

The Pelican Bay Group Wealth Management



MARKETS VARIABLES TO CONSIDER FOR THE YEAR AHEAD

Russell Smith, CFA®, CAIA®

Earnings > Everything

After multiple years of valuation expansion, markets are once again living and dying by earnings growth. Companies that can deliver profits (not just stories) may be rewarded, while margin pressure and guidance misses will matter more than they did in the easy-money era.

Interest Rates Stay a Swing Factor

Even if rate cuts happen, the path matters more than the first move. Higher-for-longer still favors quality balance sheets, strong cash flow, and pricing power. Volatility may spike around every inflation print and Fed meeting.

Market Breadth Is the Real Tell

Watch whether gains broaden beyond the mega-caps. A healthier market means small- and mid-caps, cyclicals, and value stocks start pulling their weight. Narrow leadership = fragile rallies.

AI Reality Check

AI remains a massive secular trend, but investors are shifting from hype to monetization. The winners will likely be companies showing real revenue, efficiency gains, or infrastructure demand—not just “AI” in the slide deck.

Geopolitics & Policy Noise = More Volatility

Elections, fiscal deficits, trade tensions, and global conflicts won’t necessarily derail markets—but they will create sharper pullbacks and rotation. Expect more headline-driven swings and fewer straight-line rallies.

While the importance of AI may not show up every year, the other four certainly do. This is not by chance. The vast majority of market performance year-in and year-out comes from the interplay between these factors.

It is no different in 2026. After several years of explosive earnings growth and multiple rate cuts, both performance and valuations have soared. This makes buying “the market” significantly more difficult as there is very little room for error. The difference being the themes we chased over the last several years are moving from “a tremendous future opportunity” to “a show me the earnings and productivity growth today” situation.



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So, markets broadened out as investors search for better risk/reward.

But digging a bit deeper, how does the market look right now in terms of historic valuation and what does that realistically mean for stocks in 2026?

First, the important data:

- 2026 earnings growth is forecast to be quite impressive. According to FactSet, the Street consensus is calling for 14.7% growth (Source: FactSet Earnings Insight)
- Current valuation is above the high-end of the range. On a forward P/E basis, the S&P 500 trades at 22.1, which is above the 5-year average (20.0) and the 10-year average (18.8.) (Source: FactSet Earnings Insight)
- 12-month forward price targets – Consensus for the S&P 500 is 8,112 or about 17% higher than Friday's close. (Source: FactSet Earnings Insight)
- 2025 FY S&P 500 earnings estimates - \$272. 2026 is \$315. (Source: Morgan Stanley GIC Weekly)

This illustrates the Street is once again looking for double digit returns based on earnings growth, which shows no sign of slowing. A repeat of the last few years which has led to a bull market where investor confidence pushed multiples well beyond historic norms. Is it realistic to expect more of the same in 2026?

A few examples help frame the discussion manipulating the simple equation for Price/Earnings = Price/Earnings

What if:

1. Earning estimates are too high and actual growth drops to 10% instead of 14.7% - \$299. No change in the multiple. Price target drops to 7,657, which reduces market return to about 10%. Impressive, but well short of current expectations highlighting just how important it is for corporate America to deliver on the growth outlook.
2. Investors concerned about valuations and are no longer willing to "pay up". Instead, the market multiple moves down to the five-year average – 20.0. No change in earnings expectations. Price target drops to 7,226 or about 4.5% above current levels.
3. Earnings growth drops to 10% which causes the current P/E multiple to contract to the 5-year average (so a combination of the first two scenarios). Price target drops to 5,980, which means the market would drop by about 13%.

While this analysis is very basic, it does serve to illustrate that the current market can't tolerate much in the way of disappointment. To hit the 12-month Street target, valuations need to remain above long-term averages AND earnings growth needs to print yet another year approaching 20%. This has led many to look beyond their favorite story stocks to find better risk/reward setups. They exist; it just takes some work to find them.

THE AI SOCIAL NETWORK

Raymond C. Corney

I listened to a podcast recently about how thousands of AI agents supposedly created their own social media platform to share strategies and talk about the humans using them. If I think back to how I would have reacted in the '80s or '90s, I probably would have assumed the end of the world was imminent. These days, it feels like another headline that shows up as the weekend gets started.

The legitimacy of that alleged "AI social network," Moltbook, has since been called into question. Still, the story reinforced two opinions I already held: nobody can afford to ignore cybersecurity, and we all need to stay vigilant about our digital lives. There are a lot of elements to a "digital life," like how you show up on social media or the growing list of streaming passwords you have to guard from siblings and in-laws. But if I am being honest (and maybe a bit biased because of what I do,) I think the most important part of someone's digital life is their finances.

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Morgan Stanley does a great job publishing resources and promoting the firm's cybersecurity tools, but it is ultimately on each person to adopt the best practices that strengthen personal defenses. I have even seen people set up multi-factor authentication for sports betting or online shopping accounts, while leaving their financial accounts with fewer safeguards. I understand the counterargument: financial accounts can feel more nuanced, and the process can require more attention.

In some cases, I think the hesitation comes from the fact that securing financial accounts can also force you to recognize there are other areas of your finances that need attention. Many people already struggle just keeping track of all the accounts they have. While I'm not here to solve that dilemma, (if I was, I would suggest connecting your external accounts on Morgan Stanley Online through Total Wealth View, so you could have visibility into your full financial picture,) I will say there is no one-size-fits-all approach to secure your digital life all at once. But a practical first step you can take today to help protect you or your loved ones' account(s) from fraud and financial scams, is to add a trusted contact.

A trusted contact is someone you designate to be contacted if we cannot reach you, or if we have concerns about your well-being or possible financial exploitation. A trusted contact does not have permission to access account details, and they cannot make decisions or act on your behalf. Their sole purpose is to provide an additional layer of defense in case issues arise.

The next time I hear about artificial intelligence agents creating their own social network to disparage humans and share strategies, I can at least take some solace in knowing I have a trusted contact designated for my accounts.

WHEN MARKETS FEEL UNSETTLING-EVEN IF YOUR PORTFOLIO LOOKS FINE

Heather D. Churchill, CFP®, CIMA®, CPWA®, RMA®, CRPS®, CLTC®, CEPA

As we move through the first part of the year, one message has come through consistently in conversations with investors: many people feel uneasy. They sense that something is "off."

What's notable, is that in many cases, the hard data doesn't match the emotion. Portfolios may be performing reasonably. Diversification may be working as designed. Risk may be staying within the ranges you intended. On paper, things can look relatively in line—so why does it still feel uncomfortable?

Why the gap between how you feel and what you see

This disconnect often isn't caused by one headline, one economic data point, or one difficult quarter. It's more often the result of **uncertainty layered on top of constant noise**—and the feeling gets amplified by an always-on news cycle and the natural tendency to compare results.

Today's market environment can send mixed signals, for example:

- Major indexes may be near highs, but performance can be driven by a narrow group of companies.
- Interest rates may remain elevated even as inflation cools unevenly.
- Economic data can swing between "resilient" and "slowing."

Add in geopolitical tension, an election cycle, rapid technological change, and nonstop commentary, and it becomes easier to understand why markets can feel unstable even when portfolios have not visibly "broken."

Markets are experienced emotionally—one headline at a time

Most investors don't experience markets through long-term charts or multi-year return cycles. They experience them **in real time**, emotionally—influenced by headlines, commentary, and uncertainty.

That can lead to a common dynamic:

- You may **feel volatility before it shows up** clearly in performance reports.
- You may **feel risk** even when risk controls and diversification are doing their job.
- You may feel anxious about **decisions you haven't even made yet**—including the possibility of future regret.

Importantly, discomfort alone doesn't necessarily mean something is wrong. Markets rarely feel comfortable when they are functioning normally. Uncertainty is often the "price" investors pay for the potential of long-term returns.

Why your experience may not match what you hear about "the market"

Another source of frustration is **concentration in returns**. When headlines focus on the S&P 500 or a small set of mega-cap stocks driving results, it can be tempting to compare that to a diversified portfolio. But diversification can look "behind" in periods when a narrow slice of the market is doing most of the heavy lifting.

In other words, a portfolio built to help manage downside risk over a full market cycle can feel underwhelming when only a few areas of the market are leading.

The "cash dilemma": comfort now, second-guessing later

Higher cash balances can feel emotionally reassuring during uncertain periods. But cash can also create a different kind of stress: the fear of missing out on gains. Many investors end up feeling stuck—worried about investing and worried about not investing.

That tension can create dissatisfaction even when no changes have been made.

What helps: shifting the focus from performance to purpose

In periods like this, it often helps to move the conversation away from short-term market comparisons and back to what your wealth is meant to do for you.

A portfolio isn't "failing" because it didn't mirror an index in a particular quarter. It's doing its job if it remains aligned with:

- Your goals and required future spending needs
- Your time horizon
- Your risk tolerance and capacity
- Your tax and planning considerations

This kind of goals-based framework provides context when headlines are loud, and signals are mixed.

The value of advice is often quiet—and comes from avoiding unforced errors

Some of the most valuable decisions in wealth management rarely feel dramatic: staying invested, rebalancing thoughtfully, being deliberate about taxes, and resisting the urge to react to short-term noise.

There's no headline for discipline—but over time, avoiding unforced errors can compound in a meaningful way.

A reasonable bottom line

If you feel uneasy despite "decent" results, that isn't necessarily a sign that your plan is broken. More often, it's a signal that it may be time to revisit the purpose behind the plan, confirm that your allocation still fits your goals, and make sure your strategy reflects your current reality—not the current news cycle.

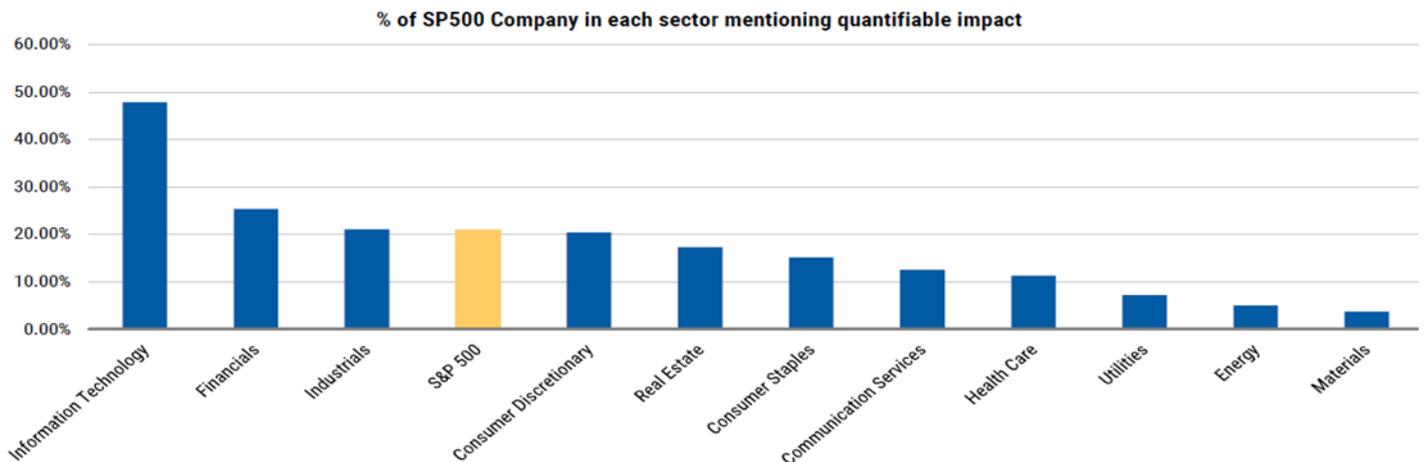
Markets will always find ways to make investors uncomfortable. What matters is having a plan that still makes sense—and the confidence to stick with it through periods when markets don't feel good.

SECTOR INTEGRATION OF ARTIFICIAL INTELLIGENCE – WILL IT LIVE UP TO THE HYPE?

Jeffrey Praino, CFP®, CPWA®, CDFIA®

As we progress into the understanding, measurement, and implementation of AI, there is significant potential to impact a variety of companies within the S&P 500 sectors. Firms will continue to leverage and incorporate AI into their business as the technology rapidly changes. In fact, at the January 2026 annual summit in Davos, 12% of the CEOs surveyed have seen improvements in their revenues and costs after integrating AI into their business.¹ This effect of AI integration aligns with businesses who seek quicker and more efficient processes, which would result in lower costs, which can improve profit margins. According to Morgan Stanley Research, S&P 500 companies will see a lift of 0.40% to 0.60% to net margin from AI enabled efficiencies from 2026 – 2027, respectively.²

The journey to embrace AI is on with the stock market trends of keeping track of sectors that have had early success and looking to keep lead to those sectors that are understanding how to use AI. Below, we look at ways companies are using AI across sectors. As can be seen from the chart below, via Morgan Stanley Research, 20% of companies highlighted quantifiable benefits from AI. At 48%, the technology sector noted the highest impact, whereas utilities, energy, and materials sighted the lowest quantifiable impact with room to grow.



Source: Morgan Stanley Research.

According to Morgan Stanley research, the following eleven examples illustrate how S&P 500 Sectors are embracing AI:

Consumer Discretionary: Data driven decision making to improve the search experience visually and to market content of interest to the end user. Companies are reporting benefits of forecasting demand for their goods and services and the ability to better manage the supply of goods.

Consumer Services: Opportunities are being uncovered through AI in the forms of accelerating self-check-in and consistent use of upgraded services for convenience.

Consumer Staples: AI is being called upon to monitor traffic in stores, provide real time data on the stocking on retail shelves and track inventory. Drones are now in the initial stages of deliveries, and no doubt AI is being used to facilitate the coordination for the most efficient delivery path through route management.

Energy: Drilling for natural gas and oil has been incorporated into energy companies. AI-automated predictive drilling can be used to find an efficient path for drilling and to alter its course. Additionally, energy companies are using AI for predictive equipment monitoring and maintenance through real-time feedback.

Financials: Companies are leveraging AI for financial profiling to better offer products and services to consumers. AI is being utilized to summarize company earnings calls into transcripts, categorizing spending to help with expense reporting and to provide alternative credit scoring.

Health Care: Advancements in drug discovery have been unlocked through analyzing the combination of thousands of compounds to understand how they react and to reduce development time. AI is also capturing surgical data, which helps with debriefs on how to improve procedures.

Industrials: Industrial companies are leveraging AI through enhanced use of cameras and machine learning models, videos, and surveillance. Among some of the uses are to assist with Smart Vehicles sending out radar to be on the lookout for license plates, railroads detecting vulnerabilities on the rail track to capturing video footage. AI has also been linked to smarter farming through being able to recognize a weed vs. crop for fertilizing efforts.

Information Technology: The sector will likely be spending big on AI. In fact, Morgan Stanley estimates a \$3 trillion outlay to build and fund global data center ambitions. It is estimated that half of the expenditures bill will be paid through current cash flow, with the remainder being financed.³

Materials: To help crunch all the data of AI, water cooling and water circulation services at data centers are imperative and leaders in the sector are working diligently to make this happen.

Real Estate: AI is helping with building management to help optimize building coordination such as the heating and cooling of facilities. Self-storage and apartments are leveraging AI to assist with back-office operations. Warehouses can utilize AI by strategically finding locations based on demographics, favorable traffic patterns, and labor pools.

Utilities: The utility sector has embraced AI through efficient responses to restorative power outage efforts and greater awareness of infrastructure. This includes helping to monitor the pipelines, cables and data that exist in the ocean from attacks and breakage.⁴

While AI is no doubt revolutionary and groundbreaking, it certainly is not without flaws. I was reminded of this recently when asking a well-known personal AI assistant how much snow we were expecting during a recent January winter storm. The personal assistant said twelve inches of snow! This caught me off-guard, as it did not support anything else I had read or seen. While I questioned the personal assistant, it said, 'My fault, I have issues with measurements from time to time and meant 1.2 inches.'

As a result, we are seeing the apparent benefits and technological growing pains during this time of technological advancement. Should you have any questions about your AI exposure in your portfolio, please contact your financial advisor. We would be happy to be of assistance.

Exhibit 47: Examples of AI Use Cases by Sector

Consumer	Energy & Materials	Financials & REITs	Health Care	Industrials	Tech, Media, & Telecom
Visual Search	Predictive Maintenance	Fraud Detection & Prevention	Medical Imaging	Autonomous Trucks	Ad/Content Generation
Smart Kitchens	Smart Grids	Alternative Credit Scoring	Drug Discovery	AI Enabled Factory Robots	Coder Assistance Tools
Autonomous Delivery	Carbon Tracking	Automated Back Office Tasks	Clinical Decision Support	Predictive Quality Control	Real Time Translation
Customer Service Automation	Exploration & Drilling Automation	Robo-Advisors	Predicting Drug Trial Success	Supply Chain Resilience	Churn Prediction
Demand Forecasting		Customer Onboarding/KYC	Production Efficiency		Personalized Travel Planning

Boxes without an outline are examples of digital AI applications while boxes with an outline are examples of physical AI applications.

Source: Morgan Stanley Research

1 CEOs Say AI is Making Work More Efficient. Employees Tell a Different Story. Wall Street Journal. January 21, 2026.

2 AI Adoption and the Future of Work: Survey Results Highlight Surprising Depth of Impact: Morgan Stanley Research. January 15, 2026.

3 AI Adoption and the Future of Work: Morgan Stanley Research, August 17, 2025

4 How AI Can Protect Vital Pipelines and Cables Deep in the Ocean: Wall Street Journal, February 17, 2025.

Meet Our Team – The Pelican Bay Group at Morgan Stanley

The Pelican Bay Group assists high-net-worth individuals and institutional clients in meeting their financial objectives by offering customized portfolio management strategies.

The Pelican Bay Group, a team of Morgan Stanley Financial Advisors, has four experienced portfolio managers covering an array of disciplines and offering a variety of strategies designed to optimize risk to help meet their clients' investment objectives. These investment styles are offered as fully discretionary strategies with a comprehensive fee based on the asset value being managed.

The team currently manages \$4.6 billion in client assets as of December 31, 2025.



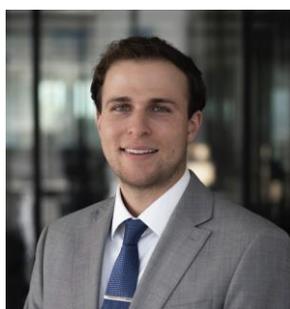
Adrienne Lewallen serves as an Assistant Vice President and Wealth Management Associate, focusing on client relations with an impressive two decades of experience in the financial industry. Her extensive knowledge and experience in wealth management are complemented by her attainment of various securities registrations, including Series 7 & 66, as well as 9 and 10 General Securities Sales Supervisor. This credentialing underscores her commitment to maintaining a high level of dedication in the financial services sector.

In her current role, Adrienne plays a pivotal part in the Pelican Bay Group at Morgan Stanley, where she acts as a support leader, providing direct assistance to colleagues in our Denver and Sheridan offices. Her collaborative spirit and unwavering work ethic make her an invaluable asset to the team, fostering an environment of mutual support and dedication.

Outside of her professional life, Adrienne has been happily married for 25 years and is the proud mother of three children—a son and two daughters. She has a passion for travel, enjoys attending various sporting activities and events, and connecting with family and friends.

Whether exploring new destinations or enjoying a quiet moment with family, she values the importance of experiences that bring joy and fulfillment. This balance of personal and professional life enriches her perspective, helping her seek to understand and empathize with clients' needs on a deeper level.

With her depth of experience, friendly approach, and a commitment to excellence, Adrienne Lewallen works to make a significant impact to the Pelican Bay Group at Morgan Stanley, striving to help clients and colleagues alike.



Alec Wolfe began his career in the financial services industry in 2024 as a Client Service Associate where he obtained his Series 7 and Series 66.

His primary responsibilities include administrative and operational duties, working closely with the Rochester team and clients to help ensure all their needs are met. Alec prides himself on providing an unmatched level of service and being able to tackle administrative needs in a timely manner.

Alec is Rochester native who graduated from SUNY Geneseo where he studied finance. Before coming to Morgan Stanley, he worked in the Mortgage industry in Palm Beach, Florida. In his free time, he enjoys playing tennis, cheering on the Buffalo Bills, and spending time with friends and family.

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Our team of financial professionals is national in scope, with Financial Advisors stationed in strategic locations across the country. As part of Morgan Stanley, one of the world's most respected financial services firms, we offer access to extensive resources that can prove instrumental in helping you meet even your most complex financial challenges. Our team members include:

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Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies. The companies identified within are shown for illustrative purposes only and should not be deemed a recommendation to purchase or sell the companies mentioned.

Technical analysis is the study of past price and volume trends of a security in an attempt to predict the security's future price and volume trends. Its limitations include but are not limited to: the lack of fundamental analysis of a security's financial condition, lack of analysis of macro-economic trend forecasts, the bias of the technician's view and that possibility that past participants were not entirely rational in their past purchases or sales of the security being analyzed. Investors using technical analysis should consider these limitations prior to making an investment decision.

Tax-loss harvesting. IRS rules stipulate that if a security is sold by an investor at a tax loss, the tax loss will not be currently usable if the investor has acquired (or has entered into a contract or option on) the same or substantially identical securities 30 days before or after the sale that generated the loss. This so-called "wash sale" rule is applied with respect to all of the investor's transactions across all accounts.

The value of all types of securities, including index mutual funds and exchange-traded funds, may increase or decrease over varying periods.

The individuals mentioned as the Portfolio Management Team are Financial Advisors with Morgan Stanley participating in the Morgan Stanley Portfolio Management program. The Portfolio Management program is an investment advisory program in which the client's Financial Advisor invests the client's assets on a discretionary basis in a range of securities. The Portfolio Management program is described in the applicable Morgan Stanley ADV Part 2, available at www.morganstanley.com/ADV or from your Financial Advisor.

To obtain Tax-Management Services, a client must complete the Tax-Management Form and deliver the signed form to Morgan Stanley. For more information on Tax-Management Services, including its features and limitations, please ask your Financial Advisor for the Tax Management Form. Review the form carefully with your tax advisor. Tax-Management Services: (a) apply only to equity investments in separate account sleeves of client accounts; (b) are not available for all accounts or clients; and (c) may adversely impact account performance. Tax-management services do not constitute tax advice or a complete tax-sensitive investment management program. There is no guarantee that tax-management services will produce the desired tax results.

Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment. Companies paying dividends can reduce or stop payouts at any time.

Fixed Income investing entails credit risks and interest rate risks. When interest rates rise, bond prices generally fall.

Past performance is not a guarantee of future results.

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THE PELICAN BAY GROUP WEALTH MANAGEMENT

Options carry a high level of risk and are not appropriate for all investors.

Certain requirements must be met to trade options through Morgan Stanley. Investing involves risks, including loss of principal. Hedging and protective strategies do not assure a profit or guarantee against loss. With long options, investors may lose 100% of funds invested. Covered calls provide cash flow, downside protection only to the extent of the premium received, and limit upside potential to the strike price plus premium received. Spread trading must be done in a margin account.

Before engaging in the purchase or sale of options, clients should understand the nature and extent of their rights and obligations and be aware of the risks involved, including, without limitation, the risks pertaining to the business and financial condition of the issuer of the underlying security/instrument. If a client is considering engaging in options trading, the Financial Advisor and Private Wealth Advisor are required to provide the client with the "Characteristics and Risks of Standardized Options" (ODD) booklet from the Options Clearing Corporation. Clients should not enter into options transactions until they have read and understood the Disclosure Document and discussed transaction costs with the Financial Advisor or Private Wealth Advisor. A copy of the ODD is also available online at: <http://www.theocc.com/about/publications/publication-listing.jsp>

The sale of the stock through an option assignment or the closing/expiration of an option position may be a taxable event produce a tax consequence. Certain in-the-money non-qualified, written covered call options may also be subject to adverse writes are deemed 'unqualified' and carry certain tax consequences. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. Morgan Stanley Smith Barney LLC and its affiliates do not provide tax or legal advice. To the extent that this material or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Supporting documentation for any claims (including any claims made on behalf of options programs or the options expertise of salespersons), comparisons, recommendations, statistics, or other technical data, will be supplied upon request.

There are many factors that an investor should be aware of when trading options including but not limited to interest rates, volatility, stock splits, stock dividends, stock distributions, currency exchange rates, etc.

Annualized returns will not be calculated for holding periods less than 60 days.

If a secondary market in options becomes unavailable and prevents a closing transaction, the options writer's obligation would remain until expiration or assignment. NOTE: This statement is not intended to enumerate all of the risks entailed in trading options. It is expected that you will read the booklet entitled "Characteristics and Risks of Standardized Options" (see www.theocc.com/components/doc/riskstoc.pdf). Please direct your attention to Chapter X, "Principal Risks of Options Positions."

Morgan Stanley Wealth Management would like to inform investors of the inherent risks of trading the following strategies.

- Bullish strategies generally have greater risk of loss in falling markets.
- Neutral strategies generally have greater risk of loss in volatile markets.
- Bearish strategies generally have greater risk of loss in rising markets.

Special Statement for Covered Call Traders

Options are not appropriate for all investors; covered call strategy may not be appropriate for all investors. Some of the risks of covered call writing may include:

- An option writer may be assigned at any time during the life of the option, including the day written, regardless of the in-or out-of-the-money status of the position.
 - Of the short call is assigned, the writer must deliver the underlying security.
 - The writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying security above the option strike price, but continues to bear the risk of a decline in the value of the underlying security.
- Option prices are driven by several factors, one of which is the price of the underlying security. If the price of the stock underlying an option increases or decreases, the value of the option contract may change. An increase or decrease in market and/or stock volatility is also likely to affect the price of an option contract.
- The outlook for the broader market or the underlying security may change.
 - Buying back a call to close an existing position and writing another call with a different strike price and/or expiration, also known as rolling, can have an adverse impact on the profitability of the account. Rolling may result in added transaction costs which will reduce returns or add to any losses. Note: It may not be prudent to continually roll positions at a loss.

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Alternative investments are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage, short-selling and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lock-ups. They may involve complex tax structures, tax inefficient investing and delays in distributing important tax information. They may have higher fees and expenses that traditional investments, and such fees and expenses can lower the returns achieved by investors.

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.