Morgan Stanley

The Compass Rose Group at Morgan Stanley

Quarterly Video Series

Q3 2026 Market Summary

Coming into to back half of 2026, headlines continue to create noise and confusion for many investors. In this quarter's market outlook video, Financial Advisors Will Reardon, Mark Fast, and Jake Tolk discuss:

- Market performance year-to-date
- The role of Net Unrealized Appreciation in financial planning
- Our market outlook and thoughts on the economy

Of course, please contact your primary Financial Advisor with The Compass Rose Group with any questions or comments.

Click Here to Watch

Cardinal Directions - Our Thoughts

August 2026

Despite a steady stream of concerning headlines—from geopolitical conflict and trade tensions to inflation and policy uncertainty—markets have continued to demonstrate resilience. While these developments can influence sentiment and create short-term volatility, they are not always the primary forces driving the broader economy. A more useful lens, in our view, is to step back and focus on the two foundational drivers of economic growth: capital and labor.

On the capital side, we believe the economy is being supported by a powerful investment cycle with room to continue. Several long-term trends are contributing to this momentum, including deglobalization, supply-chain resiliency, domestic manufacturing, automation, AI, data centers, electrification, energy security, defense modernization, medical innovation, infrastructure upgrades, and digital infrastructure. Supportive tax policy and targeted legislation has also created incentives for companies to invest domestically. At the same time, many large companies continue to benefit from strong profit margins and earnings growth, providing additional capacity to fund investment.

Labor conditions also remain an important part of the story. A tight labor market, low layoff rates, and continued demand for workers suggests that the economy retains meaningful underlying strength. Taken together, the scale and breadth of today's capital investment cycle may be more important to the long-term outlook than many of the day-to-day headlines. While risks remain and volatility should be expected, investors may benefit from keeping perspective and focusing on the broader economic "forest," not just the most visible "trees."

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 7/28/26)

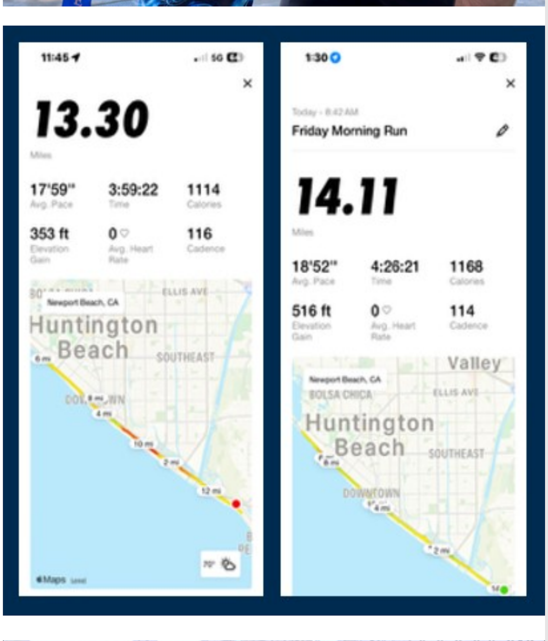
Capital Market Indices

Personal Notes

Jake: This summer has been filled with new adventures, and it has been especially meaningful to share many of them with my daughters. Together, we made memories learning to surf and kite surf, ocean kayaking, attending trapeze school, camping, taking a helicopter ride, enjoying concerts, and even flying in a stunt plane. As the school year begins, life will settle back into a more familiar routine, but we are grateful for the experiences we shared and the lasting memories we created.

Will: As August arrives and summer begins to close, I hope everyone is getting time to relax and recharge. One of my favorite takeaways from this summer is how taken my oldest, Clara, has been by swimming. She loved it and Rach and I enjoyed watching her overcome some nerves and really excel! Hoping everyone has a great summer and ready to get back to school.

Mark: With The Camino Portugues in our sights, we move our distance training to the beaches of Southern California to take a respite from the Arizona heat! Kimberly and I have 60 days to go before we begin our pilgrimage from Porto Portugal to Santiago de Compostela Spain. The 240km hiking journey in 10 days will be a test of commitment, resiliency, and mental strength that we are both looking forward to accomplishing. We are using our pilgrimage to bring awareness to St. Vincent de Paul, Phoenix.



Craig: Paige's brother got married last month in Rome, so we took the opportunity to explore Italy for a couple of weeks. We stayed mostly in Bologna, taking day trips to surrounding cities. We toured a Parmigiano Reggiano factory, met a 4th generation balsamic vinegar producer, beat the heat with a soak in the Mediterranean, and ate the best pasta of our lives. We are food people, so most of our pictures were of our amazing meals, but between those we somehow managed to snap this picture of us in front of the Duomo in Florence. Truly an incredible trip that will be a lifelong memory for us.[1]

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Website

Login to your MSO Account

Charles Reardon
Connect on LinkedIn

Managing Director, Wealth Advisor

Contact Charles

Jake Tolk, CFA®, CFP® CEPA®, CRPC®
Connect on LinkedIn

Executive Director, Financial Advisor,
Senior Portfolio Management Director,
Alternative Investments Director,
Family Wealth Director

Contact Jake

William Reardon
Connect on LinkedIn

Senior Vice President, Financial Advisor,
Senior Portfolio Management Director

Contact Will

Mark B. Fast, CPM®
Connect on LinkedIn

Executive Director, Financial Advisor,
Senior Portfolio Management Director,
Certified Portfolio Manager,
Family Wealth Advisor

Contact Mark

Thomas M. Batson, CFP® CIMA®
Connect on LinkedIn

Senior Vice President, Financial Advisor,
Insurance Planning Director

Contact Tom

Lisa Obeji, CRPC®, QPFC
Connect on LinkedIn

Senior Vice President, Financial Advisor,
Corporate Retirement Director

Contact Lisa

Robert Hoffman
Connect on LinkedIn

Vice President, Financial Advisor

Contact Robert

1. Craig Nova, Investment Consultant