

[Client Preferred Name]

Happy New Year!

Please find the latest edition of the Park Plaza Group (formerly The Marshall/Tepper Group) Market Update. As always, we hope you find it to be a good read. Please feel free to share it with friends, family, and business associates as we sincerely appreciate the introductions.

Market Update

One Chapter Ends — and Another Is Just Getting Started

As many of you already know, after many years operating as The Marshall/Tepper Group, we are officially merging with our long-standing strategic partners, The Cunningham Group. Together, we are now The Park Plaza Group at Morgan Stanley.

While the name is new, our focus remains unchanged: providing thoughtful advice, disciplined portfolio management, and a high level of service. In fact, more than 30 years of writing this quarterly market newsletter reflects our ongoing commitment to keeping clients informed, grounded, and prepared through all types of markets.

Speaking of markets, 2025 certainly kept investors on their toes. It was a year marked by tension, volatility, and more than a few surprises. Several big narratives competed for attention, at times challenging our assumptions and at other times reinforcing them.

Artificial intelligence remained front and center. Early in the year, enthusiasm around faster chips and new applications fueled expectations that profitability would arrive overnight. As the year progressed, reality set in. Investors began to shift their focus away from big ideas toward execution, balance-sheet strength, and capital discipline. Increasingly, they also questioned whether the global infrastructure could realistically support the massive power demands required by this technology. AI is real, transformative, and here to stay, but it's also expensive, complex, and uneven in its near-term payoff.

The economy faced its own crosscurrents. Tariffs made markets pause. The Federal Reserve came under pressure to lower rates. Housing stayed stuck in neutral. And the consumer, always critical, proved resilient, but unevenly so.

Over time, the economy began to absorb the tariff shock better than many feared. Companies adjusted pricing and supply chains. Consumers kept spending, but clearly along income lines. That split earned its own label: the “K-shaped economy,” where higher-income households continued to do well while others felt more strain.

Housing remained largely frozen. High mortgage rates and the reluctance to give up low existing loans kept turnover low and supply tight. These dynamics fed into ongoing debates within the Fed about inflation, interest rates, and independence, adding to an already tense backdrop.

Other forces shaped markets this year: geopolitics, commodities, currencies, crypto, and the narrow concentration of returns among a handful of large technology companies were recurring themes throughout the year.

Looking ahead to 2026, most market strategists remain cautiously optimistic. Earnings growth could continue to drive markets. We also see a reasonable chance that market leadership can broaden beyond just technology, which supports our ongoing emphasis on diversification and balanced portfolio construction.

As always, we appreciate your trust and look forward to continuing this next chapter together.

Please be sure to visit our website at

<https://advisor.morganstanley.com/the-marshall-tepper-group>

Read the Q4 Newsletter & Past Newsletters

Click Here

Contact Us:

Jessica A. Marshall

Executive Director

Senior Portfolio Management Director

Financial Advisor

jessica.a.marshall@morganstanley.com

212-230-3602

Jerrold P. Tepper, CPM®

Senior Vice President

Senior Portfolio Management Director

Certified Portfolio Manager

Financial Advisor

jerrold.p.tepper@morganstanley.com

212-230-3601

Patrick J. Valenti

Assistant Vice President

Wealth Management Associate

patrick.valenti@morganstanley.com

212-230-3498

Stephen Miller

Client Service Associate

stephen.miller@morganstanley.com

212-230-3718

[Signature of Primary Contact]

The views expressed herein are those of the author and do not necessarily reflect the views of Morgan Stanley Wealth Management or its affiliates. All opinions are subject to change without notice. Neither the information provided, nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Past performance is no guarantee of future results.

This material contains forward looking statements and there can be no guarantees they will come to pass. The information and statistical data contained herein have been obtained from sources believed to be reliable but in no way are guaranteed by Morgan Stanley as to accuracy or completeness. There is no guarantee that any investments mentioned will be in each client’s portfolio.

Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. The companies identified within are shown for illustrative purposes only and should not be deemed a recommendation to purchase or sell the companies mentioned.

Buying, selling, and transacting in Bitcoin, Cryptocurrencies or other digital assets, and related funds and products, is highly speculative and may result in a loss of the entire investment.

Morgan Stanley Smith Barney LLC offers a wide array of brokerage and advisory services to its clients, each of which may create a different type of relationship with different obligations to you. Please visit us at <http://www.morganstanleyindividual.com> or consult with your Financial Advisor to understand these differences.

Foreign currencies may have significant price movements, even within the same day, and any currency held in an account may lose value against other currencies. Foreign currency exchanges depend on the relative values of two different currencies and are therefore subject to the risk of fluctuations caused by a variety of economic and political factors in each of the two relevant countries, as well as global pressures. These risks include national debt levels, trade deficits and balance of payments, domestic and foreign interest rates and inflation, global, regional or national political and economic events, monetary policies of governments and possible government intervention in the currency markets, or other markets. Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.

Diversification does not guarantee a profit or protect against loss in a declining financial market. Past performance of any security is not a guarantee of future performance. There is no guarantee that this investment strategy will work under all market conditions.

International investing may not be appropriate for every investor and is subject to additional risks, including currency fluctuations, political factors, withholding, lack of liquidity, the absence of adequate financial information, and exchange control restrictions impacting foreign issuers. These risks may be magnified in emerging markets because of their narrow focus; sector investments tend to be more volatile than investments that diversify across many sectors and companies.

Indices are unmanaged. An investor cannot invest directly in an index.

For index, indicator and survey definitions referenced in this report please visit the following:

<https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>

© Morgan Stanley Smith Barney LLC. Member SIPC.

January 2026

CRC Tracking# 5099581

[System will insert CRC number here]