
CORE DIVIDENDS®

Discretionary Portfolio Strategy

- The primary objective of the CORE DIVIDENDS® portfolio is to provide a growing dividend stream and appreciation over the long term while exhibiting less volatility than the S&P 500.
- The portfolio is managed under the belief that high dividend yields matter but high dividend growth rates matter more
- The portfolio seeks to invest in globally dominate companies that have demonstrated the ability and intention of paying consistent, rising dividends to attempt to provide a continually increasing income stream to counteract the impact of inflation.
- The CORE DIVIDENDS® portfolio may be appropriate for investors who might be worried they are running out of time to position themselves for financially secure retirement
- For Investors in accumulation mode, this core portfolio's goal of compounding dividend growth may help build meaningful long-term wealth

Our Investment Process

Our investment decision-making process uses our proprietary screen of businesses based on market capitalization, dividend growth history, dividend yield, payout ratio, valuation, and industry dominance. The portfolio includes 30-plus companies, equally weighted, to build a broadly diversified portfolio. Estimated turnover is twenty percent.

The Headwaters Group at Morgan Stanley

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Equity securities may fluctuate in response to news on companies, industries, market conditions and the general economic environment. Companies cannot assure or guarantee a certain rate of return or dividend yield; they can increase, decrease or totally eliminate their dividends without notice.

This material is intended only for clients and prospective clients of the Portfolio Management program. It has been prepared solely for informational purposes only and is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or other financial instrument, or to participate in any trading strategy.

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

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The Standard & Poor's (S&P) 500 Index tracks the performance of 500 widely held, large-capitalization US stocks. An investment cannot be made directly in a market index.

Diversification does not assure a profit or protect against loss in a declining market.