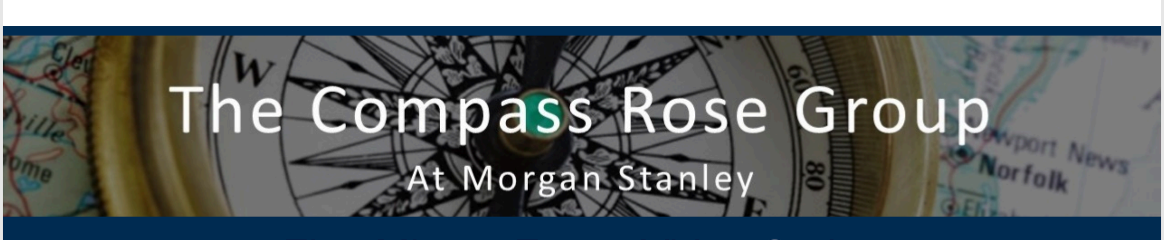


Five Minute Focus Video Series

Markets & Midterms

With election season quickly approaching, many clients have raised questions on possible congressional outcomes and how that may affect markets. In this brief video, CRG Financial Advisor, Will Reardon, addresses these questions by covering three areas:

- The political math behind House and Senate control.
- Macroeconomic factors likely to influence voter sentiment.
- Historical market patterns around midterm elections.

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

September 2026

Consensus continues to be that the 2026 midterms will be highly competitive, particularly in the House of Representatives where Republicans hold a narrow 220-215 majority. Democrats need only a net gain of three seats to take control, while Republicans can lose no more than two seats and still retain the chamber. The political setup points toward a base case of Democrats flipping the House while Republicans retain the Senate, resulting in a divided Congress. This view is supported by historical midterm patterns, where the president's party often faces headwinds. Although lots can still change between now and November, underwriting congressional gridlock until 2028 remains the base case.[1]

As for overall voter sentiment, economic conditions are often an important driver. Real GDP growth is forecasted at 2.3% in 2026, up from 2.1% in 2025, which could offer some support to Republicans. However, inflation and affordability pressures tend to be more politically meaningful, particularly because elevated prices continue to influence voters' perceptions of purchasing power even when broader growth remains resilient. While the June CPI print showed some relief, prices remain elevated versus the pre-pandemic trend and continue to shape perceptions of purchasing power and favors Democrats in November even when growth is more resilient.[2]

1. Morgan Stanley Wealth Management - *US Policy Pulse, The Narrowest of Margins: 2026 Midterm Election Preview* (July 23, 2026) by Monica Guerra & Kyle Kerr – RSI1784812208194 07/2026. I have included report to CRC submission.

2. Morgan Stanley Wealth Management - *US Policy Pulse, The Narrowest of Margins: 2026 Midterm Election Preview* (July 23, 2026) by Monica Guerra & Kyle Kerr – RSI1784812208194 07/2026. I have included report to CRC submission.

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.

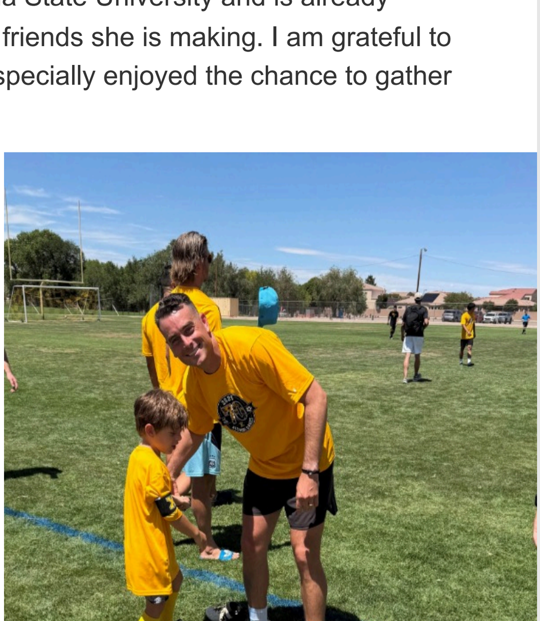
Market Moves

Click the link below to review the recent movements and current standings of the Capital Market Indices (As of 8/25/26)

Capital Market Indices

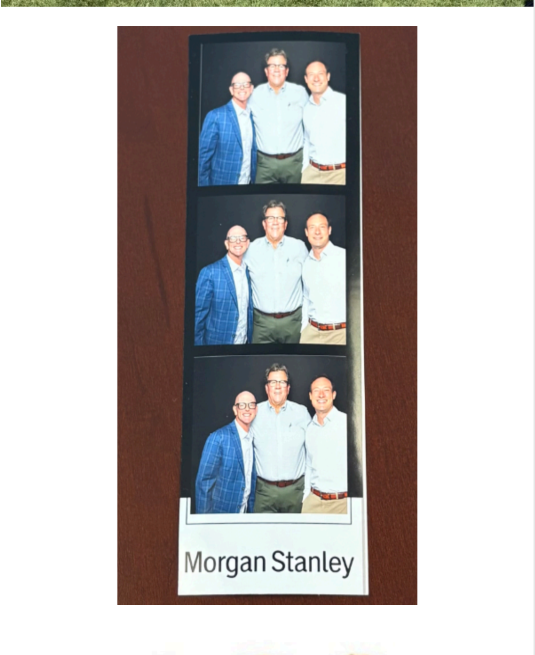
Personal Notes

Chuck: The summer is over and hopefully we can slide right into Fall. Had a great end-of-summer family vacation to the beach in California. Six adults and six grandchildren ages 7 and under. In basketball this is called "one on one" defense. So much fun to watch the little ones enjoy the beach and the ocean. Since this has been an annual trip, it is amazing to see how the grandkids grow from year to year and their comfort in experiencing the ocean. Last year it was touching the water and running back, this year it was full into-the-waves. Memories to last a lifetime.



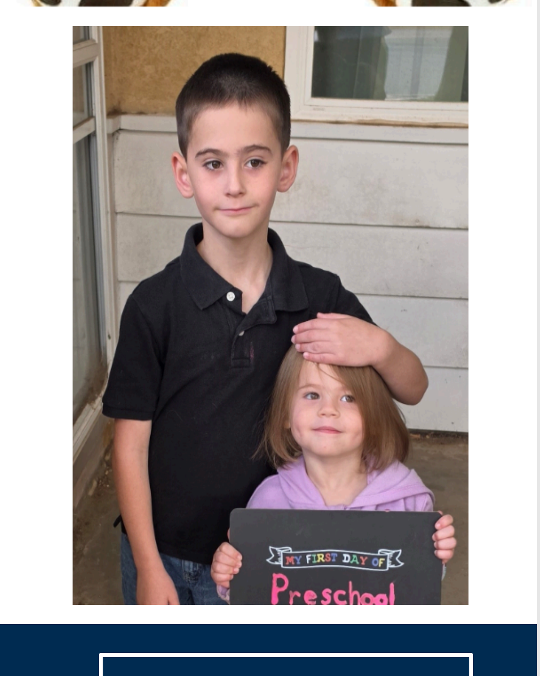
Jake: Bella has settled into her dorm at Arizona State University and is already enjoying campus life, her classes, and the new friends she is making. I am grateful to have my daughters closer to home and have especially enjoyed the chance to gather more often for family meals.

Will: August brings one of my favorite days of the year, the alumni soccer game at my high school. Both my wife and I played, so we were able to take the field and relive the past for a bit. As our kids get a little older, we try to emphasize how important these types of events are. Although it may be a trivial game, we think it sends the right message of support across generations. The older guys were able to hold our own, but wow did the current varsity team impress!

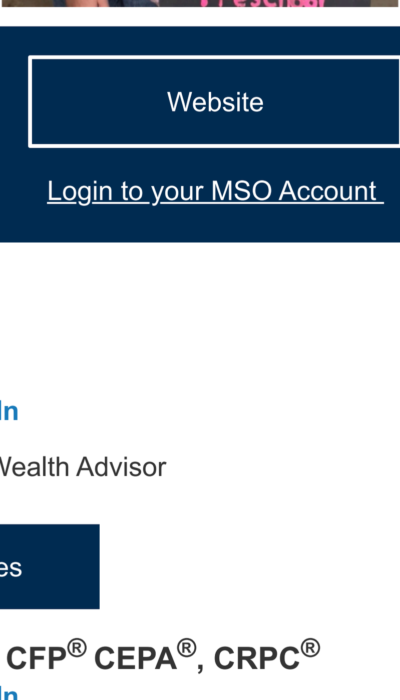


Mark: In August, I joined Tom and Jake in Flagstaff for a two-day Alternative Investments Summit. It was great to get out of the Valley heat and enjoy the cool pines of Flagstaff. We had the chance to hear about new investment themes, share ideas with peers, and brainstorm solutions we can bring back to our clients and teammates.

Tom: Welcome to the world Caden Michael! Christina & Caden are well & thriving. Born July 23rd 7 lbs. 5 oz. he's my third grandchild. The entire family is thrilled about our new addition to the tribe.



Fallon: School is in full swing, and we are still getting used to the new schedule. James and I didn't help the situation by starting a home remodel that we are all living through. I am always amazed by the way my kids think, Benjamin keeps asking why we are getting rid of everything.[1]



The Compass Rose Group at Morgan Stanley

Website

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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

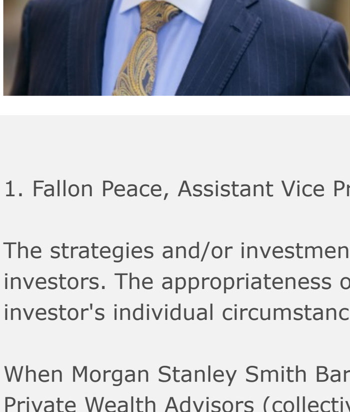
Executive Director, Financial Advisor,
Senior Portfolio Management Director,
Certified Portfolio Manager,
Family Wealth Advisor

Contact Mark

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

Senior Vice President, Financial Advisor,
Insurance Planning Director

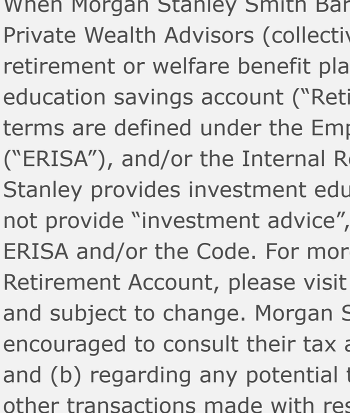
Contact Tom



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. Fallon Peace, Assistant Vice President, Group Director