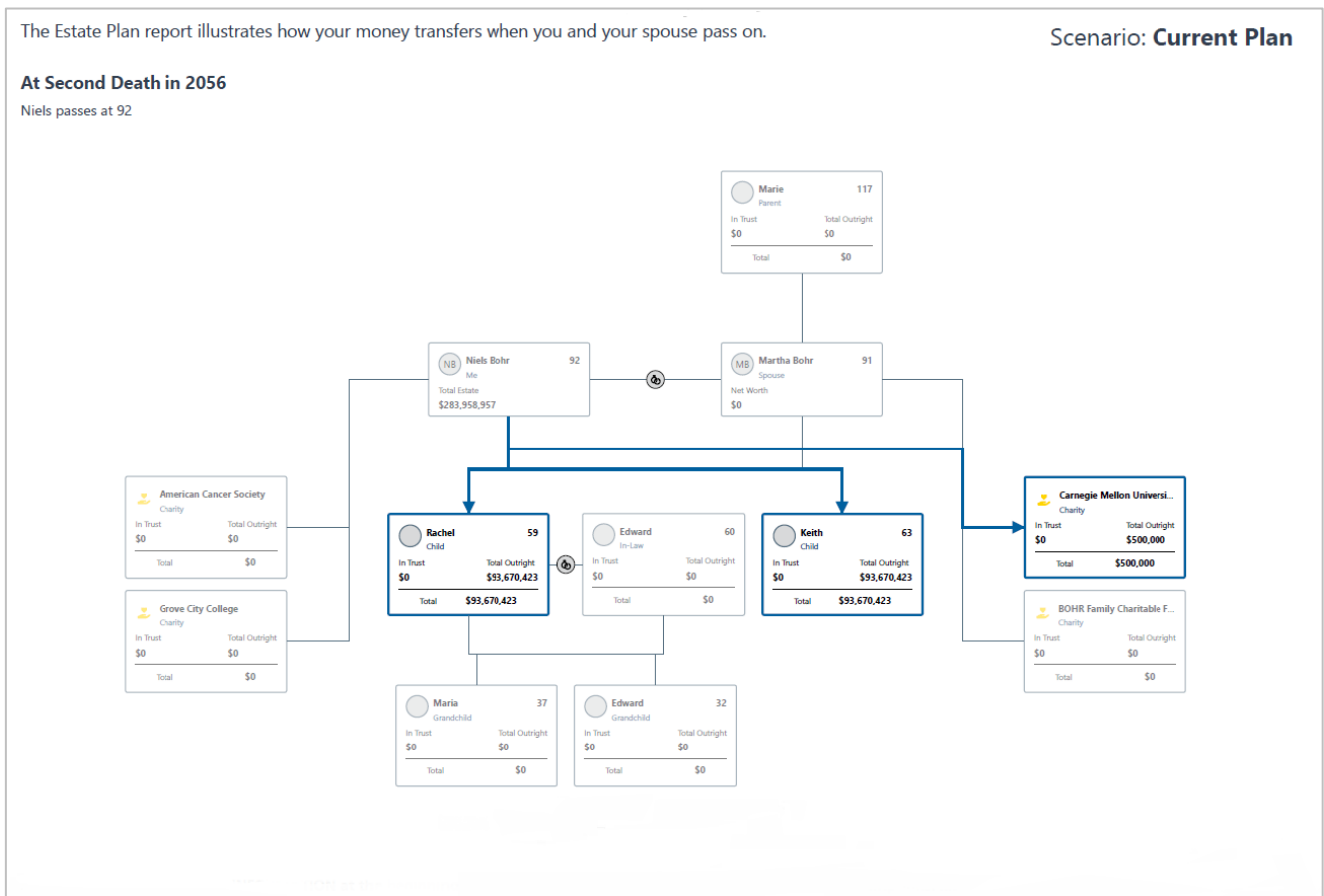
We believe that those who insist some sort of societal Malthusian limit is about to be reached may again be missing the big picture. We still believe the opportunities outweigh the threats.

Morgan Stanley

Financial Planning Update:

Long time readers know that we are ardent fans of comprehensive financial planning. Our work in this area continues to evolve. In addition to our regular use of Morgan Stanley's Goals Planning System and LifeView® Advisor platforms, we are also now utilizing Morgan Stanley's LifeView® Private Wealth Advisor (PWA) where appropriate.

LifeView® PWA is a more powerful and expanded version of LifeView® Advisor that allows for the modeling of complex estate planning scenarios. If your attorney is recommending for example that you consider using a Grantor Retained Annuity Trust (GRAT) or a Charitable Lead Trust (CLT) to help you pursue your goals, LifeView® PWA can model the projected outcomes from such planning. It also generates detailed flowcharts showing how your estate plan should allow assets to flow. Below is an example for a fictitious family.



Source: LifeView® PWA. For illustrative purposes only.

If you are considering undertaking a comprehensive update to your estate plans that includes complex planning, consider having us work with you and your attorney to help develop a more complete picture of how your new plan should work. Contact us for more information.

Morgan Stanley

- (1) Chart Source: Morgan Stanley Chart Book, *American Exceptionalism*.
- (2) <https://www.federalreserve.gov/newsevents/pressreleases/monetary20251029a.htm>
- (3) Source: Our World In Data opensource data, Cambridge University, 11/4/25
- (4) AUM Data as of 10/31/2025



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 \$800 million in client assets. (4)

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

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
NMLS #1326762

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
NMLS #1301236

Keith A. Colonna Jr., CFP®, CRPS™

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

Sarah A. DePaoli

Registered Client Service Associate
Office: 724-933-1479
Mobile: 804-980-1583
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.**

By providing a link to a third party website or online publication or article, Morgan Stanley Smith Barney LLC (“Morgan Stanley”) is not implying an affiliation, sponsorship, endorsement, etc. with the third party or that any monitoring is being done by Morgan Stanley of any information contained within the article or web site. Morgan Stanley is not responsible for the information contained on the third party web site or your use of or inability to use such site. Nor do we guarantee their accuracy and completeness. The terms, conditions, and privacy policy of any third party web site may be different from those applicable to your use of any Morgan Stanley web site. The opinions expressed by the author are solely their own and do not necessarily reflect those of Morgan Stanley. Professional designations mentioned in the articles may or may not be approved for use at Morgan Stanley. Securities, investments, strategies or products mentioned or discussed on the third party website or online publication are neither an endorsement nor solicitation by Morgan Stanley. The information and data provided by the third party web site or publication is as of the date of the article when it was written and is subject to change without notice. Past performance is not a 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 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 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.

LifeView® is a registered service of Morgan Stanley & Company and used under license. Morgan Stanley Advisors are not legal or tax advisors.

Morgan Stanley Goals Planning System (GPS) is a focus on goals-based planning. Within this framework, we have a goals-based platform that includes a brokerage investment analysis tool (GPS Platform). While securities held in your investment advisory accounts may be included in the analysis, the reports generated from the GPS Platform are not financial plans nor constitute a financial planning service. A financial plan generally seeks to address a wide spectrum of your long-term financial needs, and can include recommendations about insurance, savings, tax and estate planning, and investments, taking into consideration your goals and situation, including anticipated retirement or other employee benefits. Morgan Stanley Smith Barney LLC (“Morgan Stanley”) will only

Morgan Stanley

prepare a financial plan at your specific request using Morgan Stanley approved financial planning software. If you would like to have a financial plan prepared for you, please consult with a Morgan Stanley Financial Advisor.

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>

Morgan Stanley Smith Barney LLC. Member SIPC.

4962633 11/2025

Capital Market Indices

Monday, November 3, 2025

US Equities	Oct-31	1D	WTD	MTD	QTD	YTD	1Y
S&P 500	6,840.20	0.3%	0.7%	2.3%	2.3%	17.5%	21.4%
Dow Jones Industrial Avg.	47,562.87	0.1%	0.8%	2.6%	2.6%	13.3%	15.8%
NASDAQ Composite	23,724.96	0.6%	2.3%	4.7%	4.7%	23.5%	32.0%
NYSE Composite	21,459.58	0.1%	-1.1%	-0.4%	-0.4%	14.4%	14.0%
AMEX Composite	6,928.97	-2.2%	-2.0%	-0.8%	-0.8%	50.7%	35.9%
Americas Equities (USD)	Oct-31	1D	WTD	MTD	QTD	YTD	1Y
Canada S&P	21,583.98	0.0%	-0.3%	0.3%	0.3%	28.4%	27.9%
Mexico IPC	3,378.50	-0.5%	-1.0%	-1.4%	-1.4%	46.5%	38.5%
Brazil Bovespa	27,781.16	0.4%	2.4%	1.0%	1.0%	42.7%	23.8%
Europe Equities (USD)	Oct-31	1D	WTD	MTD	QTD	YTD	1Y
UK FTSE 100	12,760.69	-0.6%	-0.5%	1.6%	1.6%	28.5%	26.7%
Eurozone STOXX 50	6,524.93	-1.0%	-1.0%	0.5%	0.5%	32.6%	28.4%
France CAC 40	9,358.72	-0.8%	-2.1%	1.0%	1.0%	26.5%	21.2%
Germany DAX	27,609.54	-1.0%	-2.0%	-1.7%	-1.7%	33.4%	33.2%
Spain IBEX 35	18,475.97	-0.4%	0.5%	1.9%	1.9%	59.2%	51.4%
Asia Equities (USD)	Oct-31	1D	WTD	MTD	QTD	YTD	1Y
Japan Nikkei 225	340.11	2.1%	5.4%	11.8%	11.8%	36.4%	35.0%
Hang Seng Hong Kong	3,333.29	-1.5%	-1.0%	-3.4%	-3.4%	33.3%	32.0%
China Shenzhen Comp.	352.46	-0.5%	0.8%	-0.3%	-0.3%	33.4%	27.9%
Alternatives	Oct-31	1D	WTD	MTD	QTD	YTD	1Y
FTSE EPRA/NAREIT Global	1,720.84	0.0%	-2.7%	-1.4%	-1.4%	4.3%	-1.5%
Alerian Midstream Energy Select	712.21	-0.0%	-0.5%	-6.7%	-6.7%	0.8%	8.2%
HFRI Global Hedge Fund	1,578.97	0.0%	0.2%	0.7%	0.7%	6.4%	7.3%
HFRI Fund of Funds ¹	8,832.70	-	-	0.0%	0.0%	7.2%	9.3%
HFRI Macro/CTA Index	1,348.78	0.0%	0.3%	1.5%	1.5%	4.2%	6.0%
Commodities	Oct-31	1D	WTD	MTD	QTD	YTD	1Y
Bloomberg Commodity	107.30	0.5%	-0.1%	2.6%	2.6%	8.6%	9.4%
...Ex-Energy	129.31	0.0%	-0.3%	3.3%	3.3%	15.3%	12.4%
...Ex-Precious Metals	125.07	0.8%	0.9%	2.6%	2.6%	3.2%	7.1%
CRB Index	540.32	0.2%	0.8%	-1.0%	-1.0%	0.7%	1.1%
Bloomberg Agriculture	55.92	0.6%	2.1%	4.3%	4.3%	-1.9%	0.4%
Bloomberg Energy	27.40	1.6%	0.6%	0.4%	0.4%	-7.1%	1.8%
WTI Crude Oil Futures	60.98	0.7%	-0.8%	-2.2%	-2.2%	-15.0%	-12.0%
Brent Crude Oil Futures	65.07	0.1%	-1.3%	-2.9%	-2.9%	-12.8%	-11.1%
Gasoline Futures	1.99	-0.5%	3.7%	1.0%	1.0%	-0.4%	-0.5%
Natural Gas Futures	4.12	4.2%	24.8%	24.9%	24.9%	13.5%	52.3%
Bloomberg Ind. Metals	153.78	0.2%	-0.0%	4.4%	4.4%	9.6%	4.2%
Copper Futures	5.09	-0.3%	-0.7%	4.8%	4.8%	26.4%	17.3%
Bloomberg Prec. Metals	393.63	-0.6%	-2.8%	3.2%	3.2%	47.8%	38.1%
Gold Futures	3,996.50	-0.5%	-3.0%	4.1%	4.1%	51.3%	45.4%
Silver Futures	48.16	-0.9%	-0.9%	3.3%	3.3%	64.7%	46.8%
Palladium Futures	1,455.10	-1.2%	-1.8%	13.0%	13.0%	59.9%	30.9%
Platinum Futures	1,575.40	-2.4%	-1.2%	-0.6%	-0.6%	76.2%	57.6%
Bloomberg Softs	64.85	0.5%	-2.0%	-2.3%	-2.3%	0.8%	8.9%
US Size-Style	Oct-31	1D	WTD	MTD	QTD	YTD	1Y
Russell 3000	3,881.93	0.4%	0.5%	2.1%	2.1%	16.8%	20.8%
Russell 3000 Growth	3,802.34	0.4%	1.5%	3.5%	3.5%	20.8%	29.6%
Russell 3000 Value	2,629.58	0.4%	-0.9%	0.4%	0.4%	12.0%	11.0%
S&P 500	6,840.20	0.3%	0.7%	2.3%	2.3%	17.5%	21.4%
S&P 500 Equal Weight	7,613.05	0.2%	-1.7%	-0.9%	-0.9%	8.8%	8.6%
S&P 500 Growth	5,032.25	0.3%	1.7%	3.3%	3.3%	23.5%	32.0%
S&P 500 Value	2,058.59	0.2%	-0.5%	1.1%	1.1%	10.9%	9.3%
Russell 1000	3,732.15	0.4%	0.6%	2.2%	2.2%	17.1%	21.1%
Russell 1000 Growth	4,887.92	0.3%	1.8%	3.6%	3.6%	21.5%	30.5%
Russell 1000 Value	2,011.79	0.4%	-0.8%	0.4%	0.4%	12.1%	11.1%
Russell Midcap	3,820.27	0.7%	-1.5%	-0.8%	-0.8%	9.5%	10.8%
Russell Midcap Growth	2,291.14	1.0%	-1.4%	-0.3%	-0.3%	12.5%	19.6%
Russell Midcap Value	3,179.25	0.6%	-1.5%	-1.0%	-1.0%	8.4%	7.8%
Russell 2000	2,479.38	0.6%	-1.3%	1.8%	1.8%	12.4%	14.4%
Russell 2000 Growth	1,686.56	0.9%	-0.4%	3.2%	3.2%	15.3%	18.8%
Russell 2000 Value	2,650.12	0.2%	-2.4%	0.3%	0.3%	9.3%	9.9%
S&P 500 Sectors	Oct-31	1D	WTD	MTD	QTD	YTD	1Y
Communication Services	429.97	-0.3%	0.6%	1.9%	1.9%	26.8%	35.4%
Consumer Discretionary	1,963.14	4.1%	2.8%	2.4%	2.4%	7.8%	25.1%
Consumer Staples	848.70	-0.5%	-3.6%	-2.3%	-2.3%	1.5%	1.0%
Energy	674.74	0.7%	0.0%	-1.1%	-1.1%	5.8%	2.4%
Financials	870.44	0.2%	-1.5%	-2.8%	-2.8%	9.5%	14.2%
Health Care	1,680.03	-0.1%	-1.2%	3.6%	3.6%	6.3%	-0.0%
Industrials	1,311.71	0.2%	0.1%	0.5%	0.5%	18.8%	17.5%
Information Technology	5,960.13	-0.3%	3.0%	6.2%	6.2%	29.9%	37.5%
Materials	541.60	-0.9%	-3.7%	-5.0%	-5.0%	3.8%	-5.8%
Real Estate	257.60	0.1%	-3.9%	-2.6%	-2.6%	3.4%	-1.6%
Utilities	452.13	-0.7%	-2.5%	2.1%	2.1%	20.2%	14.7%
MSCI Indices (USD)	Oct-31	1D	WTD	MTD	QTD	YTD	1Y
All Country World	1,006.23	0.1%	0.5%	2.3%	2.3%	21.6%	23.2%
... ex-US	409.98	-0.3%	0.0%	2.0%	2.0%	29.3%	25.7%
World	4,390.42	0.2%	0.5%	2.0%	2.0%	20.2%	22.6%
... ex-US	2,851.94	-0.2%	-0.4%	1.1%	1.1%	27.4%	24.4%
USA	6,544.47	0.4%	0.8%	2.4%	2.4%	17.7%	21.9%
EAFE	2,797.54	-0.2%	-0.4%	1.2%	1.2%	27.3%	23.8%
Pacific	3,692.85	0.8%	1.2%	2.1%	2.1%	23.7%	22.8%
Japan	13.37	1.1%	1.9%	3.4%	3.4%	25.3%	25.4%
Pacific ex-Japan	1,560.36	-0.1%	-0.2%	-0.7%	-0.7%	20.7%	17.2%
All Country Asia ex-Japan	917.20	-0.7%	1.0%	4.5%	4.5%	33.2%	29.1%
Europe	220.32	-0.9%	-1.5%	0.5%	0.5%	29.1%	23.8%
... ex-UK	260.47	-0.9%	-1.7%	0.3%	0.3%	29.4%	23.0%
Emerging Markets	1,401.55	-0.7%	0.9%	4.2%	4.2%	33.6%	28.6%
Brazil	1,587.79	0.4%	2.1%	0.7%	0.7%	41.4%	20.7%
China	11.11	-2.1%	-1.5%	-3.8%	-3.8%	36.4%	33.9%
India	34.11	-0.7%	-1.1%	4.5%	4.5%	3.8%	0.5%
Mexico	7,081.52	-0.3%	1.9%	-0.8%	-0.8%	47.5%	39.1%
Frontier Markets	714.58	-0.4%	-1.0%	0.6%	0.6%	39.1%	38.3%
USD SOFR Rates	Oct-31	3M Ago	1Y Ago				
One-Month	4.00%	4.35%	4.66%				
Three-Month	3.89%	4.30%	4.56%				
Six-Month	3.79%	4.19%	4.41%				
One-Year	3.61%	4.00%	4.17%				
US Bank Rates	Oct-31	3M Ago	1Y Ago				
Federal Funds	3.86%	4.31%	4.81%				
Discount Rate	4.00%	4.50%	5.00%				
Prime Rate	7.00%	7.50%	8.00%				
Volatility	Oct-31	1D Chg.	4W Ago				
CBOE Volatility (VIX)	17.44	0.53	16.28				
Treasury Bond Volatility	66.61	-0.40	77.93				
FX Volatility	6.76	-1.31	7.33				
FX Rates	Oct-31	1D Chg.	1D %, FX				
US Dollar Spot Rate (DXY)	99.80	0.28	0.3%				
Euro (EUR/USD)	1.1537	-0.00	-0.2%				
British Pound (GBP/USD)	1.3152	0.00	0.0%				
Swiss Franc (USD/CHF)	0.8046	0.00	-0.3%				
Japanese Yen (USD/JPY)	153.99	-0.14	0.1%				
Australian Dollar (AUD/USD)	0.6545	-0.00	-0.2%				
Canadian Dollar (USD/CAD)	1.4010	0.00	-0.2%				
New Zealand Doll. (NZD/USD)	0.5724	-0.00	-0.3%				
Hong Kong Doll. (USD/HKD)	7.7702	0.00	-0.0%				
Singapore Dollar (USD/SGD)	1.3010	0.00	-0.0%				
Chinese Renminbi (USD/CNY)	7.1194	0.01	-0.1%				
Indian Rupee (USD/INR)	88.77	0.07	-0.1%				
Mexican Peso (USD/MXN)	18.55	0.02	-0.1%				
Brazilian Real (USD/BRL)	5.3766	-0.00	0.1%				

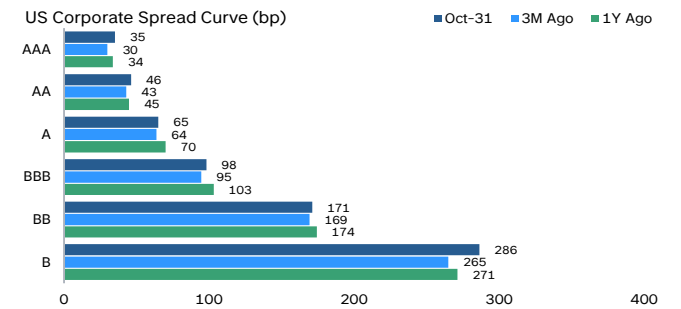
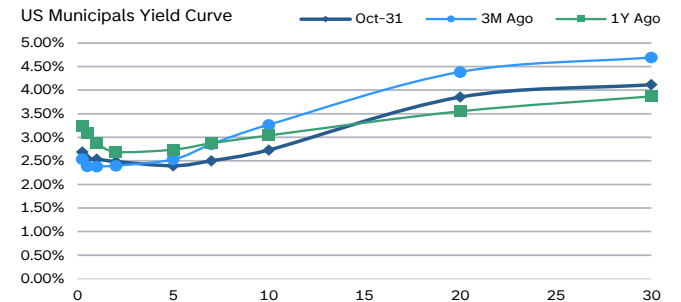
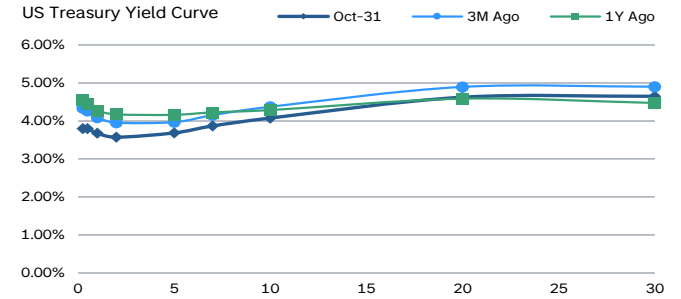
Source: Morgan Stanley Wealth Management GIO, Bloomberg, FactSet. ¹Data for HFRI Fund of Funds as of Sep. 30, 2025. YTD starts Dec. 31, 2024, and 1Y starts Oct. 31, 2024. Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. 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, November 3, 2025

Maturity	Treasury						AAA General Obligation (GO) Municipals						
	Oct-31	1D	Dec-31	3M Ago	6M Ago	1Y Ago	Oct-31	% UST	1D	Dec-31	3M Ago	6M Ago	1Y Ago
Three-Month	3.80	-0.03	4.31	4.34	4.29	4.54	2.69	71%	0.00	3.32	2.54	3.00	3.24
Six-Month	3.80	-0.00	4.27	4.27	4.19	4.46	2.54	67%	0.00	3.18	2.39	2.85	3.09
One-Year	3.68	-0.01	4.14	4.09	3.92	4.27	2.54	69%	0.00	2.97	2.38	2.85	2.88
Two-Year	3.57	-0.03	4.24	3.96	3.70	4.17	2.49	70%	0.00	2.82	2.40	2.90	2.69
Five-Year	3.69	-0.03	4.38	3.97	3.80	4.16	2.40	65%	0.00	2.90	2.53	3.02	2.74
Seven-Year	3.87	-0.03	4.48	4.16	4.00	4.22	2.50	65%	0.00	3.00	2.85	3.14	2.87
10-Year	4.08	-0.02	4.57	4.37	4.22	4.28	2.73	67%	0.00	3.13	3.27	3.33	3.04
20-Year	4.63	-0.01	4.86	4.90	4.74	4.59	3.85	83%	0.00	3.64	4.38	4.10	3.55
30-Year	4.65	-0.00	4.78	4.90	4.72	4.48	4.12	88%	0.00	3.87	4.69	4.42	3.87

Bloomberg Indices (USD)	Returns						Option-Adjusted Spreads (bp)					
	1D	WTD	MTD	QTD	YTD	1Y	Oct-31	1D	Dec-31	3M Ago	6M Ago	1Y Ago
Multiverse	-0.1%	-0.4%	-0.2%	-0.2%	7.8%	5.9%	—	—	—	—	—	—
Global Aggregate	-0.1%	-0.5%	-0.3%	-0.3%	7.6%	5.7%	—	—	—	—	—	—
US Aggregate	-0.1%	-0.6%	0.6%	0.6%	6.8%	6.2%	28	1	34	31	40	36
US Treasury	-0.0%	-0.5%	0.6%	0.6%	6.0%	5.2%	—	—	—	—	—	—
...Short	0.0%	0.1%	0.3%	0.3%	3.6%	4.4%	—	—	—	—	—	—
...One- to Five-Year	0.0%	-0.2%	0.4%	0.4%	5.0%	5.3%	—	—	—	—	—	—
...Five- to 10-Year	0.0%	-0.5%	0.6%	0.6%	7.6%	6.6%	—	—	—	—	—	—
...10- to 20-Year	-0.2%	-1.0%	1.1%	1.1%	7.5%	4.5%	—	—	—	—	—	—
...20+-Year	-0.3%	-1.2%	1.4%	1.4%	6.6%	2.1%	—	—	—	—	—	—
US Corporate	-0.2%	-0.9%	0.4%	0.4%	7.3%	6.6%	78	2	80	76	106	84
...One- to Five-Year	-0.0%	-0.3%	0.4%	0.4%	5.8%	6.4%	59	2	60	56	84	61
...Intermediate-Term	-0.1%	-0.5%	0.4%	0.4%	7.0%	7.1%	70	2	71	68	98	74
...Long-Term	-0.6%	-1.7%	0.4%	0.4%	8.0%	5.7%	96	3	98	94	123	104
...AAA	-0.4%	-1.4%	0.4%	0.4%	6.7%	4.5%	35	2	33	30	41	34
...AA	-0.3%	-1.0%	0.3%	0.3%	6.6%	5.5%	46	2	45	43	60	45
...A	-0.2%	-0.8%	0.5%	0.5%	7.4%	6.5%	65	2	68	64	89	70
...BBB	-0.2%	-0.9%	0.3%	0.3%	7.4%	7.0%	98	3	97	95	132	103
US Securitized	-0.0%	-0.5%	0.8%	0.8%	7.6%	7.3%	31	1	45	42	46	51
...Mtge-Backed Securities (MBS)	-0.0%	-0.5%	0.9%	0.9%	7.7%	7.3%	28	1	43	40	43	49
...Commercial MBS	0.0%	-0.3%	0.5%	0.5%	6.8%	7.2%	83	-0	87	86	104	100
...Asset-Backed Securities (ABS)	0.0%	-0.2%	0.4%	0.4%	5.0%	5.7%	55	0	44	51	73	55
US Municipal	-0.0%	-0.1%	1.2%	1.2%	3.9%	4.2%	—	—	—	—	—	—
...One- to Five-Year	-0.0%	-0.0%	-0.1%	-0.1%	3.7%	3.9%	—	—	—	—	—	—
...One- to 10-Year	-0.0%	-0.0%	0.5%	0.5%	4.6%	4.8%	—	—	—	—	—	—
...10+-Year	-0.0%	-0.1%	2.0%	2.0%	3.5%	3.8%	—	—	—	—	—	—
US TIPS	—	—	0.4%	0.4%	7.2%	6.1%	—	—	—	—	—	—
US High Yield Corporate	-0.1%	-0.1%	0.2%	0.2%	7.4%	8.2%	281	3	287	278	368	282
...BB	-0.0%	-0.1%	0.4%	0.4%	7.9%	8.3%	171	3	179	169	239	174
...B	-0.1%	-0.1%	-0.1%	-0.1%	6.7%	7.5%	286	2	277	265	369	271
...CCC	-0.1%	-0.0%	-0.3%	-0.3%	7.8%	9.4%	611	4	558	647	748	566
US High Yield Municipal	0.0%	-0.1%	1.0%	1.0%	2.3%	2.8%	—	—	—	—	—	—
Global ex-USD Aggregate	-0.1%	-0.4%	-1.0%	-1.0%	8.3%	5.2%	—	—	—	—	—	—
EM Hard-Currency	-0.0%	0.5%	1.4%	1.4%	11.2%	10.6%	—	—	—	—	—	—
EM Local-Currency	0.0%	0.1%	0.3%	0.3%	7.8%	6.9%	—	—	—	—	—	—
Morningstar LSTA Leveraged Loan	0.0%	0.2%	0.2%	0.2%	4.9%	6.3%	—	—	—	—	—	—



Source: Morgan Stanley Wealth Management GIO, Bloomberg, FactSet. ¹Data for HFRI Fund of Funds as of Sep. 30, 2025. YTD starts Dec. 31, 2024, and 1Y starts Oct. 31, 2024. 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.

© 2025 Morgan Stanley Smith Barney LLC. Member SIPC.