Morgan Stanley

The PowerScore Portfolios

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WELCOME TO POWERSCORE WEALTH MANAGEMENT

A quantitative process for identifying where capital is flowing

Why PowerScore?

• Many investors lack the time, experience, and knowledge needed for day-to-day portfolio decisions.
• PowerScore is the Tholl Pearson Group's proprietary approach to investment management.
• The process is designed to stand apart in a competitive capital market.

Capital markets are an arena of competition for capital.

The PowerScore Process Recognizes Different Timeframes

Foundational Portfolio Construction

The long-term PowerScore is represented by the capitalization of a security relative to other securities in that sector.

Only those securities that have attracted the most capital, that have the greatest capitalization, that have the highest long-term PowerScores, are included in the Portfolio. Those securities unable to maintain their competitive position in the hierarchy are removed from the Portfolio.

Portfolio Fine Tuning

A short-term numeric PowerScore is produced through a real time interface with Bloomberg.

For non-tax sensitive accounts, the short-term PowerScore is employed to tactically rotate Portfolios toward a more offensive or a more defensive posture.

Calculating the Short-Term PowerScore

01 **Measure**
Trailing returns across multiple timeframes

02 **Weight**
Timeframes are weighted unequally

03 **Rank**
Each security receives a numeric score

04 **Allocate**
Capital follows current leadership

The PowerScore Equity Strategies

PS20 — **Flagship**

Quantitative, rules-based, and objective security selection.

Benchmark: S&P 500 equity Index

PS20 NASDAQ — **Offensive**

Same selection process; securities must be listed on the NASDAQ Exchange.

Benchmark: NASDAQ 100 equity index

PS20 Dividend — **Defensive**

Same selection process; securities must also pay an ongoing dividend.

Benchmark: S&P 500 Value Index

PS20 sample holdings: equal-weighted building blocks of individual securities, organized by sector

Sector	Weight	Holdings	Securities
Information Technology	35%	7 holdings	AAPL, AMD, AVGO, MSFT, MU, NVDA, XLK
Financial Services	15%	3 holdings	BRK/B, JPM, XLF
Communication Services	10%	2 holdings	GOOGL, META
Consumer Discretionary	10%	2 holdings	AMZN, TSLA
Health Care	10%	2 holdings	JNJ, LLY
Industrial	10%	2 holdings	CAT, XLI
Consumer Staple	5%	1 holding	WMT
Energy	5%	1 holding	XOM

Each sample holding is shown at 5.00%; sector percentages reflect the number of holdings in each sector.

Sample holdings and PowerScore rankings consist of the top issues in each sector within the model portfolio as of August 18, 2026. 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.

The PowerScore Risk Profile (RP) Balanced Portfolios

PowerScore RP5

Strategic Allocation

90% Equity

5% Gold

5% PowerScore Low Volatility Bonds

Tactical Range

70–90% Equity

5% Gold + stated bond allocation

Benchmark

90% S&P 500 | 10% Aggregate Bonds

PowerScore RP4

Strategic Allocation

80% Equity

5% Gold

15% PowerScore Low Volatility Bonds

Tactical Range

60–80% Equity

5% Gold + stated bond allocation

Benchmark

80% S&P 500 | 20% Aggregate Bonds

PowerScore RP3

Strategic Allocation

60% Equity

5% Gold

35% PowerScore Low Volatility Bonds

Tactical Range

40–60% Equity

5% Gold + stated bond allocation

Benchmark

60% S&P 500 | 40% Aggregate Bonds

PowerScore RP2

Strategic Allocation

40% Equity

5% Gold

55% PowerScore Low Volatility Bonds

Tactical Range

20–40% Equity

5% Gold + stated bond allocation

Benchmark

40% S&P 500 | 60% Aggregate Bonds

PowerScore RP1

Strategic Allocation

20% Equity

5% Gold

75% PowerScore Low Volatility Bonds

Tactical Range

0–20% Equity

5% Gold + stated bond allocation

Benchmark

20% S&P 500 | 80% Aggregate Bonds

Legend: Equity = profile color | Gold = gold | Bonds = light gray

Disclosures

Important information and risk disclosures

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Disclosures

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For index, indicator and survey definitions referenced in this report please visit the following: https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions

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CRC 5858404 8/26