



Cardinal Directions - Our Thoughts

April 2026

As we all saw, the global political landscape entered a more complex phase with the February 28th, 2026, coordinated strike by the U.S. and Israel on Iran. This escalation triggered a material energy supply shock, with disruptions linked to the effective closure of the Strait of Hormuz—a passage through which about 20% of global oil supply typically travels. This resulted in pushing crude prices above \$100 a barrel and contributing to higher gasoline prices, inflation concerns, and renewed market volatility. While events like this can weigh on risk sentiment in the near term, history suggests that geopolitically-driven equity drawdowns and volatility are often short-lived. See below a great piece by Morgan Stanley's Global Investment Office, showing the S&P 500 rising an average of 8.4% over the subsequent twelve months after the listed geopolitical risk events. This further emphasizes our approach of staying anchored in long-term objectives amid short-term market noise.

Exhibit 2: Geopolitically Driven Volatility Is Typically Short-Lived

Event	Start Date	+1M	+3M	S&P 500 Return	+6M	+12M
Korean War	June 1950	-7.6%	-30.0%	1.5%	4.9%	11.2%
Vietnam War	November 1955	4.4%	7.3%	4.1%	13.9%	10.0%
Suez Crisis	October 1956	2.6%	-4.4%	-3.6%	-1.4%	12.3%
1958 Lebanon Crisis	July 1958	2.9%	5.3%	12.1%	23.8%	32.3%
Cuban Missile Crisis	October 1962	-6.3%	5.4%	13.1%	21.1%	27.8%
India-Pakistan War	August 1965	0.7%	2.5%	7.7%	8.7%	-2.3%
Six Day War	June 1967	4.7%	3.3%	6.5%	7.7%	13.0%
Yom Kippur War	October 1973	14.4%	-4.5%	100.0%	-36.2%	36.6%
Fall/Liberation of Saigon	April 1975	2.0%	4.4%	1.8%	2.3%	16.4%
Iran Hostage Crisis	November 1979	-1.0%	4.2%	11.6%	3.0%	25.9%
Soviet-Afghan War	December 1979	0.3%	5.5%	7.8%	6.9%	26.2%
Iran-Iraq War	September 1980	-5.3%	1.2%	4.7%	2.8%	10.9%
Multinational Force in Lebanon	August 1982	0.6%	4.3%	19.9%	27.4%	26.5%
US Action in Libya	April 1986	2.0%	-1.4%	-1.7%	0.5%	19.6%
US Action in Panama	December 1989	1.7%	-1.1%	-0.4%	4.7%	-3.7%
Gulf War	August 1990	3.3%	8.2%	11.3%	-2.4%	10.2%
Croatian War	March 1991	0.0%	0.0%	-1.3%	3.4%	7.6%
Bosnian War	April 1992	0.7%	2.8%	2.0%	0.4%	8.8%
Kosovo War	February 1998	0.6%	4.4%	4.6%	-2.1%	18.0%
War in Afghanistan	October 2001	1.9%	4.7%	8.7%	4.8%	-26.7%
Iraq War	March 2003	-8.8%	2.0%	13.7%	18.3%	25.7%
Russia/Ukraine	February 2022	1.7%	5.4%	-8.7%	-3.4%	-7.4%
Average		0.1%	1.5%	2.8%	5.9%	8.4%
Median		0.7%	3.1%	3.7%	6.1%	10.7%

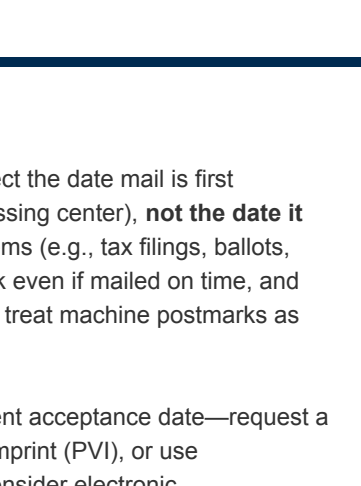
Note: S&P 500 returns reflect index price changes; other Vietnam War start date corresponds to beginning of US military assistance to South Vietnam. Source: Bloomberg, Morgan Stanley Wealth Management Global Investment Office as of March 3, 2026.

Meanwhile, in the background, domestic political considerations are rising as policymakers and markets begin to turn toward the 2026 midterms. Although energy represents a smaller share of consumer spending than it did fifty years ago, households remain sensitive to price increases at the pump, making affordability a key voter concern and a potential headwind for the incumbent party.¹

[1] Morgan Stanley Wealth Management - US Policy Pulse, America, Iran and the Midterm Elections (March 12, 2026) by Monica Guerra, Daniel Kohen, and Kyle Kerr - RSI177322938342 03/2026.

Introducing Our Newest Member of the Team

Mary Maestas
Registered Client Service Associate



Mary is a financial services professional with more than 25 years of industry experience. She began her career at Smith Barney in 1995, joined Morgan Stanley in 2000, and later moved to UBS in 2004. Mary is pleased to be back at Morgan Stanley, where she brings deep experience and a client-first approach to her work. Passionate about what she does, Mary focuses on building meaningful, long-term relationships and delivering thoughtful support to the clients she serves.

Outside of work, Mary has been married to her husband, Bryan, for over 30 years, and they have one 26-year-old daughter, Marisa, who lives in San Diego. In her free time, Mary enjoys the outdoors and traveling with family and friends. She and Bryan are avid Dodgers and Broncos fans and make it a point to attend at least one game each year when possible.

Administrative Alert

Effective December 24, 2025, USPS machine-applied postmarks reflect the date mail is first processed by automated sorting equipment (often at a regional processing center), **not the date it was dropped off at a local post office**. As a result, time-sensitive items (e.g., tax filings, ballots, legal documents, donations) may appear "late" based on the postmark even if mailed on time, and organizations that rely on postmarks for deadline compliance may not treat machine postmarks as sufficient proof of timely mailing.

To reduce risk, send critical items earlier and use options that document acceptance date—request a manual (hand) postmark at the counter, obtain a Postage Validation Imprint (PVI), or use Certified/Registered Mail or a Certificate of Mailing; where feasible, consider electronic submission/payment alternatives.

Scheduling Your Next Portfolio Review

The Compass Rose Group operations team is continuing to find solutions to help provide efficient and effective levels of service to clients, including scheduling biannual portfolio review meetings.

In case you have not seen it yet, we are sending out an email every six months inviting clients to schedule time with their primary advisor. When you see "Scheduling Your Next Portfolio Review" in your inbox, simply open the message and click the button "Send Meeting Request" to generate an email to our scheduling team. The email will prompt you to fill in relevant information including your name, preferred day of the week, preferred time of day, and preferred location (i.e., in-person, via Zoom, or by phone). Once you hit send, a service associate will follow-up with a few options that meet your preferences.

You can also schedule directly by calling Sarai Ordonez, our Registered Client Service Associate, at 505 889-2827.



Market Moves

Click the link below to review the recent movements and current standings of the Capital Market Indices (As of 4/1/26)

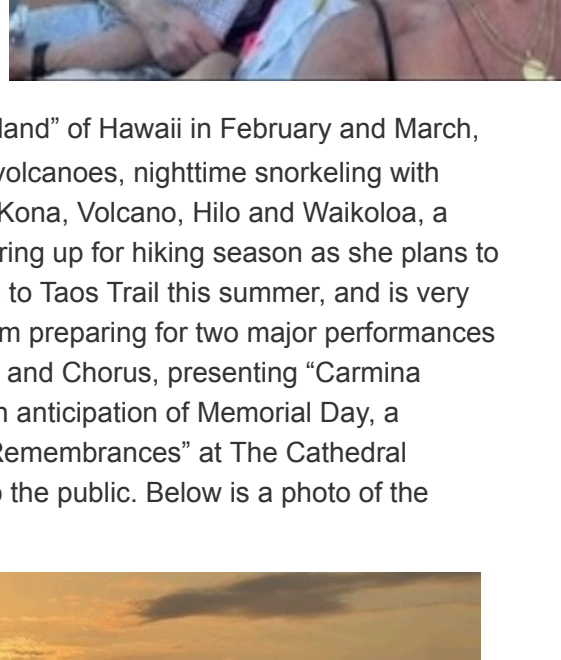
[Capital Market Indices](#)

Personal Notes

Chuck: March came and went with 80-degree weather. Too early but nice for golf, grandkids sports, and not so much for the skiers. Getting ready for my favorite sporting event, The Masters in two weeks. We had all six grandkids in Albuquerque together last month and got the 3 oldest ones on skis for the first time up at Santa Fe ski area. It is so fun to watch them begin to figure it out. We will plant the seed and see if it grows.



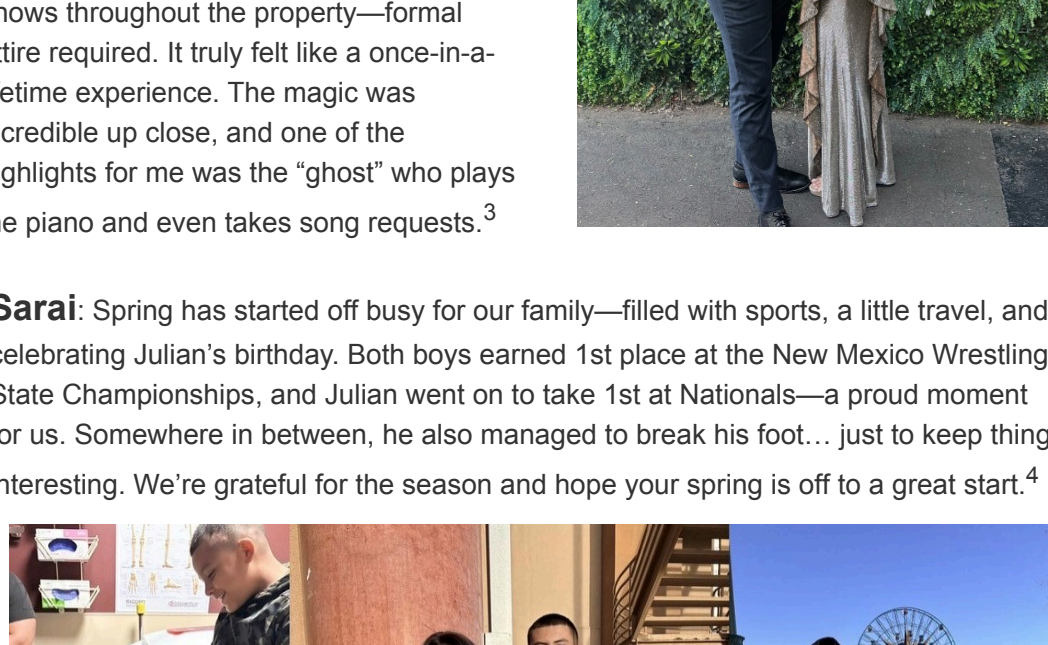
Mark: MLB Cactus spring training under the lights + a birthday celebration for our grandson = a perfect night at the ballpark!



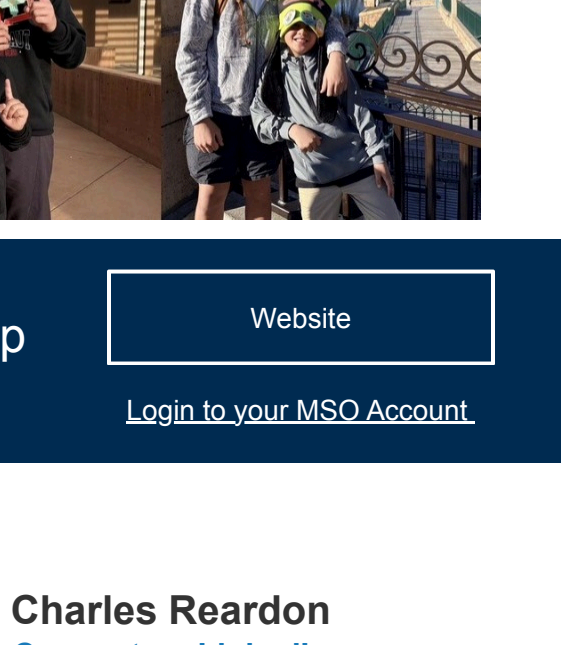
Rob: Pam and I spent 2 weeks in "The Big Island" of Hawaii in February and March, enjoying relaxing walks, delicious food, active volcanoes, nighttime snorkeling with manta rays and lots of naps. We spent time in Kona, Volcano, Hilo and Waikoloa, a sunset from which is shown below. Pam is gearing up for hiking season as she plans to guide several groups on the 132 mile Santa Fe to Taos Trail this summer, and is very busy with the growth it expects this season. I am preparing for two major performances in May with the Santa Fe Symphony Orchestra and Chorus, presenting "Carmina Burana" at the Santic May 8 and May 9, and, in anticipation of Memorial Day, a Sunday May 17 presentation of "Prayers and Remembrances" at The Cathedral Basilica of St. Francis of Assisi, which is free to the public. Below is a photo of the Hawaiian Sunset from Waikoloa:



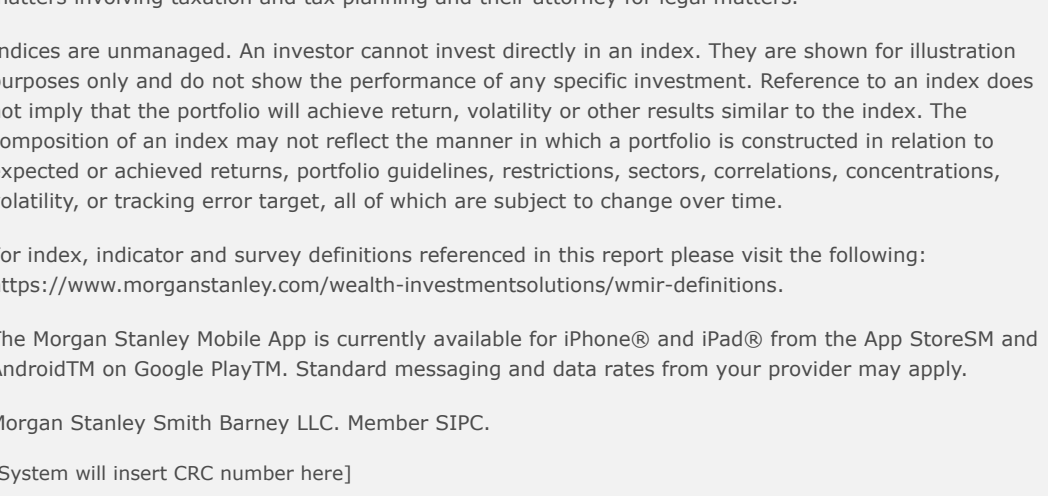
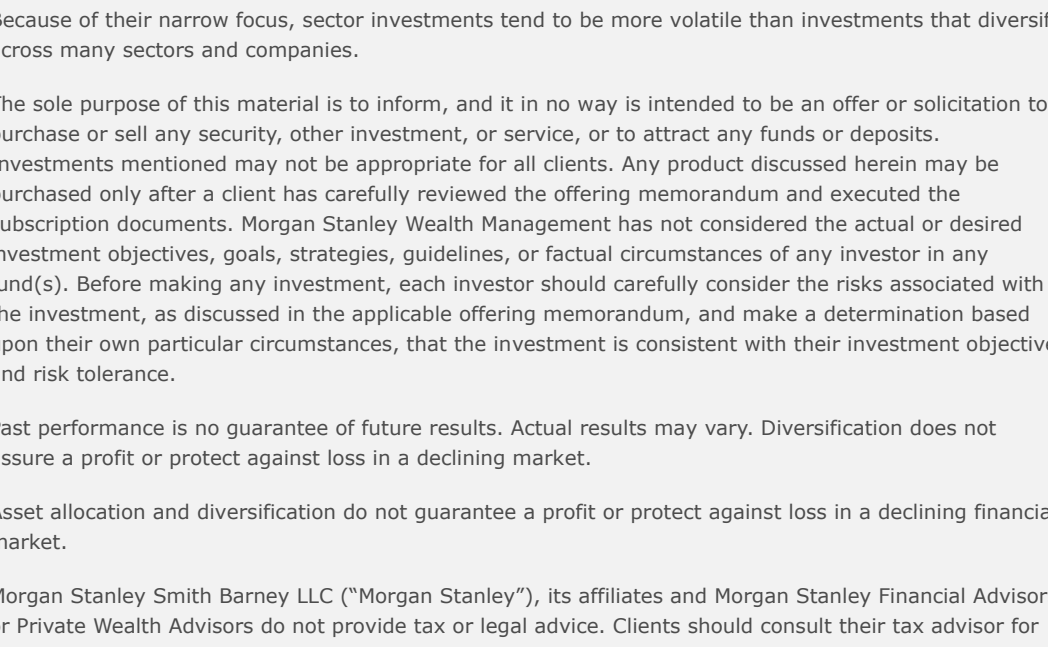
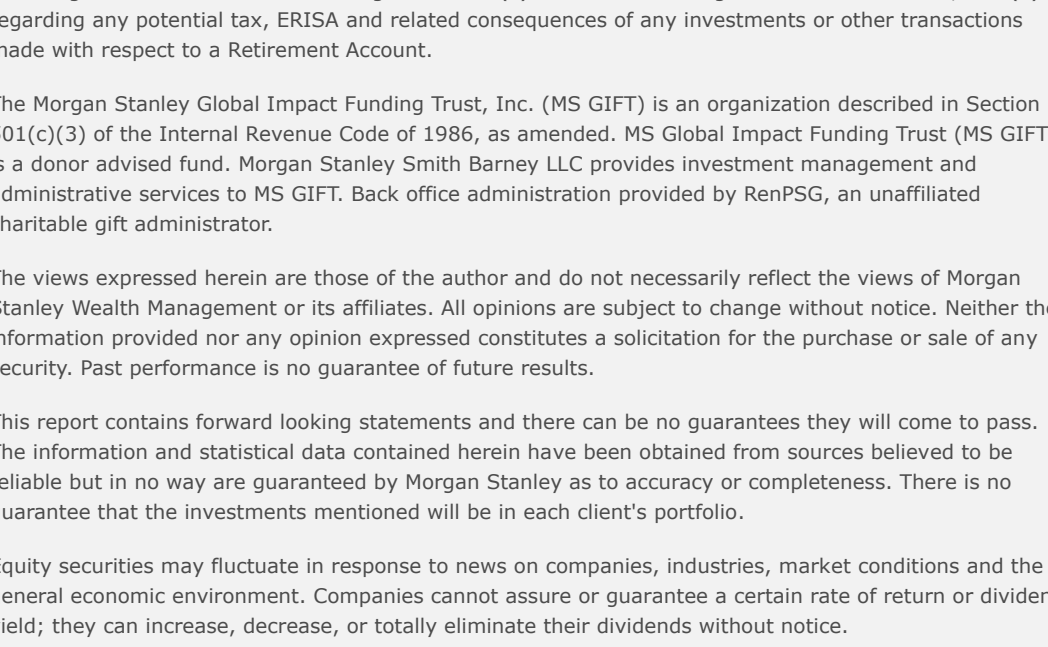
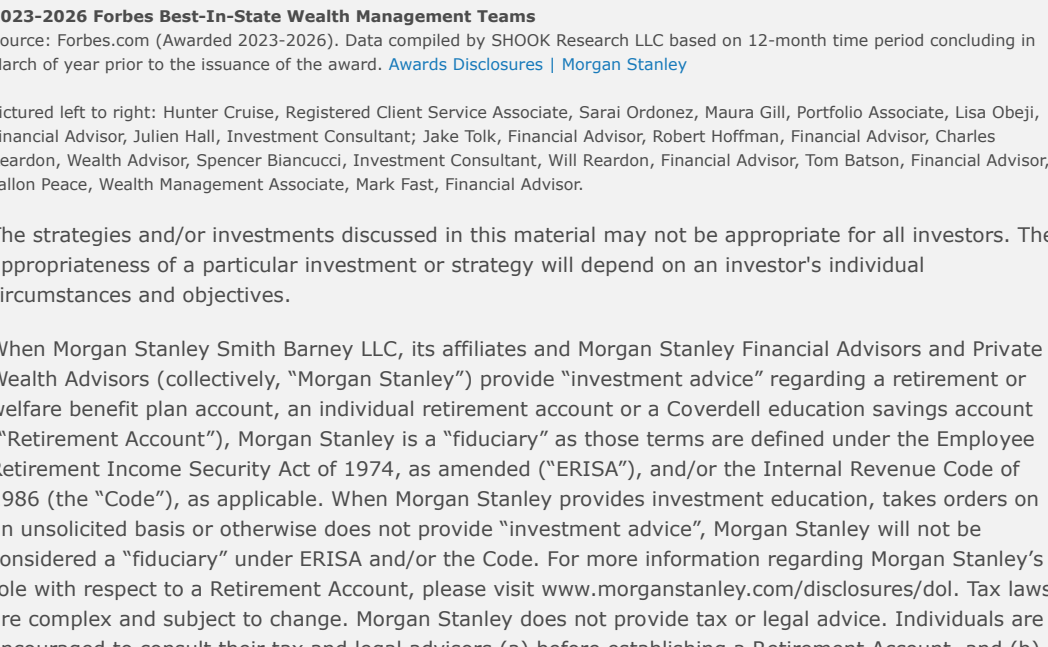
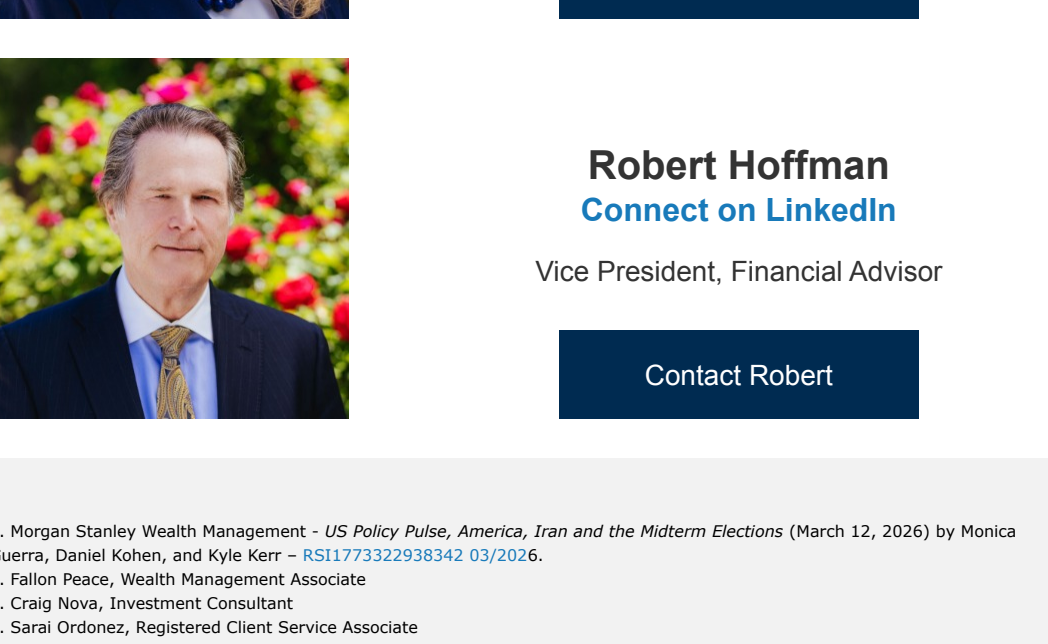
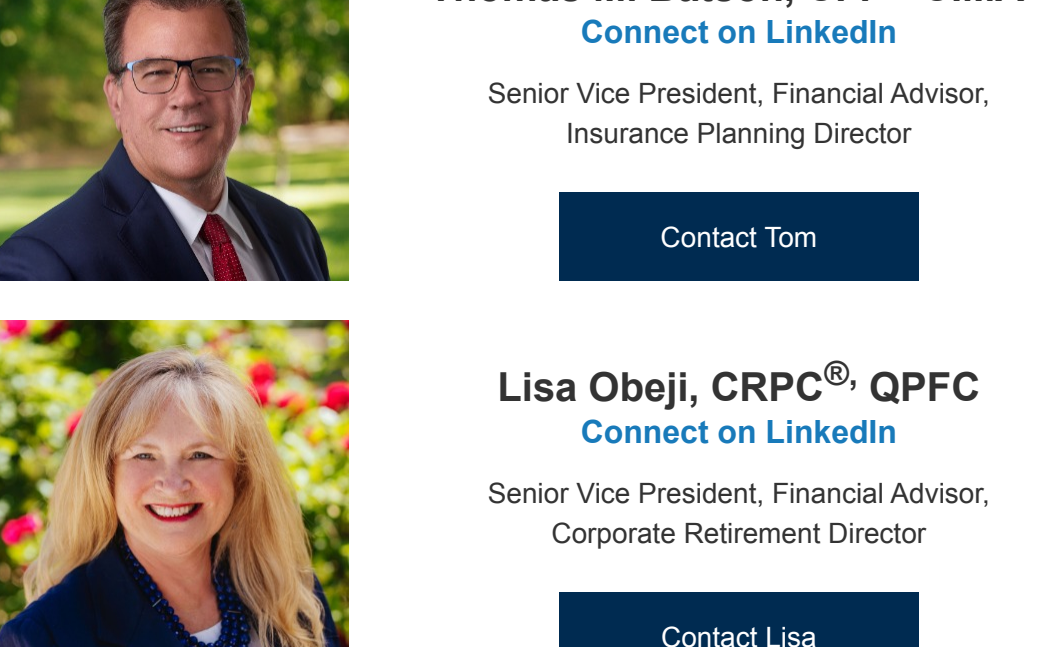
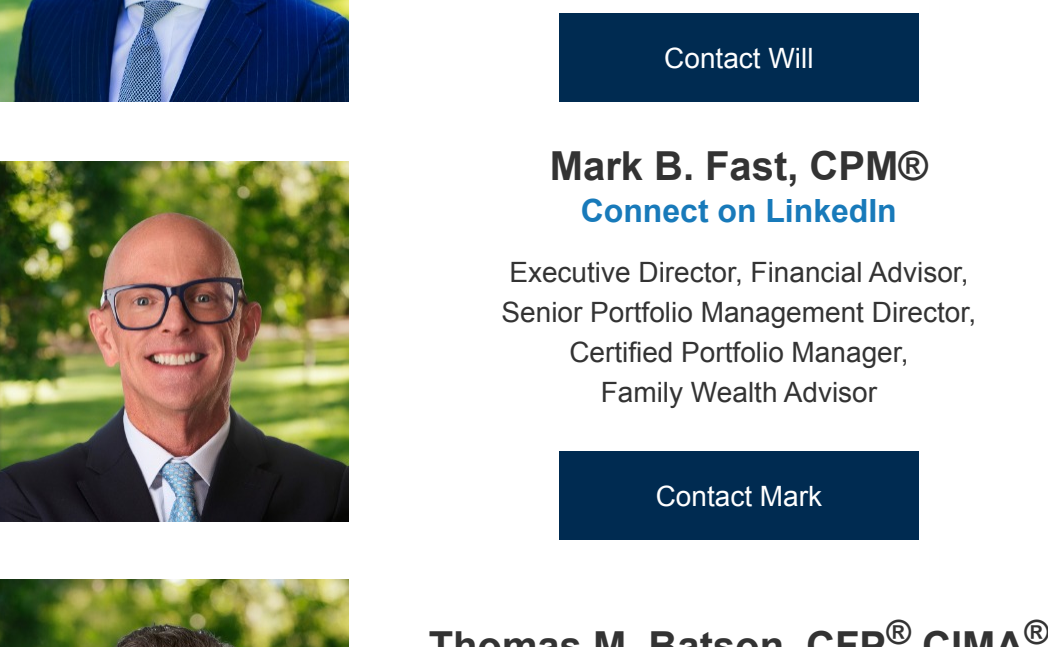
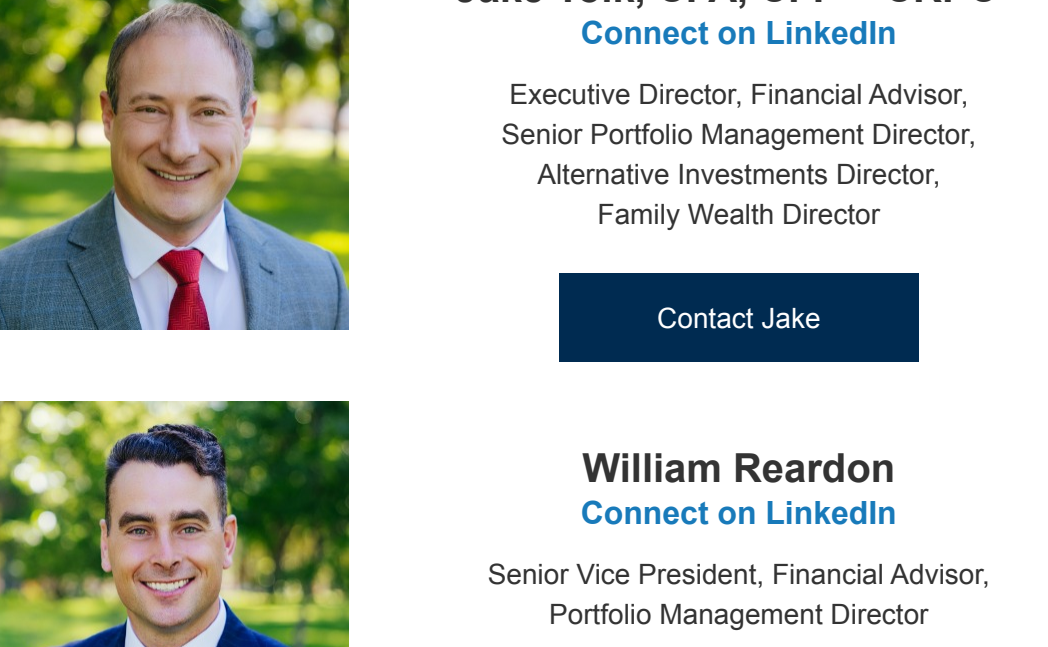
Fallon: I was able to take a few days off for Benjamin's spring break. I enjoyed the extra time with Benjamin and Sienna. We went on walks and bike rides. When it was too windy outside, we enjoyed our own little tea party.²



Craig: Paige and I took a quick trip to Hollywood earlier this month to surprise our brother-in-law for his 40th birthday at The Magic Castle. If you're not familiar, it's essentially a private club where magicians gather to connect, socialize, and hone their craft. They do welcome visitors on an invite-only basis (Paige's brother has a friend who's a member), so we were able to go for dinner, drinks, and several close-up magic shows throughout the property—formal attire required. It truly felt like a once-in-a-lifetime experience. The magic was incredible up close, and one of the highlights for me was the "ghost" who plays the piano and even takes song requests.³



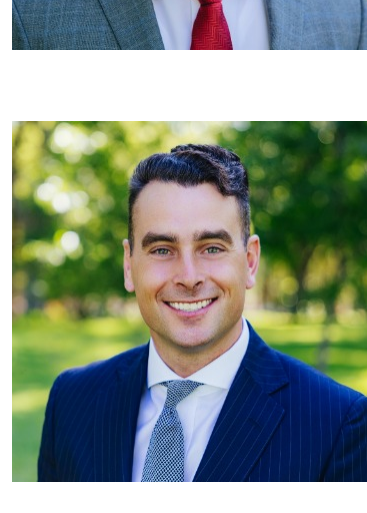
Sarai: Spring has started off busy for our family—filled with sports, a little travel, and celebrating Julian's birthday. Both boys earned 1st place at the New Mexico Wrestling State Championships, and Julian went on to take 1st at Nationals—a proud moment for us. Somewhere in between, he also managed to break his foot... just to keep things interesting. We're grateful for the season and hope your spring is off to a great start.⁴



The Compass Rose Group at Morgan Stanley

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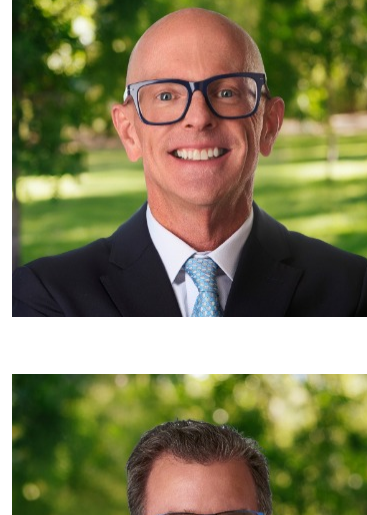
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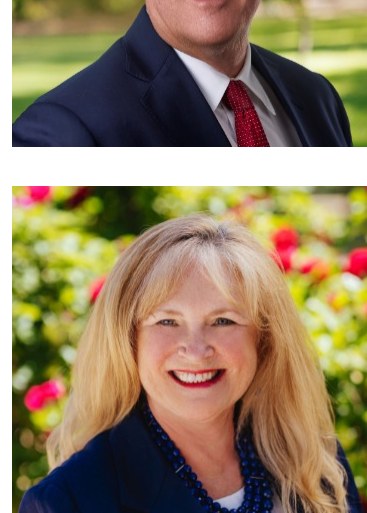
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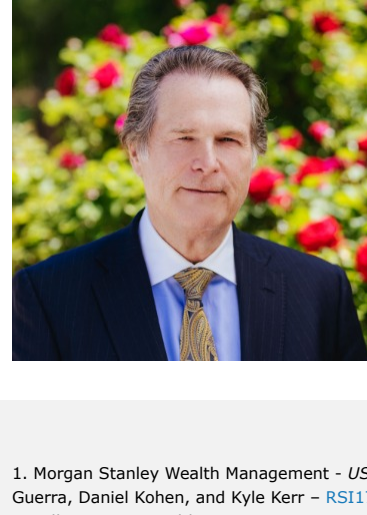
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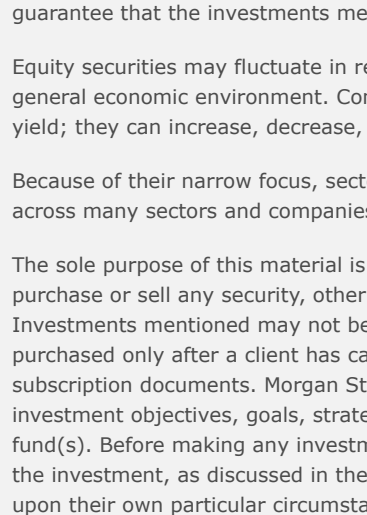
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