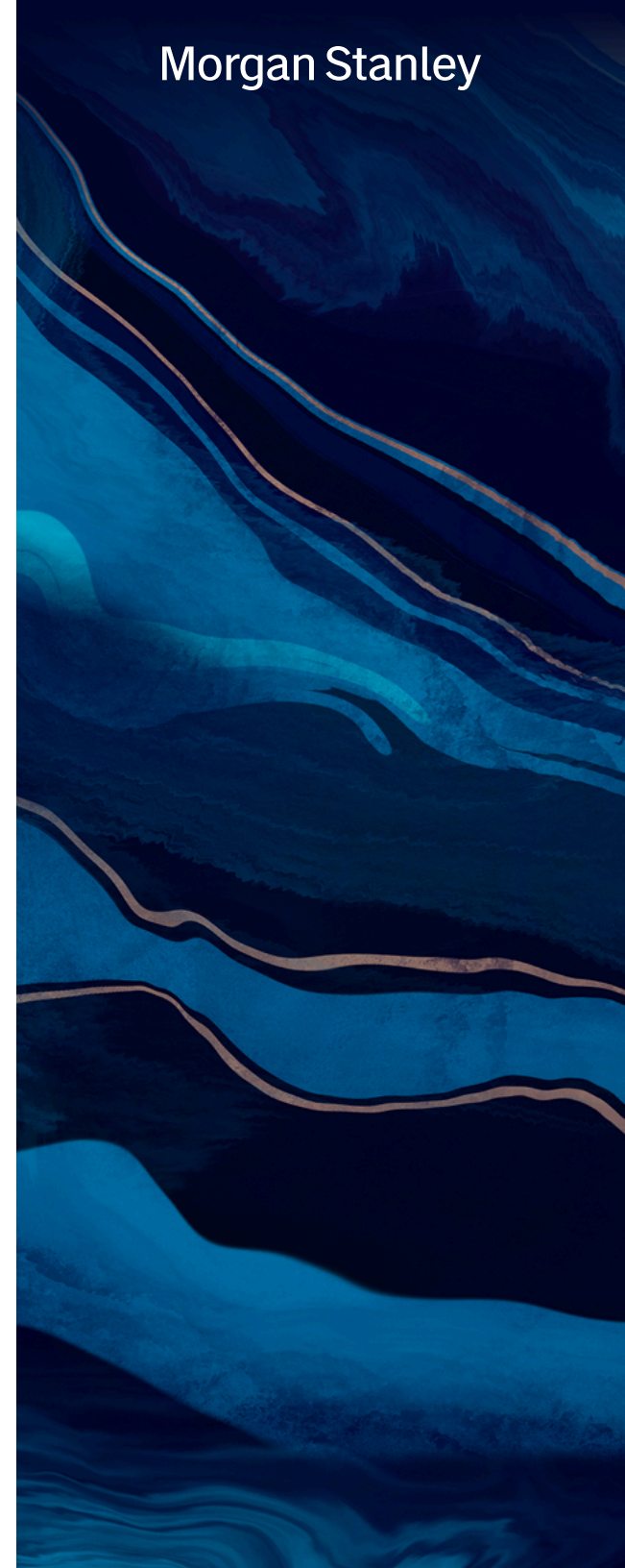


November perspectives NBA version



Where We Are

November 2025

- **The US equity bull market, entering its fourth year, has stalled over the past month pulling back roughly 1% from all-time highs during what is typically one of the strongest months of the year. Much better-than-expected earnings in Q3, characterized by strong revenue beats, have not catalyzed a major upgrade in 2026 earnings revisions. In fact, while total earnings forecasts have improved by ~1% to \$306/sh, earnings revisions breadth has once again deteriorated. Factors weighing on stocks in the last month:**
 - Somewhat hawkish Fed rhetoric following the October 27 rate cut has reduced odds for December cut from 90% to ~70%.
 - Cracks in credit markets from several high-profile bankruptcies have focused attention on defaults plus “liquidity management exercises.”
 - The longest government shutdown in history, though now in the process of being resolved, is likely to shave 0.3-0.4% off Q4 GDP, with 0.1-0.2% permanent loss.
 - In the absence of government labor data, markets have focused on deterioration in layoffs data and still declining job openings and rising youth unemployment.
 - Continuing uncertainty around Supreme Court cases surrounding tariffs and Fed independence.
- **That said, the forces supporting the bull market remain firmly in place and the key controversy has refocused on whether 2026 is an “early cycle” re-acceleration, which implies improving breadth and has been priced in for most of the summer or a late cycle narrowing grind as forecast by the GIC. Against a backdrop of already easy financial conditions, we have observed the following extremes that are typically seen only coming out of recessions and have only begun to unwind.**
 - S&P 500 up nearly 90% since the October 2022 low and selling for 22.8x forward earnings; up 13% YTD toward all time highs.
 - Most extreme six-month rebound outside of recessions (up nearly 40%) in history.
 - Most extreme six-month period of outperformance of cyclical versus defensive stocks in 35 years.
 - YTD record outperformance of the high beta factor versus quality factor.
 - Material outperformance of IPOs, micro-cap and small cap stocks versus large cap stocks.
 - Outperformance by unprofitable tech of the Mag 7.
- **We don’t think that we are emerging from recession and that 2026 will not mark a broad-based economic re-acceleration. Consequently, we are cautious about the achievability of 2026/27 earnings estimates. Within the context of being 300bps overweight US equities, we position GIC portfolios to be up in quality/larger capitalization**
 - Current market valuations are premised on 2026 delivering record profit margins; blended forward earnings breaching \$310/sh from current estimates of \$270-280/sh and acceleration of profit growth among the “493” who are likely to face continued headwinds from tariffs, a slowing consumer and slower-than-hoped productivity gains.
 - We see rate cut expectations potentially disappointing with yield curves staying biased toward steepening.
 - 2026 stock gains are in the 5-10% range to an S&P 500 at 7,200.
- **Bull markets are meant to be ridden NOT timed but exuberance should be tempered; GIC continues to recommend maximum portfolio diversification and risk management; it’s a risk manager’s market, not a passive investor market**

Source: Morgan Stanley Wealth Management Global Investment Office (GIO).

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2026 Key Controversies

1. Market Valuations; It's "show me" time on earnings

- Overall index metrics are near historic extremes, S&P 500 index at ~22-23x forward earnings, Buffet indicator at historic high.
- But valuation extremes are concentrated among the top 10 names, which are historically more profitable and cashflow generative.
- The S&P500 equal weighted is relatively cheap in historic terms and could revalue if cyclical re-acceleration occurs.

2. Early Cycle or Late?

- Reacceleration, not recession risk is what is priced; market assumes another 75bps of Fed cuts.
- Key is broadening of capex spending and recovery/stabilization of labor market (cyclical versus secular?); Six-month forward plans not encouraging.
- GIC sees GDP slowing in 1H26, not re-accelerating; consumer still matters; manufacturing and housing lackluster.

3. Inflation Tamed?

- Readings are sticky and tariff risks remain as middle market corporate margins have absorbed price changes.
- Weaker US dollar is headwind; monetary and fiscal stimulus could cause prices to run hot; Fed independence remains issue.
- Tug of war between lower oil prices but higher electricity prices.

4. The K-shaped Economy?

- Wealth effects may be swamping income effects; obscuring true read of breadth of economic health.
- Monetary policy accommodation may exacerbate "bubbles."

5. AI Productivity Gains and Corporate Margins A Productivity Renaissance?

- Promises are big but adoption is only 15-20%.
- Productivity gains not yet in evidence, concentrated among tech companies themselves.
- Scale and size are overwhelming drivers leaving the "493" and small-mid behind.

6. Credit Cockroaches?

- Private credit is the epicenter of stress, defaults plus "liquidity management exercises" are over 4%.
- Fed easing may not be enough as floating rate borrowing costs are well above large cap competitors.

7. AI Bubble?

- Spending is accelerating and FCF growth of Mag-7 has gone negative; GIC believes we are in the sixth inning for pricing potential.
- Ecosystem is increasingly using debt and interconnected vendor financing.

8. American Exceptionalism Everlasting?

- Valuation differentials extreme; growth advantages closing; debts/deficits become long run constraint.
- Rest of world outperforming by 1,000bps in 2025.

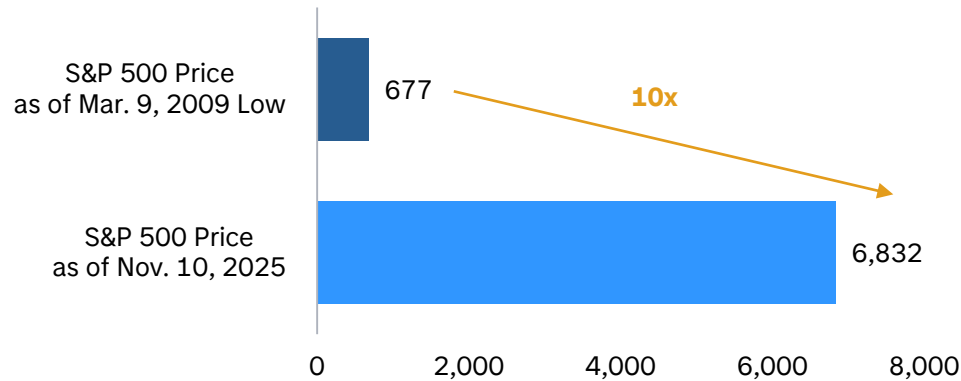
Source: Morgan Stanley Wealth Management GIO

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US Investors Should Not Underestimate the Uniqueness of These Times

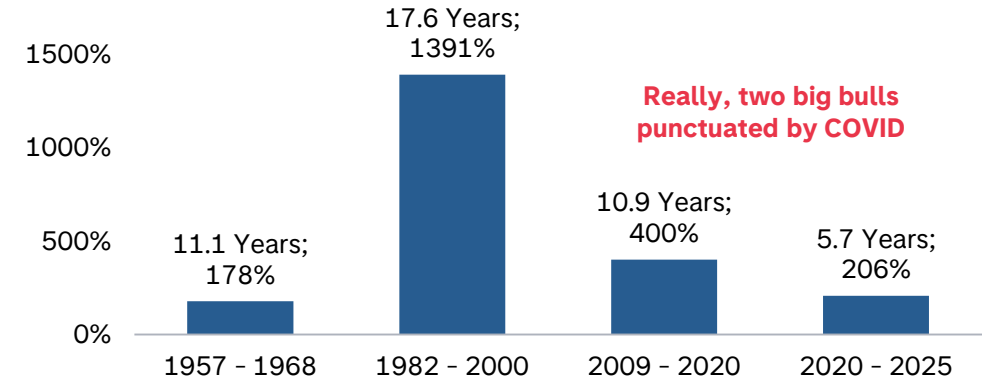
POST GFC TENFOLD MOVE: THE GREAT DELEVERAGING

AS OF NOVEMBER 10, 2025



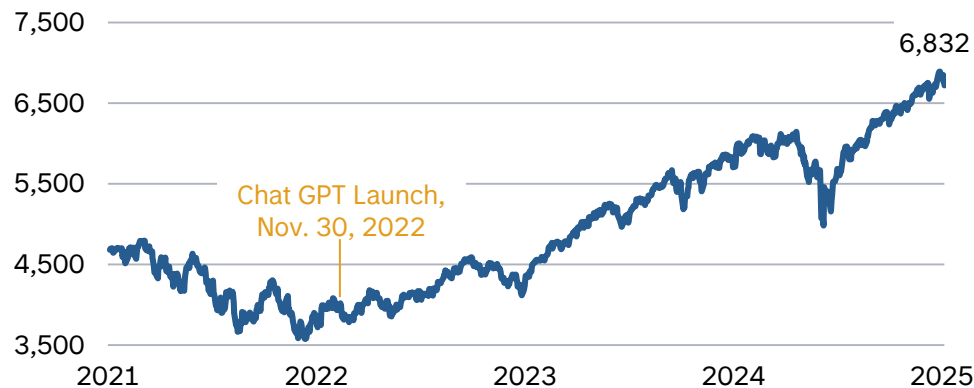
S&P 500 CUMULATIVE RETURN

AS OF NOVEMBER 10, 2025



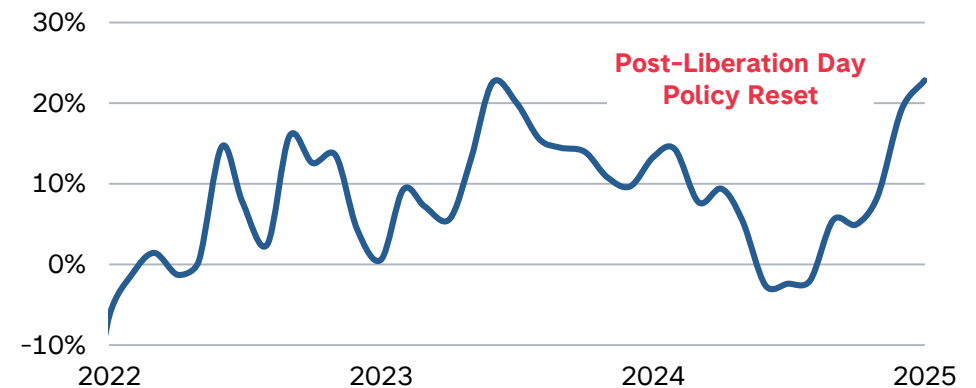
S&P 500 GREAT TECH RESET OF 2022: A GEN AI TECH BOOM

AS OF NOVEMBER 10, 2025



S&P 500 TRAILING SIX-MONTH ROLLING RETURN

AS OF NOVEMBER 10, 2025



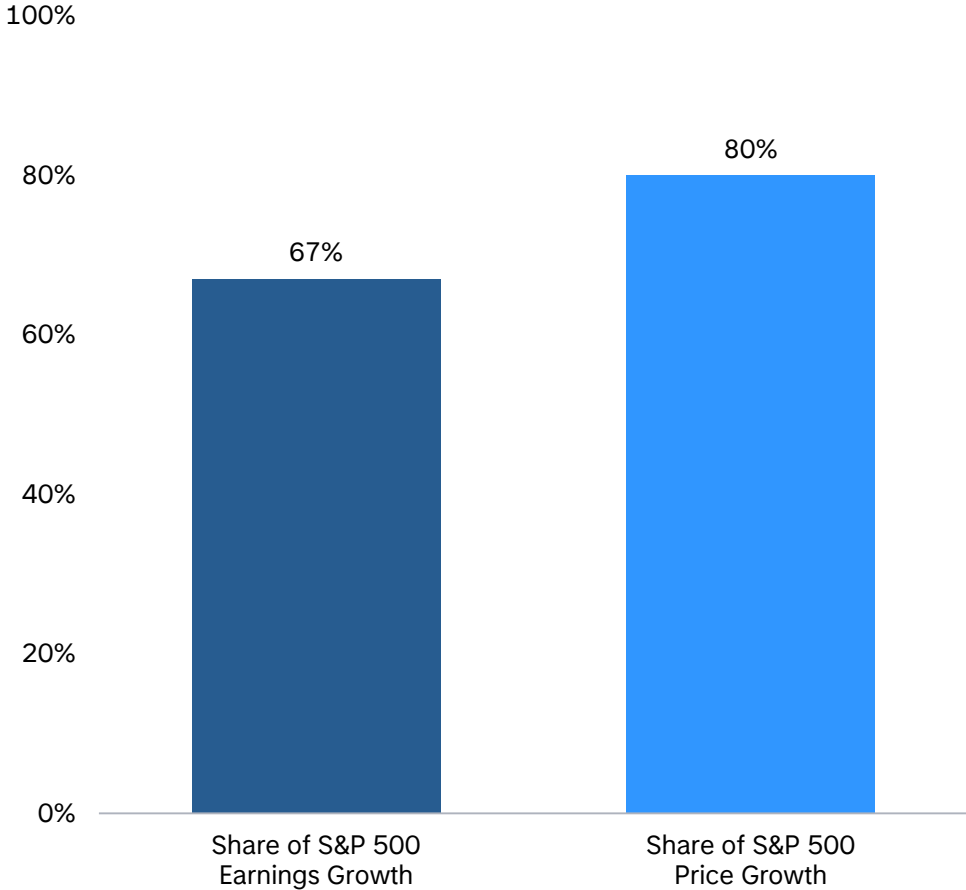
Source: Morgan Stanley Wealth Management GIO, Bloomberg

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This Three-Year Old Bull Market Has Been One Note

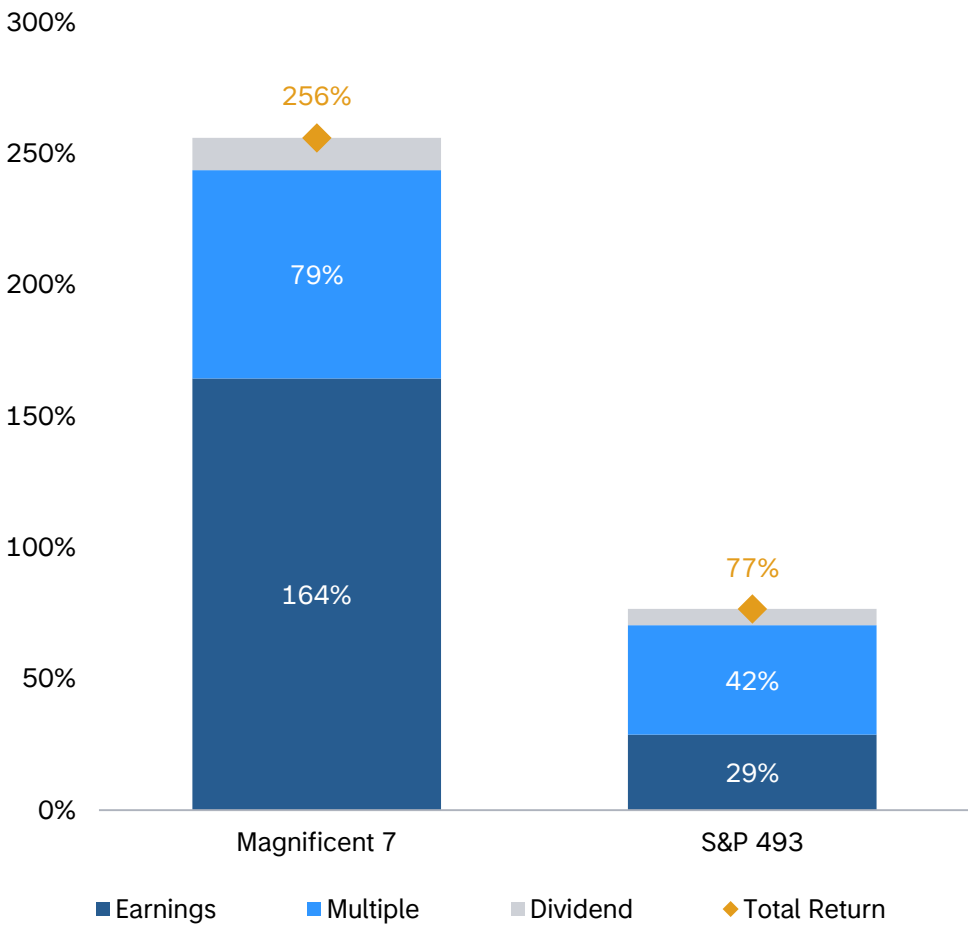
MAG. 7 SHARE OF S&P 500 GROWTH SINCE OCT. 12, 2022

AS OF NOVEMBER 7, 2025



COMPOSITION OF TOTAL RETURNS SINCE OCT. 12, 2022

AS OF NOVEMBER 7, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg

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The Great Gen AI Bull Market Is Not Debatable

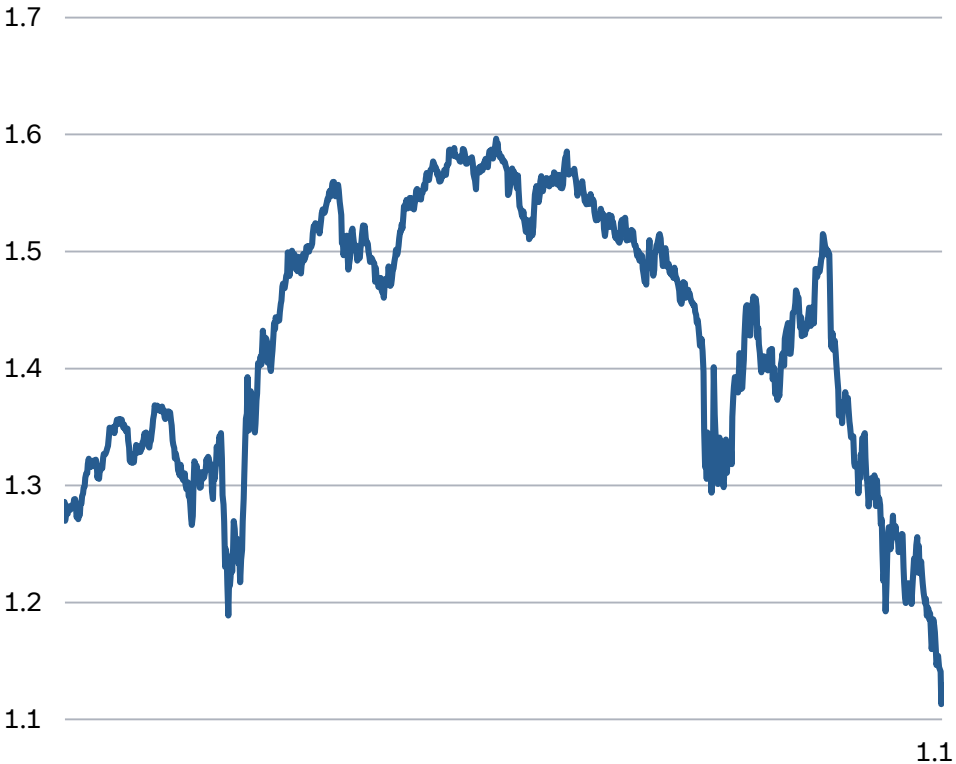
MAGNIFICENT SEVEN OUTPERFORMANCE IS OUTSIZED

AS OF NOVEMBER 10, 2025 (JANUARY 1, 2019 = 0)



EQUAL WEIGHTED VERSUS CAP-WEIGHTED S&P 500 INDEX

AS OF NOVEMBER 10, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg

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Producing a Concentrated and Expensive Market

COMPOSITION OF S&P 500 BY WEIGHT

AS OF OCTOBER 31, 2025



S&P 500 12-MONTH FORWARD P/E RATIO

AS OF OCTOBER 31, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg, Strategas

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And Expectations for 2026 Are Ambitious

S&P 500 EARNINGS REVISIONS BREADTH

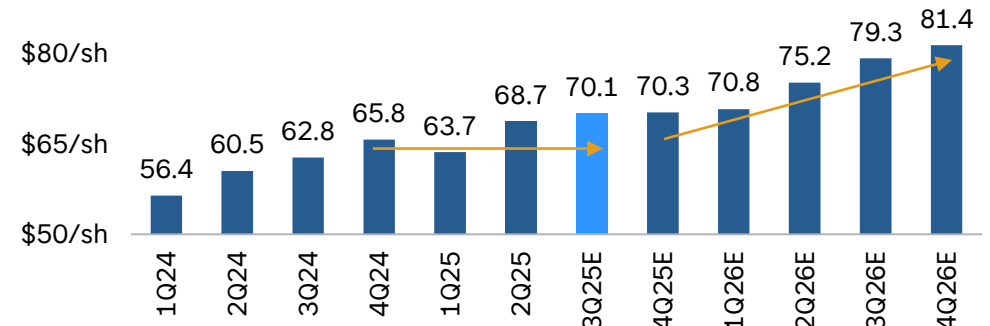
AS OF OCTOBER 31, 2025



S&P 500 CONSENSUS EPS

AS OF NOVEMBER 5, 2025

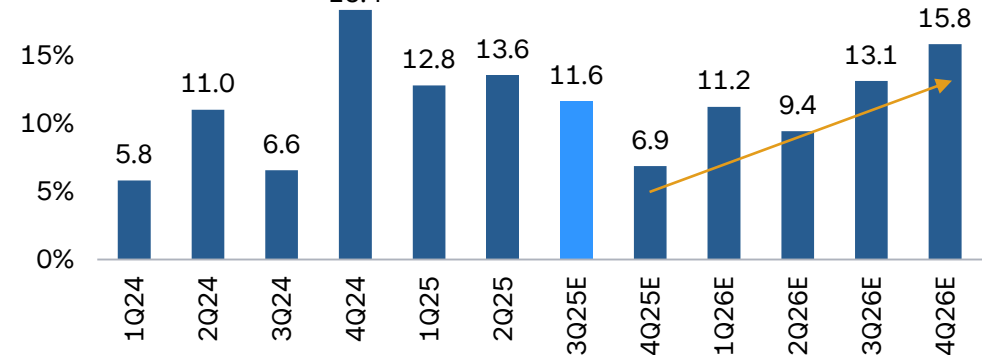
\$95/sh



S&P 500 CONSENSUS EPS YEAR-OVER-YEAR GROWTH

AS OF NOVEMBER 5, 2025

20%



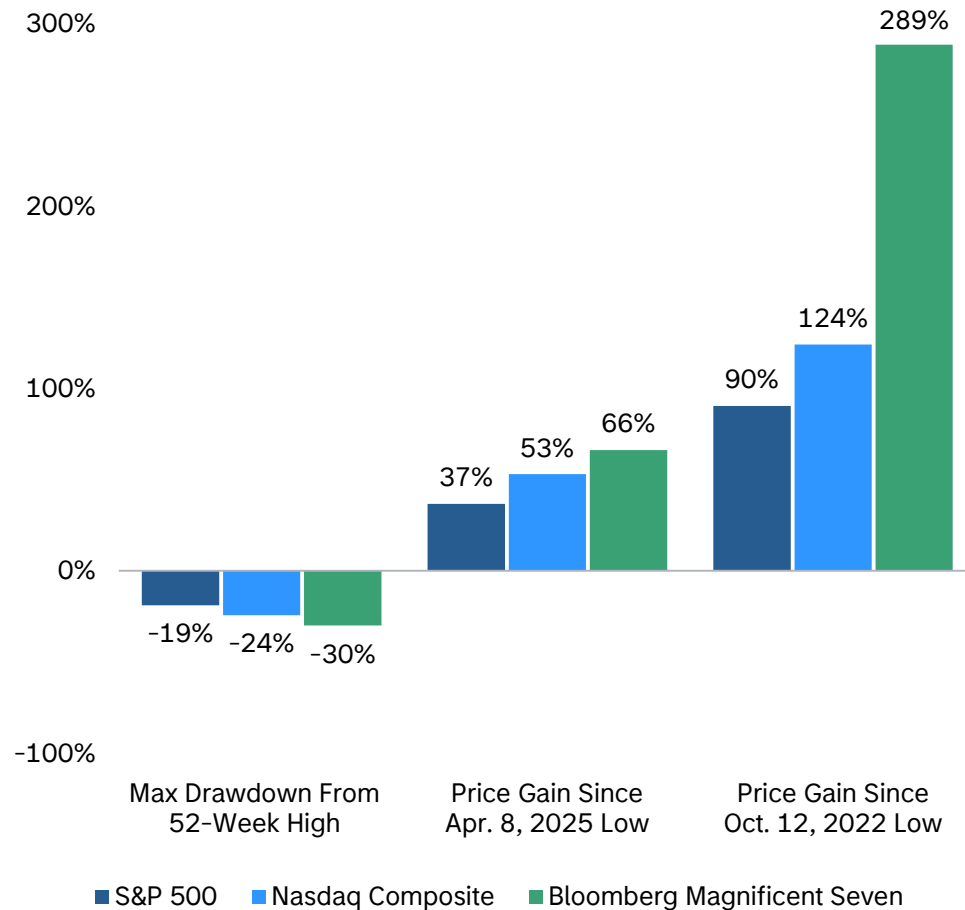
Source: Morgan Stanley Wealth Management GIO, Morgan Stanley & Co. (MS & Co.) Research. Earnings revisions breadth is defined as the number of positive analyst revisions minus the number of negative analyst revisions divided by the total number of revisions.

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NASDAQ and “Mag 7” Have Led, but Performance Dispersion Is Widening

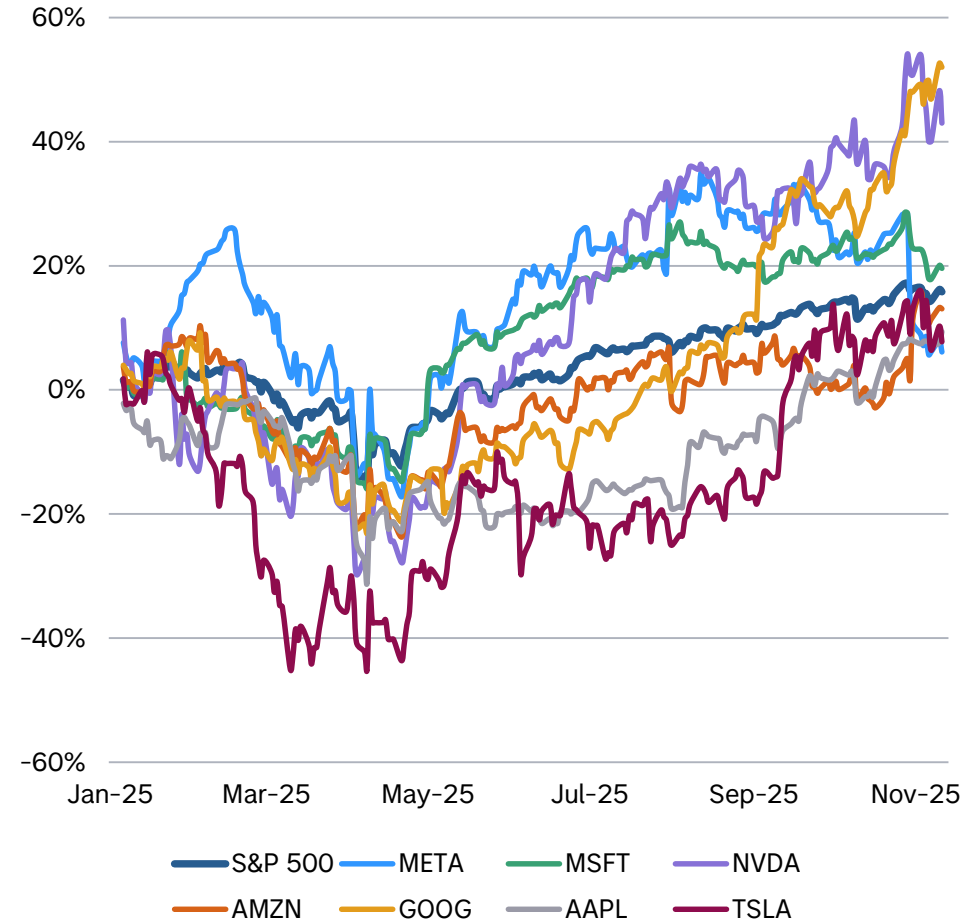
EQUITY PERFORMANCE

AS OF NOVEMBER 10, 2025



YEAR-TO-DATE PERFORMANCE

AS OF NOVEMBER 10, 2025



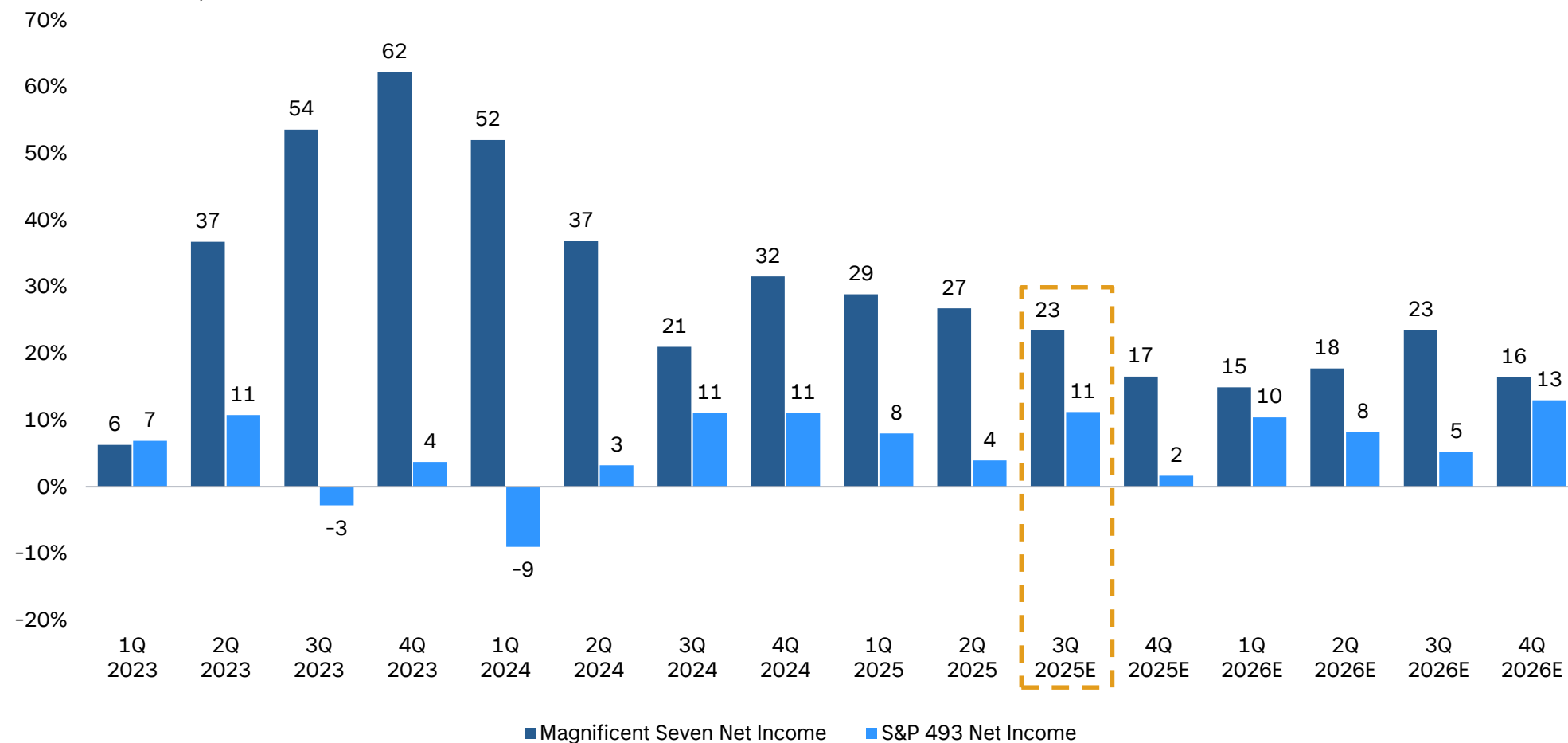
Source: Morgan Stanley Wealth Management GIO, Bloomberg. Drawdown is the peak-to-trough decline during a specific period.

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2026 DEPENDS on “493” Reacceleration

MAGNIFICENT SEVEN AND S&P 493 NET INCOME YEAR-OVER-YEAR GROWTH

AS OF NOVEMBER 5, 2025



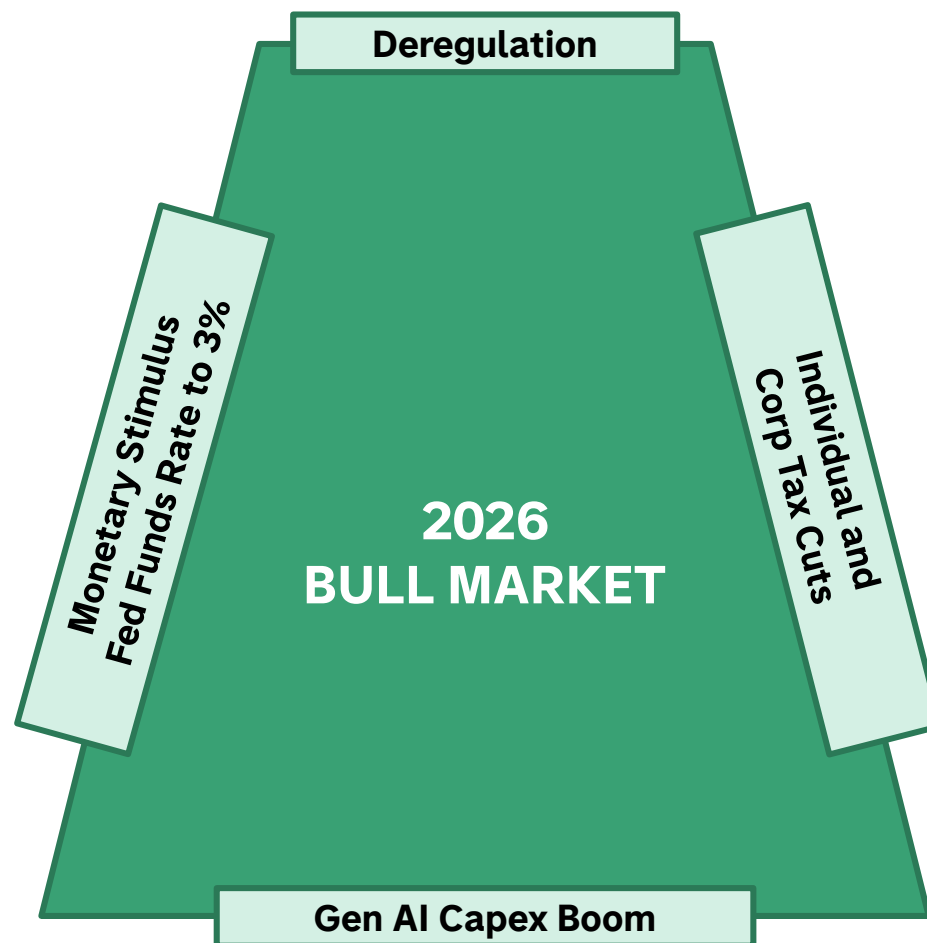
Source: Morgan Stanley Wealth Management GIO, MS & Co. Research, consensus estimates

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But the Bull Case Is Formidable

DRIVERS OF THE 2026 BULL MARKET

AS OF NOVEMBER 10, 2025



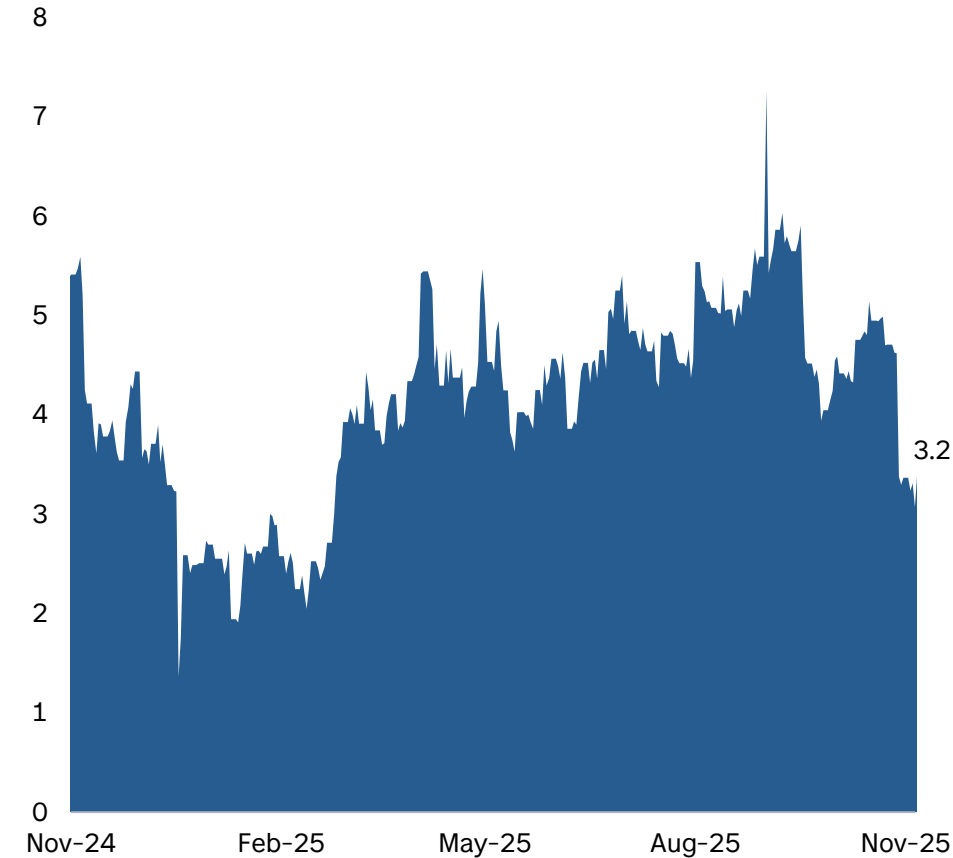
Source: Morgan Stanley Wealth Management GIO

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Another 75bps of Rate Cuts Priced Through 2026

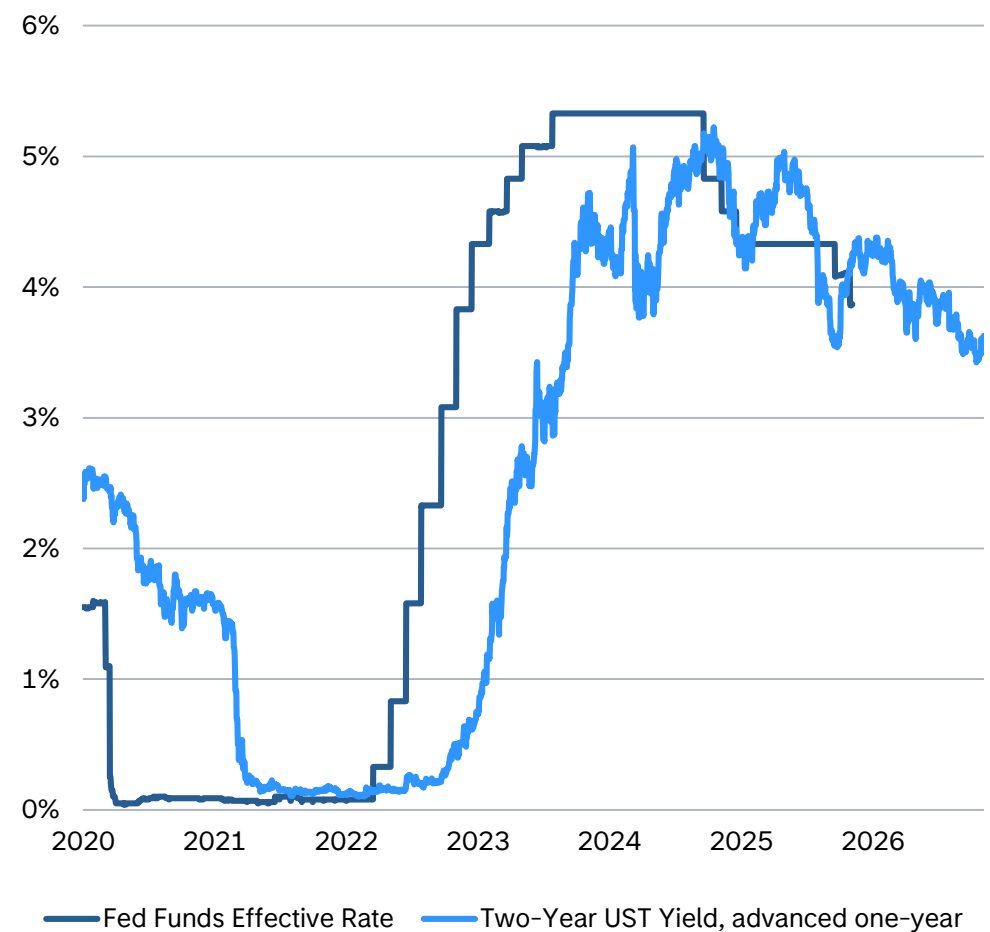
25BP RATE CUTS PRICED THROUGH DEC. 2026

AS OF NOVEMBER 10, 2025



FED FUNDS EFFECTIVE RATE VS. TWO-YEAR US TREASURY

AS OF NOVEMBER 10, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg

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Controversy #2: Early Cycle or Late?

Markets Are Pricing Cyclical Reacceleration

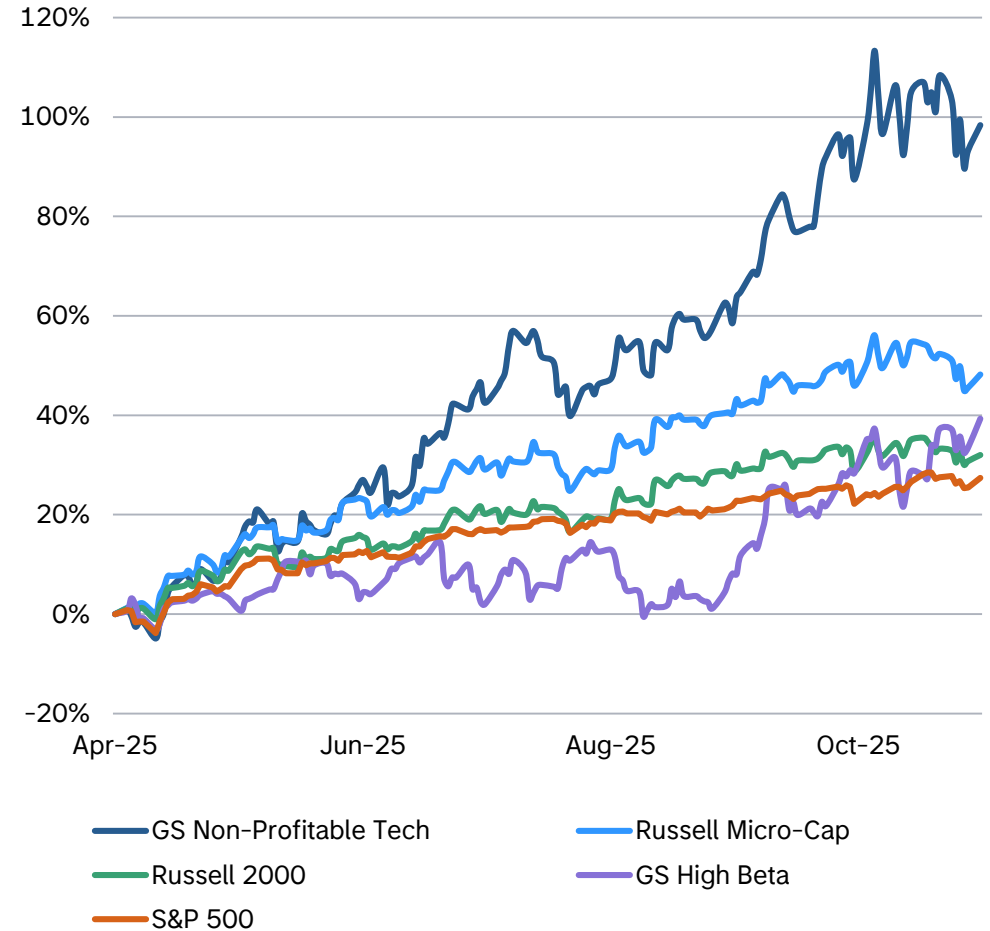
GOLDMAN SACHS CYCLICALS VS. DEFENSIVES

AS OF NOVEMBER 10, 2025



PERFORMANCE SINCE THE APRIL 8, 2025 TROUGH

AS OF NOVEMBER 10, 2025



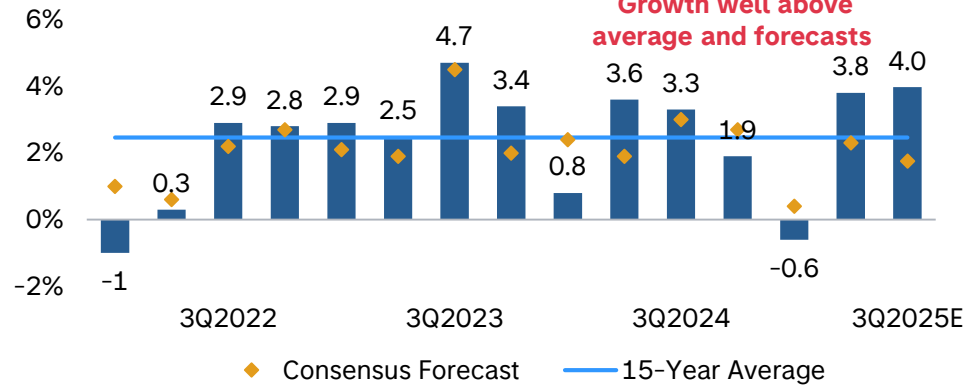
Source: Morgan Stanley Wealth Management GIO, Bloomberg

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Recession Has Been Nowhere in Sight; GDP Growth Healthy

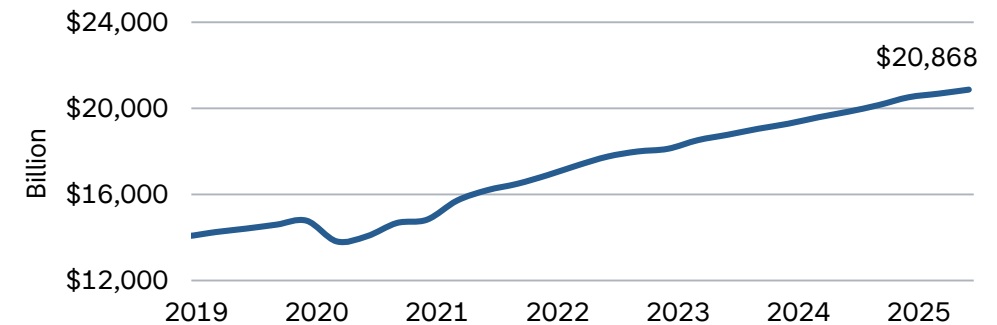
QUARTERLY REAL GDP (ANN.)

AS OF NOVEMBER 7, 2025



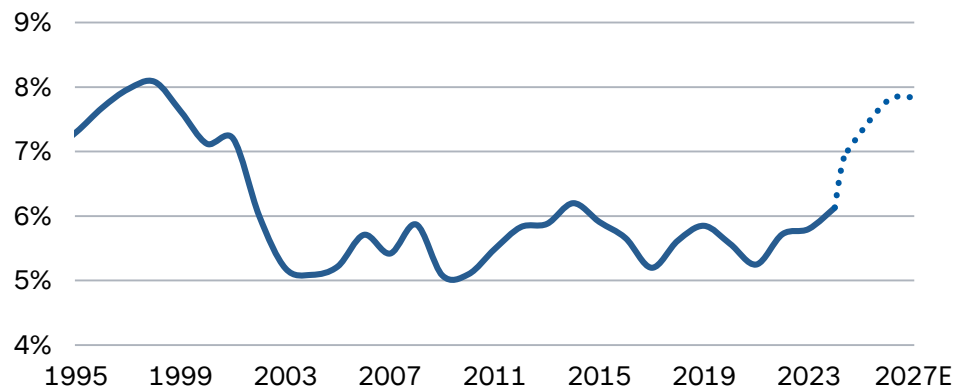
PERSONAL CONSUMPTION EXPENDITURE

AS OF SEPTEMBER 26, 2025



S&P 500 CAPEX AS A SHARE OF SALES

AS OF NOVEMBER 7, 2025



US BANK TOTAL LOANS, YEAR-OVER-YEAR CHANGE

AS OF OCTOBER 31, 2025



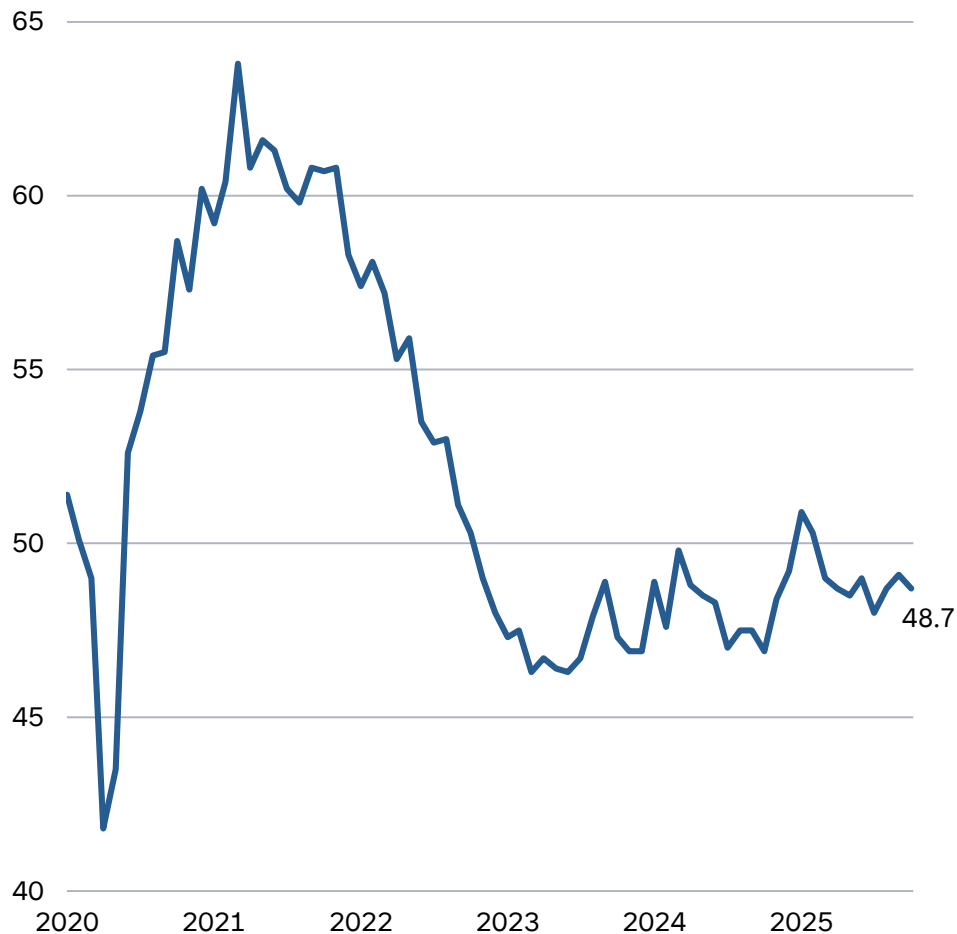
Source: Morgan Stanley Wealth Management GIO, Bloomberg. 3Q2025 GDP estimates are from Atlanta Fed GPNOW Forecast. Capex as a share of sales uses consensus estimates.

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But Manufacturing Is Lackluster and Sentiment Weak...No Evidence of Broadening Capex Boom

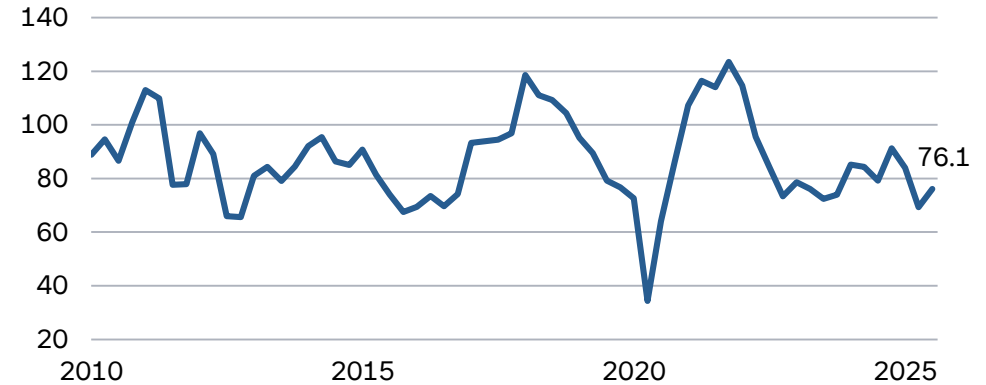
ISM MANUFACTURING

AS OF OCTOBER 31, 2025



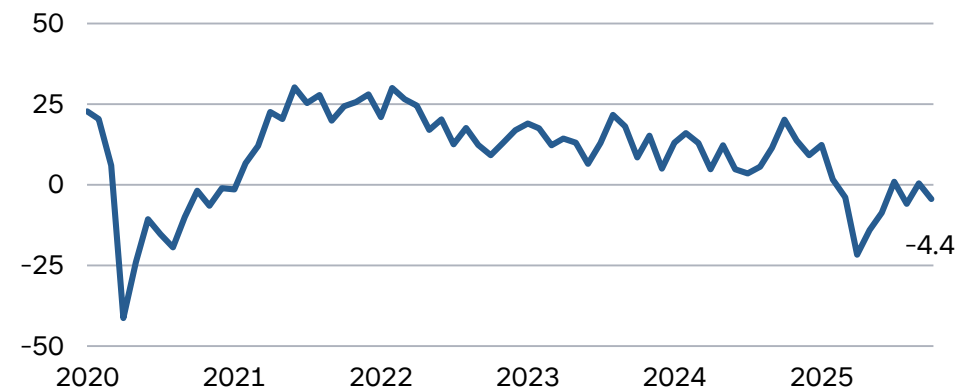
US ROUNDTABLE CEO ECONOMIC CONDITIONS SURVEY

AS OF OCTOBER 31, 2025



CEO INTENTIONS OF CAPEX IN SIX MONTHS

AS OF OCTOBER 31, 2025



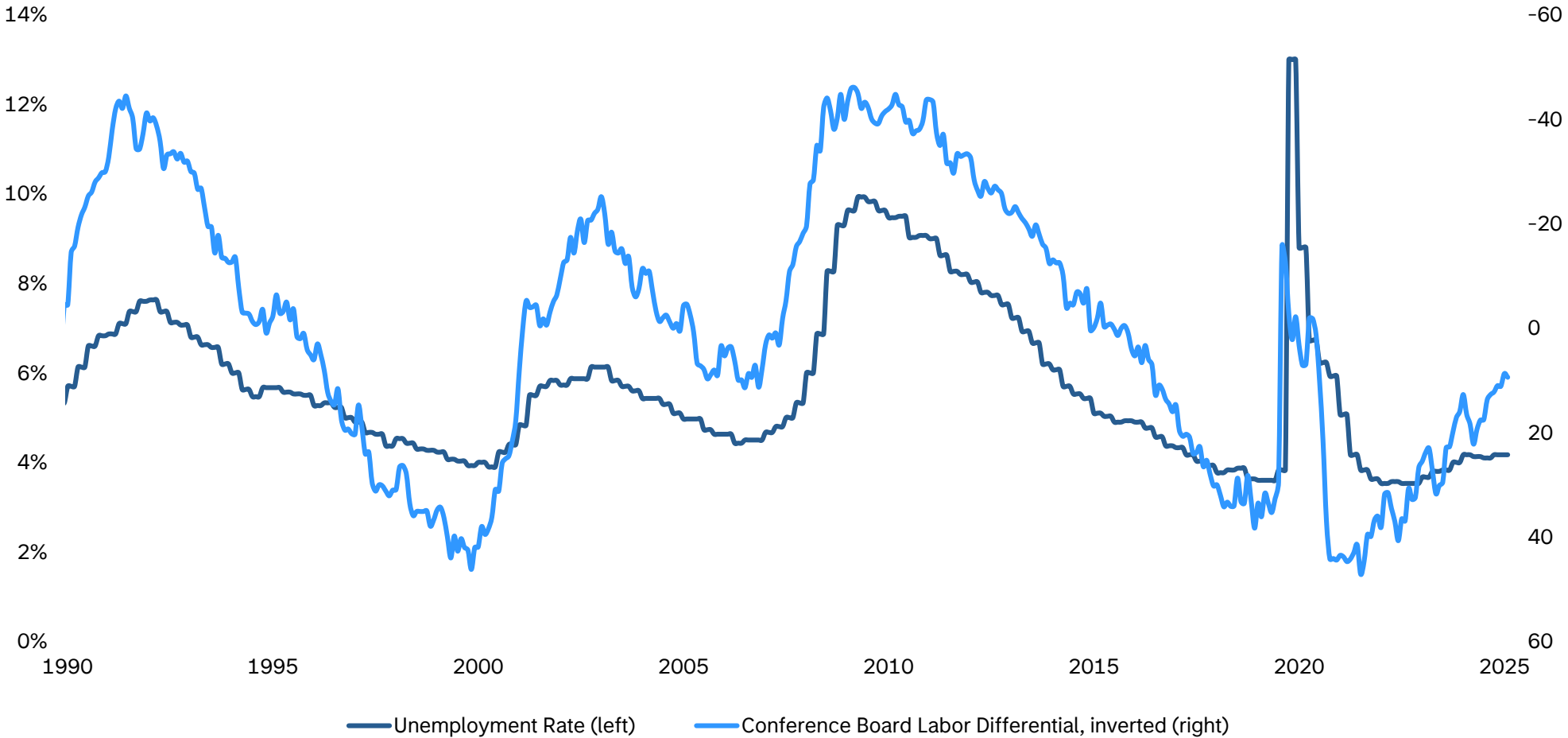
Source: Morgan Stanley Wealth Management GIO, Bloomberg

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Labor Market Looks Fragile

UNEMPLOYMENT RATE VS. CONFERENCE BOARD LABOR DIFFERENTIAL: JOBS PLENTIFUL LESS HARD TO GET

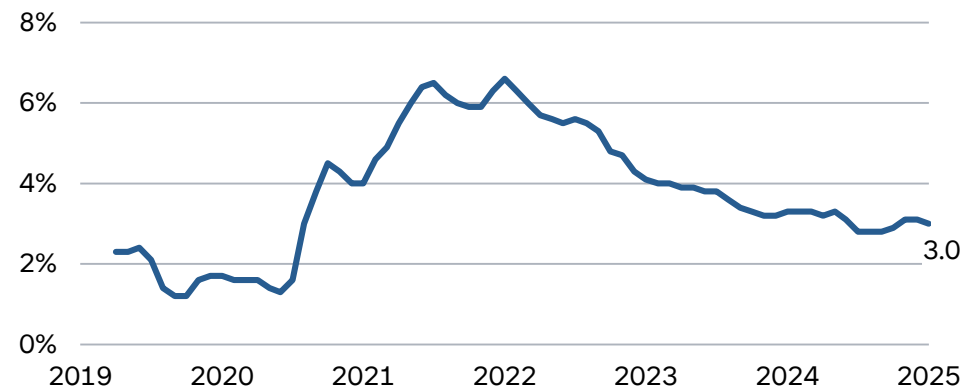
AS OF OCTOBER 31, 2025



Controversy #3: Inflation Is Tamed?

US CORE CPI YEAR-OVER-YEAR CHANGE

AS OF OCTOBER 24, 2025



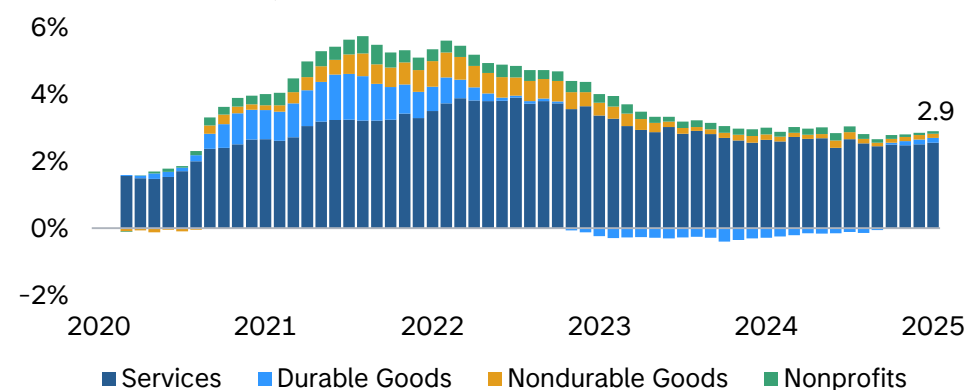
NY FED ONE-YEAR INFLATION EXPECTATIONS

AS OF OCTOBER 31, 2025



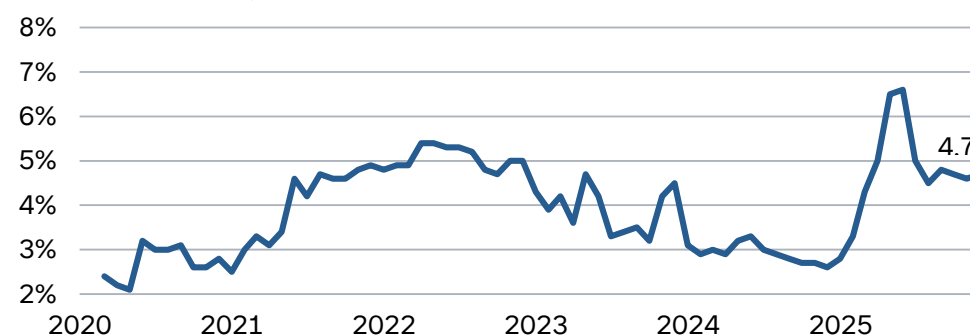
CONTRIBUTIONS TO CORE PCE, YEAR-OVER-YEAR

AS OF SEPTEMBER 26, 2025



U. MICHIGAN ONE-YEAR INFLATION EXPECTATIONS

AS OF NOVEMBER 7, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg.

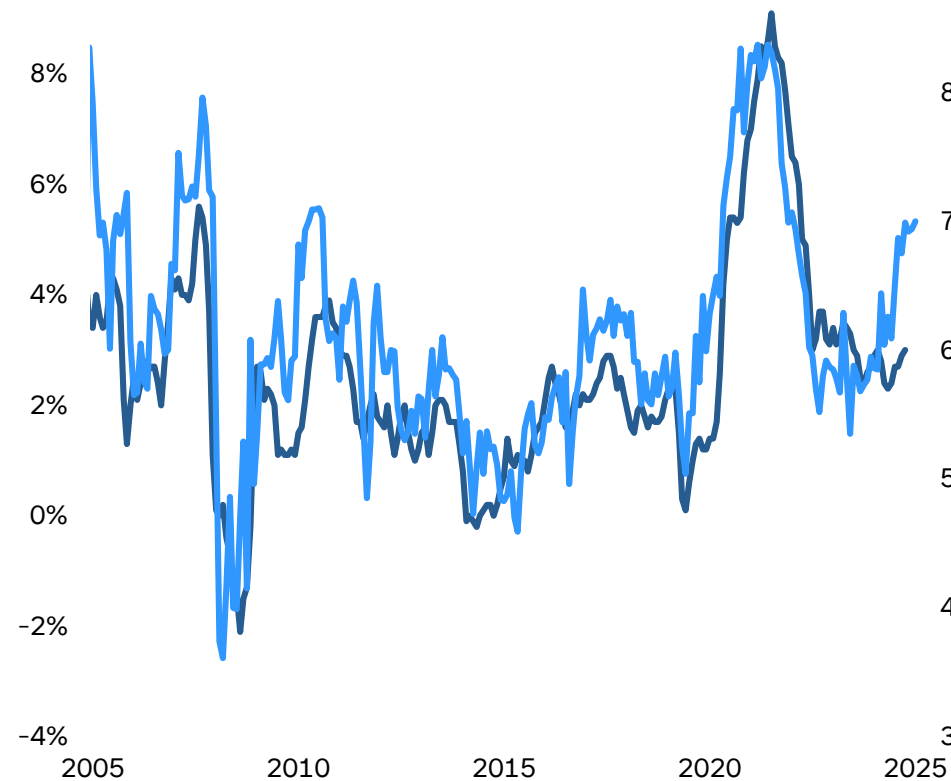
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Pricing Pressure in the Supply Chain Is Building

ISM SERVICES PRICES INDEX VS. CPI

AS OF OCTOBER 31, 2025

10%

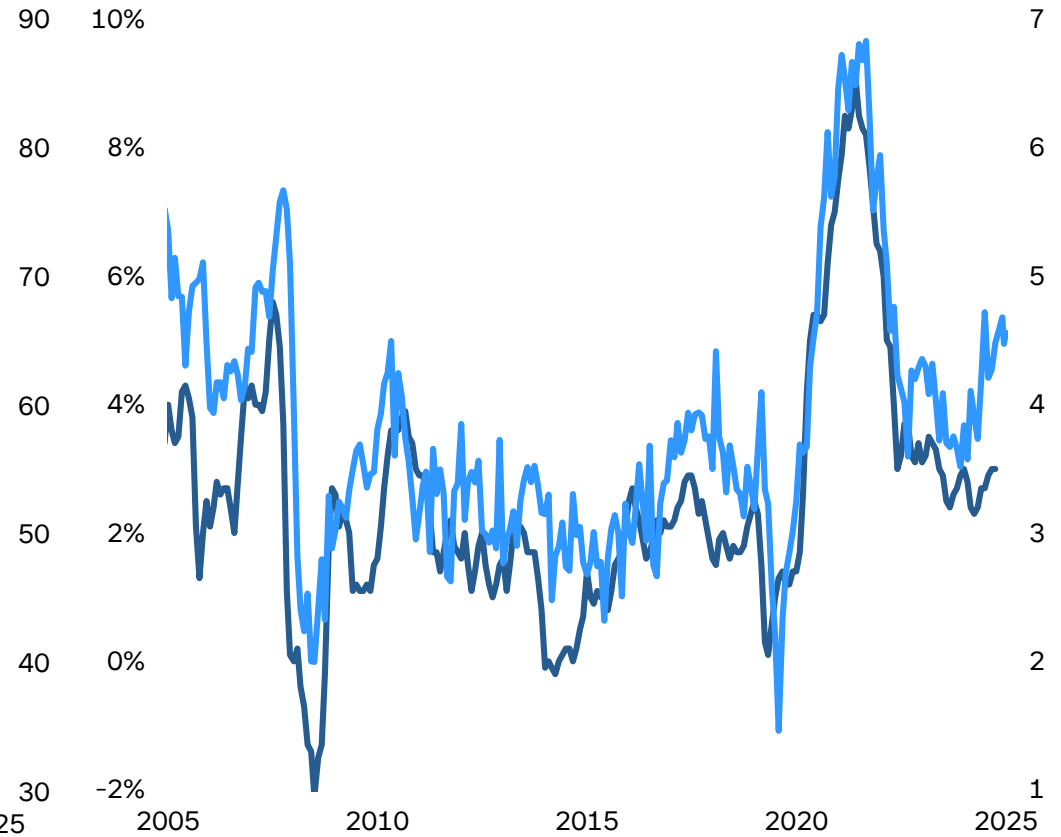


— CPI Year-Over-Year (left)
 — ISM Services Prices Index, advanced three months (right)

NFIB AND REGIONAL FED SURVEYS PRICES PAID VS. CPI

AS OF OCTOBER 31, 2025

10%



— CPI Year-Over-Year (left)
 — Prices Paid Composite, advanced three months (right)

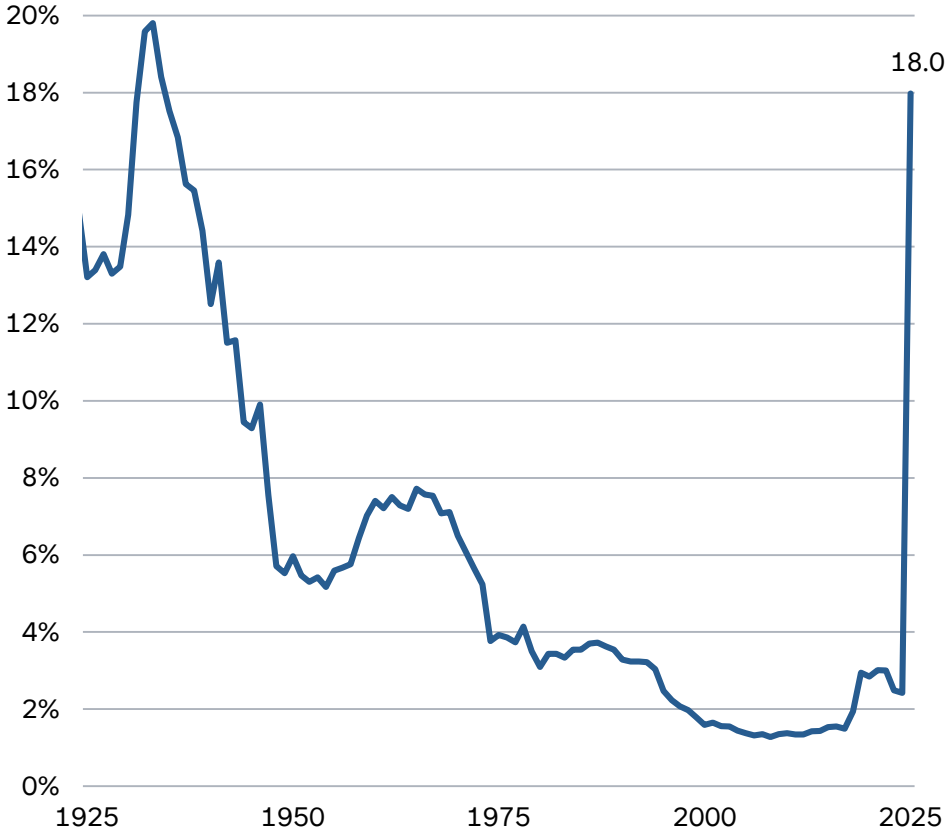
Source: Morgan Stanley Wealth Management GIO, Bloomberg. Prices Paid Composite use the average of the NFIB Selling Prices Survey, ISM Prices Paid, and the Federal Reserve Bank of Philadelphia Prices Paid Manufacturing Survey

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Tariff Risk Remains

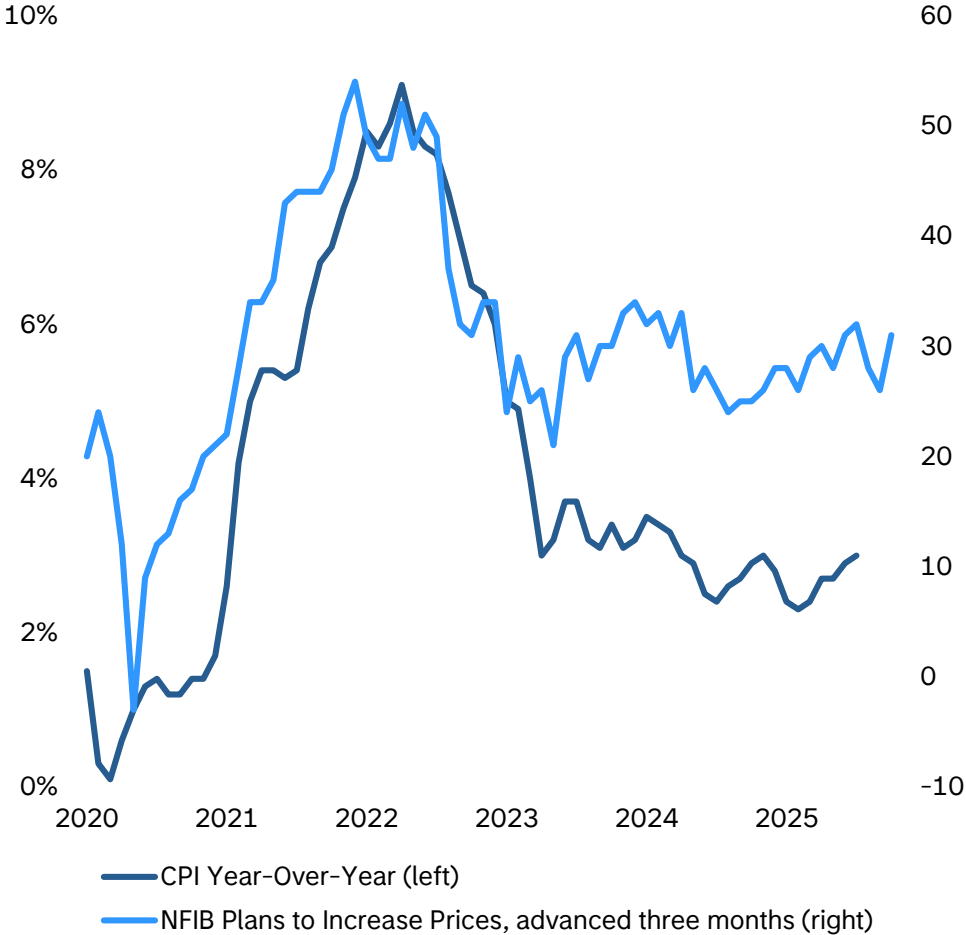
EFFECTIVE TARIFF RATE

AS OF OCTOBER 31, 2025



YOY CPI VS. NFIB SURVEY PLANS TO INCREASE PRICES

AS OF OCTOBER 31, 2025



We May Be in New Inflation Regime

Especially if Fed Independence Is Questioned

US DOLLAR INDEX

AS OF NOVEMBER 10, 2025



GOLD PRICE (\$/OZ)

AS OF NOVEMBER 10, 2025



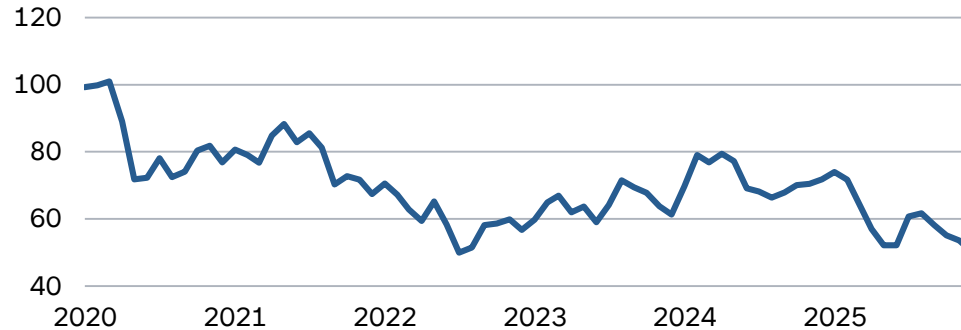
Source: Morgan Stanley Wealth Management GIO, Bloomberg

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Controversy #4: Is the Consumer Really Resilient?

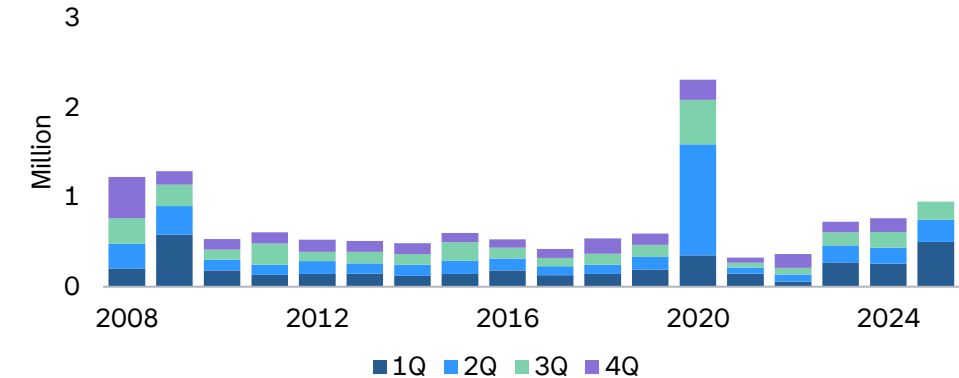
U. MICHIGAN CONSUMER CONFIDENCE

AS OF NOVEMBER 7, 2025



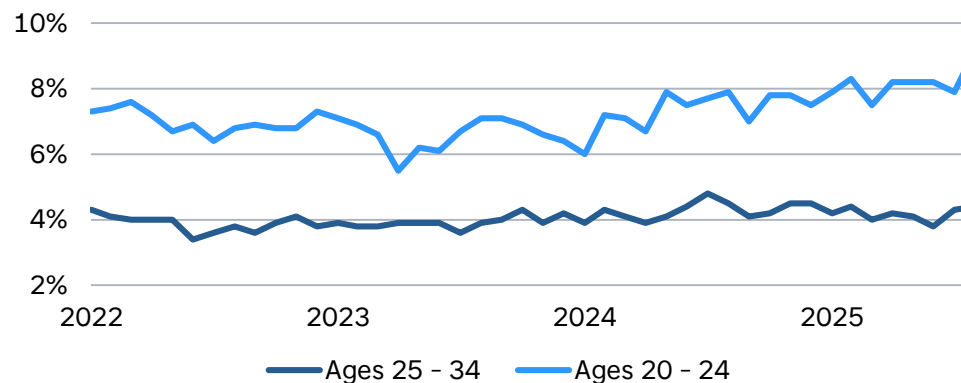
CHALLENGER LAYOFFS

AS OF NOVEMBER 3, 2025



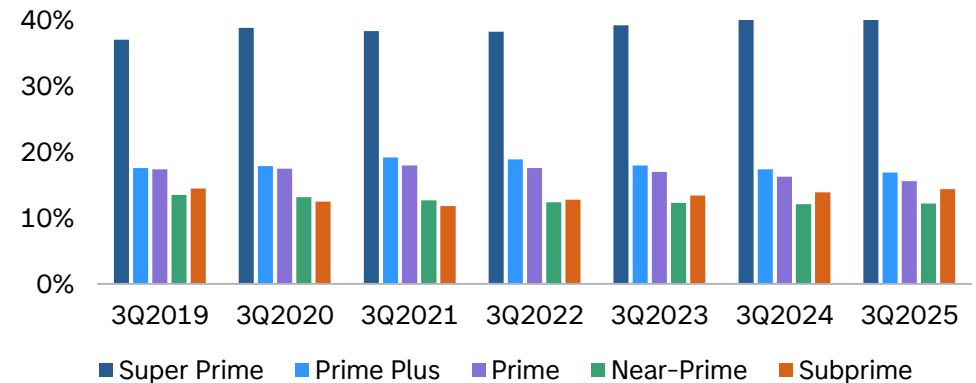
YOUTH UNEMPLOYMENT RATE

AS OF OCTOBER 31, 2025



SHARE OF CONSUMERS BY CREDIT TIER

AS OF NOVEMBER 3, 2025



Source: Morgan Stanley Wealth Management GIO, Bloomberg

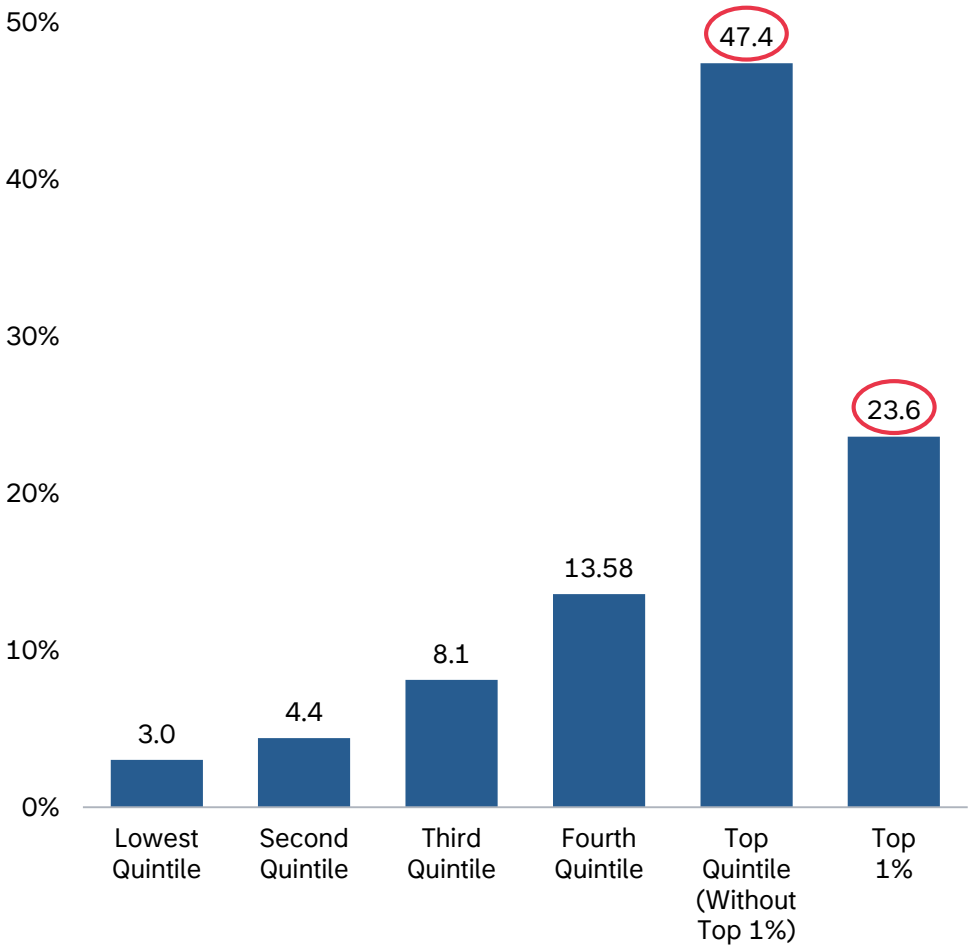
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The K-Economy: Wealth Effects Now Larger Than Income Effects

SHARE OF TOTAL NET WORTH BY INCOME COHORTS

AS OF OCTOBER 31, 2025

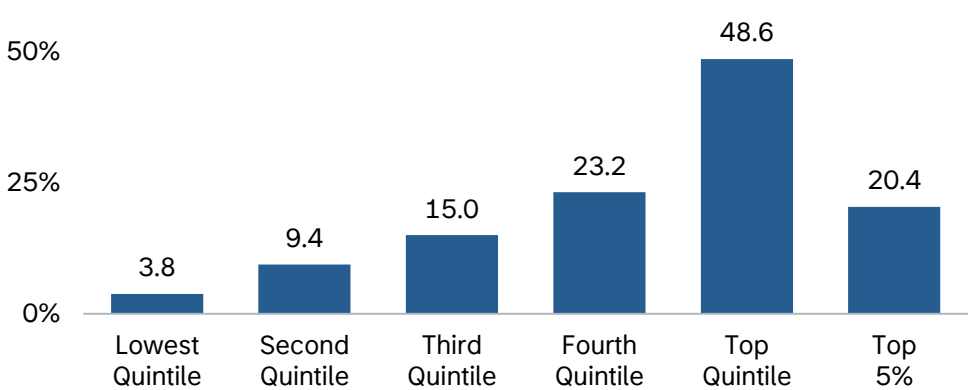
50%



SHARE OF POST-TAX INCOME BY PERCENTILE

AS OF OCTOBER 31, 2025

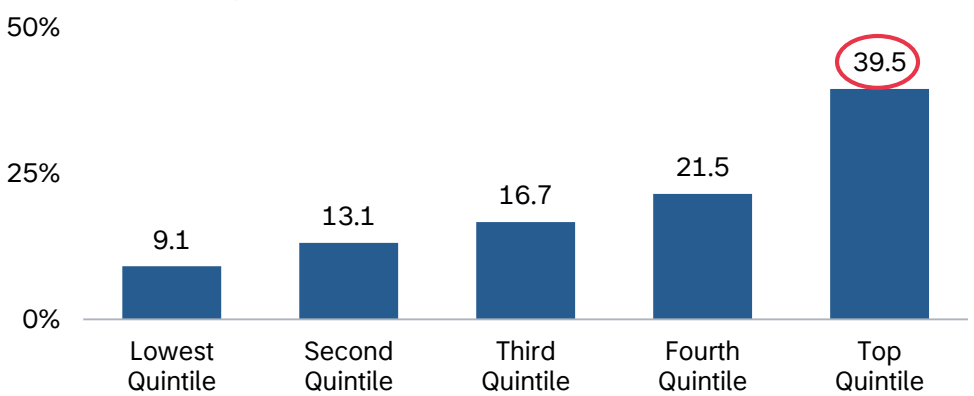
50%



SHARE OF PCE BY INCOME COHORTS

AS OF OCTOBER 31, 2025

50%



Source: Morgan Stanley Wealth Management GIO, MS & Co. Research

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Controversy #5: A Productivity Renaissance?

Forecasts Largely Driven by Margins

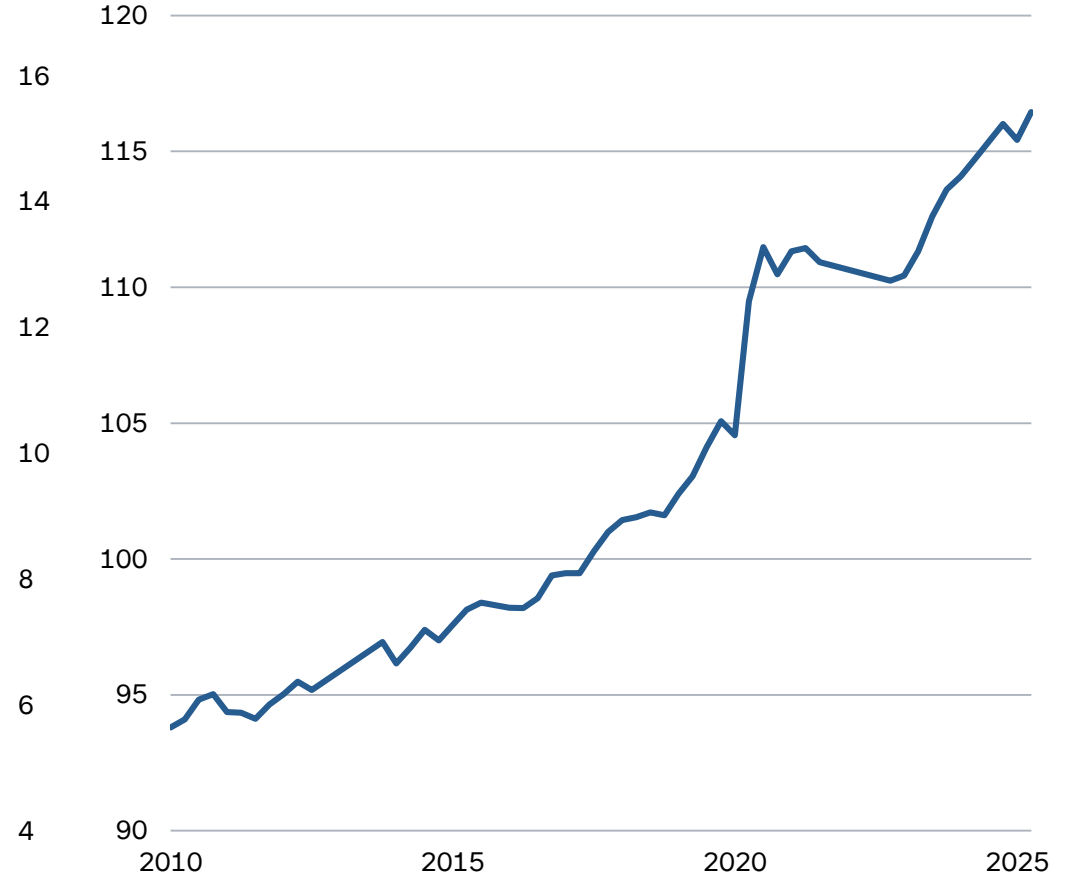
S&P 500 NET MARGINS VS. EBIT MARGINS

AS OF NOVEMBER 5, 2025



US BUSINESS SECTOR LABOR PRODUCTIVITY

AS OF NOVEMBER 5, 2025



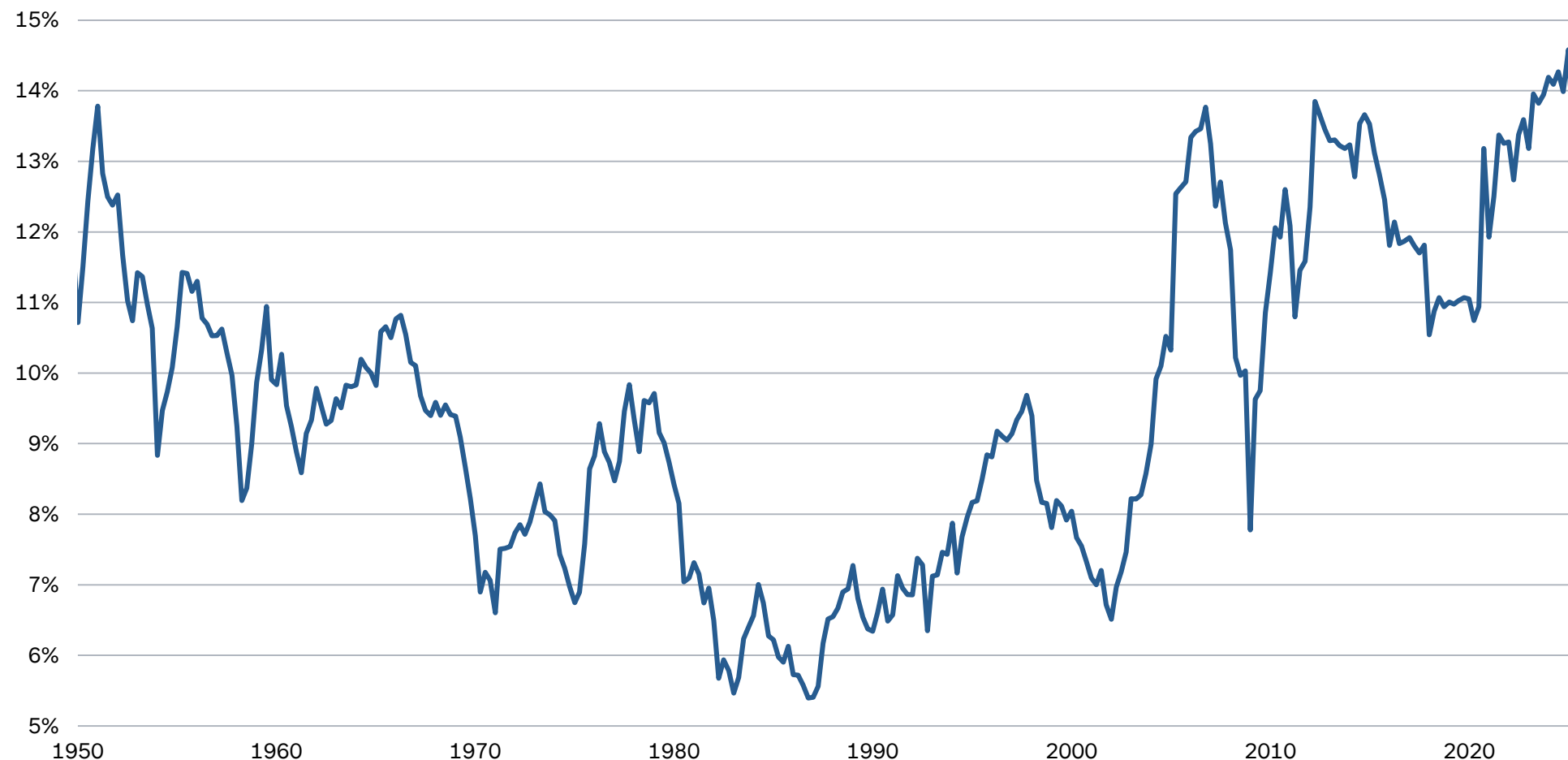
Source: Morgan Stanley Wealth Management GIO, MS & Co. Research, Haver Analytics, Consensus estimates

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Corporate Profits as Share of US GDP Have Peaked; Margins Compressing?

NIPA US CORPORATE PROFITS AS SHARE OF GDP

AS OF OCTOBER 31, 2025



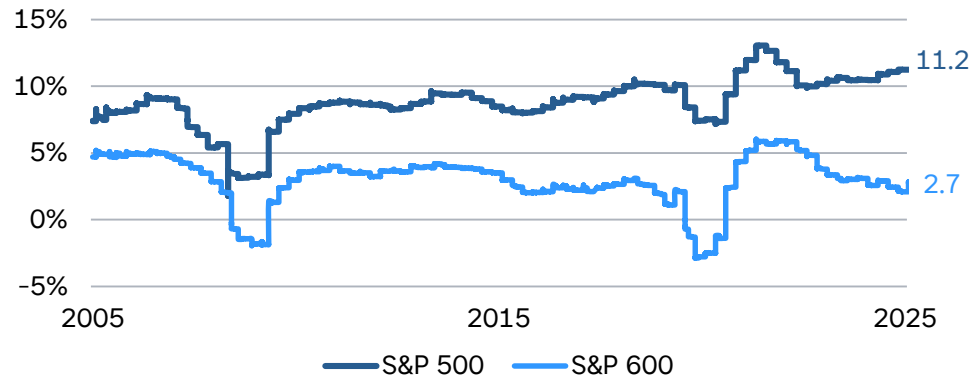
Source: Morgan Stanley Wealth Management GIO, Bloomberg

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The Largest Companies Are Dominating Productivity Gains

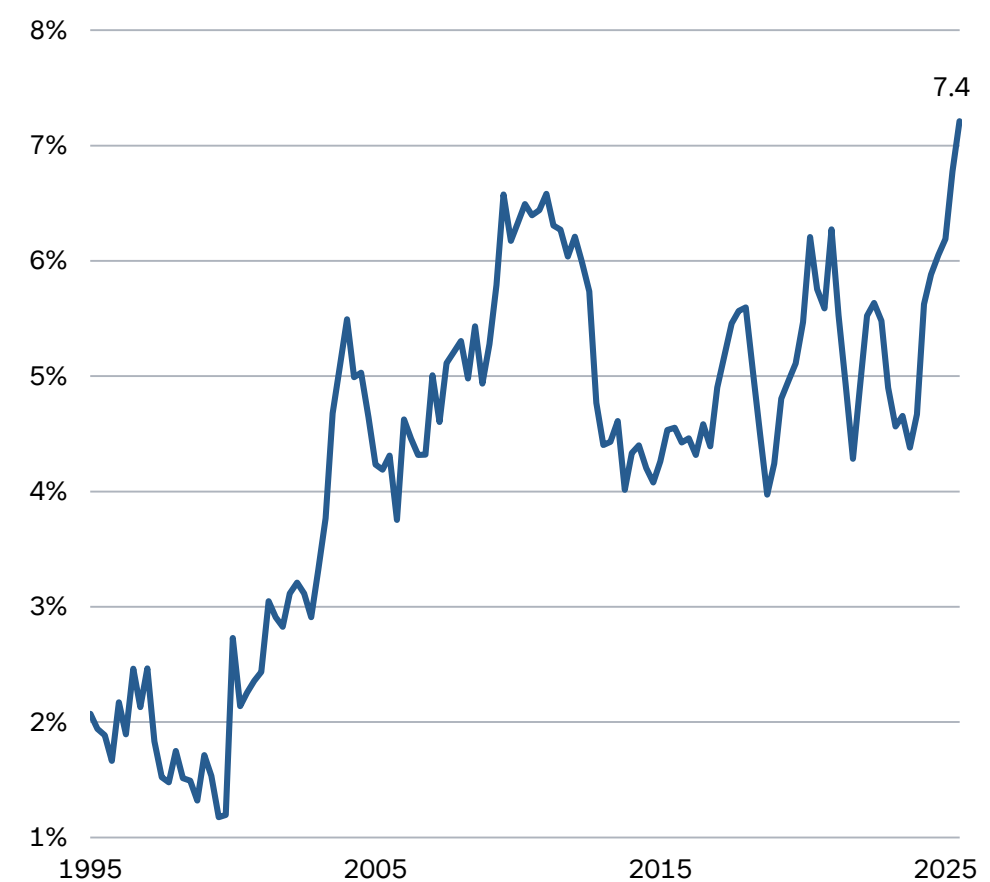
PROFIT MARGINS OF THE S&P 500 VS. S&P 600

AS OF NOVEMBER 7, 2025



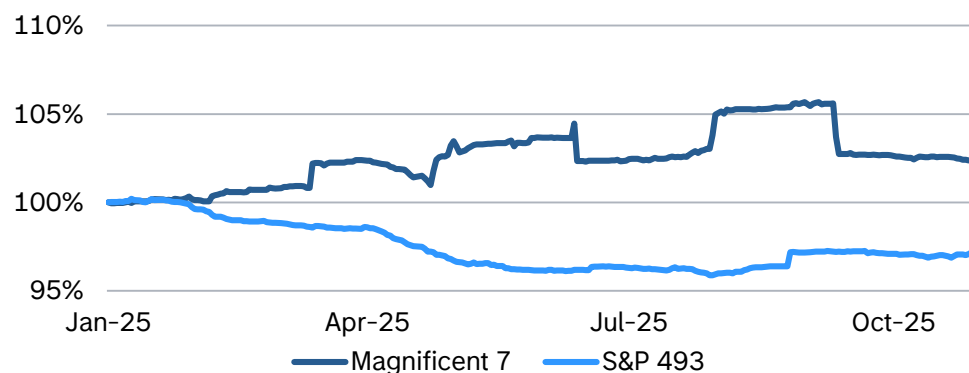
RUSSELL 3000 SHARE OF UNPROFITABLE COMPANIES

AS OF NOVEMBER 7, 2025



MARGIN GROWTH FORECASTS OF MAG. 7 VS. S&P 493

AS OF NOVEMBER 7, 2025 (JANUARY 1, 2025 = 100)



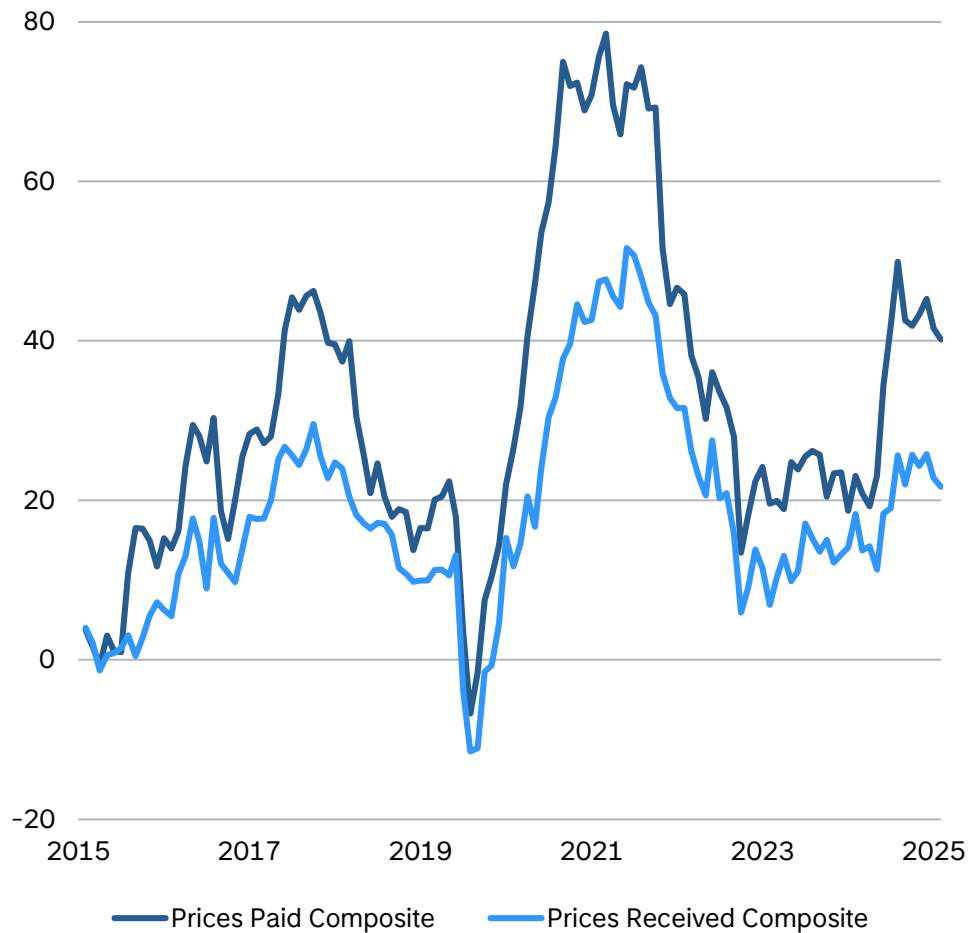
Source: Morgan Stanley Wealth Management GIO, Apollo Global Management, Bloomberg, Piper Sandler. Note: Zombie companies are defined as those having three consecutive years of interest coverage ratio < 1.

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Margins Could Still Be Pressured by Tariffs

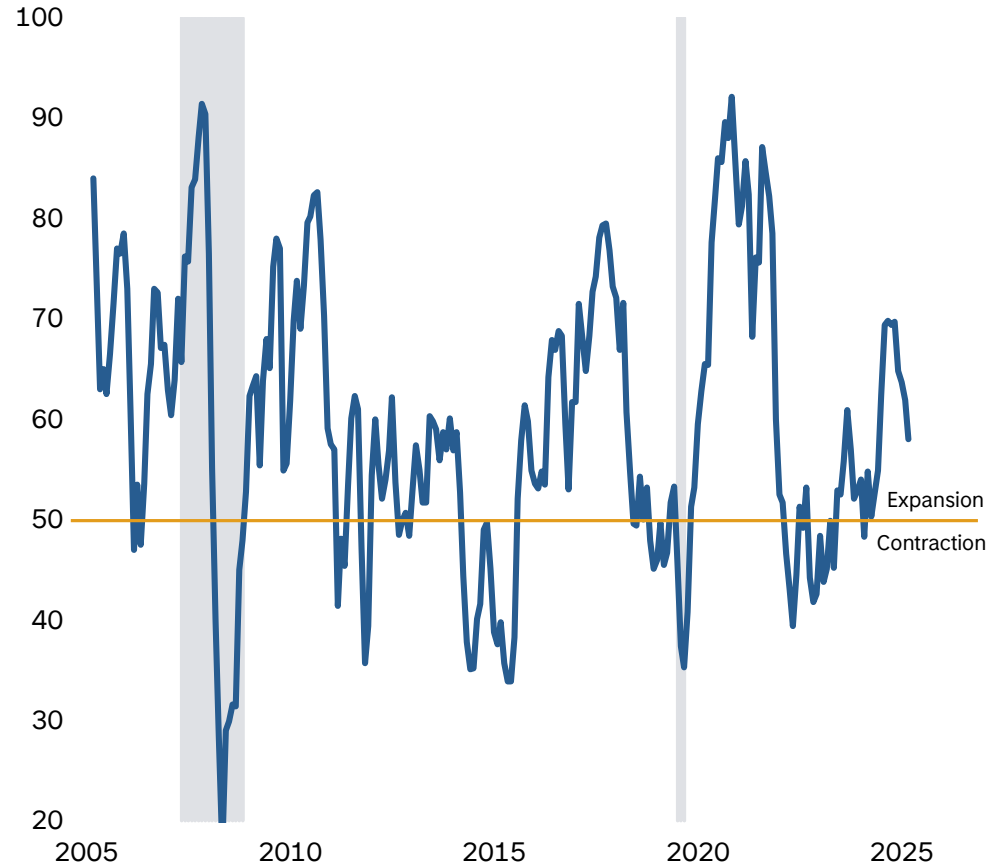
FED REGIONAL SURVEYS: PRICES PAID AND RECEIVED

AS OF OCTOBER 31, 2025



ISM MANUFACTURING AND SERVICES PRICES PAID

AS OF NOVEMBER 5, 2025



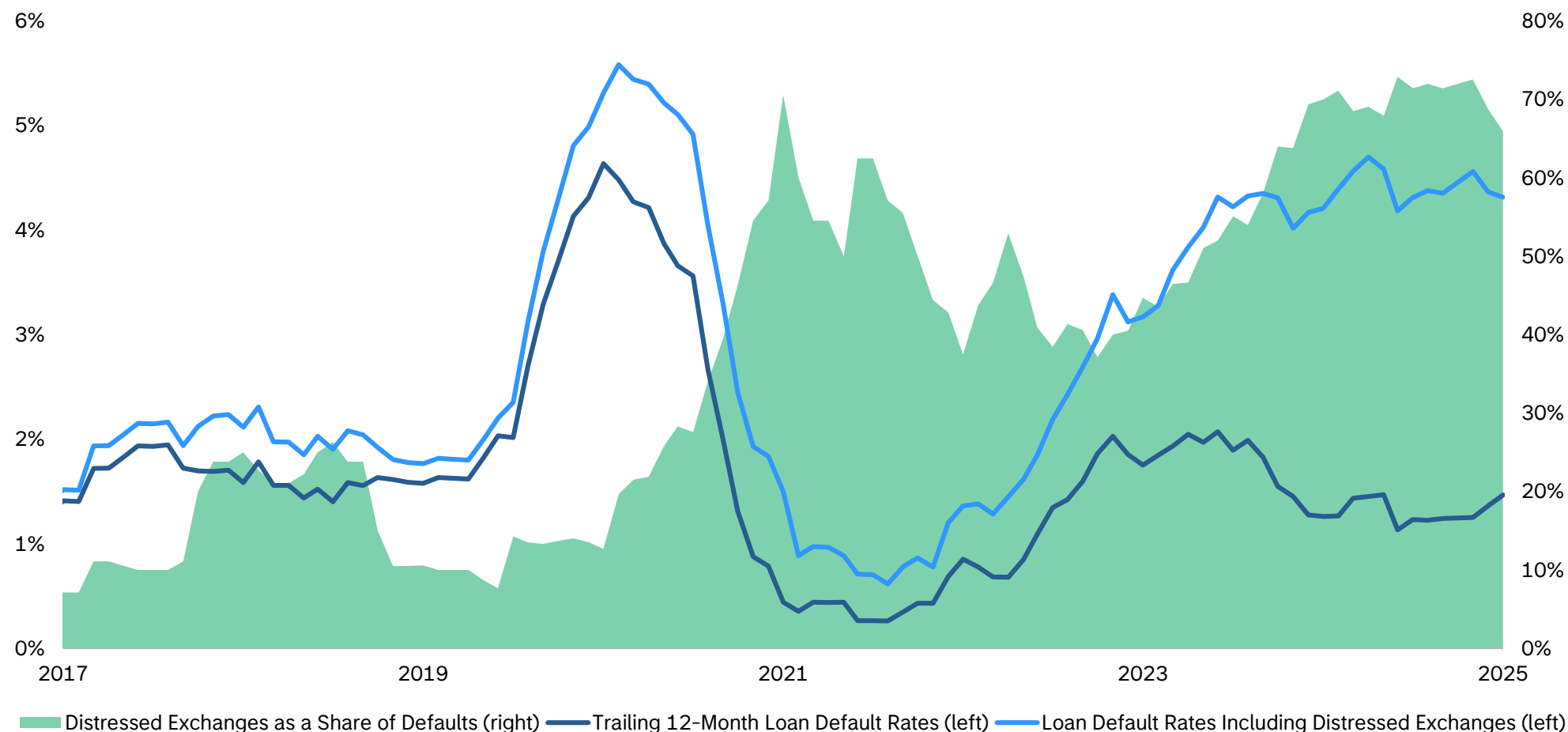
Source: Morgan Stanley Wealth Management GIO, Bloomberg. Prices Paid and Received Composite use the average of the Federal Reserve Bank of Dallas, Kansas City, Philadelphia, and Empire State Manufacturing Surveys

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Controversy #6: Credit Cockroaches?

DEFAULT RATES MAY BE MISLEADING

AS OF OCTOBER 31, 2025



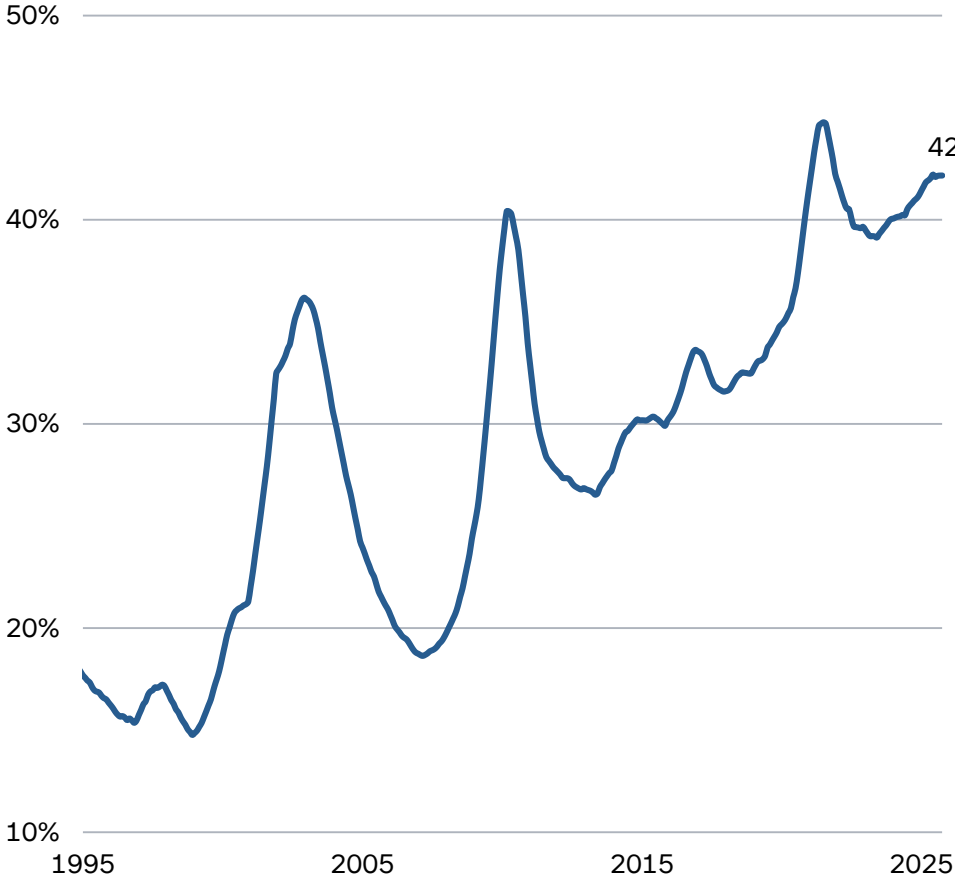
Source: Morgan Stanley Wealth Management GIO, MS & Co. Research

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Smaller Companies Are Stressed

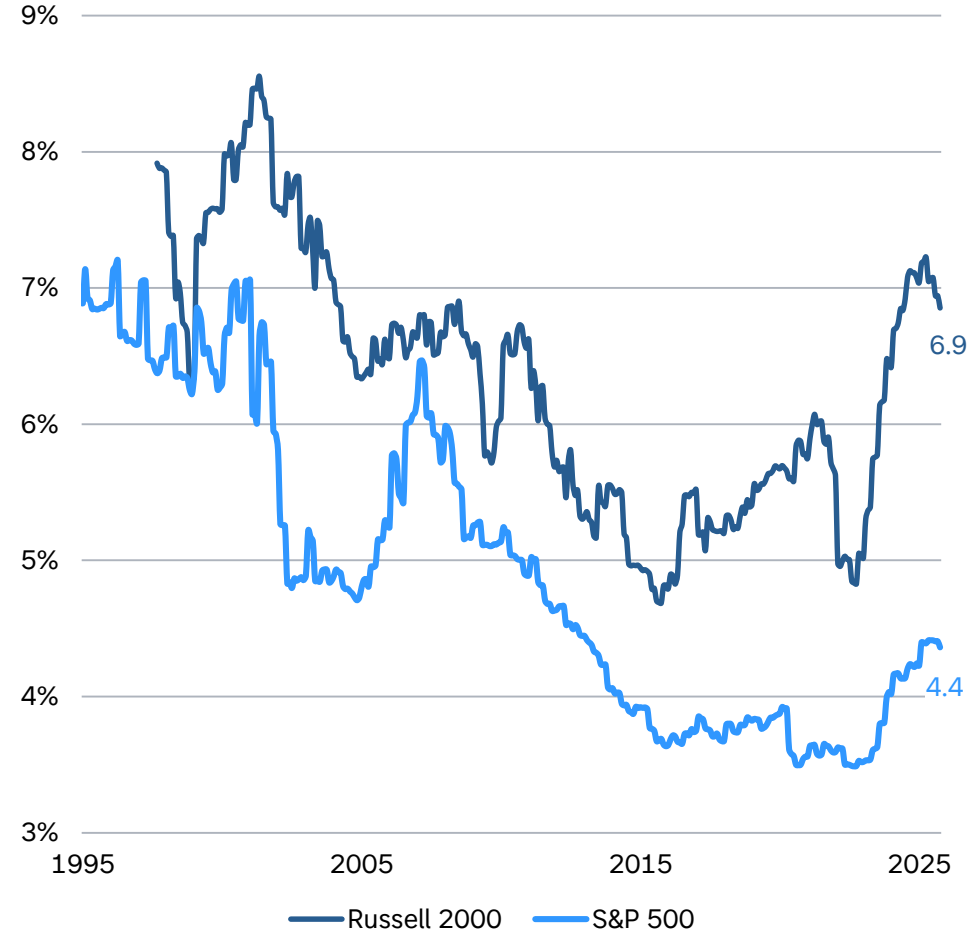
RUSSELL 2000: SHARE OF UNPROFITABLE COMPANIES

AS OF NOVEMBER 5, 2025



INTEREST EXPENSE AS A SHARE OF DEBT

AS OF NOVEMBER 5, 2025



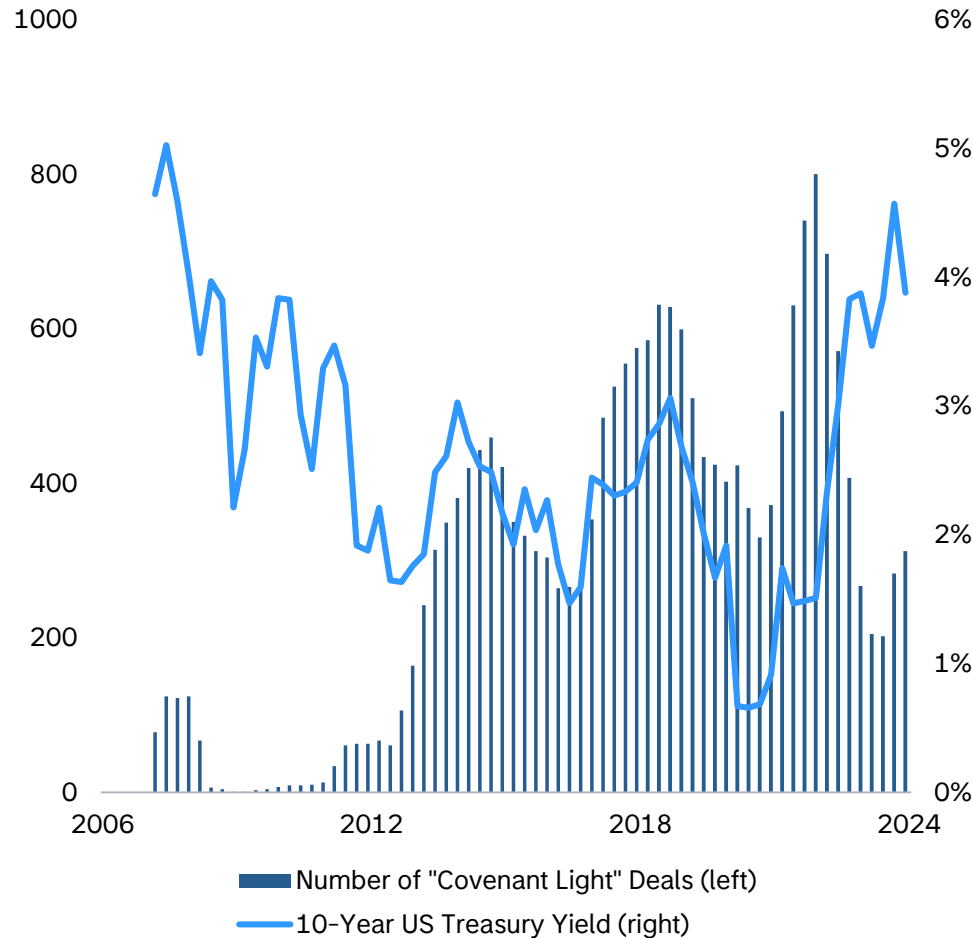
Source: Morgan Stanley Wealth Management GIO, Strategas

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Private Market Could Be Source of Credit Disappointments

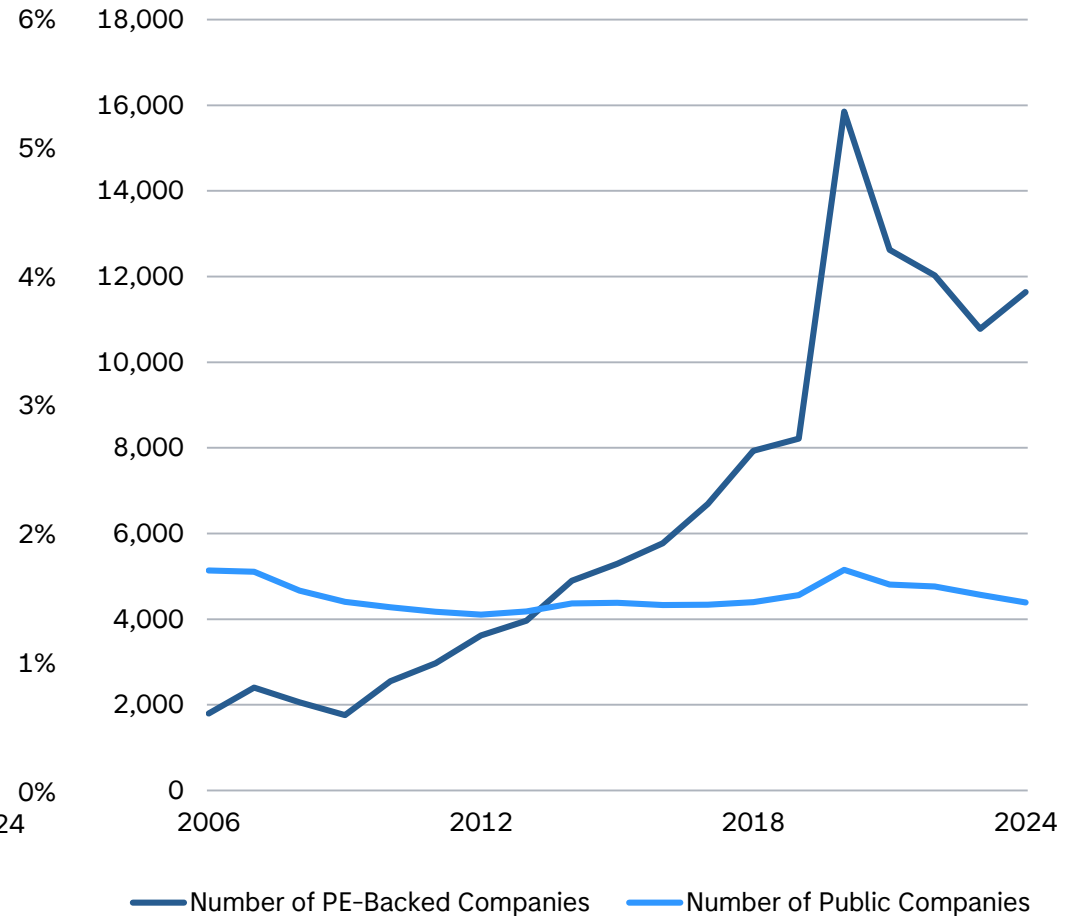
“COVENANT LIGHT” LEVERAGED LOANS VS. 10Y UST YIELD

AS OF NOVEMBER 7, 2025



US PE-BACKED COMPANIES VS. PUBLIC COMPANIES

AS OF NOVEMBER 7, 2025



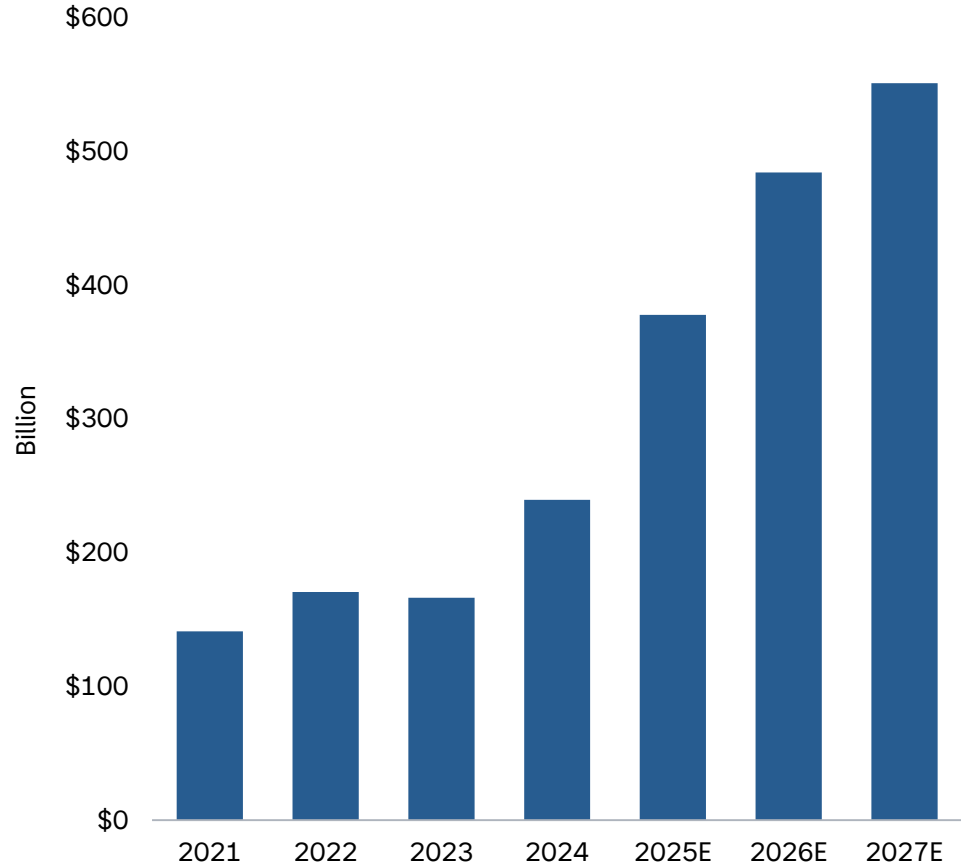
Source: Morgan Stanley Wealth Management GIO, BCA Research. Note: Number of “covenant light” leveraged loans is the four-quarter moving average.

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Controversy #7: An AI Bubble?

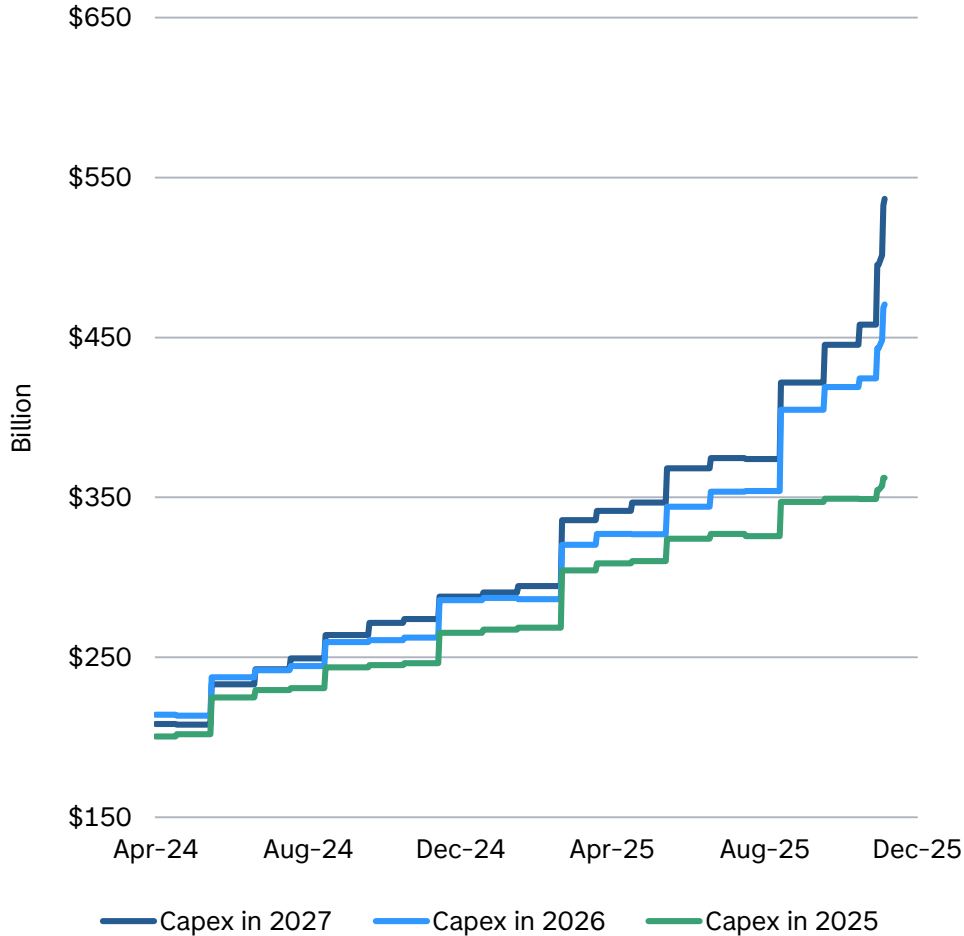
CAPEX SPENDING OF AI HYPERSCALERS

AS OF NOVEMBER 10, 2025



CHANGE IN CAPEX FORECASTS FOR HYPERSCALERS

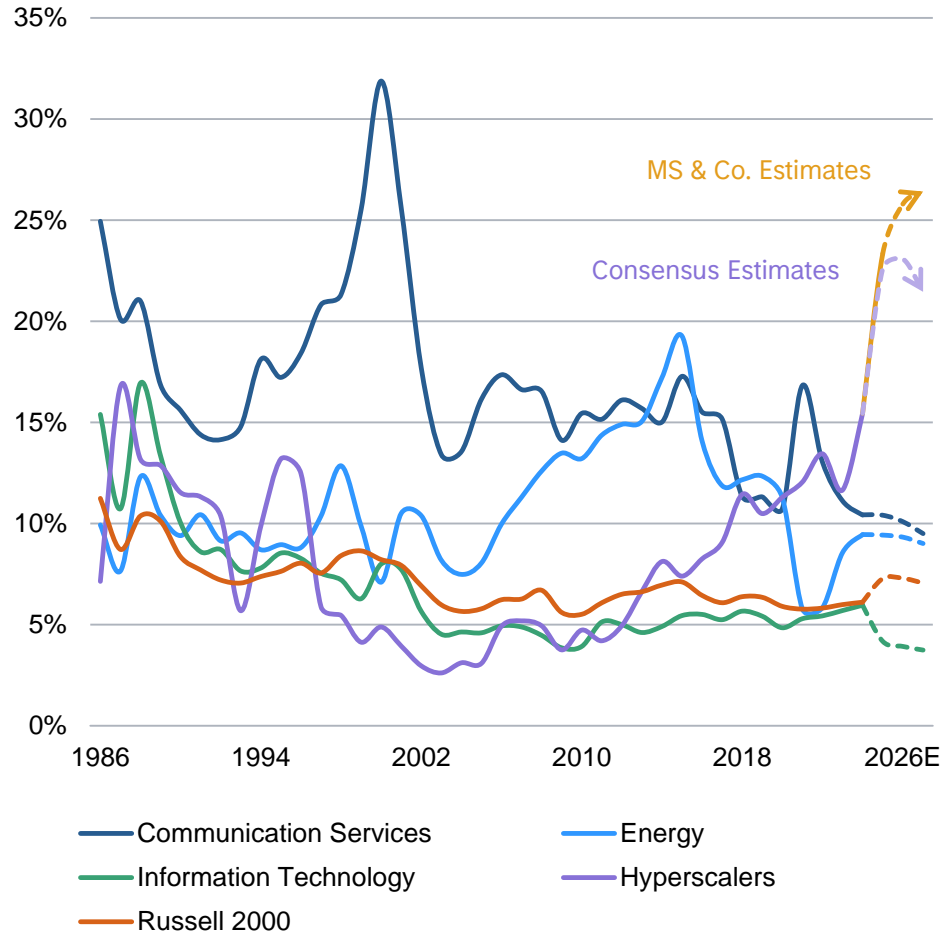
AS OF NOVEMBER 10, 2025



Gen AI Capex Boom: In Context, Where Are We?

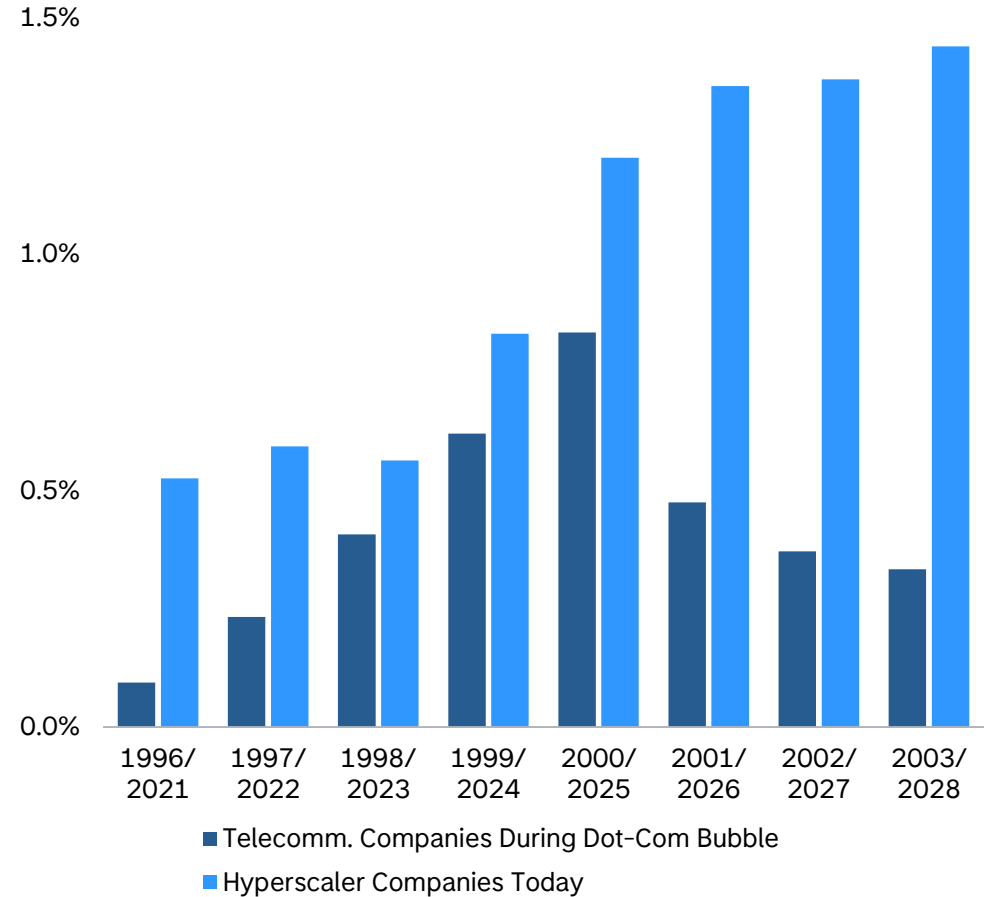
CAPITAL EXPENDITURE AS A SHARE OF SALES

AS OF NOVEMBER 10, 2025



CAPITAL EXPENDITURE AS A SHARE OF GDP

AS OF JUNE 30, 2025



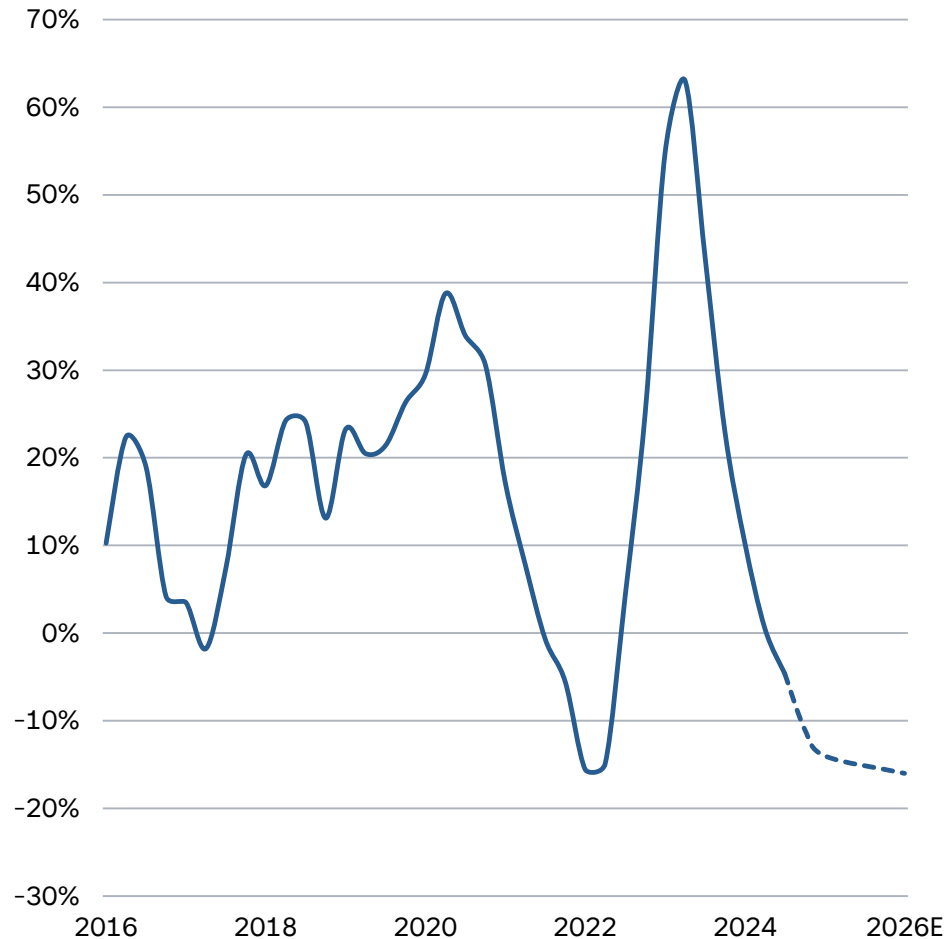
Source: Morgan Stanley Wealth Management GIO, Apollo Global Management, MS & Co. Research and consensus estimates

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Hyperscaler Free Cash Flow Growth Negative; Debt Financing Increasing

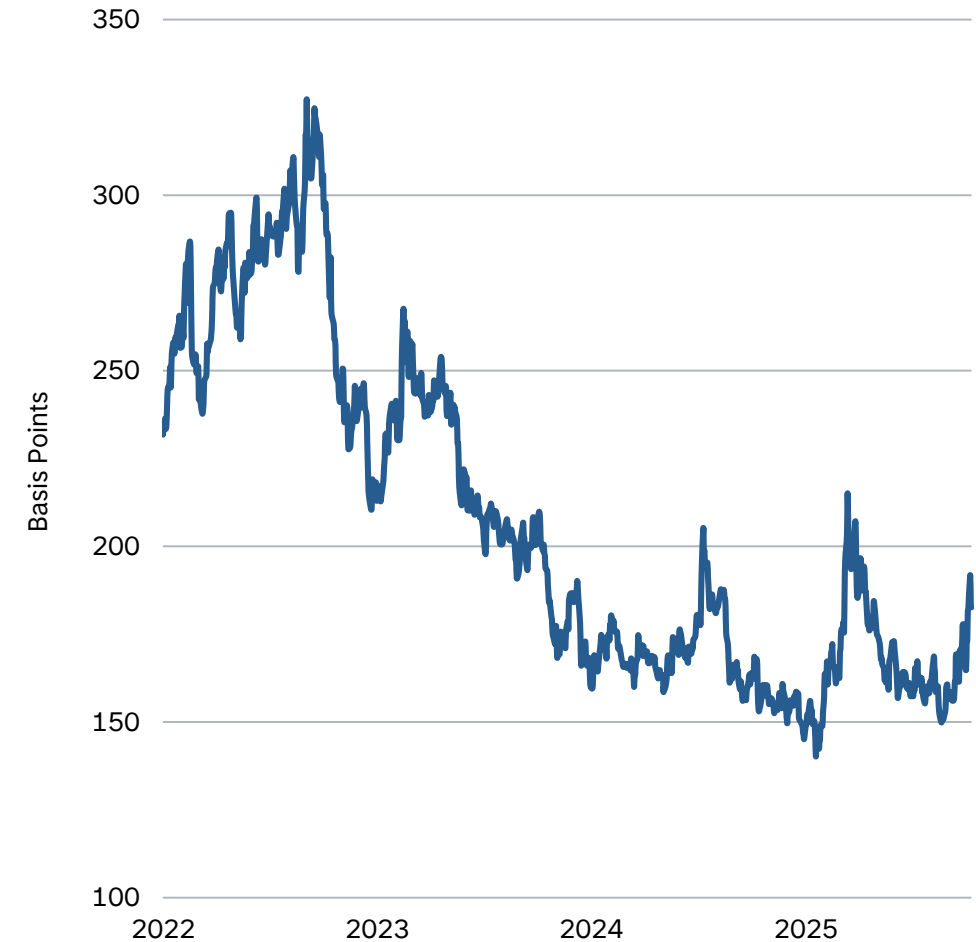
MAG 7 FREE CASH FLOW, YEAR-OVER-YEAR

AS OF NOVEMBER 5, 2025



ORACLE OAS TO 10-YEAR SWAP CURVE

AS OF NOVEMBER 5, 2025



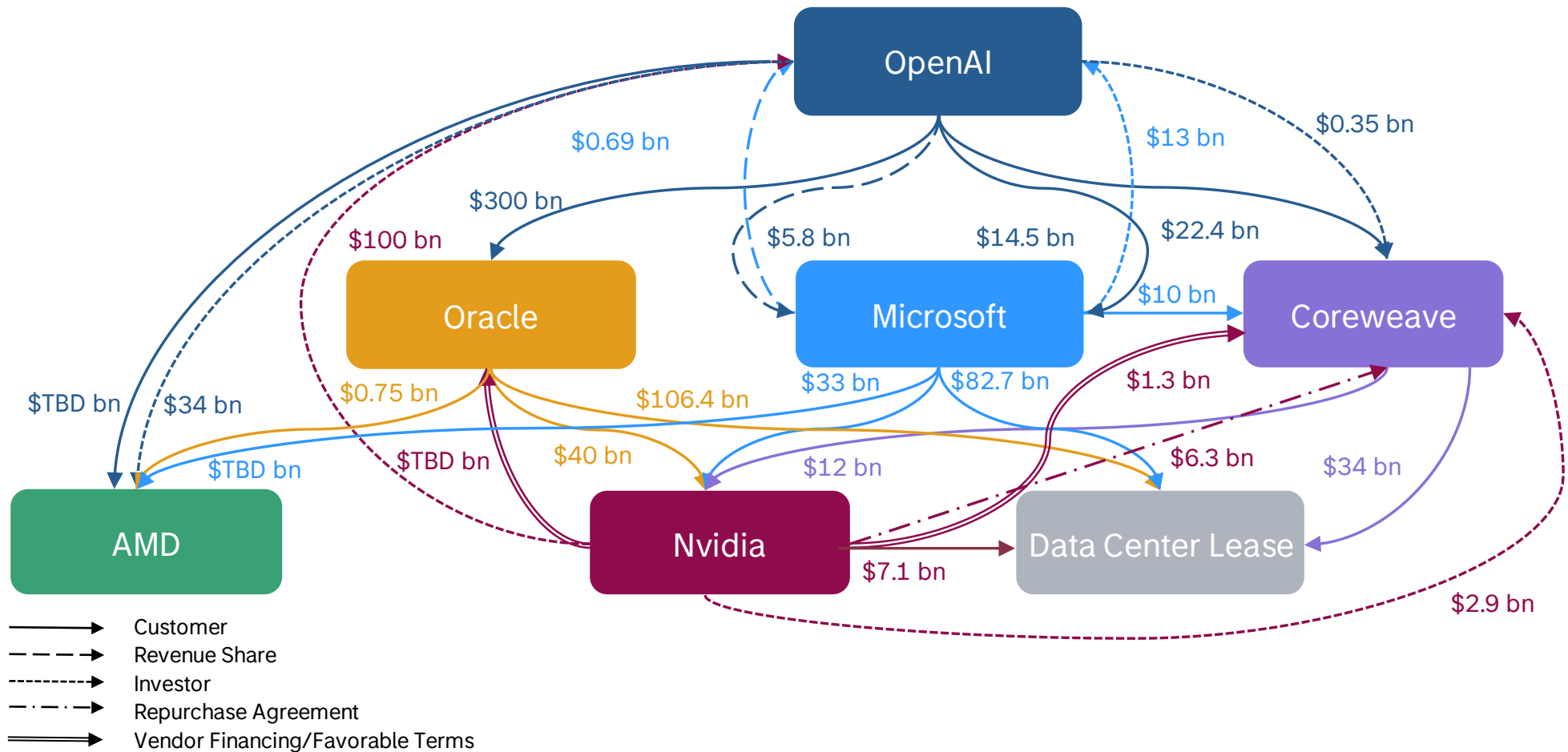
Source: Morgan Stanley Wealth Management GIO estimates, Bloomberg, Strategas. Option-adjusted spread (OAS) is a measurement of the spread of a fixed income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option.

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Risk Is Increasing Circularity

AI ECOSYSTEM CAPITAL FLOWS

AS OF NOVEMBER 10, 2025



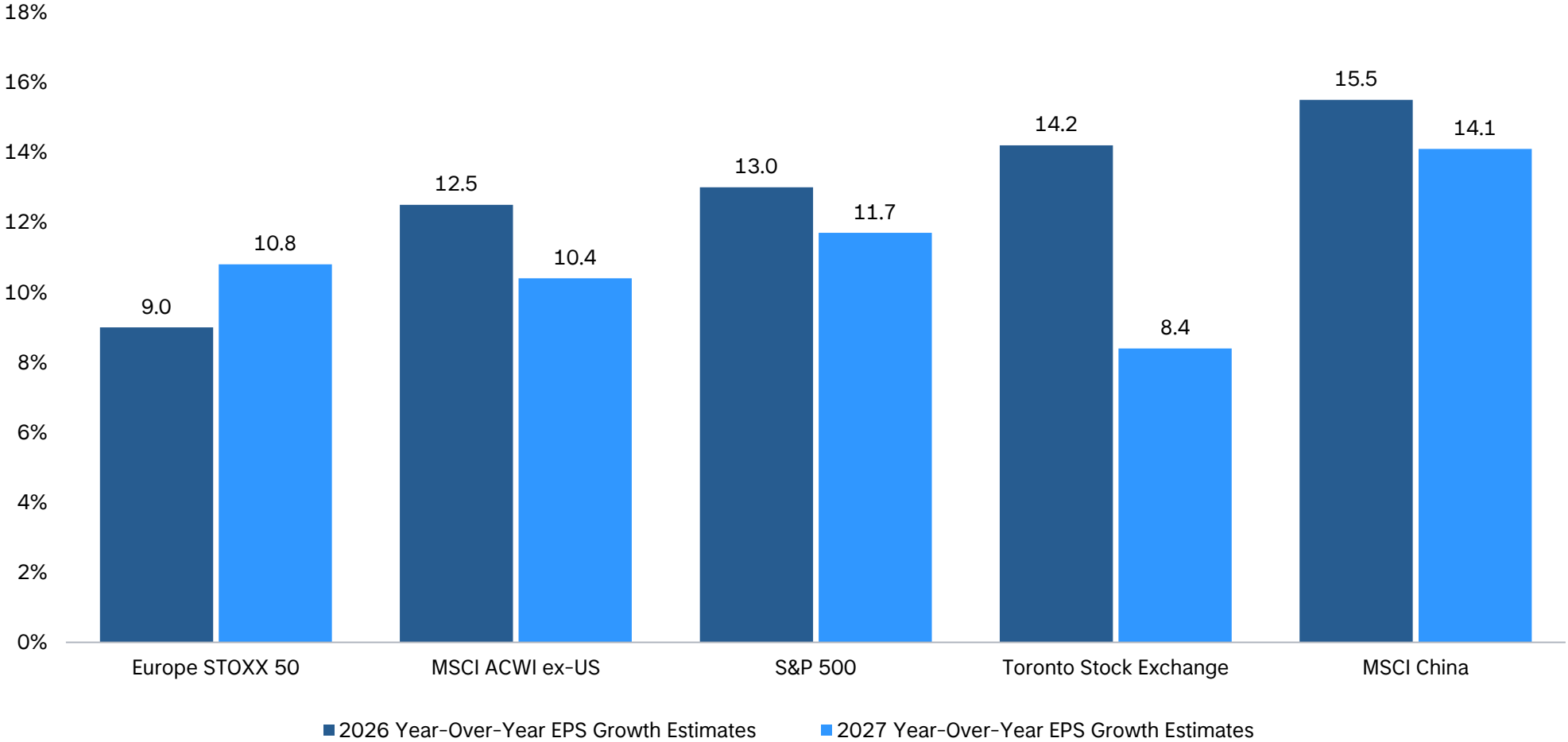
Source: Morgan Stanley Wealth Management GIO, MS & Co Research, "AI: Mapping Circularity," October 8, 2025.

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Controversy #8: American Exceptionalism Everlasting?

AMERICA’S PROFIT GROWTH PREMIUM NARROWING

AS OF NOVEMBER 7, 2025



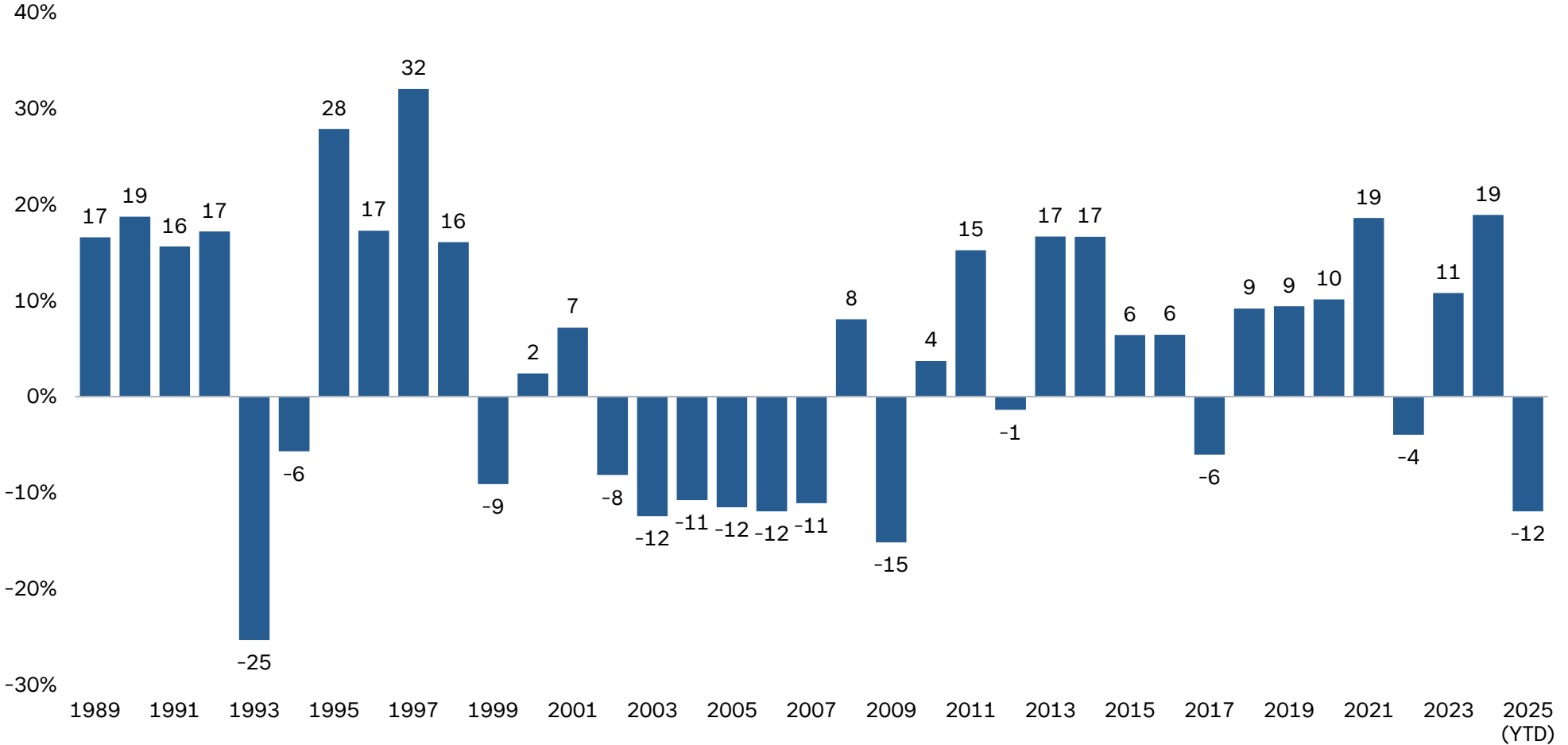
Source: Morgan Stanley Wealth Management GIO, Bloomberg, consensus estimates

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US Trailing Rest of World by Most Since 2009

MSCI US YEARLY RETURN LESS MSCI ACWI EXCLUDING US YEARLY RETURN

AS OF NOVEMBER 10, 2025



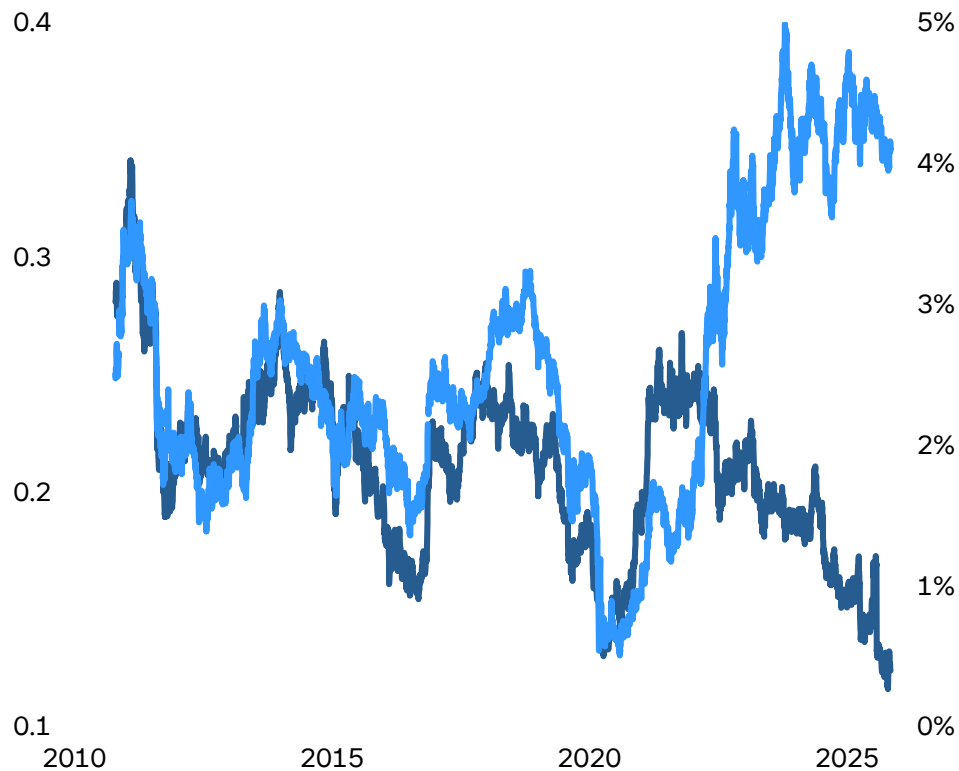
Source: Morgan Stanley Wealth Management GIO, Bloomberg

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US Treasuries Are Signaling a Regime Change...

COPPER/GOLD RATIO VS. 10-YEAR US TREASURY YIELD

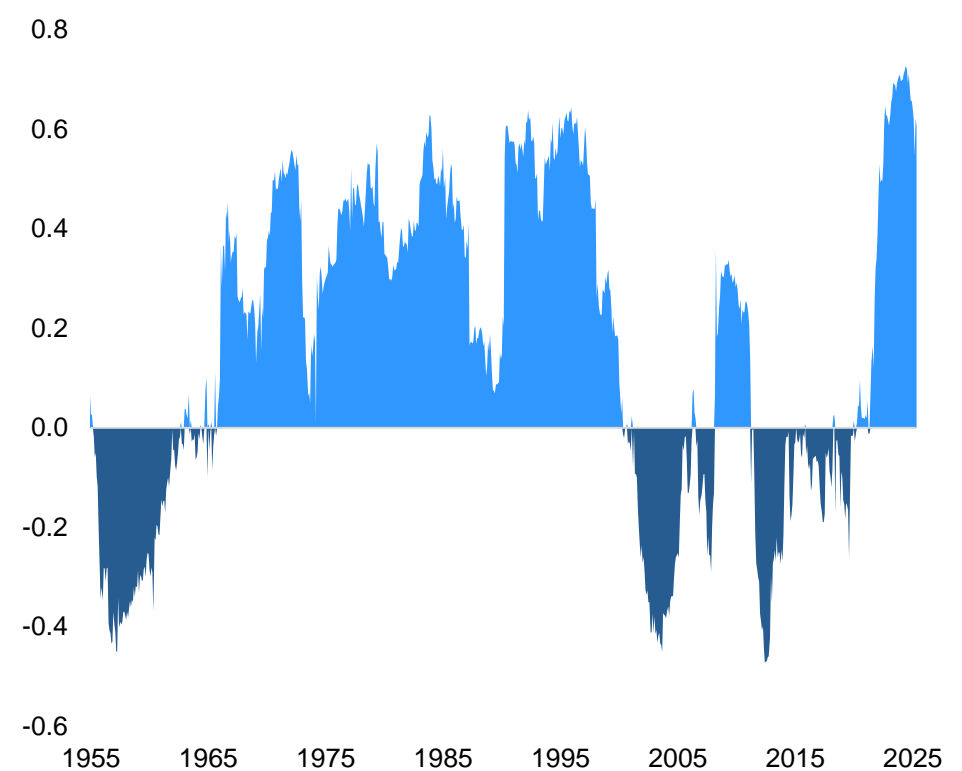
AS OF NOVEMBER 5, 2025



— Copper/Gold Ratio (left) — 10-Year US Treasury Yield (right)

ROLLING THREE-YEAR STOCK-BOND CORRELATIONS

AS OF NOVEMBER 5, 2025



■ Positive Correlations ■ Negative Correlations

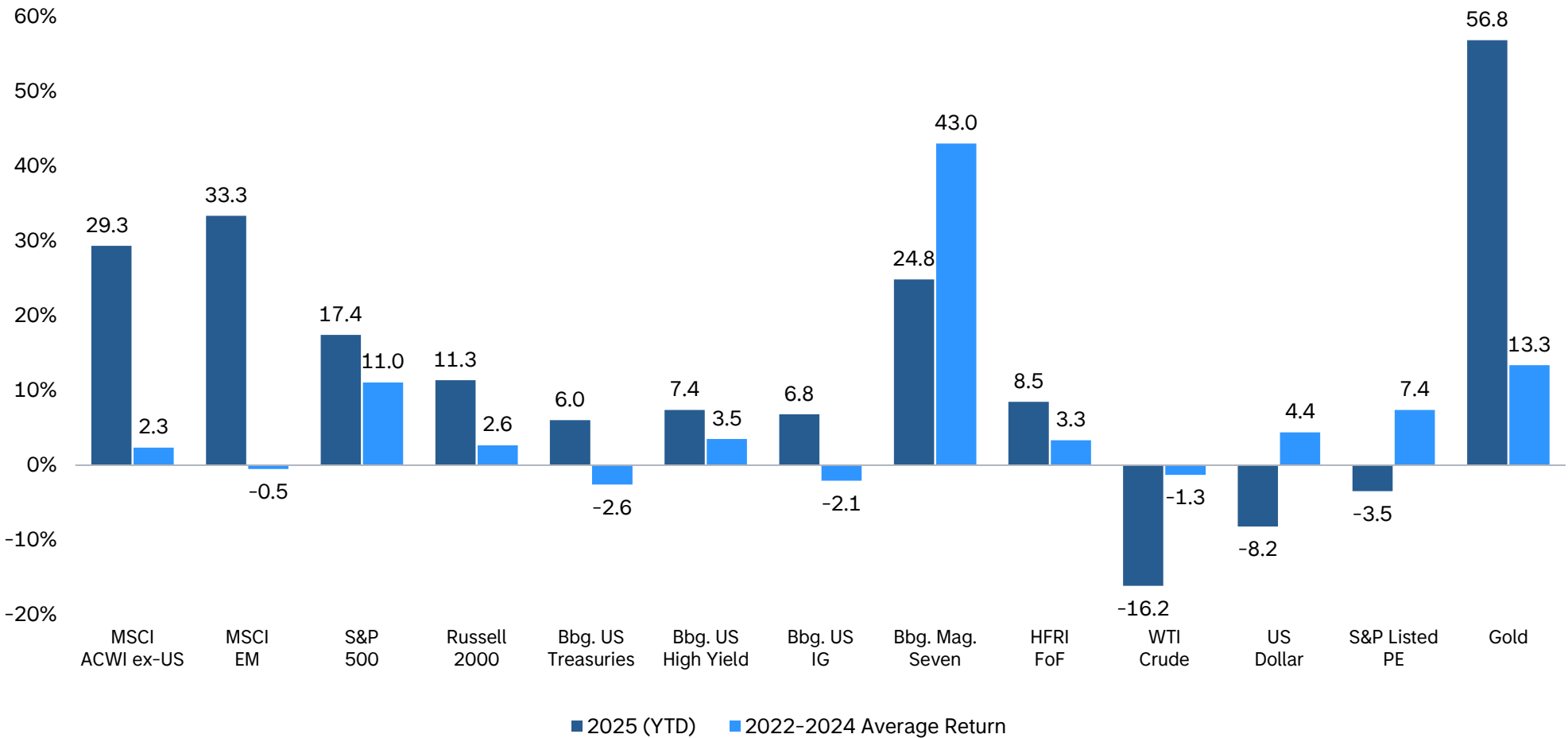
Source: Morgan Stanley Wealth Management GIO, Bloomberg. Correlation This is a statistical measure of how two securities move in relation to each other. This measure is often converted into what is known as correlation coefficient, which ranges between -1 and +1. Perfect positive correlation (a correlation coefficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction. Alternatively, perfect negative correlation means that if one security moves in either direction the security that is perfectly negatively correlated will move in the opposite direction. If the correlation is 0, the movements of the securities are said to have no correlation; they are completely random. A correlation greater than 0.8 is generally described as strong, whereas a correlation less than 0.5 is generally described as weak.

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The Case for Diversification Returns

YEAR-TO-DATE RETURN VS. 2022-2024 AVERAGE RETURN BY ASSET CLASS

AS OF NOVEMBER 10, 2025



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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.

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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.

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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.

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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.

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