

Black Leadership Empowerment (BLE) Strategy

(800) 421-2741 | (770) 481-1731

blestrategy@morganstanley.com

Black Leadership Empowerment (BLE) Strategy

MODEL OBJECTIVES

Investing in companies* that seek to promote racial equity

This portfolio seeks to invest in companies with higher levels of diversity, advancing Black representation in leadership roles.

Specifically, we look at Black representation on the board of directors and in executive management, as well as corporate policies enacted to address racial justice.

(Targeting 25-30 holdings)

*Equity securities, i.e., stocks, of companies

INVESTING IN RACIAL EQUITY

A growing body of evidence points to better financial performance associated with higher levels of diversity.¹

As an investment opportunity, racial equity is about identifying ways in which achieving balance in representation, empowerment and economic opportunity is material to financial outcomes.

We aim to invest in the largest US companies who are leaders in promoting Black leadership and representation.

RESEARCH PROCESS

Our process is designed to generate competitive risk-adjusted market returns as well as positive environmental and social impact. We search for companies rated overweight or equal weight by MS&Co research that are actively seeking to mitigate the risks associated with Environmental, Social, and Governance (ESG) concerns, rated BB or higher, as measured by MSCI ESG*.

While we believe broad-based ESG data provides valuable insight to evaluate a company, additionally we seek concentrated exposure to leaders in specific ESG themes. Specifically, this portfolio strives to invest in companies with at least two Black directors on the board and/or Black representation in the C-suite.

*Please see Disclosures Section of this document for more information about MSCI ESG ratings

PORTFOLIO CHARACTERISTICS

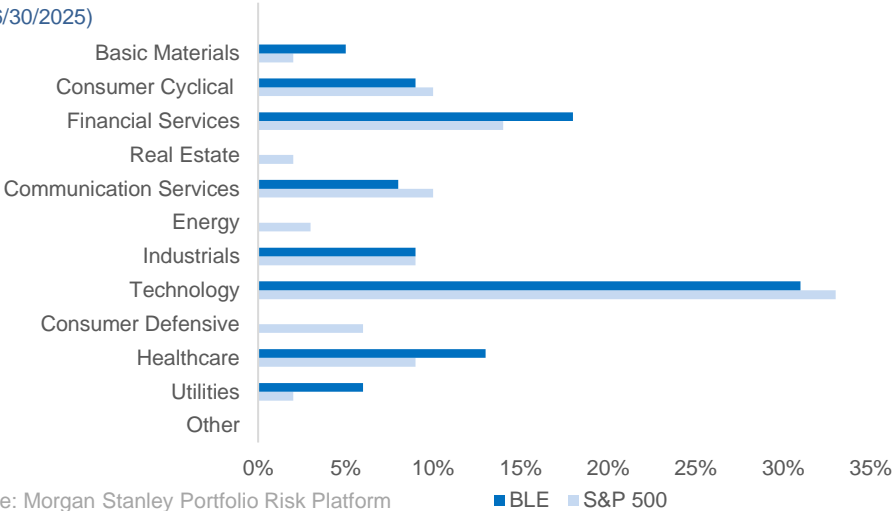
(as of 6/30/2025)

	BLE	S&P 500
P/B Ratio	4.14	5.02
P/E Ratio	24.55	27.02
Holdings (#)	27	503
Dividend Yield (%)	1.85	1.22

Source: Morgan Stanley Portfolio Risk Platform

SECTOR ALLOCATION

(as of 6/30/2025)



PORTFOLIO MANAGERS

THE INDIGO GROUP AT MORGAN STANLEY

Mark C. Callaway
Senior Vice President
Financial Advisor
Investing with Impact Director
Senior Portfolio Manager

in partnership with

Alora Yaron, CPM®
Vice President
Financial Advisor
Portfolio Manager
Investing with Impact Director

THE MELIOR GROUP AT MORGAN STANLEY

Jesse Walton Jr., CFP® CIMA® CPWA®
Executive Director, Financial Advisor
Senior Investment Management Consultant
Portfolio Manager

Allocation can be customized based on client's risk tolerance or specific client request. Equity allocation can be customized below 100% based on client's risk tolerance or specific client request. In such cases, non-equity allocations may or may not be subject to ESG screening criteria. The allocation above is for illustrative purposes only, at quarter end, and does not necessarily represent the current portfolio or how your specific account would be invested. The allocation is subject to change without notice. Sector weightings may be re-allocated as industry fundamentals warrant. They may also be re-allocated as your risk/reward profile changes.

Black Leadership Empowerment (BLE) Strategy

Morgan Stanley

DIVERSITY CHARACTERISTICS (as of 6/30/2025)



100% of the portfolio is invested in companies with at least 2 Black Directors²



The portfolio is invested in 5 out of only 5 S&P 500 companies with a Black CEO²



100% of companies made a pledge to address racial justice in 2020³

COMPANIES IN BLE VS. S&P 500

(as of 6/30/2025)

10.5

■ S&P 500
■ BLE

1.0

22.5

14.0

% Board Seats held by Black Directors

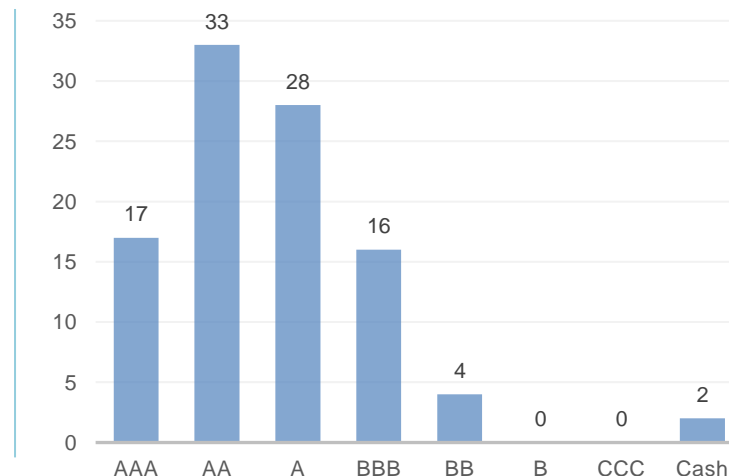
% Portfolio invested in Black CEOs



Source: Black Enterprise (2025); ISS ESG

*Please see Disclosures Section of this document for more information about ISS ESG ratings

MSCI ESG RATING OF HOLDINGS IN BLE (%) (as of 6/30/2025)*



Source: MSCI ESG (as of 6/30/2025)

* Please see Disclosures Section of this document for more information about MSCI ESG ratings

In 2019, 187 S&P 500 companies, or 37% of the S&P 500 had no Black representation on their boards.⁴

MINIMUM INVESTMENT SIZE
\$100,000

PORTFOLIO MANAGERS

THE INDIGO GROUP AT MORGAN STANLEY

in partnership with

Mark C. Callaway
Senior Vice President, Financial Advisor
Investing with Impact Director
Senior Portfolio Manager

Alora Yaron, CPM®
Vice President
Investing with Impact Director
Financial Advisor, Portfolio Manager

THE MELIOR GROUP AT MORGAN STANLEY

Jesse Walton Jr., CFP® CIMA® CPWA®
Executive Director, Financial Advisor
Senior Investment Management Consultant
Portfolio Manager

BLE Contact:
(800) 421-2741 The Indigo Group
(770) 481-1731 The Melior Group
blestrategy@morganstanley.com

1. McKinsey & Company, "Delivering Through Diversity" (January 2018); 2. Black Enterprise (2025); ISS ESG;
3. Fortune 500, Axios analysis of company statements (June 2020); 4. Black Enterprise (2019)

DISCLAIMERS

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 holdings, sector weightings, portfolio traits and other data for an actual account may differ from that in this material due to various factors including the size of an account, cash flows within an account, and restrictions on an account.

The Portfolio Management Program is an investment advisory program in which the client's Financial Advisor or Private Wealth Advisor invests the client's assets on a discretionary basis in a range of securities. Throughout these disclosures, "Financial Advisor" means either your Financial Advisor or your Private Wealth Advisor. 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.

The strategy presented, which may reference investment types, may not be appropriate for all investors. The appropriateness of a particular investment strategy will depend upon an investor's individual circumstances and objectives.

Morgan Stanley Smith Barney LLC 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.

In the Portfolio Manager program (PM Program), the client pays a wrap fee to Morgan Stanley Wealth Management ("MSWM") which covers MSWM investment advisory services, custody of securities (if we are the custodian), trade execution with or through MSWM, as well as compensation to any Financial Advisor. Each account that is invested in the PM 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 PM Program ADV brochure. 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 net asset value. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. Please refer to the PM Program ADV Part 2 for additional details available at www.morganstanley.com/ADV or from your Financial Advisor.

This material does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The strategies and/or investments discussed in this material may not be suitable for all investors. Morgan Stanley Wealth Management recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a Financial Advisor.

The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Principal value and return of an investment will fluctuate with changes in market conditions.

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.

Technical analysis is the study of past price and volume trends of a security in an attempt to predict the security's future price and volume trends. Its limitations include but are not limited to: the lack of fundamental analysis of a security's financial condition, lack of analysis of macroeconomic trend forecasts, the bias of the technician's view and the possibility that past participants were not entirely rational in their past purchases or sales of the security being analyzed. Investors using technical analysis should consider these limitations prior to making an investment decision.

DISCLAIMERS

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.

Certain portfolios may include investment holdings deemed Environmental, Social and Governance ("ESG") investments. For reference, environmental ("E") factors can include, but are not limited to, climate change, pollution, waste, and how an issuer protects and/or conserves natural resources. Social ("S") factors can include, but are not limited to, how an issuer manages its relationships with individuals, such as its employees, shareholders, and customers as well as its community. Governance ("G") factors can include, but are not limited to, how an issuer operates, such as its leadership composition, pay and incentive structures, internal controls, and the rights of equity and debt holders. You should carefully review an investment product's prospectus or other offering documents, disclosures and/or marketing material to learn more about how it incorporates ESG factors into its investment strategy.

ESG investments may also be referred to as sustainable investments, impact aware investments, socially responsible investments or diversity, equity, and inclusion ("DEI") investments. It is important to understand 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. This is due to a current lack of consistent global reporting and auditing standards as well as differences in definitions, methodologies, processes, data sources and subjectivity among ESG rating providers when determining a rating. Certain issuers of investments including, but not limited to, separately managed accounts (SMAs), mutual funds and exchange traded-funds (ETFs) may have differing and inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. Further, socially responsible norms vary by region, and an issuer's ESG practices or Morgan Stanley's assessment of an issuer's ESG practices can change over time.

Portfolios that include investment holdings deemed ESG investments or that employ ESG screening criteria as part of an overall strategy 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 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. For risks related to a specific fund, please refer to the fund's prospectus or summary prospectus.

Investment managers can have different approaches to ESG and can offer strategies that differ from the strategies offered by other investment managers with respect to the same theme or topic. Additionally, when evaluating investments, an investment manager is dependent upon information and data that may be incomplete, inaccurate, or unavailable, which could cause the manager to incorrectly assess an investment's ESG characteristics or performance. Such data or information may be obtained through voluntary or third-party reporting. Morgan Stanley does not verify that such information and data is accurate and makes no representation or warranty as to its accuracy, timeliness, or completeness when evaluating an issuer. This can cause Morgan Stanley to incorrectly assess an issuer's business practices with respect to its ESG practices. As a result, it is difficult to compare ESG investment products.

It is important to understand there are multiple ESG ratings providers that provide ESG ratings where ratings of the same subject companies and/or securities may vary among the providers. This is due to a current lack of consistent global reporting/auditing standards as well as differences in methodologies, processes, data sources and subjectivity when determining a rating. Additionally, data may be incomplete, inaccurate or unavailable, which could cause the ratings to incorrectly assess an investment's ESG characteristics or performance. Morgan Stanley does not verify that such ratings are accurate and makes no representation or warranty as to the accuracy, timeliness, or completeness of the ratings.

DISCLAIMERS

*MSCI is a leading third-party data provider of ESG ratings for companies around the world. MSCI rates companies on a scale of AAA to CCC based on their exposure to and ability to manage industry-specific ESG risks.

MSCI ESG Ratings are based upon the following scale:

- AAA/AA-Leader: A company leading its industry in managing the most significant ESG risks and opportunities.
- A/BBB/BB-Average: A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers.
- B/CCC-Laggard: A company lagging its industry based on its high exposure and failure to manage significant ESG risks.

Source: www.msci.com/our-solutions/esg-investing/esg-ratings

All data is from MSCI ESG Ratings as of [Date], based on holdings as of [Date]. As such, the sustainable characteristics described herein may differ from MSCI ESG Ratings from time to time. Additionally, data may be incomplete, inaccurate or unavailable, which could cause the ratings to incorrectly assess an investment's ESG characteristics or performance. Morgan Stanley does not verify that such ratings are accurate and makes no representation or warranty as to the accuracy, timeliness, or completeness of the ratings.

Investing in the markets entails the risk of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Asset allocation and diversification do not assure a profit or protect against loss.

Price/Book Ratio - or P/B Ratio is a stock's price divided by its book value per share. A fund's price/book ratio can act as a gauge of the fund's investment strategy in the current market climate, and whether it is overvalued or undervalued. The (P/B) ratio of a fund is the weighted average of the price/book ratios of the stocks in a fund's portfolio.

Price/Earnings Ratio - or P/E Ratio is a stock's current price divided by the company's trailing 12-month earnings per share from continuous operations. A fund's price/earnings ratio can act as a gauge of the fund's investment strategy in the current market climate, and whether it has a value or growth orientation. The (P/E) ratio of a fund is the weighted average of the price/earnings ratios of the stocks in a fund's portfolio. The P/E ratio of a company, which is a comparison of the cost of the company's stock and its trailing 12-month earnings per share, is calculated by dividing these two figures.

DISCLAIMERS

*Institutional Shareholder Service Inc. ("ISS") ESG

ISS measures three pillars: Social and Governance (Staff and Suppliers, Society and Product Responsibility, Corporate Governance and Business Ethics) and Environmental (Environmental Management, Products and Services, and Eco-Efficiency) across 73 industries using more than 700 indicators to create a ESG Corporate Rating. ISS ESG Corporate Ratings measure performance on an absolute twelve-point letter and underlying numerical scale ranging from A+/4.00 (excellent performance) to D-/1.00 (poor performance).

The Numerical Scale, Alphabetical Rating and Performance Levels are shown below:

D-	D	D+	C-	C	C+	B-	B	B+	A-	A	A+
1.00 - <1.25	1.25 - <1.50	1.50 - <1.75	1.75 - <2.00	2.00 - <2.25	2.25 - <2.50	2.50 - <2.75	2.75 - <3.00	3.00 - <3.25	3.25 - <3.50	3.50 - <3.75	3.75 - <4.00
Poor			Medium			Good			Excellent		

Source: ISS ESG Ratings & Rankings | ESG Corporate Rating (issgovernance.com) and Corporate-Rating-Methodology.pdf (issgovernance.com)

These ratings have been provided for transparency and informational purposes only. The existence of an ESG rating is not indicative of how or whether ESG factors will be integrated into a fund. Morgan Stanley is not affiliated with ISS. ISS ratings should not be construed as credit ratings which are offered by other unrelated entities that may use similar terminology. Rather, ISS ratings measure a company's resilience to financially material ESG risks.

All data is from ISS ESG ratings as of [Date], based on holdings as of [Date]. As such, the sustainable characteristics described herein may differ from ISS ESG Ratings from time to time.

Additionally, data may be incomplete, inaccurate, or unavailable, which could cause the ratings to incorrectly assess an investment's ESG characteristics or performance. Morgan Stanley does not verify that such ratings are accurate and makes no representation or warranty as to the accuracy, timeliness, or completeness of the ratings.

DISCLAIMERS

This material is not intended to be a client-specific analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities (including securities of Morgan Stanley Smith Barney LLC, and/or its affiliates if shown herein). Do not use this material as the sole basis for investment decisions. Do not select an investment strategy based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon.

No obligation to notify - Morgan Stanley Wealth Management has no obligation to notify you when information in this material changes. Morgan Stanley Wealth Management and its affiliates do not render advice on tax and tax accounting matters to clients. Each client should consult his/her personal tax and/or legal advisor to learn about any potential tax or other implications that may result from acting on a particular recommendation.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors or Private Wealth Advisors do not provide tax or legal advice. Individuals are urged to consult their personal tax or legal advisors to understand the tax and legal consequences of any actions, including any implementation of any strategies or investments described herein.

When Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors (collectively, "Morgan Stanley") provide "investment advice" regarding a retirement or welfare benefit plan account, an individual retirement account or a Coverdell education savings account ("Retirement Account"), Morgan Stanley 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 Morgan Stanley provides investment education, takes orders on an unsolicited basis or otherwise does not provide "investment advice", Morgan Stanley will not be considered a "fiduciary" under ERISA and/or the Code. For more information regarding Morgan Stanley's role with respect to a Retirement Account, please visit www.morganstanley.com/disclosures/dol. Tax laws are complex and subject to change. Information contained herein has been obtained from sources considered to be reliable, but we do not guarantee their accuracy or completeness.

When Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors (collectively, "Morgan Stanley") provide "investment advice" regarding a retirement or welfare benefit plan account, an individual retirement account or a Coverdell education savings account ("Retirement Account"), Morgan Stanley 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 Morgan Stanley provides investment education, takes orders on an unsolicited basis or otherwise does not provide "investment advice", Morgan Stanley will not be considered a "fiduciary" under ERISA and/or the Code. For more information regarding Morgan Stanley's role with respect to a Retirement Account, please visit www.morganstanley.com/disclosures/dol. Tax laws are complex and subject to change.

Morgan Stanley Wealth Management Financial Advisors can conduct their business in several ways: individually, as a member of a team of Financial Advisors, or through the formation of a Strategic Partnership with another Financial Advisor or team of Financial Advisors. A Strategic Partnership is an arrangement between a Financial Advisor or a team of Financial Advisors with another Financial Advisor or team of Financial Advisors that has a unique focus or knowledge regarding a specific business concentration, product area and/or client type. If your account is with an individual Financial Advisor, that Financial Advisor services all facets of your account. If your account is with a Financial Advisor who is a member of a team, any Financial Advisor on the team can service your account. If your Financial Advisor is part of a Strategic Partnership, his or her role in that Strategic Partnership may be limited to a specific business and/or product area and may not cover all facets of your account. The use of the terms "Partner" or "Strategic Partner" and/or "Partnership" or "Strategic Partnership" are used as terms of art and not used to imply or connote any legal relationship.

The investments listed may not be appropriate for all investors. Morgan Stanley Smith Barney LLC recommends that investors independently evaluate particular investments, and encourages investors to seek the advice of a Financial Advisor. The appropriateness of a particular investment will depend upon an investor's individual circumstances and objectives.

Morgan Stanley Wealth Management is a business of Morgan Stanley Smith Barney LLC.
© 2023 Morgan Stanley Smith Barney LLC. Member SIPC.

Morgan Stanley Smith Barney LLC. Member SIPC. CRC 4669948 07/2025