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The Indigo Group at Morgan Stanley

Animal Welfare Strategy

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Indigo Animal Welfare Strategy

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MODEL OBJECTIVES

On top of Environmental, Social and Governance (ESG) integration, the Indigo Animal Welfare Strategy (AWS) does not invest in companies* that exploit animals through:

- Animal testing (pharmaceutical and non-pharmaceutical)
- Factory farms
- Live animal entertainment
- Exhibiting or breeding animals

The portfolio also avoids companies on the USDA's and PETA's testing list.

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

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 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 specific ESG themes. Specifically, this portfolio strives to avoid companies with any revenue exposure to animal welfare concerns, as determined by ISS-ESG.

Targeting 25-30 holdings. No traditional energy sector.

PORTFOLIO CHARACTERISTICS

(as of 12/31/2024)

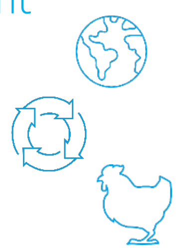
	AWS	S&P 500
P/B Ratio	3.84	5.11
P/E Ratio	20.50	27.67
Holdings (#)	31	503
Dividend Yield (%)	2.24	1.24

Source: Morgan Stanley Portfolio Risk Platform

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

CRUELTY FREE INVESTING

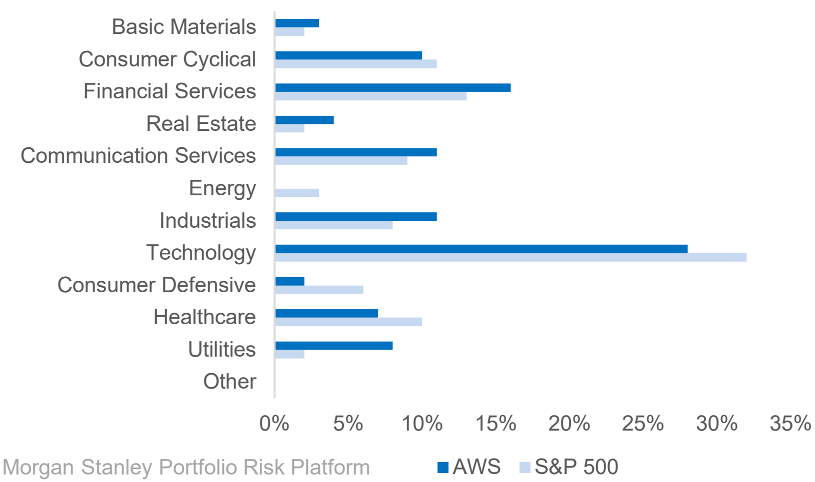
Animal agriculture is estimated to account for 51% of greenhouse gas emissions, and expected to increase to 80% by 2050. About a quarter of all stocks are in animal exploitation industries.[1]



[1]World Watch Magazine, Volume 22, No. 6; Nature. Vol. 515 (2020)

MINIMUM INVESTMENT SIZE $100,000

SECTOR ALLOCATION (as of 12/31/2024)



Source: Morgan Stanley Portfolio Risk Platform

PORTFOLIO MANAGEMENT TEAM

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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.

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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.

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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

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 not 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.

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*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

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.

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Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.

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.

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