Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

July 23, 2026

Regional Water Authority
Tapping the Possibilities™

SC CT Regional Water Authority

Stephen P. Kelliher, QPFC®
Managing Director
Senior Portfolio Management Director
Corporate Client Group Director - Financial Advisor
CA Insurance #4284041

781.681.4933
Stephen.Kelliher@morganstanley.com

Joe McLaughlin, QPFC®, CRPS®
Senior Vice President, Financial Advisor
Corporate Retirement Director
Financial Wellness Director

781.681.4904
Joe.McLaughlin@morganstanley.com

Nicholas Pulli
Portfolio Management Associate
Financial Planning Specialist

781.681.4965
Nick.Pulli@morganstanley.com

Table of Contents and Agenda

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

SECTION 1

Market Commentary

Data as of June 30, 2026

Index	2026 YTD (March 31, 2026)	2026 YTD (June 30, 2026)
Russell 3000	-3.96%	10.88%
S&P 500	-4.33%	10.21%
S&P 500 Equal Weighted	0.67%	12.13%
Russell 1000 Value	2.10%	16.26%
Russell 1000 Growth	-9.78%	5.33%
Morningstar Dividend Yield Focus	12.39%	14.29%
MSCI ACWI Ex USA	-0.71%	13.68%
MSCI EAFE	-1.24%	9.44%
MSCI EM	-0.17%	23.85%
Bloomberg US Aggregate Bond	-0.05%	0.62%
Bloomberg US Govt/Credit Interm	-0.02%	0.40%
Bloomberg US Corporate Bond	1.47%	0.86%
FTSE Treasury Bill 3-Month	0.93%	1.87%

Source: Morningstar, Morgan Stanley

S&P 500: Index Level vs. 12-Month Forward Earnings

S&P 500 INDEX LEVEL VS. 12-MONTH FORWARD EARNINGS

AS OF JUNE 30, 2026

Source: Morgan Stanley Wealth Management GIO, Bloomberg.

US Treasury Yield Curve

As of 6/30/2021

Maturity	Yield to Maturity
3 Month	0.05%
6 Month	0.06%
1 Year	0.07%
3 Year	0.46%
5 Year	0.87%
10 Year	1.45%
30 Year	2.06%

"Fed Chair Powell to keep key rate near zero, sees inflation as transitory"

-AP News, April 28, 2021

As of 6/30/2023

Maturity	Yield to Maturity
3 Month	5.43%
6 Month	5.47%
1 Year	5.40%
3 Year	4.49%
5 Year	4.13%
10 Year	3.81%
30 Year	3.85%

"Fed Chair Powell says interest rates are likely to be higher than previously anticipated"

-CNBC, March 7, 2023

As of 6/30/2026

Maturity	Yield to Maturity
3 Month	3.87%
6 Month	4.01%
1 Year	3.98%
3 Year	4.15%
5 Year	4.19%
10 Year	4.44%
30 Year	4.91%

"Fed governor Chris Waller said he can no longer rule out rate hikes further down the road if inflation does not abate soon"

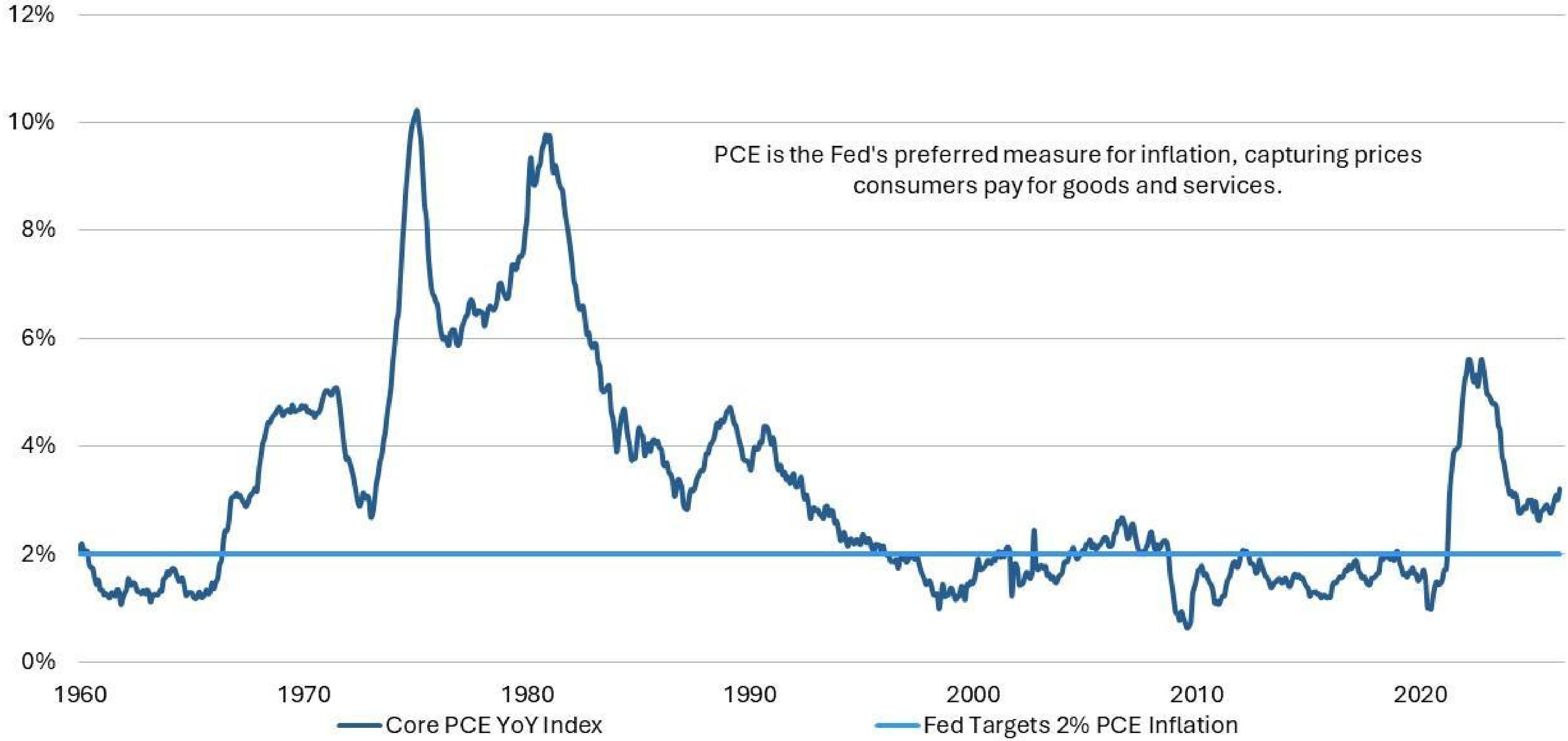
-Morningstar, May 23, 2026

Source: Federal Reserve
https://apnews.com/article/financial-markets-health-coronavirus-economy-inflation-bbe992c9352a72f189ffd634fe7c9383
https://www.cnbc.com/2023/03/07/fed-chair-powell-says-interest-rates-are-likely-to-be-higher-than-previously-anticipated.html
https://www.morningstar.com/news/marketwatch/20260523145/kevin-warshs-fed-isnt-cutting-interest-rates-any-time-soon-but-a-hike-isnt-yet-on-the-table-either

Core PCE Inflation Versus the Fed's 2% Target

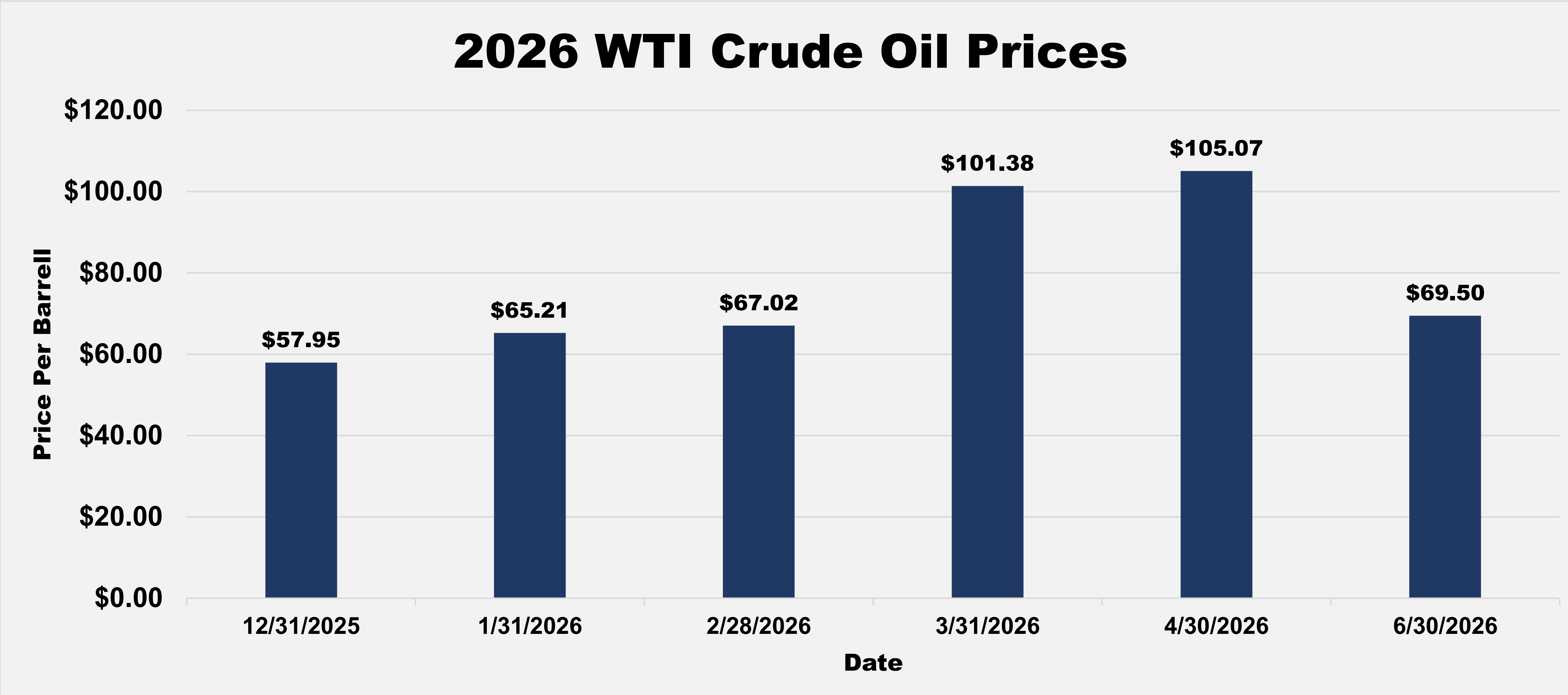
CORE PCE (YEAR-OVER-YEAR)

AS OF MAY 31, 2026



Source: Morgan Stanley Wealth Management GIO, Bloomberg.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

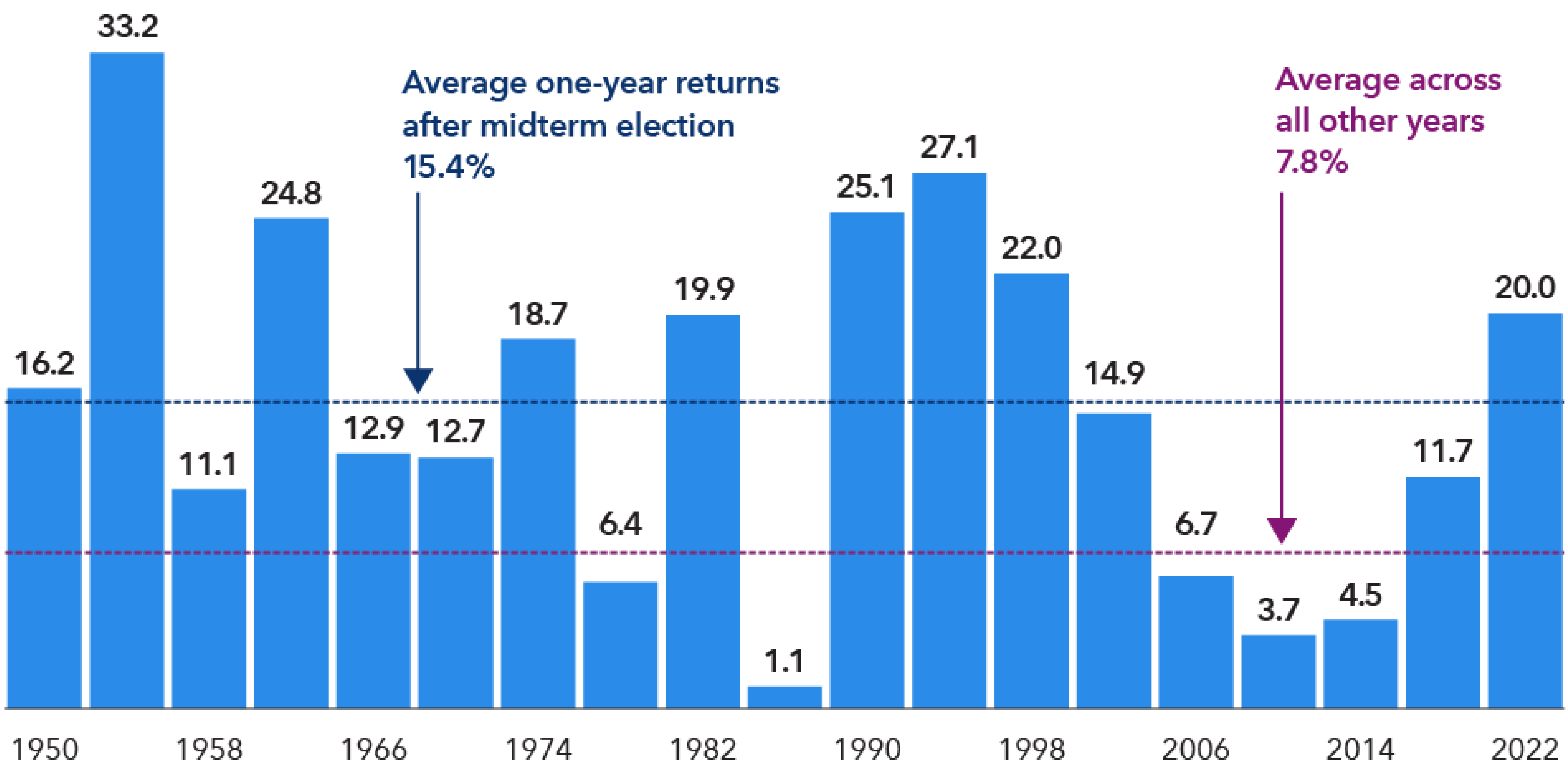


Source: Morningstar, Morgan Stanley
Past performance is no guarantee of future
results. Estimates of future performance
are based on assumptions that may not be
An investment cannot be made directly in a market index
Indices are unmanaged and investors cannot directly invest in them. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Past performance is no guarantee of future results. Actual results may vary. Diversification does not assure a profit or protect against loss in a declining market. Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance.

Markets have rebounded sharply after midterm elections

History shows market strengthened once election-related uncertainty lifted

S&P 500 Index price return one year after midterm election



Sources: Capital Group, RIMES, S&P Global. Calculations use Election Day as the starting date in all election years, and November 5 as a proxy for the starting date in other years. Only midterm election years are shown in the chart. As of December 31, 2025. Price returns exclude the reinvestment of dividends and capital distributions.

Past results are not predictive of results in future periods.

Investments are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

SECTION 2

Investment Policy Statement (IPS) Executive Summary

South Central Connecticut Regional Water Authority
EXECUTIVE SUMMARY

Plans Names: This Investment Policy Statement covers three separate portfolios for the South Central Connecticut Regional Water Authority ("the Plans")

1. South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan
2. South Central Connecticut Regional Water Authority Retirement Plan
3. South Central Connecticut Regional Water Authority Retired Employees' Contributory Welfare Trust (VEBA)

Plan Trustee: Broadridge Matrix Trust Company

Primary Investment Custodian: Morgan Stanley & Co

Pension Payroll Custodian: Broadridge Matrix Trust Company

Plan Administrator: Regional Water Authority Board

Plan Actuary: The Angell Pension Group, Inc.

Plan Advisor: The Kelliher Corbett Group at Morgan Stanley

Primary Objectives:

1) To achieve a long-term rate of return that meets the assumed actuarial rate of return
2) Milestone goal is to be fully funded, excluding going plan service costs. To achieve full funding, the Authority will contribute amounts above the ARC as authorized not less than annually by the Member Board, after evaluating prevailing market conditions and other prudent considerations.

Target Rate of Return: To meet the assumed actuarial rate of return

Time Horizon: Aligned with actuarial liabilities of the South Central Connecticut Regional Water Authority Pension plans and VEBA

Asset Allocation:

Asset Class	Minimum	Maximum	Preferred
Equities	45%	60%	55%
Fixed Income	20%	45%	30%
Alternative/Hedge/Balanced	5%	20%	15%

The maximum allowable allocation to illiquid securities is 10%
When investing in alternative investments, the VEBA plan permits the use of liquid investments only

Cash Limits: The investor wishes to maintain sufficient liquidity to fund benefit obligations

Restrictions:

Average bond quality rated Investment Grade or Better (excluding mutual fund/ETFs)
Maximum Average Bond Maturity: 20 years
Maximum Individual Bond Maturity: 30 years
Maximum Portion of Portfolio in a Single Diversified Fund: 20%
Maximum Portion of Portfolio in a Single Security/Individual Company: 3% (excluding U.S. Government Securities)

Meeting Frequency: Quarterly

Morgan Stanley

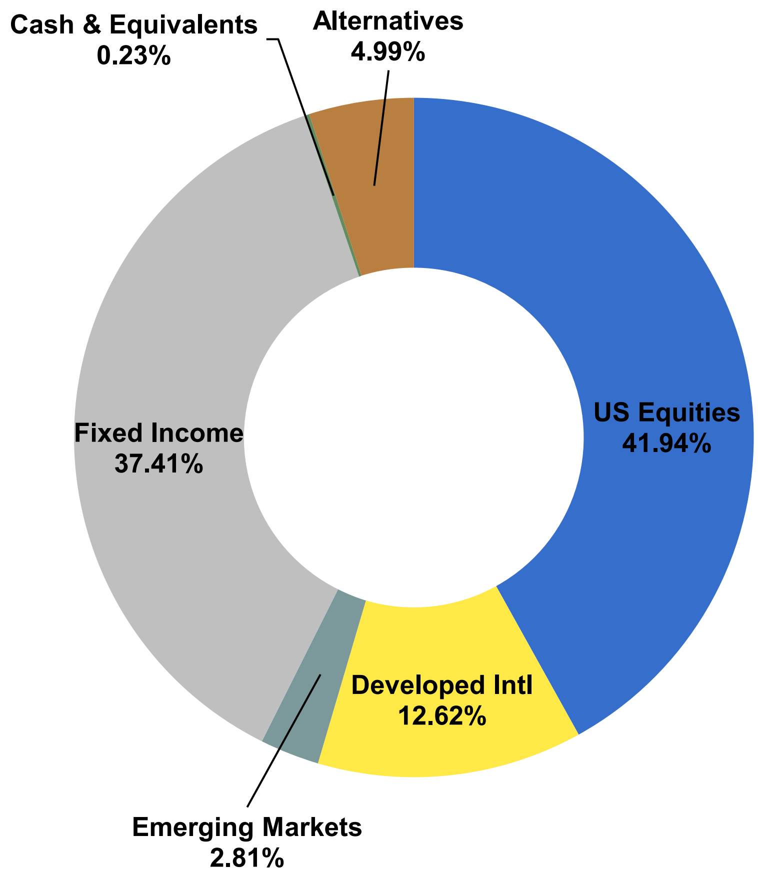
THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

SECTION 3

Asset Allocation & Investment Matrices

SCCT Regional Water Authority - Salary & Union Plans

Current Allocation
Portfolio Value: $90,058,165



Total Equity
57.38%

<u>% of Total Equity</u>
US Equity = 73.10%
Intl Equity = 26.90%

<u>% of Intl Equity</u>
Developed Intl = 81.77%
Emerging Markets = 18.23%

<u>Sal & Uni Overall Style Analysis*</u>
Value = 34.40%
Core = 42.18%
Growth = 23.42%

<u>Sal & Uni US Style Analysis*</u>
Value = 37.56%
Core = 43.01%
Growth = 19.43%

<u>Russell 3000 Style Analysis*</u>
Value = 34.02%
Core = 39.39%
Growth = 26.59%

Assets as of 6/30/2026

Asset Allocation does not assure a profit or protect against loss in declining financial markets
The information and data contained in this report are from sources considered reliable, but their accuracy and completeness is not guaranteed. This report has been prepared for illustrative purposes only and is not intended to be used as a substitute for monthly transaction statements you receive on a regular basis from Morgan Stanley & Co. Incorporated Please compare the data on this document carefully with your monthly statements to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other advisors with respect to any tax questions.
*Equity Style Analysis provided by Morningstar "Asset Scan"
Data Source: Morgan Stanley & Morningstar

SCCT Regional Water Authority - Salary & Union Plans
Asset Allocation Matrix Summary
As of 6/30/2026

Benchmark vs Actual

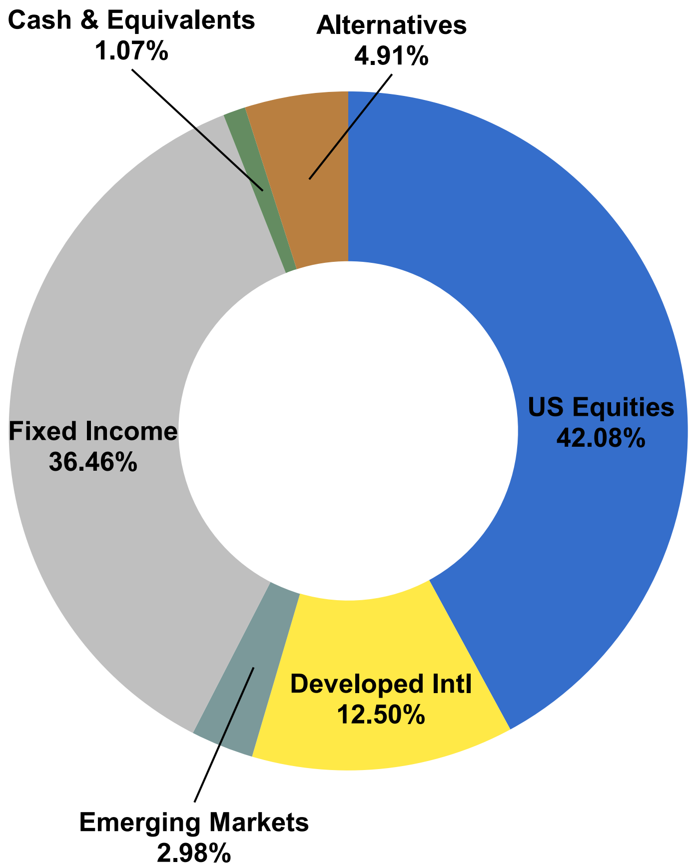
	Benchmark	Actual	+/-
Russell 3000	42.00%	42.31%	0.31%
MSCI ACWI ex US	15.00%	15.02%	0.02%
Bloomberg US Aggregate	31.00%	37.44%	6.44%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	4.00%	-1.00%
Global Real Estate	2.00%	1.00%	-1.00%
Cash & Equivalents/T-Bills	2.00%	0.23%	-1.77%
Total	100.00%	100.00%	0.00%

Cash & Equivalents/T-Bills: Any Government Security with less than 1 year to maturity

SCCT Regional Water Authority - VEBA Plan

Current Allocation

Portfolio Value: $11,616,476



Total Equity
57.56%

% of Total Equity

US Equity	= 73.11%
Intl Equity	= 26.89%

% of Intl Equity

Developed Intl	= 80.75%
Emerging Markets	= 19.25%

VEBA Overall Style Analysis*

Value	= 34.50%
Core	= 42.12%
Growth	= 23.38%

VEBA US Style Analysis*

Value	= 37.69%
Core	= 42.93%
Growth	= 19.38%

Russell 3000 Style Analysis*

Value	= 34.02%
Core	= 39.39%
Growth	= 26.59%

Assets as of 6/30/2026

Asset Allocation does not assure a profit or protect against loss in declining financial markets
The information and data contained in this report are from sources considered reliable,
but their accuracy and completeness is not guaranteed. This report has been prepared for illustrative purposes only
and is not intended to be used as a substitute for monthly transaction statements you receive on a regular basis
from Morgan Stanley & Co. Incorporated Please compare the data on this document carefully with your monthly statements
to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other
advisors with respect to any tax questions.

*Equity Style Analysis provided by Morningstar "Asset Scan"

Data Source: Morgan Stanley & Morningstar

SCCT Regional Water Authority - VEBA Plan
Asset Allocation Matrix Summary
As of 6/30/2026

Benchmark vs Actual

	Benchmark	Actual	+/-
Russell 3000	42.00%	42.45%	0.45%
MSCI ACWI ex US	15.00%	15.10%	0.10%
Bloomberg US Aggregate	31.00%	36.45%	5.45%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	2.96%	-2.04%
Global Real Estate	2.00%	1.98%	-0.02%
Cash & Equivalents/T-Bills	2.00%	1.07%	-0.93%
Total	100.00%	100.00%	0.00%

Cash & Equivalents/T-Bills: Any Government Security with less than 1 year to maturity

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

SECTION 4

Investment Results

SCCT Regional Water Authority
Second Quarter 2026 Investment Results
March 31, 2026 - June 30, 2026

Account Number	Account Type	Beg. Asset Value 31-Mar-2026	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2026	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$52,435,347	$0	($431)	$52,434,916	$56,288,901	$3,853,985	7.37%	7.45%
447-xxx451	Union	$31,621,644	$0	($173,538)	$31,448,105	$33,769,264	$2,321,158	7.37%	7.45%
447-xxx456	VEBA	$10,814,700	$0	$0	$10,814,700	$11,616,476	$801,776	7.41%	7.49%
axx15a	Matrix Trust (Salaried)**	$234,710	($109,712)	$45,823	$170,820	$170,820	$0	-	-
axx15b	Matrix Trust (Union)**	$85,080	($234,099)	$202,655	$53,636	$53,636	$0	-	-
axx16	Matrix Trust(VEBA)**	$555,951	($203,338)	($74,509)	$278,105	$278,105	$0	-	-
Consolidated		$95,747,432	($547,149)	$0	$95,200,282	$102,177,201	$6,976,919	7.37%	7.45%

March 31, 2026 - June 30, 2026

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75% x (3/12)	1.69%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	7.85%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	9.37%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	10.61%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	6.47%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	7.68%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	8.83%

Russell 3000	15.43%
S&P 500	15.20%
S&P 500 Equal Weight	11.39%
Russell 1000 Value	13.84%
Russell 1000	15.13%
Russell 1000 Growth	16.74%
Russell 2000	21.49%
MSCI All Country World ex. US	14.49%
MSCI EAFE	10.82%
MSCI EM	24.05%
Bloomberg Aggregate	0.67%
Bloomberg Govt/Credit Intermediate	0.43%
HFRI Fund of Funds Index	7.14%
DJ Global World Real Estate	5.75%
FTSE WGBI Index	0.68%
30 Day T-Bill	0.93%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

Data Source: Morgan Stanley, Broadridge, Morningstar

SCCT Regional Water Authority
Fiscal Year Investment Results
May 31, 2025 - May 31, 2026

Account Number	Account Type	Beg. Asset Value 31-May-2025	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-May-2026	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$49,017,071	$0	($1,447,277)	$47,569,794	$55,901,825	$8,332,031	17.10%	17.46%
447-xxx451	Union	$29,351,898	$0	($714,571)	$28,637,326	$33,676,717	$5,039,390	17.28%	17.64%
447-xxx456	VEBA	$10,274,642	$0	($443,321)	$9,831,321	$11,582,767	$1,751,447	17.36%	17.72%
axx15a	Matrix Trust (Salaried)**	$818,305	($1,840,855)	$1,381,264	$358,714	$358,714	$0	-	-
axx15b	Matrix Trust (Union)**	$448,410	($1,076,386)	$817,662	$189,686	$189,686	$0	-	-
axx16	Matrix Trust(VEBA)**	$62,447	($138,434)	$177,129	$101,142	$101,142	$0	-	-
Consolidated		$89,972,773	($3,055,675)	($229,115)	$86,687,983	$101,810,851	$15,122,868	17.19%	17.55%

May 31, 2025 - May 31, 2026	
Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75% x (12/12)	6.75%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	17.43%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	20.07%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	22.19%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	14.37%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	16.28%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	18.22%

Russell 3000	29.45%
S&P 500	29.78%
S&P 500 Equal Weight	20.43%
Russell 1000 Value	28.55%
Russell 1000	28.85%
Russell 1000 Growth	28.66%
Russell 2000	43.08%
MSCI All Country World ex. US	32.77%
MSCI EAFE	22.80%
MSCI EM	54.31%
Bloomberg Aggregate	5.13%
Bloomberg Govt/Credit Intermediate	4.13%
HFRI Fund of Funds Index	17.14%
DJ Global World Real Estate	9.21%
FTSE WGBI Index	2.51%
30 Day T-Bill	4.07%

Transfers Balance: Matrix Trust transferred -$229,114.79 on May 29, 2026 to Morgan Stanley. Cash was not received into Morgan Stanley account until June 1, 2026

Performance for accounts held outside of Morgan Stanley are calculated using simple math

Data Source: Morgan Stanley, Broadridge, Morningstar

SCCT Regional Water Authority
Year to Date Investment Results
December 31, 2025 - June 30, 2026

Account Number	Account Type	Beg. Asset Value 31-Dec-2025	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2026	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$53,506,113	$0	($662,478)	$52,843,635	$56,288,901	$3,445,266	6.50%	6.66%
447-xxx451	Union	$32,047,860	$0	($349,277)	$31,698,583	$33,769,264	$2,070,680	6.50%	6.66%
447-xxx456	VEBA	$10,896,430	$0	$0	$10,896,430	$11,616,476	$720,046	6.61%	6.77%
axx15a	Matrix Trust (Salaried)**	$360,000	($926,759)	$737,579	$170,820	$170,820	$0	-	-
axx15b	Matrix Trust (Union)**	$190,000	($533,739)	$397,375	$53,636	$53,636	$0	-	-
axx16	Matrix Trust(VEBA)**	$135,608	$265,696	($123,199)	$278,105	$278,105	$0	-	-
Consolidated		$97,136,011	($1,194,802)	$0	$95,941,209	$102,177,201	$6,235,992	6.51%	6.67%

December 31, 2025 - June 30, 2026

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75% x (6/12)	3.38%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	6.21%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	7.31%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	8.49%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	6.64%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	7.84%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	9.05%

Russell 3000	10.86%
S&P 500	10.21%
S&P 500 Equal Weight	12.13%
Russell 1000 Value	16.23%
Russell 1000	10.32%
Russell 1000 Growth	5.33%
Russell 2000	22.57%
MSCI All Country World ex. US	13.68%
MSCI EAFE	9.44%
MSCI EM	23.85%
Bloomberg Aggregate	0.62%
Bloomberg Govt/Credit Intermediate	0.40%
HFRI Fund of Funds Index	7.87%
DJ Global World Real Estate	4.33%
FTSE WGBI Index	-0.38%
30 Day T-Bill	1.85%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

Data Source: Morgan Stanley, Broadridge, Morningstar

SCCT Regional Water Authority
Trailing Twelve Month Investment Results
June 30, 2025 - June 30, 2026

Account Number	Account Type	Beg. Asset Value 30-Jun-2025	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2026	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$50,789,806	$0	($1,537,286)	$49,252,520	$56,288,901	$7,036,381	14.07%	14.41%
447-xxx451	Union	$30,400,315	$0	($877,002)	$29,523,313	$33,769,264	$4,245,951	14.17%	14.52%
447-xxx456	VEBA	$10,596,407	$0	($456,117)	$10,140,291	$11,616,476	$1,476,185	14.27%	14.62%
axx15a	Matrix Trust (Salaried)**	$360,820	($1,890,387)	$1,700,387	$170,820	$170,820	$0	-	-
axx15b	Matrix Trust (Union)**	$190,000	($1,116,456)	$980,092	$53,636	$53,636	$0	-	-
axx16	Matrix Trust(VEBA)**	$200,000	($111,820)	$189,925	$278,105	$278,105	$0	-	-
Consolidated		$92,537,348	($3,118,664)	$0	$89,418,684	$102,177,201	$12,758,517	14.12%	14.47%

June 30, 2025 - June 30, 2026

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75%	6.75%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	13.85%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	15.91%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	17.87%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	12.62%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	14.39%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	16.28%

Russell 3000	22.81%
S&P 500	22.32%
S&P 500 Equal Weight	19.20%
Russell 1000 Value	27.09%
Russell 1000	22.01%
Russell 1000 Growth	17.71%
Russell 2000	40.78%
MSCI All Country World ex. US	27.66%
MSCI EAFE	20.23%
MSCI EM	43.51%
Bloomberg Aggregate	3.79%
Bloomberg Govt/Credit Intermediate	3.14%
HFRI Fund of Funds Index	15.90%
DJ Global World Real Estate	6.72%
FTSE WGBI Index	-0.11%
30 Day T-Bill	4.02%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

Data Source: Morgan Stanley, Broadridge, Morningstar

SCCT Regional Water Authority
Trailing Three Year Investment Results
June 30, 2023 - June 30, 2026

Account Number	Account Type	Beg. Asset Value 30-Jun-2023	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2026	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$43,478,724	$0	($4,164,436)	$39,314,288	$56,288,901	$16,974,613	12.15%	12.52%
447-xxx451	Union	$25,415,491	$0	($1,887,590)	$23,527,902	$33,769,264	$10,241,362	12.28%	12.65%
447-xxx456	VEBA	$9,014,625	$0	($959,263)	$8,055,362	$11,616,476	$3,561,113	12.16%	12.54%
axx15	Matrix Trust (Master Trust)**	$0	($38,066)	$38,066	$0	$0	$0	-	-
axx15a	Matrix Trust (Salaried)**	$87,705	($4,515,032)	$4,598,148	$170,820	$170,820	$0	-	-
axx15b	Matrix Trust (Union)**	$199,036	($2,340,320)	$2,194,920	$53,636	$53,636	$0	-	-
axx16	Matrix Trust(VEBA)**	$540,889	($442,940)	$180,155	$278,105	$278,105	$0	-	-
Consolidated		$78,736,471	($7,336,359)	$0	$71,400,112	$102,177,201	$30,777,089	12.19%	12.57%

June 30, 2023 - June 30, 2026

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	11.83%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	13.52%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	14.77%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	9.86%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	11.08%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	12.20%

Russell 3000	20.35%
S&P 500	20.61%
S&P 500 Equal Weight	14.53%
Russell 1000 Value	17.78%
Russell 1000	20.47%
Russell 1000 Growth	22.58%
Russell 2000	18.60%
MSCI All Country World ex. US	18.82%
MSCI EAFE	16.44%
MSCI EM	23.03%
Bloomberg Aggregate	4.16%
Bloomberg Govt/Credit Intermediate	4.68%
HFRI Fund of Funds Index	10.48%
DJ Global World Real Estate	8.34%
FTSE WGBI Index	2.50%
30 Day T-Bill	4.79%

Performance for accounts held outside of Morgan Stanley are calculated using simple math

Data Source: Morgan Stanley, Broadridge, Morningstar

SCCT Regional Water Authority
Trailing Five Year Investment Results
June 30, 2021 - June 30, 2026

Account Number	Account Type	Beg. Asset Value 30-Jun-2021	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2026	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$43,707,129	$0	($2,889,999)	$40,817,130	$56,288,901	$15,471,771	6.36%	6.72%
447-xxx451	Union	$26,844,708	$0	($2,405,114)	$24,439,593	$33,769,264	$9,329,670	6.48%	6.85%
447-xxx456	VEBA	$9,398,772	$0	($959,263)	$8,439,509	$11,616,476	$3,176,967	6.23%	6.60%
447-xxx626	Skybridge (Salaried)	$669,790	$0	($704,240)	($34,450)	$0	$34,450	1.01%	1.01%
447-xxx627	Skybridge (Union)	$449,734	$0	($472,852)	($23,118)	$0	$23,118	1.01%	1.01%
axx15	Matrix Trust (Master Trust)**	$0	($38,066)	$38,066	$0	$0	$0	-	-
axx15a	Matrix Trust (Salaried)**	$256,634	($4,457,241)	$4,371,427	$170,820	$170,820	$0	-	-
axx15b	Matrix Trust (Union)**	($65,525)	($3,309,713)	$3,428,874	$53,636	$53,636	$0	-	-
axx16	Matrix Trust(VEBA)**	$92,091	$592,913	($406,899)	$278,105	$278,105	$0	-	-
Consolidated		$81,353,332	($7,212,107)	$0	$74,141,225	$102,177,201	$28,035,976	6.39%	6.75%

June 30, 2021 - June 30, 2026

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	5.67%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	6.80%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	7.74%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	4.59%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	5.47%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	6.35%

Russell 3000	12.30%
S&P 500	13.41%
S&P 500 Equal Weight	9.14%
Russell 1000 Value	11.17%
Russell 1000	12.66%
Russell 1000 Growth	13.71%
Russell 2000	6.98%
MSCI All Country World ex. US	8.79%
MSCI EAFE	9.05%
MSCI EM	7.20%
Bloomberg Aggregate	0.08%
Bloomberg Govt/Credit Intermediate	1.22%
HFRI Fund of Funds Index	5.73%
DJ Global World Real Estate	0.65%
FTSE WGBI Index	-2.66%
30 Day T-Bill	3.63%

Performance for accounts held outside of Morgan Stanley are calculated using simple math *447-xxx626 closed May 2022 *447-xxx627 closed July 2022

Data Source: Morgan Stanley, Broadridge, Morningstar

SCCT Regional Water Authority
Since Inception (Fully Invested) Investment Results
December 31, 2015 - June 30, 2026

Account Number	Account Type	Beg. Asset Value 31-Dec-2015	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2026	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$22,078,953	$0	$2,230,874	$24,309,828	$56,288,901	$31,979,073	7.97%	8.37%
447-xxx451	Union	$16,143,219	$0	($2,410,933)	$13,732,287	$33,769,264	$20,036,977	8.03%	8.42%
447-xxx456	VEBA	$2,919,401	$0	$2,236,575	$5,155,976	$11,616,476	$6,460,500	7.83%	8.23%
447-xxx626	Skybridge (Salaried)	$0	$0	($153,806)	($153,806)	$0	$153,806	2.73%	2.73%
447-xxx627	Skybridge (Union)	$0	$0	($107,539)	($107,539)	$0	$107,539	2.73%	2.73%
axx15	Matrix Trust (Master Trust)**	$0	($38,066)	$38,066	$0	$0	$0	-	-
axx15a	Matrix Trust (Salaried)**	$202,978	$496,084	($528,242)	$170,820	$170,820	$0	-	-
axx15b	Matrix Trust (Union)**	$147,576	($3,794,452)	$3,700,511	$53,636	$53,636	$0	-	-
axx16	Matrix Trust(VEBA)**	$269,858	$5,013,753	($5,005,507)	$278,105	$278,105	$0	-	-
Consolidated		$41,761,987	$1,677,320	$0	$43,439,307	$102,177,201	$58,737,894	7.94%	8.33%

December 31, 2015 - June 30, 2026	
Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75%	6.75%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%	7.00%
Guidelines/Benchmarks - Market Cap Weighted	
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	7.38%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	8.59%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	9.35%
Guidelines/Benchmarks - Equal Weighted	
Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	6.58%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	7.61%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	8.32%

Russell 3000	14.68%
S&P 500	15.13%
S&P 500 Equal Weight	12.34%
Russell 1000 Value	11.59%
Russell 1000	14.92%
Russell 1000 Growth	17.77%
Russell 2000	11.27%
MSCI All Country World ex. US	9.33%
MSCI EAFE	8.71%
MSCI EM	10.22%
Bloomberg Aggregate	1.97%
Bloomberg Govt/Credit Intermediate	2.22%
HFRI Fund of Funds Index	5.37%
DJ Global World Real Estate	4.45%
FTSE WGBI Index	0.48%
30 Day T-Bill	2.24%

Performance for accounts held outside of Morgan Stanley are calculated using simple math *447-xxx626 closed May 2022 *447-xxx627 closed July 2022

Data Source: Morgan Stanley, Broadridge, Morningstar

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

SECTION 5

Portfolio Risk Analysis

Morgan Stanley

Portfolio Analysis

Prepared for **SCCT Regional Water Authority - Salary Plan**
Prepared by **The Kelliher Corbett Group**

Report Generated on: 07-14-2026
Analysis as of: 07-13-2026

Table of Contents

INTRODUCTION

BENCHMARK

SUMMARY

MARKET SCENARIOS

HISTORICAL SCENARIOS

THEMATIC SCENARIOS

Table of Contents

YEARLY SCENARIOS

DISCLOSURE AND GLOSSARY

Executive Summary

This report helps you better understand the risks within your portfolios held at Morgan Stanley and at other financial institutions which you may have shared with us. This report presents portfolio characteristics, as well as estimates of portfolio volatility and stress test results. The report estimates volatility by analyzing the positions in your portfolio. Commonly, the higher the volatility, the riskier is the security or portfolio. Stress testing is available to illustrate how your portfolio might react under a certain market scenario or set of events.

Each account included in the report is assigned a risk profile based the account's risk tolerance, investment objectives, investment horizon, and anticipated withdrawal period. Risk profiles range from Wealth Conservation (more conservative) to Opportunistic Growth (more aggressive).

The purpose of the Risk Profile Benchmark is to assist you in understanding the risk in your portfolio referenced in this report against your stated risk profile. The Risk Profile Benchmark may be different than the one used to compare your portfolio performance.

The Report allows you to review and compare the results of the Risk Analysis of your Current Portfolio against a Risk Profile Benchmark, and hypothetical New Portfolio, if depicted, of positions that you may or may not own, or may not own in the same quantities. The New Portfolio, if depicted in this report, including the asset allocation and particular securities in the New Portfolio, are hypothetical illustrations only.

Morgan Stanley is not recommending that you adopt the hypothetical New Portfolio shown in this Report or any of its components. Rather, we are presenting it so that you have a basis for comparison when you consider the risk characteristics of your current holdings. After discussing with you the analyses in this Report, and your ability and willingness to take risk, your Financial Advisor can work with you to construct a portfolio designed to meet your needs.

The Hypothetical Results Illustrated in this Report for Your Current Portfolio and/or New Portfolio are not and should NOT be construed as a guarantee of future performance. The factor models used to generate these results may contain errors or faulty assumptions.

Please refer to the Important Disclosures and Glossary at the end of this Report for additional information, including a description of the assumptions and methodologies used throughout and definitions of key terminology.

IMPORTANT INFORMATION ON HYPOTHETICAL PERFORMANCE IN PORTFOLIO ANALYSIS REPORT Summary—Please Read

This material contains hypothetical performance illustrations that are intended for investors who have the expertise and resources to understand the risks and limitations of these types of presentations. Hypothetical performance represents returns that were not actually achieved by any client portfolio. They may include:

- Performance derived from model portfolios, which are typically constructed using individual securities (stocks and bonds), ETFs, mutual funds or other investment products, and can be developed with the benefit of hindsight and without actual money at risk
- Targeted or projected performance returns of a portfolio that is based on assumptions about investment returns and market behavior
- Performance during certain simulated market scenarios that measure the potential impact of discrete market events on a portfolio using a multifactor statistical risk model
- Performance during certain simulated historical scenarios that measure the profit and loss impact of instantaneous market movements between two specified dates based on risk factors in a portfolio

Hypothetical performance illustrations:

- May include investment products that you currently may not own, or may not own in the same quantities
- May appear similar to your current portfolio—but you would not necessarily have obtained the same results even if you had held the same products in the same allocation for the same time periods
- Are not designed to maximize performance returns or other rewards
- Do not reflect the personal performance experience of your actual securities or account(s)

Hypothetical performance results have inherent limitations, including the following:

- There can be large differences between hypothetical and actual results
- These illustrations do not account for certain risk factors, including the ability to withstand losses or to adhere to a particular trading strategy in the face of trading losses
- The hypothetical results do not represent actual results and are generally designed with the benefit of hindsight
- There are other factors that cannot be accounted for in these illustrations, which could potentially impact actual performance, such as market movements in general, the implementation of certain strategies, etc.
- The hypothetical performance illustrations that follow are intended for your exclusive use and are not for further distribution. The sole purpose of this material is to inform. It is not intended to be an offer or solicitation to purchase or sell any security, other investment or service.

Please see important disclosure information at the end of this material for an explanation of assumptions, limitations and methodologies. If you have any questions about any of the illustrations, information or disclosures in this document, please contact your Morgan Stanley team.

Account(s) Included in this Report

Account	Account Type	Relationship	Current Market Value	Current % Weight	Current Volatility (% of Total)	Current Volatility Contribution (%)
447-XXX450	Advisory	Morgan Stanley	$55,455,377.66	100.00	100.00	10.53
Total	**--**	**--**	**$55,455,377.66**	**100.00**	**100.00**	**10.53**

*Morgan Stanley does not transact in or custody digital assets. All digital asset transactions and custody occur between you and Zero Hash LLC ("zerohash") (NMLS # 1699379) through a separate, non-brokerage account in your name at zerohash and outside of Morgan Stanley. Digital assets held through zerohash are not FDIC insured or SIPC protected. Please visit www.zerohash.com for more information.

Summary Page Disclosures

General Risk Analytics

- The Summary Pages may include manually added and/or external accounts, assets and/or liabilities, as applicable, not held at Morgan Stanley Wealth Management. Please see important Disclosures for more information.

- The volatility estimates provided in the following Exhibits represent the hypothetical, projected volatility over a 12 month period beginning from the date of this Report. Volatility is an estimate of expected fluctuation in a portfolio’s return. Commonly, the higher the volatility is, the riskier the security or portfolio. Volatility is calculated by mapping the holdings of your Current Portfolio, the New Portfolio and the Suitability Benchmark to each of the risk factors referenced in the coming pages that represent the drivers of risk and return. No tool has the ability to accurately predict the future, eliminate risk or guarantee investment results. Please refer to the Important Disclosure at the end of this Report for additional information, including a description of the assumptions and methodologies used to calculate this projected volatility and information regarding the use of proxies.

- Multi-Asset class products are broken out into their respective asset classes for a weighted average calculation of allocation exposures and characteristics.

- The following exhibits show the hypothetical Tail Risk of your Current portfolio, the New portfolio, and the Suitability Benchmark. Tail Risk analysis uses a 95% Value at Risk (VaR) to measure the minimum worst expected monthly loss under normal market conditions over a period of 60 months at the 5% confidence level. Expected Shortfall at 95% confidence measures the average of the worst 5% monthly returns over a period of 60 months. Value at Risk and Expected Shortfall are expressed as a percentage of portfolio net asset value. The information provided is not an indication or a guarantee of future results. Please refer to the Important Disclosure at the end of this Report. (Will only be needed if we choose to continue to support Tail Risk in the Fixed Income / Bond Reports)

Equity Summary Disclosures

- Please refer to the Glossary at the back of this Report for more information about each of the portfolio characteristics and yield metrics referenced. Please refer to the Mutual Fund / ETF Historical Performance exhibit to review standardized average annualized total returns.

Fixed Income Disclosures

- Please refer to the Glossary at the back of this Report for more information about each of the portfolio characteristics and yield metrics referenced. Please refer to the Mutual Fund / ETF Historical Performance exhibit to review standardized average annualized total returns.

- The following Fixed Income Summary only includes fixed income securities and mutual funds and ETFs. This Report leverages ratings from Moody's, S&P, and Fitch. In the case where a security is rated by all three agencies, the middle of those three ratings is used. In the case where the security is rated by two of the agencies, the lower of the two ratings is used. In the case where the security is rated by only one agency, that rating is used. Finally, if the security is not rated by any agencies, the security is noted as Not Rated/Unknown. For additional credit rating details please visit the following: https://www.morganstanley.com/creditratings. Multi-Asset class products are broken out into their respective asset classes for a weighted average calculation of allocation exposures and characteristics.

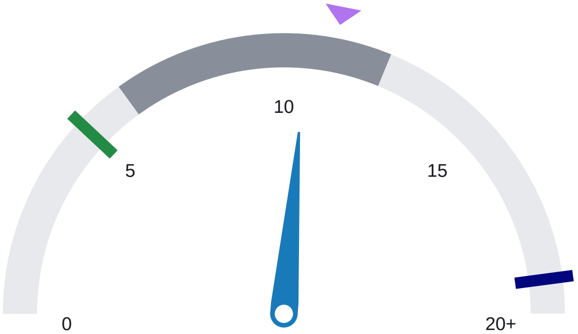
Benchmark

Name	% Weight
EQUITIES	57.00
Russell 3000 Index	42.00
MSCI All Country World ex US - Net Return	15.00
FIXED INCOME & PREFERREDS	34.00
BBG U.S. Aggregate Index	31.00
FTSE WGBI Index 100% Hedged in USD	3.00
ALTERNATIVES	7.00
HFRI Fund of Funds Comp	5.00
Global Real Estate Benchmark	2.00
CASH	2.00
FTSE 3-month T-bill Index	2.00
Total	**100.00**

The Risk Profile Benchmark referenced throughout this Report is composed of the blend of benchmarks referenced above. Each of your Morgan Stanley accounts referenced in this Report is applied a risk profile. The applicable risk profile is based upon the risk tolerance, investment objectives, investment horizon, and anticipated withdrawal period you have indicated for each of your Morgan Stanley accounts. For portfolios combining accounts, the risk profile is the asset weighted risk profile. Risk profiles range from Wealth Conservation (more conservative) to Opportunistic Growth (more aggressive) and each profile is assigned a Risk Profile Benchmark. External accounts are not assigned a risk profile and are, therefore, not included in the selection of the Risk Profile Benchmark. For more information about each benchmark referenced, please refer to the Important Disclosure section at the end of this Report. Indices are unmanaged and not available for direct investment.

Summary

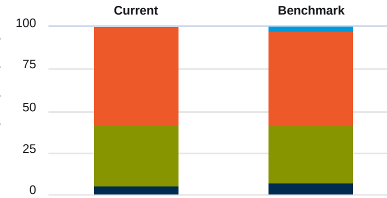
Volatility



Current	**10.53**
Benchmark	**11.22**
S&P 500	**19.16**
BBG US Agg	**4.80**

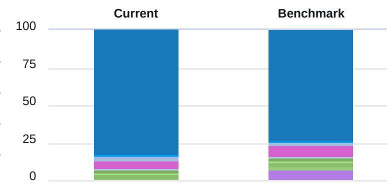
Asset Allocation

Sectors	Current	Benchmark
CASH	0.27%	2.00%
EQUITIES	57.26%	57.00%
FIXED INCOME & PREFERREDS	37.35%	34.00%
ALTERNATIVES	5.12%	7.00%



Total Region Allocation

Sectors	Current	Benchmark
Americas	84.08%	74.59%
Europe	7.65%	9.22%
Africa/Middle East	1.10%	0.58%
Greater Asia	7.16%	8.62%
Non-Transparent	0.00%	7.00%

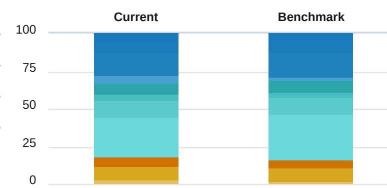


Characteristics

	Current	Benchmark
AUM	$55,455,378	-
Volatility	10.53%	11.22%
Duration (yrs)	2	1.98
Yield	2.74%	2.48%
Beta to S&P 500	0.5291	0.5688

Total Sector Allocation (Public + Private)

Sectors	Current	Benchmark
Cyclical	32.75%	30.30%
Sensitive	48.91%	53.65%
Defensive	18.28%	16.05%
Non-Transparent	0.06%	0.00%



Top 5 Holdings

Sec ID	Security Name	Asset Class	Current % Weight
VTV	Vanguard Value Index Fund ETF Shares	EQUITIES	7.16
VTI	Vanguard Total Stock Market Index Fund ETF Shares	EQUITIES	6.54
VXUS	Vanguard Total International Stock Index Fund ETF Shares	EQUITIES	6.48
PONPX	PIMCO Income Fund Class I-2	FIXED INCOME & PREFERREDS	5.04
GSFTX	Columbia Dividend Income Fund Institutional Class	EQUITIES	4.03

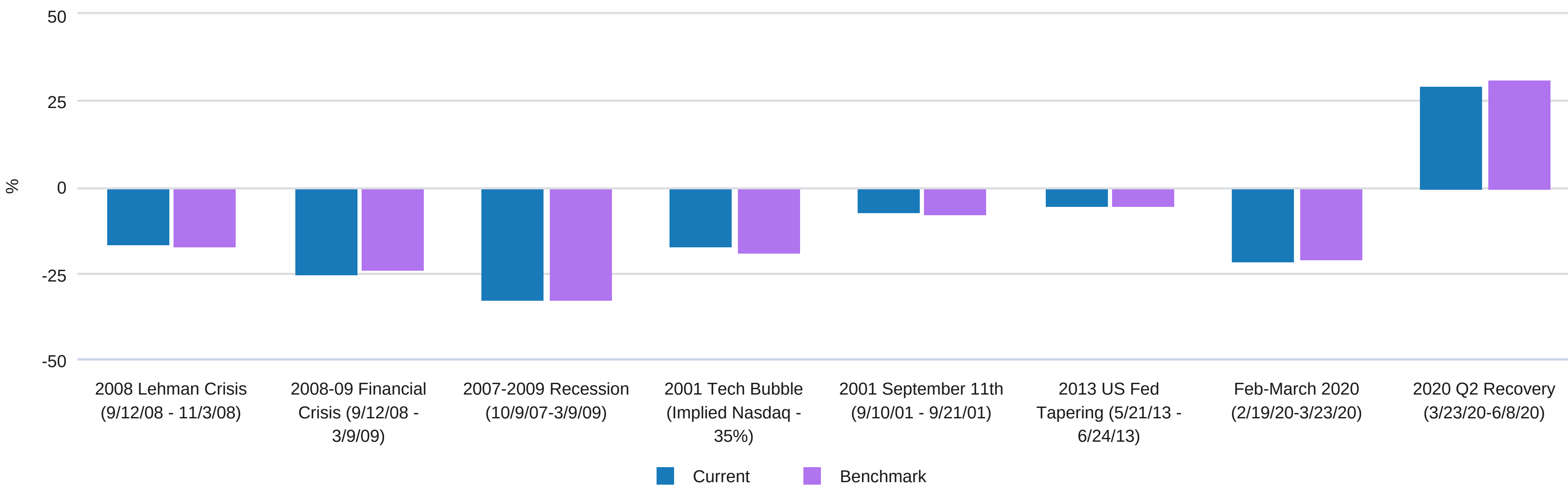
Cyclical : Basic Materials, Consumer Cyclical, Financial Services, Real Estate

Sensitive : Communication services, Industrial, Technology, Energy

Defensive : Consumer Defensive, Healthcare, Utilities

Hypothetical Performance During Simulated US Historical Scenarios

Analysis as of: 2026-07-13

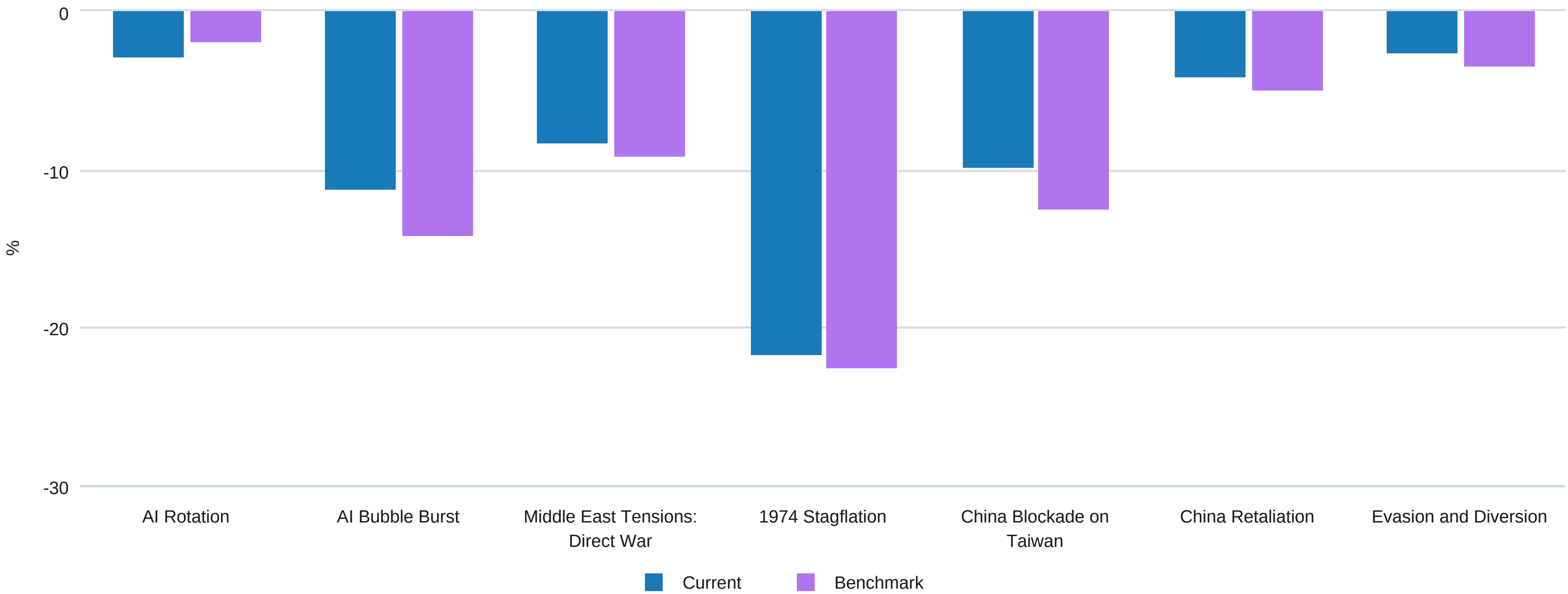


Scenario	Net Return Current	Net Return Current (%)	Net Return Benchmark (%)
2008 Lehman Crisis (9/12/08 - 11/3/08)	-$8,996,191.71	-16.22	-17.00
2008-09 Financial Crisis (9/12/08 - 3/9/09)	-$14,078,571.86	-25.39	-24.13
2007-2009 Recession (10/9/07-3/9/09)	-$18,203,435.89	-32.83	-32.89
2001 Tech Bubble (Implied Nasdaq -35%)	-$9,548,717.24	-17.22	-19.14
2001 September 11th (9/10/01 - 9/21/01)	-$3,944,474.47	-7.11	-7.54
2013 US Fed Tapering (5/21/13 - 6/24/13)	-$2,974,475.14	-5.36	-5.31
Feb-March 2020 (2/19/20-3/23/20)	-$11,864,547.81	-21.39	-20.94
2020 Q2 Recovery (3/23/20-6/8/20)	$16,497,743.03	29.75	31.15

See Important Disclosures at the end of this material for i. description of the methodology used including definitions of scenarios, ii. information about any fees, expenses and costs that were excluded in the calculation iii. an explanation of the risks and limitations of results and iv. information regarding the use of proxies RESULTS OF THE STRESS TEST SCENARIOS ARE NOT GUARANTEES OF WHAT WILL HAPPEN BASED ON THESE ASSUMPTIONS.

Hypothetical Performance During Simulated Current Event Scenarios

Analysis as of: 2026-07-13



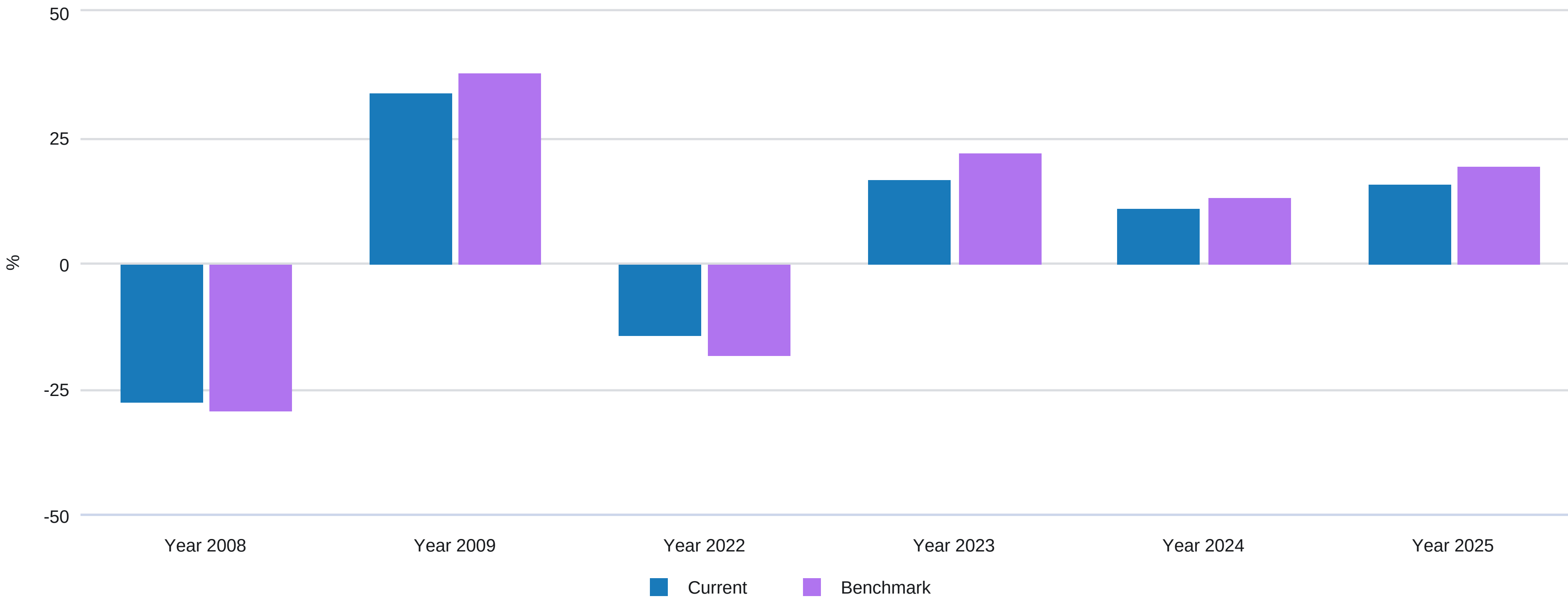
Scenario	Net Return Current	Net Return Current (%)	Net Return Benchmark (%)
AI Rotation	-$1,527,255.38	-2.75	-1.85
AI Bubble Burst	-$6,171,086.85	-11.13	-14.06
Middle East Tensions: Direct War	-$4,529,734.08	-8.17	-9.13
1974 Stagflation	-$12,018,462.24	-21.67	-22.52
China Blockade on Taiwan	-$5,423,034.31	-9.78	-12.43
China Retaliation	-$2,271,681.04	-4.10	-4.87
Evasion and Diversion	-$1,427,515.11	-2.57	-3.34

See Important Disclosures at the end of this material for i. description of the methodology used including definitions of scenarios, ii. information about any fees, expenses and costs that were excluded in the calculation iii. an explanation of the risks and limitations of results and iv. information regarding the use of proxies RESULTS OF THE STRESS TEST SCENARIOS ARE NOT GUARANTEES OF WHAT WILL HAPPEN BASED ON THESE ASSUMPTIONS.

Hypothetical Simulated Performance During Yearly Historical Scenarios

Morgan Stanley

Analysis as of: 2026-07-13



Scenario	Net Return Current	Net Return Current (%)	Net Return Benchmark (%)
Year 2008	-$15,125,052.18	-27.27	-29.16
Year 2009	$18,937,939.86	34.15	37.89
Year 2022	-$7,871,283.14	-14.19	-18.16
Year 2023	$9,343,912.00	16.85	21.93
Year 2024	$6,014,651.29	10.85	13.37
Year 2025	$8,799,976.69	15.87	19.45

See Important Disclosures at the end of this material for i. description of the methodology used including definitions of scenarios, ii. information about any fees, expenses and costs that were excluded in the calculation iii. an explanation of the risks and limitations of results and iv. information regarding the use of proxies RESULTS OF THE STRESS TEST SCENARIOS ARE NOT GUARANTEES OF WHAT WILL HAPPEN BASED ON THESE ASSUMPTIONS.

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

SECTION 6

Appendix

Mutual Funds/ETFs

Results

Data as of 6/30/2026	Morningstar Category	Market Returns (%) 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	$ Assets	% of Total
Cash & Equivalents									
Cash & Equivalents		-	-	-	-	-	-	$ 237,899	0.23%
State Street® SPDR® Blmbg1-3MthT-BillETF	Ultrashort Bond	0.88	1.74	3.83	4.60	3.47	2.21	$ 91,640	0.09%
Fixed Income									
Vanguard Short-Term Treasury ETF	Short Government	0.38	0.66	2.91	4.36	1.88	1.72	$ 228,144	0.22%
Cat: Short Government	**Short Government**	**0.42**	**0.82**	**3.26**	**4.38**	**1.71**	**1.60**		
Guggenheim Limited Duration Instl	Short-Term Bond	0.83	1.20	3.98	5.85	3.11	3.23	$ 344,119	0.34%
Vanguard Short-Term Bond ETF	Short-Term Bond	0.38	0.54	2.99	4.65	1.71	1.91	$ 228,276	0.22%
Cat: Short-Term Bond	**Short-Term Bond**	**0.85**	**1.05**	**3.70**	**5.35**	**2.42**	**2.42**		
Vanguard Interm-Term Bond ETF	Intermediate Core Bond	0.53	0.22	3.39	4.64	0.25	1.83	$ 2,483,930	2.44%
iShares Core US Aggregate Bond ETF	Intermediate Core Bond	0.67	0.71	3.80	4.16	0.09	1.52	$ 690,386	0.68%
Cat: Intermediate Core Bond	**Intermediate Core Bond**	**0.73**	**0.69**	**3.77**	**4.25**	**0.08**	**1.57**		
Fidelity Total Bond ETF	Intermediate Core-Plus Bond	0.91	0.99	4.18	4.91	0.79	2.51	$ 3,369,952	3.31%
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	0.92	0.93	4.19	4.19	0.31	2.36	$ 2,144,718	2.11%
Cat: Intermediate Core-Plus Bond	**Intermediate Core-Plus Bond**	**1.01**	**0.83**	**4.06**	**4.81**	**0.49**	**2.11**		
PIMCO Income I2	Multisector Bond	2.06	1.48	6.67	7.66	3.73	4.71	$ 5,206,887	5.12%
Cat: Multisector Bond	**Multisector Bond**	**1.90**	**1.65**	**5.31**	**6.86**	**2.75**	**3.77**		
Idx: Bloomberg US Agg Bond TR USD	-	**0.67**	**0.62**	**3.79**	**4.16**	**0.08**	**1.54**		
Idx: Bloomberg US Govt/Credit Interm TR USD	-	**0.43**	**0.40**	**3.14**	**4.68**	**1.22**	**1.92**		
Idx: FTSE WGBI USD	-	**0.68**	**-0.38**	**-0.11**	**2.50**	**-2.66**	**-0.52**		
Sub-Total Fixed Income								$ 14,696,411	14.45%

Green = exceeds peer group
Yellow = trails peer group
Red = fails to meet criteria (on watch/remove and/or replacement)

Orange = Fund position only held in VEBA

Assets as of 6/30/2026

See last page for important disclosure/disclaimer

Data Source: Morgan Stanley & Morningstar

Mutual Funds/ETFs

Results

Data as of 6/30/2026	Morningstar Category	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	$ Assets	% of Total
		Market Returns (%)							
US Equity									
Columbia Dividend Income Inst	Large Value	6.73	10.19	19.81	15.98	11.06	12.62	$ 4,083,283	4.02%
Vanguard Value ETF	Large Value	11.65	15.35	25.92	18.01	12.32	12.67	$ 7,310,462	7.19%
Invesco S&P 100 Equal Weight ETF	Large Value	12.47	10.19	19.41	18.80	12.06	14.68	$ 3,091,964	3.04%
Cat: Large Value	**Large Value**	**9.64**	**11.30**	**21.21**	**16.13**	**10.48**	**11.47**		
Invesco S&P 500® Equal Weight ETF	Large Blend	11.34	12.02	18.99	14.30	8.93	12.13	$ 3,138,358	3.09%
Vanguard S&P 500 ETF	Large Blend	15.19	10.19	22.28	20.58	13.36	15.47	$ 3,509,599	3.45%
Vanguard Total Stock Market ETF	Large Blend	15.66	11.07	23.16	20.43	12.24	15.04	$ 6,571,910	6.46%
Cat: Large Blend	**Large Blend**	**14.21**	**9.74**	**20.23**	**18.52**	**11.51**	**14.04**		
MFS Massachusetts Inv Gr Stk I	Large Growth	6.94	-3.00	3.56	9.89	7.11	13.77	$ 2,456,823	2.42%
Vanguard Russell 1000 Growth ETF	Large Growth	16.74	5.31	17.65	22.51	13.65	18.49	$ 3,464,929	3.41%
Cat: Large Growth	**Large Growth**	**18.98**	**9.00**	**18.29**	**21.52**	**10.51**	**16.40**		
iShares Core S&P Small-Cap ETF	Small Blend	19.68	23.90	37.42	15.98	7.30	11.47	$ 2,190,835	2.15%
Cat: Small Blend	**Small Blend**	**19.68**	**21.59**	**33.88**	**16.49**	**8.03**	**11.34**		
Idx: Russell 3000 TR USD	-	**15.43**	**10.86**	**22.81**	**20.35**	**12.30**	**15.06**		
Idx: S&P 500 TR USD	-	**15.20**	**10.21**	**22.32**	**20.61**	**13.41**	**15.51**		
Idx: Russell 1000 Value TR USD	-	**13.84**	**16.23**	**27.09**	**17.78**	**11.17**	**11.52**		
Idx: Russell 1000 TR USD	-	**15.13**	**10.32**	**22.01**	**20.47**	**12.66**	**15.29**		
Idx: Russell 1000 Growth TR USD	-	**16.74**	**5.33**	**17.71**	**22.58**	**13.71**	**18.58**		
Idx: Morningstar DYF TR USD	-	**1.70**	**14.29**	**20.80**	**14.76**	**11.21**	**9.20**		
Idx: Russell 2000 TR USD	-	**21.49**	**22.57**	**40.78**	**18.60**	**6.98**	**11.62**		
Sub-Total US Equity								$ 35,818,163	35.23%

Green = exceeds peer group
Yellow = trails peer group
Red = fails to meet criteria (on watch/remove and/or replacement)

Data Source: Morgan Stanley & Morningstar

Assets as of 6/30/2026

See last page for important disclosure/disclaimer

Mutual Funds/ETFs

Results

Data as of 6/30/2026	Morningstar Category	Market Returns (%) 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	$ Assets	% of Total
Global/International Equity									
MFS Intl Diversification I	Foreign Large Blend	9.13	8.90	18.39	15.33	7.17	9.91	$ 3,517,357	3.46%
Vanguard Total International Stock ETF	Foreign Large Blend	12.01	13.97	27.42	18.73	8.81	9.97	$ 6,632,742	6.52%
Cat: Foreign Large Blend	**Foreign Large Blend**	**10.44**	**10.85**	**21.46**	**16.72**	**8.43**	**9.46**		
Capital Group International Focus Eq ETF	Foreign Large Growth	18.85	17.24	33.59	16.58	-	-	$ 3,166,970	3.11%
Cat: Foreign Large Growth	**Foreign Large Growth**	**14.61**	**10.18**	**14.02**	**13.04**	**4.14**	**8.98**		
First Eagle Global I	Global Moderately Aggressive Allocation	2.92	4.76	20.37	16.99	10.84	10.09	$ 3,921,766	3.86%
Cat: Global Moderately Aggressive Allocation	**Global Moderately Aggressive Allocation**	**9.90**	**10.12**	**19.63**	**15.53**	**8.02**	**9.51**		
Idx: MSCI ACWI Ex USA NR USD	-	**14.49**	**13.68**	**27.66**	**18.82**	**8.79**	**9.93**		
Idx: MSCI ACWI NR USD	-	**14.93**	**11.25**	**23.67**	**19.70**	**10.98**	**12.78**		
Idx: MSCI EAFE NR USD	-	**10.82**	**9.44**	**20.23**	**16.44**	**9.05**	**9.66**		
Idx: MSCI EM NR USD	-	**24.05**	**23.85**	**43.51**	**23.03**	**7.20**	**10.07**		
Sub-Total Global/International Equity								$ 17,238,835	16.95%
Balanced									
Capital Group Core Balanced ETF	Moderate Allocation	10.86	8.40	15.87	-	-	-	$ 4,072,159	4.01%
Janus Henderson Balanced I	Moderate Allocation	9.31	3.96	10.90	13.45	7.49	10.61	$ 4,012,953	3.95%
Cat: Moderate Allocation	**Moderate Allocation**	**8.22**	**6.91**	**14.28**	**12.54**	**6.74**	**8.64**		
Idx: Bloomberg US Agg Bond TR USD	-	**0.67**	**0.62**	**3.79**	**4.16**	**0.08**	**1.54**		
Idx: S&P 500 TR USD	-	**15.20**	**10.21**	**22.32**	**20.61**	**13.41**	**15.51**		
Sub-Total Balanced								$ 8,085,112	7.95%
Alternative									
BlackRock Event Driven Equity Instl	Event Driven	2.11	2.60	5.44	6.17	3.54	4.88	$ 1,524,223	1.50%
Cat: Event Driven	**Event Driven**	**2.04**	**2.80**	**7.19**	**7.30**	**3.66**	**4.61**		
JPMorgan Hedged Equity I	Equity Hedged	3.25	-1.85	5.22	8.56	6.78	8.89	$ 1,512,547	1.49%
Cat: Equity Hedged	**Equity Hedged**	**9.02**	**7.45**	**14.63**	**11.32**	**6.15**	**6.56**		
Cohen & Steers Realty Shares L	Real Estate	10.04	13.91	12.13	10.01	4.34	6.73	$ 1,020,150	1.00%
Cat: Real Estate	**Real Estate**	**11.21**	**13.75**	**14.97**	**9.75**	**3.52**	**5.22**		
Cohen & Steers Global Realty I	Global Real Estate	7.63	9.15	11.95	9.31	1.96	5.14	$ 1,025,984	1.01%
Cat: Global Real Estate	**Global Real Estate**	**7.72**	**7.88**	**10.82**	**9.06**	**1.12**	**3.87**		
Idx: S&P 500 TR USD	-	**15.20**	**10.21**	**22.32**	**20.61**	**13.41**	**15.51**		
Idx: Bloomberg US Agg Bond TR USD	-	**0.67**	**0.62**	**3.79**	**4.16**	**0.08**	**1.54**		
Idx: Russell 3000 TR USD	-	**15.43**	**10.86**	**22.81**	**20.35**	**12.30**	**15.06**		
Idx: MSCI ACWI NR USD	-	**14.93**	**11.25**	**23.67**	**19.70**	**10.98**	**12.78**		
Idx: DJ Global World Real Estate TR USD	-	**5.75**	**4.33**	**6.72**	**8.34**	**0.65**	**3.81**		
Sub-Total Alternative								$ 5,082,904	5.00%
Total								$ 81,250,964	79.82%

Green = exceeds peer group
Yellow = trails peer group
Red = fails to meet criteria (on watch/remove and/or replacement)

Data Source: Morgan Stanley & Morningstar

Assets as of 6/30/2026

See last page for important disclosure/disclaimer

Mutual Funds/ETFs

Statistics

Data as of 6/30/2026	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std Dev 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Cash & Equivalents										
State Street® SPDR® Blmbg1-3MthT-BillETF	0.14	0.14	0.00	-0.15	0.21	1	-	-	-	Low
Fixed Income										
Vanguard Short-Term Treasury ETF	0.03	0.03	0.23	-0.28	1.52	71	-	-	-	Below Avg
Cat: Short Government	**0.51**	**0.51**	**0.30**	**-0.21**	**1.90**	**76**	**22.6**	**3.3**	**103464**	**-**
Guggenheim Limited Duration Instl	0.47	0.47	0.27	1.17	1.67	86	-	-	-	Average
Vanguard Short-Term Bond ETF	0.03	0.03	0.38	0.08	2.27	87	-	-	-	Above Avg
Cat: Short-Term Bond	**0.62**	**0.62**	**0.31**	**0.71**	**2.02**	**79**	**-**	**-**	**-**	**-**
Vanguard Interm-Term Bond ETF	0.03	0.03	1.03	0.49	5.74	99	-	-	-	Above Avg
iShares Core US Aggregate Bond ETF	0.03	0.03	0.99	-0.01	5.51	100	-	-	-	Average
Cat: Intermediate Core Bond	**0.54**	**0.54**	**0.97**	**0.07**	**5.43**	**98**	**-**	**-**	**-**	**-**
Fidelity Total Bond ETF	0.36	0.36	0.98	0.71	5.48	99	-	-	-	Average
Loomis Sayles Core Plus Bond Y	0.48	0.48	1.12	0.13	6.26	99	-	-	-	High
Cat: Intermediate Core-Plus Bond	**0.75**	**0.75**	**0.96**	**0.60**	**5.42**	**96**	**-**	**-**	**-**	**-**
PIMCO Income I2	0.64	0.64	0.79	3.19	4.62	90	-	-	7870	Average
Cat: Multisector Bond	**0.92**	**0.92**	**0.69**	**2.39**	**4.31**	**78**	**-**	**-**	**-**	**-**

See last page for important disclosure/disclaimer

Orange = Fund position only held in VEBA

The Prospectus Adjusted Operating Expense Ratio is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The ratio does reflect fee waivers in effect during the time period, and does not include interest and dividends on borrowed securities. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges.

Data Source: Morgan Stanley & Morningstar

Mutual Funds/ETFs

Statistics

Data as of 6/30/2026	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std Dev 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
US Equity										
Columbia Dividend Income Inst	0.65	0.65	0.61	1.59	10.09	62	22.2	3.7	240578	Low
Vanguard Value ETF	0.03	0.03	0.69	2.34	11.55	60	21.0	3.1	166311	Average
Invesco S&P 100 Equal Weight ETF	0.25	0.25	0.83	0.91	11.80	84	22.9	3.9	254612	Average
Cat: Large Value	**0.84**	**0.84**	**0.73**	**0.11**	**12.13**	**62**	**19.5**	**3.0**	**174186**	**-**
Invesco S&P 500® Equal Weight ETF	0.20	0.20	0.85	-3.17	13.21	71	21.9	3.0	51743	Average
Vanguard S&P 500 ETF	0.03	0.03	1.00	-0.03	13.06	100	27.1	5.4	526125	Average
Vanguard Total Stock Market ETF	0.03	0.03	1.03	-0.50	13.45	99	26.5	4.9	331584	Above Avg
Cat: Large Blend	**0.72**	**0.72**	**0.96**	**-1.22**	**13.30**	**90**	**23.8**	**5.5**	**589476**	**-**
MFS Massachusetts Inv Gr Stk I	0.46	0.46	0.95	-8.63	12.80	93	28.4	6.8	432681	Low
Vanguard Russell 1000 Growth ETF	0.06	0.06	1.19	-0.76	16.45	89	33.4	12.6	1005561	Average
Cat: Large Growth	**0.89**	**0.89**	**1.22**	**-2.00**	**17.49**	**85**	**31.7**	**8.9**	**796781**	**-**
iShares Core S&P Small-Cap ETF	0.06	0.06	1.08	-4.13	19.42	52	19.1	2.1	4052	Above Avg
Cat: Small Blend	**0.97**	**0.97**	**1.08**	**-3.94**	**18.48**	**58**	**21.1**	**2.5**	**7697**	**-**

See last page for important disclosure/disclaimer

The Prospectus Adjusted Operating Expense Ratio is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The ratio does reflect fee waivers in effect during the time period, and does not include interest and dividends on borrowed securities. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges.

Data Source: Morgan Stanley & Morningstar

Mutual Funds/ETFs

Statistics

Data as of 6/30/2026	Prospectus Net Expense Ratio	Prospectus Adj Expense Ratio	Beta 3 Yr vs. S&P or BBg Agg	Alpha 3 Yr vs. S&P or BBg Agg	Std Dev 3 Yr	R2 3 Yr vs. S&P or BBg Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Global/International Equity										
MFS Intl Diversification I	0.83	0.83	0.85	-1.16	12.05	95	18.7	2.4	56537	Below Avg
Vanguard Total International Stock ETF	0.05	0.05	0.92	0.93	12.90	97	18.0	2.2	52817	Below Avg
Cat: Foreign Large Blend	**0.85**	**0.85**	**0.87**	**-0.17**	**12.97**	**87**	**18.2**	**2.3**	**85429**	**-**
Capital Group International Focus Eq ETF	0.54	0.54	1.05	-2.37	15.65	87	19.7	3.4	126698	-
Cat: Foreign Large Growth	**0.99**	**0.99**	**0.97**	**-4.53**	**15.34**	**78**	**21.9**	**3.3**	**103596**	**-**
First Eagle Global I	0.86	0.86	1.00	3.74	10.98	72	18.1	2.2	74682	Average
Cat: Global Moderately Aggressive Allocation	**0.98**	**0.98**	**1.11**	**1.59**	**11.16**	**88**	**22.0**	**3.2**	**141041**	**-**
Balanced										
Capital Group Core Balanced ETF	0.33	0.33	-	-	-	-	27.3	5.3	327997	-
Janus Henderson Balanced I	0.67	0.67	0.93	1.10	9.68	80	28.0	6.7	621435	Above Avg
Cat: Moderate Allocation	**0.99**	**0.99**	**0.90**	**0.45**	**9.28**	**83**	**24.1**	**4.1**	**299358**	**-**
Alternative										
BlackRock Event Driven Equity Instl	1.29	1.29	0.16	-0.94	3.18	43	22.2	3.1	25222	Average
Cat: Event Driven	**1.82**	**1.82**	**0.15**	**0.31**	**3.92**	**21**	**25.4**	**2.2**	**8823**	**-**
JPMorgan Hedged Equity I	0.57	0.57	0.59	-4.94	8.64	80	26.7	5.5	544853	Average
Cat: Equity Hedged	**1.17**	**1.17**	**0.55**	**-1.83**	**9.06**	**69**	**26.9**	**5.4**	**698777**	**-**
Cohen & Steers Realty Shares L	0.88	0.88	0.98	-7.65	16.52	56	31.7	2.5	35433	Average
Cat: Real Estate	**1.08**	**1.08**	**0.97**	**-7.75**	**16.64**	**54**	**31.7**	**2.9**	**41962**	**-**
Cohen & Steers Global Realty I	0.90	0.90	1.02	-8.89	16.25	63	22.8	1.6	20971	Average
Cat: Global Real Estate	**1.08**	**1.08**	**0.99**	**-8.81**	**16.30**	**60**	**20.1**	**1.5**	**19764**	**-**

See last page for important disclosure/disclaimer

The Prospectus Adjusted Operating Expense Ratio is the percentage of fund assets paid for operating expenses and management fees. The expense ratio typically includes the following types of fees: accounting, administrator, advisor, auditor, board of directors, custodial, distribution (12b-1), legal, organizational, professional, registration, shareholder reporting, sub-advisor, and transfer agency. The ratio does reflect fee waivers in effect during the time period, and does not include interest and dividends on borrowed securities. The expense ratio does not reflect the fund's brokerage costs or any investor sales charges.

Data Source: Morgan Stanley & Morningstar

The performance shown in the preceding pages represents past performance. Past performance is no guarantee of future results and current performance may be higher or lower than the performance shown above. Investment returns, yields and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Returns of less than a year are cumulative and are not annualized and are calculated from January 1 of the reporting year. Average annual total returns are annualized and assume the reinvestment of all distributions at net asset value and the deductions of fund expenses. Data is from sources deemed reliable, however no guarantee may be made to their accuracy.

The information contained herein was prepared by your Financial Advisor and does not represent an official statement of your account at the Firm (or other outside custodians, if applicable). Please refer to your monthly statement for a complete record of your transactions, holdings and balances.

The information and data contained in this report are from sources considered reliable, but their accuracy and completeness is not guaranteed. This report has been prepared for illustrative purposes only and is not intended to be used as a substitute for monthly transaction statements you receive on a regular basis from Morgan Stanley Smith Barney LLC. Please compare the data on this document carefully with your monthly statements to verify its accuracy. The Company strongly encourages you to consult with your own accountants or other advisors with respect to any tax questions.

Assets as of 6/30/2026
Data Source: Morningstar; as of 6/30/2026

Hypothetical Thematic Scenarios Overview

Analysis as of: 2026-07-13

	AI Rotation		AI Bubble Burst	
Description	• This scenario models a sector leadership rotation within the AI thematic. Market value capture shifts away from early-wave AI infrastructure winners, such as semiconductors, hyperscale cloud, and data-centers, toward application-layer adopters/innovators, including enterprise software integrating AI and industrial automation companies. The broader macroeconomic backdrop remains stable to positive.		• Confidence in AI-driven efficiency gains collapses, triggering a sharp re-pricing of AI equities. • Rising U.S.–China tensions worsen already fragile business conditions and disrupt global supply chains. • Major AI stocks plunge, sparking a broader tech-led sell-off and raising systemic risk concerns. • The Federal Reserve responds with two emergency 25 bp cuts to stabilize markets, echoing its Dotcom-era crisis playbook.	
Catalysts	• Negative earnings or margin guidance from AI builders, including semiconductor manufacturers and data centers. This is driven by reduction in AI capex from application-layer companies due to achieved efficiency gains. • Breakthroughs in AI dev tools lower dependence on advanced compute chips. • Raised forward guidance from software and industrial automation companies. • Sell-side and ETF flows reweight from infra to applications.		• AI and enterprise software vendors deliver weak ROI as productivity gains fail to emerge; generative AI enters a "trough of disillusionment." • Semiconductor and platform firms post negative earnings due to heavy AI-related debt from prior capex. • Major AI players pause circular financing as they shift investment strategies. • A market sell-off prompts the Fed to hold emergency meetings and issue two intra-month 50 bps front-end cuts, supported by a cooling labor market and easing inflation.	
Sample Factor Shocks	WRLD Semiconductors & Equipment -10%		WRLD Semiconductors & Equipment	-25%
			WRLD Software & Services x Data Processing	-15%
	WRLD Software & Services x Data processing	15%	VIX	20%
	MSCI World xUS Tech – MSCI World	5%	US Tech IG – US IG Market	20bps
	US Tech IG	5 bps	Tsy 2y	-50bps
	US IG Market	-5 bps	DXY	-5%
	Gold COMEX 1	3%	Gold COMEX 1	15%

IMPORTANT: These scenarios are completely hypothetical and are designed to depict possible portfolio sensitivity to such events. These scenarios utilize very specific assumptions that are in no way predictions or commentary on the probability of an event occurring. Factor shocks displayed are samples of a larger series of shocks utilized in the scenario. These are provided to add context to the scenario descriptions.

Hypothetical Thematic Scenarios Overview

	Direct War	
Description	• A rapid escalation of hostilities between Iran, Israel, and the U.S. evolves into a multi-front regional war involving direct participation or proxy action by multiple Gulf states and regional non-state actors. The conflict inflicts sustained damage to critical energy infrastructure and leads to the extended effective closure of the Strait of Hormuz, the world's most important oil and LNG transit route.	
Catalysts	• Iranian missile and drone strikes provoke direct military responses from Saudi Arabia, UAE, and Bahrain, expanding the conflict into a multi-month regional war. Involvement from local ethnic groups in Iran and Iraqi Kurds heightens regional tensions. • Naval mines and anti-ship missile deployments render the Strait of Hormuz impassable to commercial shipping. U.S. and allies fail to ensure security. • Coordinated strikes disable key LNG and refinery hubs. • Persistent proxy attacks and uncertainty over an Iranian regime change reduce credible pathway to negotiations.	
Sample Factor Shocks	MSCI Europe	-10%
	MS Emerging Mkts	-15%
	NAMR Aerospace & Defense	10%
	USD 10Y	20 bps
	EUR 10Y	30 bps
	USD INF 1Y	75 bps
	EUR INF 1Y	100 bps
	EM Middle East	100 bps
	US HY	50 bps
	DXY	4%
	Gold	10%
	Brent Crude ICE 1	30%

IMPORTANT: These scenarios are completely hypothetical and are designed to depict possible portfolio sensitivity to such events. These scenarios utilize very specific assumptions that are in no way predictions or commentary on the probability of an event occurring. Factor shocks displayed are samples of a larger series of shocks utilized in the scenario. These are provided to add context to the scenario descriptions.

	Stagflation 1974	
Description	Historical scenario that captures stagflation in the 1970's, based on historical factor returns in the worst stagflation year, 1974.	
Catalysts	Oil price remained elevated after quadrupling at the end of 1973, inflation and unemployment rose, economic growth slowed down and US stock market crashed for the entire year.	
Sample Factor Shocks	S&P 500	-30%
	MSCI World	-29.69%
	VIX	30.15%
	US HY Spreads	275.2 bps
	US IG Spreads	165 bps
	US TSY 10Y	50 bps
	GSCI Index	74.41%

IMPORTANT: These scenarios are completely hypothetical and are designed to depict possible portfolio sensitivity to such events. These scenarios utilize very specific assumptions that are in no way predictions or commentary on the probability of an event occurring. Factor shocks displayed are samples of a larger series of shocks utilized in the scenario. These are provided to add context to the scenario descriptions.

Hypothetical Thematic Scenarios Overview

Analysis as of: 2026-07-13

	Evasion and Diversion		China Retaliation		China Blockade on Taiwan	
Description	• The AI Diffusion replacement framework seeks to deny adversarial nations like China the ability to access and produce AI infrastructure, while increasing trade among allied nations. However, these relaxed restrictions enable China and other U.S. adversaries to obtain advanced AI chips and broader technology through evasion, smuggling, and other means, accelerating their understanding of the AI strategy beyond market expectations.		• The new U.S. approach seeks to deny adversarial nations like China the ability to access – and indigenously make – the highest-end AI chips, while knitting the world around a U.S.-centered AI ecosystem. This approach further accelerates U.S.- China tech decoupling – as the US blocks almost all access to adversarial nations, China imposes outgoing restrictions to hinder US chip manufacturing, while focusing on domestic innovation.		• The approach denies adversarial nations like China the ability to access the highest-end AI chips while increasing flow of U.S. technology to and amongst allies. As an ultimatum to the AI war, China imposes a blockade of Taiwan, forcing it to stop chip exports to the US, causing the largest major supply chain the US semiconductor industry has seen.	
Catalysts	• The complex, tier-based Biden-era AI Diffusion Rule is replaced by a more deals-based, country-specific approach to AI Diffusion –prioritizing the prevision of high-end AI chips to U.S. ally and partner countries while conditioning other' access on removing China from their tech stacks. • Huawei releases latest shipments and increases production of the Ascend 910C chips (likely incorporating US-origin components in their design or manufacturing) in response to growing demand from domestic firms such as SenseTime while also attracting foreign markets and countries such as Malaysia • This leads to a broader hardening of U.S.-China decoupling measures, in tech and beyond, and a further hit to the overall U.S.-China relationship.		• The complex, tier-based Biden-era AI Diffusion Rule is replaced by a more deals based, country-specific approach to AI Diffusion – prioritizing the prevision of high-end AI chips to U.S. ally and partner countries while conditioning other' access on removing China from their tech stacks. • The U.S. brokers a series of successful tech agreements based on frameworks like the 2024 Microsoft-G42 deal, which entailed divestment from Chinese tech companies and removal of Chinese hardware like Huawei telecom equipment from their operations. • Anti-evasion measures of these deals are successful in implementing safeguards preventing advanced AI infrastructure flows to China and other adversaries. • China implements retaliatory restrictions on earth metals and minerals to control outflows to US regarding necessary rare earth minerals within the AI supply chain • U.S.-China decoupling is seen – US actions lead to an increase in Chinese domestic production and self-reliance, the U.S. struggles to maintains its overall compute lead due to significant sectoral supply chain disruptions.		• The complex, tier-based Biden-era AI Diffusion Rule is replaced by a more deals-based, country-specific approach to AI Diffusion – prioritizing the prevision of high-end AI chips to U.S. ally and partner countries while conditioning other' access on removing China from their tech stacks. • Rising tensions between US and China AI race brings Taiwan's political and technological presence to the limelight, as China perceives Taiwan's semiconductor industry as a strategic asset • China imposes a military blockade on Taiwan, effectively seizing Taiwan's chip-manufacturing capacity, and companies such as TSMC experience severe production halts • The US and global chip supply is brought to a standstill, and the US China tech decoupling dramatically increases with significant supply chain disruptions from both ends.	
Sample Factor Shocks	CHNA Electrical Equipment – NAMR Electrical Equipment	10%	CHNA Software and Internet Services	10%	NAMR Aerospace & Defense	25%
	CHNA Semiconductors – NAMR Semiconductors & Equipment	30%	NAMR Alum Div Metals & Mining	10%	NAMR Semiconductors & Equipment	-35%
	US HY Tech Other- US HY Market	50 bps	NAMR Electrical Equipment	-15%	TWSE	-30%
	CNY/USD	2.5%	US HY Tech Hardware – US HY Market	100bps	Rates TSY 5Y	100bps
	GSCI Precious Metals	15%	GSCI Precious Metals	15%	US HY Tech Hardware – US HY Market	150bps
					CNY/USD	5%
					GSCI Precious Metals	-10%

IMPORTANT: These scenarios are completely hypothetical and are designed to depict possible portfolio sensitivity to such events. These scenarios utilize very specific assumptions that are in no way predictions or commentary on the probability of an event occurring. Factor shocks displayed are samples of a larger series of shocks utilized in the scenario. These are provided to add context to the scenario descriptions.

Disclosure

Stress Test Scenarios	Historical Period	Description of Event
Sept 27th – Oct 6th, 2021	Sept 27th – Oct 6th, 2021	September 28, 2021 Treasury Secretary Yellen warned lawmakers that they had just under three weeks to address the looming debt ceiling and that "failing to raise the debt limit would produce widespread economic catastrophe." Following these comments, we saw a 2% selloff in U.S. equity markets, and Treasury Bills maturing in mid-October to mid-November were yielding slightly more than those maturing in December.
Sept 20th – Oct 16th, 2013	Sept 20th – Oct 16th, 2013	In 2013 the U.S. bumped up against its debt limit in mid-May. The Treasury Department was able to use a variety of tools to avoid additional borrowing in the subsequent months, but it estimated that a decision to raise the debt ceiling was required by October 17. As we approached this deadline, and the country edged closer to a potential crisis, Fitch placed the United States' triple-A debt on a 'Rating Watch Negative.'4 The debt ceiling impasse was resolved on October 16 after Congress passed the Continuing Appropriations Act, 2014, which provided additional funding and suspended the debt ceiling until February 2014. Compared to 2011, the 2013 debt crisis exhibited lower levels of equity volatility and more stable mid- to long-term Treasury yields. However, we still saw a similar sharp back-up in short-term Treasury yields near the debt-ceiling deadline
July 21st – Aug 10th, 2011	July 21st – Aug 10th, 2011	In 2011 Congress didn't agree to raise the debt ceiling until two days prior to the August 2 deadline, resulting in large equity market sell-offs. Sharp price declines and increased volatility began in late July, and the debt-ceiling crisis peaked at the beginning of August when Standard & Poor's downgraded the U.S. credit rating, from AAA to AA+, for the first time in history. While short-term Treasury Bill yields backed up significantly, Treasury Bond prices overall rose given their perceived safe-haven status.
2020 Q2 Recovery	Mar 23, 2020 - Jun 8, 2020	Historical scenario in which market movements that occurred from March 23, 2020 to June 8, 2020 are applied to the holdings and benchmarks subject to this report. Applied shocks include a 44.5% shock to the S&P 500, a 43.5% shock to the MSCI World Index, a -35.8% shock to the VIX index, and a -184 bps shock to US Investment Grade Spreads, among other associated market movements from this time period.
Q1 2020 Stock Market Crash	Feb 19, 2020 - Mar 20, 2020	The Feb - March 2020 historical scenario represents the market decline that occurred from 2/19/20 through 3/23/20 as a result of the Coronavirus outbreak and volatility within oil markets. Applied shocks include a -33.9% shock to the S&P 500, a 47.2% shock to the VIX, and a -70 bps shock to the 10YR US Treasury Rate, among other associated market movements from this time period.
2015 Chinese Market Crash	Jun 12, 2015 - Aug 26, 2015	Historical Scenario in which market movements that occurred from 6/12/2015 to 8126/2015 are applied to the holdings and benchmarks subject to this report. Example market movements from this time period: S&P 500 down 7.3%, TSY 10y down 20 bps, and IG Spreads widen 27 bps.
2015 Commodity Crisis	Jun 1, 2014 - Dec 3, 2015	Implied historical scenario in which 70% drop in the crude oil price. which reflects the movement of the index during the Historical Period, and associated market movements based on current covariance matrix, are applied to the holdings and benchmarks subject to this report.
2013 US Fed Tapering	May 21, 2013 - Jun 24, 2013	Historical Scenario in which market movements that occurred from 5/21/2013 to 6/24/2013 are applied to the holding and benchmarks subject to this report. Example market movements from this time period: S&P 500 down 5.8%, TSY 10y down 65 bps, and IG Spreads widen 24 bps.
2011 US Downgrade	Jul 21, 2011 - Sep 20, 2011	Historical Scenario in which market movements that occurred from 7/21/2011 to 9/29/2011 are applied to the holding and benchmarks subject to this report. Example market movements from this time period: S&P 500 down 10.55%, TSY 10y down 120 bps, and IG Spreads widen 46 bps.
2007-2009 Recession	Oct 9, 2007 - Mar 9, 2009	Historical scenario in which market movements that occurred from October 9, 2007 to March 9, 2009 are applied to the holdings and benchmarks subject to this report. Applied shock include -56.6% shock to the S&P 500, a 32.9% shock to the VIX index, a -119 basis point shock to the 10 Year US treasury rate, and a -48.4% shock to Crude Oil, among other associated market movements from this time period.

Disclosure

Stress Test Scenarios	Historical Period	Description of Event
2008 Financial Crisis	Sep 5, 2008 - Mar 6, 2009	Historical Scenario in which market movements that occurred from 9/5/2008 to 3/6/2009 are applied to the holding and benchmarks subject to this report. Example market movements from this time period: S&P 500 down 38.14%, TSY 10y down 82 bps, and IG Spreads widen 107 bps.
2008 Lehman Crisis	Sep 12, 2008 - Nov 3, 2008	Historical Scenario in which market movements that occurred from 9/12/2008 to 11/3/2008 are applied to the holding and benchmarks subject to this report. Example market movements from this time period: S&P 500 down 22.8%, TSY 10y up 87 bps, and IG Spreads widen 270 bps.
September 11th	Sep 10, 2001 - Sep 21, 2001	Historical Scenario in which market movements occurred from 9/10/2001 to 9/21/2001 are applied to the holdings and benchmarks subject to this report. Example market movements form this time period: S&P 500 down 11.6%, TSY 10y down 3bps, and IG Spreads widen 15 bps.
2001 Tech Bubble	Mar 2, 2000 - Nov 8, 2000	Implied historical scenarios in which a 35% drop in the Nasdaq Composite, which reflects the movement of the index during the Historical period, and associated market movements based on current covariance matrix, are applied to the holdings and benchmarks subject to this report.
1998 Russian Debt Crisis	Aug 17, 1998 - Dec 30, 1998	Implied historical scenario in which a 12.8% drop in S&P 500 Index, a 18.1% drop in European Stoxx index and a 70% drop on exchange rate of RUB/USD, which reflects the movement of the index during the Historical Period, and associated market movements based on current covariance matrix, are applied to the holdings and benchmarks subject to this report.
1997 Asian Contagion	Jul 2, 1997 -1999	Implied historical scenario in which a 27.1% drop in S&P 500 Index and a significant drop in 8 corresponding Asian Country Indices, which reflects the movement of the index during the Historical Period, and associated market movements based on the current covariance matrix, are applied to the holdings and benchmarks subject to this report.
1994 Peso Crisis	Dec 15, 1994 - Nov 15, 1995	Implied historical scenario in which a 7% systemic market increase (as measured by the S&P 500), a 52.6% depreciation of the Mexican Peso and a 10.3% increase of the Mexico Volatility, which reflects the movement of the indexes during this historical period. Other idiosyncratic movements may apply. Additional associated market movements are applied based on the current covariance matrix.
1987 US Stock Market Crash	Oct 19, 1987 - Oct 30, 1987	Implied historical scenario in which a 20.5% drop in the S&P 500 and a 22.6% drop in Dow Jones Industrial Average Index, which reflects in the movement of the index during the Historical Period, and associated market movements based on current covariance matrix, are applied to the holdings and benchmarks subject to this report
Stagflation 1974	Jan 1st,1974 - Dec 31st, 1974	Historical scenario in which market movements that occurred From January 1st, 1974 to December 31st, 1974 are applied to the holdings and benchmarks subject to this report. Example market movements from this time period: S&P 500 down 30%, TSY 10y up 50 bps, and Brent Crude up 130%, among other associated market movements from this time period.
Improved/Worsened Investment Grade Corp Credit	N/A	Hypothetical scenario in which applied shock is IG Spreads +/- 20 bps
Expected Inflation Up/Down 200bps	N/A	Hypothetical scenario in which applied shock is 2Y TIPS +/- 200 bps
Improved/Worsened High Yield Corp Credit	N/A	Hypothetical scenario in which applied shock to HY Spreads +/- 35% (Relative)
Global Investment Grade Credit +/- 20bps	N/A	Hypothetical scenario in which applied shock is BBG Gbl Agg 5Y Spread +/- 20 bps

Disclosure

Stress Test Scenarios	Historical Period	Description of Event
Emerging Market Stocks +/- 25%	N/A	Hypothetical scenario in which applied shock is MSCI Emerging Market Index +/- 25%
European Stocks +/- 5%	N/A	Hypothetical scenario in which applied shock is MSCI European Index +/- 15%
Developed Non-US Stocks +/- 20%	N/A	Hypothetical scenario in which applied shock is MSCI EAFE Index +/- 20%
US Banking Sector +/- 35%	N/A	Hypothetical scenario in which applied shock is North America Banking Sector factor +/- 35%
US 3M Treasury Rate +/- 100bps	N/A	This scenario estimates the impact of a 100 bps increase / decrease in the US 3 Month Treasury Rate and associated market movements based on risk factor correlations.
US 2YR Treasury Rate +/- 100bps	N/A	This scenario estimates the impact of a 100 bps increase / decrease in the US 2 Year Treasury Rate and associated market movements based on risk factor correlations.
US 10YR Treasury Rate +/- 100bps	N/A	This scenario estimates the impact of a 100 bps increase / decrease in the US 10 Year Treasury Rate and associated market movements based on risk factor correlations.
US 30YR Treasury Rate +/- 100bps	N/A	This scenario estimates the impact of a 100 bps increase / decrease in the US 30 Year Treasury Rate and associated market movements based on risk factor correlations.
2008 Election (First 100 Days)	Jan 20, 2009 - Apr 30, 2009	Historical scenario in which market movements that occurred from Jan 20, 2009 to Apr 30, 2009 are applied, representing the historical period of the first 100 days of Barack Obama's first term in office and market reactions. Applied shocks include a 8.39% shock to the S&P 500, a -21.04% shock to the VIX, and a 52.77 bps shock to the 10YR US Treasury Rate, among other associated market movements from this time period.
2012 Election (First 100 Days)	Jan 20, 2013- Apr 30, 2013	Historical scenario in which market movements that occurred from Jan 20, 2013 to Apr 30, 2013 are applied, representing the historical period of the first 100 days of Barack Obama's second term in office and market reactions. Applied shocks include a 7.51% shock to the S&P 500, a 1.06% shock to the VIX, and a -16.35 bps shock to the 10YR US Treasury Rate, among other associated market movements from this time period.
2016 Election (First 100 Days)	Jan 20, 2017 - Apr 30, 2017	Historical scenario in which market movements that occurred from Jan 20, 2017 to Apr 30, 2017 are applied, representing the historical period of the first 100 days of Donald Trump's first term in office and market reactions Applied shocks include a 4.97% shock to the S&P 500, a -0.72% shock to the VIX, and a -20.53 bps shock to the 10YR US Treasury Rate, among other associated market movements from this time period.
2020 Election (First 100 Days)	Jan 20, 2021 - Apr 30, 2021	Historical scenario in which market movements that occurred from Jan 20, 2021 to Apr 30, 2021 are applied, representing the historical period of the first 100 days of Joe Biden's term in office and market reactions. Applied shocks include a 8.55% shock to the S&P 500, a -2.97% shock to the VIX, and a 63 bps shock to the 10YR US Treasury Rate, among other associated market movements from this time period.

Important Disclosures

This material was prepared by sales, trading or other non-research personnel of Morgan Stanley Smith Barney LLC (together with its affiliates hereinafter, “Morgan Stanley Wealth Management” or “the firm”). Morgan Stanley Wealth Management was formed pursuant to a Joint Venture between Citigroup Inc. and Morgan Stanley & Co. LLC (“Morgan Stanley & Co.”). This material was not produced by a research analyst of Morgan Stanley & Co., Citigroup Global Markets Inc., (“Citigroup”) or Morgan Stanley Wealth Management, although it may refer to a Morgan Stanley & Co., Citigroup, or Morgan Stanley Wealth Management research analyst or report. Unless otherwise indicated, these views (if any) are the author’s and may differ from those of the aforementioned research departments or others in the firms.

The securities/instruments discussed in this material may not be suitable or appropriate for all investors. The appropriateness of a particular investment or strategy will depend on an investor’s individual circumstances and objectives. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. By submitting this document to you, Morgan Stanley Wealth Management is not advising you to take any particular action based on the information, opinions or views contained in this document. 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. This information is not intended to, and should not, form a primary basis for any investment decision. You should consider this material among other factors in making an investment decision. Unless stated otherwise, the material contained herein has not been based on a consideration of any individual client circumstances and as such should not be considered to be a personal recommendation. This material was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws. Each taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor. The firm is not acting as a fiduciary under either the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or under section 4975 of the Internal Revenue Code of 1986 as amended (“Code”) in providing this material. Morgan Stanley Wealth Management is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

This material was prepared by or in conjunction with Morgan Stanley Wealth Management trading desks that may deal as principal in or own or act as market maker or liquidity provider for the securities/instruments (or related derivatives) mentioned herein and may trade them in ways different from those discussed in this material. Morgan Stanley Wealth Management and its affiliates may act in a principal or agency capacity, and will charge a markup or commission. The trading desk may have accumulated a position in the subject securities/instruments based on the information contained herein. Trading desk materials are not independent of the proprietary interests of the firm, which may conflict with your interests. We may also perform or seek to perform investment banking services for the issuers of the securities/instruments mentioned herein. The author(s) principally responsible for the preparation of this material receive compensation based upon various factors, including quality and accuracy of their work, firm revenues (including trading and capital markets revenues), client feedback and competitive factors. Morgan Stanley Wealth Management is involved in many businesses that may relate to companies, securities or instruments mentioned in this material. These businesses include market making and specialized trading, risk arbitrage and other proprietary trading, fund management, investment services and investment banking.

This material has been prepared for informational purposes only and is not an offer to buy or a solicitation of any offer to sell any security/instrument, or to participate in any trading strategy. Any such offer would be made only after an investor had completed an independent investigation of the securities, instruments or transactions, and received all information required to make their own investment decision, including, where applicable, a review of any prospectus, prospectus supplement, offering circular or memorandum describing such security or instrument. That information would supersede this material and contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein is stale or may change. We make no express or implied representation or warranty with respect to the accuracy or completeness of this material, nor are we obligated to provide updated information on the securities/instruments mentioned herein.

Any securities referred to in this material may not have been registered under the U.S. Securities Act of 1933, as amended, and, if not, may not be offered or sold absent an exemption therefrom. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any security/instrument or otherwise applicable to any transaction.

The value of and income from investments may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, prices of securities/instruments, market indexes, operational or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes only to simplify the presentation and/or calculation of any projections or estimates, and Morgan Stanley Wealth Management does not represent that any such assumptions will reflect actual future events or that all assumptions have been considered or stated. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein.

The trademarks and service marks contained herein are the property of their respective owners. Third-party data providers make no warranties or representations, express or implied, relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data. Unless otherwise specifically indicated, all information in these materials with respect to any third party not affiliated with Morgan Stanley Wealth Management has been provided by, and is the sole responsibility of, such third party and has not been independently verified by Morgan Stanley Wealth Management, its affiliates or any other independent third party. This material may not be sold or redistributed without the prior written consent of Morgan Stanley Wealth Management. This material is not for distribution outside the United States of America.

Terms & Conditions of Use

This performance report has been prepared for your information only and is not a substitute for your official Morgan Stanley Smith Barney LLC account statements. Do not use the information in this report as the sole basis for investment decisions, nor take action relying on this information without confirming its accuracy and completeness. Please carefully review the attached glossary. Past performance is not a guarantee of future results.

Information is approximate: The information in this report is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. If there are discrepancies between your official account statement and this report, rely on your official account statement. Prices shown in your official account statement may differ from the prices shown in this report due to, among other things, different reporting methods, delays, market conditions and interruptions. Also, the figures in this report do not include all relevant costs (e.g., fees, commissions and taxes).
We obtain pricing and other information from various standard quotation services and other sources which we believe to be reliable, but we do not warrant or guarantee the accuracy or completeness of this information. The price that you would actually receive in the market for any investment may be higher or lower than the price shown in this report. The prices of securities and other investments not actively traded may be estimated or may not be available. For example:

- Bonds trading less frequently: We rely on outside pricing services or a computerized trading model, which cannot always give us actual market values.
- Annuities: Data in this report may have been provided by third party insurance carriers. (Not all insurance carriers provide data on annuities for performance calculations. The list of providers that provide data is available on request. Performance calculations are based on annuity values as of December 31, 2006 or later, depending on carrier participation.) This report might not reflect a transaction that posted at the insurance company before this reporting period. Depending on the carrier, annuities transactions may be net of certain fees or expenses.
- Alternative investments: The assets in these investments (and in corresponding benchmark indices) are difficult to value, values may be several weeks or more old, and the index values reflect pricing from multiple sources. Index values may be more up-to-date than the data for the alternative investments shown in this report. This report shows the latest generally available alternative investment and index data as of the date of this report.
- Non-traded Real Estate Investment Trusts (REITs) and certain other investments: These are illiquid and have no public markets.

We are not responsible for any clerical, computational or other errors or omissions. You are responsible for promptly reviewing your report and seeking clarification about entries that you do not understand. If you do not understand an entry in this report, suspect an error, or want more details on current prices or other information, contact your Financial Advisor.

Not tax or other advice: The information in this report (including any gain and loss information) is not investment, legal, tax, accounting or other professional advice. Please contact your tax advisor to determine the appropriate information to be used in preparing your tax return. The gain and loss information in this report is not a substitute 1099 form (or any other tax form) and should not be filed with your taxes. We do not guarantee nor independently verify the accuracy of gain and loss information.

Benchmarks, charts and graphs: Benchmark indices are provided for general reference purposes only. Indices are unmanaged and do not reflect payment of any expenses, fees or sales charges an investor would pay to purchase the securities it represents. Such costs would lower performance. You cannot invest directly in an index. An index's past performance is not a guarantee of future results. Index values for certain types of investments (e.g. alternative investments) are approximate and subject to updating, correction and other changes. Charts and graphs are for illustrative purposes only and are not intended to represent the performance of any Morgan Stanley offering. If your account was incepted prior to 7/2006 and contains the NASDAQ index, please note that price returns are being used from inception to 7/2006 and total returns are used from 7/2006 to present.

Use of report: This report is for your own private, non-commercial use only. You agree not to reproduce, modify, sell or distribute any information in it. Information in this report provided by Morgan Stanley Smith Barney LLC and its affiliates or third party information providers is owned by these parties. Trademarks and service marks are the property of their owners. This information and these marks are protected by intellectual property laws. All rights are reserved. Asset classifications and performance calculation methodologies can differ among the various supplemental performance reports available through us. For example, some reports calculate Time Weighted performance using a weighted or Modified Dietz approach while others use a daily approach. In addition, some reports may display Dollar Weighted Returns. These differences can generate meaningful dispersions in the performance numbers displayed on different reports.

Liability and indemnification: You agree not to hold Morgan Stanley Smith Barney LLC and its affiliates or third party information providers liable for any investment decision you make based on information in this report. You also agree to indemnify Morgan Stanley Smith Barney LLC and its affiliates and hold Morgan Stanley Smith Barney LLC and its affiliates harmless from and against any and all actions, claims, demands, losses or expenses whatsoever (including attorneys' fees and costs) resulting directly or indirectly from any breaches or violations by you of the terms and conditions on this page.

Other: This report does not contain information on DVP or margin rollup accounts carried by Morgan Stanley Smith Barney LLC. Also, all accounts with a mid-month daily fair market value at the total or asset class level below $500 will have performance defaulted to 0% until month end. Please reference this account again when the account or asset class is above $500 or at month end.

Glossary of Terms

Accrued Income: The dividends and interest earned but not yet received at both the beginning and end of each reporting period.

Advisory Account: An investment advisory relationship is designed for clients who prefer that their Financial Advisor act as an investment consultant, with their assets invested in a mutual fund asset allocation program or in a Advisory account that is directed by a professional money manager either at Morgan Stanley or at an external money management firm. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at http://www.morganstanley.com/ourcommitment

Annualized Standard Deviation: A measure of volatility, it quantifies how much a series of numbers, such as portfolio returns, deviates around its average. Since it measures the portfolio's investment volatility, the account's gross rate of return is used.

Brokerage Account: In a brokerage relationship, your Financial Advisor will work with you to facilitate the execution of securities transactions on your behalf. Your Financial Advisor also provides investor education and professional, personalized information about financial products and services in connection with these brokerage services. You can choose how you want to pay for these services and you will receive the same services regardless of which pricing option you choose. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts. Additional information about these differences is available at http://www.morganstanley.com/ourcommitment

Comparative Indices: A complete description of the comparative indices included in this Performance Report is available upon request.

Dollar-Weighted Return: Rate of return calculation methodology that reflects both the timing and magnitude of external contributions and withdrawals and measures the portfolio's performance. The return for each month is calculated as the average return on all dollars invested.

Gross Return: The return of the portfolio before the deduction of fees/commissions and other expenses.

Net Contributions/Withdrawals: The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

Net Invested Capital: The sum of the Total Beginning Value and the net of additional capital Contributions and Withdrawals for each reporting period.

Net Portfolio Appreciation: The total dollar gain/loss of the portfolio for each reporting period. The Net Portfolio Appreciation includes the impact of income received and is calculated as the difference between Net Invested Capital and Total Ending Value.

Net Return: The return of the portfolio for the period reduced by the amount of fees/commissions paid. The net of fees return is calculated gross of certain custody fees.

Time-Weighted Return: Rate of return calculation methodology that eliminates the impact of external contributions and withdrawals to the portfolio value and measures the manager's performance. Portfolio returns are calculated at least monthly and individual monthly returns are geometrically linked to calculate total cumulative return.

Total Beginning Value: The total market value of the portfolio, valued on a trade date basis, at the beginning of each reporting period. The Total Beginning Value includes Accrued Income.

Total Ending Value: The total market value of the portfolio, valued on a trade date basis, at the end of each reporting period. The Total Ending Value includes Accrued Income.

Weighted Average: The average in which each yield to be averaged is assigned a weight. These weightings determine the relative importance or frequency of each yield on the average.

This report is not an official account statement. The information in this report is not complete without the required disclaimer and glossary, which you should read carefully