South Central Connecticut Regional Water Authority
Via Remote Access**

AGENDA

Regular Meeting of Thursday, July 28, 2022 at 12:30 p.m.

A. Safety Moment

B. Meet as Pension & Benefit Committee: S. Sack

1. Approve Minutes – April 28, 2022 meeting
2. Quarterly Performance Investment Review: S. Kelliher, J. McLaughlin and A. Kantapin
3. 401K Annual Update: S. Kelliher, J. McLaughlin and A. Kantapin
4. Environmental, Social & Governance Portfolio Discussion – S. Kelliher, J. McLaughlin, and A. Kantapin

C. Consent Agenda

1. Approve Minutes – June 23, 2022 meeting
2. Capital Budget Authorization - August 2022
3. Capital Budget Transfer Notifications (no action required) – August 2022
4. Monthly Financial Report – June 2022
5. Accounts Receivable Update – June 2022
6. Bid Exemption – Water Filtration Device and Filter Cartridges
7. Resolution Regarding Administrative Change to Prior Authorizations
8. Derby Tank Update

D. Reports on RPB Committee Meetings

E. Business Updates: L. Bingaman

1. COVID Update: D. Verdisco
2. Monthly Business Highlights: L. Bingaman

F. Meet as Compensation Committee: A. DiSalvo

1. Approve Minutes – January 27, 2022 meeting
2. FY 2023 Work Plan
3. *CEO FY 2022 Strategic Priorities' Accomplishments – Including Executive Session
4. CEO FY 2023 Strategic Priorities – Including Executive Session
5. CEO and Officers Performance Reviews – Including Executive Session
6. CEO and Officers Compensation – Including Executive Session

G. Act on matters arising from Committee meetings

**RPB Member (N. Campbell) is excused at Item F.3*

** Members of the public may attend the meeting via remote access. For information on attending the meeting and to view meeting documents, please visit https://tinyurl.com/bvaurs6j. . For questions, contact the board office at jslubowski@rwater.com or call 203-401-2515.

PENSION AND BENEFIT COMMITTEE OF THE

South Central Connecticut Regional Water Authority

Regular Meeting

Thursday, July 28, 2022 at 12:00 p.m.

Call in *(audio only)*

+1 469-965-2517,,615847361#   United States, Dallas

Phone Conference ID: 615 847 361#

For questions, contact the board office at 203-401-2515 or by email at jslubowski@rwater.com

UNAPPROVED DRAFT

South Central Connecticut Regional Water Authority
Pension & Benefit Committee
Minutes of the April 28, 2022 Meeting

The regular meeting of the South Central Connecticut Regional Water Authority ("RWA") Pension & Benefit Committee took place on Thursday, April 28, 2022, at 90 Sargent Drive, New Haven, Connecticut and via remote access. Chairman Sack presided.

Present: Committee – Mss. Sack and LaMarr, and Messrs. Borowy and Curseaden
Management – Mss. Kowalski and Verdisco, and Messrs. Bingaman, Courchaine, Donovan, Lakshminarayanan, and Singh
RPB – Mr. Slocum
Angell Pension Group, Inc. – Messrs. Bauer, Krayter, and Liter
Morgan Stanley – Messrs. Kelliher, McLaughlin, Kantapin and Ms. Schlessel
Staff – Mrs. Slubowski

The Chair called the meeting to order at 12:31 p.m.

On motion made by Ms. LaMarr, seconded by Mr. Curseaden, and unanimously carried, the Committee approved the minutes of its January 21, 2022meeting.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Messrs. Bauer and Liter, of Angell Pension Group, Inc., the RWA's Pension actuary, presented summaries of the January 2022 valuation reports, assumptions, and contributions that will be used for FY 2023.

After discussion, Mr. Bauer reported that the pension plans are in good shape and on track to reach the fully funded target by the end of FY 2025.

After discussion, the Committee voted to recommend the following resolutions to the Authority for approval, as discussed with the Actuary:

Mr. Borowy moved for approval to recommend the following to the Authority:

- An increase of $1,133,903 as a combined contribution to the pension plans during fiscal year 2022.

Ms. LaMarr seconded the motion. The Chair called for the vote:

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Mr. Curseaden moved for approval to recommend the following to the Authority:

- a contribution of $2,264,867 to the South Central Connecticut Regional Water Authority's Salaried Employees' Retirement Plan, effective for the actuarial valuation of January 1, 2022; and
- that the South Central Connecticut Regional Water Authority's Salaried Employees' Retirement Plan be changed from the PubG-2010 Above Median Employee and Annuitant with

Scale MP-2020 generational improvements (M/F) to the PubG-2010 Above Median Employee and Annuitant with Scale MP-2021 generational improvements (M/F), effective for the actuarial valuation of January 1, 2022; and

- a contribution of $912,974 to the South Central Connecticut Regional Water Authority's Union Employees' Retirement Plan, effective for the actuarial valuation of January 1, 2022; and
- that the South Central Connecticut Regional Water Authority's Union Employees' Retirement Plan be changed from the PubG-2010 Total Employee and Annuitant with Scale MP-2020 generational improvements (M/F) to the PubG-2010 Total Employee and Annuitant with Scale MP-2021 generational improvements (M/F), effective for the actuarial valuation of January 1, 2022; and

Ms. LaMarr seconded the motion. The Chair called for the vote:

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

Ms. LaMarr moved for approval to recommend the following to the Authority:

- a contribution of $1,737,894 to the South Central Connecticut Regional Water Authority's Retired Employees' Contributory Welfare Trust, effective for the actuarial valuation of January 1, 2022; and
- the South Central Connecticut Regional Water Authority's Retired Employees' Contributory Welfare Trust be changed from the PubG.H.-2010 Employee, Healthy Annuitant, and Contingent Survivor with Scale MP-2020 generational improvements (M/F) to the PubG.H.-2010 Employee, Healthy Annuitant, and Contingent Survivor with Scale MP-2021 generational improvements (M/F), effective as of the actuarial valuation of January 1, 2022; and

Mr. Curseaden seconded the motion. The Chair called for the vote:

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

At 1:15 p.m., Mr. Liter withdrew from the meeting.

Mr. Kelliher and Ms. Schlessel of Morgan Stanley, RWA's Pension Investment Advisor, held a discussion on Environmental, Social and Governance portfolio (ES&G) impacts, Morgan Stanley's impact quotient, and other ES&G portfolio considerations, which included:

- Portfolio Impact Summary
- Selected Impact Objectives
- Individual Fixed Income Securities
- Issues of Concern
- Next Steps

At 1:45 p.m., Ms. Schlessel withdrew from the meeting.

Mr. Kelliher reported on the Authority's Quarterly Pension Investment Performance for its salaried plan, union plan, and RWA's Voluntary Employees Beneficiary Association Plan (VEBA), for the period ended March 31, 2022, which included:

- Market Commentary
- Equity Values & Returns
- S&P 500
- Yield Curve
- Asset Allocations
- Benchmarks
- Investment Results

Mr. Kelliher also reported that there are no changes to the cost containment for RWA's asset management. Due to time constraints, a detailed discussion will take place at the committee's next meeting in July.

The Committee reviewed its FY 2023 Work Plan. The ES&G topic will be revisited at the July or October committee meeting.

At 2:47 p.m., on motion made by Mr. Borowy, seconded by Mr. Curseaden, and unanimously carried, the meeting adjourned.

Borowy	Aye
Curseaden	Aye
DiSalvo	Absent
LaMarr	Aye
Sack	Aye

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Suzanne Sack, Chairperson

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

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Regional Water Authority
Tapping the Possibilities

South Central CT
Regional Water Authority
Defined Benefit & VEBA Plans

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EXPERIENCE THAT MAKES A DIFFERENCE KELLIHERCORBETTGROUP.COM JULY 28, 2022

Discussion Outline & Agenda

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Market Commentary

S&P 500 Index at inflection points

S&P 500 Price Index

Characteristic	3/24/2000	10/9/2007	2/19/2020	1/3/2022	6/30/2022
Index Level	1,527	1,565	3,386	4,797	3,785
P/E Ratio (fwd.)	25.2x	15.1x	19.2x	21.4x	15.9x
Dividend Yield	1.4%	1.9%	1.9%	1.3%	1.8%
10-yr. Treasury	6.2%	4.7%	1.6%	1.6%	3.0%

Source: Compustat, FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.
Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. Forward price-to-earnings ratio is a bottom-up calculation based on IBES estimates and FactSet estimates since January 2022. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns.
Guide to the Markets – U.S. Data are as of June 30, 2022.

J.P.Morgan
ASSET MANAGEMENT

S&P 500: Index concentration, valuations and earnings

P/E ratio of the top 10 and remaining stocks in the S&P 500
Next 12 months

	Current	Average	% of avg.
Top 10	23.6x	20.0x	118%
Remaining stocks	13.9x	15.7x	89%
S&P 500	15.9x	16.4x	97%

Weight of the top 10 stocks in the S&P 500
% of market capitalization of the S&P 500

Earnings contribution of the top 10 in the S&P 500
Based on last 12 months' earnings

Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
The top 10 S&P 500 companies are based on the 10 largest index constituents at the beginning of each month. As of 5/30/2022, the top 10 companies in the index were AAPL (6.6%), MSFT (6.0%), AMZN (2.9%), TSLA (1.8%), GOOGL (2.1%), GOOG (1.9%), BRK.B (1.6%), UNH (1.5%), JNJ (1.5%), NVDA (1.2%) and META (1.2%). The weight of each of these companies is revised monthly. The remaining stocks represent the rest of the 494 companies in the S&P 500.
Guide to the Markets – U.S. Data are as of June 30, 2022.

J.P.Morgan
ASSET MANAGEMENT

Worst US 60/40* Year-To-Date Returns Through June

2022: -16.1%	• Restrictive Federal Reserve, persistent inflation, Covid case spikes in China, global supply chain disruptions, Russia/Ukraine war
2008: -6.7%	• The Financial Crisis, caused by a collapse in the housing market. From peak to trough, US GDP fell by 4.3%, making this the deepest recession since WW2
2002: -6.5%	• Part of a correction that began in 2000 after a decade-long bull market had led to unusually high stock valuations
1984: -3.6%	• Interest rates increased due to fear inflation would ramp back up. Long-term treasury bonds were yielding 14%. The Federal deficit also weighed on stocks
1994: -3.6%	• The Fed begins hiking cycle, Leading to the "Great Bond Massacre", which has been described as "the worst financial event for bond investors since 1927"
2001: -2.4%	• The "Dot Com" Crash, caused by excess speculation of tech companies
1982: -0.6%	• Bear market of 1982, more commonly known as "Volker's Bear". Stocks bottomed in February after Volker raised rates to almost 20%
2010: -1.8%	• 2010 "Flash Crash". Federal Reserve announces "QE2" or Quantitative Easing two based on the unusually uncertain outlook for the economy
1981: -0.5%	• Tight monetary policy to fight mounting inflation worries. Fed funds rate reaches highest level at over 19%
2005: 0.5%	• Markets sideways most of year as concerns that the economy was weakening due to a slowing housing market and the federal funds rate on the rise.

*60/40 = 60% S&P 500/40% Barclays U.S. Aggregate Bond Index (total returns). Barclays U.S. Aggregate Bond Index was incepted on 1/1/1976.

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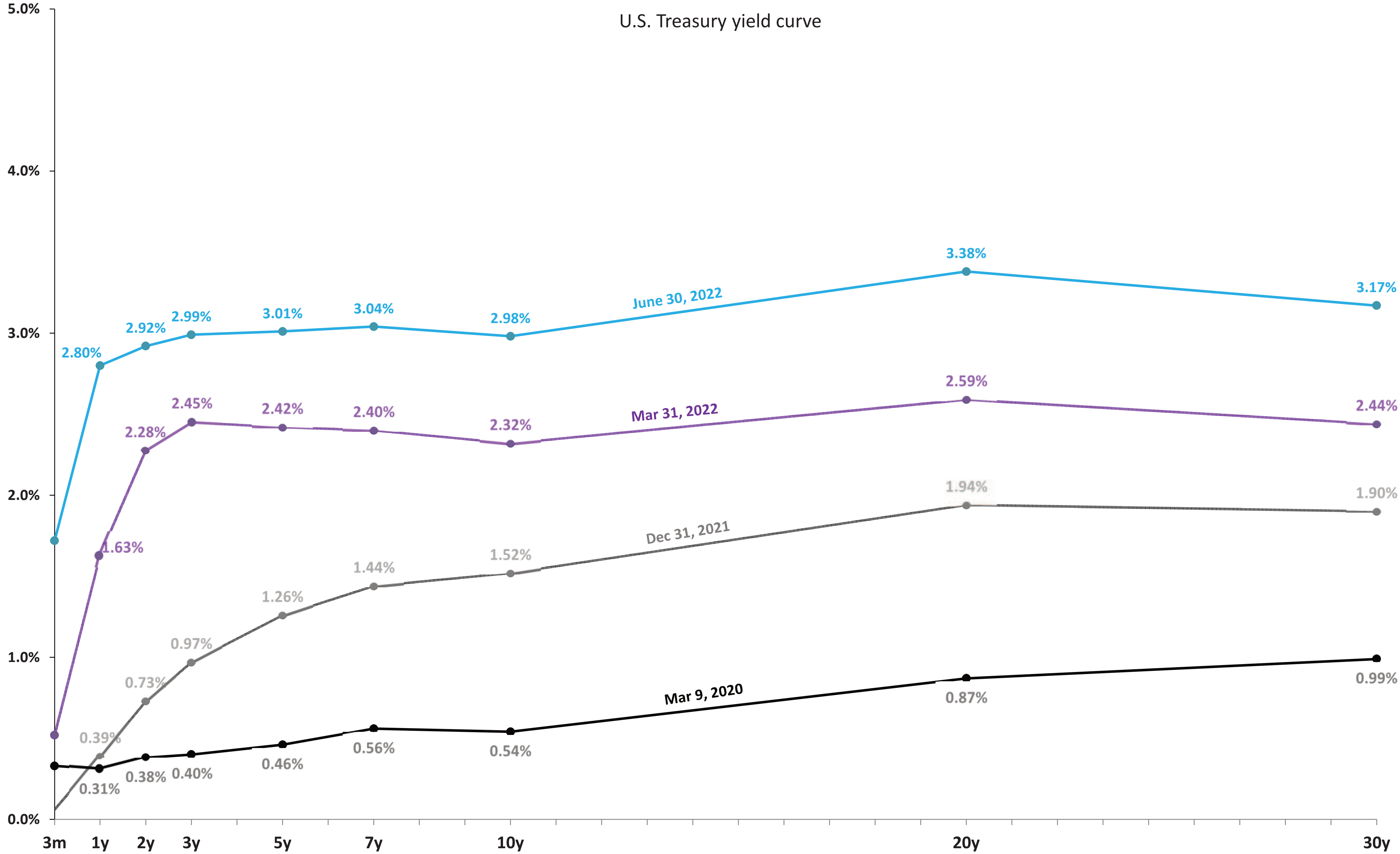
Yield Curve over time

U.S. Treasury yield curve



Source: Federal Reserve. Data as of June 30, 2022

Current Indicators: Equity Valuation

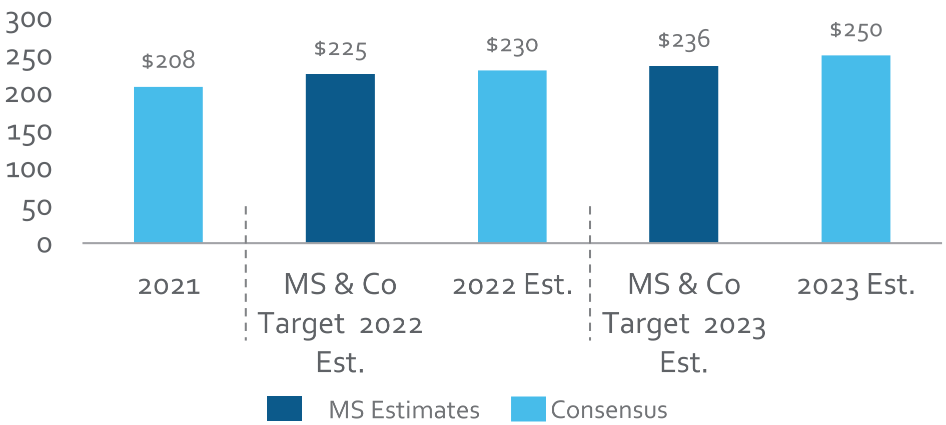
Morgan Stanley & Co. 12M Forward S&P 500 Target

As of July 1, 2022

EPS Landscape	MS & Co Target 2023 EPS Est.	Multiple	Price Target	Upside / (Downside)
Bull Case	$245	17.90	4,450	16.3%
Base Case	$236	16.50	3,900	2.0%
Bear Case	$195	15.90	3,350	(12.4%)
Current S&P 500 Price			3,825	

Morgan Stanley & Co. and Consensus S&P 500 Earnings Estimates

As of July 1, 2022



S&P 500 Current and Historical Valuation

As of July 1, 2022

	Jul 1, 2022	Tech Bubble	Financial Crisis	20-Year Average	Current Relative to Average
S&P 500 Trailing P/E	19.2	28.9	12.1	18.8	1.02
S&P 500 Forward P/E	16.8	26.6	11.2	15.3	1.10
Technology	20.4	53.6	13.1	22.3	0.91
Consumer Discretionary	23.5	22.7	33.0	19.9	1.18
Communication Services	14.8	31.5	11.3	17.1	0.87
Industrials	17.5	20.5	8.5	17.4	1.00
Real Estate	35.8	-	-	-	-
Financials	12.4	12.5	9.6	14.5	0.85
Consumer Staples	21.2	16.0	11.7	17.4	1.22
Energy	8.0	20.3	11.6	20.6	-
Utilities	20.9	13.3	9.8	14.9	1.40
Materials	12.3	12.3	14.2	17.8	0.69
Health Care	15.8	24.2	9.3	17.8	0.89

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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.

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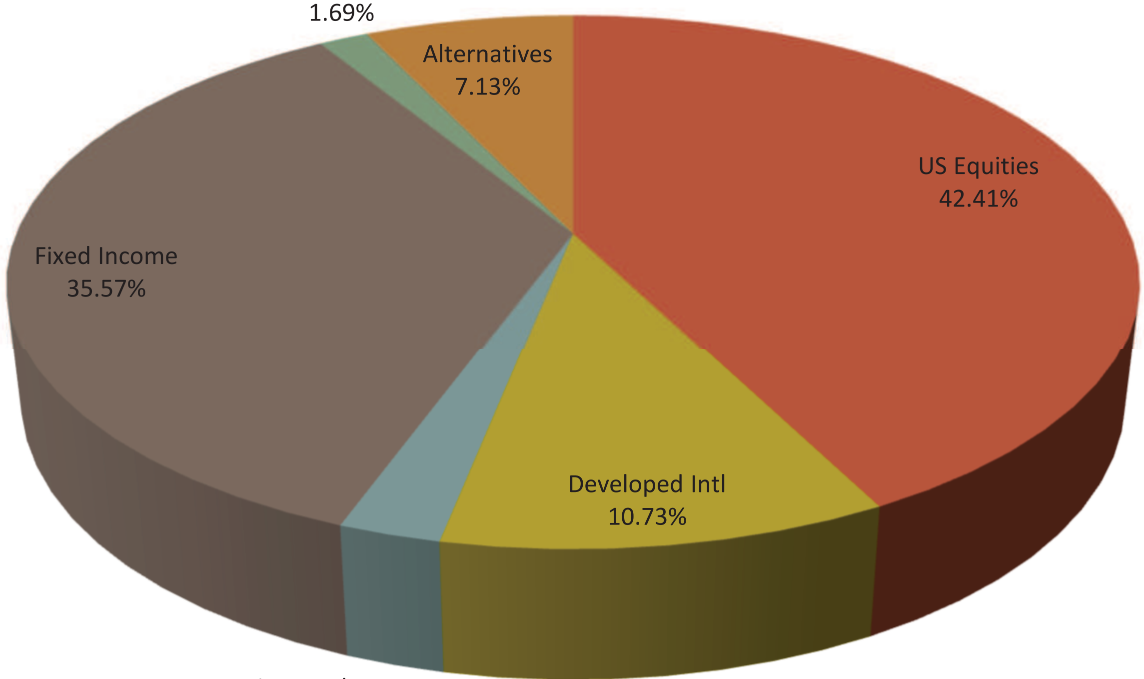
Asset Allocation & Investment Matrices

SCCT Regional Water Authority - Salary & Union Plans

Current Allocation

Portfolio Value: $63,189,971



Total Equity

55.61%

% of Total Equity		
US Equity	=	76.27%
Intl Equity	=	23.73%
% of Intl Equity		
Developed Intl	=	81.29%
Emerging Markets	=	18.71%
Overall Equity Style Analysis*		
Value	=	21.06%
Core	=	48.36%
Growth	=	30.58%
US Equity Style Analysis*		
Value	=	23.18%
Core	=	47.90%
Growth	=	28.92%

Assets as of 6/30/2022

Asset Allocation does not assure a profit or protect against loss in declining financial markets
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advisors with respect to any tax questions."
*Equity Style Analysis provided by Morningstar "Asset Scan"

SCCT Regional Water Authority - Salary & Union Plans
Asset Allocation Matrix Summary
As of 6/30/2022

Benchmark vs Actual

	Benchmark	Actual	+/-
Russell 3000	42.00%	42.29%	0.29%
MSCI ACWI ex US	15.00%	12.91%	-2.09%
BBgBarc US Aggregate	31.00%	36.93%	5.93%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	6.11%	1.11%
Global Real Estate	2.00%	1.04%	-0.96%
Cash & Equivalents/T-Bills	2.00%	0.72%	-1.28%
Total	100.00%	100.00%	0.00%

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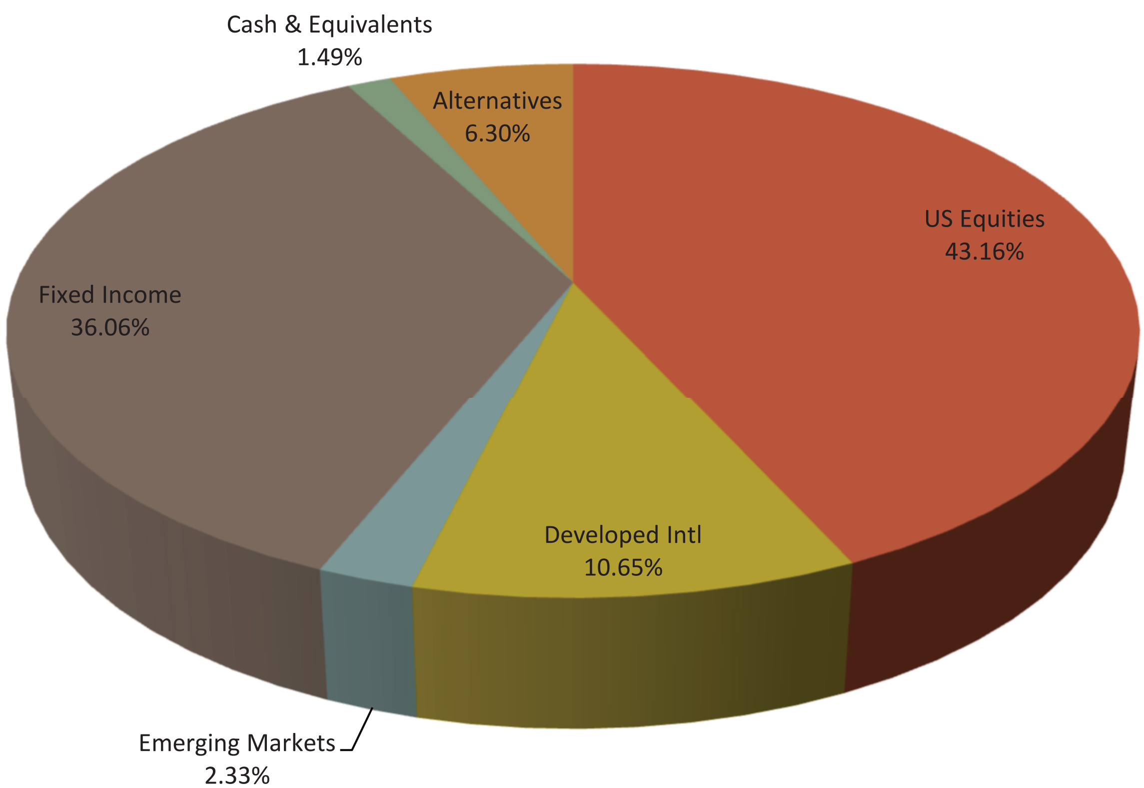
SCCT Regional Water Authority - VEBA Plan

Current Allocation

Portfolio Value: $8,321,614



Total Equity

56.14%

% of Total Equity		
US Equity	=	76.87%
Intl Equity	=	23.13%
% of Intl Equity		
Developed Intl	=	82.02%
Emerging Markets	=	17.98%
Overall Equity Style Analysis*		
Value	=	20.94%
Core	=	48.45%
Growth	=	30.61%
US Equity Style Analysis*		
Value	=	23.09%
Core	=	48.12%
Growth	=	28.79%

Assets as of 6/30/2022

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*Equity Style Analysis provided by Morningstar "Asset Scan"

SCCT Regional Water Authority - VEBA Plan
Asset Allocation Matrix Summary
As of 6/30/2022

Benchmark vs Actual

	Benchmark	Actual	+/-
Russell 3000	42.00%	43.04%	1.04%
MSCI ACWI ex US	15.00%	12.69%	-2.31%
Bloomberg US Aggregate	31.00%	37.03%	6.03%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	5.44%	0.44%
Global Real Estate	2.00%	0.88%	-1.12%
Cash & Equivalents/T-Bills	2.00%	0.92%	-1.08%
Total	100.00%	100.00%	0.00%

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Regional Water Authority
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Investment Results

SCCT Regional Water Authority
Second Quarter Investment Results
March 31, 2022 - June 30, 2022

Account Number	Account Type	Beg. Asset Value 31-Mar-2022	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$43,268,495	$425,945	$48,599	$43,743,040	$39,469,859	($4,273,181)	-9.81%	-9.73%
447-xxx451	Union	$26,488,968	($187,617)	$32,941	$26,334,292	$23,720,112	($2,614,180)	-9.88%	-9.79%
447-xxx456	VEBA	$9,265,208	$0	$0	$9,265,208	$8,321,614	($943,595)	-10.18%	-10.10%
447-xxx626*	Skybridge (Salaried)	$34,475	$0	($34,478)	($3)	$0	$3	0.00%	0.00%
447-xxx627*	Skybridge (Union)	$23,136	$0	($23,137)	($2)	$1	$2	0.00%	0.00%
axx15a	Matrix Trust (Salaried)	($135,504)	$236,410	$0	$100,906	$100,906	$0	-	-
axx15b	Matrix Trust (Union)	($72,547)	$114,388	$0	$41,842	$41,842	$0	-	-
axx16	Matrix Trust(VEBA)	$126,499	$357,321	($23,925)	$459,895	$459,895	$0	-	-
Consolidated		$78,998,731	$946,448	$0	$79,945,178	$72,114,228	($7,830,950)	-9.87%	-9.79%

March 31, 2022 - June 30, 2022

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75% x (3/12)	1.69%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00% x (3/12)	1.75%
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	-10.38%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-11.93%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-12.54%
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	-9.56%
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	-10.92%
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	-11.48%

Russell 3000	-17.96%
S&P 500	-17.41%
S&P 500 Equal Weight	-15.55%
Russell 1000 Value	-13.52%
Russell 1000	-17.96%
Russell 1000 Growth	-22.19%
Russell 2000	-18.02%
MSCI All Country World ex. US	-14.53%
MSCI EAFE	-15.37%
MSCI EM	-12.03%
Bloomberg Aggregate	-4.63%
Bloomberg Govt/Credit Intermediate	-2.35%
Bloomberg US Corp Bond	-7.16%
HFRI Fund of Funds Index	-4.15%
DJ Global World Real Estate	-15.56%
Morningstar Real Asset	-9.75%
FTSE WGBI Index	-8.55%
30 Day T-Bill	0.11%

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

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SCCT Regional Water Authority
Year to Date Investment Results
December 31, 2021 - June 30, 2022

Account Number	Account Type	Beg. Asset Value 31-Dec-2021	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$46,007,698	$425,945	($456,584)	$45,977,059	$39,469,859	($6,507,200)	-14.23%	-14.07%
447-xxx451	Union	$28,054,594	($187,617)	($173,384)	$27,693,592	$23,720,112	($3,973,480)	-14.27%	-14.12%
447-xxx456	VEBA	$9,761,507	$0	$0	$9,761,507	$8,321,614	($1,439,893)	-14.75%	-14.60%
447-xxx626*	Skybridge (Salaried)	$34,474	$0	($34,478)	($4)	$0	$4	0.00%	0.00%
447-xxx627*	Skybridge (Union)	$23,135	$0	($23,137)	($2)	$1	$3	0.00%	0.00%
axx15a	Matrix Trust (Salaried)	$245	($445,539)	$546,200	$100,906	$100,906	$0	-	-
axx15b	Matrix Trust (Union)	$55	($193,214)	$235,000	$41,842	$41,842	$0	-	-
axx16	Matrix Trust(VEBA)	$125,243	$428,268	($93,616)	$459,895	$459,895	$0	-	-
Consolidated		$84,006,953	$27,843	$0	$84,034,796	$72,114,228	($11,920,567)	-14.30%	-14.14%

December 31, 2021 - June 30, 2022

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75% x (6/12)	3.38%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00% x (6/12)	3.50%
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	-14.63%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-16.00%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-16.17%
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	-13.13%
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	-14.15%
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	-14.22%
Russell 3000	-21.10%
S&P 500	-19.96%
S&P 500 Equal Weight	-16.68%
Russell 1000 Value	-12.86%
Russell 1000	-20.94%
Russell 1000 Growth	-28.07%
Russell 2000	-23.43%
MSCI All Country World ex. US	-18.42%
MSCI EAFE	-19.57%
MSCI EM	-17.63%
Bloomberg Aggregate	-10.35%
Bloomberg Govt/Credit Intermediate	-6.77%
Bloomberg US Corp Bond	-14.39%
HFRI Fund of Funds Index	-6.79%
DJ Global World Real Estate	-19.37%
Morningstar Real Asset	-8.09%
FTSE WGBI Index	-14.79%
30 Day T-Bill	0.12%

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

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SCCT Regional Water Authority
July 2022 Month to Date Investment Results
June 30, 2022 - July 20, 2022

Account Number	Account Type	Beg. Asset Value 30-Jun-2022	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 20-Jul-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$39,469,859	$0	$14,558	$39,484,417	$40,181,890	$697,473	1.77%	1.80%
447-xxx451	Union	$23,720,112	$0	$10,037	$23,730,149	$24,150,253	$420,104	1.77%	1.80%
447-xxx456	VEBA	$8,321,614	$0	$0	$8,321,614	$8,468,037	$146,423	1.76%	1.79%
447-xxx626*	Skybridge (Salaried)	$0	$0	$0	$0	$0	$0	0.00%	0.00%
447-xxx627*	Skybridge (Union)	$1	$0	$0	$1	$1	$0	0.00%	0.00%
axx15a	Matrix Trust (Salaried)	$100,906	$153,292	$0	$254,198	$254,198	$0	-	-
axx15b	Matrix Trust (Union)	$41,842	$21,875	$0	$63,717	$63,717	$0	-	-
axx16	Matrix Trust(VEBA)	$459,895	$42,279	($24,595)	$477,579	$477,579	$0	-	-
Consolidated		$72,114,228	$217,445	$0	$72,331,674	$73,595,675	$1,264,001	1.77%	1.80%

June 30, 2022 - July 20, 2022

Actuarial Assumed Rate of Return	
Actuarial Assumed Rate of Return (Current): 6.75% x (20/365)	0.37%
Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00% x (20/365)	0.38%
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	1.44%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	1.77%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	1.63%
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	1.31%
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	1.60%
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	1.45%

Russell 3000	4.11%
S&P 500	3.78%
S&P 500 Equal Weight	3.71%
Russell 1000 Value	2.53%
Russell 1000	3.97%
Russell 1000 Growth	5.41%
Russell 2000	6.37%
MSCI All Country World ex. US	-0.52%
MSCI EAFE	0.30%
MSCI EM	-2.25%
Bloomberg Aggregate	0.61%
Bloomberg Govt/Credit Intermediate	0.18%
Bloomberg US Corp Bond	1.13%
HFRI Fund of Funds Index**	-1.40%
DJ Global World Real Estate	0.39%
Morningstar Real Asset	0.56%
FTSE WGBI Index	-0.34%
30 Day T-Bill	0.06%

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

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**HFRI Fund of Funds Index as of 6/30/2022

SCCT Regional Water Authority
Fiscal Year Investment Results
May 31, 2021 - May 31, 2022

Account Number	Account Type	Beg. Asset Value 31-May-2021	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-May-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$43,071,370	$425,945	$486,585	$43,983,899	$41,653,250	($2,330,650)	-5.32%	-4.98%
447-xxx451	Union	$26,647,073	($187,617)	$5,393	$26,464,849	$25,056,535	($1,408,314)	-5.24%	-4.90%
447-xxx456	VEBA	$8,932,536	$0	$400,000	$9,332,536	$8,798,758	($533,778)	-5.70%	-5.37%
447-xxx626*	Skybridge (Salaried)	$671,666	$0	($704,240)	($32,574)	$0	$32,574	4.86%	4.86%
447-xxx627*	Skybridge (Union)	$450,994	$0	($472,852)	($21,859)	$1	$21,859	4.86%	4.86%
axx15a	Matrix Trust (Salaried)	$919,536	($844,358)	$374,828	$450,006	$450,006	$0	-	-
axx15b	Matrix Trust (Union)	$92,656	($437,072)	$580,000	$235,584	$235,584	$0	-	-
axx16	Matrix Trust(VEBA)	$585,408	$381,902	($669,714)	$297,597	$297,597	$0	-	-
Consolidated		$81,371,240	($661,200)	$0	$80,710,040	$76,491,731	($4,218,309)	-5.33%	-4.99%

May 31, 2021 - May 31, 2022

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	-6.79%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-6.69%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-6.07%

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	-5.48%
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	-5.07%
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	-4.38%

Russell 3000	-3.68%
S&P 500	-0.30%
S&P 500 Equal Weight	0.16%
Russell 1000 Value	0.93%
Russell 1000	-2.70%
Russell 1000 Growth	-6.24%
Russell 2000	-16.88%
MSCI All Country World ex. US	-12.29%
MSCI EAFE	-10.64%
MSCI EM	-18.86%
Bloomberg Aggregate	-8.21%
Bloomberg Govt/Credit Intermediate	-6.15%
Bloomberg US Corp Bond	-10.26%
HFRI Fund of Funds Index	-3.67%
DJ Global World Real Estate	-6.49%
Morningstar Real Asset	5.08%
FTSE WGBI Index	-14.72%
30 Day T-Bill	0.09%

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

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SCCT Regional Water Authority
Trailing Twelve Month Investment Results
June 30, 2021 - June 30, 2022

Account Number	Account Type	Beg. Asset Value 30-Jun-2021	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$43,707,129	$425,945	$157,623	$44,290,697	$39,469,859	($4,820,838)	-10.91%	-10.60%
447-xxx451	Union	$26,844,708	($187,617)	($4,198)	$26,652,893	$23,720,112	($2,932,781)	-10.92%	-10.60%
447-xxx456	VEBA	$9,398,772	$0	$0	$9,398,772	$8,321,614	($1,077,158)	-11.46%	-11.14%
447-xxx626*	Skybridge (Salaried)	$669,790	$0	($704,240)	($34,450)	$0	$34,450	5.15%	5.15%
447-xxx627*	Skybridge (Union)	$449,734	$0	($472,852)	($23,118)	$1	$23,118	5.15%	5.15%
axx15a	Matrix Trust (Salaried)	$256,634	($846,927)	$691,200	$100,906	$100,906	$0	-	-
axx15b	Matrix Trust (Union)	($65,525)	($472,633)	$580,000	$41,842	$41,842	$0	-	-
axx16	Matrix Trust(VEBA)	$92,091	$615,337	($247,533)	$459,895	$459,895	$0	-	-
Consolidated		$81,353,332	($465,895)	$0	$80,887,437	$72,114,228	($8,773,208)	-10.96%	-10.64%

June 30, 2021 - June 30, 2022

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	-12.19%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	-12.99%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	-12.75%

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	-10.66%
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	-11.11%
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	-10.77%

Russell 3000	-13.87%
S&P 500	-10.62%
S&P 500 Equal Weight	-9.38%
Russell 1000 Value	-6.82%
Russell 1000	-13.04%
Russell 1000 Growth	-18.77%
Russell 2000	-25.20%
MSCI All Country World ex. US	-19.42%
MSCI EAFE	-17.77%
MSCI EM	-25.28%
Bloomberg Aggregate	-10.29%
Bloomberg Govt/Credit Intermediate	-7.28%
Bloomberg US Corp Bond	-14.19%
HFRI Fund of Funds Index	-5.71%
DJ Global World Real Estate	-14.02%
Morningstar Real Asset	-2.26%
FTSE WGBI Index	-16.77%
30 Day T-Bill	0.15%

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

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SCCT Regional Water Authority
Trailing Three Year Investment Results
June 30, 2019 - June 30, 2022

Account Number	Account Type	Beg. Asset Value 30-Jun-2019	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$35,009,049	$425,945	($104,765)	$35,330,229	$39,469,859	$4,139,629	3.84%	4.22%
447-xxx451	Union	$21,922,409	($187,617)	($633,798)	$21,100,994	$23,720,112	$2,619,118	3.83%	4.21%
447-xxx456	VEBA	$6,883,357	$0	$670,404	$7,553,761	$8,321,614	$767,853	3.63%	4.01%
447-xxx626*	Skybridge (Salaried)	$655,526	$0	($704,240)	($48,714)	$0	$48,714	2.42%	2.42%
447-xxx627*	Skybridge (Union)	$440,159	$0	($472,852)	($32,693)	$1	$32,693	2.42%	2.42%
axx15a	Matrix Trust (Salaried)	$528,130	($1,682,370)	$1,255,147	$100,906	$100,906	$0	-	-
axx15b	Matrix Trust (Union)	$301,727	($1,716,493)	$1,456,608	$41,842	$41,842	$0	-	-
axx16	Matrix Trust(VEBA)	$567,195	$1,359,203	($1,466,503)	$459,895	$459,895	$0	-	-
Consolidated		$66,307,554	($1,801,332)	$0	$64,506,222	$72,114,228	$7,608,007	3.72%	4.09%

June 30, 2019 - June 30, 2022

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	3.29%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	4.08%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	4.85%
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	3.27%
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	4.06%
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	4.83%

Russell 3000	9.76%
S&P 500	10.59%
S&P 500 Equal Weight	9.72%
Russell 1000 Value	6.86%
Russell 1000	10.16%
Russell 1000 Growth	12.57%
Russell 2000	4.21%
MSCI All Country World ex. US	1.35%
MSCI EAFE	1.07%
MSCI EM	0.57%
Bloomberg Aggregate	-0.93%
Bloomberg Govt/Credit Intermediate	-0.16%
Bloomberg US Corp Bond	-0.99%
HFRI Fund of Funds Index	3.87%
DJ Global World Real Estate	-0.44%
Morningstar Real Asset	4.87%
FTSE WGBI Index	-4.27%
30 Day T-Bill	0.53%

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

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SCCT Regional Water Authority
Trailing Five Year Investment Results
June 30, 2017 - June 30, 2022

Account Number	Account Type	Beg. Asset Value 30-Jun-2017	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$27,669,734	$425,945	$3,012,877	$31,108,556	$39,469,859	$8,361,303	5.08%	5.48%
447-xxx451	Union	$19,380,385	($187,617)	($852,008)	$18,340,761	$23,720,112	$5,379,351	5.06%	5.45%
447-xxx456	VEBA	$5,178,415	$0	$1,542,401	$6,720,816	$8,321,614	$1,600,798	4.90%	5.30%
447-xxx626*	Skybridge (Salaried)	$490,085	$0	($604,240)	($114,155)	$0	$114,155	3.86%	3.86%
447-xxx627*	Skybridge (Union)	$353,950	$0	($432,852)	($78,902)	$1	$78,902	3.87%	3.87%
axx15a	Matrix Trust (Salaried)	$520,821	$1,262,516	($1,682,430)	$100,906	$100,906	$0	-	-
axx15b	Matrix Trust (Union)	$242,711	($2,074,805)	$1,873,936	$41,842	$41,842	$0	-	-
axx16	Matrix Trust(VEBA)	$307,385	$3,010,194	($2,857,684)	$459,895	$459,895	$0	-	-
Consolidated		$54,143,487	$2,436,232	$0	$56,579,719	$72,114,228	$15,534,510	4.99%	5.37%

June 30, 2017 - June 30, 2022

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	4.53%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	5.31%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	5.87%
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	4.29%
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	5.01%
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	5.56%

Russell 3000	10.63%
S&P 500	11.34%
S&P 500 Equal Weight	9.93%
Russell 1000 Value	7.19%
Russell 1000	11.03%
Russell 1000 Growth	14.33%
Russell 2000	5.15%
MSCI All Country World ex. US	2.38%
MSCI EAFE	2.07%
MSCI EM	2.11%
Bloomberg Aggregate	0.85%
Bloomberg Govt/Credit Intermediate	1.11%
Bloomberg US Corp Bond	1.25%
HFRI Fund of Funds Index	3.58%
DJ Global World Real Estate	2.82%
Morningstar Real Asset	4.66%
FTSE WGBI Index	-1.21%
30 Day T-Bill	1.04%

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

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SCCT Regional Water Authority
Trailing Six Year Investment Results
June 30, 2016 - June 30, 2022

Account Number	Account Type	Beg. Asset Value 30-Jun-2016	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 30-Jun-2022	Net $ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	$23,665,331	$425,945	$4,357,666	$28,448,942	$39,469,859	$11,020,917	6.06%	6.47%
447-xxx451	Union	$17,011,919	($187,617)	($395,177)	$16,429,124	$23,720,112	$7,290,988	6.04%	6.44%
447-xxx456	VEBA	$3,981,133	$0	$2,256,436	$6,237,569	$8,321,614	$2,084,045	5.90%	6.31%
447-xxx626*	Skybridge (Salaried)	$450,528	$0	($603,806)	($153,278)	$0	$153,278	4.65%	4.65%
447-xxx627*	Skybridge (Union)	$325,381	$0	($432,539)	($107,157)	$1	$107,158	4.66%	4.66%
axx15a	Matrix Trust (Salaried)	$13,068	$2,903,863	($2,816,025)	$100,906	$100,906	$0	-	-
axx15b	Matrix Trust (Union)	$41,258	($1,569,664)	$1,570,248	$41,842	$41,842	$0	-	-
axx16	Matrix Trust(VEBA)	$43,861	$4,352,837	($3,936,803)	$459,895	$459,895	$0	-	-
Consolidated		$45,532,478	$5,925,365	$0	$51,457,843	$72,114,228	$20,656,386	5.97%	6.37%

June 30, 2016 - June 30, 2022

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	5.34%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	6.36%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	7.08%
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	5.07%
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	6.03%
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	6.74%

Russell 3000	12.13%
S&P 500	12.63%
S&P 500 Equal Weight	11.34%
Russell 1000 Value	8.80%
Russell 1000	12.39%
Russell 1000 Growth	15.51%
Russell 2000	8.50%
MSCI All Country World ex. US	5.47%
MSCI EAFE	5.17%
MSCI EM	5.76%
Bloomberg Aggregate	0.67%
Bloomberg Govt/Credit Intermediate	0.91%
Bloomberg US Corp Bond	1.44%
HFRI Fund of Funds Index	4.06%
DJ Global World Real Estate	3.39%
Morningstar Real Asset	3.53%
FTSE WGBI Index	-1.67%
30 Day T-Bill	0.92%

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

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 any tax questions.

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

Regional Water Authority
Tapping the Possibilities

Investment Holdings Analysis

Mutual Funds/ETFs

Results

Data as of 6/30/2022	Morningstar Category	Market Returns (%) 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	$ Assets	% of Total
Cash & Equivalents									
Cash & Equivalents		-	-	-	-	-	-	$ 1,189,221	1.66%
Fixed Income									
Guggenheim Limited Duration Instl	Short-Term Bond	-2.32	-4.60	-4.71	0.97	1.47	-	$ 245,274	0.34%
PIMCO Low Duration Income I2	Short-Term Bond	-3.60	-6.76	-6.12	0.56	1.94	3.14	$ 2,195,139	3.07%
Vanguard Short-Term Bond ETF	Short-Term Bond	-1.15	-4.53	-5.21	0.09	1.04	1.11	$ 276,775	0.39%
Cat: Short-Term Bond	**Short-Term Bond**	**-2.00**	**-4.86**	**-5.19**	**0.18**	**1.08**	**1.26**		
American Funds Bond Fund of Amer F2	Intermediate Core Bond	-5.02	-10.18	-9.71	0.34	1.59	2.06	$ 2,274,497	3.18%
Cat: Intermediate Core Bond	**Intermediate Core Bond**	**-4.93**	**-10.53**	**-10.74**	**-1.00**	**0.72**	**1.47**		
American Funds Strategic Bond F-2	Intermediate Core-Plus Bond	-5.76	-8.97	-8.11	2.61	3.22	-	$ 3,011,222	4.21%
DoubleLine Core Fixed Income I	Intermediate Core-Plus Bond	-5.50	-10.11	-10.18	-1.24	0.74	2.08	$ 1,213,563	1.70%
DoubleLine Total Return Bond I	Intermediate Core-Plus Bond	-3.97	-8.60	-8.43	-1.11	0.80	2.18	$ 1,203,986	1.68%
Janus Henderson Flexible Bond I	Intermediate Core-Plus Bond	-5.02	-10.95	-10.66	0.36	1.47	2.06	$ 225,785	0.32%
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	-5.97	-11.03	-11.23	-0.26	1.39	2.45	$ 2,124,234	2.97%
Pioneer Bond Y	Intermediate Core-Plus Bond	-4.87	-10.49	-10.24	0.29	1.67	2.66	$ -	0.00%
Cat: Intermediate Core-Plus Bond	**Intermediate Core-Plus Bond**	**-5.51**	**-10.91**	**-11.10**	**-0.73**	**0.94**	**1.91**		
Idx: Bloomberg US Agg Bond TR USD	**-**	**-4.69**	**-10.35**	**-10.29**	**-0.93**	**0.88**	**1.54**		
Idx: Bloomberg US Govt/Credit Interm TR USD	**-**	**-2.37**	**-6.77**	**-7.28**	**-0.16**	**1.13**	**1.45**		
Idx: FTSE WGBI USD	**-**	**-8.91**	**-14.79**	**-16.77**	**-4.27**	**-1.17**	**-0.69**		
Sub-Total Fixed Income								$ 12,770,475	17.86%
US Equity									
Columbia Dividend Income Inst	Large Value	-9.47	-11.79	-3.36	9.69	10.42	11.73	$ 3,960,633	5.54%
Vanguard Value ETF	Large Value	-10.28	-9.39	-1.89	8.64	9.21	11.77	$ 5,327,952	7.45%
Cat: Large Value	**Large Value**	**-11.24**	**-11.33**	**-4.84**	**7.95**	**7.84**	**10.26**		
Invesco S&P 500® Equal Weight ETF	Large Blend	-14.39	-16.75	-9.55	9.56	9.67	12.34	$ 3,322,193	4.65%
Vanguard Total Stock Market ETF	Large Blend	-16.85	-21.38	-14.24	9.62	10.52	12.52	$ 5,925,497	8.29%
Cat: Large Blend	**Large Blend**	**-14.88**	**-19.30**	**-11.58**	**9.14**	**9.77**	**11.63**		
MFS Massachusetts Inv Gr Stk I	Large Growth	-13.81	-20.15	-10.30	11.80	14.44	14.35	$ 3,134,657	4.38%
Vanguard Russell 1000 Growth ETF	Large Growth	-20.93	-28.09	-18.83	12.49	14.19	14.68	$ 1,848,211	2.58%
Cat: Large Growth	**Large Growth**	**-20.82**	**-29.12**	**-23.86**	**8.10**	**11.01**	**12.51**		
Schwab US Mid-Cap ETF™	Mid-Cap Blend	-16.89	-21.49	-18.63	4.72	6.96	10.97	$ 1,339,286	1.87%
Cat: Mid-Cap Blend	**Mid-Cap Blend**	**-14.24**	**-18.50**	**-13.90**	**6.70**	**6.97**	**10.07**		
Idx: Russell 3000 TR USD	**-**	**-16.70**	**-21.10**	**-13.87**	**9.77**	**10.60**	**12.57**		
Idx: S&P 500 TR USD	**-**	**-16.10**	**-19.96**	**-10.62**	**10.60**	**11.31**	**12.96**		
Idx: Russell 1000 Value TR USD	**-**	**-12.21**	**-12.86**	**-6.82**	**6.87**	**7.17**	**10.50**		
Idx: Russell 1000 TR USD	**-**	**-16.67**	**-20.94**	**-13.04**	**10.17**	**11.00**	**12.82**		
Idx: Russell 1000 Growth TR USD	**-**	**-20.92**	**-28.07**	**-18.77**	**12.58**	**14.29**	**14.80**		
Idx: Morningstar Dividend Yield Focus TR USD	**-**	**-5.50**	**0.72**	**7.33**	**5.95**	**7.75**	**9.35**		
Sub-Total US Equity								$ 24,858,428	34.76%

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

Green = Fund added in Q2, Red = Fund removed in Q2
Orange = Fund position only held in VEBA

Assets as of 6/30/2022
See last page for important disclosure/disclaimer
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Mutual Funds/ETFs

Results

Data as of 6/30/2022	Morningstar Category	Market Returns (%) 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	$ Assets	% of Total
Global/International Equity									
Vanguard FTSE Developed Markets ETF	Foreign Large Blend	-14.08	-19.26	-18.11	2.12	2.70	5.85	$ 1,640,160	2.29%
Cat: Foreign Large Blend	**Foreign Large Blend**	**-13.15**	**-19.18**	**-18.69**	**1.31**	**2.08**	**5.11**		
American Funds Europacific Growth F2	Foreign Large Growth	-14.67	-25.14	-27.75	1.38	2.99	6.20	$ 2,449,920	3.43%
Vs. Index (MSCI ACWI Ex USA NR USD)	-	-14.67	-25.14	-27.75	1.38	2.99	6.20		
MFS International Intrinsic Value I	Foreign Large Growth	-15.10	-26.22	-22.22	1.87	4.24	8.47	$ 2,471,134	3.46%
Cat: Foreign Large Growth	**Foreign Large Growth**	**-16.58**	**-27.69**	**-27.25**	**1.72**	**3.56**	**6.13**		
Invesco Developing Markets Y	Diversified Emerging Mkts	-11.38	-25.31	-34.95	-4.33	0.28	2.60	$ 1,142,251	1.60%
Cat: Diversified Emerging Mkts	**Diversified Emerging Mkts**	**-12.20**	**-19.73**	**-25.71**	**0.38**	**1.71**	**2.84**		
First Eagle Global I	Global Allocation	-10.43	-10.13	-8.38	5.09	5.20	6.92	$ 3,019,335	4.22%
Cat: Global Allocation	**Global Allocation**	**-10.59**	**-13.33**	**-11.27**	**2.67**	**3.35**	**4.65**		
Idx: MSCI ACWI Ex USA NR USD	-	**-13.73**	**-18.42**	**-19.42**	**1.35**	**2.50**	**4.83**		
Idx: MSCI ACWI NR USD	-	**-15.66**	**-20.18**	**-15.75**	**6.21**	**7.00**	**8.76**		
Idx: MSCI EAFE NR USD	-	**-14.51**	**-19.57**	**-17.77**	**1.07**	**2.20**	**5.40**		
Idx: MSCI EM NR USD	-	**-11.45**	**-17.63**	**-25.28**	**0.57**	**2.18**	**3.06**		
Sub-Total Global/International Equity								$ 10,722,800	14.99%
Balanced									
American Funds American Balanced F2	Allocation--50% to 70% Equity	-9.83	-13.42	-8.27	6.27	7.08	8.94	$ 3,319,155	4.64%
Janus Henderson Balanced I	Allocation--50% to 70% Equity	-11.67	-17.22	-10.64	6.43	8.44	9.00	$ 3,245,188	4.54%
Cat: Allocation--50% to 70% Equity	**Allocation--50% to 70% Equity**	**-10.58**	**-14.43**	**-11.07**	**4.54**	**5.29**	**6.69**		
Idx: Bloomberg US Agg Bond TR USD	-	**-4.69**	**-10.35**	**-10.29**	**-0.93**	**0.88**	**1.54**		
Idx: S&P 500 TR USD	-	**-16.10**	**-19.96**	**-10.62**	**10.60**	**11.31**	**12.96**		
Sub-Total Balanced								$ 6,564,343	9.18%
Alternative									
BlackRock Event Driven Equity Instl	Event Driven	-2.11	-2.02	-2.65	3.03	3.73	7.58	$ 1,224,144	1.71%
Cat: Event Driven	**Event Driven**	**-3.26**	**-3.47**	**-3.71**	**3.27**	**3.25**	**3.52**		
Calamos Market Neutral Income I	Relative Value Arbitrage	-5.71	-6.99	-4.89	1.70	2.64	3.28	$ 1,160,586	1.62%
Cat: Relative Value Arbitrage	**Relative Value Arbitrage**	**-4.51**	**-5.58**	**-4.38**	**3.93**	**3.69**	**3.10**		
JPMorgan Hedged Equity 3 I	Options Trading	-10.94	-14.80	-9.58	-	-	-	$ 1,545,236	2.16%
JPMorgan Hedged Equity I	Options Trading	-5.33	-9.69	-5.79	7.21	6.93	-	$ 90,064	0.13%
Cat: Options Trading	**Options Trading**	**-9.35**	**-11.12**	**-7.15**	**3.59**	**3.85**	**3.46**		
Cohen & Steers Global Realty I	Global Real Estate	-16.50	-20.17	-12.88	2.03	4.55	6.54	$ 1,023,174	1.43%
Cat: Global Real Estate	**Global Real Estate**	**-16.87**	**-20.93**	**-14.67**	**-0.33**	**2.57**	**4.84**		
Idx: S&P 500 TR USD	-	**-16.10**	**-19.96**	**-10.62**	**10.60**	**11.31**	**12.96**		
Idx: Bloomberg US Agg Bond TR USD	-	**-4.69**	**-10.35**	**-10.29**	**-0.93**	**0.88**	**1.54**		
Idx: Russell 3000 TR USD	-	**-16.70**	**-21.10**	**-13.87**	**9.77**	**10.60**	**12.57**		
Idx: MSCI ACWI NR USD	-	**-15.66**	**-20.18**	**-15.75**	**6.21**	**7.00**	**8.76**		
Idx: DJ Global World Real Estate TR USD	-	**-14.66**	**-19.37**	**-14.02**	**-0.44**	**2.87**	**5.60**		
Sub-Total Alternative								$ 5,043,204	7.05%
Total								$ 61,148,471	85.51%

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Green = Fund added in Q2, Red = Fund removed in Q2
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Assets as of 6/30/2022

Mutual Funds/ETFs

Statistics

Data as of 6/30/2022	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
Fixed Income										
Guggenheim Limited Duration Instl	0.49	0.48	0.38	0.96	2.43	49	24.1	1.6	3166	Below Avg
PIMCO Low Duration Income I2	0.64	0.61	0.42	0.70	5.14	13	-	-	-	High
Vanguard Short-Term Bond ETF	0.04	0.04	0.40	0.11	2.09	79	-	-	-	Below Avg
Cat: Short-Term Bond	**0.67**	**0.00**	**0.43**	**0.28**	**3.36**	**44**	**-**	**-**	**-**	**-**
American Funds Bond Fund of Amer F2	0.31	0.31	0.99	1.25	4.54	97	-	-	-	Below Avg
Cat: Intermediate Core Bond	**0.59**	**0.00**	**0.99**	**-0.07**	**4.78**	**90**	**-**	**-**	**-**	**-**
American Funds Strategic Bond F-2	0.43	0.43	0.91	3.42	5.13	64	-	-	-	Below Avg
DoubleLine Core Fixed Income I	0.48	0.48	0.91	-0.39	5.47	57	-	-	-	Average
DoubleLine Total Return Bond I	0.50	0.50	0.78	-0.51	4.23	69	-	-	-	Low
Janus Henderson Flexible Bond I	0.45	0.45	1.12	1.50	5.49	85	-	-	-	Average
Loomis Sayles Core Plus Bond Y	0.46	0.46	1.05	0.78	5.04	90	-	-	-	Below Avg
Pioneer Bond Y	0.45	0.45	1.08	1.49	7.12	47	-	-	-	High
Cat: Intermediate Core-Plus Bond	**0.74**	**0.00**	**1.01**	**0.27**	**5.54**	**73**	**-**	**-**	**-**	**-**
US Equity										
Columbia Dividend Income Inst	0.67	0.67	0.84	0.61	16.20	92	17.9	3.5	134129	Low
Vanguard Value ETF	0.04	0.04	0.92	-0.88	18.35	86	14.6	2.4	97572	Below Avg
Cat: Large Value	**0.91**	**0.00**	**0.96**	**-1.76**	**19.69**	**83**	**14.0**	**2.3**	**102320**	**-**
Invesco S&P 500® Equal Weight ETF	0.20	0.20	1.07	-1.28	20.83	92	16.0	2.6	32954	High
Vanguard Total Stock Market ETF	0.03	0.03	1.04	-1.16	19.38	99	17.7	3.2	101512	Above Avg
Cat: Large Blend	**0.80**	**0.00**	**0.98**	**-1.12**	**18.87**	**95**	**18.7**	**4.2**	**216364**	**-**
MFS Massachusetts Inv Gr Stk I	0.45	0.45	0.95	1.52	18.12	96	28.0	5.6	170291	Low
Vanguard Russell 1000 Growth ETF	0.08	0.08	1.08	1.31	21.09	91	25.0	8.8	250507	Average
Cat: Large Growth	**0.97**	**0.00**	**1.06**	**-2.43**	**21.34**	**87**	**23.8**	**6.5**	**284818**	**-**
Schwab US Mid-Cap ETF™	0.04	0.04	1.14	-6.15	22.82	87	12.9	2.3	8922	Above Avg
Cat: Mid-Cap Blend	**0.94**	**0.00**	**1.07**	**-3.64**	**21.75**	**84**	**13.0**	**2.3**	**9347**	**-**

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Green = Fund added in Q2, Red = Fund removed in Q2

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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.

Mutual Funds/ETFs

Statistics

Data as of 6/30/2022	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										
Vanguard FTSE Developed Markets ETF	0.05	0.05	1.05	0.85	18.63	97	12.0	1.5	25657	Average
Cat: Foreign Large Blend	**0.93**	**0.00**	**1.00**	**0.07**	**18.08**	**93**	**12.0**	**1.6**	**43473**	**-**
American Funds Europacific Growth F2	0.57	0.57	1.06	0.18	19.09	94	17.0	2.7	49526	Average
MFS International Intrinsic Value I	0.72	0.72	0.75	0.69	15.13	76	23.5	3.1	34269	Low
Cat: Foreign Large Growth	**1.05**	**0.00**	**0.97**	**0.67**	**18.79**	**82**	**19.0**	**2.8**	**45951**	**-**
Invesco Developing Markets Y	0.95	0.95	0.97	-5.44	18.81	81	18.6	3.1	56009	Below Avg
Cat: Diversified Emerging Mkts	**1.17**	**0.00**	**1.00**	**-0.53**	**19.76**	**78**	**11.5**	**1.8**	**43343**	**-**
First Eagle Global I	0.86	0.86	1.17	1.25	14.58	90	15.7	1.8	52725	Above Avg
Cat: Global Allocation	**1.14**	**0.00**	**1.07**	**-0.84**	**13.70**	**86**	**14.8**	**2.1**	**63594**	**-**
Balanced/Hedged Equity										
American Funds American Balanced F2	0.35	0.35	0.94	2.78	11.37	97	15.5	3.1	129386	Below Avg
Janus Henderson Balanced I	0.65	0.65	0.99	2.86	12.31	91	27.0	6.3	295422	Average
Cat: Allocation--50% to 70% Equity	**1.03**	**0.00**	**1.03**	**0.98**	**12.77**	**92**	**16.1**	**2.6**	**98403**	**-**
Alternative										
BlackRock Event Driven Equity Instl	1.32	1.32	0.20	1.08	4.70	60	28.0	3.5	14189	Average
Cat: Event Driven	**1.79**	**0.00**	**0.31**	**0.83**	**7.30**	**52**	**18.7**	**2.5**	**6866**	**-**
Calamos Market Neutral Income I	0.90	0.79	0.21	-0.28	4.03	85	21.6	4.1	215294	-
Cat: Relative Value Arbitrage	**1.53**	**0.00**	**0.22**	**1.87**	**5.61**	**54**	**-**	**-**	**961**	**-**
JPMorgan Hedged Equity 3 I	0.60	0.60	-	-	-	-	20.8	4.0	200689	-
JPMorgan Hedged Equity I	0.58	0.58	0.36	4.13	7.32	77	20.7	4.0	199957	Below Avg
Cat: Options Trading	**1.03**	**0.00**	**0.43**	**0.34**	**9.50**	**74**	**18.0**	**3.7**	**228053**	**-**
Cohen & Steers Global Realty I	0.90	0.90	0.93	-3.34	18.81	80	15.6	1.5	15319	Below Avg
Cat: Global Real Estate	**1.17**	**0.00**	**0.98**	**-5.89**	**19.63**	**81**	**12.3**	**1.3**	**11896**	**-**

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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.

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 6/30/2022
Data Source: Morningstar; as of 6/30/2022

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

Regional Water Authority
Tapping the Possibilities

Appendix

South Central Connecticut Regional Water Authority

South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan, South Central Connecticut Regional Water Authority Retirement Plan, and South Central Connecticut Regional Water Authority Retired Employees' Contributory Welfare Trust (VEBA)

INVESTMENT POLICY STATEMENT

07/07/2021

TABLE OF CONTENTS

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) Milestone goal of being fully funded, for the pension plans by end of Fiscal Year 2025, excluding ongoing plan service costs, subject to prevailing market conditions
2) To achieve a long-term rate of return that meets the assumed actuarial rate of return

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

Confidential Information - For Board Use Only - Do not Redistribute

INVESTMENT POLICY DISCUSSION

What Is an Investment Policy Statement?

An Investment Policy Statement (IPS) describes the investment philosophies and investment management procedures to be utilized for the funds as further described below, as well as the long-term goals for 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)

The Need for an Investment Policy Statement

The principle reason for developing an investment policy statement and for putting it in writing is to memorialize the strategy, goals, and objectives of the funds. Without an investment policy statement, in times of market turmoil, investors are often inclined to make impromptu investment decisions that are inconsistent with prudent investment management principles. This investment policy statement is intended to provide a well thought out framework from which sound investment decisions can be made.

Steps to Take to Establish an Investment Policy Statement

1. Assess your financial situation—identify your goals and needs.
2. Determine your tolerance for risk and your time horizon.
3. Set long-term investment objectives.
4. Identify any restrictions on the portfolio and its assets.
5. Determine the asset classes and appropriate mix (the "Asset Allocation") to maximize the likelihood of achieving the investment objectives at the lowest level of risk.
6. Determine the investment methodology to be used with regards to investment (manager) selection, rebalancing, buy-sell disciplines, portfolio reviews and reporting, etc.
7. Implement the decisions.

Definitions

1. "Regional Water Authority Board" shall refer to the decision making body established to administer the portfolio.

2. "Pension and Benefit Committee" shall refer to the assigned board members responsible for making recommendations to the Regional Water Authority Board.

3. "Pension Review Committee" shall refer to a group of senior management, designated by the Authority, whose role is limited and excludes non-routine and discretionary matters.

4. "Investment Manager" shall mean any individual, or group of individuals, employed to manage the investments of all or part of the portfolio's assets.

5. "Advisor" shall mean any individual, or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search and performance monitoring.

6. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over the fund management or any authority or control over management, disposition or administration of portfolio assets.

This Investment Policy Statement:

❖ Establishes the Regional Water Authority Board's expectations, objectives and guidelines in the investment of the portfolio's assets.

❖ Creates the framework for a well-diversified asset mix that can be expected to generate acceptable long-term returns at a level of risk suitable to the Regional Water Authority Board, including:

- describing an appropriate risk posture for the investment of the portfolios
- specifying the target asset allocation policy
- establishing investment guidelines regarding the selection of investment managers, permissible securities and diversification of assets
- specifying the criteria for evaluating the performance of the portfolio's assets

❖ Defines the responsibilities of the Pension and Benefit Committee, Regional Water Authority Board, Advisor and Investment Manager(s).

❖ Encourages effective communication between the Advisor, Investment Manager(s) and the Pension and Benefit Committee.

This investment policy statement is intended to be a summary of an investment philosophy and the procedures that provide guidance for the Regional Water Authority Board. The investment policies described in this investment policy statement should be dynamic. These policies should reflect the Regional Water Authority Board's current status and philosophy regarding the investment of the portfolio. These policies will be reviewed and revised periodically to ensure they adequately reflect any changes related to the portfolio, to the Regional Water Authority Board or the capital markets.

It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

INTRODUCTION

One of the important purposes of this Investment Policy Statement (IPS) is to establish a clear understanding as to the investment goals, objectives and management policies applicable to the Plans.

OVERVIEW COMMENTARY

Investor Information:

Plan Names: South Central Connecticut Regional Water Authority Salaried Employees' Retirement Plan, South Central Connecticut Regional Water Authority Retirement Plan, and South Central Connecticut Regional Water Authority Retired Employees' Contributory Welfare Trust (VEBA).

90 Sargent Dr.
New Haven, CT 06511

Authorized Decision Makers

The authorized decision maker(s) for the assets under this investment policy statement and their capacity is: Regional Water Authority Board, of which a majority must approve any decisions.

Others who should receive a copy of this Investment Policy Statement:

President of Organization
Regional Water Authority Board
Pension and Benefit Committee
Members of the Pension Review Committee
Plan Advisor
Plan Actuary
Plan Auditor

Sponsor Entity:

South Central Connecticut Regional Water Authority
90 Sargent Drive
New Haven, CT 06511

Plan Trustee:

Broadridge Matrix Trust Company
717 17th Street, Suite 1300
Denver, CO 80202

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.
88 Boyd Avenue
East Providence, RI 02914
401-438-9250

Plan Advisor:

The Kelliher Corbett Group at Morgan Stanley
141 Longwater Drive, Suite 102
Norwell, MA 02061
877-535-4437

OVERVIEW

INVESTOR CIRCUMSTANCES

The South Central Connecticut Regional Water Authority established the Plans for the benefit of its employees. The Plans are intended to provide eligible employees with a vehicle to receive benefits for their retirement. The Plans are qualified employee benefit plans intended to comply with all applicable federal laws and regulations, including the Internal Revenue Code of 1986, as amended.

INVESTMENT OBJECTIVES

The investment objectives addressed in this investment policy statement represent the portfolio's overall investment objectives.

The Regional Water Authority Board's objectives for the investment portfolios are:

1) Milestone goal is to be fully funded, for the pension plans, by the end of Fiscal Year 2025, excluding ongoing plan service costs, subject to prevailing market conditions.
2) To achieve a long-term rate of return that meets the assumed actuarial rate of return.

TIME HORIZON

It is the intent that the investment horizon for this portfolio is aligned with the actuarial liabilities of the Plans.

ANTICIPATED WITHDRAWALS

Withdrawals will begin immediately.

For the withdrawals beginning immediately, the frequency with which they will occur will be as needed to fund benefit obligations.

Capital values fluctuate, especially so over shorter periods of time. The investor recognizes that the possibility of capital loss does exist. However, historical data suggests that the risk of principal loss can be minimized if the long-term investment mix employed under this investment policy statement is maintained over a holding period of at least five years.

TAX POLICY

Tax minimization is not a concern for this investment portfolio.

RISK TOLERANCE

Investment theory and historical capital market return data suggest that, over long periods of time, there is a relationship between the level of investment risk assumed and the level of return that can be expected. In general, in order to attain higher returns one must accept higher risk (e.g. volatility of return).

Given this relationship between risk and return, a fundamental step in determining the investment policy statement for the portfolio is the determination of the amount of risk the Regional Water Authority Board can tolerate.

A comfort level with investment risk influences how aggressively or conservatively a portfolio can be invested. Like a scale, risk needs to be balanced with the need for returns to achieve the investment goals. The Regional Water Authority Board desires long-term investment performance sufficient to meet the objectives. The Regional Water Authority Board understands that to achieve such performance the portfolio may experience periods of decline. The Regional Water Authority Board further understands that in a severe market, the potential recovery period could be extensive.

Although the Regional Water Authority Board prefers to limit the portfolio’s volatility, they understand there will be fluctuations in the portfolios. The total portfolios should be less volatile than the global equity markets.

ASSET ALLOCATION

Academic research offers considerable evidence that the asset allocation decision far outweighs security selection and market timing in its impact on portfolio variability and performance. After reviewing the long-term performance and risk characteristics of various asset classes and balancing the risk and rewards of market behavior, the following asset classes were selected to achieve the objectives of the Plans' portfolios.

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

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

Portfolio Returns and Volatility

The Regional Water Authority Board' willingness to accept risk and their expectation for investment growth have a direct bearing on the rate of return objective for this portfolio.

It should be recognized that the portfolio will invest in a variety of securities and that the actual weighting of these securities can and will vary. It is also important to note that future returns of the securities with the portfolio and the portfolio itself can be expected to vary from the historical returns.

The portfolio's historical rate of return is not a guarantee of future investment returns, nor an indication of expectation regarding future results. Future returns could differ significantly and capital loss is possible. This investment policy statement shall not be construed as offering a guarantee.

Updated Allocations

Over time, it may be desirable to amend the basic allocation. Changes to asset allocation targets and ranges must be approved by resolution(s) of the Regional Water Authority Board. When such changes are made, updates will be considered part of this investment policy statement.

Rebalancing Procedures

From time to time, market conditions may cause the portfolio's investment in various asset classes to vary from the approved allocation. To remain consistent with the asset allocation guidelines established by this investment policy statement, the Advisor shall periodically review the portfolio and each asset class in which the portfolio is invested.

This portfolio will be rebalanced periodically as follows: when the portfolio exceeds the minimum or maximum constraints (reviewed quarterly), or as determined by the Advisor.

Adjustment in the Target Allocation

Modifications to the approved allocation may be needed from time to time for a variety of reasons. When such a change to the approved allocation needs to occur, it shall only be made via an Authority resolution.

FREQUENCY OF INVESTMENT POLICY STATEMENT REVIEW

The Regional Water Authority Board recognizes that all investments go through cycles and therefore there will be periods of time in which the investment objectives are not met or when specific managers fail to meet their expected performance expectations. The Regional Water Authority Board accepts the principle that, in the absence of specific circumstances requiring immediate action, patience and a longer-term perspective will be employed when evaluating investment performance.

The Advisor and Pension and Benefit Committee will meet at least bi-annually to review and update this investment policy statement.

LIQUIDITY

Investor's liquidity requirements are: an amount sufficient to fund benefit obligations

The length for which these needs apply is described as: aligned with the actuarial liabilities of the Plans.

DIVERSIFICATION AND INVESTMENT CONSTRAINTS

Investment of the Plans shall be limited to securities in the following categories:

Investment Types
Individual Stocks or Bonds
Open-ended Mutual Funds
Closed-end Mutual Funds
Exchange Traded Funds
Managed Separate Accounts
Investment Partnerships (liquid only permitted in VEBA)
Hedge Funds/Hedge Fund of Funds (liquid only permitted in VEBA)
Private Equity/Private Equity Funds/Private Equity Fund of Funds

Portfolio Limitations and Restrictions

The portfolio’s average bond rating must be investment grade or better (excluding mutual fund/ETFs)

Maximum average bond maturity: 20 year(s).
Maximum individual bond maturity: 30 year(s).
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)

SELECTION/RETENTION CRITERIA FOR INVESTMENTS

Investment Management Selection

Investment managers (including mutual funds, separate account managers and limited partnership sponsors) shall be chosen using the following criteria:

- Past performance, considered relative to other investments having the same investment objective. Consideration shall be given to both performance rankings over various time frames and consistency of performance
- The historical volatility and downside risk of each proposed investment
- The likelihood of future investment success, relative to other opportunities
- Length of time the fund/manager has been in existence and length of time it has been under the direction of the current manager(s) and whether or not there have been material changes in the manager's organization and personnel
- Costs relative to other funds with like objectives and investment styles
- The manager's adherence to investment style and size objectives
- Size of the proposed fund
- How well each proposed investment complements other assets in the portfolio
- The current economic environment

INVESTMENT MONITORING AND CONTROL PROCEDURES

Benchmarks

The following benchmarks will be used to evaluate performance:

Asset Class	Index
Broad US Equities	Russell 3000
US Large Cap Equities	S&P 500
US Mid-Cap Equities	Russell Mid-Cap
US Small Cap Equities	Russell 2000
Broad International Equities	MSCI ACWI ex. USA
Developed International Equities	MSCI EAFE
Emerging Market Equities	MSCI Emerging Markets
Domestic Fixed Income	BBgBarc US Aggregate Bond/BBgBarc US Gov't/Credit Interm.
Global Fixed Income	FTSE World Global Bond Index
Hedge Funds	HFRI Hedge Fund of Funds Index
Global Real Estate	DJ Global World Real Estate
Real Assets	Morningstar US Real Assets
Commodities	S&P GSCI
Cash	BC Treasury Bill 1-3 Month

Reports

- ❖ The investment custodian shall provide South Central Connecticut Regional Water Authority management with monthly statements for each account held by the Plans and subject to this investment policy statement. Such reports shall show values for each asset and all transactions affecting assets within the portfolio, including additions and withdrawals.
- ❖ The Advisor shall provide Pension and Benefit Committee the following management reports on a periodic basis:
    - Portfolio performance results over varying time periods
    - Performance results of comparative benchmarks, including the current actuarial assumed rate of return, over varying time periods
    - Review of current asset allocation versus policy guidelines
    - Recommendations to add cost effective alternatives
    - Recommendations to reduce risk while maintaining return
    - Recommendations for changes of the above

Meetings and Communication between Pension and Benefit Committee and Advisor

As a matter of course, the Advisor shall keep The Pension and Benefit Committee apprised of any material changes in the Advisor's outlook, recommended investment policy, and tactics for performing duties and achieving policy objectives.

In addition, Advisor shall meet with Pension and Benefit Committee approximately quarterly to review and explain the portfolio's investment results and any related issues. Advisor shall also be available on a reasonable basis for telephone and email communication as needed.

DUTIES AND RESPONSIBILITIES

The Advisor

The Advisor is a Registered Advisor under Morgan Stanley Smith Barney LLC and shall act as the advisor to the Regional Water Authority Board until the Regional Water Authority Board decides otherwise.

Morgan Stanley Smith Barney LLC places paramount importance on the delivery of objective, unbiased investment advice. This commitment is reinforced in all business practices, and Morgan Stanley Smith Barney LLC culture and values demand unabashed client advocacy.

While it is inevitable that conflicts may exist within a firm of Morgan Stanley Smith Barney LLC’s size and breadth, there are policies and procedures in place to protect against the eventuality that such conflicts will impact the independence of the advisory process. Morgan Stanley Smith Barney LLC fully discloses all material conflicts of interest in a Form ADV Brochure.

Advisor shall be responsible for:

- ❖ Assisting in the development and periodic review of the investment policy statement.
- ❖ Designing and implementing an appropriate asset allocation plan consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
- ❖ Advising the Pension and Benefit Committee about the selection of and the allocation of asset categories.
- ❖ Identifying specific assets and investment managers within each asset category.
- ❖ Providing "due diligence", or research, on the Investment Manager(s).
- ❖ Monitoring the performance of all selected assets the advisor consults to for the Plans.
- ❖ Recommending changes to this investment policy statement.
- ❖ Periodically reviewing the suitability of the investments for the Pension and Benefit Committee.
- ❖ Being available to meet with the Pension and Benefit Committee at least quarterly.
- ❖ Being available at such other times within reason at the Pension and Benefit Committee' request.
- ❖ Preparing and presenting appropriate reports.

Discretion and Title

- ❖ Advisor will have discretionary control to invest the Plans' funds within the parameters of this investment policy statement.
- ❖ Advisor shall have no authority to withdraw funds from the Plans, except to cover payment of previously agreed to fees or at investor's and/or Trustee's specific direction.
- ❖ Advisor may not change the Plans' investment policy statement, including the targeted asset allocation, without Regional Water Authority Board's prior approval.

The Regional Water Authority Board

Regional Water Authority Board shall be responsible for:

- ❖ The oversight of the portfolios.
- ❖ Defining and authorizing the investment objectives and policies of the portfolios.
- ❖ Authorizing any changes as they pertain to this investment policy statement. Such changes must be approved by resolution(s) of the Regional Water Authority Board.
- ❖ Directing Advisor to make changes in investment policy and to oversee and to approve or disapprove Advisor's recommendations with regards to policy, guidelines, and objectives on a timely basis.

- ❖ Providing Advisor with all relevant information on the Plans' financial conditions and risk tolerances and shall notify Advisor promptly of any changes to this information.
- ❖ Being responsible for executing the investment policy statement.
- ❖ Compliance with South Central Connecticut Regional Water Authority's Code of Ethics

The Pension Review Committee

Pension Review Committee is authorized and empowered to act as management's Committee, with instructions to defer final action on non-routine or discretionary matters until they have consulted with the Pension and Benefits Committee.

The Pension and Benefit Committee

Pension and Benefit Committee shall have the following duties and responsibilities:

- ❖ Review the funding policy and investment policy and objectives for the Plans based upon the recommendations of the Advisor.
- ❖ Monitor asset management and investment performance of the Plans through oversight of the Advisor.
- ❖ Monitor actuarial assumptions used to estimate the projected liabilities of the Plans.
- ❖ Make recommendations to the Regional Water Authority Board for changes and amendments to the Plans.
- ❖ Monitor the general administration and maintenance of the Plans through collaborative oversight with management.
- ❖ Perform any other duties or responsibilities delegated to the Committee by the Regional Water Authority Board

The Plan Administrator shall be responsible for:

1. Keeping the Plans' documents in compliance with current laws
2. Providing reports to all participants
3. Preparing all required tax and regulatory returns and documents

The Investment Manager(s)

Each Investment Manager will have full discretion to make all investment decisions for assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the Investment Manager(s) include:

- Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
- Reporting, on a timely basis, periodic investment performance results.
- Communicating any major changes to economic outlook, investment strategy, or any other factors, which affect implementation of investment process, or the investment objective progress of the Fund's investment management.
- Informing the Advisor regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment policy statement, etc.
- Voting proxies on behalf of the Plans, and being in compliance with U.S. Securities and Exchange Commission requirements.

Proxy Voting

A member of the Pension Review Committee is empowered to exercise proxy-voting rights.

ADOPTION

Adopted by the below signed:

Date: ____

David J. Borowy, Chairperson:

____

SCCT Regional Water Authority - Salary Plan
Asset Allocation Matrix
As of 6/30/2022

	IPS Target %	Target $	Target %	% of Cat	Actual $	Actual %	% of Cat	+/- $	+/- %
Fixed Income		$ 13,123,728	33.25%	100.00%	$ 13,413,931	33.99%	100.00%	$ (290,203)	-0.74%
Cash		$ 296,024	0.75%	2.26%	$ 751,265	1.90%	5.60%	$ (455,241)	-1.15%
Individual Bond Ladder		$ 6,512,527	16.50%	49.62%	$ 6,367,157	16.13%	47.47%	$ 145,370	0.37%
American Funds Bond Fund of Amer		$ 1,184,096	3.00%	9.02%	$ 1,079,816	2.74%	8.05%	$ 104,279	0.26%
DoubleLine Core Fixed Income		$ 592,048	1.50%	4.51%	$ 589,984	1.49%	4.40%	$ 2,064	0.01%
DoubleLine Total Return		$ 592,048	1.50%	4.51%	$ 585,327	1.48%	4.36%	$ 6,720	0.02%
Total Core	30.00%			**78.95%**			**78.81%**		
PIMCO Low Duration (1/2 Core)		$ 1,184,096	3.00%	9.02%	$ 1,216,157	3.08%	9.07%	$ (32,062)	-0.08%
PIMCO Income I2 (1/2 Core)		$ -	0.00%	0.00%	$ -	0.00%	0.00%	$ -	0.00%
Loomis Sayles Core Plus (1/2 Core)		$ 1,184,096	3.00%	9.02%	$ 1,179,183	2.99%	8.79%	$ 4,913	0.01%
American Funds Strategic Bond		$ 1,578,794	4.00%	12.03%	$ 1,645,042	4.17%	12.26%	$ (66,247)	-0.17%
Total Plus				**21.05%**			**21.19%**		
US Equity		$ 13,913,125	35.25%	100.00%	$ 13,583,369	34.41%	100.00%	$ 329,756	0.84%
Columbia Dividend Income		$ 2,072,168	5.25%	14.89%	$ 2,150,977	5.45%	15.84%	$ (78,810)	-0.20%
MFS Massachusetts Investors Gr Stk		$ 1,776,144	4.50%	12.77%	$ 1,711,433	4.34%	12.60%	$ 64,711	0.16%
Total Active				**27.66%**			**28.43%**		
Vanguard Value ETF		$ 2,762,890	7.00%	19.86%	$ 2,927,736	7.42%	21.55%	$ (164,846)	-0.42%
Invesco S&P 500 Equal Weight		$ 1,776,144	4.50%	12.77%	$ 1,818,817	4.61%	13.39%	$ (42,673)	-0.11%
Vanguard Total Stk Mkt ETF		$ 3,552,287	9.00%	25.53%	$ 3,234,833	8.20%	23.81%	$ 317,454	0.80%
Vanguard Russell 1000 Growth Index		$ 1,184,096	3.00%	8.51%	$ 1,004,064	2.54%	7.39%	$ 180,032	0.46%
Schwab Mid Cap ETF		$ 789,397	2.00%	5.67%	$ 735,509	1.86%	5.41%	$ 53,888	0.14%
Total Passive	55.00%			**72.34%**			**71.57%**		
Global		$ 1,578,794	4.00%	100.00%	$ 1,654,663	4.19%	100.00%	$ (75,869)	-0.19%
First Eagle Global		$ 1,578,794	4.00%	100.00%	$ 1,654,663	4.19%	100.00%	$ (75,869)	-0.19%
Int'l Equity		$ 4,933,732	12.50%	100.00%	$ 4,235,582	10.73%	100.00%	$ 698,151	1.77%
American Funds EuroPacific Gr		$ 1,578,794	4.00%	32.00%	$ 1,350,109	3.42%	31.88%	$ 228,686	0.58%
MFS Intl Intrinsic Value		$ 1,578,794	4.00%	32.00%	$ 1,345,471	3.41%	31.77%	$ 233,323	0.59%
Invesco Developing Markets		$ 789,397	2.00%	16.00%	$ 634,242	1.61%	14.97%	$ 155,155	0.39%
Total Active				**80.00%**			**78.62%**		
Vanguard FTSE Developed Markets		$ 986,746	2.50%	20.00%	$ 905,760	2.29%	21.38%	$ 80,986	0.21%
Total Passive				**20.00%**			**21.38%**		
Balanced		$ 3,552,287	9.00%	100.00%	$ 3,586,245	9.09%	100.00%	$ (33,957)	-0.09%
American Funds American Balanced		$ 1,776,144	4.50%	50.00%	$ 1,816,133	4.60%	50.64%	$ (39,989)	-0.10%
Janus Henderson Balanced		$ 1,776,144	4.50%	50.00%	$ 1,770,112	4.48%	49.36%	$ 6,031	0.02%
Alternative		$ 2,368,192	6.00%	100.00%	$ 2,996,069	7.59%	100.00%	$ (627,877)	-1.59%
BlackRock Event Driven Equity	15.00%	$ 592,048	1.50%	25.00%	$ 671,513	1.70%	22.41%	$ (79,466)	-0.20%
Calamos Market Neutral		$ 592,048	1.50%	25.00%	$ 636,399	1.61%	21.24%	$ (44,351)	-0.11%
Cohen & Steers Global Realty		$ 592,048	1.50%	25.00%	$ 563,445	1.43%	18.81%	$ 28,603	0.07%
JPMorgan Hedged Equity		$ -	0.00%	0.00%	$ 47,875	0.12%	1.60%	$ (47,875)	-0.12%
JPMorgan Hedged Equity 3		$ 592,048	1.50%	25.00%	$ 1,076,837	2.73%	35.94%	$ (484,789)	-1.23%
Total	100.00%	$ 39,469,859	100.00%		$ 39,469,859	100.00%		$ -	0.00%

Disclaimer: 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.

Green = Fund added in Q2, Red = Fund removed in Q2

SCCT Regional Water Authority - Union Plan
Asset Allocation Matrix
As of 6/30/2022

	IPS Target %	Target $	Target %	% of Cat	Actual $	Actual %	% of Cat	+/- $	+/- %
Fixed Income		$ 7,886,937	33.25%	100.00%	$ 8,060,759	33.98%	100.00%	$ (173,822)	-0.73%
Cash		$ 177,901	0.75%	2.26%	$ 313,754	1.32%	3.89%	$ (135,853)	-0.57%
Individual Bond Ladder		$ 3,913,819	16.50%	49.62%	$ 3,995,957	16.85%	49.57%	$ (82,138)	-0.35%
American Funds Bond Fund of Amer		$ 711,603	3.00%	9.02%	$ 639,769	2.70%	7.94%	$ 71,834	0.30%
DoubleLine Core Fixed Income		$ 355,802	1.50%	4.51%	$ 344,644	1.45%	4.28%	$ 11,158	0.05%
DoubleLine Total Return		$ 355,802	1.50%	4.51%	$ 341,924	1.44%	4.24%	$ 13,878	0.06%
Total Core	30.00%			**78.95%**			**78.65%**		
PIMCO Low Duration (1/2 Core)		$ 711,603	3.00%	9.02%	$ 716,831	3.02%	8.89%	$ (5,228)	-0.02%
PIMCO Income I2 (1/2 Core)		$ -	0.00%	0.00%	$ -	0.00%	0.00%	$ -	0.00%
Loomis Sayles Core Plus (1/2 Core)		$ 711,603	3.00%	9.02%	$ 690,134	2.91%	8.56%	$ 21,470	0.09%
American Funds Strategic Bond		$ 948,804	4.00%	12.03%	$ 1,017,747	4.29%	12.63%	$ (68,942)	-0.29%
Total Plus				**21.05%**			**21.35%**		
US Equity		$ 8,361,340	35.25%	100.00%	$ 8,329,873	35.12%	100.00%	$ 31,467	0.13%
Columbia Dividend Income		$ 1,245,306	5.25%	14.89%	$ 1,329,858	5.61%	15.96%	$ (84,552)	-0.36%
MFS Massachusetts Investors Gr Stk		$ 1,067,405	4.50%	12.77%	$ 1,046,102	4.41%	12.56%	$ 21,303	0.09%
Total Active				**27.66%**			**28.52%**		
Vanguard Value ETF		$ 1,660,408	7.00%	19.86%	$ 1,780,380	7.51%	21.37%	$ (119,972)	-0.51%
Invesco S&P 500 Equal Weight		$ 1,067,405	4.50%	12.77%	$ 1,114,109	4.70%	13.37%	$ (46,704)	-0.20%
Vanguard Total Stk Mkt ETF		$ 2,134,810	9.00%	25.53%	$ 1,989,941	8.39%	23.89%	$ 144,869	0.61%
Vanguard Russell 1000 Growth Index		$ 711,603	3.00%	8.51%	$ 616,258	2.60%	7.40%	$ 95,345	0.40%
Schwab Mid Cap ETF		$ 474,402	2.00%	5.67%	$ 453,224	1.91%	5.44%	$ 21,178	0.09%
Total Passive	55.00%			**72.34%**			**71.48%**		
Global		$ 948,804	4.00%	100.00%	$ 1,021,555	4.31%	100.00%	$ (72,751)	-0.31%
First Eagle Global		$ 948,804	4.00%	100.00%	$ 1,021,555	4.31%	100.00%	$ (72,751)	-0.31%
Int'l Equity		$ 2,965,014	12.50%	100.00%	$ 2,583,082	10.89%	100.00%	$ 381,932	1.61%
American Funds EuroPacific Gr		$ 948,804	4.00%	32.00%	$ 822,077	3.47%	31.83%	$ 126,727	0.53%
MFS Intl Intrinsic Value		$ 948,804	4.00%	32.00%	$ 827,043	3.49%	32.02%	$ 121,762	0.51%
Invesco Developing Markets		$ 474,402	2.00%	16.00%	$ 383,162	1.62%	14.83%	$ 91,240	0.38%
Total Active				**80.00%**			**78.68%**		
Vanguard FTSE Developed Markets		$ 593,003	2.50%	20.00%	$ 550,800	2.32%	21.32%	$ 42,203	0.18%
Total Passive				**20.00%**			**21.32%**		
Balanced		$ 2,134,810	9.00%	100.00%	$ 2,203,860	9.29%	100.00%	$ (69,050)	-0.29%
American Funds American Balanced		$ 1,067,405	4.50%	50.00%	$ 1,115,520	4.70%	50.62%	$ (48,115)	-0.20%
Janus Henderson Balanced		$ 1,067,405	4.50%	50.00%	$ 1,088,340	4.59%	49.38%	$ (20,934)	-0.09%
Alternative		$ 1,423,207	6.00%	100.00%	$ 1,520,984	6.41%	100.00%	$ (97,777)	-0.41%
BlackRock Event Driven Equity	15.00%	$ 355,802	1.50%	25.00%	$ 410,291	1.73%	26.98%	$ (54,489)	-0.23%
Calamos Market Neutral		$ 355,802	1.50%	25.00%	$ 388,273	1.64%	25.53%	$ (32,471)	-0.14%
Cohen & Steers Global Realty		$ 355,802	1.50%	25.00%	$ 343,386	1.45%	22.58%	$ 12,416	0.05%
JPMorgan Hedged Equity		$ -	0.00%	0.00%	$ 29,034	0.12%	1.91%	$ (29,034)	-0.12%
JPMorgan Hedged Equity 3		$ 355,802	1.50%	25.00%	$ 350,000	1.48%	23.01%	$ 5,802	0.02%
Total	100.00%	$ 23,720,112	100.00%		$ 23,720,112	100.00%		$ (0)	0.00%

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Green = Fund added in Q2, Red = Fund removed in Q2

SCCT Regional Water Authority - VEBA Plan
Asset Allocation Matrix
As of 6/30/2022

	IPS Target %	Target $	Target %	% of Cat	Actual $	Actual %	% of Cat	+/- $	+/- %
Fixed Income		$ 2,766,937	33.25%	100.00%	$ 2,848,119	34.23%	100.00%	$ (81,183)	-0.98%
Cash/T-Bills		$ 62,412	0.75%	2.26%	$ 124,202	1.49%	4.36%	$ (61,790)	-0.74%
Guggenheim Limited Duration		$ 291,256	3.50%	10.53%	$ 245,274	2.95%	8.61%	$ 45,982	0.55%
Vanguard Short-Term Bond ETF		$ 249,648	3.00%	9.02%	$ 276,775	3.33%	9.72%	$ (27,127)	-0.33%
American Funds Bond Fund of Amer		$ 499,297	6.00%	18.05%	$ 554,911	6.67%	19.48%	$ (55,615)	-0.67%
Pioneer Bond Y		$ -	0.00%	0.00%	$ -	0.00%	0.00%	$ -	0.00%
DoubleLine Core Fixed Income		$ 291,256	3.50%	10.53%	$ 278,936	3.35%	9.79%	$ 12,321	0.15%
DoubleLine Total Return		$ 291,256	3.50%	10.53%	$ 276,734	3.33%	9.72%	$ 14,522	0.17%
Janus Henderson Flexible Bond	30.00%	$ 249,648	3.00%	9.02%	$ 225,785	2.71%	7.93%	$ 23,864	0.29%
Total Core				**78.95%**			**78.69%**		
PIMCO Low Duration (1/2 Core)		$ 249,648	3.00%	9.02%	$ 262,151	3.15%	9.20%	$ (12,502)	-0.15%
PIMCO Income P (1/2 Core)		$ -	0.00%	0.00%	$ -	0.00%	0.00%	$ -	0.00%
Loomis Sayles Core Plus (1/2 Core)		$ 249,648	3.00%	9.02%	$ 254,917	3.06%	8.95%	$ (5,269)	-0.06%
American Funds Stratetgic Bond		$ 332,865	4.00%	12.03%	$ 348,434	4.19%	12.23%	$ (15,569)	-0.19%
Total Plus				**21.05%**			**21.31%**		
US Equity		$ 2,933,369	35.25%	100.00%	$ 2,945,187	35.39%	100.00%	$ (11,818)	-0.14%
Columbia Dividend Income		$ 436,885	5.25%	14.89%	$ 479,798	5.77%	16.29%	$ (42,913)	-0.52%
MFS Massachusetts Investors Gr Stk		$ 374,473	4.50%	12.77%	$ 377,122	4.53%	12.80%	$ (2,650)	-0.03%
Total Active				**27.66%**			**29.10%**		
Vanguard Value ETF		$ 582,513	7.00%	19.86%	$ 619,836	7.45%	21.05%	$ (37,323)	-0.45%
Invesco S&P 500 Equal Weight		$ 374,473	4.50%	12.77%	$ 389,267	4.68%	13.22%	$ (14,794)	-0.18%
Vanguard Total Stk Mkt ETF		$ 748,945	9.00%	25.53%	$ 700,723	8.42%	23.79%	$ 48,222	0.58%
Vanguard Russell 1000 Growth Index		$ 249,648	3.00%	8.51%	$ 227,889	2.74%	7.74%	$ 21,760	0.26%
Schwab Mid Cap ETF		$ 166,432	2.00%	5.67%	$ 150,552	1.81%	5.11%	$ 15,880	0.19%
Total Passive				**72.34%**			**70.90%**		
Global	55.00%	$ 332,865	4.00%	100.00%	$ 343,116	4.12%	100.00%	$ (10,252)	-0.12%
First Eagle Global		$ 332,865	4.00%	100.00%	$ 343,116	4.12%	100.00%	$ (10,252)	-0.12%
Int'l Equity		$ 1,040,202	12.50%	100.00%	$ 884,802	10.63%	100.00%	$ 155,400	1.87%
American Funds EuroPacific Gr		$ 332,865	4.00%	32.00%	$ 277,734	3.34%	31.39%	$ 55,130	0.66%
MFS Intl Intrinsic Value		$ 332,865	4.00%	32.00%	$ 298,621	3.59%	33.75%	$ 34,244	0.41%
Invesco Developing Markets		$ 166,432	2.00%	16.00%	$ 124,847	1.50%	14.11%	$ 41,585	0.50%
Total Active				**80.00%**			**79.25%**		
Vanguard FTSE Developed Markets		$ 208,040	2.50%	20.00%	$ 183,600	2.21%	20.75%	$ 24,440	0.29%
Total Passive				**20.00%**			**20.75%**		
Balanced		$ 748,945	9.00%	100.00%	$ 774,238	9.30%	100.00%	$ (25,293)	-0.30%
American Funds American Balanced		$ 374,473	4.50%	50.00%	$ 387,502	4.66%	50.05%	$ (13,029)	-0.16%
Janus Henderson Balanced		$ 374,473	4.50%	50.00%	$ 386,736	4.65%	49.95%	$ (12,264)	-0.15%
Alternative		$ 499,297	6.00%	100.00%	$ 526,151	6.32%	100.00%	$ (26,854)	-0.32%
BlackRock Event Driven Equity	15.00%	$ 124,824	1.50%	25.00%	$ 142,339	1.71%	27.05%	$ (17,515)	-0.21%
Calamos Market Neutral		$ 124,824	1.50%	25.00%	$ 135,914	1.63%	25.83%	$ (11,090)	-0.13%
Cohen & Steers Global Realty		$ 124,824	1.50%	25.00%	$ 116,342	1.40%	22.11%	$ 8,482	0.10%
JPMorgan Hedged Equity		$ -	0.00%	0.00%	$ 13,156	0.16%	2.50%	$ (13,156)	-0.16%
JPMorgan Hedged Equity 3		$ 124,824	1.50%	25.00%	$ 118,400	1.42%	22.50%	$ 6,424	0.08%
Total	100.00%	$ 8,321,614	100.00%		$ 8,321,614	100.00%		$ (0)	0.00%

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Green = Fund added in Q2, Red = Fund removed in Q2

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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.

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Morgan Stanley's investment advisory programs may require a minimum asset level and, depending on your specific investment objectives and financial position, may not be appropriate for you. Please see the Morgan Stanley Smith Barney LLC program disclosure brochure (the "Morgan Stanley ADV") for more information in the investment advisory programs available. The Morgan Stanley ADV is available at www.morganstanley.com/ADV. **Sources of Data.** Information in this material in this report has been obtained from sources that we believe to be reliable, but we do not guarantee its accuracy, completeness or timeliness. Third-party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data. All opinions included in this material constitute the Firm's judgment as of the date of this material and are subject to change without notice. This material was not prepared by the research departments of Morgan Stanley & Co. LLC or Morgan Stanley Smith Barney LLC. Some historical figures may be revised due to newly identified programs, firm restatements, etc.

Global Investment Manager Analysis (GIMA) Focus List, Approved List and Tactical Opportunities List; Watch Policy. GIMA uses two methods to evaluate investment products in applicable advisory programs: **Focus** (and investment products meeting this standard are described as being on the Focus List) and **Approved** (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. Sometimes an investment product may be evaluated using the Focus List process but then placed on the Approved List instead of the Focus List. Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status). GIMA has a '**Watch**" policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved." The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager or fund to address any concerns. Certain investment products on either the Focus List or Approved List may also be recommended for the **Tactical Opportunities List** based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time. For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "Manager Selection Process."

The **Global Investment Committee** is a group of seasoned investment professionals who meet regularly to discuss the global economy and markets. The committee determines the investment outlook that guides our advice to clients. They continually monitor developing economic and market conditions, review tactical outlooks and recommend model portfolio weightings, as well as produce a suite of strategy, analysis, commentary, portfolio positioning suggestions and other reports and broadcasts.

The GIC Asset Allocation Models are not available to be directly implemented as part of an investment advisory service and should not be regarded as a recommendation of any Morgan Stanley investment advisory service. The GIC Asset Allocation Models do not represent actual trading or any type of account or any type of investment strategies and none of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, advisory fees, fund expenses) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models which, when compounded over a period of years, would decrease returns.

Adverse Active AlphaSM 2.0 is a patented screening and scoring process designed to help identify high-quality equity and fixed income managers with characteristics that may lead to future outperformance relative to index and peers. While highly ranked managers performed well as a group in our Adverse Active Alpha model back tests, not all of the managers will outperform. Please note that this data may be derived from back-testing, which has the benefit of hindsight. In addition, highly ranked managers can have differing risk profiles that might not be appropriate for all investors.

Our view is that Adverse Active Alpha is a good starting point and should be used in conjunction with other information. Morgan Stanley Wealth Management's qualitative and quantitative investment manager due diligence process are equally important factors for investors when considering managers for use through an investment advisory program. Factors including, but not limited to, manager

turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors.

The proprietary **Value Score** methodology considers an active investment strategies' value proposition relative to its costs. From a historical quantitative study of several quantitative markers, Value Score measures perceived forward-looking benefit and computes (1) "fair value" expense ratios for most traditional investment managers across 40 categories and (2) managers' perceived "excess value" by comparing the fair value expense ratios to actual expense ratios. Managers are then ranked within each category by their excess value to assign a Value Score. Our analysis suggests that greater levels of excess value have historically corresponded to attractive subsequent performance.

For more information on the ranking models, please see Adverse Active AlphaSM 2.0: Scoring Active Managers According to Potential Alpha and Value Score: Scoring Fee Efficiency by Comparing Managers' "Fair Value" and Actual Expense Ratios. The whitepapers are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors. For more information on AAA, please see the Adverse Active Alpha Ranking Model and Selecting Managers with Adverse Active Alpha whitepapers. The whitepaper are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

The Global Investment Manager Analysis (GIMA) Services Only Apply to Certain Investment Advisory Programs GIMA evaluates certain investment products for the purposes of some – but not all – of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management). If you do not invest through one of these investment advisory programs, Morgan Stanley Wealth Management is not obligated to provide you notice of any GIMA Status changes even though it may give notice to clients in other programs.

Strategy May Be Available as a Separately Managed Account or Mutual Fund Strategies are sometimes available in Morgan Stanley Wealth Management investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program. Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

Conflicts of Interest: GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, MS & Co., managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts , and managers in various advisory programs. Morgan Stanley Wealth Management, managers, MS & Co., and their affiliates receive compensation and fees in connection with these services. Morgan Stanley Wealth Management believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account.

Morgan Stanley charges each fund family we offer a mutual fund support fee, also called a "revenue-sharing payment," on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

Consider Your Own Investment Needs: The model portfolios and strategies discussed in the material are formulated based on general client characteristics including risk tolerance. This material is not intended to be an analysis of whether particular investments or strategies are appropriate for you or a recommendation, or an offer to participate in any investment. Therefore, clients should not use this material as the sole basis for investment decisions. They should consider all relevant information, including their existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Such a determination may lead to asset allocation results that are materially different from the asset allocation shown in this profile. Talk to your Financial Advisor about what would be an appropriate asset allocation for you, whether CGCM is an appropriate program for you.

No obligation to notify – Morgan Stanley Wealth Management has no obligation to notify you when the model portfolios, strategies, or any other information, in this material changes.

Please consider the investment objectives, risks, fees, and charges and expenses of mutual funds, ETFs, closed end funds, unit investment trusts, and variable insurance products carefully before investing. The prospectus contains this and other information about each fund. To obtain a prospectus, contact your Financial Advisor or Private Wealth Advisor or visit the Morgan Stanley website at www.morganstanley.com. Please read it carefully before investing.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals;(2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long "lock-up" periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual fund or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Nontraditional investment options and strategies are often employed by a portfolio manager to further a fund's investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the fund's essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or "leverage."

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KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in **emerging markets and frontier markets**. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small- and mid-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities' (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments ("ESG")** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client's account will be managed as described herein. **Options** and margin trading involve substantial risk and are not appropriate for all investors. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Shares of closed-end funds frequently trade at a discount from their NAV which may increase investors' risk of loss. The risk of loss due to this discount may be greater for investors expecting to sell their shares in a relatively short period after completion of the public offering. This characteristic is a risk separate and distinct from the risk that a closed-end fund's net asset value may decrease as a result of investment activities. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases or sells shares of a closed-end fund, shares may have a market price that is above or below NAV. Portfolios that invest a large percentage of assets in only one industry **sector** (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; Risks associated with the operations, personnel, and processes of the manager; and Risks associated with cybersecurity. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management. This is not a "research report" as defined by FINRA Rule 2241 or a "debt research report" as defined by FINRA Rule 2242 and was not prepared by the Research Departments of Morgan Stanley Smith Barney LLC or Morgan Stanley & Co. LLC or its affiliates. Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. While the HFRI indices are frequently used, they have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown. The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Individual funds have specific tax risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum , are distributed by Morgan Stanley Wealth Management and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley Wealth Management or any of its affiliates, (3) are not guaranteed by Morgan Stanley Wealth Management and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Wealth Management is a registered broker-dealer, not a bank. This material is not to be reproduced or distributed to any other persons (other than professional advisors of the investors or prospective investors, as applicable, receiving this material) and is intended solely for the use of the persons to whom it has been delivered. This material is not for distribution to the general public. Past performance is no guarantee of future results. Actual results may vary. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments. In Consulting Group's advisory programs, alternative investments are limited to US-registered mutual funds, separate account strategies and exchange-traded funds (ETFs) that seek to pursue alternative investment strategies or returns utilizing publicly traded securities. Investment products in this category may employ various investment strategies and techniques for both hedging and more speculative purposes such as short -selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative investments are not appropriate for all investors. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund.

Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

A majority of Alternative Investment managers reviewed and selected by GIMA pay or cause to be paid an ongoing fee for distribution from their management fees to Morgan Stanley Wealth Management in connection with Morgan Stanley Wealth Management clients that purchase an interest in an Alternative Investment and in some instances pay these fees on the investments held by investments held by brokerage clients. Morgan Stanley Wealth Management has a conflict of interest in offering alternative investments because Morgan Stanley Wealth Management or our affiliates, in most instances, earn more money in your account from your investments in alternative investments than from other investment options.

It should be noted that the majority of hedge fund indexes are comprised of hedge fund manager returns. This is in contrast to traditional indexes, which are comprised of individual securities in the various market segments they represent and offer complete transparency as to membership and construction methodology. As such, some believe that hedge fund index returns have certain biases that are not present in traditional indexes. Some of these biases inflate index performance, while others may skew performance negatively. However, many studies indicate that overall hedge fund index performance has been biased to the upside. Some studies suggest performance has been inflated by up to 260 basis points or more annually depending on the types of biases included and the time period studied. Although there are numerous potential biases that could affect hedge fund returns, we identify some of the more common ones throughout this paper.

Self-selection bias results when certain manager returns are not included in the index returns and may result in performance being skewed up or down. Because hedge funds are private placements, hedge fund managers are able to decide which fund returns they want to report and are able to opt out of reporting to the various databases. Certain hedge fund managers may choose only to report returns for funds with strong returns and opt out of reporting returns for weak performers. Other hedge funds that close may decide to stop reporting in order to retain secrecy, which may cause a downward bias in returns.

Survivorship bias results when certain constituents are removed from an index. This often results from the closure of funds due to poor performance, "blow ups," or other such events. As such, this bias typically results in performance being skewed higher. As noted, hedge fund index performance biases can result in positive or negative skew. However, it would appear that the skew is more often positive. While it is difficult to quantify the effects precisely, investors should be aware that idiosyncratic factors may be giving hedge fund index returns an artificial "lift" or upwards bias.

Hedge Funds of Funds and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor's goals by the pre-established year or "target date." A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are appropriate only for the risk capital portion of an investor's portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy.

Virtual Currency Products (Cryptocurrencies)

Buying, selling, and transacting in Bitcoin, Ethereum or other digital assets ("Digital Assets"), and related funds and products, is highly speculative and may result in a loss of the entire investment. Risks and considerations include but are not limited to:

- Digital Assets have only been in existence for a short period of time and historical trading prices for Digital Assets have been highly volatile. The price of Digital Assets could decline rapidly, and **investors could lose their entire investment.**

- Certain Digital Asset funds and products, allow investors to invest on a more frequent basis than investors may withdraw from the fund or product, and interests in such funds or products are generally not freely transferrable. This means that, particularly given the volatility of Digital Assets, an investor will have to bear any losses with respect to its investment for an extended period of time and will not be able to react to changes in the price of the Digital Asset once invested (for example, by seeking to withdraw) as quickly as when making the decision to invest. Such Digital Asset funds and products, are intended only for persons who are able to bear the economic risk of investment and who do not need liquidity with respect to their investments.

- Given the volatility in the price of Digital Assets, the net asset value of a fund or product that invests in such assets at the time an investor's subscription for interests in the fund or product is accepted may be significantly below or above the net asset value of the product or fund at the time the investor submitted subscription materials.

- Certain Digital Assets are not intended to function as currencies but are intended to have other use cases. These other Digital Assets may be subject to some or all of the risks and considerations set forth herein, as well as additional risks applicable to such Digital Assets. Buyers, sellers and users of such Digital Assets should thoroughly familiarize themselves with such risks and considerations before transacting in such Digital Assets.

- The value of Digital Assets may be negatively impacted by future legal and regulatory developments, including but not limited to increased regulation of such Digital Assets. Any such developments may make such Digital Assets less valuable, impose additional burdens and expenses on a fund or product investing in such assets or impact the ability of such a fund or product to continue to operate, which may materially decrease the value of an investment therein.

- Due to the new and evolving nature of digital currencies and the absence of comprehensive guidance, many significant aspects of the tax treatment of Digital Assets are uncertain. Prospective investors should consult their own tax advisors concerning the tax consequences to them of the purchase, ownership and disposition of Digital Assets, directly or indirectly through a fund or product, under U.S. federal income tax law, as well as the tax law of any relevant state, local or other jurisdiction.

- Over the past several years, certain Digital Asset exchanges have experienced failures or interruptions in service due to fraud, security breaches, operational problems or business failure. Such events in the future could impact any fund's or product's ability to transact in Digital Assets if the fund or product relies on an impacted exchange and may also materially decrease the price of Digital Assets, thereby impacting the value of your investment, regardless of whether the fund or product relies on such an impacted exchange.

- Although any Digital Asset product and its service providers have in place significant safeguards against loss, theft, destruction and inaccessibility, there is nonetheless a risk that some or all of a product's Digital Asset could be permanently lost, stolen, destroyed or inaccessible by virtue of, among other things, the loss or theft of the "private keys" necessary to access a product's Digital Asset.

- Investors in funds or products investing or transacting in Digital Assets may not benefit to the same extent (or at all) from "airdrops" with respect to, or "forks" in, a Digital Asset's blockchain, compared to investors who hold Digital Assets directly instead of through a fund or product. Additionally, a "fork" in the Digital Asset blockchain could materially decrease the price of such Digital Asset.

- Digital Assets are not legal tender, and are not backed by any government, corporation or other identified body, other than with respect to certain digital currencies that certain governments are or may be developing now or in the future. No law requires companies or individuals to accept digital currency as a form of payment (except, potentially, with respect to digital currencies developed by certain governments where such acceptance may be mandated). Instead, other than as described in the preceding sentences, Digital Asset products' use is limited to businesses and individuals that are willing to accept them. If no one were to accept digital currencies, virtual currency products would very likely become worthless.

- Platforms that buy and sell Digital Assets can be hacked, and some have failed. In addition, like the platforms themselves, digital wallets can be hacked, and are subject to theft and fraud. As a result, like other investors have, you can lose some or all of your holdings of Digital Assets.

- Unlike US banks and credit unions that provide certain guarantees of safety to depositors, there are no such safeguards provided to Digital Assets held in digital wallets by their providers or by regulators.

- Due to the anonymity Digital Assets offer, they have known use in illegal activity, including drug dealing, money laundering, human trafficking, sanction evasion and other forms of illegal commerce. Abuses could impact legitimate consumers and speculators; for instance, law enforcement agencies could shut down or restrict the use of platforms and exchanges, limiting or shutting off entirely the ability to use or trade Digital Asset products.

- Digital Assets may not have an established track record of credibility and trust. Further, any performance data relating to Digital Asset products may not be verifiable as pricing models are not uniform.

- Investors should be aware of the potentially increased risks of transacting in Digital Assets relating to the risks and considerations, including fraud, theft, and lack of legitimacy, and other aspects and qualities of Digital Assets, before transacting in such assets.

- The exchange rate of virtual currency products versus the USD historically has been very volatile and the exchange rate could drastically decline. For example, the exchange rate of certain Digital Assets versus the USD has in the past dropped more than 50% in a single day. Other Digital Assets may be affected by such volatility as well.

- Digital Asset exchanges have limited operating and performance histories and are not regulated with the same controls or customer protections available to more traditional exchanges transacting equity, debt, and other assets and securities. There is no assurance that a person/exchange who currently accepts a Digital Asset as payment will continue to do so in the future.

- The regulatory framework of Digital Assets is evolving, and in some cases is uncertain, and Digital Assets themselves may not be governed and protected by applicable securities regulators and securities laws, including, but not limited to, Securities Investor Protection Corporation coverage, or other regulatory regimes.

- Morgan Stanley Smith Barney LLC or its affiliates (collectively, "Morgan Stanley") may currently, or in the future, offer or invest in Digital Asset products, services or platforms. The proprietary interests of Morgan Stanley may conflict with your interests.

- The foregoing list of considerations and risks are not and do not purport to be a complete enumeration or explanation of the risks involved in an investment in any product or fund investing or trading in Digital Assets.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

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Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be an appropriate comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

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We may act in the capacity of a broker or that of an advisor. As your broker, we are not your fiduciary and our interests may not always be identical to yours. Please consult with your Private Wealth Advisor to discuss our obligations to disclose to you any conflicts we may from time to time have and our duty to act in your best interest. We may be paid both by you and by others who compensate us based on what you buy. Our compensation, including that of your Private Wealth Advisor, may vary by product and over time.

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For index, indicator and survey definitions referenced in this report please visit the following: https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions

GLOBAL INVESTMENT COMMITTEE (GIC) ASSET ALLOCATION MODELS: The Asset Allocation Models are created by Morgan Stanley Wealth Management's GIC.

HYPOTHETICAL MODEL PERFORMANCE (GROSS): Hypothetical model performance results do not reflect the investment or performance of an actual portfolio following a GIC Strategy, but simply reflect actual historical performance of selected indices on a real-time basis over the specified period of time representing the GIC's strategic and tactical allocations as of the date of this report. The past performance shown here is simulated performance based on benchmark indices, not investment results from an actual portfolio or actual trading. There can be large differences between hypothetical and actual performance results achieved by a particular asset allocation or trading strategy. Hypothetical performance results do not represent actual trading and are generally designed with the benefit of hindsight. Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any GIC Asset Allocation Model for the periods indicated. Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense of the risk/return trade-off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products. Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and after that date.

FEES REDUCE THE PERFORMANCE OF ACTUAL ACCOUNTS: None of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, fees) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models. The GIC Asset Allocation Models and any model performance included in this presentation are intended as educational materials. Were a client to use these models in connection with investing, any investment decisions made would be subject to transaction and other costs which, when compounded over a period of years, would decrease returns. Information regarding Morgan Stanley's standard advisory fees is available in the Form ADV Part 2, which is available at www.morganstanley.com/adv. The following hypothetical illustrates the compound effect fees have on investment returns: For example, if a portfolio's annual rate of return is 15% for 5 years and the account pays 50 basis points in fees per annum, the gross cumulative five-year return would be 101.1% and the five-year return net of fees would be 96.8%. Fees and/or expenses would apply to clients who invest in investments in an account based on these asset allocations, and would reduce clients' returns. The impact of fees and/or expenses can be material.

Variable annuities are long-term investments designed for retirement purposes and may be subject to market fluctuations, investment risk, and possible loss of principal. All guarantees, including optional benefits, are based on the financial strength and claims-paying ability of the issuing insurance company and do not apply to the underlying investment options. Optional riders may not be able to be purchased in combination and are available at an additional cost. Some optional riders must be elected at time of purchase. Optional riders may be subject to specific limitations, restrictions, holding periods, costs, and expenses as specified by the insurance company in the annuity contract. If you are investing in a **variable annuity** through a tax-advantaged retirement plan such as an IRA, you will get no additional tax advantage from the variable annuity. Under these circumstances, you should only consider buying a variable annuity because of its other features, such as lifetime income payments and death benefits protection. Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal income tax penalty. Early withdrawals will reduce the death benefit and cash surrender value.

Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment. **Ultrashort-term fixed income** asset class is comprised of fixed income securities with high quality, very short maturities. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Individual MLPs are publicly traded partnerships that have unique risks related to their structure. These include, but are not limited to, their reliance on the capital markets to fund growth, adverse ruling on the current tax treatment of distributions (typically mostly tax deferred), and commodity volume risk. The potential tax benefits from investing in MLPs depend on their being treated as partnerships for federal income tax purposes and, if the MLP is deemed to be a corporation, then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. MLPs carry interest rate risk and may underperform in a rising interest rate environment. MLP funds accrue deferred income taxes for future tax liabilities associated with the portion of MLP distributions considered to be a tax-deferred return of capital and for any net operating gains as well as capital appreciation of its investments; this deferred tax liability is reflected in the daily NAV, and, as a result, the MLP fund's after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked.

Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. **Physical precious metals** are non-regulated products. Precious metals are speculative investments, which may experience short-term and long term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be appropriate for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor.

REITs investing risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions. Risks of **private real estate** include: illiquidity; a long-term investment horizon with a limited or nonexistent secondary market; lack of transparency; volatility (risk of loss); and leverage. Principal is returned on a monthly basis over the life of a **mortgage-backed security.** Principal prepayment can significantly affect the monthly income stream and the maturity of any type of MBS, including standard MBS, CMOs and Lottery Bonds. **Asset-backed securities** generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.
Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision. **Credit ratings** are subject to change. **Duration**, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. The majority of $25 and $1000 par **preferred securities** are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per $25 or $1,000 share, unless otherwise specified. Current yield is calculated by multiplying the coupon by par value divided by the market price. The initial interest rate on a **floating-rate security** may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. The market value of **convertible bonds** and the underlying common stock(s) will fluctuate and after purchase may be worth more or less than original cost. If sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions. Callable bonds may be redeemed by the issuer prior to maturity. Additional call features may exist that could affect yield. Some $25 or $1000 **par preferred securities** are QDI (Qualified Dividend Income) eligible. Information on QDI eligibility is obtained from third party sources. The dividend income on QDI eligible preferreds qualifies for a reduced tax rate. Many traditional 'dividend paying' perpetual preferred securities (traditional preferreds with no maturity date) are QDI eligible. In order to qualify for the preferential tax treatment all qualifying preferred securities must be held by investors for a minimum period – 91 days during a 180 day window period, beginning 90 days before the ex-dividend date.
Companies paying **dividends** can reduce or cut payouts at any time.

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time. Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies.

Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Value investing** does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.
Any type of **continuous or periodic investment plan** does not assure a profit and does not protect against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider his financial ability to continue his purchases through periods of low price levels.
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J.P. Morgan Asset Management – Index definitions

All indexes are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.

Equities:

The **Dow Jones Industrial Average** is a price-weighted average of 30 actively traded blue-chip U.S. stocks.

The **MSCI ACWI (All Country World Index)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

The **MSCI EAFE Index(Europe, Australasia, Far East)**is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The **MSCI Europe Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe.

The **MSCI Pacific Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region.

The **Russell 1000 Index**® measures the performance of the 1,000 largest companies in the Russell 3000.

The **Russell 1000 Growth Index**® measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index**® measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000 Index**® measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

The **Russell 2000 Growth Index**® measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 2000 Value Index**® measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 3000 Index**® measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The **Russell Midcap Index**® measures the performance of the 800 smallest companies in the Russell 1000 Index.

The **Russell Midcap Growth Index** ® measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

The **Russell Midcap Value Index** ® measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

The **S&P 500 Index** is widely regarded as the best single gauge of the U.S. equities market. The index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The **S&P 500 Index** focuses on the large-cap segment of the market; however, since it includes a significant portion of the total value of the market, it also represents the market.

Fixed income:

The **Bloomberg 1-3 Month U.S. Treasury Bill Index** includes all publicly issued zero-coupon US Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have $250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.

The **Bloomberg Global High Yield Index** is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. Until January 1, 2011, the index also included CMBS high yield securities.

The **Bloomberg Municipal Index**: consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market.

The **Bloomberg US Dollar Floating Rate Note (FRN) Index** provides a measure of the U.S. dollar denominated floating rate note market.

The **Bloomberg US Corporate Investment Grade Index** is an unmanaged index consisting of publicly issued US Corporate and specified foreign debentures and secured notes that are rated investment grade (Baa3/BBB or higher) by at least two ratings agencies, have at least one year to final maturity and have at least $250 million par amount outstanding. To qualify, bonds must be SEC-registered.

The **Bloomberg US High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

The **Bloomberg US Mortgage Backed Securities Index** is an unmanaged index that measures the performance of investment grade fixed-rate mortgage backed pass-through securities of GNMA, FNMA and FHLMC.

The **Bloomberg US TIPS Index** consists of Inflation-Protection securities issued by the U.S. Treasury.

The **J.P. Morgan Emerging Market Bond Global Index(EMBI)**includes U.S. dollar denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities.

The **J.P. Morgan Domestic High Yield Index** is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market.

The **J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI Broad Diversified)**is an expansion of the **J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI)**. The CEMBI is a market capitalization weighted index consisting of U.S. dollar denominated emerging market corporate bonds.

The **J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified)** tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. The index limits the exposure of some of the larger countries.

The **J.P. Morgan GBI EM Global Diversified** tracks the performance of local currency debt issued by emerging market governments, whose debt is accessible by most of the international investor base.

The **U.S. Treasury Index** is a component of the U.S. Government index.

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J.P. Morgan Asset Management – Definitions

Other asset classes:

The **Alerian MLP Index** is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for the asset class.

The **Bloomberg Commodity Index** and related sub-indices are composed of futures contracts on physical commodities and represents twenty two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc

The **Cambridge Associates U.S. Global Buyout and Growth Index®** is based on data compiled from 1,768 global (U.S. & ex –U.S.) buyout and growth equity funds, including fully liquidated partnerships, formed between 1986 and 2013.

The **CS/Tremont Hedge Fund Index** is compiled by Credit Suisse Tremont Index, LLC. It is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The Index uses the Credit Suisse/Tremont database, which tracks over 4500 funds, and consists only of funds with a minimum of US$50 million under management, a 12-month track record, and audited financial statements. It is calculated and rebalanced on a monthly basis, and shown net of all performance fees and expenses. It is the exclusive property of Credit Suisse Tremont Index, LLC.

The **HFRI Monthly Indices (HFRI)** are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 4 main strategies, each with multiple sub strategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2200 funds listed on the internal HFR Database.

The **NAREIT EQUITY REIT Index** is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the NYSE, the American Stock Exchange or the NASDAQ National Market List.

The **NFI-ODCE**, short for NCREIF Fund Index -Open End Diversified Core Equity, is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The NFI-ODCE Index is capitalization-weighted and is reported gross of fees. Measurement is time-weighted.

Definitions:

Investing in **alternative assets** involves higher risks than traditional investments and is suitable only for sophisticated investors. Alternative investments involve greater risks than traditional investments and should not be deemed a complete investment program. They are not tax efficient and an investor should consult with his/her tax advisor prior to investing. Alternative investments have higher fees than traditional investments and they may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain. The value of the investment may fall as well as rise and investors may get back less than they invested.

Bonds are subject to interest rate risks. Bond prices generally fall when interest rates rise.

Investments in **commodities** may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the original investment. The use of derivatives may not be successful, resulting in investment losses, and the cost of such strategies may reduce investment returns.

Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

Investments in **emerging markets** can be more volatile. The normal risks of investing in foreign countries are heightened when investing in emerging markets. In addition, the small size of securities markets and the low trading volume may lead to a lack of liquidity, which leads to increased volatility. Also, emerging markets may not provide adequate legal protection for private or foreign investment or private property.

The price of **equity** securities may rise, or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries, or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general may decline over short or extended periods of time.

Equity market neutral strategies employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities, select securities for purchase and sale. Equity Market Neutral Strategies typically maintain characteristic net equity market exposure no greater than 10% long or short.

Global macro strategies trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets.

International investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Some overseas markets may not be as politically and economically stable as the United States and other nations.

There is no guarantee that the use of **long and short positions** will succeed in limiting an investor's exposure to domestic stock market movements, capitalization, sector swings or other risk factors. Using long and short selling strategies may have higher portfolio turnover rates. Short selling involves certain risks, including additional costs associated with covering short positions and a possibility of unlimited loss on certain short sale positions.

Merger arbitrage strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

Mid-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies. Historically, mid-cap companies' stock has experienced a greater degree of market volatility than the average stock.

Price to forward earnings is a measure of the price-to-earnings ratio (P/E) using forecasted earnings. **Price to book value** compares a stock's market value to its book value. **Price to cash flow** is a measure of the market's expectations of a firm's future financial health. **Price to dividends** is the ratio of the price of a share on a stock exchange to the dividends per share paid in the previous year, used as a measure of a company's potential as an investment.

Real estate investments may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investments may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

Relative Value Strategies maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

Small-capitalization investing typically carries more risk than investing in well-established "blue-chip" companies since smaller companies generally have a higher risk of failure. Historically, smaller companies' stock has experienced a greater degree of market volatility than the average stock.

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J.P. Morgan Asset Management – Risks & disclosures

The Market Insights program provides comprehensive data and commentary on global markets without reference to products. Designed as a tool to help clients understand the markets and support investment decision-making, the program explores the implications of current economic data and changing market conditions.

For the purposes of MiFID II, the JPM Market Insights and Portfolio Insights programs are marketing communications and are not in scope for any MiFID II / MiFIR requirements specifically related to investment research. Furthermore, the J.P. Morgan Asset Management Market Insights and Portfolio Insights programs, as non-independent research, have not been prepared in accordance with legal requirements designed to promote the independence of investment research, nor are they subject to any prohibition on dealing ahead of the dissemination of investment research.

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Unless otherwise stated, all data are as of June 30, 2022 or most recently available.

Guide to the Markets – U.S.

JP-LITTLEBOOK | 0903c02a82565a44

J.P.Morgan
ASSET MANAGEMENT

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

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Norwell, MA. 02061
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Regional Water Authority
Tapping the Possibilities

South Central CT
RWA 401(k) Plan

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Discussion Outline & Agenda

	Section
Investment Menu Structure & Assets	**I.**
401(k) Plan Governance	**II.**
Committee Mission for your 401(k)	**III.**

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AT MORGAN STANLEY

Regional Water Authority
Tapping the Possibilities

Investment Menu Structure & Assets

Investment Menu Structure & Assets

Fixed Income

Stable Value	Bond
Putnam Stable Value	***Intermediate Core-Plus Bond:***
	PIMCO Total Return
	Multisector Bond:
	JHancock Strategic Income Opps

Total Fixed Income: $9,845,247.76

Target Date

JPMorgan SmartRetirement Target Date

Total Target Date: $6,919,536.28

Risk Based

MFS Risk Based Allocation

Conservative, Moderate, Growth

Total Risk Based: $4,203,599.97

Investment Menu Structure & Assets

Equity Funds

	Value	Core/Blend	Growth
Large	Putnam Large Cap Value	Vanguard 500 Index (Passive) MFS Massachusetts Investors Tr (Active)	American Funds Growth Funds of Amer MFS Massachusetts Inv Gr Stk
Mid	MFS Mid Cap Value		Principal Midcap Janus Henderson Enterprise
Small	Delaware Small Cap Value		JPMorgan Small Cap Growth

Total US Equity: $24,728,808.61

Int'l	Developed	American Funds EuroPacific Growth
	EM	Invesco Developing Markets

Total International Equity: $3,293,343.33

Total 401(k) Plan Assets: $48,990,435.95

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Regional Water Authority
Tapping the Possibilities

401(k) Plan Governance

401(k) Plan Governance

RWA – Plan Sponsor of the non-ERISA 401(k) Plan

|

Authority Board – Governing body and oversight

|

Pension Review Committee Formally Expanded to include 401(k) – January 2022

Delegation by Authority Board for Routine Matters

Rochelle Kowalski and Donna Verdisco – Voting members

Bernard Peloquin – Non-voting member

The Kelliher Corbett Group at Morgan Stanley – ERISA 3(21) Plan Advisors

Advisors and consultants to Authority Board, Pension Review Committee, and plan participants

Committee Mission for your 401(k) – an ongoing process, supported by your Advisors

Fiduciary Governance

Build a Reliable and Repeatable Process Around All Critical Plan Components
- Fiduciary Audit File to document procedural process

Initial and Ongoing Training of Plan Committee Members

Legislative and Regulatory Updates

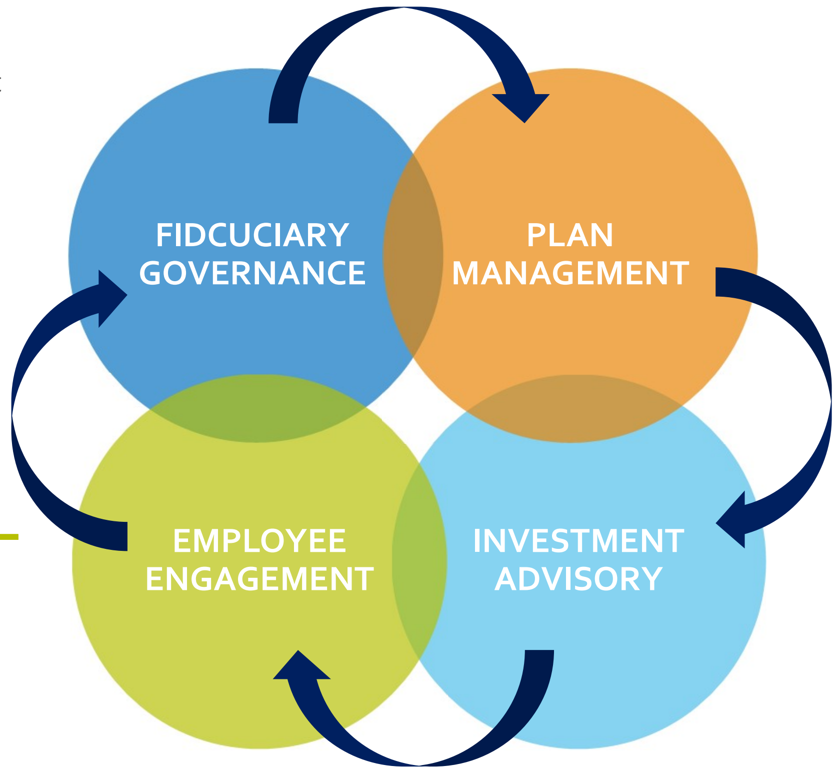
Plan Management

Strategic Planning
- Consulting, Administrative and Operational Support

Plan Design Consulting & Support

Plan Benchmarking
- Evaluate and understand plan services and costs
- Assess reasonableness of plan costs relative to services received

Vendor Search Services
- Complete project management



Employee Engagement

Drive Employee Engagement
- Analyze plan demographics, to formulate short and long term education goals and objectives
- Develop and deliver customized education programs tailored to your specific objectives

Ongoing Employee Education

Improve Retirement Readiness
- Risk-based and Target Date Custom Model Portfolios

Investment Advisory

Investment Oversight
- Conduct needs analysis
- Investment Policy Statement (IPS)
- Asset class analysis including the creation of Custom Model Portfolios

Provide Ongoing Fund Selection & Monitoring
- Performance reporting & analytics

ERISA 3(21) and/or 3(38) Fiduciary Services Available

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Wealth Management Perspectives

Understanding Your Portfolio's Impact

Measurement and reporting are central to advancing the positive impact of your investments. You cannot manage what you are not measuring.

Problem

Investors have long sought the ability to understand the environmental and social impact of their investments; however, impact data and reporting is complex.

Current Landscape:

Impact reporting has evolved into a complex global network of organizations, data providers and rating systems that can be challenging to navigate.

15+ organizations such as the Global Impact Investing Network and the Sustainability Accounting Standards Board are building the infrastructure to drive the effective use of material sustainability information by investors

100+ data providers can now deliver environmental, social and governance (ESG) insights across multiple levels (company, manager and portfolio-level) to help determine ESG-driven risks and opportunities

Emerging ratings systems assess ESG performance, but are either over-simplified, non-customizable and struggle to capture intentional sustainable investing approaches

Solution

We have vetted and partnered with leading ESG data providers – MSCI ESG Research, ISS-ESG, Equileap and Fossil Free Indexes – to deliver a customized impact reporting tool exclusively for Morgan Stanley Financial Advisors and clients. **With us, you can understand and monitor your impact to make informed investment decisions based on your unique impact priorities.**

FFI ISS ESG ethix·climate·oekom MSCI EQUILEAP MAKE A DIFFERENCE AND A RETURN

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Introducing Morgan Stanley Impact Quotient®: A Client-Centric Approach to Impact Reporting

Available exclusively to Morgan Stanley clients, *Morgan Stanley Impact Quotient* ® is a new suite of capabilities designed to help you understand the environmental and social impact of your investments.

1 DISCOVER
Determine your unique impact preferences and priorities through meaningful conversations with your financial advisor using the **Impact Profile Builder**.

2 ASSESS
Evaluate how your portfolio is aligned to your unique preferences by discussing your customized **Impact Reports** with your financial advisor.

3 ALIGN
Work with your financial advisor to **identify investment opportunities** to enhance alignment with your unique impact preferences.

The process is designed to capture impact priorities and assess alignment across multiple dimensions:

IMPACT PREFERENCES

IMPACT THEMES & OBJECTIVES	Social and / or environmental impacts sought to be aligned within an investment portfolio
ISSUES OF CONCERN	Sectors, issues or business activities found to be objectionable or to be avoided with an investment portfolio
SUSTAINABLE DEVELOPMENT GOALS	United nations supported framework aimed at ending poverty, protecting the planet and ensuring prosperity for all
TARGETED POPULATIONS FOR IMPACT	Geographies or groups intended to experience positive impacts associated with selected investments
FAITH-BASED APPROACHES	Faith can serve as a lens or set of considerations within an investment portfolio

PORTFOLIO PREFERENCES

PORTFOLIO INTEGRATION APPROACH	Portfolio integration, targeted curve out, portfolio tilt, or integration when new cash or investment changes
AVAILABLE INVESTMENT OPPORTUNITIES	Public markets (e.g., Public equities fixed income, and multi Asset) and/or alternative investment (e.g., Real Assets, Private Equity)
APPROACHES TO INVESTING WITH IMPACT	Restriction screening, ESG integration, thematic exposure, impact investing and shareholder engagement

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Evaluate and Enhance the Alignment of Your Investments

Why Engage With *Morgan Stanley Impact Quotient®*?

#1 Ensures your Financial Advisor **understands your unique impact priorities.**

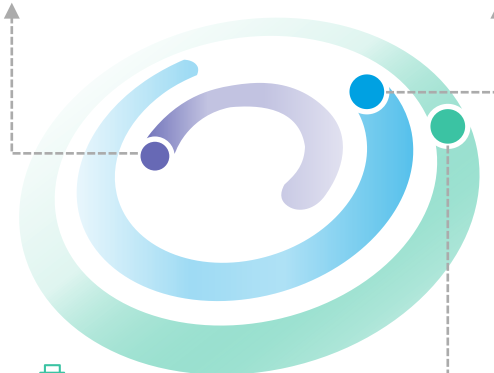
#2 Gain **transparency into the impact of your investments** with data-driven insights customized to your unique preferences.

#3 Take action with your Financial Advisor **to better align your investments** over time.

Who is *Morgan Stanley Impact Quotient®* Designed For?

Individuals seeking to generate positive impact with their capital

Families seeking to align portfolios to their legacies



Institutions and Boards seeking to understand portfolio alignment or organizational mission

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Our view is that Adverse Active Alpha is a good starting point and should be used in conjunction with other information. Morgan Stanley Wealth Management's qualitative and quantitative investment manager due diligence process are equally important factors for investors when considering managers for use through an investment advisory program. Factors including, but not limited to, manager

turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors.

The proprietary **Value Score** methodology considers an active investment strategies' value proposition relative to its costs. From a historical quantitative study of several quantitative markers, Value Score measures perceived forward-looking benefit and computes (1) "fair value" expense ratios for most traditional investment managers across 40 categories and (2) managers' perceived "excess value" by comparing the fair value expense ratios to actual expense ratios. Managers are then ranked within each category by their excess value to assign a Value Score. Our analysis suggests that greater levels of excess value have historically corresponded to attractive subsequent performance.

For more information on the ranking models, please see Adverse Active AlphaSM 2.0: Scoring Active Managers According to Potential Alpha and Value Score: Scoring Fee Efficiency by Comparing Managers' "Fair Value" and Actual Expense Ratios. The whitepapers are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

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Please consider the investment objectives, risks, fees, and charges and expenses of mutual funds, ETFs, closed end funds, unit investment trusts, and variable insurance products carefully before investing. The prospectus contains this and other information about each fund. To obtain a prospectus, contact your Financial Advisor or Private Wealth Advisor or visit the Morgan Stanley website at www.morganstanley.com. Please read it carefully before investing.

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The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals;(2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long "lock-up" periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual fund or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Nontraditional investment options and strategies are often employed by a portfolio manager to further a fund's investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the fund's essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or "leverage."

The Morgan Stanley Digital Vault ("Digital Vault") is accessible to clients with dedicated Financial Advisors. Documents shared via the Digital Vault should be limited to those relevant to your Morgan Stanley account relationship. Uploading a document to the Digital Vault does not obligate us to review or take any action on it, and we will not be liable for any failure to act upon the contents of such document. Please contact your Financial Advisor or Branch Management to discuss the appropriate process for providing the document to us for review. If you maintain a Trust or entity account with us, only our certification form will govern our obligations for such account. Please refer to the Morgan Stanley Digital Vault terms and conditions for more information.

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Mobile check deposits are subject to certain terms and conditions. Checks must be drawn on a U.S. Bank.

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Electronic payments arrive to the payee within 1-2 business days, check payments arrive to the payee within 5 business days. Same-day and overnight payments are available for an additional fee within the available payment timeframes.

KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in **emerging markets and frontier markets**. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small- and mid-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities' (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments ("ESG")** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client's account will be managed as described herein. **Options** and margin trading involve substantial risk and are not appropriate for all investors. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. Shares of closed-end funds frequently trade at a discount from their NAV which may increase investors' risk of loss. The risk of loss due to this discount may be greater for investors expecting to sell their shares in a relatively short period after completion of the public offering. This characteristic is a risk separate and distinct from the risk that a closed-end fund's net asset value may decrease as a result of investment activities. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases or sells shares of a closed-end fund, shares may have a market price that is above or below NAV. Portfolios that invest a large percentage of assets in only one industry **sector** (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; Risks associated with the operations, personnel, and processes of the manager; and Risks associated with cybersecurity. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. 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These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown. The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Individual funds have specific tax risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum , are distributed by Morgan Stanley Wealth Management and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley Wealth Management or any of its affiliates, (3) are not guaranteed by Morgan Stanley Wealth Management and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Wealth Management is a registered broker-dealer, not a bank. 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Investment products in this category may employ various investment strategies and techniques for both hedging and more speculative purposes such as short -selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative investments are not appropriate for all investors. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund.

Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

A majority of Alternative Investment managers reviewed and selected by GIMA pay or cause to be paid an ongoing fee for distribution from their management fees to Morgan Stanley Wealth Management in connection with Morgan Stanley Wealth Management clients that purchase an interest in an Alternative Investment and in some instances pay these fees on the investments held by investments held by brokerage clients. Morgan Stanley Wealth Management has a conflict of interest in offering alternative investments because Morgan Stanley Wealth Management or our affiliates, in most instances, earn more money in your account from your investments in alternative investments than from other investment options.

It should be noted that the majority of hedge fund indexes are comprised of hedge fund manager returns. This is in contrast to traditional indexes, which are comprised of individual securities in the various market segments they represent and offer complete transparency as to membership and construction methodology. As such, some believe that hedge fund index returns have certain biases that are not present in traditional indexes. Some of these biases inflate index performance, while others may skew performance negatively. However, many studies indicate that overall hedge fund index performance has been biased to the upside. Some studies suggest performance has been inflated by up to 260 basis points or more annually depending on the types of biases included and the time period studied. Although there are numerous potential biases that could affect hedge fund returns, we identify some of the more common ones throughout this paper.

Self-selection bias results when certain manager returns are not included in the index returns and may result in performance being skewed up or down. Because hedge funds are private placements, hedge fund managers are able to decide which fund returns they want to report and are able to opt out of reporting to the various databases. Certain hedge fund managers may choose only to report returns for funds with strong returns and opt out of reporting returns for weak performers. Other hedge funds that close may decide to stop reporting in order to retain secrecy, which may cause a downward bias in returns.

Survivorship bias results when certain constituents are removed from an index. This often results from the closure of funds due to poor performance, "blow ups," or other such events. As such, this bias typically results in performance being skewed higher. As noted, hedge fund index performance biases can result in positive or negative skew. However, it would appear that the skew is more often positive. While it is difficult to quantify the effects precisely, investors should be aware that idiosyncratic factors may be giving hedge fund index returns an artificial "lift" or upwards bias.

Hedge Funds of Funds and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor's goals by the pre-established year or "target date." A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are appropriate only for the risk capital portion of an investor's portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy.

Virtual Currency Products (Cryptocurrencies)

Buying, selling, and transacting in Bitcoin, Ethereum or other digital assets ("Digital Assets"), and related funds and products, is highly speculative and may result in a loss of the entire investment. Risks and considerations include but are not limited to:

- Digital Assets have only been in existence for a short period of time and historical trading prices for Digital Assets have been highly volatile. The price of Digital Assets could decline rapidly, and **investors could lose their entire investment.**

- Certain Digital Asset funds and products, allow investors to invest on a more frequent basis than investors may withdraw from the fund or product, and interests in such funds or products are generally not freely transferrable. This means that, particularly given the volatility of Digital Assets, an investor will have to bear any losses with respect to its investment for an extended period of time and will not be able to react to changes in the price of the Digital Asset once invested (for example, by seeking to withdraw) as quickly as when making the decision to invest. Such Digital Asset funds and products, are intended only for persons who are able to bear the economic risk of investment and who do not need liquidity with respect to their investments.

- Given the volatility in the price of Digital Assets, the net asset value of a fund or product that invests in such assets at the time an investor's subscription for interests in the fund or product is accepted may be significantly below or above the net asset value of the product or fund at the time the investor submitted subscription materials.

- Certain Digital Assets are not intended to function as currencies but are intended to have other use cases. These other Digital Assets may be subject to some or all of the risks and considerations set forth herein, as well as additional risks applicable to such Digital Assets. Buyers, sellers and users of such Digital Assets should thoroughly familiarize themselves with such risks and considerations before transacting in such Digital Assets.

- The value of Digital Assets may be negatively impacted by future legal and regulatory developments, including but not limited to increased regulation of such Digital Assets. Any such developments may make such Digital Assets less valuable, impose additional burdens and expenses on a fund or product investing in such assets or impact the ability of such a fund or product to continue to operate, which may materially decrease the value of an investment therein.

- Due to the new and evolving nature of digital currencies and the absence of comprehensive guidance, many significant aspects of the tax treatment of Digital Assets are uncertain. Prospective investors should consult their own tax advisors concerning the tax consequences to them of the purchase, ownership and disposition of Digital Assets, directly or indirectly through a fund or product, under U.S. federal income tax law, as well as the tax law of any relevant state, local or other jurisdiction.

- Over the past several years, certain Digital Asset exchanges have experienced failures or interruptions in service due to fraud, security breaches, operational problems or business failure. Such events in the future could impact any fund's or product's ability to transact in Digital Assets if the fund or product relies on an impacted exchange and may also materially decrease the price of Digital Assets, thereby impacting the value of your investment, regardless of whether the fund or product relies on such an impacted exchange.

- Although any Digital Asset product and its service providers have in place significant safeguards against loss, theft, destruction and inaccessibility, there is nonetheless a risk that some or all of a product's Digital Asset could be permanently lost, stolen, destroyed or inaccessible by virtue of, among other things, the loss or theft of the "private keys" necessary to access a product's Digital Asset.

- Investors in funds or products investing or transacting in Digital Assets may not benefit to the same extent (or at all) from "airdrops" with respect to, or "forks" in, a Digital Asset's blockchain, compared to investors who hold Digital Assets directly instead of through a fund or product. Additionally, a "fork" in the Digital Asset blockchain could materially decrease the price of such Digital Asset.

- Digital Assets are not legal tender, and are not backed by any government, corporation or other identified body, other than with respect to certain digital currencies that certain governments are or may be developing now or in the future. No law requires companies or individuals to accept digital currency as a form of payment (except, potentially, with respect to digital currencies developed by certain governments where such acceptance may be mandated). Instead, other than as described in the preceding sentences, Digital Asset products' use is limited to businesses and individuals that are willing to accept them. If no one were to accept digital currencies, virtual currency products would very likely become worthless.

- Platforms that buy and sell Digital Assets can be hacked, and some have failed. In addition, like the platforms themselves, digital wallets can be hacked, and are subject to theft and fraud. As a result, like other investors have, you can lose some or all of your holdings of Digital Assets.

- Unlike US banks and credit unions that provide certain guarantees of safety to depositors, there are no such safeguards provided to Digital Assets held in digital wallets by their providers or by regulators.

- Due to the anonymity Digital Assets offer, they have known use in illegal activity, including drug dealing, money laundering, human trafficking, sanction evasion and other forms of illegal commerce. Abuses could impact legitimate consumers and speculators; for instance, law enforcement agencies could shut down or restrict the use of platforms and exchanges, limiting or shutting off entirely the ability to use or trade Digital Asset products.

- Digital Assets may not have an established track record of credibility and trust. Further, any performance data relating to Digital Asset products may not be verifiable as pricing models are not uniform.

- Investors should be aware of the potentially increased risks of transacting in Digital Assets relating to the risks and considerations, including fraud, theft, and lack of legitimacy, and other aspects and qualities of Digital Assets, before transacting in such assets.

- The exchange rate of virtual currency products versus the USD historically has been very volatile and the exchange rate could drastically decline. For example, the exchange rate of certain Digital Assets versus the USD has in the past dropped more than 50% in a single day. Other Digital Assets may be affected by such volatility as well.

- Digital Asset exchanges have limited operating and performance histories and are not regulated with the same controls or customer protections available to more traditional exchanges transacting equity, debt, and other assets and securities. There is no assurance that a person/exchange who currently accepts a Digital Asset as payment will continue to do so in the future.

- The regulatory framework of Digital Assets is evolving, and in some cases is uncertain, and Digital Assets themselves may not be governed and protected by applicable securities regulators and securities laws, including, but not limited to, Securities Investor Protection Corporation coverage, or other regulatory regimes.

- Morgan Stanley Smith Barney LLC or its affiliates (collectively, "Morgan Stanley") may currently, or in the future, offer or invest in Digital Asset products, services or platforms. The proprietary interests of Morgan Stanley may conflict with your interests.

- The foregoing list of considerations and risks are not and do not purport to be a complete enumeration or explanation of the risks involved in an investment in any product or fund investing or trading in Digital Assets.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

Annuities and insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be an appropriate comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

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We may act in the capacity of a broker or that of an advisor. As your broker, we are not your fiduciary and our interests may not always be identical to yours. Please consult with your Private Wealth Advisor to discuss our obligations to disclose to you any conflicts we may from time to time have and our duty to act in your best interest. We may be paid both by you and by others who compensate us based on what you buy. Our compensation, including that of your Private Wealth Advisor, may vary by product and over time.

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For index, indicator and survey definitions referenced in this report please visit the following: https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions

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Morgan Stanley Pathway Program Asset Allocation Models There are model portfolios corresponding to five risk-tolerance levels available in the Pathway program. Model 1 is the least aggressive portfolio and consists mostly of bonds. As the model numbers increase, the models have higher allocations to equities and become more aggressive. Pathway is a mutual fund asset allocation program. In constructing the Pathway Program Model Portfolios, Morgan Stanley Wealth Management uses, among other things, model asset allocations produced by Morgan Wealth Management's Global Investment Committee (the "GIC"). The Pathway Program Model Portfolios are specific to the Pathway program (based on program features and parameters, and any other requirements of Morgan

Stanley Wealth Management's Consulting Group).The Pathway Program Model Portfolios may therefore differ in some respects from model portfolios available in other Morgan Stanley Wealth Management programs or from asset allocation models published by the Global Investment Committee.

529 Plans - Investors should carefully read the Program Disclosure statement, which contains more information on investment options, risk factors, fees and expenses, and possible tax consequences before purchasing a 529 plan. You can obtain a copy of the Program Disclosure Statement from the 529 plan sponsor or your Financial Advisor. Assets can accumulate and be withdrawn federally tax-free only if they are used to pay for qualified expenses. Earnings on nonqualified distributions will be subject to income tax and a 10% federal income tax penalty. Contribution limits vary by state. Refer to the individual plan for specific contribution guidelines. Before investing, investors should consider whether tax or other benefits are only available for investments in the investor's home state 529 college savings plan. If an account owner or the beneficiary resides in or pays income taxes to a state that offers its own 529 college savings or pre-paid tuition plan (an "In-State Plan"), that state may offer state or local tax benefits. These tax benefits may include deductible contributions, deferral of taxes on earnings and/or tax-free withdrawals. In addition, some states waive or discount fees or offer other benefits for state residents or taxpayers who participate in the In -State Plan. An account owner may be denied any or all state or local tax benefits or expense reductions by investing in another state's plan (an "Out-of-State Plan"). In addition, an account owner's state or locality may seek to recover the value of tax benefits (by assessing income or penalty taxes) should an account owner rollover or transfer assets from an In-State Plan to an Out-of-State Plan. While state and local tax consequences and plan expenses are not the only factors to consider when investing in a 529 Plan, they are important to an account owner's investment return and should be taken into account when selecting a 529 plan.

The Morgan Stanley National Advisory 529 Plan. The North Carolina State Education Assistance Authority (the "Authority") is an instrumentality of the State of North Carolina sponsoring the Morgan Stanley National Advisory 529 Plan, and the 529 Plan is a component of the Parental Savings Trust Fund established by the General Assembly of North Carolina. Neither the Authority, the State of North Carolina nor any other affiliated public entity or any other public entity is guaranteeing the principal or earnings in any account. Contributions or accounts may lose value and nothing stated herein, the 529 Plan Description and Participation Agreement or any other account documentation shall be construed to create any obligation of the Authority, the North Carolina State Treasurer, the State of North Carolina, or any agency or instrumentality of the State of North Carolina to guarantee for the benefit of any parent, other interested party, or designated beneficiary the rate of return or other return for any contribution to the Parental Savings Trust Fund and the 529 Plan.

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Trusts are not necessarily appropriate for all clients. There are risks and considerations which may outweigh any potential benefits. Establishing a trust will incur fees and expenses which may be substantial. Trusts often incur ongoing administrative fees and expenses such as the services of a corporate trustee or tax professional.

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Any recommendations regarding external accounts/holdings are asset allocation only and do not include security recommendations. Transitioning from a brokerage to an advisory relationship may not be appropriate for some clients.

IMPORTANT: The projections or other information provided in the Report regarding the likelihood of various investment outcomes (including any assumed rates of return and income) are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Hypothetical investment results have inherent limitations.

·There are frequently large differences between hypothetical and actual results.

·Hypothetical results do not represent actual results and are generally designed with the benefit of hindsight.

·They cannot account for all factors associated with risk, including the impact of financial risk in actual trading or the ability to withstand losses or to adhere to a particular trading strategy in the face of trading losses.

·There are numerous other factors related to the markets in general or to the implementation of any specific strategy that cannot be fully accounted for in the preparation of hypothetical risk results and all of which can adversely affect actual performance.

Morgan Stanley cannot give any assurances that any estimates, assumptions or other aspects of the risk analyses will prove correct. They are subject to actual known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those shown in a Report. The information is as of the date of the Report or as otherwise noted within the Report. Morgan Stanley expressly disclaims any obligation or undertaking to update or revise any statement or other information contained in a Report to reflect any change in past results, future expectations or circumstances upon which that statement or other information is based.

Lending products and securities based loans are provided by Morgan Stanley Smith Barney LLC, Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A, as applicable.

The lending products described are separate and distinct, and are not connected in any way. The ability to qualify for one product is not connected to an individual's eligibility for another.

Liquidity Access Line ("LAL") is a securities based loan/line of credit product, the lender of which is either Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, each an affiliate of Morgan Stanley Smith Barney LLC. All LAL loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable. LAL loans/lines of credit may not be available in all locations. Rates, terms and conditions are subject to change without notice. To be eligible for an LAL loan/line of credit, a client must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities, which shall serve as collateral for the LAL. In conjunction with establishing an LAL loan/line of credit, an LAL facilitation account will also be opened in the client's name at Morgan Stanley Smith Barney LLC at no charge. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association and Morgan Stanley Bank, N.A. are Members FDIC that are primarily regulated by the Office of the Comptroller of the Currency. **The proceeds from a non-purpose LAL loan/line of credit (including draws and other advances) may not be used to purchase, trade, or carry margin stock; repay margin debt that was used to purchase, trade, or carry margin stock; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.**

Residential mortgage loans/home equity lines of credit are offered by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC. With the exception of the pledged-asset feature, an investment relationship with Morgan Stanley Smith Barney LLC does not have to be established or maintained to obtain the residential mortgage products offered by Morgan Stanley Private Bank, National Association. All residential mortgage loans/home equity lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association. Rates, terms, and programs are subject to change without notice. Residential mortgage loans/home equity lines of credit may not be available in all states; not available in Guam, Puerto Rico and the U.S. Virgin Islands. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association is an Equal Housing Lender and Member FDIC that is primarily regulated by the Office of the Comptroller of the Currency. Nationwide Mortgage Licensing System Unique Identifier #663185. **The proceeds from a residential mortgage loan (including draws and advances from a home equity line of credit) are not permitted to be used to purchase, trade, or carry eligible margin stock; repay margin debt that was used to purchase, trade, or carry margin stock; or to make payments on any amounts owed under the note, loan agreement, or loan security agreement; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.**

Through the pledged-asset feature offered by Morgan Stanley Private Bank, National Association, the applicant(s) or third party pledgor (collectively "Client") may be able to pledge eligible securities in lieu of a full or partial cash down payment or in connection with a refinance mortgage loan. To be eligible for the pledged-asset feature a Client must have a brokerage account at Morgan Stanley

Smith Barney LLC. If the value of the pledged securities in the account drops below the agreed-upon level stated in the loan documents, a Client may be required to deposit additional securities or other collateral (such as cash) to stay in compliance with the terms of the mortgage loan. If a Client does not deposit additional securities or other collateral, the Client's pledged securities may be sold to satisfy the Client's obligation, and the Client will not be entitled to choose which assets will be sold . Borrowing against securities may not be appropriate for everyone. In deciding whether the

pledged-asset feature is appropriate, a Client should consider, among other things, the degree to which he or she is comfortable subjecting his or her investment in a home to the fluctuations of the securities market. The pledged-asset feature is not available in all states. Other restrictions may apply.

Interest-only loans enable borrowers to make monthly payments of only the accrued monthly interest on the loan during the introductory interest-only period. Once that period ends, borrowers must make monthly payments of principal and interest for the remaining loan term, and payments will be substantially higher than the interest-only payments. During the interest-only period, the total interest that the borrower will be obligated to pay will vary based on the amount of principal paid down , if any. If a borrower makes just an interest-only payment, and no payment of principal, the total interest payable by the borrower during the interest-only period will be greater than the total interest that a borrower would be obligated to pay on a traditional loan of the same interest rate having principal-and-interest payments. In making comparisons between an interest-only loan and a traditional loan, borrowers should carefully review the terms and conditions of the various loan products available and weigh the relative merits of each type of loan product appropriately. The interest rate and payments on an adjustable rate mortgage ("ARM") loan may increase over the life of a loan as interest is fixed for a specified period and then will adjust periodically thereafter. The annual percentage rate may increase after consummation of the loan.

3/6M, 5/6M, 7/6M, 10/6M adjustable rate mortgage ("ARM") loans are based on the Secured Overnight Financing Rate ("SOFR") 30-Day Average.

Relationship-based pricing offered by Morgan Stanley Private Bank, National Association is based on the value of clients', or their immediate family members' (i.e., grandparents, parents, and children) eligible assets (collectively "Household Assets") held within accounts at Morgan Stanley Smith Barney LLC. To be eligible for relationship-based pricing, Household Assets must be maintained within appropriate eligible accounts prior to the closing date of the residential mortgage loan . Relationship-based pricing is not available on conforming loans.

The Morgan Stanley Debit Card is issued by Morgan Stanley Private Bank, National Association pursuant to a license from Mastercard International Incorporated. Mastercard and Maestro are registered trademarks of Mastercard International Incorporated. The third-party trademarks and service marks contained herein are the property of their respective owners. Investments and services offered through Morgan Stanley Smith Barney LLC, Member SIPC.

Cash management and lending products and services are provided by Morgan Stanley Smith Barney LLC, Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A, as applicable.

Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A, each a national bank, Member FDIC.

The information provided herein is not intended to address any particular matter and may not apply depending on the context, as all clients' circumstances are unique.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

The Morgan Stanley American Express Card portfolio consists of three cards: The Platinum Card from American Express Exclusively for Morgan Stanley, the Morgan Stanley Blue Cash Preferred American Express Card, and the Morgan Stanley Credit Card.

The Platinum Card from American Express Exclusively for Morgan Stanley and the Morgan Stanley Blue Cash Preferred American Express Card are available for acquisition, and eligible clients are invited to apply. Existing Morgan Stanley Credit Card members may continue to enjoy the benefits of their card, but this product is no longer available for acquisition.

The Platinum Card® from American Express exclusively for Morgan Stanley is only available for clients who have an Eligible Account with Morgan Stanley Smith Barney LLC.

The Morgan Stanley Blue Cash Preferred® Card is only available for clients who have an Eligible Account with Morgan Stanley Smith Barney LLC or its eligible affiliates, including but not limited to E*TRADE Securities LLC.

An "Eligible Account" is a brokerage account (i) held in your name, (ii) held by a trust where you are both the grantor and trustee of such trust, or (iii) held as a beneficial owner of a personal holding company, a non-operating limited liability company, a non-operating limited partnership, or a similar legal entity. Eligibility is subject to change. American Express may cancel your Card Account and participation in this program, if you do not maintain an Eligible Account.

The Platinum Card® from American Express exclusively for Morgan Stanley and the Morgan Stanley Blue Cash Preferred® Card are issued by American Express National Bank, not Morgan Stanley Smith Barney LLC. Services and rewards for the Cards are provided by Morgan Stanley Smith Barney LLC, American Express or other third parties. Restrictions and other limitations apply. See the terms and conditions for the Cards for details. Clients are urged to review fully before applying.

Morgan Stanley, its affiliates, and Morgan Stanley Financial Advisors and employees are not in the business of providing tax or legal advice. Clients should speak with their tax advisor regarding the potential tax implications of the Rewards Program upon their specific circumstances.

The Platinum Card® from American Express Exclusively for Morgan Stanley and the Morgan Stanley Blue Cash Preferred® American Express Card are issued by American Express National Bank. ©2022 American Express National Bank

American Express may share information about your Card Account with Morgan Stanley in support of Morgan Stanley programs and services. For information as to how Morgan Stanley will use your Card Account data please visit http://www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/mssb_privacynotice.pdf.

Obtain one (1) Additional Platinum Card for no additional annual fee. You can get up to the next three (3) Additional Platinum Cards for a total annual fee of $175. Then, each Additional Platinum Card can be obtained for an annual fee of $175. There is no annual fee for Additional Gold Cards. Additional Card Members must be at least 13 years of age and never have had a defaulted account with American Express.

The CashPlus Account is a brokerage account offered through Morgan Stanley Smith Barney LLC. Conditions and restrictions apply. Please refer to the CashPlus Account Disclosure Statement at https://www.morganstanley.com/wealthdisclosures/cashplusaccountdisclosurestatement.pdf.

The qualifying criteria to avoid the monthly account fee for all CashPlus Accounts in an Account Link Group (ALG) is: an additional eligible Morgan Stanley investment account (that may include additional fees), one Morgan Stanley Online enrollment; for Premier CashPlus account $2,500 monthly deposit or $25,000 Average BDP Daily Balance; for Platinum CashPlus account $5,000 monthly deposit and $25,000 Average BDP Daily Balance. For more information, please refer to the CashPlus Account Disclosure Statement at https://www.morganstanley.com/wealth-disclosures/cashplusaccountdisclosurestatement.pdf.

CashPlus Accounts receive SIPC coverage for securities and free credit balances and cash swept into the Bank Deposit Program receives FDIC insurance, both up to applicable limits.

Securities Investor Protection Corporation ("SIPC") — Morgan Stanley Smith Barney LLC is a member of SIPC, which protects securities of its customers up to $500,000 (including $250,000 for claims for cash). Losses due to market fluctuation are not protected by SIPC. To obtain information about SIPC, including an explanatory SIPC brochure, contact SIPC at 1-202-371-8300 or visit www.sipc.org

Federal Deposit Insurance Corporation ("FDIC") — Cash balances swept into deposit accounts at participating banks in the Bank Deposit Program are protected by FDIC Insurance up to applicable FDIC limits. FDIC insurance is a federal government program administered by the Federal Deposit Insurance Corporation. This insurance covers bank deposits held in checking accounts, savings accounts, certificates of deposits and money market deposits (not money market funds). This insurance comes into play in the event of a bank failure and covers client cash up to a total of $250,000 per bank, for each "insurable capacity" (e.g. each individual, joint, etc.). It does not cover investment products that are not deposits, such as mutual funds, annuities, life insurance policies, stocks or bonds. Refer to https://www.fdic.gov for additional details.

The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC. Under the Bank Deposit Program, generally cash balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing FDIC-insured deposit account(s) at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National

Association, each a national bank, member FDIC, and an affiliate of Morgan Stanley Smith Barney LLC. Detailed information on federal deposit insurance coverage is available on the FDIC's website (https://www.fdic.gov/deposit/deposits/).

Under the Preferred Savings program ("Preferred Savings"), Morgan Stanley Smith Barney LLC makes available interest-bearing FDIC-insured deposit account(s) at Morgan Stanley Private Bank, National Association, a national bank, Member FDIC, and an affiliate of Morgan Stanley Smith Barney LLC. Deposits placed in Preferred Savings are eligible for FDIC insurance up to $250,000 (including principal and interest) per depositor for all deposits held in the same insurable capacity (the Maximum Applicable Deposit Insurance Amount). All deposits held in the same insurable capacity will be aggregated for purposes of the Maximum Applicable Deposit Insurance Amount, including deposits maintained through the Bank Deposit Program. The client is responsible for monitoring the total amount held with the bank. The bank also reserves the right to offer promotional rates from time to time. Detailed information on federal deposit insurance coverage is available on the FDIC's website (https://www.fdic.gov/deposit/deposits/). The Preferred Savings program is not intended for clients who need to have frequent access to funds and those funds will not be automatically accessed to reduce a debit or margin loan in your brokerage account. Withdrawals from an account in Preferred Savings are limited to 10 transactions per calendar month, and any withdrawal or transfer over the limit in any one calendar month will be subject to an excess withdrawal fee. The client is responsible for monitoring the total amount held with each bank. The bank also reserves the right to offer promotional rates from time to time. Detailed information on federal deposit insurance coverage is available on the FDIC's website (https://www.fdic.gov/deposit/deposits**/). The Savings programs are not intended for clients who need to have frequent access to funds and those funds will not be automatically accessed to reduce a debit or margin loan in your brokerage account. Withdrawals from an account in Savings are limited to 10 transactions per calendar month, and any withdrawal or transfer over the limit in any one calendar month will be subject to an excess withdrawal fee.**

Reserved clients and CashPlus accounts are eligible for unlimited global ATM fee rebates. All other clients are eligible for up to $200 in annual global ATM fee rebates. Daily withdrawal limits of $1,500 to $5,000 for ATMs and $25,000 to $50,000 for teller cash advances, depending upon tier. Unlike ATM fees that are rebated, Morgan Stanley will not reimburse fees that banks may charge for Debit Card cash advances.

While Morgan Stanley will always make transferred and deposited funds available immediately for investment purposes, we may not make all transferred or deposited funds immediately available for withdrawal. Funds deposited by check or funds transfer may be delayed depending on certain circumstances, such as dollar value, account status, etc., and could be held for up to six business days. Please contact your Financial Advisor or Private Wealth Advisor for additional information and/or review the Fund Availability Policy by signing into your Morgan Stanley Online account.

To review the Bank Deposit Program Disclosure Statement refer to https://www.morganstanley.com/wealth-investmentstrategies/pdf/BDP_disclosure.pdf

Certain terms, conditions, restrictions and exclusions apply. Please refer to the Morgan Stanley Debit Card Terms and Conditions at http://www.morganstanley.com/debitcardterms for additional information.

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Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

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Regional Water Authority
Tapping the Possibilities

South Central CT
Regional Water Authority
ESG Discussion

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Discussion Outline & Agenda

	Section
MSIQ Report	**I.**
ESG Deep Dive Funds Review (3/31/2022 & 6/30/2022)	**II.**
SEC's Asset Manager Disclosure for ESG	**III.**
ESG - Discover/Assess/Align	**IV.**

Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

Regional Water Authority
Tapping the Possibilities

MSIQ Report

Morgan Stanley

THE KELLIHER CORBETT GRP
Tel: 781-681-4900

MSIQ Report

Prepared on April 14, 2022 for:

SC CT REGIONAL WATER AUTHORITY

SC CT REGIONAL WATER AUTHORITY
MATRIX TRUST COMPANY
RPM DB
90 SARGENT DRIVE
NEW HAVEN CT 06511-5918

Please review the disclosures and definitions throughout this Document.

TABLE OF CONTENTS

Please review the disclosures and definitions throughout this Document.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document.

ACCOUNT(S) INCLUDED IN THIS REPORT

Morgan Stanley

SC CT REGIONAL WATER AUTHORITY

Reporting Currency: USD

MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Total Value ($) 04/13/22	% of Portfolio 04/13/22
SALARY	447-XXX450	Portfolio Management RPM - RPM DB Trustee Directed	12/17/14 -	42,703,205.97	54.72
SALARY	447-XXX626	Alternative Investments Advisory - RPM DB Trustee Directed	02/24/16 -	34,475.16	0.04
SC CT REGIONAL WATER AUTHORITY	447-XXX448	RPM DB Plan Account	12/17/14 -	0.00	0.00
SC CT REGIONAL WATER AUTHORITY	447-XXX456	Portfolio Management RPM - RPM VEBA Trustee Directed	12/18/14 -	9,136,297.29	11.71
UNION	447-XXX451	Portfolio Management RPM - RPM DB Trustee Directed	12/17/14 -	26,145,137.21	33.50
UNION	447-XXX627	Alternative Investments Advisory - RPM DB Trustee Directed	02/24/16 -	23,135.06	0.03
Morgan Stanley Wealth Management Total				**78,042,250.69**	**100.00**
Total Portfolio				**78,042,250.69**	**100.00**

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All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

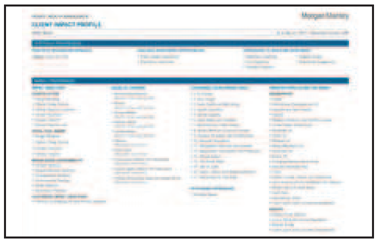
IMPORTANT INFORMATION ABOUT MORGAN STANLEY IMPACT QUOTIENT

UNDERSTANDING MORGAN STANLEY IMPACT QUOTIENT

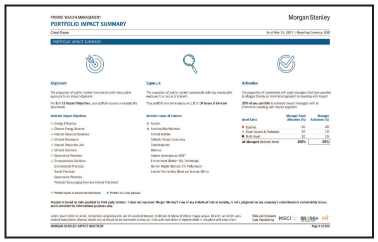
Morgan Stanley Impact Quotient (Morgan Stanley IQ) is a portfolio analysis tool that enables Morgan Stanley clients to assess how their investment portfolio is aligned with and activated towards the impact priorities that matter most to them as an individual, family or organization. Morgan Stanley IQ analytics are driven by each individual or institution's unique worldview, mission, values and investment objectives, creating a new dimension to diagnose portfolios' alignment with desired impact at a point in time.

After completing a robust discovery process to explore and prioritize impact objectives, a client impact profile is generated to inform how the underlying portfolio is assessed with respect to impact. This client impact profile forms the basis for each Morgan Stanley IQ module, described in detail below. Underlying data across Morgan Stanley IQ modules is sourced from manager-reported information and third-party vendors including MSCI ESG Research, ISS-ESG, Fossil Free Indexes and Equileap.

MORGAN STANLEY IMPACT QUOTIENT REPORT MODULES



The **Client Impact Profile** displays a summary of impact preferences communicated to your Financial Advisor during the discovery process. These preferences inform how the underlying portfolio is assessed with respect to impact in the modules that follow.

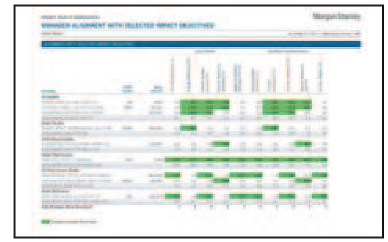


The **Portfolio Impact Summary** module displays a summary of a client portfolio's aggregate alignment, exposure and activation towards Investing with Impact. Additional details on the portfolio's assessment with respect to impact is provided in the modules that follow.

Sample conclusion: My portfolio is aligned in 5 of 12 selected impact objectives, exposed to 2 of 4 issues of concern and 25% activated toward managers with an intentional Investing with Impact approach.

The **Aggregate Alignment with Selected Impact Objectives** module displays the market-weighted proportion of public market investments with measurable alignment with the selected Impact Objectives, relative to a blended benchmark. The blended benchmark is constructed based on the portfolio's unique asset allocation. Data points are calculated based on available data from MSCI ESG Research, ISS-ESG and Equileap summarized across public market holdings within the portfolio.

Sample conclusion: My public market portfolio has 10% greater alignment with Climate Solutions, compared to a blended benchmark of 5%.



The **Manager Alignment with Selected Impact Objectives** module displays the market-weighted proportion of public market funds and accounts with measurable alignment with the selected Impact Objectives, relative to a relevant asset class benchmark. Data points are calculated based on available data from MSCI ESG Research, ISS-ESG and Equileap.

Sample conclusion: My US Small Cap fund has 3% greater alignment with Climate Solutions, compared to its benchmark of 1.1%.

The **Security-Level Alignment with Selected Impact Objectives** module displays whether individual public market securities have measurable alignment with the selected Impact Objectives. Data points are calculated based on available data from MSCI ESG Research, ISS-ESG and Equileap.

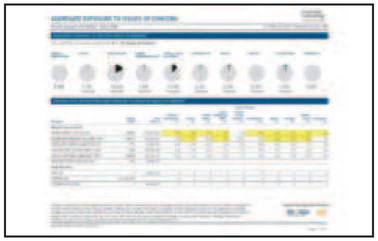
Sample conclusion: This security is aligned with Climate Solutions.

IMPORTANT INFORMATION ABOUT MORGAN STANLEY IMPACT QUOTIENT

SC CT REGIONAL WATER AUTHORITY

Reporting Currency: USD

MORGAN STANLEY IMPACT QUOTIENT REPORT MODULES (Continued)

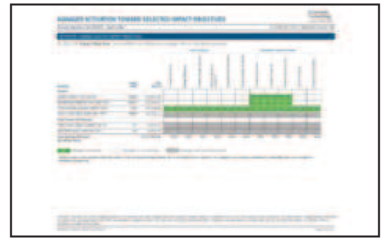


The **Aggregate Exposure to Issues of Concern** module displays the market-weighted proportion of public market investments with any measurable exposure to the selected Issues of Concern. Data points are calculated based on available data from ISS-ESG and Fossil Free Indexes and summarized across public market holdings within the portfolio. The module also displays restriction screens that have been applied.

Sample conclusion: 2% of my portfolio's holdings have some exposure to tobacco. In addition, 3 of my portfolio's managers have implemented restriction screens for tobacco companies.

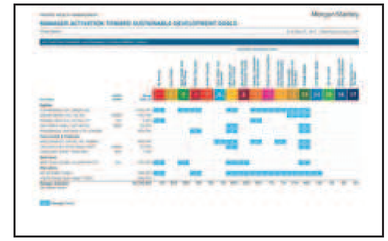
The **Manager Activation Toward Investing with Impact Approaches** module displays the market-weighted proportion of investments with asset managers that have reported to Morgan Stanley one or more intentional Investing with Impact approaches. The top section displays a summary percentage by asset class, while the bottom section displays specific manager details.The module also displays Financial Advisor implemented restriction screens.

Sample conclusion: 2 of my portfolio's public equity managers are using at least one Investing with Impact approach, representing 40% of the market value invested across all managers in my portfolio.



The **Manager Activation Toward Selected Impact Objectives** module displays the market-weighted proportion of investments with asset managers that have reported to Morgan Stanley an intentional focus on one of the selected Impact Objectives.

Sample conclusion: 3 of my portfolio's managers are focused on Climate Solutions, representing 55% of the market value invested across all managers in my portfolio.



The **Manager Activation Toward Sustainable Development Goals** module displays the market-weighted proportion of investments with asset managers that have reported to Morgan Stanley an intentional focus on any of the 17 Sustainable Development Goals.

Sample conclusion: 6 of my portfolio's managers are focused on SDG 7 (Affordable and Clean Energy), representing 40% of the market value invested across all managers in my portfolio.

CLIENT IMPACT PROFILE

Morgan Stanley

SC CT REGIONAL WATER AUTHORITY — Prepared on April 14, 2022 | Reporting Currency: USD

This Client Impact Profile reflects the impact preferences you and your Financial Advisor selected in the Morgan Stanley IQ Client Discovery Process. Your Financial Advisor may use the information in this Morgan Stanley IQ report to help you make investment decisions for your investment portfolio. You should work with your Financial Advisor to update your selected impact preferences as required. For more information or questions about Morgan Stanley IQ, please contact a member of your Morgan Stanley team.

PORTFOLIO PREFERENCES

PORTFOLIO INTEGRATION APPROACH

- Not pursuing integration at this time

AVAILABLE INVESTMENT OPPORTUNITIES

- Public market investments (e.g., Public Equities, Fixed Income, Multi-Asset)
- Alternative investments (e.g., Real Assets, Private Equity; for qualified investors) *

APPROACHES TO INVESTING WITH IMPACT

- ESG Integration
- Thematic Exposure
- Impact Investing

IMPACT PREFERENCES

IMPACT OBJECTIVES

FOSSIL FUEL AWARE

- Cleaner Energy Sources
- Climate Disclosure
- Climate Footprint
- Energy Efficiency

CUSTOMIZED IMPACT OBJECTIVES

- Access to Clean Water & Sanitation
- Climate Solutions
- Environmental Practices
- Governance Practices
- Reducing Water Stress
- Social Practices
- Water Solutions

ISSUES OF CONCERN

- Chemicals
- Oil & Gas
- Utilities

SUSTAINABLE DEVELOPMENT GOALS

- 6. Clean Water and Sanitation
- 7. Affordable and Clean Energy
- 11. Sustainable Cities and Communities
- 14. Life Below Water

TARGETED POPULATIONS FOR IMPACT

GEOGRAPHIES

- Global *

* Asterisks indicate selections where impact data are not currently available for reporting. Refer to disclosures for additional information.

SC CT REGIONAL WATER AUTHORITY | As of April 13, 2022 | Reporting Currency: USD

PORTFOLIO IMPACT SUMMARY

Alignment

The proportion of public market investments with measurable exposure to an impact objective.

For **7** of **11 Impact Objectives**, your portfolio equals or exceeds the benchmark

Selected Impact Objectives

- Climate Solutions
- Energy Efficiency
- Cleaner Energy Sources
- Water Solutions
- \+ Access to Clean Water & Sanitation
- \+ Environmental Practices
- \+ Climate Disclosure
- \+ Climate Footprint
- \+ Reducing Water Stress
- \+ Social Practices
- \+ Governance Practices

Exposure

The proportion of public market investments with any measurable exposure to an issue of concern.

Your portfolio has some exposure to **3** of **3 Issues of Concern**

Selected Issues Of Concern

- ✕ Chemicals
- ✕ Oil & Gas
- ✕ Utilities

Activation

The proportion of investments with asset managers that have reported to Morgan Stanley an intentional approach to Investing with Impact.

0% of your portfolio is activated toward managers with an intentional Investing with Impact approach

Asset Class	Manager Asset Allocation (%)	Manager Activation (%)
Equities	65	0
Fixed Income & Preferreds	21	0
Alternatives	2	0
Multi-Asset	12	0
All Managers (blended total)	**100%**	**0%**

\+ Portfolio equals or exceeds the benchmark

✕ Portfolio has some exposure

Analysis is based on data provided by third party vendors. It does not represent Morgan Stanley's view of any individual fund or security, is not a judgment on any company's commitment to sustainability issues, and is provided for informational purposes only.

Metrics are calculated across all public market holdings for which data are available, including single securities and/or investments with asset managers. Holdings may not reflect the entirety of a portfolio. Refer to the subsequent report modules and disclosures for additional information, including complete benchmark and metric definitions.

ESG and Exposure Data Provided by

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AGGREGATE ALIGNMENT WITH SELECTED IMPACT OBJECTIVES

SC CT REGIONAL WATER AUTHORITY | As of April 13, 2022 | Reporting Currency: USD

ALIGNMENT WITH SELECTED IMPACT OBJECTIVES

For **7** of **11 Impact Objectives**, your portfolio equals or exceeds the benchmark

Impact Solutions	Benchmark Alignment (%)	Portfolio Alignment (%)
Climate Solutions	13.4	**-1.1**
Energy Efficiency	9.7	**-0.4**
Cleaner Energy Sources	3.8	**-0.8**
Water Solutions	0.2	**-0.1**
Access to Clean Water & Sanitation	0.6	**+0.1**

Sustainable Corporate Practices	Benchmark Alignment (%)	Portfolio Alignment (%)
Environmental Practices	72.6	**+8.6**
Climate Disclosure	69.5	**+7.3**
Climate Footprint	82.0	**+7.1**
Reducing Water Stress	57.5	**+6.8**
Social Practices	69.5	**+8.7**
Governance Practices	82.5	**+8.4**

Equals or Exceeds Benchmark

Analysis is based on data provided by third party vendors. It does not represent Morgan Stanley's view of any individual fund or security, is not a judgment on any company's commitment to sustainability issues, and is provided for informational purposes only.

"Alignment" represents the market-weighted proportion of public market investments with measurable alignment with the selected impact objectives. Metrics are calculated across all public market holdings for which data are available, including single securities and/or investments with asset managers. Holdings may not reflect the entirety of a portfolio. The benchmark reflects a weighted average blend of asset-class benchmarks, in proportion to the market value of evaluated portfolio holdings. Refer to disclosures for additional information, including complete benchmark and metric definitions.

ESG Data Provided by

MSCI EQUILEAP ISS ESG

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MANAGER ALIGNMENT WITH SELECTED IMPACT OBJECTIVES

SC CT REGIONAL WATER AUTHORITY

As of April 13, 2022 | Reporting Currency: USD

ALIGNMENT WITH SELECTED IMPACT OBJECTIVES

For **11** of **11 Impact Objectives**, at least one strategy in your portfolio equals or exceeds its benchmark

			Impact Solutions					Sustainable Corporate Practices					
Description	Symbol/CUSIP	Total Value ($)	Climate Solutions (%)	Energy Efficiency (%)	Cleaner Energy Sources (%)	Water Solutions (%)	Access to Clean Water & Sanitation (%)	Environmental Practices (%)	Climate Disclosure (%)	Climate Footprint (%)	Reducing Water Stress (%)	Social Practices (%)	Governance Practices (%)
US Large Cap Growth													
MFS MA INVESTORS GW STK I	MGTIX	3,634,716.44	-6.1	-7.0	+0.8	-0.3	+1.2	+11.2	+3.5	+7.3	+4.3	-2.3	-2.3
VANGUARD RUSSELL 1000 GROWTH	VONG	2,248,334.30	+0.0	+0.0	+0.0	-0.1	+0.0	+0.3	+0.2	+0.0	+0.2	+0.0	+0.0
BENCHMARK: RUSSELL 1000 GR			*19.9*	*19.9*	*0.1*	*0.3*	*0.1*	*81.8*	*80.9*	*91.5*	*72.7*	*87.4*	*98.2*
US Large Cap Value													
COLUMBIA DIVIDEND INCOME INST	GSFTX	4,519,809.91	+0.1	+1.6	-1.6	-0.2	-1.2	+11.1	+13.1	+1.4	+16.6	+8.7	-1.3
VANGUARD VALUE ETF INDEX	VTV	6,003,036.00	+0.1	-0.3	+0.4	+0.0	-0.4	+6.7	+7.1	+2.6	+6.6	+6.1	+1.2
BENCHMARK: RUSSELL 1000 VALUE			*13.5*	*6.9*	*6.7*	*0.2*	*1.2*	*81.8*	*76.6*	*93.9*	*64.0*	*85.0*	*97.3*
US Large Cap													
INVESCO S&P 500 EQUAL WEIGHT E	RSP	3,875,850.00	-4.7	-7.8	+3.4	+0.4	+0.2	-9.4	-11.5	-5.3	-22.7	+0.3	-2.0
VANGUARD TTL STK MKT ETF	VTI	7,017,796.85	-1.9	-1.6	-0.3	+0.1	+0.1	-10.3	-10.1	-7.3	-10.8	-8.1	-1.5
BENCHMARK: S&P 500 TOTAL RETURN			*17.6*	*14.1*	*3.6*	*0.2*	*0.6*	*87.3*	*84.4*	*96.8*	*73.9*	*89.5*	*98.6*
US Mid Cap													
SCHWAB US MID CAP ETF	SCHM	1,602,744.50	-3.5	-0.9	-3.1	-0.4	+0.5	-14.3	-12.1	-6.9	-16.5	-18.0	-1.6
BENCHMARK: RUSSELL MIDCAP			*10.9*	*5.0*	*6.4*	*0.5*	*0.9*	*58.3*	*54.2*	*77.3*	*31.5*	*78.3*	*94.4*
Global Equities													
FIRST EAGLE GLOBAL I	SGIIX	3,365,348.93	-2.9	-1.4	-1.7	-0.3	-0.6	-11.6	-14.1	-11.0	-14.3	-7.2	-9.1

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MANAGER ALIGNMENT WITH SELECTED IMPACT OBJECTIVES

SC CT REGIONAL WATER AUTHORITY

As of April 13, 2022 | Reporting Currency: USD

ALIGNMENT WITH SELECTED IMPACT OBJECTIVES (Continued)

			Impact Solutions					Sustainable Corporate Practices					
Description	Symbol/CUSIP	Total Value ($)	Climate Solutions (%)	Energy Efficiency (%)	Cleaner Energy Sources (%)	Water Solutions (%)	Access to Clean Water & Sanitation (%)	Environmental Practices (%)	Climate Disclosure (%)	Climate Footprint (%)	Reducing Water Stress (%)	Social Practices (%)	Governance Practices (%)
BENCHMARK: MSCI AC WORLD NET			*15.2*	*10.4*	*4.9*	*0.3*	*0.6*	*86.7*	*83.1*	*94.5*	*69.1*	*81.6*	*96.0*
International Equities													
AMERICAN EUROPACIFIC GRW F2	AEPFX	2,808,944.90	-3.4	-2.0	-1.7	-0.4	-0.2	-10.8	-7.7	-8.3	-7.2	-1.8	-3.5
MFS INTL INTRINSIC VALUE I	MINIX	2,827,983.19	-2.2	+3.2	-5.6	+0.4	+1.2	+2.2	+1.5	+3.5	-3.3	+17.6	+0.0
VANGUARD FTSE DEVELOPED MKTS E	VEA	1,899,048.00	+1.3	+1.4	-0.2	+0.0	+0.2	-0.1	+2.0	+0.3	-4.5	+11.1	+1.0
BENCHMARK: MSCI ACWI EX USA NR USD			*12.4*	*5.5*	*7.2*	*0.4*	*0.7*	*89.6*	*85.5*	*94.9*	*64.5*	*70.0*	*92.2*
Emerging Market Equities													
INVESCO DEVELOPING MKTS Y	ODVYX	1,261,940.62	-8.9	-3.0	-6.3	-0.2	-0.3	+4.8	-1.9	+2.4	+12.8	+19.5	-0.2
BENCHMARK: MSCI EM NET			*10.4*	*4.6*	*6.3*	*0.2*	*0.3*	*78.4*	*71.8*	*88.4*	*50.2*	*17.2*	*84.1*
Short Term Fixed Income													
GUGGENHEIM LIMITED DURATION I	GILHX	250,390.67	-	-	-	-	-	-	-	-	-	-	-
VANGUARD SHORT TERM BND	BSV	279,468.00	-	-	-	-	-	-	-	-	-	-	-
BENCHMARK: BC GLOBAL AGG 1-3 YR			*1.0*	*0.6*	*0.5*	*0.0*	*0.0*	*20.2*	*19.5*	*24.6*	*14.1*	*7.7*	*15.8*
US Taxable Core													
AMERICAN BD FD OF AMERICA F2	ABNFX	2,066,491.25	-	-	-	-	-	-	-	-	-	-	-
AMERICAN STRATEGIC BOND F2	ANBFX	3,107,270.28	-	-	-	-	-	-	-	-	-	-	-
DOUBLELINE CORE FIXED INC I	DBLFX	2,524,842.09	-	-	-	-	-	-	-	-	-	-	-
JANUS HENDERSON FLEXIBLE BD I	JFLEX	232,904.29	-	-	-	-	-	-	-	-	-	-	-

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MANAGER ALIGNMENT WITH SELECTED IMPACT OBJECTIVES

SC CT REGIONAL WATER AUTHORITY | As of April 13, 2022 | Reporting Currency: USD

ALIGNMENT WITH SELECTED IMPACT OBJECTIVES (Continued)

Description	Symbol/CUSIP	Total Value ($)	Impact Solutions: Climate Solutions (%)	Impact Solutions: Energy Efficiency (%)	Impact Solutions: Cleaner Energy Sources (%)	Impact Solutions: Water Solutions (%)	Impact Solutions: Access to Clean Water & Sanitation (%)	Sustainable Corporate Practices: Environmental Practices (%)	Sustainable Corporate Practices: Climate Disclosure (%)	Sustainable Corporate Practices: Climate Footprint (%)	Sustainable Corporate Practices: Reducing Water Stress (%)	Sustainable Corporate Practices: Social Practices (%)	Sustainable Corporate Practices: Governance Practices (%)
LOOMIS SAYLES CORE PLUS BD Y	NERYX	2,211,266.50	-	-	-	-	-	-	-	-	-	-	-
PIONEER BOND Y	PICYX	439,873.36	-	-	-	-	-	-	-	-	-	-	-
BENCHMARK: BARCLAYS AGGREGATE			*2.4*	*1.6*	*0.8*	*0.0*	*0.0*	*30.6*	*28.4*	*35.4*	*24.6*	*23.3*	*28.6*
Global Fixed Income Other													
PIMCO INCOME I2	PONPX	2,281,817.96	-	-	-	-	-	-	-	-	-	-	-
BENCHMARK: BC GLOBAL AGG HEDGED			*1.4*	*0.8*	*0.7*	*0.1*	*0.0*	*21.0*	*19.9*	*24.7*	*14.7*	*9.2*	*16.9*
Real Estate/REITs													
COHEN & STEERS GLB RLTY FOC I	CSSPX	1,226,767.44	-6.2	-6.2	+0.0	+0.0	+0.0	+10.7	+10.6	+0.8	+0.9	+3.8	+3.5
BENCHMARK: FTSE EPRA NAREIT DEVELOPED REITS TR			*48.3*	*48.3*	*0.0*	*0.0*	*0.0*	*62.5*	*60.4*	*91.2*	*29.4*	*69.8*	*81.5*
US Multi Asset													
AMERICAN BALANCED F2	AMBFX	3,741,031.26	-1.1	-1.1	+0.0	-0.2	-	+6.0	+5.0	+4.4	+5.9	+6.6	+6.7
JANUS HENDERSON BALANCED I	JBALX	3,677,842.27	-0.2	+1.7	-2.0	-0.2	-	+12.0	+13.1	+10.9	+18.8	+11.5	+8.6
BENCHMARK: 50 RUSSELL 3000 50 BC US AGG			*9.2*	*7.2*	*2.1*	*0.2*	*0.4*	*54.1*	*51.6*	*62.6*	*44.5*	*52.6*	*62.8*
Total Strategies Equal to or Above Benchmark			**4**	**5**	**6**	**6**	**8**	**9**	**9**	**10**	**8**	**10**	**7**

Equals or Exceeds Benchmark

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SECURITY-LEVEL ALIGNMENT WITH SELECTED IMPACT OBJECTIVES

Morgan Stanley

SC CT REGIONAL WATER AUTHORITY

As of April 13, 2022 | Reporting Currency: USD

ALIGNMENT WITH SELECTED IMPACT OBJECTIVES

For **8** of **11 Impact Objectives**, at least one single security in your portfolio is aligned

			Impact Solutions					Sustainable Corporate Practices						
Description	Symbol/ CUSIP	Total Value ($)	Climate Solutions	Energy Efficiency	Cleaner Energy Sources	Water Solutions	Access to Clean Water & Sanitation	Environmental Practices	Climate Disclosure	Climate Footprint	Reducing Water Stress	Social Practices	Governance Practices
Single Securities													
AMAZON.COM INC	023135BC9	299,664.75											
ANTHEM INC	036752AG8	154,340.18											
APPLE INC	037833CU2	330,753.58											
BANK OF AMERICA CORP	06051GGA1	345,491.38											
BERKSHIRE HATHAWAY ENERGY CO	084659AD3	306,297.00											
CATERPILLAR FINANCIAL SERVICESCORP	14912L6G1	334,053.41											
CONOCOPHILLIPS CO	20826FAQ9	319,752.00											
FED FARM CR BK	3133EJQA0	308,423.00											
FED FARM CR BK	3133ECB60	274,881.67											
FED HOME LN BK	313373KN1	271,150.52											
FED HOME LN MTG CORP	3137EAEN5	279,977.04											
GENERAL DYNAMICS CORP	369550BC1	51,426.33											
GOLDMAN SACHS GROUP INC/THE	38141GWB6	150,750.71											
INTEL CORP	458140AX8	303,516.00											
JPMORGAN CHASE & CO	46625HJJ0	333,202.19											
L3HARRIS TECHNOLOGIES INC	502431AJ8	282,422.10											
LABORATORY CORP OF AMERICA HOLDINGS	50540RAV4	246,828.33											

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SECURITY-LEVEL ALIGNMENT WITH SELECTED IMPACT OBJECTIVES

SC CT REGIONAL WATER AUTHORITY — As of April 13, 2022 | Reporting Currency: USD

ALIGNMENT WITH SELECTED IMPACT OBJECTIVES (Continued)

Description	Symbol/ CUSIP	Total Value ($)	Impact Solutions: Climate Solutions	Impact Solutions: Energy Efficiency	Impact Solutions: Cleaner Energy Sources	Impact Solutions: Water Solutions	Impact Solutions: Access to Clean Water & Sanitation	Sustainable Corporate Practices: Environmental Practices	Sustainable Corporate Practices: Climate Disclosure	Sustainable Corporate Practices: Climate Footprint	Sustainable Corporate Practices: Reducing Water Stress	Sustainable Corporate Practices: Social Practices	Sustainable Corporate Practices: Governance Practices
MASTERCARD INC	57636QAM6	48,993.83	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
PAYPAL HOLDINGS INC	70450YAE3	284,010.00	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
PFIZER INC	717081ET6	302,443.00	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
RAYTHEON TECHNOLOGIES CORP	913017CY3	313,054.12	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
SALESFORCE.COM INC	79466LAF1	307,162.67	Aligned	Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
STARBUCKS CORP	855244AD1	254,565.83	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
STRYKER CORP	863667AH4	305,594.25	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
TENN VALLEY AUTH	880591ER9	277,817.68	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Not Aligned	Not Aligned	Aligned
TENN VALLEY AUTH	880591CJ9	321,096.88	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Not Aligned	Not Aligned	Aligned
TEXAS INSTRUMENTS INC	882508BG8	278,852.25	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
UNITEDHEALTH GROUP INC	91324PDP4	311,865.41	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
VERIZON COMMUNICATIONS INC	92343VDD3	314,882.48	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned
WELLS FARGO & CO	94974BGP9	328,549.18	Not Aligned	Not Aligned	Not Aligned	Not Aligned	Not Evaluated	Aligned	Aligned	Aligned	Aligned	Aligned	Aligned

Aligned   Not Aligned   Not Evaluated

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AGGREGATE EXPOSURE TO ISSUES OF CONCERN

SC CT REGIONAL WATER AUTHORITY As of April 13, 2022 | Reporting Currency: USD

AGGREGATE EXPOSURE TO SELECTED ISSUES OF CONCERN

Your portfolio has some exposure to **3** of **3 Issues of Concern**

CHEMICALS

1.4%
Exposed

OIL & GAS

3.2%
Exposed

UTILITIES

2.9%
Exposed

POSITION-LEVEL RESTRICTIONS AND EXPOSURE TO SELECTED ISSUES OF CONCERN

			Issues of Concern		
Description	Symbol/ CUSIP	Total Value ($)	Chemicals (%)	Oil & Gas (%)	Utilities (%)
Mutual Funds and ETFs					
AMERICAN BALANCED F2	AMBFX	3,741,031.26	1.4	2.8	1.0
AMERICAN EUROPACIFIC GRW F2	AEPFX	2,808,944.90	0.6	2.8	0.0
COHEN & STEERS GLB RLTY FOC I	CSSPX	1,226,767.44	0.0	0.0	0.0
COLUMBIA DIVIDEND INCOME INST	GSFTX	4,519,809.91	1.3	6.3	6.2
FIRST EAGLE GLOBAL I	SGIIX	3,365,348.93	1.4	4.2	0.5
INVESCO DEVELOPING MKTS Y	ODVYX	1,261,940.62	1.5	2.1	0.0
INVESCO S&P 500 EQUAL WEIGHT E	RSP	3,875,850.00	3.3	3.7	7.1
JANUS HENDERSON BALANCED I	JBALX	3,677,842.27	0.5	0.0	0.3
MFS INTL INTRINSIC VALUE I	MINIX	2,827,983.19	0.0	0.0	0.0
MFS MA INVESTORS GW STK I	MGTIX	3,634,716.44	0.9	0.0	3.8
SCHWAB US MID CAP ETF	SCHM	1,602,744.50	3.4	4.3	4.0

"Exposure" represents the market-weighted proportion of public market investments with any measurable exposure to the selected issues of concern. Metrics are reported for all public market holdings for which data are available. Holdings may not reflect the entirety of a portfolio. Overlay Restriction Screens are only applicable for separately managed accounts and reflect screens implemented as of the prior business day for accounts held at Morgan Stanley. Manager Implemented Restriction Screens reflect information that asset managers have reported to Morgan Stanley. Refer to disclosures for additional information, including metric definitions.

Exposure Percentage Data Provided by

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AGGREGATE EXPOSURE TO ISSUES OF CONCERN

SC CT REGIONAL WATER AUTHORITY As of April 13, 2022 | Reporting Currency: USD

POSITION-LEVEL RESTRICTIONS AND EXPOSURE TO SELECTED ISSUES OF CONCERN (Continued)

Description	Symbol/ CUSIP	Total Value ($)	Issues of Concern: Chemicals (%)	Oil & Gas (%)	Utilities (%)
VANGUARD FTSE DEVELOPED MKTS E	VEA	1,899,048.00	0.6	2.1	0.9
VANGUARD RUSSELL 1000 GROWTH	VONG	2,248,334.30	0.7	0.4	0.4
VANGUARD TTL STK MKT ETF	VTI	7,017,796.85	1.8	3.8	3.3
VANGUARD VALUE ETF INDEX	VTV	6,003,036.00	2.0	6.9	6.3
Aggregate Exposure		**$49,711,194.61**	**1.4%**	**3.2%**	**2.9%**
Strategies with Restrictions			**0**	**0**	**0**

Restriction Approaches

Overlay Restriction Screen Applied   Manager Implemented Restriction Screen   ✕ Security has some exposure

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Exposure Percentage Data Provided by

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MANAGER ACTIVATION TOWARD INVESTING WITH IMPACT APPROACHES

Morgan Stanley

SC CT REGIONAL WATER AUTHORITY | As of April 13, 2022 | Reporting Currency: USD

ASSET CLASS ACTIVATION SUMMARY

0% of your portfolio is activated toward managers with an intentional Investing with Impact approach

0%
Total

Manager Activation by Asset Class (%)

Equities	0
Fixed Income & Preferreds	0
Alternatives	0
Multi-Asset	0

MANAGER ACTIVATION DETAIL

Description	Symbol/CUSIP	Total Value ($)	Manager Activation (%)	Impact Approaches: Restriction Screening (%)	ESG Integration (%)	Thematic Exposure (%)	Impact Investing (%)	ESG Shareholder Engagement (%)
Equities		**41,065,553.64**						
AMERICAN EUROPACIFIC GRW F2	AEPFX	2,808,944.90	-					
COLUMBIA DIVIDEND INCOME INST	GSFTX	4,519,809.91	-					
FIRST EAGLE GLOBAL I	SGIIX	3,365,348.93	-					
INVESCO DEVELOPING MKTS Y	ODVYX	1,261,940.62	-					
INVESCO S&P 500 EQUAL WEIGHT E	RSP	3,875,850.00	-					
MFS INTL INTRINSIC VALUE I	MINIX	2,827,983.19	-					

"Activation" represents the market-weighted proportion of investments with asset managers that have reported to Morgan Stanley one or more intentional Investing with Impact approaches or Financial Advisor implemented overlay restriction screens that are only applicable for separately managed accounts and reflect screens implemented as of the prior business day for accounts held at Morgan Stanley. This report reflects manager-reported information for mutual funds, exchange-traded funds (ETFs) and separately managed accounts. Approaches displayed for custom separately managed accounts may not match the specific customization you have chosen to implement. This report does not include individual securities. Holdings are grouped based on manager style and may not reflect the entirety of a portfolio. Refer to disclosures for additional information.

MANAGER ACTIVATION TOWARD INVESTING WITH IMPACT APPROACHES

SC CT REGIONAL WATER AUTHORITY | As of April 13, 2022 | Reporting Currency: USD

MANAGER ACTIVATION DETAIL (Continued)

Description	Symbol/CUSIP	Total Value ($)	Manager Activation (%)	Impact Approaches: Restriction Screening (%)	ESG Integration (%)	Thematic Exposure (%)	Impact Investing (%)	ESG Shareholder Engagement (%)
MFS MA INVESTORS GW STK I	MGTIX	3,634,716.44	-					
SCHWAB US MID CAP ETF	SCHM	1,602,744.50	-					
VANGUARD FTSE DEVELOPED MKTS E	VEA	1,899,048.00	-					
VANGUARD RUSSELL 1000 GROWTH	VONG	2,248,334.30	-					
VANGUARD TTL STK MKT ETF	VTI	7,017,796.85	-					
VANGUARD VALUE ETF INDEX	VTV	6,003,036.00	-					
Fixed Income & Preferreds		**13,394,324.40**						
AMERICAN BD FD OF AMERICA F2	ABNFX	2,066,491.25	-					
AMERICAN STRATEGIC BOND F2	ANBFX	3,107,270.28	-					
DOUBLELINE CORE FIXED INC I	DBLFX	2,524,842.09	-					
GUGGENHEIM LIMITED DURATION I	GILHX	250,390.67	-					
JANUS HENDERSON FLEXIBLE BD I	JFLEX	232,904.29	-					
LOOMIS SAYLES CORE PLUS BD Y	NERYX	2,211,266.50	-					
PIMCO INCOME I2	PONPX	2,281,817.96	-					
PIONEER BOND Y	PICYX	439,873.36	-					
VANGUARD SHORT TERM BND	BSV	279,468.00	-					
Alternatives		**1,226,767.44**						
COHEN & STEERS GLB RLTY FOC I	CSSPX	1,226,767.44	-					
Multi-Asset		**7,418,873.53**						
AMERICAN BALANCED F2	AMBFX	3,741,031.26	-					
JANUS HENDERSON BALANCED I	JBALX	3,677,842.27	-					

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MANAGER ACTIVATION TOWARD INVESTING WITH IMPACT APPROACHES

Morgan Stanley

SC CT REGIONAL WATER AUTHORITY As of April 13, 2022 | Reporting Currency: USD

MANAGER ACTIVATION DETAIL (Continued)

Description	Symbol/CUSIP	Total Value ($)	Manager Activation (%)	Impact Approaches: Restriction Screening (%)	Impact Approaches: ESG Integration (%)	Impact Approaches: Thematic Exposure (%)	Impact Approaches: Impact Investing (%)	Impact Approaches: ESG Shareholder Engagement (%)
Total Manager Activation (By Market Value)		$63,105,519.01	0%	0%	0%	0%	0%	0%

✓ Manager is activated ✓ Financial Advisor Implemented Restriction Screen - Manager is not activated Manager did not receive survey

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"Activation" represents the market-weighted proportion of investments with asset managers that have reported to Morgan Stanley one or more intentional Investing with Impact approaches or Financial Advisor implemented overlay restriction screens that are only applicable for separately managed accounts and reflect screens implemented as of the prior business day for accounts held at Morgan Stanley. This report reflects manager-reported information for mutual funds, exchange-traded funds (ETFs) and separately managed accounts. Approaches displayed for custom separately managed accounts may not match the specific customization you have chosen to implement. This report does not include individual securities. Holdings are grouped based on manager style and may not reflect the entirety of a portfolio. Refer to disclosures for additional information.

MANAGER ACTIVATION TOWARD SELECTED IMPACT OBJECTIVES

Morgan Stanley

SC CT REGIONAL WATER AUTHORITY | As of April 13, 2022 | Reporting Currency: USD

ACTIVATION TOWARD SELECTED IMPACT OBJECTIVES

For **0** of **11 Impact Objectives**, your portfolio has at least one manager with an intentional approach

			Impact Solutions					Sustainable Corporate Practices					
Description	Symbol/ CUSIP	Total Value ($)	Climate Solutions	Energy Efficiency	Cleaner Energy Sources	Water Solutions	Access to Clean Water & Sanitation	Environmental Practices	Climate Disclosure	Climate Footprint	Reducing Water Stress	Social Practices	Governance Practices
Equities													
AMERICAN EUROPACIFIC GRW F2	AEPFX	2,808,944.90											
COLUMBIA DIVIDEND INCOME INST	GSFTX	4,519,809.91											
FIRST EAGLE GLOBAL I	SGIIX	3,365,348.93											
INVESCO DEVELOPING MKTS Y	ODVYX	1,261,940.62											
INVESCO S&P 500 EQUAL WEIGHT E	RSP	3,875,850.00											
MFS INTL INTRINSIC VALUE I	MINIX	2,827,983.19											
MFS MA INVESTORS GW STK I	MGTIX	3,634,716.44											
SCHWAB US MID CAP ETF	SCHM	1,602,744.50											
VANGUARD FTSE DEVELOPED MKTS E	VEA	1,899,048.00											
VANGUARD RUSSELL 1000 GROWTH	VONG	2,248,334.30											
VANGUARD TTL STK MKT ETF	VTI	7,017,796.85											
VANGUARD VALUE ETF INDEX	VTV	6,003,036.00											
Fixed Income & Preferreds													
AMERICAN BD FD OF AMERICA F2	ABNFX	2,066,491.25											
AMERICAN STRATEGIC BOND F2	ANBFX	3,107,270.28											
DOUBLELINE CORE FIXED INC I	DBLFX	2,524,842.09											
GUGGENHEIM LIMITED DURATION I	GILHX	250,390.67											
JANUS HENDERSON FLEXIBLE BD I	JFLEX	232,904.29											

"Activation" represents the market-weighted proportion of investments with asset managers that have reported to Morgan Stanley an intentional focus on one of the selected impact objectives. This report reflects manager-reported information for mutual funds, exchange-traded funds (ETFs) and separately managed accounts. Impact Objectives displayed for custom separately managed accounts may not match the specific customization you have chosen to implement. This report does not include individual securities. Holdings are grouped based on manager style and may not reflect the entirety of a portfolio. Refer to disclosures for additional information.

MANAGER ACTIVATION TOWARD SELECTED IMPACT OBJECTIVES

ACTIVATION TOWARD SELECTED IMPACT OBJECTIVES (Continued)

			Impact Solutions					Sustainable Corporate Practices					
Description	Symbol/ CUSIP	Total Value ($)	Climate Solutions	Energy Efficiency	Cleaner Energy Sources	Water Solutions	Access to Clean Water & Sanitation	Environmental Practices	Climate Disclosure	Climate Footprint	Reducing Water Stress	Social Practices	Governance Practices
LOOMIS SAYLES CORE PLUS BD Y	NERYX	2,211,266.50											
PIMCO INCOME I2	PONPX	2,281,817.96											
PIONEER BOND Y	PICYX	439,873.36											
VANGUARD SHORT TERM BND	BSV	279,468.00											
Alternatives													
COHEN & STEERS GLB RLTY FOC I	CSSPX	1,226,767.44											
Multi-Asset													
AMERICAN BALANCED F2	AMBFX	3,741,031.26											
JANUS HENDERSON BALANCED I	JBALX	3,677,842.27											
Total Strategy Activation (By Market Value)		**$63,105,519.01**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

✓ Manager is activated   - Manager is not activated   Manager did not receive survey

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"Activation" represents the market-weighted proportion of investments with asset managers that have reported to Morgan Stanley an intentional focus on one of the selected impact objectives. This report reflects manager-reported information for mutual funds, exchange-traded funds (ETFs) and separately managed accounts. Impact Objectives displayed for custom separately managed accounts may not match the specific customization you have chosen to implement. This report does not include individual securities. Holdings are grouped based on manager style and may not reflect the entirety of a portfolio. Refer to disclosures for additional information.

IMPORTANT INFORMATION ABOUT THE SUSTAINABLE DEVELOPMENT GOALS

SC CT REGIONAL WATER AUTHORITY | Reporting Currency: USD

WHAT ARE THE SUSTAINABLE DEVELOPMENT GOALS?

In September 2015, world leaders came together at the United Nations to adopt a new sustainable development agenda for 2030. The resulting 17 UN Sustainable Development Goals (SDGs) lay a path to end poverty, protect the planet and ensure prosperity for all through the contributions of governments, the private sector and civil society.

More information about the UN Sustainable Development Goals can be found at: www.un.org/sustainabledevelopment/sustainable-development-goals/

SUSTAINABLE DEVELOPMENT GOALS

1. No Poverty:
End poverty in all its forms everywhere.

2. Zero Hunger:
End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

3. Good Health and Well-Being:
Ensure healthy lives and promote well-being for all at all ages.

4. Quality Education:
Ensure inclusive and quality education for all and promote lifelong learning.

5. Gender Equality:
Achieve gender equality and empower all women and girls.

6. Clean Water and Sanitation:
Ensure access to water and sanitation for all.

7. Affordable and Clean Energy:
Ensure access to affordable, reliable, sustainable and modern energy for all.

8. Decent Work and Economic Growth:
Promote inclusive and sustainable economic growth, employment and decent work for all.

9. Industry, Innovation and Infrastructure:
Build resilient infrastructure, promote sustainable industrialization and foster innovation.

10. Reduced Inequalities:
Reduce inequality within and among countries.

11. Sustainable Cities and Communities:
Make cities inclusive, safe, resilient and sustainable.

12. Responsible Consumption and Production:
Ensure sustainable consumption and production patterns.

13. Climate Action:
Take urgent action to combat climate change and its impacts.

14. Life Below Water:
Conserve and sustainably use the oceans, seas and marine resources.

15. Life on Land:
Sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.

16. Peace, Justice and Strong Institutions:
Promote just, peaceful and inclusive societies.

17. Partnerships for the Goals:
Revitalize the global partnership for sustainable development.

HOW DO INVESTORS CONTRIBUTE TO THE SDGs?

The SDGs broke new ground with a recognition that ending poverty and protecting the environment can only be achieved within the context of economic growth. Significant resources – trillions of dollars – will be required to meet the SDGs. Within that challenge lies opportunity for the private sector. Investors have a crucial role to play in supporting new innovations, creating wealth and building scalable solutions to global challenges. As a set of investment themes, the SDGs offer investors a critical lens to view capital as an input to social and environmental change.

MANAGER ACTIVATION TOWARD SUSTAINABLE DEVELOPMENT GOALS

SC CT REGIONAL WATER AUTHORITY

As of April 13, 2022 | Reporting Currency: USD

ACTIVATION TOWARD SUSTAINABLE DEVELOPMENT GOALS

For **0** of **17 Sustainable Development Goals**, your portfolio has at least one manager with an intentional approach

Description	Symbol/ CUSIP	Total Value ($)	1 No Poverty	2 Zero Hunger	3 Good Health and Well-Being	4 Quality Education	5 Gender Equality	6 Clean Water and Sanitation	7 Affordable and Clean Energy	8 Decent Work and Economic Growth	9 Industry, Innovation and Infrastructure	10 Reduced Inequalities	11 Sustainable Cities and Communities	12 Responsible Consumption and Production	13 Climate Action	14 Life Below Water	15 Life on Land	16 Peace, Justice, and Strong Institutions	17 Partnerships for the Goals
Equities																			
AMERICAN EUROPACIFIC GRW F2	AEPFX	2,808,944.90																	
COLUMBIA DIVIDEND INCOME INST	GSFTX	4,519,809.91																	
FIRST EAGLE GLOBAL I	SGIIX	3,365,348.93																	
INVESCO DEVELOPING MKTS Y	ODVYX	1,261,940.62																	
INVESCO S&P 500 EQUAL WEIGHT E	RSP	3,875,850.00																	
MFS INTL INTRINSIC VALUE I	MINIX	2,827,983.19																	
MFS MA INVESTORS GW STK I	MGTIX	3,634,716.44																	
SCHWAB US MID CAP ETF	SCHM	1,602,744.50																	
VANGUARD FTSE DEVELOPED MKTS E	VEA	1,899,048.00																	
VANGUARD RUSSELL 1000 GROWTH	VONG	2,248,334.30																	
VANGUARD TTL STK MKT ETF	VTI	7,017,796.85																	
VANGUARD VALUE ETF INDEX	VTV	6,003,036.00																	
Fixed Income & Preferreds																			
AMERICAN BD FD OF AMERICA F2	ABNFX	2,066,491.25																	
AMERICAN STRATEGIC BOND F2	ANBFX	3,107,270.28																	

"Activation" represents the market-weighted proportion of investments with asset managers that have reported to Morgan Stanley an intentional focus on any of the 17 Sustainable Development Goals. This report reflects manager-reported information for mutual funds, exchange-traded funds (ETFs) and separately managed accounts. Sustainable Development Goals displayed for custom separately managed accounts may not match the specific customization you have chosen to implement. This report does not include individual securities. Holdings are grouped by manager style and may not reflect the entirety of a portfolio. Refer to disclosures for additional information.

MANAGER ACTIVATION TOWARD SUSTAINABLE DEVELOPMENT GOALS

Morgan Stanley

SC CT REGIONAL WATER AUTHORITY

As of April 13, 2022 | Reporting Currency: USD

ACTIVATION TOWARD SUSTAINABLE DEVELOPMENT GOALS (Continued)

Sustainable Development Goals

Description	Symbol/ CUSIP	Total Value ($)	No Poverty 1	Zero Hunger 2	Good Health and Well-Being 3	Quality Education 4	Gender Equality 5	Clean Water and Sanitation 6	Affordable and Clean Energy 7	Decent Work and Economic Growth 8	Industry, Innovation and Infrastructure 9	Reduced Inequalities 10	Sustainable Cities and Communities 11	Responsible Consumption and Production 12	Climate Action 13	Life Below Water 14	Life on Land 15	Peace, Justice, and Strong Institutions 16	Partnerships for the Goals 17
DOUBLELINE CORE FIXED INC I	DBLFX	2,524,842.09																	
GUGGENHEIM LIMITED DURATION I	GILHX	250,390.67																	
JANUS HENDERSON FLEXIBLE BD I	JFLEX	232,904.29																	
LOOMIS SAYLES CORE PLUS BD Y	NERYX	2,211,266.50																	
PIMCO INCOME I2	PONPX	2,281,817.96																	
PIONEER BOND Y	PICYX	439,873.36																	
VANGUARD SHORT TERM BND	BSV	279,468.00																	
Alternatives																			
COHEN & STEERS GLB RLTY FOC I	CSSPX	1,226,767.44																	
Multi-Asset																			
AMERICAN BALANCED F2	AMBFX	3,741,031.26																	
JANUS HENDERSON BALANCED I	JBALX	3,677,842.27																	
Manager Activation (By Market Value)		**$63,105,519.01**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

✓ Manager is activated - Manager is not activated Manager did not receive survey

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"Activation" represents the market-weighted proportion of investments with asset managers that have reported to Morgan Stanley an intentional focus on any of the 17 Sustainable Development Goals. This report reflects manager-reported information for mutual funds, exchange-traded funds (ETFs) and separately managed accounts. Sustainable Development Goals displayed for custom separately managed accounts may not match the specific customization you have chosen to implement. This report does not include individual securities. Holdings are grouped by manager style and may not reflect the entirety of a portfolio. Refer to disclosures for additional information.

POSITION EVALUATION SUMMARY

Morgan Stanley

SC CT REGIONAL WATER AUTHORITY

As of April 13, 2022 | Reporting Currency: USD

POSITIONS EVALUATED IN MORGAN STANLEY IQ REPORTS

Description	Symbol/ CUSIP	Total Value ($)	Positions Evaluated for Impact Alignment (MSCI ESG Research, ISS-ESG, Equileap)	Positions Evaluated for Issues of Concern Exposure (ISS-ESG, FFI)	Positions Evaluated for Impact Activation (Manager Reported)
ABBVIE INC	00287YBM0	278,350.11	-	-	-
AMAZON.COM INC	023135BC9	299,664.75	Yes	-	-
AMERICAN BALANCED F2	AMBFX	3,741,031.26	Yes	Yes	-
AMERICAN BD FD OF AMERICA F2	ABNFX	2,066,491.25	-	-	-
AMERICAN EUROPACIFIC GRW F2	AEPFX	2,808,944.90	Yes	Yes	-
AMERICAN STRATEGIC BOND F2	ANBFX	3,107,270.28	-	-	-
ANTHEM INC	036752AG8	154,340.18	Yes	-	-
APPLE INC	037833CU2	330,753.58	Yes	-	-
BANK DEPOSIT PROGRAM	BDPS	115,183.02	-	-	-
BANK OF AMERICA CORP	06051GGA1	345,491.38	Yes	-	-
BERKSHIRE HATHAWAY ENERGY CO	084659AD3	306,297.00	Yes	-	-
BLACKROCK EVENT DRIVEN EQ INST	BILPX	1,251,850.72	-	-	-
CALAMOS MARKET NEUTRAL INC I	CMNIX	1,228,297.44	-	-	-
CATERPILLAR FINANCIAL SERVICESCORP	14912L6G1	334,053.41	Yes	-	-
CITIGROUP INC	172967GL9	330,182.94	-	-	-
COHEN & STEERS GLB RLTY FOC I	CSSPX	1,226,767.44	Yes	Yes	-
COLUMBIA DIVIDEND INCOME INST	GSFTX	4,519,809.91	Yes	Yes	-
CONOCOPHILLIPS CO	20826FAQ9	319,752.00	Yes	-	-
DOUBLELINE CORE FIXED INC I	DBLFX	2,524,842.09	-	-	-
FED FARM CR BK	3133EJQA0	308,423.00	-	-	-
FED FARM CR BK	3133ECB60	274,881.67	-	-	-
FED HOME LN BK	313373KN1	271,150.52	Yes	-	-
FED HOME LN BK	313383WD9	353,941.48	-	-	-
FED HOME LN MTG CORP	3137EAEN5	279,977.04	Yes	-	-
FED NATL MTG ASSN	3135G0T94	353,966.08	-	-	-

As of April 13, 2022 | Reporting Currency: USD

POSITIONS EVALUATED IN MORGAN STANLEY IQ REPORTS (Continued)

Description	Symbol/ CUSIP	Total Value ($)	Positions Evaluated for Impact Alignment (MSCI ESG Research, ISS-ESG, Equileap)	Positions Evaluated for Issues of Concern Exposure (ISS-ESG, FFI)	Positions Evaluated for Impact Activation (Manager Reported)
FIRST EAGLE GLOBAL I	SGIIX	3,365,348.93	Yes	Yes	-
GENERAL DYNAMICS CORP	369550BC1	51,426.33	Yes	-	-
GOLDMAN SACHS GROUP INC/THE	38141GWB6	150,750.71	Yes	-	-
GUGGENHEIM LIMITED DURATION I	GILHX	250,390.67	-	-	-
INTEL CORP	458140AX8	303,516.00	Yes	-	-
INVESCO DEVELOPING MKTS Y	ODVYX	1,261,940.62	Yes	Yes	-
INVESCO S&P 500 EQUAL WEIGHT E	RSP	3,875,850.00	Yes	Yes	-
JANUS HENDERSON BALANCED I	JBALX	3,677,842.27	Yes	Yes	-
JANUS HENDERSON FLEXIBLE BD I	JFLEX	232,904.29	-	-	-
JPMORGAN CHASE & CO	46625HJJ0	333,202.19	Yes	-	-
JPMORGAN HEDGED EQUITY I	JHEQX	1,185,236.27	-	-	-
L3HARRIS TECHNOLOGIES INC	502431AJ8	282,422.10	Yes	-	-
LABORATORY CORP OF AMERICA HOLDINGS	50540RAV4	246,828.33	Yes	-	-
LOOMIS SAYLES CORE PLUS BD Y	NERYX	2,211,266.50	-	-	-
MASTERCARD INC	57636QAM6	48,993.83	Yes	-	-
MFS INTL INTRINSIC VALUE I	MINIX	2,827,983.19	Yes	Yes	-
MFS MA INVESTORS GW STK I	MGTIX	3,634,716.44	Yes	Yes	-
MS U.S. GOV'T MONEY MARKET TR	SGMT	141,460.47	-	-	-
ORACLE CORP	68389XAP0	330,232.86	-	-	-
PAYPAL HOLDINGS INC	70450YAE3	284,010.00	Yes	-	-
PFIZER INC	717081ET6	302,443.00	Yes	-	-
PIMCO INCOME I2	PONPX	2,281,817.96	-	-	-
PIONEER BOND Y	PICYX	439,873.36	-	-	-
QUALCOMM INC	747525AE3	329,451.41	-	-	-
RAYTHEON TECHNOLOGIES CORP	913017CY3	313,054.12	Yes	-	-

POSITION EVALUATION SUMMARY

Morgan Stanley

SC CT REGIONAL WATER AUTHORITY

As of April 13, 2022 | Reporting Currency: USD

POSITIONS EVALUATED IN MORGAN STANLEY IQ REPORTS (Continued)

Description	Symbol/ CUSIP	Total Value ($)	Positions Evaluated for Impact Alignment (MSCI ESG Research, ISS-ESG, Equileap)	Positions Evaluated for Issues of Concern Exposure (ISS-ESG, FFI)	Positions Evaluated for Impact Activation (Manager Reported)
SALESFORCE.COM INC	79466LAF1	307,162.67	Yes	-	-
SCHWAB US MID CAP ETF	SCHM	1,602,744.50	Yes	Yes	-
STARBUCKS CORP	855244AD1	254,565.83	Yes	-	-
STRYKER CORP	863667AH4	305,594.25	Yes	-	-
TENN VALLEY AUTH	880591ER9	277,817.68	Yes	-	-
TENN VALLEY AUTH	880591CJ9	321,096.88	Yes	-	-
TEXAS INSTRUMENTS INC	882508BG8	278,852.25	Yes	-	-
UNITED STATES TREASURY BOND	912810ES3	346,761.05	-	-	-
UNITED STATES TREASURY NOTE	912828ZR4	450,000.07	-	-	-
UNITEDHEALTH GROUP INC	91324PDP4	311,865.41	Yes	-	-
VANGUARD FTSE DEVELOPED MKTS E	VEA	1,899,048.00	Yes	Yes	-
VANGUARD RUSSELL 1000 GROWTH	VONG	2,248,334.30	Yes	Yes	-
VANGUARD SHORT TERM BND	BSV	279,468.00	-	-	-
VANGUARD TTL STK MKT ETF	VTI	7,017,796.85	Yes	Yes	-
VANGUARD VALUE ETF INDEX	VTV	6,003,036.00	Yes	Yes	-
VERIZON COMMUNICATIONS INC	92343VDD3	314,882.48	Yes	-	-
WELLS FARGO & CO	94974BGP9	328,549.18	Yes	-	-
Total Portfolio		**$78,042,250.69**	**74%**	**64%**	**0%**

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Morgan Stanley

THE KELLIHER CORBETT GROUP
AT MORGAN STANLEY

Regional Water Authority
Tapping the Possibilities

ESG Deep Dive Funds Review (3/31/2022 & 6/30/2022)

Intermediate Core Bond ESG Search

Results

Data as of 3/31/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Bond														
American Funds Bond Fund of Amer F2	Intermediate Core Bond	-2.51	-5.43	-5.43	-3.29	3.10	2.94	2.78	16	16	7	2	4	12
TIAA-CREF Core Impact Bond Advisor	Intermediate Core Bond	-2.69	-6.00	-6.00	-4.12	1.73	2.33	-	59	59	27	41	24	-
Touchstone Impact Bond Y	Intermediate Core Bond	-3.01	-6.05	-6.05	-4.18	1.43	1.99	2.27	63	63	31	70	60	44
Cat: Intermediate Core Bond	**Intermediate Core Bond**	**-2.82**	**-5.89**	**-5.89**	**-4.43**	**1.67**	**2.04**	**2.21**	-	-	-	-	-	-
Idx: Bloomberg US Agg Bond TR USD	-	**-2.78**	**-5.93**	**-5.93**	**-4.15**	**1.69**	**2.14**	**2.24**	-	-	-	-	-	-

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Bond														
American Funds Bond Fund of Amer F2	Intermediate Core Bond	-0.71	10.99	8.28	0.14	3.47	3.00	0.47	5.82	-1.75	6.16	6.76	7.55	15.19
TIAA-CREF Core Impact Bond Advisor	Intermediate Core Bond	-1.00	7.25	8.63	0.27	4.53	3.02	1.18	8.80	-1.27	-	-	-	-
Touchstone Impact Bond Y	Intermediate Core Bond	-1.01	6.71	7.91	0.15	3.94	2.85	-0.20	6.67	-2.17	5.71	8.10	9.08	16.90
Cat: Intermediate Core Bond	**Intermediate Core Bond**	**-1.48**	**7.52**	**8.06**	**-0.50**	**3.71**	**3.23**	**-0.26**	**5.18**	**-1.42**	**7.01**	**5.86**	**7.72**	**13.97**
Idx: Bloomberg US Agg Bond TR USD	-	**-1.54**	**7.51**	**8.72**	**0.01**	**3.54**	**2.65**	**0.55**	**5.97**	**-2.02**	**4.21**	**7.84**	**6.54**	**5.93**

Statistics

Data as of 3/31/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Bond														
American Funds Bond Fund of Amer F2	13	0.31	0.96	0.95	1.42	0.83	0.64	0.55	3.92	96	-	-	-	Below Avg
TIAA-CREF Core Impact Bond Advisor	10	0.43	1.10	1.06	-0.02	0.15	0.24	0.32	5.01	77	-	-	-	Above Avg
Touchstone Impact Bond Y	15	0.51	1.11	1.07	-0.35	-0.21	0.18	0.24	4.73	89	-	-	-	Above Avg
Cat: Intermediate Core Bond	-	**0.59**	**1.00**	**0.99**	**-0.01**	**-0.08**	**0.24**	**0.26**	**4.30**	**89**	-	-	-	-

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

Blue = Current Fund
Green = Possible ESG Replacement

Intermediate Core-Plus Bond ESG Search

Results

Data as of 3/31/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Bond														
American Funds Strategic Bond F-2	Intermediate Core-Plus Bond	-1.95	-3.41	-3.41	-0.34	5.92	4.69	-	5	5	2	1	2	-
DoubleLine Core Fixed Income I	Intermediate Core-Plus Bond	-2.36	-4.88	-4.88	-3.19	1.64	2.22	2.87	14	14	18	71	64	39
Janus Henderson Flexible Bond I	Intermediate Core-Plus Bond	-3.19	-6.24	-6.24	-3.84	3.10	2.84	2.85	68	68	43	13	24	40
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	-2.20	-5.38	-5.38	-3.76	2.81	2.89	3.40	26	26	40	21	21	12
Pioneer Bond Y	Intermediate Core-Plus Bond	-2.76	-5.91	-5.91	-3.39	2.97	2.98	3.36	53	53	25	16	19	14
Calvert Bond I	Intermediate Core-Plus Bond	-2.45	-5.33	-5.33	-3.11	2.86	3.22	3.57	28	28	31	35	27	25
PIMCO Total Return ESG I2	Intermediate Core-Plus Bond	-2.95	-6.50	-6.50	-4.61	2.03	2.23	2.44	85	85	81	56	64	70
Cat: Intermediate Core-Plus Bond	**Intermediate Core-Plus Bond**	**-2.58**	**-5.72**	**-5.72**	**-4.00**	**2.13**	**2.39**	**2.61**	-	-	-	-	-	-
Idx: Bloomberg US Agg Bond TR USD	-	**-2.78**	**-5.93**	**-5.93**	**-4.15**	**1.69**	**2.14**	**2.24**	-	-	-	-	-	-

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Bond														
American Funds Strategic Bond F-2	Intermediate Core-Plus Bond	-0.77	18.31	8.23	0.48	3.47	-	-	-	-	-	-	-	-
DoubleLine Core Fixed Income I	Intermediate Core-Plus Bond	-0.34	5.60	7.99	-0.02	4.66	4.11	0.63	6.86	-1.20	8.15	11.45	-	-
Janus Henderson Flexible Bond I	Intermediate Core-Plus Bond	-0.78	10.88	9.56	-0.87	3.62	2.65	0.11	4.93	-0.05	8.05	6.66	7.60	12.61
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	-1.42	10.63	8.96	-0.69	5.22	7.49	-3.93	6.40	-0.56	11.59	7.90	10.74	16.93
Pioneer Bond Y	Intermediate Core-Plus Bond	0.73	8.85	9.28	-0.53	4.39	4.48	0.24	6.19	0.66	8.83	5.34	9.75	17.95
Calvert Bond I	Intermediate Core-Plus Bond	0.24	7.65	8.65	0.10	4.56	4.06	0.54	6.73	-1.97	8.27	6.23	6.80	11.57
PIMCO Total Return ESG I2	Intermediate Core-Plus Bond	-1.20	8.86	8.83	-0.88	4.35	2.85	0.29	4.43	-2.17	9.58	3.42	8.97	13.72
Cat: Intermediate Core-Plus Bond	**Intermediate Core-Plus Bond**	**-0.67**	**8.06**	**8.94**	**-0.61**	**4.27**	**3.86**	**-0.45**	**5.42**	**-0.90**	**7.76**	**6.27**	**8.51**	**15.12**
Idx: Bloomberg US Agg Bond TR USD	-	**-1.54**	**7.51**	**8.72**	**0.01**	**3.54**	**2.65**	**0.55**	**5.97**	**-2.02**	**4.21**	**7.84**	**6.54**	**5.93**

Statistics

Data as of 3/31/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Bond														
American Funds Strategic Bond F-2	6	0.45	0.82	0.81	4.30	2.69	1.19	0.96	4.41	55	-	-	-	Below Avg
DoubleLine Core Fixed Income I	12	0.48	0.92	0.87	0.10	0.25	0.21	0.29	5.11	51	-	-	-	Average
Janus Henderson Flexible Bond I	6	0.45	1.14	1.07	1.27	0.63	0.50	0.43	5.04	82	-	-	-	Average
Loomis Sayles Core Plus Bond Y	25	0.46	1.00	0.94	1.11	0.79	0.52	0.51	4.30	87	-	-	-	Below Avg
Pioneer Bond Y	23	0.45	1.12	1.02	1.28	0.88	0.37	0.37	6.81	42	-	-	-	High
Calvert Bond I	9	0.18	0.99	0.94	0.76	0.70	0.38	0.43	4.90	65	-	-	-	Average
PIMCO Total Return ESG I2	8	0.63	1.08	1.03	0.27	0.06	0.32	0.31	4.52	92	-	-	-	Below Avg
Cat: Intermediate Core-Plus Bond	-	**0.75**	**1.00**	**0.95**	**0.48**	**0.32**	**0.31**	**0.32**	**5.03**	**69**	-	-	-	-

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

Blue = Current Fund
Green = Possible ESG Replacement

*Calvert Funds show reduced expense Ratio. Management fee is excluded. 6bps admin fee added
*Investment returns have management fee added back, and admin fee subtracted

Large Blend ESG Search

Results

Data as of 3/31/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Large Blend														
Invesco S&P 500® Equal Weight ETF	Large Blend	2.56	-2.76	-2.76	12.89	16.77	13.67	13.61	11	11	51	58	66	43
Vanguard Total Stock Market ETF	Large Blend	3.24	-5.45	-5.45	11.67	18.14	15.36	14.24	58	58	64	36	33	26
Calvert US Large Cap Core Rspnb Idx I	Large Blend	2.73	-7.00	-7.00	11.27	19.83	16.55	15.03	84	84	70	9	9	5
iShares MSCI USA ESG Select ETF	Large Blend	2.79	-8.61	-8.61	11.51	19.46	16.19	13.81	93	93	66	11	11	39
Parnassus Core Equity Investor	Large Blend	3.30	-5.74	-5.74	12.23	18.89	16.25	14.88	65	65	58	19	11	4
Vanguard ESG US Stock ETF	Large Blend	3.03	-7.55	-7.55	11.12	19.67	-	-	88	88	70	9	-	-
Cat: Large Blend	**Large Blend**	**2.83**	**-5.23**	**-5.23**	**12.10**	**16.78**	**14.09**	**13.04**	**-**	**-**	**-**	**-**	**-**	**-**
Idx: S&P 500 TR USD	**-**	**3.71**	**-4.60**	**-4.60**	**15.65**	**18.92**	**15.99**	**14.64**	**-**	**-**	**-**	**-**	**-**	**-**

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Large Blend														
Invesco S&P 500® Equal Weight ETF	Large Blend	29.35	12.75	28.94	-7.77	18.52	14.34	-2.57	14.02	35.60	17.04	-0.50	21.30	45.08
Vanguard Total Stock Market ETF	Large Blend	25.72	20.95	30.80	-5.13	21.16	12.68	0.40	12.56	33.51	16.41	1.06	17.26	28.82
Calvert US Large Cap Core Rspnb Idx I	Large Blend	25.62	26.11	32.82	-4.07	21.18	10.71	1.14	14.41	35.04	17.71	0.05	13.73	34.84
iShares MSCI USA ESG Select ETF	Large Blend	30.31	24.64	32.18	-5.56	22.52	12.25	-1.89	13.49	30.87	10.23	1.58	14.07	30.37
Parnassus Core Equity Investor	Large Blend	27.55	21.19	30.69	-0.18	16.58	10.41	-0.55	14.49	33.98	15.43	3.13	8.87	28.75
Vanguard ESG US Stock ETF	Large Blend	26.41	25.71	33.40	-	-	-	-	-	-	-	-	-	-
Cat: Large Blend	**Large Blend**	**26.07**	**15.83**	**28.78**	**-6.27**	**20.44**	**10.37**	**-1.07**	**10.96**	**31.50**	**14.96**	**-1.27**	**14.01**	**28.17**
Idx: S&P 500 TR USD	**-**	**28.71**	**18.40**	**31.49**	**-4.38**	**21.83**	**11.96**	**1.38**	**13.69**	**32.39**	**16.00**	**2.11**	**15.06**	**26.46**

Statistics

Data as of 3/31/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Large Blend														
Invesco S&P 500® Equal Weight ETF	4	0.20	1.10	1.08	-3.14	-2.93	0.83	0.75	20.33	92	19.1	3.0	38376	High
Vanguard Total Stock Market ETF	27	0.03	1.04	1.03	-1.19	-0.94	0.96	0.89	18.47	99	20.5	3.8	119340	Above Avg
Calvert US Large Cap Core Rspnb Idx I	5	0.06	1.00	1.01	0.58	0.21	1.06	0.96	17.93	99	21.3	4.3	152102	Average
iShares MSCI USA ESG Select ETF	14	0.25	1.01	1.00	0.38	0.17	1.04	0.95	18.04	98	22.6	4.8	112298	Average
Parnassus Core Equity Investor	21	0.84	0.88	0.88	1.84	1.79	1.13	1.06	15.95	96	28.2	5.1	185781	Low
Vanguard ESG US Stock ETF	4	0.09	1.03	-	0.16	-	1.03	-	18.46	99	21.2	4.2	143059	-
Cat: Large Blend	**-**	**0.81**	**0.99**	**1.00**	**-1.65**	**-1.54**	**0.91**	**0.84**	**18.15**	**95**	**20.8**	**4.7**	**249832**	**-**

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

Blue = Current Fund
Green = Possible ESG Replacement

*Calvert Funds show reduced expense Ratio. Management fee is excluded. 6bps admin fee added
*Investment returns have management fee added back, and admin fee subtracted

Foreign Large Blend ESG Search

Results

Data as of 3/31/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Foreign Large Blend														
Vanguard FTSE Developed Markets ETF	Foreign Large Blend	0.34	-6.04	-6.04	0.73	8.58	7.19	6.69	32	32	29	26	27	18
iShares ESG Aware MSCI EAFE ETF	Foreign Large Blend	-0.14	-7.34	-7.34	-0.03	8.00	6.93	-	62	62	41	36	32	-
Pax International Sustainable Econ Instl	Foreign Large Blend	0.20	-8.09	-8.09	-0.16	8.52	6.79	6.38	72	72	43	28	38	27
Vanguard ESG International Stock ETF	Foreign Large Blend	-0.73	-7.72	-7.72	-4.31	7.89	-	-	68	68	80	39	-	-
Cat: Foreign Large Blend	**Foreign Large Blend**	**-0.35**	**-7.05**	**-7.05**	**-1.61**	**7.23**	**6.26**	**5.85**	**-**	**-**	**-**	**-**	**-**	**-**
Idx: MSCI ACWI Ex USA NR USD	**-**	**0.16**	**-5.44**	**-5.44**	**-1.48**	**7.51**	**6.76**	**5.55**	**-**	**-**	**-**	**-**	**-**	**-**
Idx: MSCI EAFE NR USD	**-**	**0.64**	**-5.91**	**-5.91**	**1.16**	**7.78**	**6.72**	**6.27**	**-**	**-**	**-**	**-**	**-**	**-**

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Foreign Large Blend														
Vanguard FTSE Developed Markets ETF	Foreign Large Blend	11.49	10.29	22.08	-14.47	26.44	2.51	-0.21	-5.71	22.12	18.60	-12.57	8.47	28.34
iShares ESG Aware MSCI EAFE ETF	Foreign Large Blend	11.60	8.62	23.45	-13.62	25.21	-	-	-	-	-	-	-	-
Pax International Sustainable Econ Instl	Foreign Large Blend	11.19	10.78	23.01	-12.90	23.34	-1.63	1.16	-5.52	24.98	17.03	-	-	-
Vanguard ESG International Stock ETF	Foreign Large Blend	7.13	13.52	22.80	-	-	-	-	-	-	-	-	-	-
Cat: Foreign Large Blend	**Foreign Large Blend**	**9.72**	**9.30**	**21.59**	**-14.59**	**25.12**	**0.79**	**-1.59**	**-4.98**	**19.44**	**18.29**	**-13.97**	**10.24**	**31.24**
Idx: MSCI ACWI Ex USA NR USD	**-**	**7.82**	**10.65**	**21.51**	**-14.20**	**27.19**	**4.50**	**-5.66**	**-3.87**	**15.29**	**16.83**	**-13.71**	**11.15**	**41.45**
Idx: MSCI EAFE NR USD	**-**	**11.26**	**7.82**	**22.01**	**-13.79**	**25.03**	**1.00**	**-0.81**	**-4.90**	**22.78**	**17.32**	**-12.14**	**7.75**	**31.78**

Statistics

Data as of 3/31/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Foreign Large Blend														
Vanguard FTSE Developed Markets ETF	9	0.05	1.04	1.03	0.85	0.32	0.51	0.45	17.81	97	13.7	1.6	29426	Average
iShares ESG Aware MSCI EAFE ETF	6	0.20	1.01	1.00	0.46	0.21	0.49	0.44	17.41	96	14.4	1.8	46382	Average
Pax International Sustainable Econ Instl	7	0.48	0.98	0.97	1.11	0.22	0.52	0.44	17.18	93	18.8	2.1	48047	Below Avg
Vanguard ESG International Stock ETF	4	0.12	0.98	-	0.51	-	0.50	-	16.67	98	14.1	1.7	28004	-
Cat: Foreign Large Blend	**-**	**0.94**	**0.99**	**0.99**	**-0.12**	**-0.36**	**0.45**	**0.41**	**17.39**	**93**	**14.0**	**1.8**	**51158**	**-**

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

Blue = Current Fund
Green = Possible ESG Replacement

Clean Water ESG Search

Results

Data as of 3/31/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Clean Water														
Calvert Global Water I	Natural Resources	0.03	-10.21	-10.21	4.07	14.13	10.46	9.47	85	85	92	83	73	38
First Trust Water ETF	Natural Resources	4.30	-11.00	-11.00	8.34	18.82	15.83	14.28	90	90	85	40	14	1
Invesco S&P Global Water ETF	Natural Resources	1.18	-13.28	-13.28	8.69	15.76	13.01	11.42	96	96	82	66	38	7
Invesco Water Resources ETF	Natural Resources	3.21	-12.84	-12.84	7.62	16.46	15.73	11.25	92	92	87	62	16	11
Cat: Natural Resources	**Natural Resources**	**6.61**	**8.48**	**8.48**	**25.31**	**18.43**	**11.80**	**6.07**	-	-	-	-	-	-
Idx: Russell 3000 TR USD	-	**3.24**	**-5.28**	**-5.28**	**11.92**	**18.24**	**15.40**	**14.28**	-	-	-	-	-	-
Idx: S&P 500 TR USD	-	**3.71**	**-4.60**	**-4.60**	**15.65**	**18.92**	**15.99**	**14.64**	-	-	-	-	-	-
Idx: S&P Global Water TR	-	**1.48**	**-12.97**	**-12.97**	**9.71**	**16.72**	**13.92**	**12.29**	-	-	-	-	-	-

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Clean Water														
Calvert Global Water I	Natural Resources	22.94	15.08	28.35	-13.32	19.30	14.43	-12.30	-3.22	28.72	27.13	-9.91	13.62	28.75
First Trust Water ETF	Natural Resources	31.89	21.22	37.12	-8.90	24.27	32.22	-9.81	0.36	30.92	26.86	-5.60	19.46	20.35
Invesco S&P Global Water ETF	Natural Resources	31.34	15.78	33.40	-10.02	26.74	6.67	-1.81	3.86	26.22	20.22	-7.46	15.03	31.38
Invesco Water Resources ETF	Natural Resources	31.26	20.81	37.46	-6.26	23.56	13.86	-15.20	-1.10	26.98	24.06	-10.51	13.25	17.04
Cat: Natural Resources	**Natural Resources**	**29.56**	**16.37**	**14.95**	**-19.01**	**16.61**	**26.69**	**-22.16**	**-12.48**	**8.75**	**4.34**	**-13.97**	**18.06**	**48.48**
Idx: Russell 3000 TR USD	-	**25.66**	**20.89**	**31.02**	**-5.24**	**21.13**	**12.74**	**0.48**	**12.56**	**33.55**	**16.42**	**1.03**	**16.93**	**28.34**
Idx: S&P 500 TR USD	-	**28.71**	**18.40**	**31.49**	**-4.38**	**21.83**	**11.96**	**1.38**	**13.69**	**32.39**	**16.00**	**2.11**	**15.06**	**26.46**
Idx: S&P Global Water TR	-	**32.28**	**16.61**	**34.53**	**-9.34**	**27.73**	**7.37**	**-1.04**	**4.57**	**27.31**	**21.27**	**-6.74**	**15.95**	**32.67**

Statistics

Data as of 3/31/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Clean Water														
Calvert Global Water I	5	0.21	1.01	0.99	-0.31	-1.56	0.75	0.60	18.17	92	18.7	2.4	6343	Low
First Trust Water ETF	15	0.54	0.99	1.02	4.83	3.93	0.98	0.87	18.91	82	29.4	3.8	9920	Below Avg
Invesco S&P Global Water ETF	4	0.57	0.91	0.91	3.08	2.32	0.89	0.80	17.54	80	24.6	3.5	8734	Low
Invesco Water Resources ETF	15	0.60	0.93	0.97	3.57	4.30	0.89	0.89	18.32	76	29.7	4.6	14475	Below Avg
Cat: Natural Resources	-	**1.06**	**1.25**	**1.22**	**2.60**	**-0.78**	**0.77**	**0.59**	**25.97**	**72**	**13.9**	**2.4**	**24738**	-

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

Green = Possible ESG Replacement

*Calvert Funds show reduced expense Ratio. Management fee is excluded. 6bps admin fee added
*Investment returns have management fee added back, and admin fee subtracted

Intermediate Core Bond ESG Search

Results

Data as of 6/30/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Bond														
American Funds Bond Fund of Amer F2	Intermediate Core Bond	-1.97	-5.02	-10.18	-9.71	0.34	1.59	2.06	55	28	16	2	3	10
TIAA-CREF Core Impact Bond Advisor	Intermediate Core Bond	-1.90	-5.50	-11.16	-11.20	-1.12	0.88	-	82	76	67	63	32	-
Touchstone Impact Bond Y	Intermediate Core Bond	-0.87	-4.37	-10.15	-10.58	-1.08	0.77	1.60	19	26	45	58	51	40
Cat: Intermediate Core Bond	**Intermediate Core Bond**	**-1.65**	**-4.93**	**-10.53**	**-10.74**	**-1.00**	**0.72**	**1.47**	-	-	-	-	-	-
Idx: Bloomberg US Agg Bond TR USD	-	**-1.57**	**-4.69**	**-10.35**	**-10.29**	**-0.93**	**0.88**	**1.54**	-	-	-	-	-	-

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Bond														
American Funds Bond Fund of Amer F2	Intermediate Core Bond	-0.71	10.99	8.28	0.14	3.47	3.00	0.47	5.82	-1.75	6.16	6.76	7.55	15.19
TIAA-CREF Core Impact Bond Advisor	Intermediate Core Bond	-1.00	7.25	8.63	0.27	4.53	3.02	1.18	8.80	-1.27	-	-	-	-
Touchstone Impact Bond Y	Intermediate Core Bond	-1.01	6.71	7.91	0.15	3.94	2.85	-0.20	6.67	-2.17	5.71	8.10	9.08	16.90
Cat: Intermediate Core Bond	**Intermediate Core Bond**	**-1.48**	**7.52**	**8.06**	**-0.50**	**3.71**	**3.23**	**-0.26**	**5.18**	**-1.42**	**7.01**	**5.86**	**7.72**	**13.97**
Idx: Bloomberg US Agg Bond TR USD	-	**-1.54**	**7.51**	**8.72**	**0.01**	**3.54**	**2.65**	**0.55**	**5.97**	**-2.02**	**4.21**	**7.84**	**6.54**	**5.93**

Statistics

Data as of 6/30/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Bond														
American Funds Bond Fund of Amer F2	13	0.31	0.99	0.96	1.25	0.70	-0.03	0.14	4.54	97	-	-	-	Below Avg
TIAA-CREF Core Impact Bond Advisor	10	0.43	1.09	1.05	-0.02	0.04	-0.28	-0.03	5.50	81	-	-	-	Above Avg
Touchstone Impact Bond Y	16	0.51	1.04	1.01	-0.07	-0.09	-0.31	-0.06	5.01	89	-	-	-	Average
Cat: Intermediate Core Bond	-	**0.59**	**0.99**	**0.98**	**-0.07**	**-0.15**	**-0.32**	**-0.08**	**4.78**	**90**	-	-	-	-

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

Blue = Current Fund
Green = Possible ESG Replacement

Intermediate Core-Plus Bond ESG Search

Results

Data as of 6/30/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Bond														
American Funds Strategic Bond F-2	Intermediate Core-Plus Bond	-2.07	-5.76	-8.97	-8.11	2.61	3.22	-	56	12	7	1	2	-
DoubleLine Core Fixed Income I	Intermediate Core-Plus Bond	-2.01	-5.50	-10.11	-10.18	-1.24	0.74	2.08	39	21	22	73	63	35
DoubleLine Total Return Bond I	Intermediate Core-Plus Bond	-1.06	-3.97	-8.60	-8.43	-1.11	0.80	2.18	10	10	9	67	59	30
Janus Henderson Flexible Bond I	Intermediate Core-Plus Bond	-1.69	-5.02	-10.95	-10.66	0.36	1.47	2.06	20	40	35	9	18	36
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	-2.44	-5.97	-11.03	-11.23	-0.26	1.39	2.45	66	43	50	26	20	20
Calvert Bond I	Intermediate Core-Plus Bond	-2.03	-5.08	-10.24	-10.23	-0.28	1.33	2.30	22	23	24	26	22	24
PIMCO Total Return ESG I2	Intermediate Core-Plus Bond	-2.81	-6.70	-12.77	-12.95	-1.36	0.52	1.46	89	91	89	79	76	83
Cat: Intermediate Core-Plus Bond	**Intermediate Core-Plus Bond**	**-2.17**	**-5.51**	**-10.91**	**-11.10**	**-0.73**	**0.94**	**1.91**	**-**	**-**	**-**	**-**	**-**	**-**
Idx: Bloomberg US Agg Bond TR USD	**-**	**-1.57**	**-4.69**	**-10.35**	**-10.29**	**-0.93**	**0.88**	**1.54**	**-**	**-**	**-**	**-**	**-**	**-**

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Bond														
American Funds Strategic Bond F-2	Intermediate Core-Plus Bond	-0.77	18.31	8.23	0.48	3.47	-	-	-	-	-	-	-	-
DoubleLine Core Fixed Income I	Intermediate Core-Plus Bond	-0.34	5.60	7.99	-0.02	4.66	4.11	0.63	6.86	-1.20	8.15	11.45	-	-
DoubleLine Total Return Bond I	Intermediate Core-Plus Bond	0.24	4.12	5.81	1.75	3.79	2.17	2.32	6.73	0.02	9.16	9.51	-	-
Janus Henderson Flexible Bond I	Intermediate Core-Plus Bond	-0.78	10.88	9.56	-0.87	3.62	2.65	0.11	4.93	-0.05	8.05	6.66	7.60	12.61
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	-1.42	10.63	8.96	-0.69	5.22	7.49	-3.93	6.40	-0.56	11.59	7.90	10.74	16.93
Calvert Bond I	Intermediate Core-Plus Bond	0.24	7.65	8.65	0.10	4.56	4.06	0.54	6.73	-1.97	8.27	6.23	6.80	11.57
PIMCO Total Return ESG I2	Intermediate Core-Plus Bond	-1.20	8.86	8.83	-0.88	4.35	2.85	0.29	4.43	-2.17	9.58	3.42	8.97	13.72
Cat: Intermediate Core-Plus Bond	**Intermediate Core-Plus Bond**	**-0.67**	**8.06**	**8.94**	**-0.61**	**4.27**	**3.86**	**-0.45**	**5.42**	**-0.90**	**7.76**	**6.27**	**8.51**	**15.12**
Idx: Bloomberg US Agg Bond TR USD	**-**	**-1.54**	**7.51**	**8.72**	**0.01**	**3.54**	**2.65**	**0.55**	**5.97**	**-2.02**	**4.21**	**7.84**	**6.54**	**5.93**

Statistics

Data as of 6/30/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Bond														
American Funds Strategic Bond F-2	6	0.43	0.91	0.87	3.42	2.29	0.42	0.51	5.13	64	-	-	-	Below Avg
DoubleLine Core Fixed Income I	12	0.48	0.91	0.87	-0.39	-0.13	-0.31	-0.06	5.47	57	-	-	-	Average
DoubleLine Total Return Bond I	12	0.50	0.78	0.76	-0.51	-0.13	-0.38	-0.07	4.23	69	-	-	-	Low
Janus Henderson Flexible Bond I	7	0.45	1.12	1.05	1.50	0.62	-0.01	0.10	5.49	85	-	-	-	Average
Loomis Sayles Core Plus Bond Y	26	0.46	1.05	0.99	0.78	0.52	-0.14	0.09	5.04	90	-	-	-	Below Avg
Calvert Bond I	10	0.18	0.97	0.93	0.66	0.46	-0.14	0.07	5.30	69	-	-	-	Average
PIMCO Total Return ESG I2	8	0.63	1.14	1.08	-0.20	-0.32	-0.34	-0.11	5.35	93	-	-	-	Average
Cat: Intermediate Core-Plus Bond	**-**	**0.74**	**1.01**	**0.96**	**0.27**	**0.09**	**-0.22**	**-0.02**	**5.54**	**73**	**-**	**-**	**-**	**-**

Green = exceeds peer group
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Blue = Current Fund
Green = Possible ESG Replacement

*Calvert Funds show reduced expense Ratio. Management fee is excluded. 6bps admin fee added
*Investment returns have management fee added back, and admin fee subtracted

Large Blend ESG Search

Results

Data as of 6/30/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Large Blend														
Invesco S&P 500® Equal Weight ETF	Large Blend	-9.42	-14.39	-16.75	-9.55	9.56	9.67	12.34	33	20	28	53	63	41
Vanguard Total Stock Market ETF	Large Blend	-8.37	-16.85	-21.38	-14.24	9.62	10.52	12.52	84	76	81	50	44	31
Calvert US Large Cap Core Rspnb Idx I	Large Blend	-7.99	-17.43	-23.25	-15.26	10.59	11.35	13.17	91	92	86	20	16	7
iShares MSCI USA ESG Select ETF	Large Blend	-8.53	-16.38	-23.58	-14.53	11.29	11.16	12.54	71	94	83	13	24	30
Parnassus Core Equity Investor	Large Blend	-6.65	-15.34	-20.20	-11.52	10.28	11.90	13.09	46	57	50	32	8	9
Vanguard ESG US Stock ETF	Large Blend	-7.90	-17.86	-24.06	-16.08	10.39	-	-	95	95	89	28	-	-
Cat: Large Blend	**Large Blend**	**-7.93**	**-14.88**	**-19.30**	**-11.58**	**9.14**	**9.77**	**11.63**	**-**	**-**	**-**	**-**	**-**	**-**
Idx: S&P 500 TR USD	**-**	**-8.25**	**-16.10**	**-19.96**	**-10.62**	**10.60**	**11.31**	**12.96**	**-**	**-**	**-**	**-**	**-**	**-**

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Large Blend														
Invesco S&P 500® Equal Weight ETF	Large Blend	29.35	12.75	28.94	-7.77	18.52	14.34	-2.57	14.02	35.60	17.04	-0.50	21.30	45.08
Vanguard Total Stock Market ETF	Large Blend	25.72	20.95	30.80	-5.13	21.16	12.68	0.40	12.56	33.51	16.41	1.06	17.26	28.82
Calvert US Large Cap Core Rspnb Idx I	Large Blend	25.62	26.11	32.82	-4.07	21.18	10.71	1.14	14.41	35.04	17.71	0.05	13.73	34.84
iShares MSCI USA ESG Select ETF	Large Blend	30.31	24.64	32.18	-5.56	22.52	12.25	-1.89	13.49	30.87	10.23	1.58	14.07	30.37
Parnassus Core Equity Investor	Large Blend	27.55	21.19	30.69	-0.18	16.58	10.41	-0.55	14.49	33.98	15.43	3.13	8.87	28.75
Vanguard ESG US Stock ETF	Large Blend	26.41	25.71	33.40	-	-	-	-	-	-	-	-	-	-
Cat: Large Blend	**Large Blend**	**26.07**	**15.83**	**28.78**	**-6.27**	**20.44**	**10.37**	**-1.07**	**10.96**	**31.50**	**14.96**	**-1.27**	**14.01**	**28.17**
Idx: S&P 500 TR USD	**-**	**28.71**	**18.40**	**31.49**	**-4.38**	**21.83**	**11.96**	**1.38**	**13.69**	**32.39**	**16.00**	**2.11**	**15.06**	**26.46**

Statistics

Data as of 6/30/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Large Blend														
Invesco S&P 500® Equal Weight ETF	4	0.20	1.07	1.06	-1.28	-1.85	0.51	0.53	20.83	92	16.0	2.6	32840	High
Vanguard Total Stock Market ETF	28	0.03	1.04	1.03	-1.16	-0.96	0.54	0.60	19.38	99	17.7	3.2	101512	Above Avg
Calvert US Large Cap Core Rspnb Idx I	6	0.06	1.01	1.02	-0.08	-0.08	0.59	0.64	18.97	99	19.9	3.9	133427	Average
iShares MSCI USA ESG Select ETF	15	0.25	1.00	1.00	0.64	-0.13	0.63	0.64	18.79	99	19.1	4.1	95675	Average
Parnassus Core Equity Investor	21	0.82	0.89	0.88	0.64	1.56	0.63	0.74	16.86	97	23.7	4.0	160827	Low
Vanguard ESG US Stock ETF	4	0.09	1.04	-	-0.48	-	0.57	-	19.52	99	18.3	3.6	121150	-
Cat: Large Blend	**-**	**0.80**	**0.98**	**0.99**	**-1.12**	**-1.25**	**0.53**	**0.57**	**18.87**	**95**	**18.7**	**4.2**	**216364**	**-**

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

Blue = Current Fund
Green = Possible ESG Replacement

*Calvert Funds show reduced expense Ratio. Management fee is excluded. 6bps admin fee added
*Investment returns have management fee added back, and admin fee subtracted

Foreign Large Blend ESG Search

Results

Data as of 6/30/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Foreign Large Blend														
Vanguard FTSE Developed Markets ETF	Foreign Large Blend	-9.61	-14.08	-19.26	-18.11	2.12	2.70	5.85	69	52	46	31	32	19
iShares ESG Aware MSCI EAFE ETF	Foreign Large Blend	-8.84	-13.21	-19.58	-17.67	1.68	2.73	-	46	58	37	42	31	-
Pax International Sustainable Econ Instl	Foreign Large Blend	-8.66	-14.21	-21.14	-17.90	1.66	2.39	5.42	73	78	41	43	45	34
Vanguard ESG International Stock ETF	Foreign Large Blend	-8.00	-13.35	-20.04	-21.41	1.75	-	-	51	65	82	39	-	-
Cat: Foreign Large Blend	**Foreign Large Blend**	**-8.72**	**-13.15**	**-19.18**	**-18.69**	**1.31**	**2.08**	**5.11**	-	-	-	-	-	-
Idx: MSCI ACWI Ex USA NR USD	-	**-8.60**	**-13.73**	**-18.42**	**-19.42**	**1.35**	**2.50**	**4.83**	-	-	-	-	-	-
Idx: MSCI EAFE NR USD	-	**-9.28**	**-14.51**	**-19.57**	**-17.77**	**1.07**	**2.20**	**5.40**	-	-	-	-	-	-

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Foreign Large Blend														
Vanguard FTSE Developed Markets ETF	Foreign Large Blend	11.49	10.29	22.08	-14.47	26.44	2.51	-0.21	-5.71	22.12	18.60	-12.57	8.47	28.34
iShares ESG Aware MSCI EAFE ETF	Foreign Large Blend	11.60	8.62	23.45	-13.62	25.21	-	-	-	-	-	-	-	-
Pax International Sustainable Econ Instl	Foreign Large Blend	11.19	10.78	23.01	-12.90	23.34	-1.63	1.16	-5.52	24.98	17.03	-	-	-
Vanguard ESG International Stock ETF	Foreign Large Blend	7.13	13.52	22.80	-	-	-	-	-	-	-	-	-	-
Cat: Foreign Large Blend	**Foreign Large Blend**	**9.72**	**9.30**	**21.59**	**-14.59**	**25.12**	**0.79**	**-1.59**	**-4.98**	**19.44**	**18.29**	**-13.97**	**10.24**	**31.24**
Idx: MSCI ACWI Ex USA NR USD	-	**7.82**	**10.65**	**21.51**	**-14.20**	**27.19**	**4.50**	**-5.66**	**-3.87**	**15.29**	**16.83**	**-13.71**	**11.15**	**41.45**
Idx: MSCI EAFE NR USD	-	**11.26**	**7.82**	**22.01**	**-13.79**	**25.03**	**1.00**	**-0.81**	**-4.90**	**22.78**	**17.32**	**-12.14**	**7.75**	**31.78**

Statistics

Data as of 6/30/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Foreign Large Blend														
Vanguard FTSE Developed Markets ETF	9	0.05	1.05	1.03	0.85	0.24	0.17	0.18	18.63	97	12.0	1.5	25657	Average
iShares ESG Aware MSCI EAFE ETF	6	0.20	1.01	1.00	0.38	0.26	0.15	0.18	18.07	96	12.6	1.6	40091	Average
Pax International Sustainable Econ Instl	8	0.47	0.99	0.97	0.38	-0.04	0.15	0.16	17.85	94	14.7	1.8	40296	Below Avg
Vanguard ESG International Stock ETF	4	0.12	0.98	-	0.42	-	0.15	-	17.22	98	12.1	1.5	23915	-
Cat: Foreign Large Blend	-	**0.93**	**1.00**	**0.99**	**0.07**	**-0.32**	**0.13**	**0.14**	**18.08**	**93**	**12.0**	**1.6**	**43473**	-

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

Blue = Current Fund
Green = Possible ESG Replacement

Balanced Fund ESG Search

Results

Data as of 6/30/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Allocation														
American Funds American Balanced F2	Allocation--50% to 70% Equity	-6.11	-9.83	-13.42	-8.27	6.27	7.08	8.94	25	29	20	19	16	6
Janus Henderson Balanced I	Allocation--50% to 70% Equity	-4.93	-11.67	-17.22	-10.64	6.43	8.44	9.00	67	80	37	18	5	6
1919 Socially Responsive Balanced I	Allocation--50% to 70% Equity	-4.74	-13.39	-19.73	-12.73	7.14	9.14	8.83	94	96	64	12	3	7
Calvert Balanced I	Allocation--50% to 70% Equity	-4.75	-11.01	-15.39	-10.51	6.37	7.63	8.05	51	47	36	19	9	20
Cat: Allocation--50% to 70% Equity	**Allocation--50% to 70% Equity**	**-5.85**	**-10.58**	**-14.43**	**-11.07**	**4.54**	**5.29**	**6.69**	-	-	-	-	-	-
Idx: 60% S&P 500 / 40% Bloomberg Agg	-	**-5.58**	**-11.54**	**-16.12**	**-10.49**	**5.99**	**7.14**	**8.39**	-	-	-	-	-	-
Idx: S&P 500 TR USD	-	**-8.25**	**-16.10**	**-19.96**	**-10.62**	**10.60**	**11.31**	**12.96**	-	-	-	-	-	-
Idx: Bloomberg US Agg Bond TR USD	-	**-1.57**	**-4.69**	**-10.35**	**-10.29**	**-0.93**	**0.88**	**1.54**	-	-	-	-	-	-

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Allocation														
American Funds American Balanced F2	Allocation--50% to 70% Equity	16.01	11.08	19.45	-2.52	15.69	8.80	1.92	9.08	21.99	14.40	4.11	13.21	21.41
Janus Henderson Balanced I	Allocation--50% to 70% Equity	17.24	14.39	22.59	0.70	18.58	4.61	0.64	8.53	19.86	13.09	1.49	8.01	24.36
1919 Socially Responsive Balanced I	Allocation--50% to 70% Equity	17.61	20.93	25.10	-1.00	16.71	6.02	-1.89	8.98	18.67	10.42	-0.36	11.79	23.75
Calvert Balanced I	Allocation--50% to 70% Equity	14.58	15.75	24.05	-2.46	11.94	8.16	-2.43	10.34	17.83	11.38	3.80	11.50	24.63
Cat: Allocation--50% to 70% Equity	**Allocation--50% to 70% Equity**	**13.89**	**11.72**	**19.23**	**-5.76**	**13.21**	**7.34**	**-1.93**	**6.21**	**16.48**	**11.72**	**-0.11**	**11.83**	**24.13**
Idx: 60% S&P 500 / 40% Bloomberg Agg	-	**16.61**	**14.04**	**22.38**	**-2.63**	**14.52**	**8.23**	**1.05**	**10.60**	**18.62**	**11.29**	**4.40**	**11.65**	**18.25**
Idx: S&P 500 TR USD	-	**28.71**	**18.40**	**31.49**	**-4.38**	**21.83**	**11.96**	**1.38**	**13.69**	**32.39**	**16.00**	**2.11**	**15.06**	**26.46**
Idx: Bloomberg US Agg Bond TR USD	-	**-1.54**	**7.51**	**8.72**	**0.01**	**3.54**	**2.65**	**0.55**	**5.97**	**-2.02**	**4.21**	**7.84**	**6.54**	**5.93**

Statistics

Data as of 6/30/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Allocation														
American Funds American Balanced F2	24	0.35	0.94	0.96	2.78	2.20	0.54	0.61	11.37	97	15.5	3.1	129386	Below Avg
Janus Henderson Balanced I	7	0.65	0.99	0.99	2.86	3.40	0.52	0.70	12.31	91	27.0	6.3	295422	Average
1919 Socially Responsive Balanced I	16	0.72	1.07	1.10	3.41	3.74	0.53	0.68	13.60	87	22.7	4.5	174074	Above Avg
Calvert Balanced I	10	0.21	1.02	1.01	2.73	2.58	0.51	0.62	12.60	93	24.8	4.4	150640	Average
Cat: Allocation--50% to 70% Equity	-	**1.03**	**1.03**	**1.04**	**0.98**	**0.29**	**0.37**	**0.41**	**12.77**	**92**	**16.1**	**2.6**	**98403**	-

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

Blue = Current Fund
Green = Possible ESG Replacement

*Calvert Funds show reduced expense Ratio. Management fee is excluded. 6bps admin fee added
*Investment returns have management fee added back, and admin fee subtracted

Clean Water ESG Search

Results

Data as of 6/30/2022	Morningstar Category	Market Returns (%) 1 Month	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr	% Ranks 3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr
Clean Water														
Calvert Global Water I	Natural Resources	-7.64	-14.50	-23.39	-16.36	5.81	5.71	7.65	29	84	90	89	76	42
First Trust Water ETF	Natural Resources	-6.02	-14.27	-23.71	-13.23	10.19	11.64	13.10	27	86	76	42	13	1
Invesco S&P Global Water ETF	Natural Resources	-8.23	-16.06	-27.21	-16.22	7.16	8.10	9.84	46	93	89	81	49	14
Invesco Water Resources ETF	Natural Resources	-5.67	-12.66	-23.88	-13.39	9.48	11.83	10.32	10	88	77	58	9	9
Cat: Natural Resources	**Natural Resources**	**-13.95**	**-17.37**	**-10.50**	**-3.82**	**11.14**	**8.05**	**5.15**	-	-	-	-	-	-
Idx: Russell 3000 TR USD	-	**-8.37**	**-16.70**	**-21.10**	**-13.87**	**9.77**	**10.60**	**12.57**	-	-	-	-	-	-
Idx: S&P 500 TR USD	-	**-8.25**	**-16.10**	**-19.96**	**-10.62**	**10.60**	**11.31**	**12.96**	-	-	-	-	-	-
Idx: S&P Global Water TR	-	**-8.15**	**-16.10**	**-26.98**	**-15.67**	**7.92**	**8.91**	**10.66**	-	-	-	-	-	-

Data as of 12/31/2021		2021 Return	2020 Return	2019 Return	2018 Return	2017 Return	2016 Return	2015 Return	2014 Return	2013 Return	2012 Return	2011 Return	2010 Return	2009 Return
Clean Water														
Calvert Global Water I	Natural Resources	22.94	15.08	28.35	-13.32	19.30	14.43	-12.30	-3.22	28.72	27.13	-9.91	13.62	28.75
First Trust Water ETF	Natural Resources	31.89	21.22	37.12	-8.90	24.27	32.22	-9.81	0.36	30.92	26.86	-5.60	19.46	20.35
Invesco S&P Global Water ETF	Natural Resources	31.34	15.78	33.40	-10.02	26.74	6.67	-1.81	3.86	26.22	20.22	-7.46	15.03	31.38
Invesco Water Resources ETF	Natural Resources	31.26	20.81	37.46	-6.26	23.56	13.86	-15.20	-1.10	26.98	24.06	-10.51	13.25	17.04
Cat: Natural Resources	**Natural Resources**	**29.56**	**16.37**	**14.95**	**-19.01**	**16.61**	**26.69**	**-22.16**	**-12.48**	**8.75**	**4.34**	**-13.97**	**18.06**	**48.48**
Idx: Russell 3000 TR USD	-	**25.66**	**20.89**	**31.02**	**-5.24**	**21.13**	**12.74**	**0.48**	**12.56**	**33.55**	**16.42**	**1.03**	**16.93**	**28.34**
Idx: S&P 500 TR USD	-	**28.71**	**18.40**	**31.49**	**-4.38**	**21.83**	**11.96**	**1.38**	**13.69**	**32.39**	**16.00**	**2.11**	**15.06**	**26.46**
Idx: S&P Global Water TR	-	**32.28**	**16.61**	**34.53**	**-9.34**	**27.73**	**7.37**	**-1.04**	**4.57**	**27.31**	**21.27**	**-6.74**	**15.95**	**32.67**

Statistics

Data as of 6/30/2022	Manger Tenure	Expense Ratio	Beta 3 Yr vs. S&P or Barc Agg	Beta 5 Yr vs. S&P or Barc Agg	Alpha 3 Yr vs. S&P or Barc Agg	Alpha 5 Yr vs. S&P or Barc Agg	Sharpe Ratio 3 Yr	Sharpe Ratio 5 Yr	Std 3 Yr	R2 3 Yr vs. S&P or Barc Agg	P/E Ratio	P/B Ratio	Geo Avg Mkt Cap $MM	Mstar Risk 5 Yr
Clean Water														
Calvert Global Water I	6	0.21	0.98	0.98	-0.16	-1.01	0.37	0.35	18.43	92	17.3	2.2	6091	Low
First Trust Water ETF	15	0.53	0.97	1.01	4.15	4.57	0.57	0.64	19.26	83	24.5	3.3	8487	Below Avg
Invesco S&P Global Water ETF	4	0.57	0.93	0.92	1.49	1.66	0.44	0.49	18.55	82	19.3	2.9	7618	Low
Invesco Water Resources ETF	15	0.60	0.92	0.96	3.79	4.99	0.55	0.66	18.80	78	25.2	4.0	13090	Below Avg
Cat: Natural Resources	-	**1.06**	**1.24**	**1.23**	**4.96**	**1.10**	**0.50**	**0.41**	**26.86**	**72**	**10.7**	**2.1**	**23462**	-

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

Green = Possible ESG Replacement

*Calvert Funds show reduced expense Ratio. Management fee is excluded. 6bps admin fee added

*Investment returns have management fee added back, and admin fee subtracted

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.

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Data Source: Morningstar; as of 3/31/2022
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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.

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Data Source: Morningstar; as of 3/31/2022
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AT MORGAN STANLEY

Regional Water Authority
Tapping the Possibilities

SEC's Asset Manager Disclosure for ESG

June 6, 2022 05:00 AM GMT

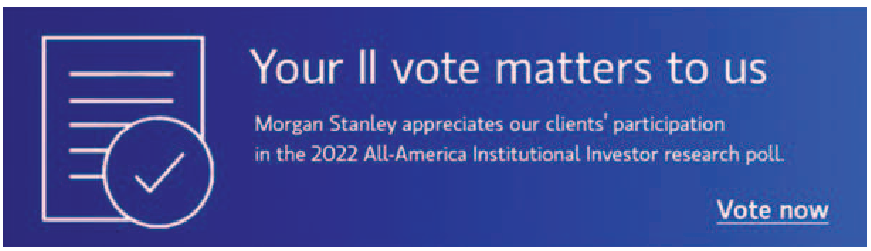
Sustainability | North America

ABCs of SEC's Asset Manager Disclosure for ESG

Recently, the SEC proposed ESG disclosure requirements for registered funds. Inside, we outline the key components of the rule across the three identified types of funds: integration, ESG-focused, and impact.

If you feel our team has added value to your investment process, we would really appreciate your consideration to vote for the category of ***ESG Research*** *in this year's* ***Institutional Investor All-America Research survey.***

Please see here for the survey: https://voting.institutionalinvestor.com/



Asset manager disclosure advances the agenda. ESG has represented a core focus for the SEC under the Biden administration. Now, with midterm elections approaching, the SEC proposed a rule to require disclosure from registered funds that employ ESG in their investment process. Rulemaking for asset managers builds on a proposal in March for climate-related disclosure for corporates (see our reports here & here). After assessing the rule in more detail (see our initial thoughts here), we continue to believe a more prescriptive approach removes uncertainty for asset managers that incorporate ESG – a positive for the embracement of sustainability in the US.

Inside (see here), we outline the key components of the rule - though offer a few high level thoughts here. First, relative to required ESG disclosures in Europe, the proposed rule from the SEC is much less prescriptive and intensive. Second, the SEC rule suggests a looser interpretation of "ESG" - which aligns with our view that ESG cannot be encompassed in a singular and narrow definition. Third, while the rule leaves much to the discretion of the asset manager, the design seeks to avoid misrepresentation of the role of ESG within investment strategies. For instance, the SEC would limit disclosure for integration funds so as not to overly emphasize the usage of ESG factors. Lastly, requirements for "environmentally focused funds" to disclose emissions integrate with the SEC's climate-related disclosure for corporates. Absent a disclosure requirement for corporates, asset managers would, in many instances, be forced to estimate emissions of portfolio companies.

Sustainability

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For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

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Key Components of Proposed ESG Disclosure for Integration, ESG-Focused, and Impact Funds

Integration Funds

Definition

Integration funds consider ESG in parallel with non-ESG factors. Proposed disclosure is more limited for integration funds than ESG-focused funds, since "requiring a more detailed discussion of ESG factors could cause an Integration Fund to overemphasize the role ESG factors play in the fund's investment selection process by adding ESG disclosure requirements that could result in a more detailed description of ESG factors than other factors." As a result, the SEC proposes a layered approach for integration funds (ie. more detailed disclosure beyond the statutory prospectus).

Requirements

ESG integration funds would summarize, in a few sentences, the methodology for incorporating ESG factors into the investment process. For open-end funds, this would be in the summary section of the prospectus; for closed-end funds, this would be in the general description of the fund. The SEC's proposed rule provides an example:

- ". . . an Integration Fund might disclose that it invests in companies consistent with its objective of risk-adjusted return; that it considers ESG factors alongside financial, industry-related and macroeconomic factors; that the specific ESG factors it evaluates are the impact and risk around climate change, environmental performance, labor standards, and corporate governance; and that its consideration of these factors would not necessarily result in a company being included or excluded from the evaluation process but rather would contribute to the overall evaluation of the company."

Integration funds would separately provide more detail. This disclosure would include "information about the fund's integration of ESG factors in its investment strategy to facilitate informed decision making by providing investors more detail about the extent to which the fund considers those ESG factors as compared to other factors in the fund's investment selection process." For open-end funds, this additional detail would occur in the statutory prospectus; for closed-end funds, later in the prospectus.

For integration funds that consider GHG emissions, additional detail would include an associated description of the methodology. According to an example provided by the SEC, for a strategy that considers emissions only within "high emitting" sectors, the fund would describe the methodology that determines these sectors along with the sources of emissions data that are used in the investment process.

ESG-Focused Funds

Definition

ESG-focused funds either elevate ESG in the investment process or regularly incorporate ESG into engagement (or both). This definition encompasses impact funds, which we discuss in the following section. Engagement could include both proxy voting or interactions with management teams of issuers.

In an effort to prevent misleading claims of ESG, disclosure requirements apply to any fund that ". . . has a name including terms indicating that the fund's investment decisions incorporate one or more ESG factors. . ." or ". . . whose advertisements or sales literature indicates that the fund's investment decisions incorporate one or more ESG factors by using them as a significant or main consideration in selecting investments." In the latter, ESG factors exclude those that are not a main consideration in the investment process, which may be disclosed by integration funds.

Requirements

ESG-focused funds would disclose information in an "ESG Strategy Overview table," located in the prospectus. Each row would include only brief responses, followed by more detailed disclosure later in the prospectus.

- **"Overview of the Fund's [ESG strategy]."** This row includes a description of the ESG factor(s) within the fund's strategy. In addition, funds must check the box of all strategies that apply to the fund.
- **"How the Fund incorporates [ESG] factors in its investment decisions."** This row includes a summary of the methodology for incorporating ESG factors into "evaluating, selecting, and excluding investments." Specific information would be required for each strategy checked in the prior row. For inclusionary or exclusionary screens, the summary would include factors applied by the screen, percentage of the portfolio's net asset value under scope of the screen, and an explanation if the screen applies to less than 100% of the portfolio. For funds that use an internal methodology or a third party data provider (or both), disclosure would include how these are applied in the investment process. For funds that track an index, the summary would identify and describe the index, including the methodology for determining constituents from ESG factors. Lastly, for funds that incorporate third-party ESG frameworks into investment processes, the summary would include an overview of the frameworks. Example frameworks include the UN Sustainable Development Goals and the UN Principles for Responsible Investing.
- **"How the Fund votes proxies and/or engages with companies about [ESG] issues."** This row would include an overview of the engagement process for funds that check the box titled "Engagement with issuers." This overview would contain **(1)** identification of whether the fund has proxy voting policies or procedures that include ESG considerations (including a statement of these considerations); **(2)** for any engagement efforts (ie. meetings or advocacy to management), disclosure of the intended objectives; **(3)** disclosure stating if the fund does not or expect to engage on ESG issues. If the box is not checked, funds must disclose that "neither proxy voting nor engagement with issuers is a significant part of its engagement policy." The SEC characterizes "significant" as "limited to funds that proactively use proxy voting or engagement with issuers as a means of implementing their ESG strategy." The SEC "generally believe[s] a fund that regularly and proactively votes proxies or engages with issuers on ESG issues to advance one or more particular ESG goals the fund has identified in advance would be using voting and

engagement as a significant means to implement its strategy."

Exhibit 1: ESG-focused funds would disclose information in an "ESG Strategy Overview table."

Overview of the Fund's [ESG] strategy	
	The Fund engages in the following to implement its [ESG] Strategy: ☐ Tracks an index ☐ Applies an inclusionary screen ☐ Applies an exclusionary screen ☐ Seeks to achieve a specific impact ☐ Proxy voting ☐ Engagement with issuers ☐ Other
How the Fund incorporates [ESG] factors in its investment decisions	
How the Fund votes proxies and/or engages with companies about [ESG] issues	

Source: Securities and Exchange Commission; Enhanced Disclosures by Certain Investment Advisers and Investment Companies about Environmental, Social, and Governance Investment Practices; https://www.sec.gov/rules/proposed/2022/ia-6034.pdf

In the annual report, ESG-focused funds would include additional disclosure within the management's discussion of fund performance section.

- **For funds that include proxy voting as a significant component of the ESG strategy, disclosure would include how the fund voted proxies on ESG issues during the respective reporting period.** This includes the percentage of ESG-related, eligible voting matters that the fund voted in-line with the advancement of ESG efforts (fund can limit "ESG" to factors incorporated into the fund's investment process). Funds would also refer investors to their full voting records.

- **Similarly, funds would disclose information about engagement practices.** Specifically, this includes the percentage of issuers that the fund engaged on ESG issues during the respective reporting period, along with the aggregate number of ESG engagement meetings. The SEC defines an "ESG engagement meeting" as "a substantive discussion with management of an issuer advocating for one or more specific ESG goals to be accomplished over a given time period, where progress that is made toward meeting such goal is measurable, that is part of an ongoing dialogue with management regarding this goal." To "support compliance with the Federal securities laws," the SEC notes that funds should include in compliance policies a requirement to "memorialize the discussion of ESG issues, for example by creating and preserving meeting agendas and contemporaneous notes of engagements relating to ESG issues to assure accurate reporting on the number of engagements, as we propose to define it."

For ESG-focused funds that are considered "environmentally focused funds," disclosures in the annual report would expand to include the carbon footprint and

weighted average carbon intensity (WACI) of the portfolio. To clarify, among funds that consider environmental factors, this would not include those that state in the "ESG Strategy Overview" table in the prospectus that the fund does not consider GHG emissions in their investment strategies. The SEC has generally aligned carbon footprint and WACI metrics with recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) and Partnership for Carbon Accounting Financials (PCAF) - which incorporate the GHG Protocol. Below, we outline several characteristics of required disclosure:

- **Definition of carbon footprint and WACI.** The SEC defines carbon footprint as "the total carbon emissions associated with the fund's portfolio, normalized by the fund's net asset value and expressed in tons of CO_2e per million dollars invested in the fund." Similarly, the SEC defines WACI as "the fund's exposure to carbon-intensive companies, expressed in tons of CO_2e per million dollars of the portfolio company's total revenue."

- **Nuances of calculations.** These calculations apply only to Scopes 1 and 2 emissions of portfolio companies. Funds cannot net purchased offsets by portfolio companies against emissions (though funds can disclose offsets separately). Similarly, funds cannot net short sales against GHG emissions.

- **Approach to derivatives.** Funds must include derivative instruments in the calculation of GHG metrics.

- **Source for GHG emissions.** Funds would obtain the GHG emissions of portfolio companies using a data hierarchy in the following order: **(1)** regulatory report if portfolio company discloses Scopes 1 and 2 emissions; **(2)** GHG emissions that are otherwise publicly disclosed by the portfolio company (ie. sustainability report); **(3)** good faith estimate (SEC would not require a certain method). If funds estimate emissions, disclosure would include the percentage of aggregate GHG emissions calculated using estimates along with the process underlying these estimates (including data sources). Funds would also include more detailed information about calculations and estimations in Form N-CSR.

- **Approach to Scope 3 emissions.** Environmentally focused funds would disclose the carbon footprint of Scope 3 emissions, but only for portfolio companies that disclose these (ie. funds do not need to estimate emissions). This would occur separately for each industry. The SEC separates Scopes 1 and 2 from Scope 3 disclosures in an effort to avoid concerns of double counting and in recognition of difficulties in estimating Scope 3 emissions.

Impact Funds

Definition

Impact funds are ESG-focused funds that invest to drive ESG-related impacts. Disclosure requirements for impact funds would extend beyond those for other ESG-focused funds.

Requirements

Additional disclosure requirements for impact funds in the prospectus include:

- **In the row "How [the Fund] incorporates [ESG] factors in its investment decisions," an overview of the targeted impact(s) and method of achievement.** This includes "(i) how the fund measures progress toward the specific impact, including the key performance indicators the fund analyzes, (ii) the time horizion the fund uses to analyze progress, and (iii) the relationship between the impact the fund is seeking to achieve and financial return(s)." With regards the last point, funds would disclose if financial returns are secondary to ESG impact, or whether ESG impact is meant to enhance returns. Further details would be disclosed later in the prospectus.

- **In the investment objective, funds would disclose the intended ESG impacts.** For open-end funds, the investment objective is at the beginning of the prospectus. For closed-end funds, the impact disclosure would occur upon the first description of the investment objective (not required until later in the prospectus).

Similarly, additional disclosure in the annual report includes progress on impact achievement. Progress would be expressed for the associated reporting period in both qualitative and quantitative terms. Impact funds would also discuss the factors that affected the ability to achieve impact. In an example provided by the SEC, 'a fund that seeks to conserve natural resources by investing in the construction of certified "green" buildings might report the number of "green" buildings built by the fund's portfolio companies over the reporting period along with a qualitative discussion of how green buildings are defined and how they contribute to conservation of natural resources.'

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Regional Water Authority
Tapping the Possibilities

ESG - Discover/Assess/Align

Understanding Your Portfolio's Impact

Measurement and reporting are central to advancing the positive impact of your investments. You cannot manage what you are not measuring.

Problem

Investors have long sought the ability to understand the environmental and social impact of their investments; however, impact data and reporting is complex.

Current Landscape:

Impact reporting has evolved into a complex global network of organizations, data providers and rating systems that can be challenging to navigate.

15+ organizations such as the Global Impact Investing Network and the Sustainability Accounting Standards Board are building the infrastructure to drive the effective use of material sustainability information by investors

100+ data providers can now deliver environmental, social and governance (ESG) insights across multiple levels (company, manager and portfolio-level) to help determine ESG-driven risks and opportunities

Emerging ratings systems assess ESG performance, but are either over-simplified, non-customizable and struggle to capture intentional sustainable investing approaches

Solution

We have vetted and partnered with leading ESG data providers – MSCI ESG Research, ISS-ESG, Equileap and Fossil Free Indexes – to deliver a customized impact reporting tool exclusively for Morgan Stanley Financial Advisors and clients. **With us, you can understand and monitor your impact to make informed investment decisions based on your unique impact priorities.**

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Introducing Morgan Stanley Impact Quotient®: A Client-Centric Approach to Impact Reporting

Available exclusively to Morgan Stanley clients, *Morgan Stanley Impact Quotient* ® is a new suite of capabilities designed to help you understand the environmental and social impact of your investments.

1 DISCOVER

Determine your unique impact preferences and priorities through meaningful conversations with your financial advisor using the **Impact Profile Builder**.

2 ASSESS

Evaluate how your portfolio is aligned to your unique preferences by discussing your customized **Impact Reports** with your financial advisor.

3 ALIGN

Work with your financial advisor to **identify investment opportunities** to enhance alignment with your unique impact preferences.

The process is designed to capture impact priorities and assess alignment across multiple dimensions:

IMPACT PREFERENCES	
IMPACT THEMES & OBJECTIVES	Social and / or environmental impacts sought to be aligned within an investment portfolio
ISSUES OF CONCERN	Sectors, issues or business activities found to be objectionable or to be avoided with an investment portfolio
SUSTAINABLE DEVELOPMENT GOALS	United nations supported framework aimed at ending poverty, protecting the planet and ensuring prosperity for all
TARGETED POPULATIONS FOR IMPACT	Geographies or groups intended to experience positive impacts associated with selected investments
FAITH-BASED APPROACHES	Faith can serve as a lens or set of considerations within an investment portfolio

PORTFOLIO PREFERENCES	
PORTFOLIO INTEGRATION APPROACH	Portfolio integration, targeted curve out, portfolio tilt, or integration when new cash or investment changes
AVAILABLE INVESTMENT OPPORTUNITIES	Public markets (e.g., Public equities fixed income, and multi Asset) and/or alternative investment (e.g., Real Assets, Private Equity)
APPROACHES TO INVESTING WITH IMPACT	Restriction screening, ESG integration, thematic exposure, impact investing and shareholder engagement

1. Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are suitable only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing.

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Evaluate and Enhance the Alignment of Your Investments

Why Engage With *Morgan Stanley Impact Quotient®*?

#1 Ensures your Financial Advisor **understands your unique impact priorities**.

#2 Gain **transparency into the impact of your investments** with data-driven insights customized to your unique preferences.

#3 Take action with your Financial Advisor **to better align your investments** over time.

Who is *Morgan Stanley Impact Quotient®* Designed For?

Individuals seeking to generate positive impact with their capital

Families seeking to align portfolios to their legacies

Institutions and Boards seeking to understand portfolio alignment or organizational mission

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Restriction Screening Data Supplemental Document

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Abortion and Abortifacients

Morgan Stanley's screen on Abortion and Abortifacients includes:

- Abortifacients - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to abortifacients. The "Production" value identifies issuers who develop or manufacture abortifacients, "Distribution" includes issuers involved in wholesale or retail distribution, and "Services" refers to issuers involved in the marketing or promotion of abortifacients.
- Abortion - Performed Elective Abortion: This factor identifies issuers that are health care providers that perform elective abortions.
- Abortion - Performed Non-Elective/Emergency Abortion: This factor identifies issuers that are health care providers that perform non-elective abortions, including where mandated by law.
- Abortion - Provider or Acute Care Provider (PACP): This factor identifies issuers that have performed abortions or have the capacity to perform abortions as an acute care provider.

Coverage: Companies that have a publicly traded U.S. security with any involvement in abortion as defined by the above statements.

Alcohol

Morgan Stanley's screen on Alcohol includes:

- Alcohol - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to alcoholic beverages. The "Production" value identifies issuers engaged in the production of alcoholic beverage products, including brewers, distillers, and vintners, as well as companies that own or operate wine vineyards. "Distribution" includes issuers engaged in wholesale or retail provision of alcoholic beverages, including liquor stores, supermarkets, bars and restaurants. The "Services" value identifies issuers engaged in the licensing, marketing, and promotion of alcoholic beverages. It also includes issuers that supply key raw materials and packaging products such as beer bottles, wine bottles, aluminum cans, wine corks, and bottle caps used specifically for the production of alcoholic beverages.

Coverage: Companies that have a publicly traded U.S. security deriving one percent or more of revenue from the described involvement.

Animal Welfare

Morgan Stanley's screen on Animal Welfare includes:

- Animal Welfare - Third Party Lists: This factor identifies issuers listed by third parties as involved in animal testing, animal welfare violations, breeding of animals, and/or live animal entertainment. The "PETA" factor refers to the list compiled by the People for the Ethical Treatment of Animals organization of companies conducting animal testing. The "USDA Violation of the Animal Welfare Act" factor identifies issuers that have been found by the United States Department of Agriculture to be in violation of the Animal Welfare Act during the past three calendar years. The "USDA Breeder" factor refers to the list of breeders that have received a license from the United States Department of Agriculture. The "USDA Exhibitor" factor refers to the list of exhibitors that have received a license from the United States Department of Agriculture.

- Animal Testing - Involvement Tie: This factor includes issuers that perform animal testing for pharmaceutical and non-pharmaceutical purposes. The "Pharmaceutical" factor refers to the use of live animal testing as part of the development of pharmaceutical products. The "Non-Pharmaceutical" factor refers to the use of live animal testing as part of the development of non-pharmaceutical products.
- Animal Welfare - Involvement Tie: This factor identifies issuers engaged in operations related to animal welfare. The "Animal Testing" factor includes issuers that perform animal testing for pharmaceutical and non-pharmaceutical purposes. The "Factory Farming" factor includes issuers involved in intensive agricultural operations with the purpose of producing food, including meat, eggs and dairy.

Coverage: Companies that have a publicly traded U.S. security with operations as defined in the above statements.

Contraceptives

Morgan Stanley's screen on Contraceptives includes:

- Contraceptives - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to contraceptives. The "Production" value identifies issuers who develop or manufacture contraceptives, "Distribution" includes issuers involved in wholesale or retail distribution of contraceptives, and "Services" includes issuers engaged in the marketing or promotion of contraceptives.

Coverage: Companies that have a publicly traded U.S. security deriving one percent or more of revenue from the described involvement.

Defense

Morgan Stanley's screen on Defense includes the following:

- Nuclear weapons - Companies that are involved in any nuclear weapons program.
- Anti-personnel mines and cluster munitions - Companies that are involved in any anti-personnel mines or cluster munitions program.
- Chemical and biological weapons - Companies that are involved in any chemical and/or biological weapons.
- Combat equipment production - Companies that are involved in combat equipment production, including military equipment which has a destructive effect, such as barrel weapons, explosives, missiles, bombs, combat vehicles, and apparatus and gear for the aiming and control of military equipment for combat purposes, among others and that have derived one percent or more from involvement in combat equipment production.

Coverage: Companies that have a publicly traded U.S. security with operations as defined in the above statements.

Firearms

Morgan Stanley's screen on Firearms includes the following:

- Civilian Firearms - Involvement Tie (production or distribution): This factor identifies issuers with involvement in any of the following data factors: Assault Weapons, Automatic Firearms, Semi-Automatic Firearms, Repeating Firearms, Single-Shot Firearms, Ammunition, or High-Capacity Magazines.

Coverage: Companies that have a publicly traded U.S. security deriving one percent or more of revenue from the described involvement.

Gambling

Morgan Stanley's screen on Gambling includes the following:

- Gambling - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to gambling. The "Production" value identifies issuers engaged in the operation or management of any activity involving the waging of money on a game or event, such as casinos, racetracks, or other betting/gambling establishments. It also includes, among others, lottery operations, online and mobile gambling; and sporting events that permit wagering. "Distribution" includes issuers engaged in retailing low-risk gambling items such as lottery tickets. The "Services" value identifies issuers that provide key products, services, technology, and support fundamental to gambling operations, such as slot machines, gambling software design, lottery ticket printing, casino management, and other activities.

Coverage: Companies that have a publicly traded U.S. security deriving one percent or more of revenue from the described involvement.

Nuclear Power

Morgan Stanley's screen on Nuclear Power includes:

- Nuclear Power - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to nuclear power. The "Production" value identifies issuers engaged in core activities in the nuclear fuel cycle to produce energy, including uranium mining, processing and enrichment, fuel production, and the operation of power reactors. "Services" identifies issuers engaged in the provision of services to the nuclear power industry such as the supply of material components, technical support, maintenance, and the management of nuclear waste.

Coverage: Companies that have a publicly traded U.S. security deriving one percent or more of revenue from the described involvement.

Pornography

Morgan Stanley's screen on Pornography includes the following:

- Pornography - Involvement Tie: This factor identifies issuers engaged in the production or distribution of pornography. The "Production" value identifies issuers engaged in the production, direction, or publication of pornography, including X-rated films, sexually explicit video games, adults-only material on the internet, live entertainment, or books or magazines with adult content. "Distribution" includes issuers engaged in independent wholesale distribution of pornography products, in the retailing of pornography products, or issuers that grant authorization to use a company or brand name to produce or market an adult entertainment product.

Coverage: Companies that have a publicly traded U.S. security deriving one percent or more of revenue from the described involvement.

Stem Cells

Morgan Stanley’s screen on Stem Cells includes the following:

- Stem Cell Research - Adult Stem Cell or Umbilical Cord Blood: This factor identifies issuers who conduct stem cell research using human adult stem cells or cells derived from umbilical cord blood or placenta tissue.
- Stem Cell Research - Enabling Technology: This factor identifies issuers who develop or produce technologies specifically designed for human embryonic or fetal stem cell research.
- Stem Cell Research - Fetal Tissue: This factor identifies issuers who conduct stem cell research using human fetal tissue.
- Stem Cell Research - Human Embryonic Stem Cell (HESC): This factor identifies issuers who conduct stem cell research using human embryonic stem cells.

Coverage: Companies that have a publicly traded U.S. security with operations as defined in the above statements.

Tobacco

Morgan Stanley’s screen on Tobacco includes the following:

- Tobacco - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to tobacco. The "Production" value identifies issuers engaged in manufacturing and producing tobacco products, as well as companies that grow or process raw tobacco leaves, "Distribution" includes issuers engaged in the wholesale or retail distribution of tobacco products, and "Services" identifies issuers engaged in marketing and promotion of tobacco products, issuers that supply key products necessary for the production of tobacco products, as well as issuers that license a company or brand name to tobacco products.

Coverage: Companies that have a publicly traded U.S. security deriving one percent or more of revenue from the described involvement.

Ratings: Environment

This screen identifies the companies that fall within the bottom five percent for the following categories related to the environment:

Climate Change

- Disclosure of climate change performance against targets
- Disclosure specifically addressing climate change performance
- Disclosure climate change policy risks/performance/opportunities
- Disclosure specifically addressing climate change risks
- Disclosure specifically addressing climate change opportunities
- Disclosure specifically addressing climate change targets
- Disclosure specifically addressing climate change strategy
- Describe integration processes in overall risk management
- GHG Emissions - Emissions Intensity - Scope 1 Emissions (USD)
- GHG Emissions - Emissions Intensity - Scope 2 Emissions (USD)
- Disclosure of climate risks/opportunities in business plan
- QS - Env - Carbon & Climate - Mgmt Systems & Disclosure
- Disclosure of targets for reducing GHG emissions 2°C alignment
- Disclosure of targets for reducing GHG emissions

- Disclosure of total direct GHG emissions
- Disclosure of total Scope 2 GHG emissions
- Disclosure of total Scope 3 GHG emissions
- Third-party verification of GHG disclosure
- Disclosure of quantitative metrics about GHG emissions
- GHG targets approved The Science Based Targets Initiative

Environmental Management

- Disclosure of chemical waste management program
- QS - Environment - Overall
- Environmental management lead reports to CEO/management board
- Disclosure of environmental management system
- Environmental management system ISO 14001 certification
- Disclosure of enterprise level environmental policy
- Environmental policy same standards to suppliers or vendors
- Identify environmental risks latest annual/sustainability report
- Disclosure specific targets reducing non-and hazardous waste
- Disclosure quantitative targets reducing non-and hazardous waste
- Disclosure timeline reducing non-and hazardous waste
- Disclosure details hazardous waste disposal program
- Disclosure total hazardous waste generation
- Company as a whole ISO 14001 attestation
- Disclosure specific targets reducing NOx, SOx, other
- Disclosure non-hazardous waste
- Disclosure quantitative metrics non-hazardous waste
- Disclosure packaging percent from recycled/renewable materials
- Disclosure quantitative information on packaging and materials
- Disclosure strategies reducing impact of packaging
- Disclosure of consumer product recycling program
- Disclosure quantitative info significant air emissions
- Disclosure of business waste management program
- Disclosure of consumer product waste management program
- Disclosure on waste management and recycling programs
- Disclosure of packaging waste management program
- Disclosure of production waste management program
- Disclosure of business waste recycling program
- Disclosure of production waste recycling program
- Disclosure strategy mitigating water withdrawal or scarcity risks
- Disclosure water recycling program
- Disclosure of total water use

Environmental Performance

- Energy - Total energy use normalized
- Total monetary value fines enviro. non-compliance trend: %Change
- Total monetary value fines enviro. non-compliance normalized
- Waste - Total weight of generated hazardous waste normalized
- Waste - Total weight of generated hazardous waste trend: %Change
- Air emissions - Volume from nitrogen oxides (NOx) trend: %Change

- Air emissions - Volume from particulate matter trend: %Change
- Air emissions - Volume from sulphur oxides (SOx) trend: %Change
- Air emissions - Volume from VOCs trend: %Change
- Spills - Number of significant/reportable spills trend: %Change
- Water - Total water consumed normalized

Coverage: Publicly traded U.S. companies included in the Russell 3000

Ratings: Human Rights

This screen identifies the companies that fall within the bottom five percent or companies with the lowest rating for the following human rights factors:

- Countries of Concern - Countries
- QS - Social - Human Rights
- Human rights policy applied - all operations regardless location
- Disclosure of human rights policy applicability
- Board of directors is responsible for human rights policy
- Human rights policy community consultations / indigenous rights
- Disclosure of human rights policy at enterprise level
- Human rights policy includes guarantee of FPIC
- Human rights policy refers to OECD Guidelines
- Human rights policy same standards partners
- Human rights policy on protection of minorities
- Human rights policy on protection of women's rights
- Human rights policy supports recognized public convention
- Human rights policy commitment to stakeholder involvement
- Human rights policy suppliers / vendors same standards
- Human rights policy includes training element
- Human rights policy refers to UN GP on Business and Human Rights
- Human rights policy refers to UN Declaration of Human Rights
- Disclosure audit program for suppliers' performance human rights
- Disclosure of programs for suppliers to improve on human rights
- Disclosure formal grievance process related to human rights
- Disclosure of human rights risks in latest report
- Disclosure of strategy to prevent / mitigate human rights risks
- Workforce policy applies to suppliers / vendors

Coverage: Publicly traded U.S. companies included in the Russell 3000

Country of Concern - Iran (Active/Plan to Cease)

This screen identifies companies that maintain operations in Iran in the following categories:

- Active or Plan to Cease involvement -
- Active involvement-Evidence of a tie to the country of concern within the past three years and where the company or company subsidiary indicates no plan to exit from operations there.

- Plan to Cease involvement - The identified involvement in the country of concern is still within the three year time frame but the company has formally announced a plan to cease all involvement in the country.
- Equity or non-equity involvement -
  - Equity involvement- A company or a company subsidiary that has employees or facilities physically located in the country of concern. This option also includes equity ownership in an entity that has employees or facilities located in the country.
  - Non-equity involvement - A company or a company subsidiary that sells products or services in the country of concern, purchases goods or raw materials from the country, or has distribution agreements with another party for the company's products in the country.
- Sector-specific involvement- This includes involvement in the following sectors: Energy; Power & Utilities; Metals & Mining; Telecommunications; Financial Services; Medical & Pharmaceutical; Manufacturing; Industrial Products; Consumer Products; Food & Beverage; Defense; Nuclear; or Government.

Coverage: Companies that have a publicly traded U.S. security with involvement as described by the above statements.

Country of Concern- Sudan (Illinois legislative restrictions)

This screen identifies companies that meet the criteria outlined by Illinois State Board of Investments for inclusion on its Sudan list.

Coverage: Companies that have a publicly traded U.S. security with involvement as described by the above statement.

Catholic Values

Abortion and Abortifacients (Any Involvement)

- Abortifacients - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to abortifacients. The "Production" value identifies issuers who develop or manufacture abortifacients, "Distribution" includes issuers involved in wholesale or retail distribution, and "Services" refers to issuers involved in the marketing or promotion of abortifacients.
- Abortion - Performed Elective Abortion: This factor identifies issuers that are health care providers that perform elective abortions.
- Abortion - Performed Non-Elective/Emergency Abortion: This factor identifies issuers that are health care providers that perform non-elective abortions, including where mandated by law.
- Abortion - Provider or Acute Care Provider (PACP): This factor identifies issuers that have performed abortions or have the capacity to perform abortions as an acute care provider.

Contraceptives (Any Involvement)

- Contraceptives - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to contraceptives. The "Production" value identifies issuers who develop or manufacture contraceptives, "Distribution" includes issuers involved in wholesale or retail distribution of contraceptives, and "Services" includes issuers engaged in the marketing or promotion of contraceptives.

Stem Cells (Any Involvement)

- Stem Cell Research - Adult Stem Cell or Umbilical Cord Blood: This factor identifies issuers who conduct stem cell research using human adult stem cells or cells derived from umbilical cord blood or placenta tissue.
- Stem Cell Research - Enabling Technology: This factor identifies issuers who develop or produce technologies specifically designed for human embryonic or fetal stem cell research.
- Stem Cell Research - Fetal Tissue: This factor identifies issuers who conduct stem cell research using human fetal tissue.
- Stem Cell Research - Human Embryonic Stem Cell (HESC): This factor identifies issuers who conduct stem cell research using human embryonic stem cells.

Pornography (1% Revenue Threshold)

- Pornography - Involvement Tie: This factor identifies issuers engaged in the production or distribution of pornography. The "Production" value identifies issuers engaged in the production, direction, or publication of pornography, including X-rated films, sexually explicit video games, adults-only material on the internet, live entertainment, or books or magazines with adult content. "Distribution" includes issuers engaged in independent wholesale distribution of pornography products, in the retailing of pornography products, or issuers that grant authorization to use a company or brand name to produce or market an adult entertainment product.

Defense (Weapons part 1: 1% Revenue Threshold)

- Combat equipment production - Companies that are involved in combat equipment production, including military equipment which has a destructive effect, such as barrel weapons, explosives, missiles, bombs, combat vehicles, and apparatus and gear for the aiming and control of military equipment for combat purposes, among others.
- Civilian Firearms - Involvement Tie (production or distribution): This factor identifies issuers with involvement in any of the following data factors: Assault Weapons, Automatic Firearms, Semi-Automatic Firearms, Repeating Firearms, Single-Shot Firearms, Ammunition, or High-Capacity Magazines.

Defense (Weapons part 2: Any Involvement)

- Nuclear weapons - Companies that are involved in any nuclear weapons program.
- Anti-personnel mines and cluster munitions - Companies that are involved in any anti-personnel mines or cluster munitions program.
- Chemical and biological weapons - Companies that are involved in any chemical and/or biological weapons.

Community Reinvestment Act (CRA) (Any Involvement)

- Community Reinvestment Act - CRA Rating: This factor identifies issuer that have a "Needs to Improve" or "Substantial Noncompliance" rating under the U.S. Community Reinvestment Act.

Predatory Lending (Any Involvement)

- Predatory Lending - Involvement Tie: This factor identifies issuers providing products that are unfair or deceptive to ordinary borrowers, including loan terms offering excessive interest rates, lacking of transparency and misleading marketing on the risks and benefits of the loan product, inclusion of unnecessary costs and hidden fees to increase borrower's cost of credit, and targeting minority, low income or elderly consumers.

Racial or Gender EEOC Violations (Any Involvement)

- Norm-Based Screening Assessment - Gender Discrimination: This factor identifies issuers that have been linked with violations of international standards in relation to gender discrimination.
- Norm-Based Screening Assessment - Racial Discrimination: This factor identifies issuers that have been linked with violations of international standards in relation to racial discrimination.

Ratings (Bottom 5% of Rated Companies)

Climate Change

- Disclosure of climate change performance against targets
- Disclosure specifically addressing climate change performance
- Disclosure climate change policy risks/performance/opportunities
- Disclosure specifically addressing climate change risks
- Disclosure specifically addressing climate change opportunities
- Disclosure specifically addressing climate change targets
- Disclosure specifically addressing climate change strategy
- Describe integration processes in overall risk management
- GHG Emissions - Emissions Intensity - Scope 1 Emissions (USD)
- GHG Emissions - Emissions Intensity - Scope 2 Emissions (USD)
- Disclosure of climate risks/opportunities in business plan
- QS - Env - Carbon & Climate - Mgmt Systems & Disclosure
- Disclosure of targets for reducing GHG emissions 2°C alignment
- Disclosure of targets for reducing GHG emissions
- Disclosure of total direct GHG emissions
- Disclosure of total Scope 2 GHG emissions
- Disclosure of total Scope 3 GHG emissions
- Third-party verification of GHG disclosure
- Disclosure of quantitative metrics about GHG emissions
- GHG targets approved The Science Based Targets Initiative

Environmental Management

- Disclosure of chemical waste management program
- QS - Environment - Overall
- Environmental management lead reports to CEO/management board
- Disclosure of environmental management system
- Environmental management system ISO 14001 certification
- Disclosure of enterprise level environmental policy
- Environmental policy same standards to suppliers or vendors
- Identify environmental risks latest annual/sustainability report
- Disclosure specific targets reducing non-and hazardous waste
- Disclosure quantitative targets reducing non-and hazardous waste
- Disclosure timeline reducing non-and hazardous waste
- Disclosure details hazardous waste disposal program

- Disclosure total hazardous waste generation
- Company as a whole ISO 14001 attestation
- Disclosure specific targets reducing NOx, SOx, other
- Disclosure non-hazardous waste
- Disclosure quantitative metrics non-hazardous waste
- Disclosure packaging percent from recycled/renewable materials
- Disclosure quantitative information on packaging and materials
- Disclosure strategies reducing impact of packaging
- Disclosure of consumer product recycling program
- Disclosure quantitative info significant air emissions
- Disclosure of business waste management program
- Disclosure of consumer product waste management program
- Disclosure on waste management and recycling programs
- Disclosure of packaging waste management program
- Disclosure of production waste management program
- Disclosure of business waste recycling program
- Disclosure of production waste recycling program
- Disclosure strategy mitigating water withdrawal or scarcity risks
- Disclosure water recycling program
- Disclosure of total water use

Environmental Performance

- Energy - Total energy use normalized
- Total monetary value fines enviro. non-compliance trend: %Change
- Total monetary value fines enviro. non-compliance normalized
- Waste - Total weight of generated hazardous waste normalized
- Waste - Total weight of generated hazardous waste trend: %Change
- Air emissions - Volume from nitrogen oxides (NOx) trend: %Change
- Air emissions - Volume from particulate matter trend: %Change
- Air emissions - Volume from sulphur oxides (SOx) trend: %Change
- Air emissions - Volume from VOCs trend: %Change
- Spills - Number of significant/reportable spills trend: %Change
- Water - Total water consumed normalized

Human Rights

- Countries of Concern - Countries
- QS - Social - Human Rights
- Human rights policy applied - all operations regardless location
- Disclosure of human rights policy applicability
- Board of directors is responsible for human rights policy
- Human rights policy community consultations / indigenous rights
- Disclosure of human rights policy at enterprise level
- Human rights policy includes guarantee of FPIC
- Human rights policy refers to OECD Guidelines
- Human rights policy same standards partners
- Human rights policy on protection of minorities
- Human rights policy on protection of women's rights
- Human rights policy supports recognized public convention

- Human rights policy commitment to stakeholder involvement
- Human rights policy suppliers / vendors same standards
- Human rights policy includes training element
- Human rights policy refers to UN GP on Business and Human Rights
- Human rights policy refers to UN Declaration of Human Rights
- Disclosure audit program for suppliers' performance human rights
- Disclosure of programs for suppliers to improve on human rights
- Disclosure formal grievance process related to human rights
- Disclosure of human rights risks in latest report
- Disclosure of strategy to prevent / mitigate human rights risks
- Workforce policy applies to suppliers / vendors

Board Accountability

- Board oversight of climate risks and opportunities
- Board of directors is responsible for human rights policy
- Sustainability committee reports to the board

Community & Politics

- Disclosure of amounts spent on political advocacy
- Disclosure on use of corporate funds for political advocacy
- Disclosure of 5 largest group expenditures of political advocacy
- Disclosure of objectives of political advocacy
- Disclosure of recipients of political advocacy
- Disclosure policy om the use of company funds political purposes

Industries & Sectors

Industries and sectors are determined through GICS sub-industries listed below.

- Airlines – Airlines or Air Freight & Logistics
- Automotive – Automobile Manufacturers, Tires & Rubber, Automotive Retail, Motorcycle Manufacturers, or Auto Parts & Equipment
- Banking – Thrifts & Mortgage Finance, Regional Banks, or Diversified Banks
- Biotechnology – Life Sciences Tools & Services or Biotechnology
- Chemicals – Industrial Gases, Fertilizers & Agricultural Chemicals, Diversified Chemicals, Specialty Chemicals, or Commodity Chemicals
- Financial Services – Multi-line Insurance, Financial Exchanges & Data, Thrifts & Mortgage Finance, Investment Banking & Brokerage, Insurance Brokers, Property & Casualty Insurance, Specialized Finance, Consumer Finance, Asset Management & Custody Banks, Other Diversified Financial Services, Diversified Capital Markets, Reinsurance, Regional Banks, Diversified Banks, or Life & Health Insurance
- Healthcare – Health Care Equipment, Managed Health Care, Life Sciences Tools & Services, Health Care Distributors, Biotechnology, Pharmaceuticals, Health Care Supplies, Health Care Facilities, Health Care Technology, Health Care Services
- Insurance – Multi-line Insurance, Insurance Brokers, Property & Casualty Insurance, Reinsurance, or Life & Health Insurance
- Oil and Gas- Oil & Gas Exploration & Production, Oil & Gas Refining & Marketing, Oil & Gas Storage & Transportation, Oil & Gas Drilling, or Integrated Oil & Gas. This sector also includes companies flagged in the ISS-Ethix Top 100 Coal or Top 100 Oil & Gas lists.

- Pharmaceuticals – Pharmaceuticals
- Real Estate Investment Trusts (REITs) – Diversified REITs, Industrial REITs, Hotel & Resort REITs, Residential REITs, Real Estate Investment Trusts, Specialized REITs, Office REITs, Health Care REITs, Mortgage REITs, or Retail REITs
- Utilities – Renewable Electricity, Multi-Utilities, Environmental & Facilities Services, Independent Power Producers & Energy Traders, Electric Utilities, Water Utilities, or Gas Utilities
- ADRs – The ADR category includes non-U.S. companies trading on U.S. exchanges through an American Depositary Receipt program or equivalent.
- Limited Partnerships – The Limited Partnership category includes companies organized as limited partnerships.

Sharia Law

Exclusion Group (Any)

- Industry Group: Banks, Insurance
- Industry: Consumer Finance, Diversified Financial Services, Mortgage, Real Estate Investment Trusts (REITs)
- Sub Industry: Investment Banking & Brokerage, Asset Management, Custody Banks, Diversified Capital Markets
- SEC Industry Code (SIC): 6153 | 6159 | 6163 | 6211 | 6324 | 6799

Alcohol – (5% Revenue Threshold)

- Alcohol - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to alcoholic beverages. The "Production" value identifies issuers engaged in the production of alcoholic beverage products, including brewers, distillers, and vintners, as well as companies that own or operate wine vineyards. "Distribution" includes issuers engaged in wholesale or retail provision of alcoholic beverages, including liquor stores, supermarkets, bars and restaurants. The "Services" value identifies issuers engaged in the licensing, marketing, and promotion of alcoholic beverages. It also includes issuers that supply key raw materials and packaging products such as beer bottles, wine bottles, aluminum cans, wine corks, and bottle caps used specifically for the production of alcoholic beverages.

For-Profit Correctional Facilities (5% Revenue Threshold)

- For-Profit Correctional Facilities - Involvement Tie: This factor identifies issuers involved in the operation, management or provision of staffing services to for-profit correctional and/or detention facilities.

Gambling (5% Revenue Threshold)

- Gambling - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to gambling. The "Production" value identifies issuers engaged in the operation or management of any activity involving the waging of money on a game or event, such as casinos, racetracks, or other betting/gambling establishments. It also includes, among others, lottery operations, online and mobile gambling; and sporting events that permit wagering. "Distribution" includes issuers engaged in retailing low-risk gambling items such as lottery tickets. The "Services" value identifies issuers that provide key products, services, technology, and support fundamental to gambling operations, such as slot machines, gambling software design, lottery ticket printing, casino management, and other activities.

Pork (5% Revenue Threshold)

- Pork - Involvement Tie: This factor identifies issuers engaged in the production or distribution of pork products. The "Production" value identifies issuers engaged in the manufacture or production of pork products, including breeding and slaughtering, processed pork, and the production of packaged food products with pork ingredients. "Distribution" includes issuers engaged in the distribution or retailing of pork and related products to consumers such as processed pork and packaged meals with pork ingredients. Specially included are those involved in the following activities: pork wholesalers; distributors of pork-related products to retailers and supermarkets; specialty stores that sell pork-related products; and general merchandise stores, convenience stores, and supermarket selling pork-related products.

Pornography (5% Revenue Threshold)

- Pornography - Involvement Tie: This factor identifies issuers engaged in the production or distribution of pornography. The "Production" value identifies issuers engaged in the production, direction, or publication of pornography, including X-rated films, sexually explicit video games, adults-only material on the internet, live entertainment, or books or magazines with adult content. "Distribution" includes issuers engaged in independent wholesale distribution of pornography products, in the retailing of pornography products, or issuers that grant authorization to use a company or brand name to produce or market an adult entertainment product.

Tobacco (5% Revenue Threshold)

- Tobacco – Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to tobacco. The "Production" value identifies issuers engaged in manufacturing and producing tobacco products, as well as companies that grow or process raw tobacco leaves, "Distribution" includes issuers engaged in the wholesale or retail distribution of tobacco products, and "Services" identifies issuers engaged in marketing and promotion of tobacco products, issuers that supply key products necessary for the production of tobacco products, as well as issuers that license a company or brand name to tobacco products.

Military Equipment and Services (5% Revenue Threshold)

- Military Equipment - Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to military equipment (Combat Equipment and/or Non-combat Military Equipment). The "Production" value identifies issuers engaged in manufacturing and producing military equipment, "Distribution" includes issuers engaged in the reselling of military equipment, and "Services" refers to issuers engaged in providing services for military equipment such as maintenance, repair, testing, transport, and similar activities.

Coal Mining and Power Gen (20% Revenue Threshold)

- Coal Mining and Power Gen - Percentage of Revenues (%): This factor provides the percentage of recent-year revenues for the issuer's involvement in both coal mining, including thermal and metallurgical coal, and the generation of electric power using coal.

Hydraulic Fracturing (5% Revenue Threshold)

- Hydraulic Fracturing - Involvement Tie: This factor identifies issuers involved in hydraulic fracturing. The "Production" value identifies issuers engaged in activities pertaining to well stimulation through hydraulic fracturing with the goal of extracting hydrocarbons from within a reservoir for utilization. "Services" identifies issuers engaged in the provision of relevant services, equipment, and/or support to hydraulic fracturing operations. These include surveying services, risk assessment, regulations monitoring, logistical support, engineering services, machinery and equipment provision, chemical and/or water suppliers, waste disposal, and remediation services.

Total Debt/Market Cap (33%)

- Total Debt/Market Cap: This factor identifies the extent of conventional debt as a percentage of market capitalization.

Account Receivable/Total Assets (45%)

- Account Receivable/Total Assets: This factor identifies the extent of accounts receivable as a percentage of total assets.

Weapons (Any Involvement)

- Nuclear weapons - Companies that are involved in any nuclear weapons program.
- Anti-personnel mines and cluster munitions - Companies that are involved in any anti-personnel mines or cluster munitions program.
- Chemical and biological weapons - Companies that are involved in any chemical and/or biological weapons.

NBR Overall Flag (Any Involvement)

NBR Overall Flag: This factor assigns an overall Red flag to an issuer based on the issuer's link with any breaches of international standards. The "Red" value covers instances of a failure to respect established norms which has been verified by an authoritative body and where the issue remains unaddressed.

Jewish Values

Tobacco (Any Involvement)

- Tobacco – Involvement Tie: This factor identifies issuers engaged in the production, distribution, or provision of services related to tobacco. The "Production" value identifies issuers engaged in manufacturing and producing tobacco products, as well as companies that grow or process raw tobacco leaves, "Distribution" includes issuers engaged in the wholesale or retail distribution of tobacco products, and "Services" identifies issuers engaged in marketing and promotion of tobacco products, issuers that supply key products necessary for the production of tobacco products, as well as issuers that license a company or brand name to tobacco products.

Predatory Lending (Any Involvement)

- Predatory Lending – Involvement Tie: This factor identifies issuers providing products that are unfair or deceptive to ordinary borrowers, including loan terms offering excessive interest rates, lacking of transparency and misleading marketing on the risks and benefits of the loan product, inclusion of unnecessary costs and hidden fees to increase borrower's cost of credit, and targeting minority, low

Civilian Firearms (1% Revenue Threshold)

- Civilian Firearms – Involvement Tie (production, distribution, or services): This factor identifies issuers with involvement in any of the following data factors: Assault Weapons, Automatic Firearms, Semi-Automatic Firearms, Repeating Firearms, Single-Shot Firearms, Ammunition, or High-Capacity Magazines.

Cluster Munitions (Any Involvement)

- Cluster Munitions – Companies that are involved in any anti-cluster munitions program.

Fossil Fuels (Any Involvement)

- Fossil Fuel – Involvement Tie: This factor identifies issuers engaged in the production, distribution, exploration or provision of services related to fossil fuels. The "Production" value identifies issuers engaged in the production of fossil fuels through extraction, processing, and electricity generation. "Distribution" includes issuers engaged in essential infrastructure specifically used for the transportation of fossil fuels such as oil and gas pipelines and gas distributors. It also includes the marketing and sale of fossil fuels. Note that distribution does not apply to involvement purely in the transmission of electricity such as grid operations. The "Exploration" value identifies issuers engaged in the pre-production stages of the extraction of fossil fuels, including prospecting for, acquiring, exploring, and developing resources prior to the point where the production of commercially recoverable quantities commences. The "Services" value identifies issuers engaged in the provision of specific materials, contracted services and transportation, e.g. drilling, to the oil and gas exploration and production industry.

For-Profit Correctional Facilities (Any Involvement)

- For-Profit Correctional Facilities - Involvement Tie: This factor identifies issuers involved in the operation, management or provision of staffing services to for-profit correctional and/or detention facilities.

Global Sanctions (Any Involvement)

- Global Sanctions - Sanctioned Nations Involvement: This factor identifies the sanctioned nations to which an issuer has been linked within the context of the ISS ESG Global Sanctions research

For-Profit Correctional Facilities (Any Involvement)

Morgan Stanley's screen for For-Profit Correctional Facilities includes the following:

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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

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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.

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	COVERAGE UNIVERSE		INVESTMENT BANKING CLIENTS (IBC)			OTHER MATERIAL INVESTMENT SERVICES CLIENTS (MISC)	
STOCK RATING CATEGORY	COUNT	% OF TOTAL	COUNT	% OF TOTAL IBC	% OF RATING CATEGORY	COUNT	% OF TOTAL OTHER MISC
Overweight/Buy	**1398**	**39%**	**344**	**44%**	**25%**	**599**	**39%**
Equal-weight/Hold	**1576**	**45%**	**354**	**45%**	**22%**	**721**	**47%**
Not-Rated/Hold	**1**	**0%**	**1**	**0%**	**100%**	**0**	**0%**
Underweight/Sell	**565**	**16%**	**86**	**11%**	**15%**	**211**	**14%**
TOTAL	**3,540**		**785**			**1531**	

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Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund.

Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

A majority of Alternative Investment managers reviewed and selected by GIMA pay or cause to be paid an ongoing fee for distribution from their management fees to Morgan Stanley Wealth Management in connection with Morgan Stanley Wealth Management clients that purchase an interest in an Alternative Investment and in some instances pay these fees on the investments held by investments held by brokerage clients. Morgan Stanley Wealth Management has a conflict of interest in offering alternative investments because Morgan Stanley Wealth Management or our affiliates, in most instances, earn more money in your account from your investments in alternative investments than from other investment options.

It should be noted that the majority of hedge fund indexes are comprised of hedge fund manager returns. This is in contrast to traditional indexes, which are comprised of individual securities in the various market segments they represent and offer complete transparency as to membership and construction methodology. As such, some believe that hedge fund index returns have certain biases that are not present in traditional indexes. Some of these biases inflate index performance, while others may skew performance negatively. However, many studies indicate that overall hedge fund index performance has been biased to the upside. Some studies suggest performance has been inflated by up to 260 basis points or more annually depending on the types of biases included and the time period studied. Although there are numerous potential biases that could affect hedge fund returns, we identify some of the more common ones throughout this paper.

Self-selection bias results when certain manager returns are not included in the index returns and may result in performance being skewed up or down. Because hedge funds are private placements, hedge fund managers are able to decide which fund returns they want to report and are able to opt out of reporting to the various databases. Certain hedge fund managers may choose only to report returns for funds with strong returns and opt out of reporting returns for weak performers. Other hedge funds that close may decide to stop reporting in order to retain secrecy, which may cause a downward bias in returns.

Survivorship bias results when certain constituents are removed from an index. This often results from the closure of funds due to poor performance, "blow ups," or other such events. As such, this bias typically results in performance being skewed higher. As noted, hedge fund index performance biases can result in positive or negative skew. However, it would appear that the skew is more often positive. While it is difficult to quantify the effects precisely, investors should be aware that idiosyncratic factors may be giving hedge fund index returns an artificial "lift" or upwards bias.

Hedge Funds of Funds and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor's goals by the pre-established year or "target date." A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are appropriate only for the risk capital portion of an investor's portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy.

<u>Virtual Currency Products (Cryptocurrencies)</u>

Buying, selling, and transacting in Bitcoin, Ethereum or other digital assets ("Digital Assets"), and related funds and products, is highly speculative and <u>may result in a loss of the entire investment</u>. Risks and considerations include but are not limited to:

- Digital Assets have only been in existence for a short period of time and historical trading prices for Digital Assets have been highly volatile. The price of Digital Assets could decline rapidly, and **investors could lose their entire investment.**

- Certain Digital Asset funds and products, allow investors to invest on a more frequent basis than investors may withdraw from the fund or product, and interests in such funds or products are generally not freely transferrable. This means that, particularly given the volatility of Digital Assets, an investor will have to bear any losses with respect to its investment for an extended period of time and will not be able to react to changes in the price of the Digital Asset once invested (for example, by seeking to withdraw) as quickly as when making the decision to invest. Such Digital Asset funds and products, are intended only for persons who are able to bear the economic risk of investment and who do not need liquidity with respect to their investments.

- Given the volatility in the price of Digital Assets, the net asset value of a fund or product that invests in such assets at the time an investor's subscription for interests in the fund or product is accepted may be significantly below or above the net asset value of the product or fund at the time the investor submitted subscription materials.

- Certain Digital Assets are not intended to function as currencies but are intended to have other use cases. These other Digital Assets may be subject to some or all of the risks and considerations set forth herein, as well as additional risks applicable to such Digital Assets. Buyers, sellers and users of such Digital Assets should thoroughly familiarize themselves with such risks and considerations before transacting in such Digital Assets.

- The value of Digital Assets may be negatively impacted by future legal and regulatory developments, including but not limited to increased regulation of such Digital Assets. Any such developments may make such Digital Assets less valuable, impose additional burdens and expenses on a fund or product investing in such assets or impact the ability of such a fund or product to continue to operate, which may materially decrease the value of an investment therein.

- Due to the new and evolving nature of digital currencies and the absence of comprehensive guidance, many significant aspects of the tax treatment of Digital Assets are uncertain. Prospective investors should consult their own tax advisors concerning the tax consequences to them of the purchase, ownership and disposition of Digital Assets, directly or indirectly through a fund or product, under U.S. federal income tax law, as well as the tax law of any relevant state, local or other jurisdiction.

- Over the past several years, certain Digital Asset exchanges have experienced failures or interruptions in service due to fraud, security breaches, operational problems or business failure. Such events in the future could impact any fund's or product's ability to transact in Digital Assets if the fund or product relies on an impacted exchange and may also materially decrease the price of Digital Assets, thereby impacting the value of your investment, regardless of whether the fund or product relies on such an impacted exchange.

- Although any Digital Asset product and its service providers have in place significant safeguards against loss, theft, destruction and inaccessibility, there is nonetheless a risk that some or all of a product's Digital Asset could be permanently lost, stolen, destroyed or inaccessible by virtue of, among other things, the loss or theft of the "private keys" necessary to access a product's Digital Asset.

- Investors in funds or products investing or transacting in Digital Assets may not benefit to the same extent (or at all) from "airdrops" with respect to, or "forks" in, a Digital Asset's blockchain, compared to investors who hold Digital Assets directly instead of through a fund or product. Additionally, a "fork" in the Digital Asset blockchain could materially decrease the price of such Digital Asset.

- Digital Assets are not legal tender, and are not backed by any government, corporation or other identified body, other than with respect to certain digital currencies that certain governments are or may be developing now or in the future. No law requires companies or individuals to accept digital currency as a form of payment (except, potentially, with respect to digital currencies developed by certain governments where such acceptance may be mandated). Instead, other than as described in the preceding sentences, Digital Asset products' use is limited to businesses and individuals that are willing to accept them. If no one were to accept digital currencies, virtual currency products would very likely become worthless.

- Platforms that buy and sell Digital Assets can be hacked, and some have failed. In addition, like the platforms themselves, digital wallets can be hacked, and are subject to theft and fraud. As a result, like other investors have, you can lose some or all of your holdings of Digital Assets.

- Unlike US banks and credit unions that provide certain guarantees of safety to depositors, there are no such safeguards provided to Digital Assets held in digital wallets by their providers or by regulators.

- Due to the anonymity Digital Assets offer, they have known use in illegal activity, including drug dealing, money laundering, human trafficking, sanction evasion and other forms of illegal commerce. Abuses could impact legitimate consumers and speculators; for instance, law enforcement agencies could shut down or restrict the use of platforms and exchanges, limiting or shutting off entirely the ability to use or trade Digital Asset products.

- Digital Assets may not have an established track record of credibility and trust. Further, any performance data relating to Digital Asset products may not be verifiable as pricing models are not uniform.

- Investors should be aware of the potentially increased risks of transacting in Digital Assets relating to the risks and considerations, including fraud, theft, and lack of legitimacy, and other aspects and qualities of Digital Assets, before transacting in such assets.

- The exchange rate of virtual currency products versus the USD historically has been very volatile and the exchange rate could drastically decline. For example, the exchange rate of certain Digital Assets versus the USD has in the past dropped more than 50% in a single day. Other Digital Assets may be affected by such volatility as well.

- Digital Asset exchanges have limited operating and performance histories and are not regulated with the same controls or customer protections available to more traditional exchanges transacting equity, debt, and other assets and securities. There is no assurance that a person/exchange who currently accepts a Digital Asset as payment will continue to do so in the future.

- The regulatory framework of Digital Assets is evolving, and in some cases is uncertain, and Digital Assets themselves may not be governed and protected by applicable securities regulators and securities laws, including, but not limited to, Securities Investor Protection Corporation coverage, or other regulatory regimes.

- Morgan Stanley Smith Barney LLC or its affiliates (collectively, "Morgan Stanley") may currently, or in the future, offer or invest in Digital Asset products, services or platforms. The proprietary interests of Morgan Stanley may conflict with your interests.

- The foregoing list of considerations and risks are not and do not purport to be a complete enumeration or explanation of the risks involved in an investment in any product or fund investing or trading in Digital Assets.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

Annuities and insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be an appropriate comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

This material is not a financial plan and does not create an investment advisory relationship between you and your Morgan Stanley Financial Advisor. We are not your fiduciary either under the Employee Retirement Income Security Act of 1974 (ERISA) or the Internal Revenue Code of 1986, and any information in this report is not intended to form the primary basis for any investment decision by you, or an investment advice or recommendation for either ERISA or Internal Revenue Code purposes. Morgan Stanley Private Wealth Management will only prepare a financial plan at your specific request using Private Wealth Management approved financial planning signature.

We may act in the capacity of a broker or that of an advisor. As your broker, we are not your fiduciary and our interests may not always be identical to yours. Please consult with your Private Wealth Advisor to discuss our obligations to disclose to you any conflicts we may from time to time have and our duty to act in your best interest. We may be paid both by you and by others who compensate us based on what you buy. Our compensation, including that of your Private Wealth Advisor, may vary by product and over time.

Investment and services offered through Morgan Stanley Private Wealth Management, a division of Morgan Stanley Smith Barney LLC, Member SIPC.

For index, indicator and survey definitions referenced in this report please visit the following: https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions

The Morgan Stanley Pathway Funds, Firm Discretionary UMA Model Portfolios, and other asset allocation or any other model portfolios discussed in this material are available only to investors participating in Morgan Stanley Consulting Group advisory programs. For additional information on the Morgan Stanley Consulting Group advisory programs, see the applicable ADV brochure, available at www.morganstanley.com/ADVor from your Morgan Stanley Financial Advisor or Private Wealth Advisor. To learn more about the Morgan Stanley Pathway Funds, visit the Funds' website at https://www.morganstanley.com/wealth-investmentsolutions/cgcm. Consulting Group is a business of Morgan Stanley.

Morgan Stanley Pathway Program Asset Allocation Models There are model portfolios corresponding to five risk-tolerance levels available in the Pathway program. Model 1 is the least aggressive portfolio and consists mostly of bonds. As the model numbers increase, the models have higher allocations to equities and become more aggressive. Pathway is a mutual fund asset allocation program. In constructing the Pathway Program Model Portfolios, Morgan Stanley Wealth Management uses, among other things, model asset allocations produced by Morgan Wealth Management's Global Investment Committee (the "GIC"). The Pathway Program Model Portfolios are specific to the Pathway program (based on program features and parameters, and any other requirements of Morgan

Stanley Wealth Management's Consulting Group).The Pathway Program Model Portfolios may therefore differ in some respects from model portfolios available in other Morgan Stanley Wealth Management programs or from asset allocation models published by the Global Investment Committee.

529 Plans - Investors should carefully read the Program Disclosure statement, which contains more information on investment options, risk factors, fees and expenses, and possible tax consequences before purchasing a 529 plan. You can obtain a copy of the Program Disclosure Statement from the 529 plan sponsor or your Financial Advisor. Assets can accumulate and be withdrawn federally tax-free only if they are used to pay for qualified expenses. Earnings on nonqualified distributions will be subject to income tax and a 10% federal income tax penalty. Contribution limits vary by state. Refer to the individual plan for specific contribution guidelines. Before investing, investors should consider whether tax or other benefits are only available for investments in the investor's home state 529 college savings plan. If an account owner or the beneficiary resides in or pays income taxes to a state that offers its own 529 college savings or pre-paid tuition plan (an "In-State Plan"), that state may offer state or local tax benefits. These tax benefits may include deductible contributions, deferral of taxes on earnings and/or tax-free withdrawals. In addition, some states waive or discount fees or offer other benefits for state residents or taxpayers who participate in the In -State Plan. An account owner may be denied any or all state or local tax benefits or expense reductions by investing in another state's plan (an "Out-of-State Plan"). In addition, an account owner's state or locality may seek to recover the value of tax benefits (by assessing income or penalty taxes) should an account owner rollover or transfer assets from an In-State Plan to an Out-of-State Plan. While state and local tax consequences and plan expenses are not the only factors to consider when investing in a 529 Plan, they are important to an account owner's investment return and should be taken into account when selecting a 529 plan.

The Morgan Stanley National Advisory 529 Plan. The North Carolina State Education Assistance Authority (the "Authority") is an instrumentality of the State of North Carolina sponsoring the Morgan Stanley National Advisory 529 Plan, and the 529 Plan is a component of the Parental Savings Trust Fund established by the General Assembly of North Carolina. Neither the Authority, the State of North Carolina nor any other affiliated public entity or any other public entity is guaranteeing the principal or earnings in any account. Contributions or accounts may lose value and nothing stated herein, the 529 Plan Description and Participation Agreement or any other account documentation shall be construed to create any obligation of the Authority, the North Carolina State Treasurer, the State of North Carolina, or any agency or instrumentality of the State of North Carolina to guarantee for the benefit of any parent, other interested party, or designated beneficiary the rate of return or other return for any contribution to the Parental Savings Trust Fund and the 529 Plan.

Eaton Vance and Parametric Portfolio Associates are businesses of Morgan Stanley Investment Management and are affiliated with Morgan Stanley Wealth Management.

Morgan Stanley does not accept appointments nor will it act as a trustee but it will provide access to trust services through an appropriate third-party corporate trustee.

The trust services referenced herein are provided by the third parties listed who are not affiliated with Morgan Stanley. Neither Morgan Stanley nor its affiliates are the provider of such trust services and will not have any input or responsibility concerning a client's eligibility for, or the terms and conditions associated with these trust services. Neither Morgan Stanley nor its affiliates shall be responsible for content of any advice or services provided by the unaffiliated third parties listed herein. Morgan Stanley or its affiliates may participate in transactions on a basis separate from the referral of clients to these third parties and may receive compensation in connection with referrals made to them.

Trusts are not necessarily appropriate for all clients. There are risks and considerations which may outweigh any potential benefits. Establishing a trust will incur fees and expenses which may be substantial. Trusts often incur ongoing administrative fees and expenses such as the services of a corporate trustee or tax professional.

The Portfolio Analysis report ("Report") is generated by Morgan Stanley Smith Barney LLC's ("Morgan Stanley") Portfolio Risk Platform. The assumptions used in the Report incorporate portfolio risk and scenario analysis employed by BlackRock Solutions ("BRS"), a financial technology and risk analytics provider that is independent of Morgan Stanley. BRS' role is limited to providing risk analytics to Morgan Stanley, and BRS is not acting as a broker-dealer or investment adviser nor does it provide investment advice with respect to the Report. Morgan Stanley has validated and adopted the analytical conclusions of these risk models.

Any recommendations regarding external accounts/holdings are asset allocation only and do not include security recommendations. Transitioning from a brokerage to an advisory relationship may not be appropriate for some clients.

IMPORTANT: The projections or other information provided in the Report regarding the likelihood of various investment outcomes (including any assumed rates of return and income) are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Hypothetical investment results have inherent limitations.

·There are frequently large differences between hypothetical and actual results.

·Hypothetical results do not represent actual results and are generally designed with the benefit of hindsight.

·They cannot account for all factors associated with risk, including the impact of financial risk in actual trading or the ability to withstand losses or to adhere to a particular trading strategy in the face of trading losses.

·There are numerous other factors related to the markets in general or to the implementation of any specific strategy that cannot be fully accounted for in the preparation of hypothetical risk results and all of which can adversely affect actual performance.

Morgan Stanley cannot give any assurances that any estimates, assumptions or other aspects of the risk analyses will prove correct. They are subject to actual known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those shown in a Report. The information is as of the date of the Report or as otherwise noted within the Report. Morgan Stanley expressly disclaims any obligation or undertaking to update or revise any statement or other information contained in a Report to reflect any change in past results, future expectations or circumstances upon which that statement or other information is based.

Lending products and securities based loans are provided by Morgan Stanley Smith Barney LLC, Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A, as applicable.

The lending products described are separate and distinct, and are not connected in any way. The ability to qualify for one product is not connected to an individual's eligibility for another.

Liquidity Access Line ("LAL") is a securities based loan/line of credit product, the lender of which is either Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, each an affiliate of Morgan Stanley Smith Barney LLC. All LAL loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable. LAL loans/lines of credit may not be available in all locations. Rates, terms and conditions are subject to change without notice. To be eligible for an LAL loan/line of credit, a client must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities, which shall serve as collateral for the LAL. In conjunction with establishing an LAL loan/line of credit, an LAL facilitation account will also be opened in the client's name at Morgan Stanley Smith Barney LLC at no charge. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association and Morgan Stanley Bank, N.A. are Members FDIC that are primarily regulated by the Office of the Comptroller of the Currency. **The proceeds from a non-purpose LAL loan/line of credit (including draws and other advances) may not be used to purchase, trade, or carry margin stock; repay margin debt that was used to purchase, trade, or carry margin stock; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.**

Residential mortgage loans/home equity lines of credit are offered by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC. With the exception of the pledged-asset feature, an investment relationship with Morgan Stanley Smith Barney LLC does not have to be established or maintained to obtain the residential mortgage products offered by Morgan Stanley Private Bank, National Association. All residential mortgage loans/home equity lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association. Rates, terms, and programs are subject to change without notice. Residential mortgage loans/home equity lines of credit may not be available in all states; not available in Guam, Puerto Rico and the U.S. Virgin Islands. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association is an Equal Housing Lender and Member FDIC that is primarily regulated by the Office of the Comptroller of the Currency. Nationwide Mortgage Licensing System Unique Identifier #663185. **The proceeds from a residential mortgage loan (including draws and advances from a home equity line of credit) are not permitted to be used to purchase, trade, or carry eligible margin stock; repay margin debt that was used to purchase, trade, or carry margin stock; or to make payments on any amounts owed under the note, loan agreement, or loan security agreement; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.**

Through the pledged-asset feature offered by Morgan Stanley Private Bank, National Association, the applicant(s) or third party pledgor (collectively "Client") may be able to pledge eligible securities in lieu of a full or partial cash down payment or in connection with a refinance mortgage loan. To be eligible for the pledged-asset feature a Client must have a brokerage account at Morgan Stanley

Smith Barney LLC. If the value of the pledged securities in the account drops below the agreed-upon level stated in the loan documents, a Client may be required to deposit additional securities or other collateral (such as cash) to stay in compliance with the terms of the mortgage loan. If a Client does not deposit additional securities or other collateral, the Client's pledged securities may be sold to satisfy the Client's obligation, and the Client will not be entitled to choose which assets will be sold . Borrowing against securities may not be appropriate for everyone. In deciding whether the

pledged-asset feature is appropriate, a Client should consider, among other things, the degree to which he or she is comfortable subjecting his or her investment in a home to the fluctuations of the securities market. The pledged-asset feature is not available in all states. Other restrictions may apply.

Interest-only loans enable borrowers to make monthly payments of only the accrued monthly interest on the loan during the introductory interest-only period. Once that period ends, borrowers must make monthly payments of principal and interest for the remaining loan term, and payments will be substantially higher than the interest-only payments. During the interest-only period, the total interest that the borrower will be obligated to pay will vary based on the amount of principal paid down , if any. If a borrower makes just an interest-only payment, and no payment of principal, the total interest payable by the borrower during the interest-only period will be greater than the total interest that a borrower would be obligated to pay on a traditional loan of the same interest rate having principal-and-interest payments. In making comparisons between an interest-only loan and a traditional loan, borrowers should carefully review the terms and conditions of the various loan products available and weigh the relative merits of each type of loan product appropriately. The interest rate and payments on an adjustable rate mortgage ("ARM") loan may increase over the life of a loan as interest is fixed for a specified period and then will adjust periodically thereafter. The annual percentage rate may increase after consummation of the loan.

3/6M, 5/6M, 7/6M, 10/6M adjustable rate mortgage ("ARM") loans are based on the Secured Overnight Financing Rate ("SOFR") 30-Day Average.

Relationship-based pricing offered by Morgan Stanley Private Bank, National Association is based on the value of clients', or their immediate family members' (i.e., grandparents, parents, and children) eligible assets (collectively "Household Assets") held within accounts at Morgan Stanley Smith Barney LLC. To be eligible for relationship-based pricing, Household Assets must be maintained within appropriate eligible accounts prior to the closing date of the residential mortgage loan . Relationship-based pricing is not available on conforming loans.

The Morgan Stanley Debit Card is issued by Morgan Stanley Private Bank, National Association pursuant to a license from Mastercard International Incorporated. Mastercard and Maestro are registered trademarks of Mastercard International Incorporated. The third-party trademarks and service marks contained herein are the property of their respective owners. Investments and services offered through Morgan Stanley Smith Barney LLC, Member SIPC.

Cash management and lending products and services are provided by Morgan Stanley Smith Barney LLC, Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A, as applicable.

Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A, each a national bank, Member FDIC.

The information provided herein is not intended to address any particular matter and may not apply depending on the context, as all clients' circumstances are unique.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

The Morgan Stanley American Express Card portfolio consists of three cards: The Platinum Card from American Express Exclusively for Morgan Stanley, the Morgan Stanley Blue Cash Preferred American Express Card, and the Morgan Stanley Credit Card.

The Platinum Card from American Express Exclusively for Morgan Stanley and the Morgan Stanley Blue Cash Preferred American Express Card are available for acquisition, and eligible clients are invited to apply. Existing Morgan Stanley Credit Card members may continue to enjoy the benefits of their card, but this product is no longer available for acquisition.

The Platinum Card® from American Express exclusively for Morgan Stanley is only available for clients who have an Eligible Account with Morgan Stanley Smith Barney LLC.

The Morgan Stanley Blue Cash Preferred® Card is only available for clients who have an Eligible Account with Morgan Stanley Smith Barney LLC or its eligible affiliates, including but not limited to E*TRADE Securities LLC.

An "Eligible Account" is a brokerage account (i) held in your name, (ii) held by a trust where you are both the grantor and trustee of such trust, or (iii) held as a beneficial owner of a personal holding company, a non-operating limited liability company, a non-operating limited partnership, or a similar legal entity. Eligibility is subject to change. American Express may cancel your Card Account and participation in this program, if you do not maintain an Eligible Account.

The Platinum Card® from American Express exclusively for Morgan Stanley and the Morgan Stanley Blue Cash Preferred® Card are issued by American Express National Bank, not Morgan Stanley Smith Barney LLC. Services and rewards for the Cards are provided by Morgan Stanley Smith Barney LLC, American Express or other third parties. Restrictions and other limitations apply. See the terms and conditions for the Cards for details. Clients are urged to review fully before applying.

Morgan Stanley, its affiliates, and Morgan Stanley Financial Advisors and employees are not in the business of providing tax or legal advice. Clients should speak with their tax advisor regarding the potential tax implications of the Rewards Program upon their specific circumstances.

The Platinum Card® from American Express Exclusively for Morgan Stanley and the Morgan Stanley Blue Cash Preferred® American Express Card are issued by American Express National Bank. ©2022 American Express National Bank

American Express may share information about your Card Account with Morgan Stanley in support of Morgan Stanley programs and services. For information as to how Morgan Stanley will use your Card Account data please visit http://www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/mssb_privacynotice.pdf.

Obtain one (1) Additional Platinum Card for no additional annual fee. You can get up to the next three (3) Additional Platinum Cards for a total annual fee of $175. Then, each Additional Platinum Card can be obtained for an annual fee of $175. There is no annual fee for Additional Gold Cards. Additional Card Members must be at least 13 years of age and never have had a defaulted account with American Express.

The CashPlus Account is a brokerage account offered through Morgan Stanley Smith Barney LLC. Conditions and restrictions apply. Please refer to the CashPlus Account Disclosure Statement at https://www.morganstanley.com/wealthdisclosures/cashplusaccountdisclosurestatement.pdf.

The qualifying criteria to avoid the monthly account fee for all CashPlus Accounts in an Account Link Group (ALG) is: an additional eligible Morgan Stanley investment account (that may include additional fees), one Morgan Stanley Online enrollment; for Premier CashPlus account $2,500 monthly deposit or $25,000 Average BDP Daily Balance; for Platinum CashPlus account $5,000 monthly deposit and $25,000 Average BDP Daily Balance. For more information, please refer to the CashPlus Account Disclosure Statement at https://www.morganstanley.com/wealth-disclosures/cashplusaccountdisclosurestatement.pdf.

CashPlus Accounts receive SIPC coverage for securities and free credit balances and cash swept into the Bank Deposit Program receives FDIC insurance, both up to applicable limits.

Securities Investor Protection Corporation ("SIPC") — Morgan Stanley Smith Barney LLC is a member of SIPC, which protects securities of its customers up to $500,000 (including $250,000 for claims for cash). Losses due to market fluctuation are not protected by SIPC. To obtain information about SIPC, including an explanatory SIPC brochure, contact SIPC at 1-202-371-8300 or visit www.sipc.org

Federal Deposit Insurance Corporation ("FDIC") — Cash balances swept into deposit accounts at participating banks in the Bank Deposit Program are protected by FDIC Insurance up to applicable FDIC limits. FDIC insurance is a federal government program administered by the Federal Deposit Insurance Corporation. This insurance covers bank deposits held in checking accounts, savings accounts, certificates of deposits and money market deposits (not money market funds). This insurance comes into play in the event of a bank failure and covers client cash up to a total of $250,000 per bank, for each "insurable capacity" (e.g. each individual, joint, etc.). It does not cover investment products that are not deposits, such as mutual funds, annuities, life insurance policies, stocks or bonds. Refer to https://www.fdic.gov for additional details.

The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC. Under the Bank Deposit Program, generally cash balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing FDIC-insured deposit account(s) at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National

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ESG INVESTING | COVER

Sustainable Investing Failed Its First Big Test. A Reckoning Is Coming.

By Lauren Foster Follow Updated April 17, 2022 / Original April 15, 2022

Seba Cestaro

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The past few years have seen an explosion of interest in investing based on environmental, social, and governance factors, or ESG. Lured by the promise of doing well by doing good, investors poured billions of dollars into ESG strategies, turning the acronym into one of Wall Street's favorite buzzwords.

As the approach soared in popularity, investment companies large and small seized the opportunity to design and market new ESG funds and rankings. Professionally managed assets with ESG mandates swelled to $46 trillion globally in 2021, representing nearly 40% of all assets under management, according to Deloitte's Center for Financial Services. By 2024, that figure is forecast to rise to $80 trillion, or more than half of all professionally managed assets.

Now, Russia's invasion of Ukraine has created the first real test for this popular investment trend. By eschewing traditional energy stocks and defense shares, which are having a banner year, and embracing low-carbon-footprint technology stocks, which aren't, many ESG funds lost money in the first quarter, and underperformed their benchmarks.

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One quarter isn't indicative of a long-term trend, but the poor performance has pointed out some of the weaknesses inherent in this investment approach, and offered fresh ammunition to critics, of whom there are many. It also suggests that ESG strategies, often focused on environmental issues, need a rethink, with more emphasis placed on social factors, especially in light of Europe's growing humanitarian crisis.

"There is going to be a reckoning in ESG," says Jason Saul, executive director of the Center for Impact Sciences at the University of Chicago Harris School of Public Policy. "ESG is an investment thesis that needs to evolve with the times."

Aswath Damodaran, a professor at New York University's Stern School of Business, and an expert in equity valuation, calls the Russia-Ukraine war "the first of many tests that are going to come" for ESG. One of Damodaran's chief criticisms is that the industry has oversold outperformance, when almost all of the returns in ESG strategies could be attributed to funds' tech focus and avoidance of fossil-fuel stocks, poor performers until the past year.

Seba Cestaro

Some investors have embraced ESG as a moral imperative, but many of the strategy's fans have invested in ESG-oriented or "sustainable" funds—the terms are often used interchangeably—in the belief that companies that adhere to good environmental, social, and governance practices may outperform those that don't. Investors worried about sacrificing returns could find reassurance in ESG's report card: In the decade from 2012 to 2021, all large-cap U.S. stock funds returned an annualized 14.87%, while the ESG-focused funds in that group returned 15.58%, according to data from Morningstar Direct.

Both groups, however, failed to outpace the broader market, as measured by the S&P 500 index, which returned 16.55% a year during the same period.

But that doesn't mean investors didn't do well. On an asset-weighted basis, large-cap ESG funds delivered an annualized 16.49% per invested dollar, almost on par with the S&P 500, according to Morningstar Direct.

The outperformance of ESG was even more striking in the past two years. In 2020 and 2021, all large-cap U.S. stock funds returned 23.39% a year per invested dollar, largely the same as the S&P 500. But ESG-focused large-cap funds returned 25.19%.

This year tells a different story, however. In the first quarter, all large-cap U.S. stock funds fell an average of 5.6% on an asset-weighted basis, according to Morningstar. The ESG funds in the group fell almost 7% in the three months ended on March 31.

“We’re kind of in a shakeout, and ESG will likely get its nose bloodied a little,” says Matt Orsagh, a senior director of capital-markets policy at the CFA Institute, the global association of investment professionals.

Inflation is perhaps the biggest culprit in ESG funds’ recent underperformance. U.S. inflation, as measured by the consumer price index, surged at an annual pace of 8.5% in March—the seventh straight monthly increase and the country’s highest inflation rate in more than 40 years.

March CPI rose 1.2%, the Department of Labor reported on Tuesday, up from 0.8% in February. Gasoline, shelter, and food costs contributed the most to headline inflation: Gas prices rose 18.3% in the month.

The war in Ukraine, now in its second month, has contributed to the rise in energy and other commodity prices, aggravating global inflation. Brent crude, the international benchmark for oil prices, is up more than 40% year to date, with the rally underpinning a total return of 45% in the Energy Select Sector SPDR exchange-traded fund (ticker: XLE).

Yet many ESG funds are underweight oil and gas stocks, which typically don’t make it past their screens due to the industry’s climate-unfriendly characteristics. Environmental, social, and governance funds around the globe that report holdings monthly had only a 1.5% weighting in energy as of February, versus 4% for all stock funds, according to EPFR Global, which tracks fund flows and holdings.

Technology, on the other hand, has been a favorite of global ESG funds, accounting for more than 25% of their total assets as of Feb. 28, according to EPFR. That's nearly two percentage points more than tech's exposure in all stock funds. But tech stocks, and growth stocks generally, had a troubled first quarter as the Federal Reserve raised interest rates for the first time since 2018. The Technology Sector Select SPDR ETF (XLK), a proxy for the sector, lost almost 9%. Microsoft (MSFT), one of its top holdings, is an ESG fund favorite.

ESG's underperformance "is going to be the steady state," Damodaran says.

Ken Pucker, a senior lecturer at the Fletcher School at Tufts University, is in Damodaran's camp on this subject. He says that ESG funds don't systematically deliver alpha, or the excess return of an investment, relative to the return of a benchmark index. He also contends that they oversell outperformance and charge higher fees compared with plain-vanilla funds.

In a recent essay published in Institutional Investor, Pucker and co-author Andrew King, a professor at the Questrom School of Business at Boston University, discussed interviewing more than a dozen investment professionals to investigate their claims that a focus on ESG produces higher profits, signals higher stock returns, lowers capital costs, and benefits from investment flows. Pucker and King concluded, "The logic and evidence for assurances of ESG-driven alpha are lacking. Indeed, it is our best guess that flows of money into ESG funds represent a marketing-induced trend that will neither benefit the planet nor provide investors with higher returns."

To be sure, ESG managers and advocates disagree. They note that the strategy aims to deliver long-term value, and that all investment styles have stretches of underperformance. Amber Fairbanks, a portfolio manager at Mirova US, the sustainable-investing affiliate of Natixis Investment Managers, acknowledges that ESG managers have underperformed fairly significantly, year to date, but says that "the underlying conviction is really on the longer term, and that's where, as an ESG manager, we're looking to outperform."

"What strategy doesn't have a poor one or two quarters?" says Emily Chew, executive vice president and chief responsible-investment officer of Calvert Research and Management, the sustainability powerhouse owned by Eaton Vance. "ESG remains a very robust framework for thinking about the overall context in which a company is operating."

Critics have long argued that investors are overpaying for ESG products. It isn't that the funds charge more than their peers: According to Morningstar Direct, actively managed stock funds in the U.S. had an average net expense ratio of 1.12% as of February 2022, while the ESG funds in the group charged an average of 1.04%. Similarly, index-tracking sustainable funds have slightly lower average costs than all passive stock funds.

But ESG investors seem more willing to pay higher expenses than investors overall. On an asset-weighted basis, investors in all active stock funds pay 0.67% for each dollar invested, and investors in ESG funds, 0.78%. Among index funds, the gap is even wider. On the same basis, the expense ratio for passive ESG funds, at 0.25%, is more than twice the average for all passive stock funds.

Seba Cestaro

ESG has deep roots in Europe, where politicians have long pushed for rules to bring companies in line with the European Union's long-term carbon neutrality target. In the U.S., critics dismissed the focus as a fad. But the strategy gained momentum here in 2019 and 2020, as headlines about extreme-weather events, the Covid-19 pandemic, and social-justice issues, including those highlighted by the death of George Floyd in police custody, prompted many investors to focus more on environmental and social problems.

Last year saw record net inflows of $69.2 billion into sustainable open-end and exchange-traded funds available to U.S. investors, a 35% increase over the previous record set the year before, according to Morningstar. Observers proclaimed that ESG had finally moved into the mainstream.

In fact, the seeds had been sown years before. ESG trailblazer Amy Domini co-founded KLD Research & Analytics in 1990, and created the Domini 400 Social Inde
she launched a passive U.S. equity fund pegged to the index. The firm and its flagship

index are now owned by MSCI (MSCI), the largest ESG rating company. The fund converted to an active strategy, via the Domini Impact Equity fund (DSEPX), in 2006. Last year, it returned 21.3% but is down 12% this year.

MSCI declined to comment for this article.

CFA's Orsagh remembers when the ESG acronym was coined in 2005. In the early 2000s, he worked at GovernanceMetrics International, now part of MSCI. He says ESG was born of the need to integrate nonfinancial information into the investment process. "ESG is an ethos; it's not an investment style," he says. "It was meant to find ways for investors to have better information to efficiently allocate capital."

Over the years, it became synonymous in some investors' minds with the catchphrase "doing well by doing good." For others, it is regarded primarily as a risk-mitigation strategy. Semantics aside, the strategy got a big boost when one of the best-known names in finance—Larry Fink, chief executive of BlackRock (BLK), the world's largest asset manager—took the bullhorn.

In his 2018 letter to CEOs, Fink implored other chief executives to be more thoughtful about their roles. "Society is demanding that companies, both public and private, serve a social purpose," he wrote. "To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society."

Later that year, Fink signaled that the industry was at an inflection point. "I do believe that the demand for ESG is going to transform all investing," he said, referring to both passive and active investors. "That may be one or five years away from now, but it's not that far away."

That year, sustainable mutual and exchange-traded funds in the U.S. held $89 billion in assets, according to Morningstar. At the end of 2021, just three years later, that number had ballooned to $360 billion. Still, that's just a sliver of the $28 trillion in total U.S. fund assets.

During BlackRock's first-quarter earnings call on Wednesday, Fink reiterated the company's commitment to sustainable investing. He acknowledged during the Q&A portion of the call the "severe impact" that higher energy prices and inflation have had on many people, but said this doesn't change "the long-term nature of ESG."

Fink cited first-quarter fund flows as evidence, saying, "We had about $19 billion of sustainable flows. Obviously, that's down from prior quarters, but certainly up from two years ago."

BlackRock declined to make executives available for an interview, referring *Barron's* instead to Fink's 2022 letter to shareholders.

As environmental, social, and governance assets under management have swelled in the U.S., so have investors' choices. According to ISS Market Intelligence, fund firms launched a record 133 ESG funds in 2021. That's up from the 75 that debuted in 2020.

Ironically, given the growth in products, there is no established standard for what constitutes ESG investing—and no standard-setting organization. Even the two dominant U.S. ratings companies—MSCI and Morningstar, which owns Sustainalytics, an ESG ratings and research firm—differ somewhat in their approach. Sustainalytics' ESG Risk Ratings measures a company's exposure to industry-specific material ESG risks and how well the company is managing those risks. MSCI ESG Ratings measures a company's exposure to ESG risks and how well the company manages those risks, relative to peers.

Jon Hale, head of sustainability research at Morningstar, agrees that the terminology around ESG and sustainability is fraught. "I tend to use 'sustainable investing' as an umbrella term to refer to a range of investment approaches that seek to both deliver competitive investment returns and positive ESG outcomes," he says.

"There's a multitude of rating agencies out there," says Douglas Chia, president of consulting firm Soundboard Governance, who notes that investors are starting to ask more questions about the rating methodologies, how the firms are collecting the information, and what the information actually means. "To determine the quality of the disclosures that ratings agencies are evaluating, you do have to have metrics, and they have to be required, so that they are comparable and auditable, or attestable, or something like that," he adds. "And that's what the SEC [Securities and Exchange Commission] is attempting to do, and what a lot of jurisdictions are attempting to do."

The SEC proposed new rules in March that would require U.S. public companies to report their greenhouse-gas emissions, along with details of how climate change is affecting their businesses.

In its report, ISS MI found that fund managers courted ESG investors by adding environmental, social, and governance criteria to funds already in the market. The number of funds adding such language peaked in 2020, with 200, representing nearly $1 trillion in assets under management, the firm said. Last year, 136 funds, representing about $300 billion in AUM, began using ESG criteria in some fashion.

Today, the sector has effectively become an industry—or Big ESG, as Chia says—encompassing asset managers, proxy advisors, ratings firms, consultants, and others. And it continues to grow: PwC, the business-services firm, announced plans last year to create 100,000 net new jobs in the next five years with an emphasis on "hiring specialists in critical areas, many related to ESG, including climate, supply chain, and leadership and change." It has also created an ESG Academy for its workforce to raise awareness of and insight into ESG principles.

This past week, Deloitte said that it is committing $1 billion to expand its sustainability and climate practice and launching the new Deloitte Center for Sustainable Progress, or DCSP.

There is plenty of momentum and marketing muscle behind ESG, and a generation of mostly younger investors who care deeply about the planet and social issues. But investors' appetite for underperformance could be tested in the coming months.

"ESG overpromised, and nothing focuses people's minds like a quarter of underperformance on the thesis that they've been buying into," says Orsagh. If the underperformance drags on, some ESG investors will probably look elsewhere for returns. In the near term, they might need to rethink the companies they are willing to invest in.

Zhihan Ma, global head of ESG and senior ESG analyst at Bernstein, says that the war in Ukraine and persistently high inflation are challenging the conventional wisdom about sustainable investing. "On the one hand, the conventional wisdom says you get impact and returns, and on the other hand, it says ESG investing is about investing in best-of-class names," Ma says, referring to companies with high ESG scores, typically in the tech sector. "But investing in best-in-class names may not get you impact and returns at the same time in all market conditions."

Ma is sanguine about the long-term prospects for ESG. "We're not going to solve climate change overnight; we're not going to solve rising inequalities overnight," she says. "There are systemic issues in society that all stakeholders, regulators, investors, consumers, companies will need to work on together to address, which means that all these considerations are here to stay."

She says the "S," or social issues, became a more pressing concern during the peak of the Covid pandemic, and amid rising racial tensions. "We could see more interest in the S if the war leads to a prolonged humanitarian crisis," she says.

One challenge is measuring the S, which seems even more complicated than quantifying environmental impact and risks. BNP Paribas' 2021 ESG Global Survey found that 51% of respondents said the S is the most difficult ESG concept t and embed in investment strategies. “Data [are] more difficult to come by, and there is an acute lack of standardization around social metrics,” the report said. “This comes at a time when the social component is of growing importance to end investors.”

Saul, at the Center for Impact Studies, tackled the topic in a recent paper titled “Fixing the S in ESG.” He wrote: “To be relevant, the ESG field must modernize the way it measures S factors.”

This requires an objective standard for reporting social outcomes, which has been lacking to date. Then, once the impacts are standardized and classified, they must be verified by an independent body. And third, there needs to be better reporting.

To elevate the importance of S, companies need to move beyond a check-the-box exercise. Saul says that they should start reporting social impact data consistently. Environmental, social, and governance investors should start asking for and requiring S impact data, and ESG rating firms, standard-setting bodies, and data providers should align with a specialized S data provider to improve the value of their data.

He says that the group’s performance has suffered since the start of the Ukraine war because the industry is “monocularly tied to E and investors haven’t given enough consideration to the importance of S.” ESG, he adds, “has to be based on something more substantial than just quantifying carbon and E.”

Kathryn McDonald, co-founder of RadiantESG Global Investors and head of investments and sustainability, says there has rightly been an emphasis on environmental issues, given the existential threat posed by climate catastrophes. But it is becoming clear that “social challenges give rise to myriad risks affecting our investments and our economy more generally,” she says. ‘These threats aren’t on the distant horizon. They are with us now.”

ESG has captured investors’ attention and that of Wall Street, and interest in this investment approach—not to mention the apparatus built to support it—isn’t going to disappear. But the strategy could face more tests in coming quarters and years, due to market swings, investor biases, and the inherent challenges of defining and measuring environmental, social, and governance impact and risk. How ESG funds perform ultimately will determine whether the concept flourishes and is enshrined in mainstream investing—or whether it becomes a passing fad.

—Evie Liu contributed to this article

Corrections & amplifications*: Matt Orsagh worked at GovernanceMetrics International in the early 2000s and remembered when the ESG acronym was coined in 2005. An earlier version of this article incorrectly said Orsagh was at GMI in the early 1990s and ESG came into use in 1995.*

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