

**South Central Connecticut Regional Water Authority**  
90 Sargent Drive, New Haven, Connecticut  
Or  
**\*Dial in by phone**  
[+1 469-965-2517](tel:+14699652517), [647030205#](tel:+14699652517) United States, Northlake  
Phone conference ID: 647 030 205#

**AGENDA**

**Regular Meeting of Thursday, January 22, 2026 at 12:30 p.m.**

---

1. Call to Order
  1. Safety Moment
2. Public Comment: The time limit granted to each speaker shall be three (3) minutes. Residents and customers may address the Board.
3. Meet as Pension & Benefit Committee: C. LaMarr
  1. Approve Minutes – October 23, 2025 regular meeting
  2. Quarterly Investment Performance Review – Pension and VEBA: S. Kelliher, J. McLaughlin, and N. Pulli
  3. 401K Amendment
  4. Discussion regarding RFI, RFQ, or RFP for investment management services - *Upon 2/3 vote, convene in possible executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(B), pertaining to commercial and financial information.*
4. Consent Agenda
  1. Approve Minutes of December 18, 2025 regular meeting
  2. Capital Budget Authorization – February 2026
  3. Capital Budget Transfers (no authorization required) – February 2026
  4. Monthly Financial Report – December 2025
  5. Accounts Receivable Update – December 2025
  6. Bid Exemptions
  7. Customer Assistance Program
5. Finance: R. Kowalski
  1. Type B3 Amendments – Filter Media and Project Reserve Transfers
6. Reports on RPB Committee meetings
7. Meet as Compensation Committee: K. Curseaden
  1. Approve Minutes – October 23, 2025 regular meeting
  2. FY 2027 Work Plan
8. Act on matters arising from Committee meetings
9. Business Updates: S. Lakshminarayanan
  1. Monthly Business Highlights: S. Lakshminarayanan
  2. \*AWA Update: S. Lakshminarayanan and R. Kowalski - *Upon 2/3 vote, convene in executive session pursuant to C.G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(A)(B), pertaining to trade secrets and commercial and financial information.*
10. Presentation on Issuance Test Rate Application: R. Kowalski - *Upon 2/3 vote, convene in executive session pursuant to G.S. Section 1-200(6)(E) to discuss matters covered by Section 1-210(b)(5)(B), pertaining to commercial and financial information.*
  1. Consider and act on Issuance of Bonds to approve Proposed Issuance of Water System Revenue Bonds and DWSRF
  2. Consider and act on Resolution to approve Issuance Test Rate Application and submit to the Representative Policy Board

\*Members of the public may attend the meeting in person or by conference call. To view meeting documents please visit [www.rwater.com](http://www.rwater.com). For questions, contact the board office at 203-401-2515 or by email at [jslubowski@rwater.com](mailto:jslubowski@rwater.com).

\*RPB Member (P. Betkoski) is excused at Item 8.2.

**South Central Connecticut Regional Water Authority  
Pension & Benefit Committee**

**Minutes of the October 23, 2025 Meeting**

The regular meeting of the South Central Connecticut Regional Water Authority (“RWA”) Pension & Benefit Committee took place on Thursday, October 23, 2025, at the South Central Connecticut Regional Water Authority, 90 Sargent Drive, New Haven, Connecticut, and via remote access. Chair LaMarr presided.

Present: Committee – Mss. LaMarr(R) and Sack, and Messrs. Borowy, Curseaden, and Ricozzi Management – Mss. Kowalski and Calo(R), and Messrs. Lakshminarayanan, Hill(R), and Singh  
RPB – Ms. Young(R)  
Morgan Stanley – Messrs. Kelliher(R), McLaughlin(R), and Pulli(R)  
Staff – Mrs. Slubowski

**3. MEET AS PENSION & BENEFIT COMMITTEE**

The Chair called the meeting to order at 12:30 p.m.

**3.1 APPROVE MINUTES**

On motion made by Mr. Ricozzi and seconded by Mr. Curseaden, the Committee voted unanimously to approve the minutes of its special meeting held on July 29, 2025.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

**3.2 QUARTERLY INVESTMENT PERFORMANCE REVIEW**

Messrs. Kelliher, McLaughlin, and Pulli of Morgan Stanley, RWA’s Plan Advisor, reported on the Authority’s investment performance for the pension plans and the Voluntary Employees’ Beneficiary Association (VEBA), for the period ended September 30, 2025, which included:

- Market commentary
- Asset allocations
- Investment results
- Liability analysis

Mr. Kelliher reported that the market is performing well as are RWA’s plans. He noted that the Committee may want to consider a special meeting to discuss future asset allocations, inviting Angell Pension Group, the RWA’s actuary for the retirement plans.

The Committee discussed various investment alternatives, focusing on performance, risk reduction, and environmental, social, and governance (ESG) factors. Mr. Kelliher provided historical perspective and expressed his intention to explore investment opportunities specifically

related to water and clean water initiatives and environmentally sustainable practices among others for future consideration.

At 1:24 p.m., Messrs. Kelliher, McLaughlin, and Pulli withdrew from the meeting and on motion made by Mr. Ricozzi and seconded by Mr. Curseaden, the Committee voted unanimously to adjourn the meeting.

Borowy	Aye
Curseaden	Aye
LaMarr	Aye
Ricozzi	Aye
Sack	Aye

---

Catherine LaMarr, Chair

(R) = Attended remotely.

UNAPPROVED



# Morgan Stanley

THE KELLIHER CORBETT GROUP  
AT MORGAN STANLEY

January 22, 2026

## SC CT Regional Water Authority

**Stephen P. Kelliher, QPFC®**

Managing Director  
Senior Portfolio Management Director  
Corporate Client Group Director - Financial Advisor  
CA Insurance #4284041

781.681.4933

[Stephen.Kelliher@morganstanley.com](mailto:Stephen.Kelliher@morganstanley.com)

**Joe McLaughlin, QPFC®, CRPS®**

Senior Vice President, Financial Advisor  
Corporate Retirement Director  
Financial Wellness Director

781.681.4904

[Joe.McLaughlin@morganstanley.com](mailto:Joe.McLaughlin@morganstanley.com)

 **Regional Water Authority**  
Tapping the Possibilities™

---

## Table of Contents and Agenda

	Section
Market Commentary	1
Asset Allocation & Investment Matrices	2
Investment Results	3
Appendix	
- Investment Holdings Analysis	4



# Morgan Stanley

THE KELLIHER CORBETT GROUP  
AT MORGAN STANLEY

## SECTION 1

# Market Commentary



Data as of December 31, 2025

Index	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Calendar Year 2025
Russell 3000	-4.72%	10.99%	8.18%	2.40%	17.15%
S&P 500	-4.27%	10.94%	8.12%	2.66%	17.88%
S&P 500 Equal Weighted	-0.61%	5.46%	4.84%	1.39%	11.43%

Russell 1000 Value	2.14%	3.79%	5.33%	3.81%	15.91%
Russell 1000 Growth	-9.97%	17.84%	10.51%	1.12%	18.56%
Morningstar Dividend Yield Focus	8.63%	-2.42%	5.35%	0.33%	12.03%

MSCI ACWI Ex USA	5.23%	12.03%	6.89%	5.05%	32.39%
------------------	-------	--------	-------	-------	--------

Bloomberg US Aggregate Bond	2.78%	1.21%	2.03%	1.10%	7.30%
Bloomberg US Govt/Credit Interm	2.42%	1.67%	1.51%	1.20%	6.97%
FTSE Treasury Bill 3-Month	1.10%	1.09%	1.11%	1.02%	4.40%

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



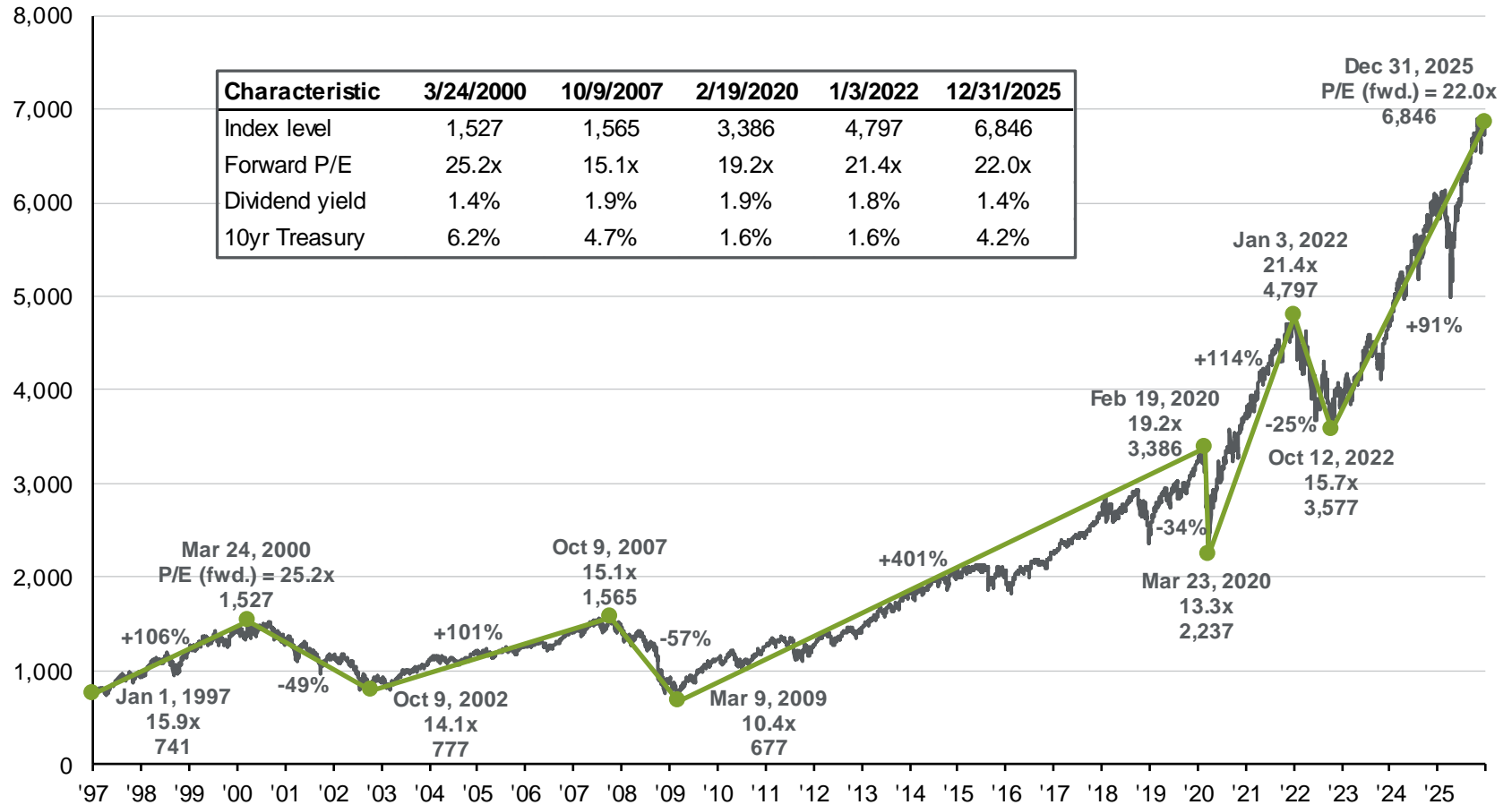
# S&P 500 index at inflection points

GTM

U.S.

4

## S&P 500 Price Index



Source: FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.

Dividend yield is calculated as consensus analyst estimates of dividends in the next 12 months, provided by FactSet, divided by the most recent S&P 500 index price. Forward P/E ratio is the most recent S&P 500 index price divided by consensus estimates for earnings in the next 12 months, provided by IBES since January 1997 and FactSet since January 2022. Returns are cumulative and do not include the reinvestment of dividends. Past performance is no guarantee of future results.

Guide to the Markets – U.S. Data are as of December 31, 2025.





# S&P 500: Index concentration

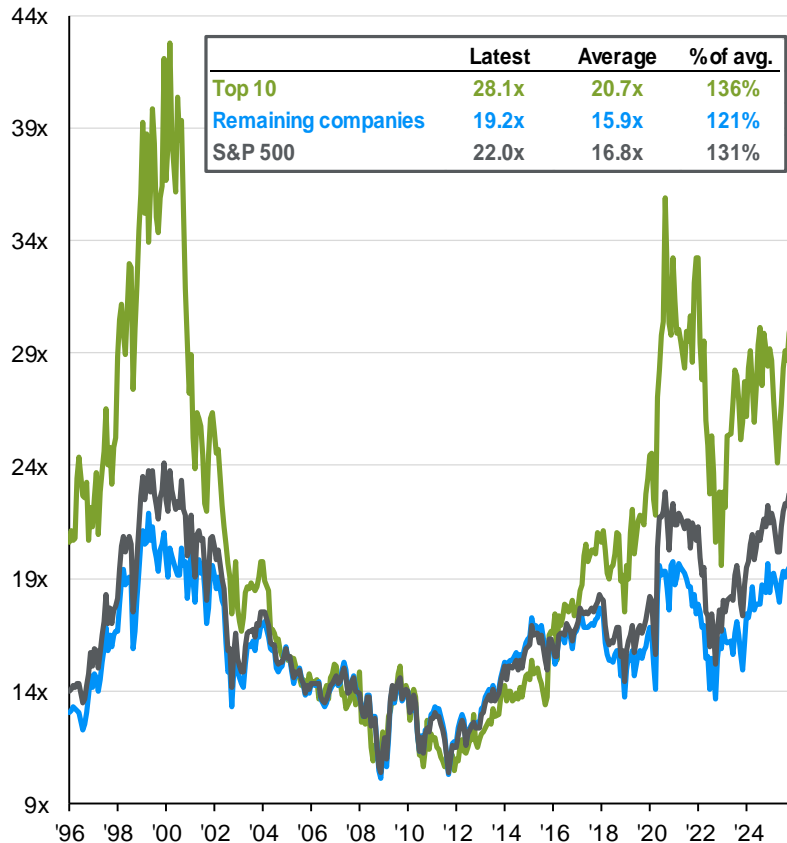
GTM

U.S.

8

## P/E of top 10 and remaining companies in S&P 500

Next 12 months



## Weight of the top 10 companies in the S&P 500

% of market capitalization, % of last 12 months' earnings



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Forward P/E ratio is the most recent price divided by consensus estimates for earnings in the next 12 months, provided by IBES since January 1996 and FactSet since January 2022. The remaining stocks represent the rest of the 490 companies in the S&P 500, and their P/E ratio is calculated by backing out the nominal earnings and market cap of the top 10 from that of the S&P 500.

Guide to the Markets – U.S. Data are as of December 31, 2025.



# Magnificent 7: Performance, earnings and dispersion

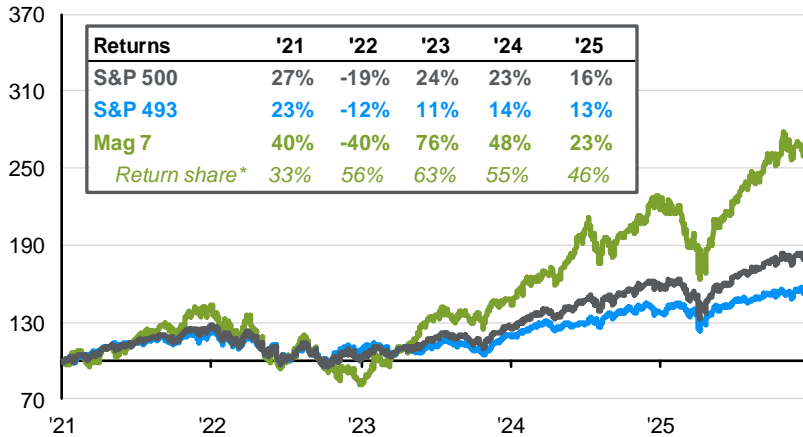
GTM

U.S.

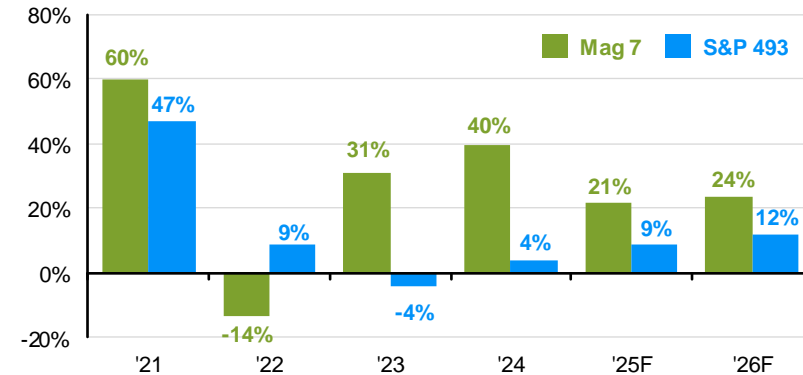
9

## Magnificent 7 performance in the S&P 500

Indexed to 100 on 1/1/2021, price return

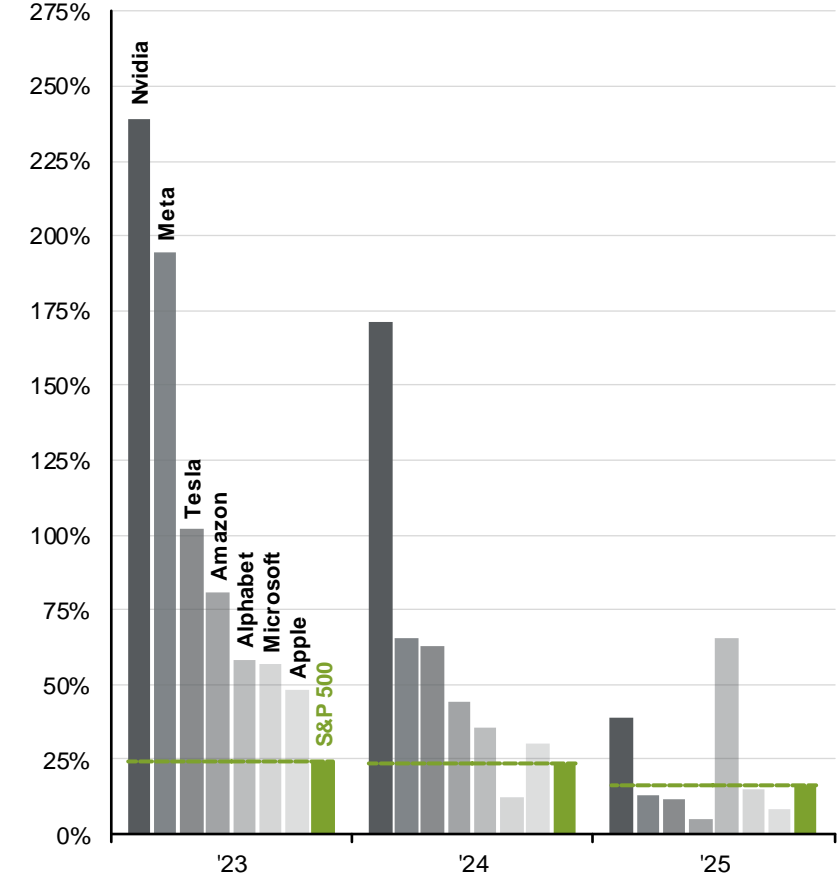


## Year-over-year earnings growth



## Magnificent 7 performance dispersion

Price return



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Magnificent 7 (Mag 7) includes AAPL, AMZN, GOOGL/GOOG, META, MSFT, NVDA and TSLA. The S&P 500 ex-Mag 7 (S&P 493) is calculated by backing out a weighted average Mag 7 price return from the S&P 500 price return. \*Share of returns represents the Mag 7's contribution to the index return. Past performance is no guarantee of future results.

Guide to the Markets – U.S. Data are as of December 31, 2025.

# Markets Appear Expensive Any Way You Look at It

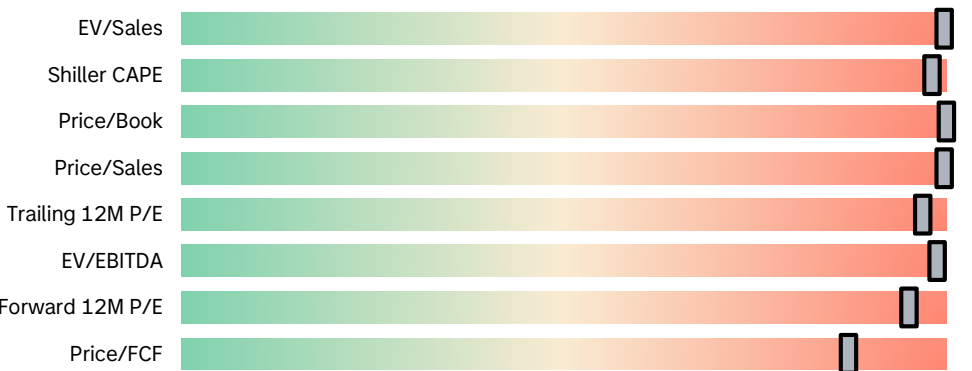
## EQUITY RISK PREMIUM

AS OF DECEMBER 5, 2025



## S&P 500 VALUATION PERCENTILE RANKING

AS OF DECEMBER 8, 2025



## BUFFETT INDICATOR: MARKET CAP TO GDP RATIO

AS OF DECEMBER 5, 2025



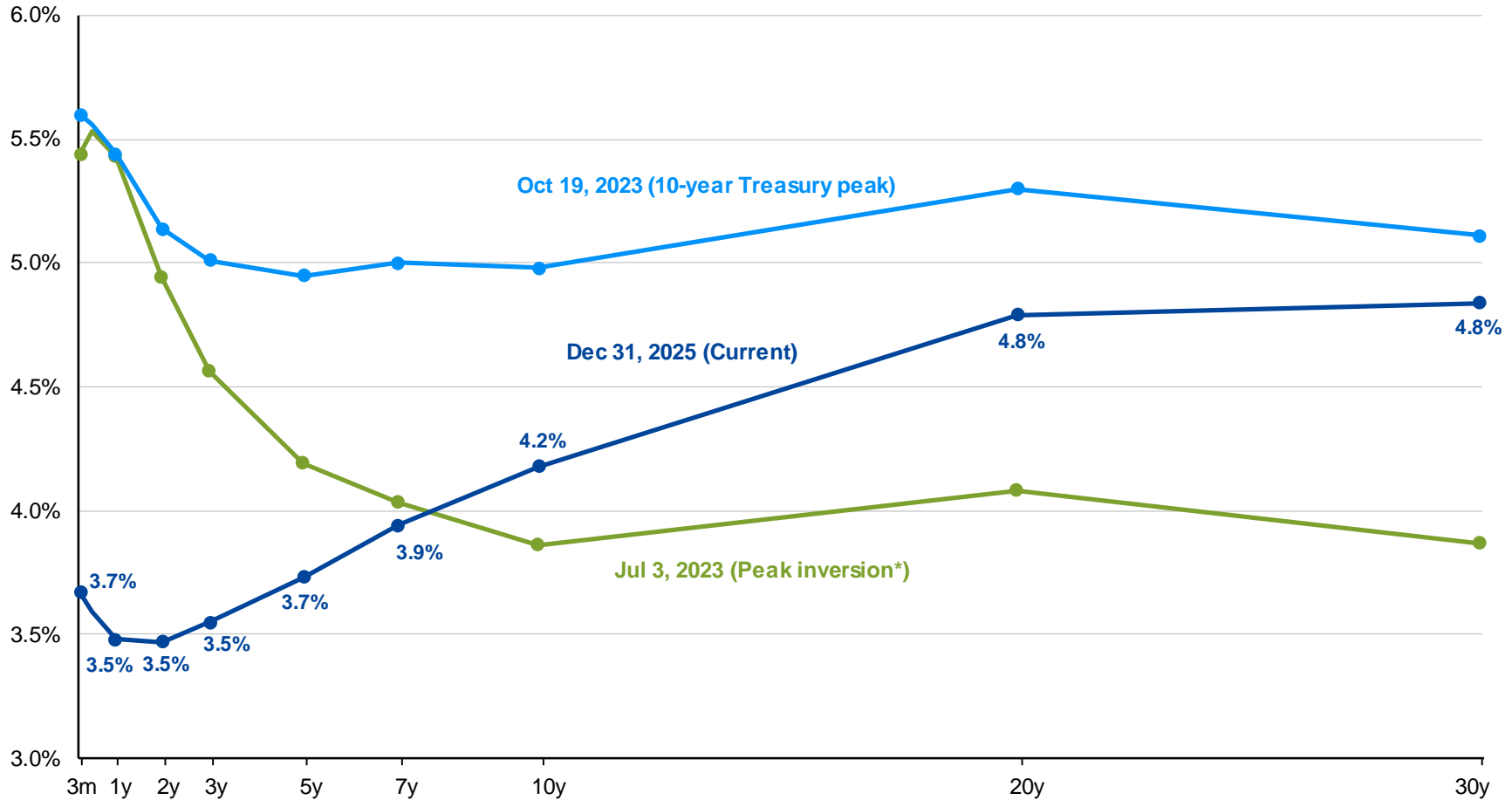
Source: Morgan Stanley Wealth Management GIO, Bloomberg, Strategas. Equity risk premium is the excess return that an individual stock or the overall stock market provides over a risk-free rate. The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time.

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.



# Yield curve

## U.S. Treasury yield curve



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management.  
Analysis references data back to 2020. \*Peak inversion is measured by the spread between the yield on a 10-year Treasury and 2-year Treasury.  
Guide to the Markets – U.S. Data are as of December 31, 2025.

# Morgan Stanley

THE KELLIHER CORBETT GROUP  
AT MORGAN STANLEY

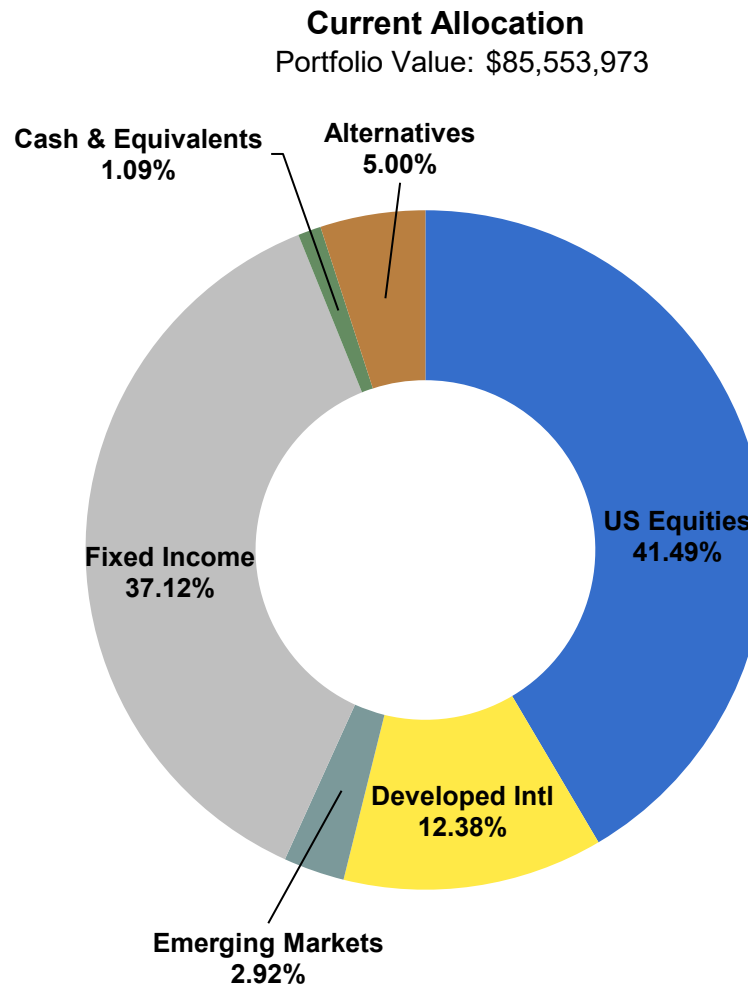
## SECTION 2

# Asset Allocation & Investment Matrices





# SCCT Regional Water Authority - Salary & Union Plans



**Total Equity**  
**56.79%**

**% of Total Equity**

US Equity = 73.05%  
Intl Equity = 26.95%

**% of Intl Equity**

Developed Intl = 80.92%  
Emerging Markets = 19.08%

**Sal & Uni Overall Style Analysis\***

Value = 35.15%  
Core = 43.26%  
Growth = 21.59%

**Sal & Uni US Style Analysis\***

Value = 39.82%  
Core = 43.25%  
Growth = 16.93%

**Russell 3000 Style Analysis\***

Value = 28.26%  
Core = 47.04%  
Growth = 24.70%

Assets as of 12/31/2025

Asset Allocation does not assure a profit or protect against loss in declining financial markets

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

\*Equity Style Analysis provided by Morningstar "Asset Scan"

Data Source: Morgan Stanley & Morningstar

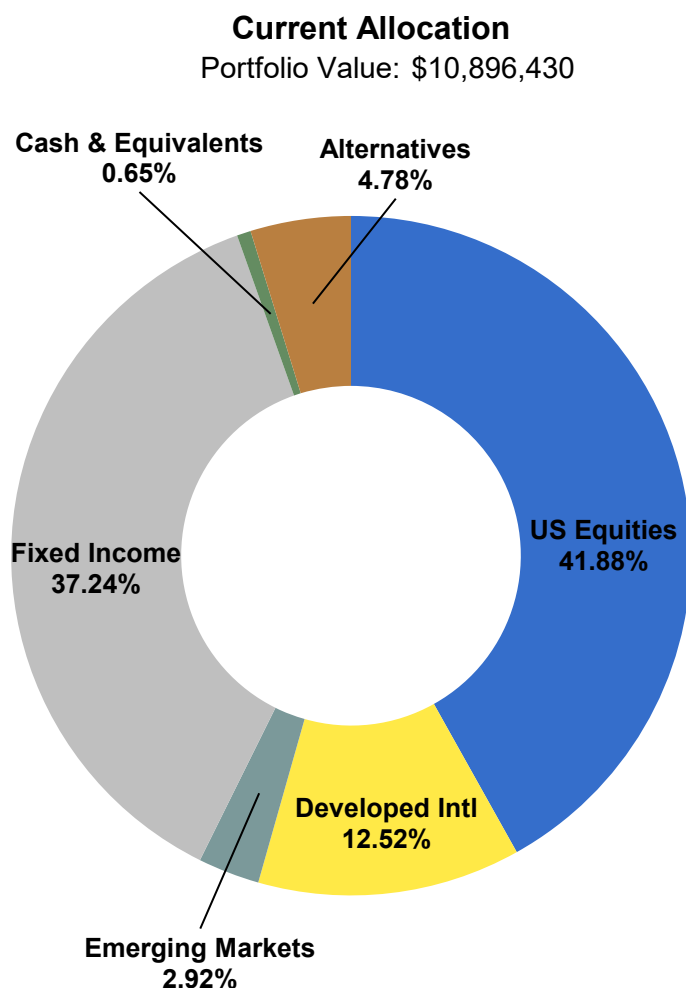
SCCT Regional Water Authority - Salary & Union Plans  
Asset Allocation Matrix Summary  
As of 12/31/2025

Benchmark vs Actual			
	Benchmark	Actual	+/-
Russell 3000	42.00%	41.96%	-0.04%
MSCI ACWI ex US	15.00%	14.91%	-0.09%
Bloomberg US Aggregate	31.00%	37.04%	6.04%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	4.01%	-0.99%
Global Real Estate	2.00%	0.99%	-1.01%
Cash & Equivalents/T-Bills	2.00%	1.09%	-0.91%
Total	100.00%	100.00%	0.00%

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

This information and data is being provided at your request and is from sources considered reliable, but their accuracy and completeness is not guaranteed. It has been prepared for illustrative purposes only and is not intended to be used as a substitute for the transaction statements you receive from Morgan Stanley Smith Barney LLC. Please compare the data on this document carefully with your transaction statements to verify its accuracy.

# SCCT Regional Water Authority - VEBA Plan



<b>Total Equity</b>	
<b>57.32%</b>	
<b>% of Total Equity</b>	
US Equity	= 73.06%
Intl Equity	= 26.94%
<b>% of Intl Equity</b>	
Developed Intl	= 81.08%
Emerging Markets	= 18.92%
<b>VEBA Overall Style Analysis*</b>	
Value	= 35.78%
Core	= 42.89%
Growth	= 21.33%
<b>VEBA US Style Analysis*</b>	
Value	= 40.70%
Core	= 42.81%
Growth	= 16.49%

<b>Russell 3000 Style Analysis*</b>	
Value	= 28.26%
Core	= 47.04%
Growth	= 24.70%

Assets as of 12/31/2025

Asset Allocation does not assure a profit or protect against loss in declining financial markets

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

\*Equity Style Analysis provided by Morningstar "Asset Scan"

Data Source: Morgan Stanley & Morningstar

SCCT Regional Water Authority - VEBA Plan  
Asset Allocation Matrix Summary  
As of 12/31/2025

Benchmark vs Actual			
	Benchmark	Actual	+/-
Russell 3000	42.00%	42.37%	0.37%
MSCI ACWI ex US	15.00%	15.03%	0.03%
Bloomberg US Aggregate	31.00%	37.17%	6.17%
FTSE WGBI	3.00%	0.00%	-3.00%
HFRI FOF	5.00%	3.09%	-1.91%
Global Real Estate	2.00%	1.69%	-0.31%
Cash & Equivalents/T-Bills	2.00%	0.65%	-1.35%
Total	100.00%	100.00%	0.00%

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

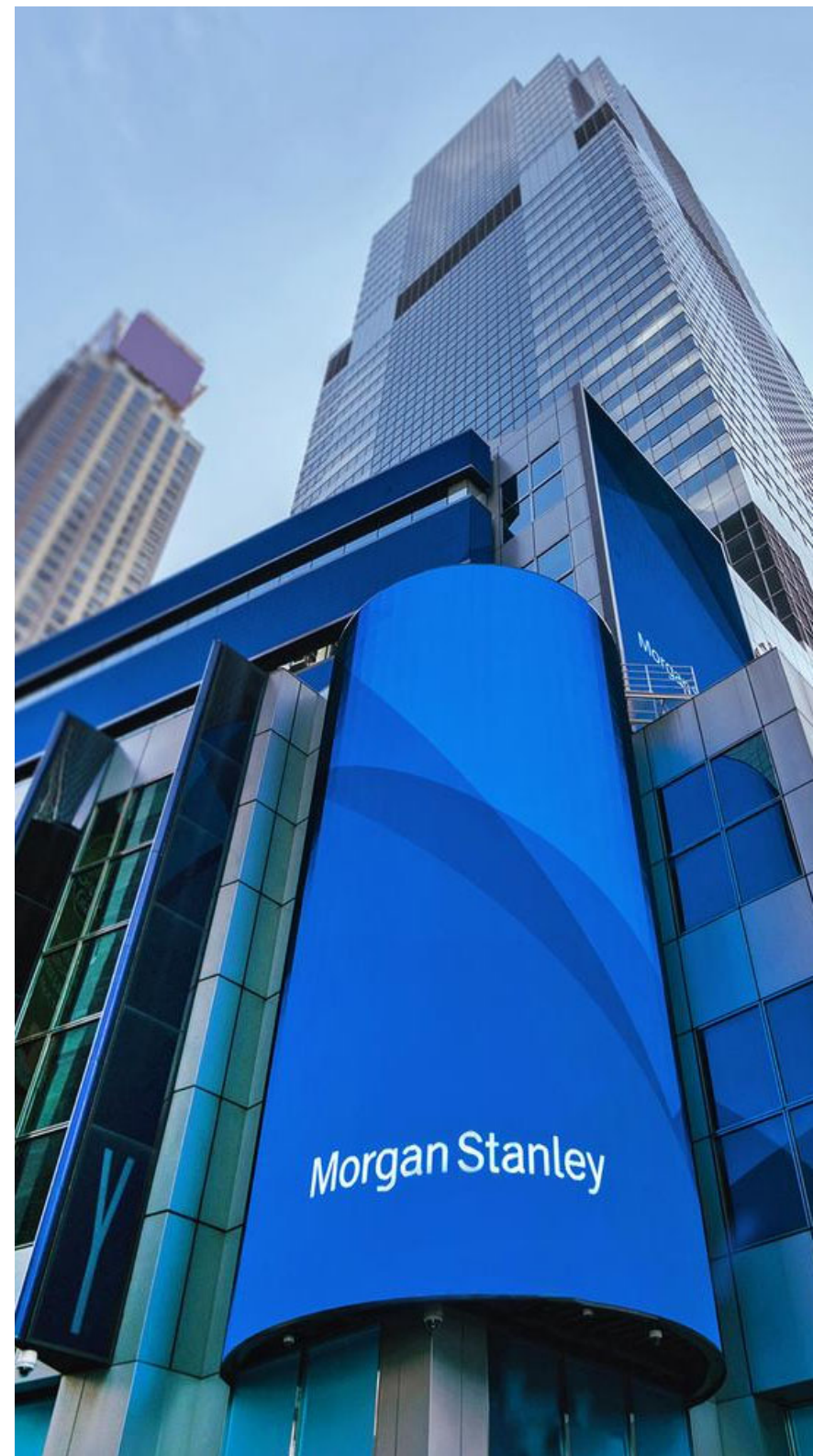
This information and data is being provided at your request and is from sources considered reliable, but their accuracy and completeness is not guaranteed. It has been prepared for illustrative purposes only and is not intended to be used as a substitute for the transaction statements you receive from Morgan Stanley Smith Barney LLC. Please compare the data on this document carefully with your transaction statements to verify its accuracy.

# Morgan Stanley

THE KELLIHER CORBETT GROUP  
AT MORGAN STANLEY

## SECTION 3

# Investment Results





**SCCT Regional Water Authority**  
**Since Inception (Fully Invested) Investment Results**  
**December 31, 2015 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-Dec-2015	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$22,078,953	\$0	\$2,893,353	\$24,972,306	\$53,506,113	\$28,533,807	7.70%	8.10%
447-xxx451	Union	\$16,143,219	\$0	(\$2,061,656)	\$14,081,564	\$32,047,860	\$17,966,296	7.76%	8.16%
447-xxx456	VEBA	\$2,919,401	\$0	\$2,236,575	\$5,155,976	\$10,896,430	\$5,740,454	7.54%	7.94%
447-xxx626	Skybridge (Salaried)	\$0	\$0	(\$153,806)	(\$153,806)	\$0	\$153,806	2.87%	2.87%
447-xxx627	Skybridge (Union)	\$0	\$0	(\$107,539)	(\$107,539)	\$0	\$107,539	2.88%	2.88%
axx15	Matrix Trust (Master Trust)**	\$0	(\$38,066)	\$38,066	\$0	\$0	\$0	-	-
axx15a	Matrix Trust (Salaried)**	\$202,978	\$1,422,843	(\$1,265,821)	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$147,576	(\$3,260,713)	\$3,303,136	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$269,858	\$4,748,058	(\$4,882,308)	\$135,608	\$135,608	\$0	-	-
Consolidated		\$41,761,987	\$2,872,122	\$0	\$44,634,109	\$97,136,011	\$52,501,902	7.67%	8.06%

**December 31, 2015 - December 31, 2025**

Actuarial Assumed Rate of Return

<b>Actuarial Assumed Rate of Return (Current): 6.75%</b>	6.75%
<b>Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%</b>	7.00%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	7.08%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	8.26%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	8.90%

Guidelines/Benchmarks - Equal Weighted

Least Equity Risk: 34% S&P 500 Equal Weighted, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills	6.21%
Strategic: 42% S&P 500 Equal Weighted, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	7.17%
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	7.77%

	Russell 3000	14.29%
	S&P 500	14.82%
	S&P 500 Equal Weight	11.71%
	Russell 1000 Value	10.53%
	Russell 1000	14.59%
	Russell 1000 Growth	18.13%
	Russell 2000	9.62%
	MSCI All Country World ex. US	8.41%
	MSCI EAFE	8.18%
	MSCI EM	8.42%
	Bloomberg Aggregate	2.01%
	Bloomberg Govt/Credit Intermediate	2.29%
	HFRI Fund of Funds Index	4.53%
	DJ Global World Real Estate	4.24%
	FTSE WGBI Index	0.54%
	30 Day T-Bill	2.17%

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 respect to any tax questions.

Data Source: Morgan Stanley, Broadridge, Morningstar

**SCCT Regional Water Authority**  
**Trailing Seven Year Investment Results**  
**December 31, 2018 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-Dec-2018	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$30,370,008	\$0	(\$1,634,204)	\$28,735,804	\$53,506,113	\$24,770,310	8.79%	9.18%
447-xxx451	Union	\$19,480,341	\$0	(\$2,638,471)	\$16,841,870	\$32,047,860	\$15,205,990	8.88%	9.27%
447-xxx456	VEBA	\$5,904,957	\$0	(\$38,568)	\$5,866,388	\$10,896,430	\$5,030,041	8.64%	9.03%
447-xxx626	Skybridge (Salaried)	\$630,172	\$0	(\$704,240)	(\$74,069)	\$0	\$74,069	1.60%	1.60%
447-xxx627	Skybridge (Union)	\$423,144	\$0	(\$472,852)	(\$49,708)	\$0	\$49,708	1.60%	1.60%
axx15	Matrix Trust (Master Trust)**	\$0	(\$38,066)	\$38,066	\$0	\$0	\$0	-	-
axx15a	Matrix Trust (Salaried)**	\$500,000	(\$3,540,210)	\$3,400,210	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$350,000	(\$4,068,106)	\$3,908,106	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$284,962	\$1,708,692	(\$1,858,046)	\$135,608	\$135,608	\$0	-	-
Consolidated		\$57,943,584	(\$5,937,690)	\$0	\$52,005,894	\$97,136,011	\$45,130,117	8.74%	9.12%

**December 31, 2018 - December 31, 2025**

Actuarial Assumed Rate of Return

<b>Actuarial Assumed Rate of Return (Current): 6.75%</b>	6.75%
<b>Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%</b>	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	8.21%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	9.57%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	10.48%

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	7.08%
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	8.18%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	9.02%

Russell 3000	16.64%
S&P 500	17.29%
S&P 500 Equal Weight	13.32%
Russell 1000 Value	12.10%
Russell 1000	17.03%
Russell 1000 Growth	21.25%
Russell 2000	10.60%
MSCI All Country World ex. US	10.15%
MSCI EAFE	10.54%
MSCI EM	8.06%
Bloomberg Aggregate	1.99%
Bloomberg Govt/Credit Intermediate	2.54%
HFRI Fund of Funds Index	6.42%
DJ Global World Real Estate	4.10%
FTSE WGBI Index	-0.37%
30 Day T-Bill	2.70%

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 respect to any tax questions.

Data Source: Morgan Stanley, Broadridge, Morningstar

**SCCT Regional Water Authority**  
**Trailing Five Year Investment Results**  
**December 31, 2020 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-Dec-2020	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$40,737,707	\$0	(\$2,200,744)	\$38,536,963	\$53,506,113	\$14,969,150	6.51%	6.88%
447-xxx451	Union	\$25,201,563	\$0	(\$2,228,653)	\$22,972,910	\$32,047,860	\$9,074,950	6.63%	7.00%
447-xxx456	VEBA	\$8,388,467	\$0	(\$559,263)	\$7,829,204	\$10,896,430	\$3,067,226	6.36%	6.73%
447-xxx626	Skybridge (Salaried)	\$624,695	\$0	(\$704,240)	(\$79,545)	\$0	\$79,545	2.43%	2.43%
447-xxx627	Skybridge (Union)	\$419,473	\$0	(\$472,852)	(\$53,379)	\$0	\$53,379	2.43%	2.43%
axx15	Matrix Trust (Master Trust)**	\$0	(\$38,066)	\$38,066	\$0	\$0	\$0	-	-
axx15a	Matrix Trust (Salaried)**	\$173,424	(\$3,495,668)	\$3,682,244	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$102,411	(\$3,173,910)	\$3,261,499	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$579,055	\$372,608	(\$816,056)	\$135,608	\$135,608	\$0	-	-
Consolidated		\$76,226,796	(\$6,335,035)	\$0	\$69,891,761	\$97,136,011	\$27,244,250	6.54%	6.91%

**December 31, 2020 - December 31, 2025**

Actuarial Assumed Rate of Return

<b>Actuarial Assumed Rate of Return (Current): 6.75%</b>	6.75%
<b>Actuarial Assumed Rate of Return (Prior to 5/31/2021): 7.00%</b>	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	5.61%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills	6.86%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills	7.88%

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	4.71%
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	5.74%
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	6.71%

	Russell 3000	13.15%
	S&P 500	14.42%
	S&P 500 Equal Weight	10.48%
	Russell 1000 Value	11.33%
	Russell 1000	13.59%
	Russell 1000 Growth	15.32%
	Russell 2000	6.09%
	MSCI All Country World ex. US	7.91%
	MSCI EAFE	8.92%
	MSCI EM	4.20%
	Bloomberg Aggregate	-0.36%
	Bloomberg Govt/Credit Intermediate	0.96%
	HFRI Fund of Funds Index	5.16%
	DJ Global World Real Estate	2.41%
	FTSE WGBI Index	-3.53%
	30 Day T-Bill	3.25%

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 respect to any tax questions.

Data Source: Morgan Stanley, Broadridge, Morningstar

**SCCT Regional Water Authority**  
**Trailing Three Year Investment Results**  
**December 31, 2022 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-Dec-2022	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$39,989,740	\$0	(\$2,672,532)	\$37,317,208	\$53,506,113	\$16,188,905	12.16%	12.55%
447-xxx451	Union	\$23,779,677	\$0	(\$1,500,185)	\$22,279,493	\$32,047,860	\$9,768,367	12.34%	12.73%
447-xxx456	VEBA	\$8,443,859	\$0	(\$959,263)	\$7,484,596	\$10,896,430	\$3,411,833	12.20%	12.59%
axx15	Matrix Trust (Master Trust)**	\$0	(\$38,066)	\$38,066	\$0	\$0	\$0	-	-
axx15a	Matrix Trust (Salaried)**	\$46,129	(\$2,815,165)	\$3,129,036	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$15,732	(\$1,654,810)	\$1,829,078	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$584,218	(\$584,410)	\$135,800	\$135,608	\$135,608	\$0	-	-
Consolidated		\$72,859,355	(\$5,092,450)	\$0	\$67,766,905	\$97,136,011	\$29,369,106	12.23%	12.61%

December 31, 2022 - December 31, 2025

Actuarial Assumed Rate of Return

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

**Guidelines/Benchmarks - Market Cap Weighted**

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 12.36%  
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 14.15%  
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 15.11%

**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 9.13%  
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 10.17%  
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 10.93%

	Russell 3000	22.25%
	S&P 500	23.01%
	S&P 500 Equal Weight	12.76%
	Russell 1000 Value	13.90%
	Russell 1000	22.74%
	Russell 1000 Growth	31.15%
	Russell 2000	13.73%
	MSCI All Country World ex. US	17.33%
	MSCI EAFE	17.22%
	MSCI EM	16.40%
	Bloomberg Aggregate	4.66%
	Bloomberg Govt/Credit Intermediate	5.06%
	HFRI Fund of Funds Index	8.56%
	DJ Global World Real Estate	7.06%
	FTSE WGBI Index	3.19%
	30 Day T-Bill	4.95%

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 respect to any tax questions.

Data Source: Morgan Stanley, Broadridge, Morningstar

**SCCT Regional Water Authority**  
**2025 Investment Results**  
**December 31, 2024 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 31-Dec-2024	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$49,083,979	\$0	(\$2,372,017)	\$46,711,961	\$53,506,113	\$6,794,152	14.31%	14.68%
447-xxx451	Union	\$29,071,284	\$0	(\$1,183,325)	\$27,887,959	\$32,047,860	\$4,159,901	14.66%	15.02%
447-xxx456	VEBA	\$10,430,659	\$0	(\$959,263)	\$9,471,396	\$10,896,430	\$1,425,033	14.36%	14.72%
axx15a	Matrix Trust (Salaried)**	\$110,235	(\$2,260,804)	\$2,510,569	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$15,856	(\$1,155,335)	\$1,329,479	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$475,052	(\$1,014,001)	\$674,557	\$135,608	\$135,608	\$0	-	-
Consolidated		\$89,187,065	(\$4,430,141)	\$0	\$84,756,924	\$97,136,011	\$12,379,087	14.43%	14.80%

**December 31, 2024 - December 31, 2025**

Actuarial Assumed Rate of Return

**Actuarial Assumed Rate of Return (Current): 6.75% x (12/12)** 6.75%

Guidelines/Benchmarks - Market Cap Weighted

Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills 13.68%  
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills 15.37%  
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills 16.22%

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 11.73%  
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 12.96%  
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 13.70%

Russell 3000	17.15%
S&P 500	17.88%
S&P 500 Equal Weight	11.43%
Russell 1000 Value	15.91%
Russell 1000	17.37%
Russell 1000 Growth	18.56%
Russell 2000	12.81%
MSCI All Country World ex. US	32.39%
MSCI EAFE	31.22%
MSCI EM	33.57%
Bloomberg Aggregate	7.30%
Bloomberg Govt/Credit Intermediate	6.97%
HFRI Fund of Funds Index	10.52%
DJ Global World Real Estate	10.06%
FTSE WGBI Index	7.55%
30 Day T-Bill	4.35%

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

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

Data Source: Morgan Stanley, Broadridge, Morningstar



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

Account Number	Account Type	Beg. Asset Value 31-May-2025	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$49,017,071	\$0	(\$555,684)	\$48,461,387	\$53,506,113	\$5,044,726	10.26%	10.46%
447-xxx451	Union	\$29,351,898	\$0	(\$365,295)	\$28,986,603	\$32,047,860	\$3,061,257	10.42%	10.62%
447-xxx456	VEBA	\$10,274,642	\$0	(\$443,321)	\$9,831,321	\$10,896,430	\$1,065,109	10.41%	10.61%
axx15a	Matrix Trust (Salaried)**	\$818,305	(\$1,101,990)	\$643,685	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$448,410	(\$678,697)	\$420,286	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$62,447	(\$227,168)	\$300,329	\$135,608	\$135,608	\$0	-	-
Consolidated		\$89,972,773	(\$2,007,854)	\$0	\$87,964,919	\$97,136,011	\$9,171,092	10.33%	10.53%

**May 31, 2025 - December 31, 2025**

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75% x (7/12)		3.94%
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		10.20%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills		11.43%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills		12.23%
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		8.01%
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		8.72%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills		9.40%
	Russell 3000	16.40%
	S&P 500	16.64%
	S&P 500 Equal Weight	9.95%
	Russell 1000 Value	13.08%
	Russell 1000	16.20%
	Russell 1000 Growth	18.88%
	Russell 2000	21.10%
	MSCI All Country World ex. US	16.10%
	MSCI EAFE	12.28%
	MSCI EM	22.84%
	Bloomberg Aggregate	4.74%
	Bloomberg Govt/Credit Intermediate	3.82%
	HFRI Fund of Funds Index	9.25%
	DJ Global World Real Estate	4.08%
	FTSE WGBI Index	2.13%
	30 Day T-Bill	2.49%

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

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

Data Source: Morgan Stanley, Broadridge, Morningstar

**SCCT Regional Water Authority**  
**Fourth Quarter Investment Results**  
**September 30, 2025 - December 31, 2025**

Account Number	Account Type	Beg. Asset Value 30-Sep-2025	Net Deposits/Withdrawals	Transfers	Net Invested	Ending Asset Value 31-Dec-2025	Net \$ Gain/Loss	Gain/Loss (net) %	Gain/Loss (gross) %
447-xxx450	Salaried	\$52,735,889	\$0	(\$377,355)	\$52,358,534	\$53,506,113	\$1,147,579	2.17%	2.25%
447-xxx451	Union	\$31,704,224	\$0	(\$350,552)	\$31,353,672	\$32,047,860	\$694,188	2.20%	2.28%
447-xxx456	VEBA	\$11,112,815	\$0	(\$456,117)	\$10,656,698	\$10,896,430	\$239,732	2.21%	2.29%
axx15a	Matrix Trust (Salaried)**	\$348,947	(\$425,146)	\$436,200	\$360,000	\$360,000	\$0	-	-
axx15b	Matrix Trust (Union)**	\$86,111	(\$283,336)	\$387,226	\$190,000	\$190,000	\$0	-	-
axx16	Matrix Trust(VEBA)**	\$23,279	(\$248,269)	\$360,598	\$135,608	\$135,608	\$0	-	-
Consolidated		\$96,011,264	(\$956,752)	\$0	\$95,054,512	\$97,136,011	\$2,081,499	2.19%	2.27%

**September 30, 2025 - December 31, 2025**

Actuarial Assumed Rate of Return

Actuarial Assumed Rate of Return (Current): 6.75% x (3/12)		1.69%
Guidelines/Benchmarks - Market Cap Weighted		
Least Equity Risk: 34% R3000, 11% MSCI ACWxUS, 39% Bloomberg Agg, 4% FTSE WGBI, 9% HFRI FOF, 1% Global RE, 2% T-Bills		2.10%
Strategic: 42% R3000, 15% MSCI ACWxUS, 31% Bloomberg Agg, 3% FTSE WGBI, 5% HFRI FOF, 2% Global RE, 2% T-Bills		2.26%
Most Equity Risk: 44% R3000, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills		2.47%
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		1.75%
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		1.84%
Most Equity Risk: 44% S&P 500 Equal Weighted, 16% MSCI ACWxUS, 16% Bloomberg Agg, 2% FTSE WGBI, 15% HFRI FOF, 5% Global RE, 2% T-Bills		2.03%
	Russell 3000	2.40%
	S&P 500	2.66%
	S&P 500 Equal Weight	1.39%
	Russell 1000 Value	3.81%
	Russell 1000	2.41%
	Russell 1000 Growth	1.12%
	Russell 2000	2.19%
	MSCI All Country World ex. US	5.05%
	MSCI EAFE	4.86%
	MSCI EM	4.73%
	Bloomberg Aggregate	1.10%
	Bloomberg Govt/Credit Intermediate	1.20%
	HFRI Fund of Funds Index	3.18%
	DJ Global World Real Estate	-1.33%
	FTSE WGBI Index	0.11%
	30 Day T-Bill	1.02%

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

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

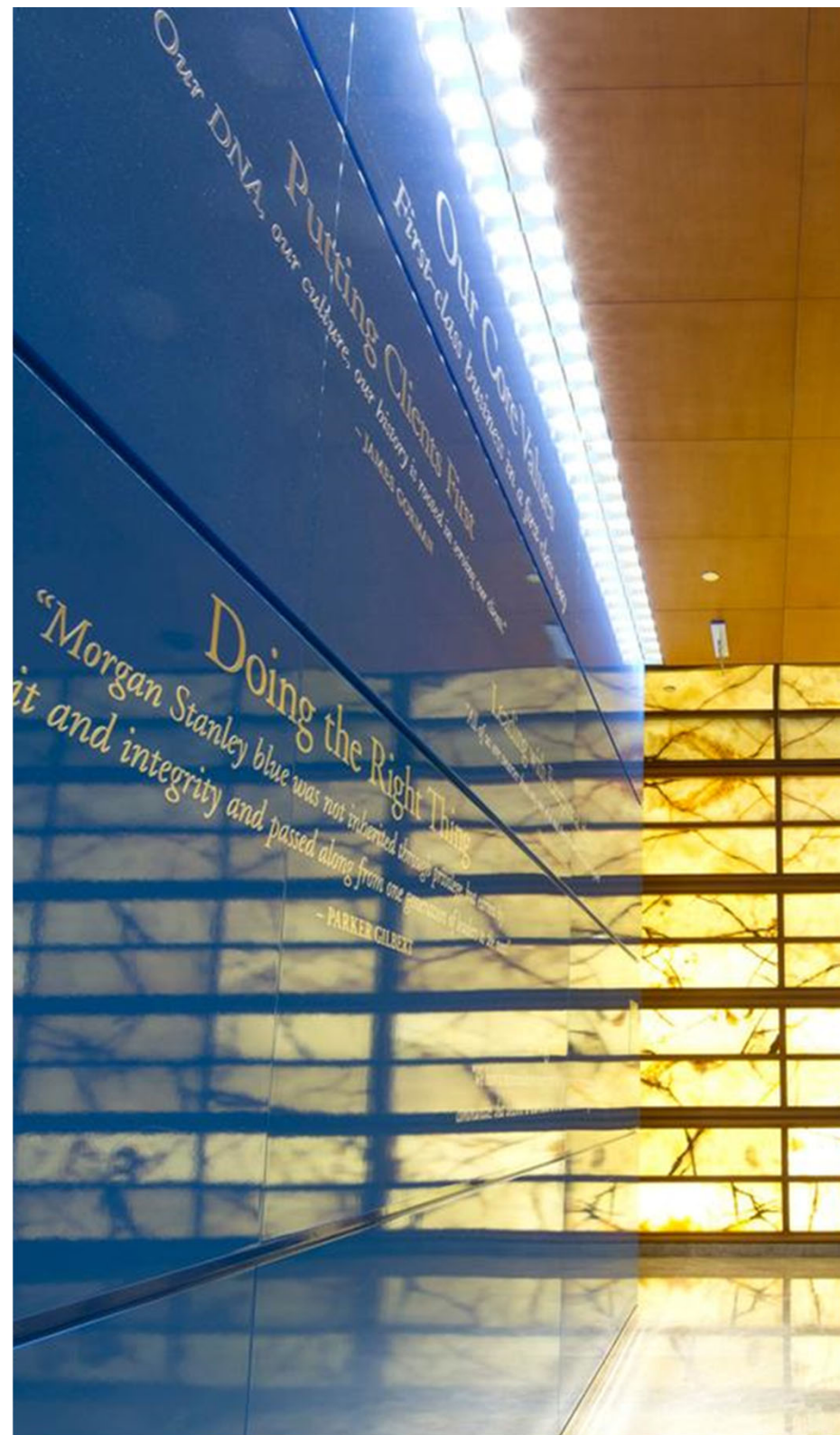
Data Source: Morgan Stanley, Broadridge, Morningstar

# Morgan Stanley

THE KELLIHER CORBETT GROUP  
AT MORGAN STANLEY

SECTION 4

## Appendix



# Mutual Funds/ETFs

Results													
Data as of 12/31/2025		Morningstar	Market Returns (%)								\$	% of	
		Category	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr		Assets	Total		
Cash & Equivalents													
Cash & Equivalents			-	-	-	-	-	-		\$ 1,007,960	1.05%		
Fixed Income													
Vanguard Short-Term Treasury ETF	Short Government	1.12	5.11	●	5.11	●	4.48	●	1.72	●	1.79	\$ 206,142	0.21%
Cat: Short Government	Short Government	1.16	5.08		5.08		4.55		1.49		1.70		
Guggenheim Limited Duration Instl	Short-Term Bond	1.33	5.99	●	5.99	●	6.41	●	2.94	●	3.27	\$ 336,310	0.35%
Vanguard Short-Term Bond ETF	Short-Term Bond	1.15	6.05	●	6.05	●	4.90	●	1.54	●	2.12	\$ 215,939	0.22%
Cat: Short-Term Bond	Short-Term Bond	1.14	5.96		5.96		5.56		2.24		2.51		
Vanguard Interim-Term Bond ETF	Intermediate Core Bond	1.13	8.62	●	8.62	●	5.39	●	-0.17	●	2.49	\$ 2,352,365	2.44%
iShares Core US Aggregate Bond ETF	Intermediate Core Bond	1.00	7.19	●	7.19	●	4.69	●	-0.38	●	1.97	\$ 655,712	0.68%
Cat: Intermediate Core Bond	Intermediate Core Bond	1.02	7.07		7.07		4.81		-0.31		2.00		
Fidelity Total Bond ETF	Intermediate Core-Plus Bond	0.95	7.58	●	7.58	●	5.57	●	0.46	●	3.10	\$ 3,198,193	3.32%
Loomis Sayles Core Plus Bond Y	Intermediate Core-Plus Bond	0.96	8.09	●	8.09	●	4.94	●	-0.12	●	3.01	\$ 2,033,072	2.11%
Cat: Intermediate Core-Plus Bond	Intermediate Core-Plus Bond	1.03	7.33		7.33		5.38		0.18		2.52		
PIMCO Income I2	Multisector Bond	2.51	10.93	●	10.93	●	8.46	●	3.79	●	4.99	\$ 4,939,997	5.12%
Cat: Multisector Bond	Multisector Bond	1.29	7.75		7.75		7.40		2.89		4.07		
Idx: Bloomberg US Agg Bond TR USD	-	1.10	7.30		7.30		4.66		-0.36		2.01		
Idx: Bloomberg US Govt/Credit Interm TR USD	-	1.20	6.97		6.97		5.06		0.96		2.29		
Idx: FTSE WGBI USD	-	0.11	7.55		7.55		3.19		-3.53		0.54		
Sub-Total Fixed Income										\$ 13,937,731	14.45%		

 Green = exceeds peer group

 Yellow = trails peer group

 Red = fails to meet criteria (on watch/remove and/or replacement)

Orange = Fund position only held in VEBA

Assets as of 12/31/2025  
See last page for important disclosure/disclaimer

Data Source: Morgan Stanley & Morningstar

# Mutual Funds/ETFs

## Results

Data as of 12/31/2025	Morningstar	Market Returns (%)								\$	% of		
	Category	3 Month	YTD		1-Yr		3-Yr		5-Yr		10-Yr	Assets	Total
US Equity													
Columbia Dividend Income Inst	Large Value	2.48	15.85	●	15.85	●	13.77	●	12.06	●	12.33	\$ 3,860,435	4.00%
Vanguard Value ETF	Large Value	2.95	15.27	●	15.27	●	13.47	●	12.60	●	11.67	\$ 6,695,154	6.94%
Invesco S&P 100 Equal Weight ETF	Large Value	3.49	17.67	●	17.67	●	18.69	●	13.70	●	14.02	\$ 2,860,490	2.97%
Cat: Large Value	Large Value	3.15	14.97		14.97		13.88		11.66		10.74		
Invesco S&P 500® Equal Weight ETF	Large Blend	1.34	11.22	●	11.22	●	12.54	●	10.26	●	11.47	\$ 2,866,957	2.97%
Vanguard S&P 500 ETF	Large Blend	2.65	17.84	●	17.84	●	22.97	●	14.38	●	14.78	\$ 3,367,688	3.49%
Vanguard Total Stock Market ETF	Large Blend	2.44	17.14	●	17.14	●	22.25	●	13.08	●	14.25	\$ 6,244,404	6.47%
Cat: Large Blend	Large Blend	2.21	15.54		15.54		20.08		12.67		13.32		
MFS Massachusetts Inv Gr Stk I	Large Growth	1.30	10.15	●	10.15	●	16.90	●	10.36	●	14.60	\$ 2,416,658	2.51%
Vanguard Russell 1000 Growth ETF	Large Growth	1.11	18.48	●	18.48	●	31.07	●	15.25	●	18.03	\$ 3,337,776	3.46%
Cat: Large Growth	Large Growth	0.55	16.10		16.10		27.59		11.28		15.25		
iShares Core S&P Small-Cap ETF	Small Blend	1.66	5.95	●	5.95	●	10.12	●	7.23	●	9.76	\$ 1,875,649	1.94%
Cat: Small Blend	Small Blend	1.53	7.89		7.89		11.84		7.63		9.42		
Idx: Russell 3000 TR USD	-	2.40	17.15		17.15		22.25		13.15		14.29		
Idx: S&P 500 TR USD	-	2.66	17.88		17.88		23.01		14.42		14.82		
Idx: Russell 1000 Value TR USD	-	3.81	15.91		15.91		13.90		11.33		10.53		
Idx: Russell 1000 TR USD	-	2.41	17.37		17.37		22.74		13.59		14.59		
Idx: Russell 1000 Growth TR USD	-	1.12	18.56		18.56		31.15		15.32		18.13		
Idx: Morningstar DYF TR USD	-	0.33	12.03		12.03		9.24		10.79		9.16		
Idx: Russell 2000 TR USD	-	2.19	12.81		12.81		13.73		6.09		9.62		
Sub-Total US Equity												\$ 33,525,212	34.76%

● Green = exceeds peer group

● Yellow = trails peer group

□ Red = fails to meet criteria (on watch/remove and/or replacement)

Data Source: Morgan Stanley & Morningstar

Assets as of 12/31/2025

See last page for important disclosure/disclaimer

# Mutual Funds/ETFs

## Results

Morningstar		Market Returns (%)								\$		% of	
Data as of 12/31/2025		Category	3 Month	YTD	1-Yr	3-Yr	5-Yr	10-Yr			Assets	Total	
Global/International Equity													
MFS Intl Diversification I	Foreign Large Blend	3.66	27.81		27.81		15.85		6.78		9.12	\$ 3,411,824	3.54%
Vanguard Total International Stock ETF	Foreign Large Blend	4.51	32.23		32.23		17.14		7.98		8.55	\$ 6,212,484	6.44%
Cat: Foreign Large Blend	Foreign Large Blend	4.35	30.40		30.40		16.73		8.12		8.05		
Capital Group International Focus Eq ETF	Foreign Large Growth	4.49	26.12		26.12		15.09		-		-	\$ 2,817,297	2.92%
Cat: Foreign Large Growth	Foreign Large Growth	0.74	20.29		20.29		13.71		3.44		7.54		
First Eagle Global I	Global Moderately Aggressive Allocation	5.42	31.89		31.89		18.66		12.00		10.32	\$ 3,896,271	4.04%
Cat: Global Moderately Aggressive Allocation	Global Moderately Aggressive Allocation	2.54	18.30		18.30		14.77		8.25		8.83		
Idx: MSCI ACWI Ex USA NR USD	-	5.05	32.39		32.39		17.33		7.91		8.41		
Idx: MSCI ACWI NR USD	-	3.29	22.34		22.34		20.65		11.19		11.72		
Idx: MSCI EAFE NR USD	-	4.86	31.22		31.22		17.22		8.92		8.18		
Idx: MSCI EM NR USD	-	4.73	33.57		33.57		16.40		4.20		8.42		
Sub-Total Global/International Equity											\$ 16,337,876	16.94%	
Balanced													
Capital Group Core Balanced ETF	Moderate Allocation	2.34	15.41		15.41		-		-		-	\$ 3,850,405	3.99%
Janus Henderson Balanced I	Moderate Allocation	1.68	15.01		15.01		15.28		8.43		10.14	\$ 3,900,777	4.04%
Cat: Moderate Allocation	Moderate Allocation	1.96	12.50		12.50		12.90		7.25		8.35		
Idx: Bloomberg US Agg Bond TR USD	-	1.10	7.30		7.30		4.66		-0.36		2.01		
Idx: S&P 500 TR USD	-	2.66	17.88		17.88		23.01		14.42		14.82		
Sub-Total Balanced											\$ 7,751,181	8.04%	
Alternative													
BlackRock Event Driven Equity Instl	Event Driven	1.61	8.43		8.43		5.30		3.55		4.81	\$ 1,444,592	1.50%
Cat: Event Driven	Event Driven	1.96	9.03		9.03		6.56		3.98		4.57		
JPMorgan Hedged Equity I	Equity Hedged	2.50	7.49		7.49		13.83		9.00		9.32	\$ 1,464,653	1.52%
Cat: Equity Hedged	Equity Hedged	1.38	11.19		11.19		11.92		6.57		5.79		
Cohen & Steers Realty Shares L	Real Estate	-2.69	2.82		2.82		7.26		5.72		6.33	\$ 941,443	0.98%
Cat: Real Estate	Real Estate	-1.80	1.60		1.60		6.61		4.51		4.91		
Cohen & Steers Global Realty I	Global Real Estate	-0.61	10.61		10.61		7.29		3.24		4.87	\$ 949,259	0.98%
Cat: Global Real Estate	Global Real Estate	-0.54	11.19		11.19		6.85		2.55		3.84		
Idx: S&P 500 TR USD	-	2.66	17.88		17.88		23.01		14.42		14.82		
Idx: Bloomberg US Agg Bond TR USD	-	1.10	7.30		7.30		4.66		-0.36		2.01		
Idx: Russell 3000 TR USD	-	2.40	17.15		17.15		22.25		13.15		14.29		
Idx: MSCI ACWI NR USD	-	3.29	22.34		22.34		20.65		11.19		11.72		
Idx: DJ Global World Real Estate TR USD	-	-1.33	10.06		10.06		7.06		2.41		4.24		
Sub-Total Alternative											\$ 4,799,947	4.98%	
Total											\$ 77,359,907	80.21%	

● Green = exceeds peer group  
 ● Yellow = trails peer group  
 □ Red = fails to meet criteria (on watch/remove and/or replacement)  
 Data Source: Morgan Stanley & Morningstar

Assets as of 12/31/2025  
 See last page for important disclosure/disclaimer



# Mutual Funds/ETFs

## Statistics

Data as of 12/31/2025	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
<b>Fixed Income</b>										
Vanguard Short-Term Treasury ETF	0.03	0.03	0.26	-0.44	1.87	68	-	-	-	Below Avg
Cat: Short Government	0.54	0.54	0.32	-0.36	2.17	75	22.8	3.1	93752	-
Guggenheim Limited Duration Instl	0.50	0.46	0.29	1.41	1.90	88	-	-	-	Average
Vanguard Short-Term Bond ETF	0.03	0.03	0.40	0.01	2.65	85	-	-	-	Above Avg
Cat: Short-Term Bond	0.63	0.63	0.33	0.61	2.26	81	23.1	4.0	136635	-
Vanguard Inter-Term Bond ETF	0.03	0.03	1.05	0.72	6.41	99	-	-	-	High
iShares Core US Aggregate Bond ETF	0.03	0.03	1.00	0.02	6.05	100	-	-	-	Average
Cat: Intermediate Core Bond	0.54	0.54	0.97	0.13	5.93	98	-	-	-	-
Fidelity Total Bond ETF	0.36	0.36	0.97	0.86	5.93	99	-	-	-	Average
Loomis Sayles Core Plus Bond Y	0.48	0.48	1.13	0.34	6.88	99	-	-	-	Above Avg
Cat: Intermediate Core-Plus Bond	0.76	0.76	0.96	0.68	5.94	96	-	-	-	-
PIMCO Income I2	0.64	0.60	0.76	3.48	4.82	90	-	-	7563	Average
Cat: Multisector Bond	0.92	0.92	0.68	2.48	4.61	78	-	-	-	-

See last page for important disclosure/disclaimer

Orange = Fund position only held in VEBA

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

Data Source: Morgan Stanley & Morningstar

# Mutual Funds/ETFs

## Statistics

Data as of 12/31/2025	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
<b>US Equity</b>										
Columbia Dividend Income Inst	0.65	0.65	0.72	-3.43	10.14	72	21.1	3.6	220043	Low
Vanguard Value ETF	0.04	0.04	0.78	-4.57	11.58	65	20.2	2.8	141988	Average
Invesco S&P 100 Equal Weight ETF	0.25	0.25	0.89	-1.88	11.61	85	21.8	3.6	224565	Average
<b>Cat: Large Value</b>	<b>0.85</b>	<b>0.85</b>	<b>0.82</b>	<b>-4.83</b>	<b>12.25</b>	<b>65</b>	<b>19.8</b>	<b>2.9</b>	<b>171395</b>	-
Invesco S&P 500® Equal Weight ETF	0.20	0.20	1.00	-8.86	13.75	76	22.0	2.9	46698	Above Avg
Vanguard S&P 500 ETF	0.03	0.03	1.00	-0.03	11.96	100	27.6	5.1	465428	Average
Vanguard Total Stock Market ETF	0.03	0.03	1.05	-1.32	12.56	99	26.7	4.6	291256	Average
<b>Cat: Large Blend</b>	<b>0.73</b>	<b>0.73</b>	<b>0.98</b>	<b>-2.16</b>	<b>12.44</b>	<b>90</b>	<b>27.3</b>	<b>5.1</b>	<b>539433</b>	-
MFS Massachusetts Inv Gr Stk I	0.46	0.46	1.02	-5.36	12.44	95	33.2	7.3	363298	Low
Vanguard Russell 1000 Growth ETF	0.07	0.07	1.16	4.25	14.92	86	37.2	13.3	909375	Average
<b>Cat: Large Growth</b>	<b>0.90</b>	<b>0.90</b>	<b>1.21</b>	<b>0.73</b>	<b>16.16</b>	<b>82</b>	<b>35.1</b>	<b>9.6</b>	<b>717299</b>	-
iShares Core S&P Small-Cap ETF	0.06	0.06	1.23	-13.92	19.59	56	17.3	1.8	3273	Above Avg
<b>Cat: Small Blend</b>	<b>0.97</b>	<b>0.97</b>	<b>1.20</b>	<b>-12.07</b>	<b>18.49</b>	<b>60</b>	<b>17.8</b>	<b>2.1</b>	<b>5921</b>	-

See last page for important disclosure/disclaimer

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

**Data Source: Morgan Stanley & Morningstar**

# Mutual Funds/ETFs

## Statistics

Data as of 12/31/2025

	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
<b>Global/International Equity</b>										
MFS Intl Diversification I	0.83	0.83	0.94	-0.63	11.30	95	17.9	2.2	46974	Below Avg
Vanguard Total International Stock ETF	0.05	0.05	1.00	-0.18	11.87	98	17.1	2.0	40411	Below Avg
Cat: Foreign Large Blend	0.86	0.86	0.97	-0.14	12.15	88	18.6	2.3	77031	-
Capital Group International Focus Eq ETF	0.54	0.54	1.10	-2.88	13.96	86	19.0	2.8	95350	-
Cat: Foreign Large Growth	0.99	0.99	1.09	-3.92	14.38	80	22.9	3.5	89451	-
First Eagle Global I	0.86	0.86	1.00	5.58	9.91	80	19.0	2.2	76320	Below Avg
Cat: Global Moderately Aggressive Allocation	1.01	1.01	1.12	1.37	10.79	88	22.5	3.1	123468	-
<b>Balanced</b>										
Capital Group Core Balanced ETF	0.33	0.33	-	-	-	-	28.1	5.0	276422	-
Janus Henderson Balanced I	0.66	0.66	0.92	3.10	9.08	82	30.4	7.6	680910	Above Avg
Cat: Moderate Allocation	0.99	0.99	0.92	1.00	8.95	84	24.1	3.9	248098	-
<b>Alternative</b>										
BlackRock Event Driven Equity Instl	1.29	1.29	0.23	-2.98	3.64	50	21.2	3.1	22334	Average
Cat: Event Driven	1.88	1.88	0.19	-1.25	4.47	23	-	2.3	11495	-
JPMorgan Hedged Equity I	0.57	0.57	0.63	-2.03	8.04	87	27.9	5.1	486048	Average
Cat: Equity Hedged	1.19	1.19	0.56	-2.60	8.46	67	28.0	5.3	619678	Average
Cohen & Steers Realty Shares L	0.88	0.88	1.17	-13.70	16.73	63	34.4	2.5	32840	Average
Cat: Real Estate	1.10	1.10	1.16	-14.10	16.93	61	30.1	2.6	36590	-
Cohen & Steers Global Realty I	0.90	0.90	1.13	-13.19	15.74	66	24.2	1.5	19376	Average
Cat: Global Real Estate	1.07	1.07	1.08	-12.94	15.72	61	20.9	1.5	17347	-

See last page for important disclosure/disclaimer

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

**Data Source: Morgan Stanley & Morningstar**

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

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

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

Assets as of 12/31/2025

Data Source: Morningstar; as of 12/31/2025

# Important Disclosures

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

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

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

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

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

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

The trademarks and service marks contained herein are the property of their respective owners. Third-party data providers make no warranties or representations, express or implied, relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data. Unless otherwise specifically indicated, all information in these materials with respect to any third party not affiliated with Morgan Stanley Wealth Management has been provided by, and is the sole responsibility of, such third party and has not been independently verified by Morgan Stanley Wealth Management, its affiliates or any other independent third party. This material may not be sold or redistributed without the prior written consent of Morgan Stanley Wealth Management. This material is not for distribution outside the United States of America. © 2017 Morgan Stanley Smith Barney LLC. Member SIPC.

# Terms & Conditions of Use

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

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

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

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

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

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

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

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

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



# Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



# J.P. Morgan Asset Management – Index definitions

GTM

U.S.

69

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.



# J.P. Morgan Asset Management – Definitions

GTM

U.S.

70

## *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.



# J.P. Morgan Asset Management – Risks & disclosures

GTM

U.S.

71

**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.

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from J.P. Morgan Asset Management or any of its subsidiaries to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine, together with their own financial professional, if any investment mentioned herein is believed to be appropriate to their personal goals. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice. All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. It should be noted that investment involves risks, the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Both past performance and yields are not reliable indicators of current and future results.

J.P. Morgan Asset Management is the brand for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide.

To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our privacy policies at <https://am.jpmorgan.com/global/privacy>.

This communication is issued by the following entities:

In the United States, by J.P. Morgan Investment Management Inc. or J.P. Morgan Alternative Asset Management, Inc., both regulated by the Securities and Exchange Commission; in Latin America, for intended recipients' use only, by local J.P. Morgan entities, as the case may be. In Canada, for institutional clients' use only, by JPMorgan Asset Management (Canada) Inc., which is a registered Portfolio Manager and Exempt Market Dealer in all Canadian provinces and territories except the Yukon and is also registered as an Investment Fund Manager in British Columbia, Ontario, Quebec and Newfoundland and Labrador. In the United Kingdom, by JPMorgan Asset Management (UK) Limited, which is authorized and regulated by the Financial Conduct Authority; in other European jurisdictions, by JPMorgan Asset Management (Europe) S.à r.l. In Asia Pacific ("APAC"), by the following issuing entities and in the respective jurisdictions in which they are primarily regulated: JPMorgan Asset Management (Asia Pacific) Limited, or JPMorgan Funds (Asia) Limited, or JPMorgan Asset Management Real Assets (Asia) Limited, each of which is regulated by the Securities and Futures Commission of Hong Kong; JPMorgan Asset Management (Singapore) Limited (Co. Reg. No. 197601586K), this advertisement or publication has not been reviewed by the Monetary Authority of Singapore; JPMorgan Asset Management (Taiwan) Limited; JPMorgan Asset Management (Japan) Limited, which is a member of the Investment Trusts Association, Japan, the Japan Investment Advisers Association, Type II Financial Instruments Firms Association and the Japan Securities Dealers Association and is regulated by the Financial Services Agency (registration number "Kanto Local Finance Bureau (Financial Instruments Firm) No. 330"); in Australia, to wholesale clients only as defined in section 761A and 761G of the Corporations Act 2001 (Commonwealth), by JPMorgan Asset Management (Australia) Limited (ABN 55143832080) (AFSL 376919). For all other markets in APAC, to intended recipients only.

**For U.S. only:** If you are a person with a disability and need additional support in viewing the material, please call us at 1-800-343-1113 for assistance.

Copyright 2026 JPMorgan Chase & Co. All rights reserved

Prepared by: David P. Kelly, Jordan K. Jackson, John C. Manley, Meera Pandit, Gabriela D. Santos, Aaron Mulvihill, Stephanie Aliaga, Sahil Gauba, Brandon Hall, Katie Korngiebel and Grant Papa.

Unless otherwise stated, all data are as of December 31, 2025 or most recently available.

**Guide to the Markets – U.S.**

JP-LITTLEBOOK | 2663a490-d1e1-11e6-9dd9-005056960c8a

**J.P.Morgan**  
ASSET MANAGEMENT

General Disclosures

Morgan Stanley Wealth Management ("MSWM", "Morgan Stanley" or "MSSB") is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer and investment adviser in the United States. This material is for educational purposes only and is not an offer or solicitation to buy, sell, or participate in any security or trading strategy. Past performance is not a guarantee of future results.

Morgan Stanley offers a range of brokerage and advisory services, which create different types of client relationships and obligations. Please consult with your Financial Advisor to understand these differences, or review our "Understanding Your Brokerage and Investment Advisory Relationships" brochure available at [www.morganstanley.com/wealth-relationshipwithms/pdfs/understandingyourrelationship.pdf](http://www.morganstanley.com/wealth-relationshipwithms/pdfs/understandingyourrelationship.pdf).

**Asset allocation, diversification, rebalancing and dollar cost averaging** do not guarantee a profit or protect against loss in declining markets. Past performance is no guarantee of future results and actual results may vary. Rebalancing strategies may also have tax consequences; investors should consult a qualified tax advisor before implementing such strategies.

**Conflicts of Interest:** As a diversified global financial services firm, Morgan Stanley engages in a broad range of activities, including financial advisory and investment management services; sponsoring and managing private investment funds; broker-dealer and principal securities transactions, commodities and foreign exchange transactions; and the publication of research, among other activities. In the ordinary course of its business, these activities may create situations where Morgan Stanley's interests may conflict with those of its clients, including the private investment funds it manages. Morgan Stanley can give no assurance that such conflicts of interest will be resolved in favor of its clients or any particular fund.

**Indices** are unmanaged and cannot be invested in directly. For index, indicator and survey definitions referenced in this report, please visit: [www.morganstanley.com/wealth-investmentsolutions/wmir-definitions](http://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions)

For more information, please refer to additional General Disclosures here: [www.morganstanley.com/wealthbooks#general-disclosures](http://www.morganstanley.com/wealthbooks#general-disclosures).

Risks Associated With Investing

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. **Please carefully consider the investment objectives, risks, charges and expenses of investment fund(s) before investing. The fund prospectus contains this and other information about the fund(s). To obtain a prospectus, contact your financial advisor. Please read the prospectus carefully before investing.** There is no assurance that investment funds will achieve their investment objectives. 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. 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. Some funds also invest in foreign securities, which may involve currency risk. **Equity securities** may fluctuate in response to news on companies, industries, market conditions and general economic environment. Companies paying dividends can reduce or cut payouts at any time. 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. **Growth investing** does not guarantee a profit or eliminate risk. Growth stocks can trade at relatively high valuations which may increase risk compared with an investment in a company with more modest growth expectations. **Value investing** does not guarantee a profit or eliminate risk. Not all companies deemed value stocks are able to turn around their business or successfully execute corrective strategies, and their stock prices may not rise as initially expected.

The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or value at maturity. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. Yields may change with economic conditions and should be considered alongside other factors when making investment decisions. Credit ratings are subject to change. **High yield bonds** carry additional risks, including increased risk of default and greater volatility due to lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes, though 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)** adjust coupon payments and underlying principal to compensate for inflation in line with the consumer price index (CPI). While the real rate of return is guaranteed, TIPS typically offer lower returns and may significantly underperform conventional U.S. Treasuries during periods of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The **Ultrashort-term fixed income** asset class consists of high-quality securities with very short maturities and is therefore still subject to the risks associated with debt securities such as credit and interest rate risk.

**Money Market Funds:** You could lose money in money market funds. Although government money market funds (defined as investing 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (defined as money market funds open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee doing so. The price of other money market funds will fluctuate, and when you sell shares they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A money market fund investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund and investors should not expect that the sponsor will provide financial support to the Fund at any time.

Investing in **Commodities:** Commodity prices may be affected by factors such as supply and demand, government policies, domestic or international political and economic events (including war or terrorism), changes in interest and exchange rates, trading activity in commodities and related contracts, pestilence, technological developments, weather, price volatility, and liquidity constraints. Physical precious metals are speculative, non-regulated products that may experience short- and long-term price volatility. Precious metals do not make interest or dividend payments and therefore may not be appropriate for investors who require current income. Precious metals must be stored, which may impose additional costs on investors.

**Master Limited Partnerships (MLPs):** Investments in MLPs are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity price fluctuations, supply

and demand imbalances, resource depletion and exploration risk. MLPs also carry interest rate risk and may underperform in rising interest rate environments. In addition, MLP funds accrue deferred income taxes on net operating gains and capital appreciation; as a result their after-tax performance could differ significantly from that of its underlying assets.

**Exchange Funds** are private placement vehicles that enable holders of concentrated single-stock positions to exchange those stocks for a diversified portfolio. Investors may benefit from greater diversification.

**Alternative investments** are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They are appropriate only for eligible, long-term investors willing to forgo liquidity and put capital at risk for an indefinite period. They are often illiquid, may employ leverage, short-selling, or other speculative practices that increase volatility and risk of loss, and may require large minimum investments and initial lock-ups. Alternative investments may also involve complex tax structures, tax-inefficient investing, and delays in distributing important tax documents. Clients should consult their own tax and legal advisors, as Morgan Stanley Wealth Management does not provide tax or legal advice. They also typically carry higher fees and expenses than traditional investments, which can reduce overall returns.

**Sector investments**, due to their narrow focus, tend to be more volatile than broadly diversified investments. **Non-diversified portfolios:** Portfolios that hold a concentrated number of securities may experience greater overall declines when those securities lose value compared with more diversified portfolios. Portfolios that invest heavily in one or a few industry sectors are more vulnerable to price fluctuations than those diversified across a wider range of sectors.

**Environmental, Social and Governance (ESG)** investments in a portfolio may experience performance that is lower or higher than a portfolio not employing such practices. Portfolios with ESG restrictions and strategies as well as ESG investments may not be able to take advantage of the same opportunities or market trends as portfolios where ESG criteria is not applied. There are inconsistent ESG definitions and criteria within the industry, as well as multiple ESG ratings providers that provide ESG ratings of the same subject companies and/or securities that vary among the providers. Certain issuers of investments may have inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. ESG designations are as of the date of this material, and no assurance is provided that the underlying assets have maintained or will maintain any such designation or any stated ESG compliance. As a result, it is difficult to compare ESG investment products or to evaluate an ESG investment product in comparison to one that does not focus on ESG. Investors should also independently consider whether the ESG investment product meets their own ESG objectives or criteria. There is no assurance that an ESG investing strategy or techniques employed will be successful. Past performance is not a guarantee or a dependable measure of future results.

**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. 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. 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.

For more information, please refer to additional Risks Associated With Investing here: [www.morganstanley.com/wealthbooks#risks-associated-with-investing](http://www.morganstanley.com/wealthbooks#risks-associated-with-investing).

#### Investment Advisory Programs

The sole purpose of this material is to inform, and it in no way is intended to be an offer or solicitation to purchase or sell any security, other investment or service, or to attract any funds or deposits. Investments mentioned may not be appropriate for all clients. MSWM offers investment program services through a variety of investment programs, which are opened pursuant to written client agreements. Each program offers investment managers, funds and features that are not available in other programs; conversely, some investment managers, funds or investment strategies may be available in more than one program. For more information, please see the Morgan Stanley Smith Barney LLC MSWM program disclosure brochure (the "Morgan Stanley ADV"). The Morgan Stanley ADV is available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV).

**The Morgan Stanley Pathway Funds, Firm Discretionary UMA Model Portfolios, and other asset allocation or any other model portfolios** that are 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/ADV](http://www.morganstanley.com/ADV) or request from your Morgan Stanley Financial Advisor or Private Wealth Advisor. To learn more about the Morgan Stanley Pathway Funds, visit the Funds' website at [www.morganstanley.com/wealth-investmentsolutions/cgcm](http://www.morganstanley.com/wealth-investmentsolutions/cgcm).

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 Morgan Stanley ADV. 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 Morgan Stanley ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's SMA programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instances, 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](http://www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf). For more information on trading and costs, please refer to the **Morgan Stanley ADV** or contact your Financial Advisor / Private Wealth Advisor.

**GIMA Conflicts of Interest:** Our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by Global Investment Manager Analysis (GIMA) come from a variety of sources, including our MSWM Financial Advisors and their direct or indirect managers, and other business persons within MSWM or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, MSWM or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds or for which a portion of their clients' assets are already invested. Separately, certain strategies managed or sub-advised by us or our affiliates, including but not limited to MSIM and Eaton Vance Management ("EVM") and its investment affiliates, may be included in your account. See the conflicts of interest section in the applicable Morgan Stanley ADV brochure for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, MSWM, Morgan Stanley & Co. LLC ("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.

MSWM, managers, MS & Co., and their affiliates receive compensation and fees in connection with these services. MSWM 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 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.

For more information, please refer to additional Investment Advisory Programs disclosures here: [www.morganstanley.com/wealthbooks#investment-advisory-programs](http://www.morganstanley.com/wealthbooks#investment-advisory-programs).

### Products and Services

**Annuities and insurance products** are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates. Not all products and services discussed herein are available through Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates. Since life and long-term care insurance are medically underwritten, you should not cancel your current policy until your new policy is in force. A change to your current policy may incur charges, fees and costs. A new policy will require a medical exam. Surrender charges may be imposed and the period of time for which the surrender charges apply may increase with a new policy. You should consult with your own tax advisors regarding your potential tax liability on surrenders. 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.

**Lending products, including securities-based loans**, are offered by Morgan Stanley Smith Barney LLC (MSSB), Morgan Stanley Private Bank, National Association (MSPBNA), and Morgan Stanley Bank, N.A. (MSBNA), collectively referred to as "the Firm" as applicable. Borrowing against securities involves risk and may not be appropriate for all clients. Risks include maintenance calls, forced liquidation of securities, and potential tax consequences. The Firm reserves the right to change collateral requirements, decline funding requests, or call loans at any time. Products are distinct and subject to independent underwriting and approval. Rates, terms, and availability may vary.

**Residential mortgage loans and home equity lines of credit** are offered by MSPBNA, Member FDIC an Equal Housing Lender. 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 MSSB or other brokerage account.** The pledged-asset feature allows eligible securities to be used as a substitute for a cash down payment. The pledged-asset feature allows eligible securities to be used as an alternative to a cash down payment. Clients must maintain collateral levels and may be subject to liquidation if requirements are not met. Interest-only and adjustable-rate mortgages (ARMs) carry specific risks, including payment increases and higher total interest costs. ARMs are based on the SOFR 30-Day Average. Relationship-based pricing is available based on eligible household assets held at the Firm.

**Cards and Cash Management:** Debit Cards offered through the Firm are issued by MSPBNA under license from Mastercard. American Express Cards offered through the Firm include the Platinum Card®, Blue Cash Preferred®, and the Morgan Stanley Credit Card. Eligibility requires an "Eligible Account" at the Firm. Cards are issued by American Express National Bank. Terms, conditions, and restrictions apply. The Greenlight App and Debit Card is provided by Greenlight Financial Technologies, not the Firm or any of its affiliates. The Morgan Stanley CashPlus is a brokerage account offered through MSSB. Conditions and restrictions apply. For more information, see the CashPlus Disclosure Statement.

**Deposit Products and FDIC:** Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s) at FDIC-insured banks. Certain conditions must be met. For more information, view the Bank Deposit Program Disclosure Statement. The Savings and Preferred Savings Programs offer FDIC-insured deposit accounts at Morgan Stanley Private Bank, National Association, Member FDIC or Morgan Stanley Bank, N.A., Member FDIC. 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 are limited to 10 per calendar month, and excess withdrawals may incur fees. Promotional rates may be offered from time to time and are subject to change at any time.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer 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**

For more information, please refer to additional Products and Services disclosures here: [www.morganstanley.com/wealthbooks#products-and-services](http://www.morganstanley.com/wealthbooks#products-and-services).

#### **Other General Disclosures**

When MSWM, its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors (collectively, "MS") provide "investment advice" regarding a retirement or welfare benefit plan account, an individual retirement account or a Coverdell education savings account ("Retirement Account"), MS is a "fiduciary" as those terms are defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and/or the Internal Revenue Code of 1986 (the "Code"), as applicable. When MS provides investment education, takes orders on an unsolicited basis or otherwise does not provide "investment advice", MS will not be considered a "fiduciary" under ERISA and/or the Code. For more information regarding MS's role with respect to a Retirement Account, please visit [www.morganstanley.com/disclosures/dol](http://www.morganstanley.com/disclosures/dol). Tax laws are complex and subject to change. MS does not provide tax or legal advice. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a Retirement Account, and (b) regarding any potential tax, ERISA and related consequences of any investments or other transactions made with respect to a Retirement Account. Individuals should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning, charitable giving, philanthropic planning and other legal matters. This material is not a financial plan and does not establish an investment advisory relationship. MS will only prepare a financial plan at your specific request using MS approved financial planning software.

**No obligation to notify:** MSWM has no obligation to notify you when the model portfolios, strategies, or any other information in this material changes. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results.

This material, or any portion thereof, **may not be reprinted, sold or redistributed** without the written consent of Morgan Stanley Smith Barney LLC.

E\*TRADE from Morgan Stanley is a registered trademark of Morgan Stanley. Morgan Stanley Smith Barney LLC, Member SIPC. Consulting Group, Investment Advisory Services, Private Wealth Management and Graystone are businesses of Morgan Stanley Smith Barney LLC.

For more information, please refer to additional Other General Disclosures here: [www.morganstanley.com/wealthbooks#other-general-disclosures](http://www.morganstanley.com/wealthbooks#other-general-disclosures).

© 2025 Morgan Stanley Smith Barney LLC.

CRC 4953093 (11/25)