The Compass Rose Group
at Morgan Stanley

Quarterly Video Series
Q1 Market Summary

With market volatility in the background, team in-house Portfolio Manager, Jake Tolk, and Alternative Investments Director, William Reardon, sat down to review the framework in which our team is analyzing the new administration, and discuss tariffs in more detail with some possible paths forward.

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

Watch Here

Cardinal Directions - *Our Thoughts*
May 2025

The past several weeks has brought renewed volatility to both equity and fixed income markets, driven in part by the sudden unwinding of a popular hedge fund strategy known as the basis trade. This trade, which exploits the differences between Treasury futures and the underlying bonds, came under pressure after large tariff announcements. The disruption added to broader market unease and prompted a notable tariff policy shift away from the initial hardline stance from the current administration. While we expect negotiations to remain intense, the easing of tariff threats could provide a tailwind for stocks in the coming months.

Importantly, the worst of the basis trade fallout now seems behind us. As markets stabilize, attention is shifting to upcoming policy developments. An upcoming tax bill, alongside new deregulation initiatives, may offer additional support for corporate earnings and investor sentiment. These measures could serve as a powerful catalyst for the next leg higher in equities.

Despite recent market noise, the underlying economic picture remains solid. The labor market has held up well, and we see no signs of a meaningful downturn in employment that would signal an imminent recession. While volatility may persist in the near term, we expect it to abate as policy clarity improves and fundamentals reassert themselves.

Our base case remains constructive: we anticipate the stock market reaching new highs by year-end, supported by steady growth, accommodative policy, and a more favorable trade backdrop.

Exciting News

In 2023, the team's Executive Committee made a few lofty goals. One of those was to stay steadfast in our five-decade-long commitment to the greater Albuquerque community while growing in two strategic locations: Santa Fe, New Mexico and Scottsdale, Arizona. Both were natural extensions of our business where plenty of existing clients resided. Since then, we have been active to grow our presence in New Mexico's capital and the Valley.

With that, the team is ecstatic to welcome Morgan Stanley Executive Director & Financial Advisor, Mark Fast, to the team. Please join us in welcoming Mark and his Scottsdale office colleagues, Maura Gill and Hunter Cruise, to The Compass Rose Group!

Mark has been a Financial Advisor with Morgan Stanley in the Scottsdale office for over thirty years, focusing on working with self-made entrepreneurs, corporate executives, and community leaders throughout the Valley.

A graduate of Arizona State University and Grand Canyon University, Mark's decades of experience will heighten our team's standard of care.

Maura has been with Morgan Stanley for almost two decades and working with Mark for ten years. She is currently a Portfolio Associate here at The Compass Rose Group at Morgan Stanley.

Originally from Cleveland, Ohio, Maura was drawn to the warmer weather of the Valley. She enjoys traveling (especially scuba diving) and spending a relaxing day at home with a new book and her three cats (Zoe, Daisy, and Honey).

Hunter is new to the team but has been with Morgan Stanley for two years. Hunter is the newest Registered Client Service Associate with The Compass Rose Group, focusing heavily on increasing team operational efficiency and client care. With a strong sense of humor and upbeat attitude, Hunter enjoys building relationships with clients, colleagues, and team partners.

Outside of the office, Hunter can be found spending time with his wife, Skyler, and their four-month-old son, Luke. Born and raised in Mesa, Arizona, Hunter enjoys tolerating the warmer Arizona weather.

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 Craig Jones, our Registered Client Service Associate, at 505-889-2826.

Market Moves

Click the link below to review the recent movements and current standings of the Capital Market Indices
(As of 4/30/25)

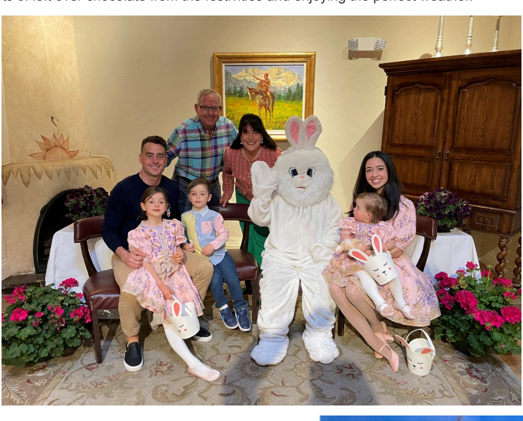
Capital Market Indices

Personal Notes:

Chuck: Very excited to have qualified and to have been invited to the Morgan Stanley Presidents Club conference in Phoenix, Arizona at the end of April. An opportunity to meet with peers from around the country and with upper management of Morgan Stanley. Updates were given on the state of the economy, markets, and the firm and it is always exciting to hear from the thought leaders of our company (some truly amazing individuals). Best part was to talk to other very accomplished and successful advisors from other areas and hear how they provide superior counsel and service to their clients. Always a great learning experience.

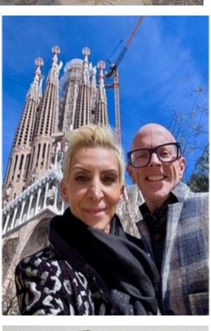
Jake: I had a great birthday this month, celebrating with family and taking a trip to see the Eagles at the Sphere. Amber is back home after completing an advanced Rolfing course, and we've enjoyed having Bella home from college for Easter. With spring in full swing, we're spending more time outdoors and planning some upcoming camping trips.

Will: The Easter Bunny made an appearance at the Reardon household. Always fun to see the little ones find eggs and celebrate this special holiday. Rach and I are eating lots of left over chocolate from the festivities and enjoying the perfect weather.

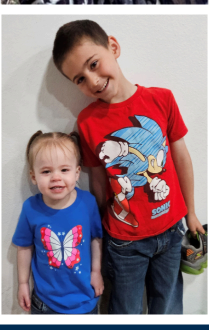


Mark: As I enter my 31st year with Morgan Stanley, I begin a new chapter as a member of The Compass Rose Group. I am honored to be on the Team.

My wife Kimberly and I had a great trip to Barcelona, Spain in March. We enjoyed the culture, food, walking the streets, seeing Gaudi's Casa Ballo and Casa Mila, a guided tour of Montserrat Monastery, and getting lost inside the Picasso Museum. The highlight was exploring Sagrada Familia and the Towers.[1]



Fallon: The end of last month we celebrated Sienna's second birthday. She was so excited about her birthday. She even learned to sing the happy birthday song. She has finally started calling her brother by his name, most of the time. She still sometimes calls him sissy. I am thankful that they love each other and get along pretty well. Benjamin only has about a month left of Kindergarten. We are looking forward to summer break and to start camping again.[2]



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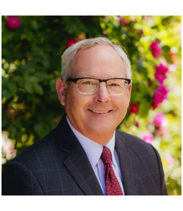

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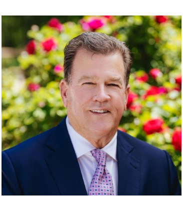

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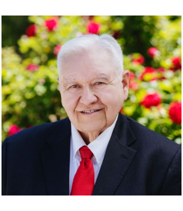

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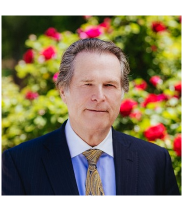

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1.Written By Mark Fast Executive Director, Financial Advisor at The Compass Rose Group at Morgan Stanley
2. Written by Fallon Peace, Assistant Vice President, Wealth Management Associate at The Compass Rose Group at Morgan Stanley
Pictured Above from Left to right: Thomas Batson (Financial Advisor), Jesse Casaus (Client Service Associate), Robert Hoffman (Financial Advisor), Fallon Peace (Portfolio Associate), Jake Tolk (Financial Advisor), Charles Reardon (Financial Advisor), Will Reardon (Financial Advisor), JoAnn Trevino (Client Service Associate), Justin Medrano (Financial Advisor), Lisa Obeji (Financial Advisor), Kenneth Montoya (Financial Advisor).