Morgan Stanley

WEALTH MANAGEMENT

International Discretionary Strategy

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1Q | 2025

Overview:

Our International Discretionary Strategy is designed to compliment our main US strategies with investment opportunities outside of US large cap stocks. The strategy invests in International and Emerging Markets through a combination of stocks, ADRs (American Depository Receipts), actively managed mutual funds, and passive ETFs. The strategy is actively managed and makes tactical changes based on company fundamentals and overall market conditions.

Why Invest in these Stocks: (Market data sourced from Thomson Reuters*)

International stocks allow investors to invest in companies outside of the US and account for ~2/3rds of all the stocks available. Many of the products and services commonplace throughout the United States are produced by International companies including items such as KitKats (Nestle, Switzerland) and PlayStation (Sony, Japan). US equities have seen a decade of outperformance versus international equities as US earnings growth have outpaced the rest of the world. However, US and non-US performance has been cyclical. While US stock valuations aren't extended as they were at the peak of the dot-com rally, we are deep into the US cycle, and it may now be that the best-in-class opportunities with attractive growth exist beyond the US. For long-term investors, now could be a compelling entry point to add an international allocation to a well-diversified portfolio.

Emerging Markets are country's that are progressing toward becoming more advanced economies and include China, India, Russia, and Brazil as well as many nations throughout Eastern Europe, Asia, Africa, and Latin America. These Emerging Markets are projected to become the main source of economic activity over the next 10 years; however, investors remain largely under invested in Emerging Markets. This underinvestment is likely to correct over the next decade as the emerging world becomes the main source of global economic activity, representing a tremendous long term growth opportunity for investors. That said, investors in Emerging Markets must be prepared to handle high levels of volatility over many years. As an example of this volatility, emerging markets went from the best performing asset class in 2017 to the worst in 2018.

Portfolio Characteristics

Benchmark	MSCI ACWI Ex USA
Capitalization	Multi
Style	Multi
Holdings	18*
AUM	$1.4 MM*
Current Yield	2.07%*

Suitable For

- Investors seeking long term capital appreciation.
- Investors who have a long-time horizon, at least 5 years or more.
- Investors who can handle high volatility and afford loss of principal.

* As of January 6th, 2025

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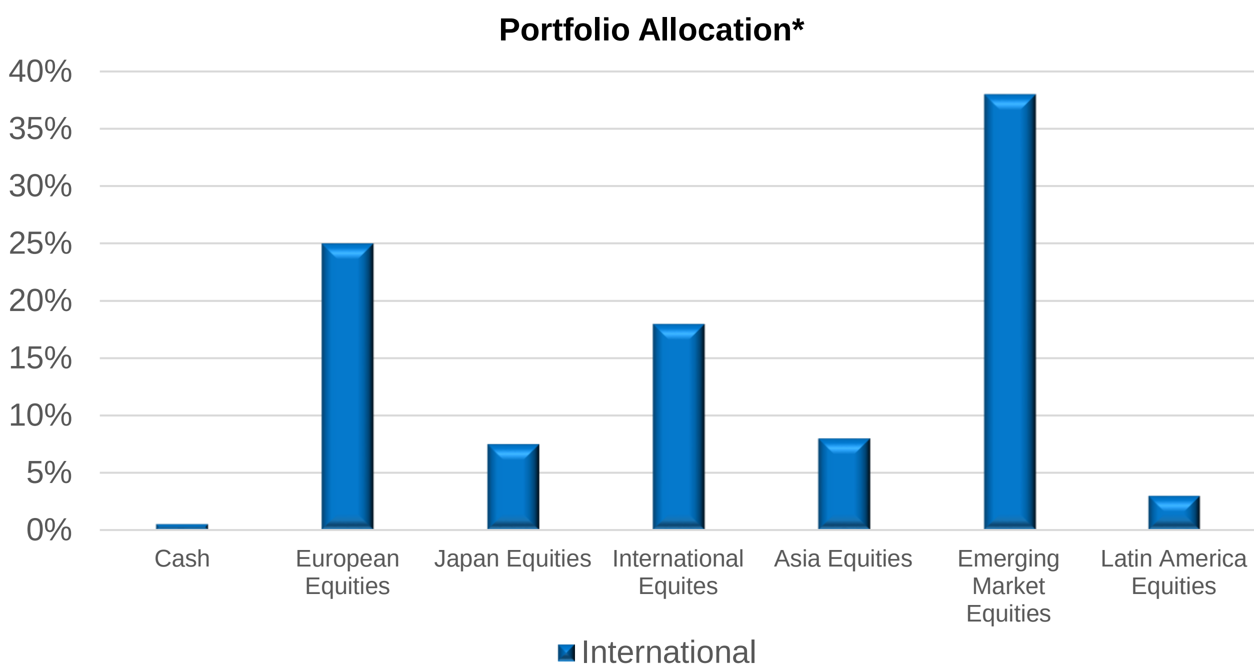
Portfolio Stock Holdings*

Company	Ticker	Sector	Subsector	Headquarters
ACCENTURE PLC (IRELAND)	ACN	Information Technology	Business Support Services	Dublin, Ireland
AIRBUS SE	EADSY	Industrials	Aerospace	Leiden, Netherlands
ASML HOLDING NV NY REG SHS	ASML	Information Technology	Technology Equipment	Veldhoven, Netherlands
ASTRAZENECA P L C ADS	AZN	Health Care	Pharmaceuticals	Cambridge, United Kingdom
EATON CORP PLC (IRELAND)	ETN	Industrials	Electrical Components	Dublin, Ireland
GLOBAL X MSCI ARGENTINA ETF	ARGT	Argentina	Core	New York, NY
INFOSYS LIMITED ADS	INFY	Information Technology	Computer Services	Bangalore, India
ISHARES MSCI INDIA ETF	INDA	India	Core	New York, NY
ISHARES MSCI JAPAN ETF	EWJ	Japan	Core	New York, NY
KRANESHARES CSI CHINA INTERNET ETF	KWEB	China	Core	New York, NY
LULULEMON ATHLETICA INC	LULU	Consumer Discretionary	Clothing & Accessories	Vancover, Canada
MERCADOLIBRE INC	MELI	Consumer Discretionary	Consumer Services	Montevideo, Uruguay
SAP SE ADS	SAP	Information Technology	Computer Software	Walldorf, Germany
SONY GROUP CORPORATION ADR	SONY	Consumer Discretionary	Electronic	Tokyo, Japan
SPDR PORTFOLIO DEVELOPED WORLD EX-US	SPDW	Developed Markets	Core	New York, NY
SPDR PORTFOLIO EMERGING MARKETS ETF	SPEM	Emerging Markets	Core	New York, NY
TAIWAN SEMICONDUCTOR MFG CO ADS	TSM	Information Technology	Semiconductors	Hsinchu, Taiwan
TOTALENERGIES SE ADS	TTE	Energy	Integrated Oil and Gas	Paris, France

Sample Holdings within the model portfolio as of January 6th, 2025. These sample holdings are for informational purposes only and should not be deemed to be a recommendation to purchase or sell the securities mentioned. There are no guarantees that any securities mentioned will be held in a client's account. It should not be assumed that the securities transactions or holdings discussed were or will be profitable. Data are indicative only as of the given date. Holdings will fluctuate, and no assurance can be given that an actual portfolio will be able to obtain the same attributes. Please see additional importation at the end of this report.



* As of January 6th, 2025

Disclosures & Disclaimers

- **Investors should carefully consider the investment objectives and risks as well as charges and expenses of exchange traded funds (ETFs) before investing. To obtain a prospectus, contact your Financial Advisor or visit the fund company's website. The prospectus contains this and other important information about the ETFs. Read the prospectus carefully before investing.**
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- Sample Holdings consist of the top issues in each sector within the model portfolio as of January 6th, 2025. These sample holdings are for informational purposes only and should not be deemed to be a recommendation to purchase or sell the securities mentioned. There are no guarantees that any securities mentioned will be held in a client's account. It should not be assumed that the securities transactions or holdings discussed were or will be profitable. Data are indicative only as of the given date. Holdings will fluctuate, and no assurance can be given that an actual portfolio will be able to obtain the same attributes.
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- The MSCI ACWI 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 ACWI consists of 44 country indices comprising 23 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. An investment cannot be made directly in a market index
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