

The Compass Rose Group

At Morgan Stanley

Quarterly Video Series

Q3 Market Summary

As we begin to shift to year-end items, Alternative Investments Director, [William S. Reardon](#) reviews five approaches to charitable giving, and in-house Portfolio Manager, [Jake Tolk, CFA®, CRPC®](#) addresses the three questions on investor's minds:

1. Is the recent rally sustainable?
2. What's going on in the economy?
3. Are we headed for a slowdown?

[Watch the video here:](#)

Cardinal Directions - Our Thoughts

January 2026



Pictured right to left: Will Reardon, Financial Advisor; Craig Nova, Investment Consultant; Fallon Peace, Wealth Management Associate; Sarai Ordonez, Registered Client Service Associate; Paige Nova, Craig's Wife; Robert Hoffman, Financial Advisor; Charles Reardon, Wealth Advisor; Julien Hall, Investment Consultant; Spencer Bianucci, Investment Consultant.

2025 was quite the year. As we look back, lots can be said for markets, policy shifts, and team building. But, first, we want to express gratitude. All of us here at The Compass Rose Group at Morgan Stanley want to thank you for the trust and confidence you have placed in us. Your partnership is the foundation of everything we strive for, and we deeply value the opportunity to guide you through your financial lives.

Now, to markets and Washington for a few quick remarks. A look at the major indices over 2025 shows:

1. **The S&P 500 up 17.9% YTD**
2. **The Dow up 14.9% YTD**
3. **The NASDAQ up 21.2% YTD; and**
4. **The Bloomberg US Aggregate Bond Index up 7.3% YTD.¹**

We continue to have a positive outlook for 2026. The economic cocktail of possibly more dovish monetary policy, lower inflation, a resilient labor market, and real productivity gains in public equities resulting in strong earnings growth are the pillars supporting stronger markets over the next twelve months.

For Washington, we see taxes, tariffs, and continued fiscal austerity being the priority for policymakers. We have seen tariffs shift from a national security focus to a material revenue source for the US. Morgan Stanley's Global Investment Office stated that, "the US Treasury has collected \$255 billion in tariffs so far since Inauguration Day. If continued at the current pace, this amounts to \$3.35 trillion in revenue over the next decade...."² It's important to note that tariff costs have been largely born by the companies themselves, and a shift to passing those costs to consumers—likely resulting in some inflationary pressures—is a risk. For taxes, the effects of the One Big Beautiful Bill Act, which passed over summer 2025, will have its largest impact in 2026 as legislators gear up for the midterms.³ It's our opinion that these factors should be accommodative for markets.

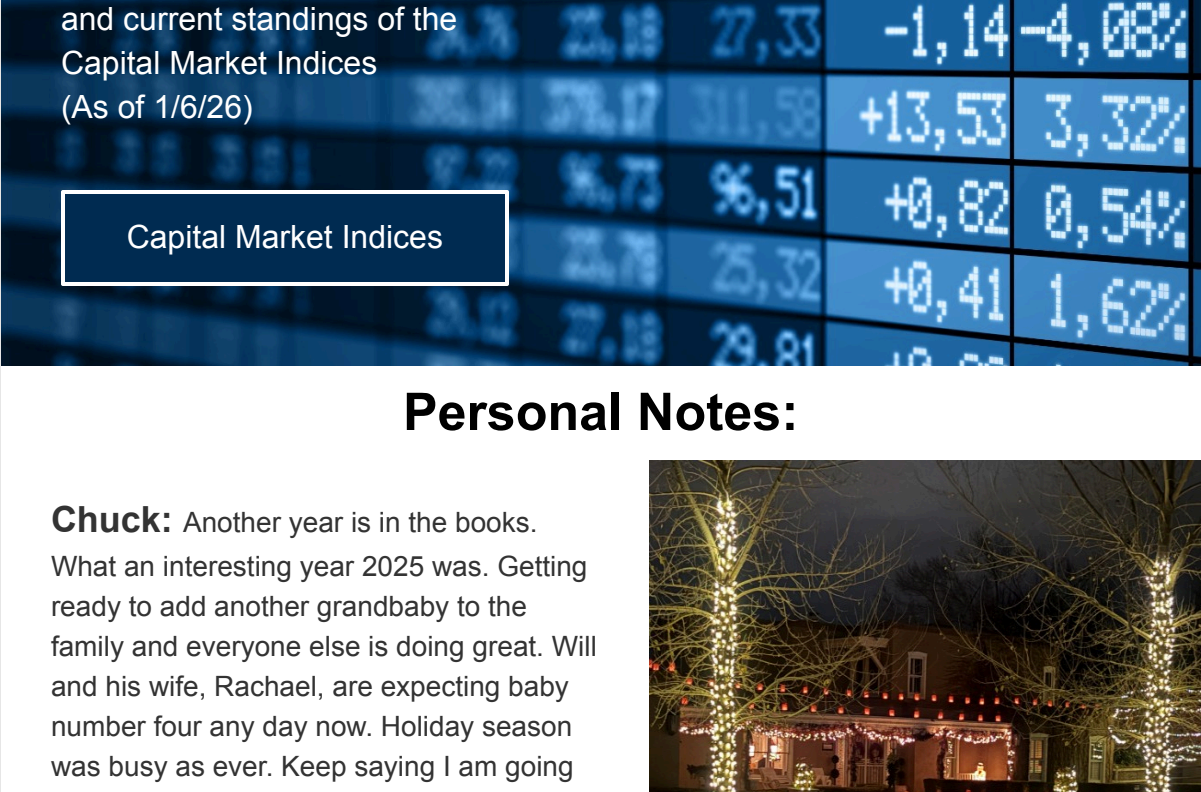
1. Morgan Stanley Wealth Management, *Capital Market Indices* (Friday, January 2, 2026).
2. Morgan Stanley Wealth Management - US Policy Pulse, Look Back to Move Forward (December 4, 2025) by Monica Guerra, Daniel Kohen & Kyle Kerr - RSI1764796395796 12/2025.
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Scheduling 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.



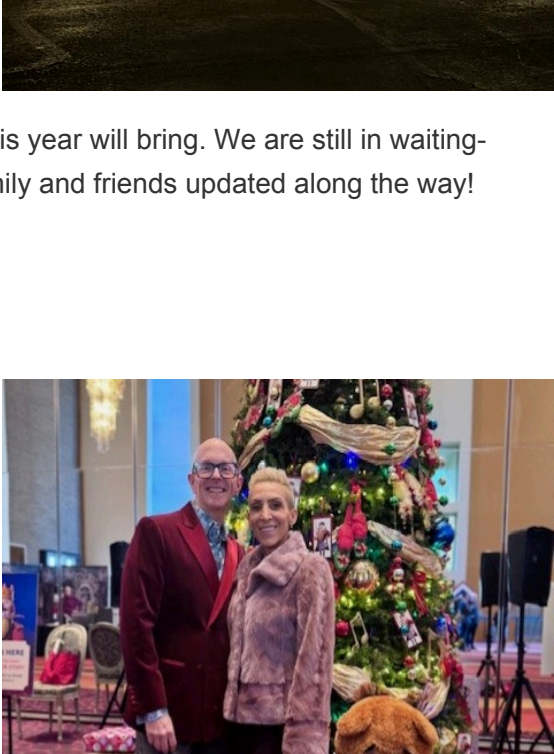
Market Moves

Click the link below to review the recent movements and current standings of the Capital Market Indices (As of 1/6/26)

[Capital Market Indices](#)

Personal Notes:

Chuck: Another year is in the books. What an interesting year 2025 was. Getting ready to add another grandbaby to the family and everyone else is doing great. Will and his wife, Rachael, are expecting baby number four any day now. Holiday season was busy as ever. Keep saying I am going to be better prepared but never seems to happen. Luminarias for Christmas is always on the list. 240 total this year. Hope everyone has a joyful and prosperous 2026 and can't wait to see what next year brings.



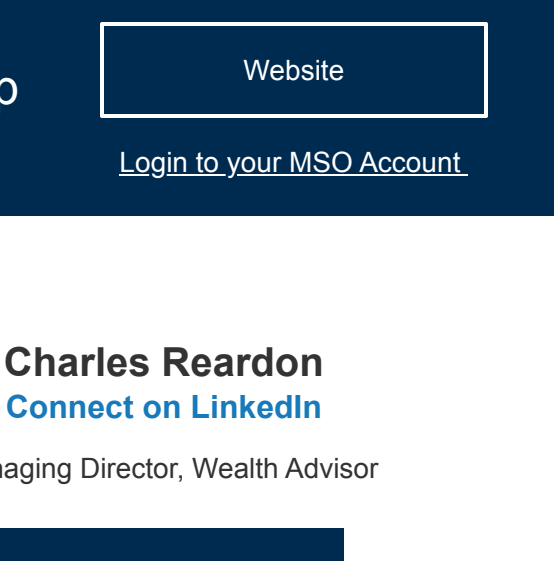
Will: Welcome to 2026, all! Excited for what this year will bring. We are still in waiting-mode for our newest little one and will keep family and friends updated along the way!

Mark: What a remarkable year 2025 has been! As we wrap up this year, I find myself reflecting on the meaningful changes and memorable moments that have defined it. Professionally, I had the honor of joining The Compass Rose Group at Morgan Stanley. It's been a privilege to work with such an exceptional team of like-minded professionals, all dedicated to serving our clients with purpose and clarity.



On a personal note, our family experienced the incredible joy of welcoming our new granddaughter. We also cherished our family tradition of attending The Nutcracker, enjoying a beautiful matinee performance together.

I hope you had a warm, peaceful, and joyful holiday season. Wishing you a successful 2026!



Fallon: The end of 2025 felt more hectic than usual. I am thankful that I was able to take some time off and spend it with my family. The kids were spoiled as usual, and I am trying to convince them to get rid of some old toys to make room for the new ones. I am looking forward to a wonderful 2026.

The Compass Rose Group

at Morgan Stanley

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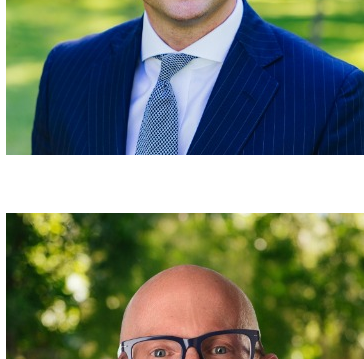
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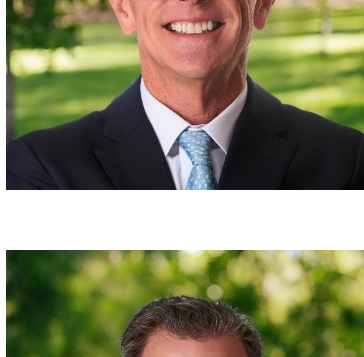
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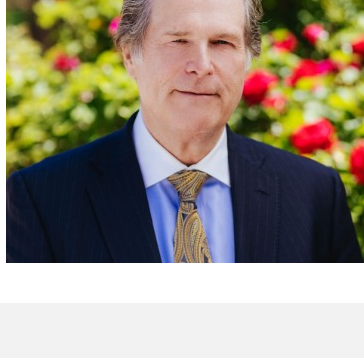
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For index, indicator and survey definitions referenced in this report please visit the following: <https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>.

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