



The Compass Rose Group

At Morgan Stanley

Quarterly Video Series

Q2 2026 Market Summary

What are our thoughts on market responses to the current conflict in Iran?

What key risks should clients be thinking about for their long-term financial plan?

What can war history teach us about market volatility, and what's our take on the AI job loss narrative?

Financial Advisors William Reardon, Mark Fast, and Jake Tolk sat down to address these common questions in the Q2 2026 video.

- 0:15 Intro & Performance of Major Market Indices YTD
- 1:24 February 28, 2026 US & Israel Coordinated Strike on Iran
- 2:05 Geopolitically Driven Equity Drawdowns Throughout History
- 3:19 Mark Identifies Some Key Risks for Financial & Philanthropic Plans
- 7:01 Jake Starts with Addressing Volatility & Historical Market Reactions to Military Conflict
- 9:50 Back to Fundamentals
- 10:21 AI Productivity Gains & Labor Disruption

[Click Here to Watch](#)

Cardinal Directions - Our Thoughts

June 2026

Please remember that, in political time, it's ages until midterms. Plenty will change from now until November. We will continue to refrain from overall projections for another few months, but some points are worth reiterating. First, domestic politics can increasingly be shaped by affordability concerns, and the topic will garner more attention as we get into the fall. Also, the sitting president's party has historically had challenging midterm results. Since 1922, the sitting president's party has lost an average of 30 seats in the House and four in the Senate in midterm elections.¹ Currently, Senate Republicans enjoy a 53-47 majority and a House of Representatives partisan breakdown of 217 Republicans, 212 Democrats, 1 Independent and 5 vacant seats.

As for the policy agenda, election-year positioning will likely include both US financial regulatory initiatives and AI policy across the federal and state level. For financials, a shift is occurring away from solely deregulation to clearer rules for engagement around digital assets and prediction-market oversight. Progress has occurred with the GENIUS Act establishing stablecoin issuer standards and guardrails, and the CLARITY Act, which seeks to define the broader market structure rules for digital assets. This higher level of certainty could be supportive of the sector overall.² As for AI policy, it is no surprise that this will be a hot topic as lawmakers weigh competitiveness, fiscal sustainability, labor impacts, energy infrastructure, and national security concerns. However, federalism is the topic of the day. Washington looks to be slower to legislate in this area, while states have been quick to create rules leading to patchwork compliance and oversight concerns from the industry. This tension is set to continue and could be a key issue when voters study their ballot in November.³

1. *Geo Policy Pulse - 2026 Global Elections*, Morgan Stanley Wealth Management (April 16, 2026) by Monica Guerra & Kyle Kerr - RSI1776345469206 04/2026.

2. *US Policy Pulse - Financial Regulation: Friend or Foe?*, Morgan Stanley Wealth Management (April 23, 2026) by Monica Guerra & Kyle Kerr - RSI1776956526660 04/2026.

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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.

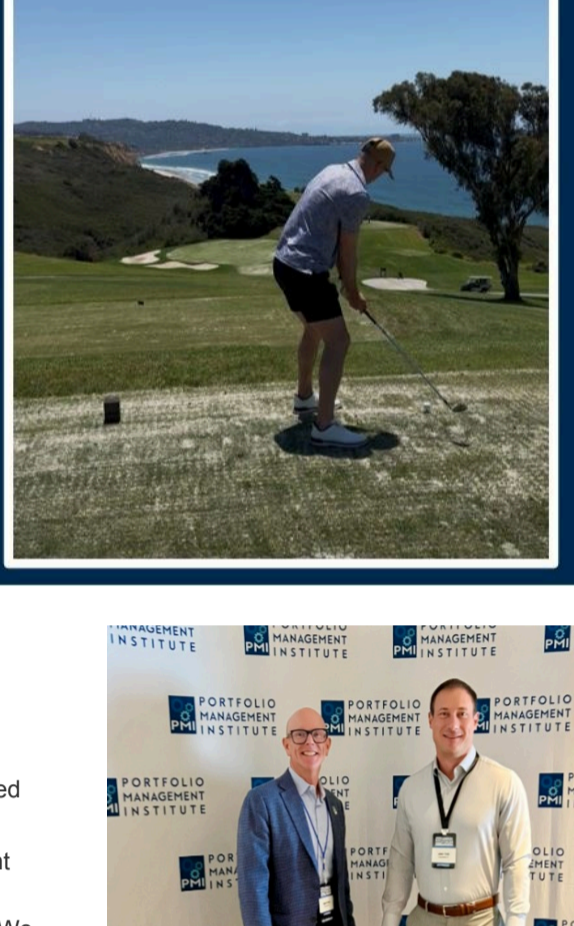
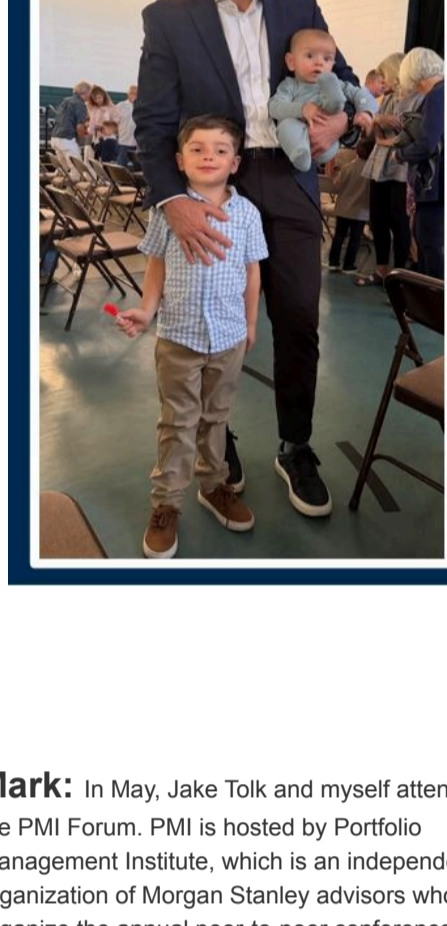
Market Moves

Click the link below to review the recent movements and current standings of the Capital Market Indices (As of 6/4/26)

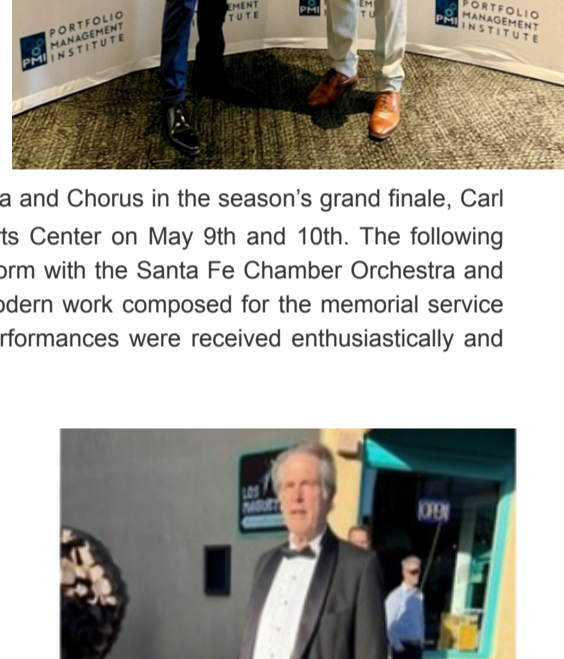
[Capital Market Indices](#)

Personal Notes

Will: Well, May was a fun month! The family gathered to celebrate my son, Warren, on his preschool graduation. Kindergarten in the fall, and he is growing fast. Rach and I are so proud. I was also able to sneak away for a quick golf trip to California. Beautiful scenery and a needed recharge for the busy summer ahead



Mark: In May, Jake Tolk and myself attended the PMI Forum. PMI is hosted by Portfolio Management Institute, which is an independent organization of Morgan Stanley advisors who organize the annual peer-to-peer conference. We had the opportunity to hear from other Portfolio Managers, subject experts, and receive a midterm election update.

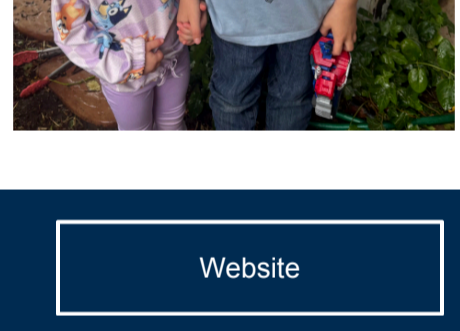


Rob: I sang with the Santa Fe Symphony Orchestra and Chorus in the season's grand finale, Carl Orff's "Carmina Burana", at the Lensic performing Arts Center on May 9th and 10th. The following Sunday, in honor of Memorial Day, I was able to perform with the Santa Fe Chamber Orchestra and Chorus Paulus's "Prayers and Remembrances", a modern work composed for the memorial service on the 10th anniversary of the 9/11 attacks. Both performances were received enthusiastically and marked the capstone of a remarkable musical season.

Meanwhile, Pam's non-profit wilderness stewardship passion, The Santa Fe to Taos Trail, ("SF2T"), has already attracted a dozen hikers now on or having completed the 132-mile long trek through the Santa Fe National Forest, the Pecos Wilderness and the Carson National Forest, with hundreds more expected throughout the 2026 hiking season. Noteworthy developments include attaining the "Leave No Trace" (LNT.org) Gold Standard and the institution of a campsite monitoring program along the entire length of the SF2T Trail to help ensure the lightest human footprint possible along the route. We both look forward to some serious back-country hiking this summer as I aspire to finish the route myself by season's end.



Fallon: Summer is officially here, and our household is ready for it. Benjamin and Sienna are starting summer camp and are especially excited for swimming, camping, and all-around summer fun. We're looking forward to a season of sunshine, new adventures, and making great memories—hope everyone has a safe and wonderful summer!⁴

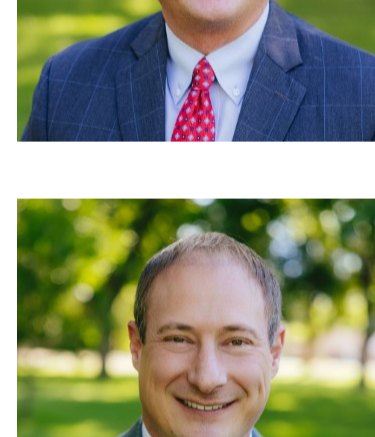


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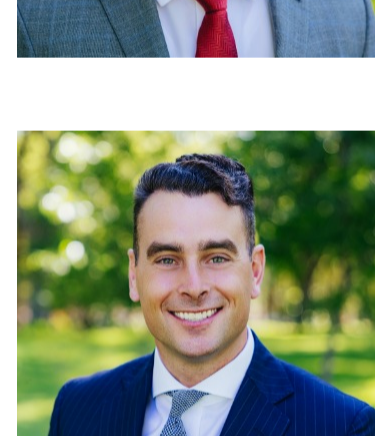


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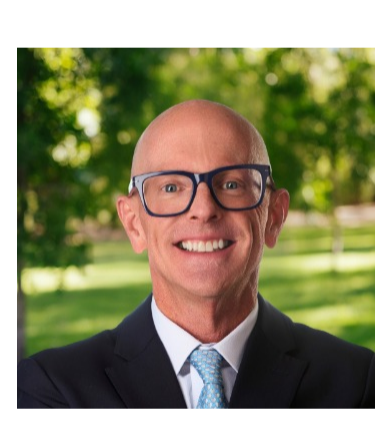


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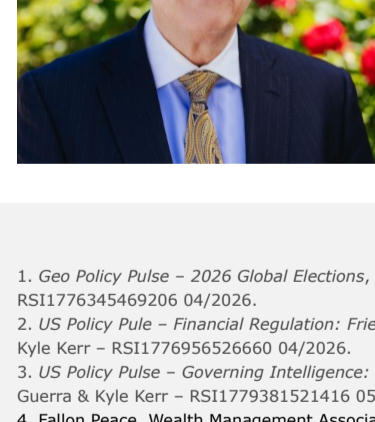


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4. Fallon Peace, Wealth Management Associate

2023-2026 Forbes Best-In-State Wealth Management Teams
Source: Forbes.com (Awarded 2023-2026). Data compiled by SHOOK Research LLC based on 12-month time period concluding in March of year prior to the issuance of the award. [Clicks Awards Disclosures](#) | [Morgan Stanley](#)

Pictured left to right: Hunter Cruise, Registered Client Service Associate, Sarai Ordonez, Maura Gill, Portfolio Associate, Lisa Obeji, Financial Advisor, Julian Hall, Investment Consultant, Jake Tolk, Financial Advisor, Robert Hoffman, Financial Advisor, Charles Reardon, Wealth Advisor, Spencer Bianucci, Investment Consultant, Will Reardon, Financial Advisor, Tom Batson, Financial Advisor, Fallon Peace, Wealth Management Associate, Mark Fast, Financial Advisor.

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