Morgan Stanley

The Boulevardier

A QUARTERLY INVESTORS REPORT FROM **THE VECTOR GROUP AT MORGAN STANLEY**

MAY 2022

EXECUTIVE SUMMARY

First Quarter 2022

- ***Equity Markets***[1]: *U.S. equities were volatile through the 1st quarter as the S&P 500 drew down over -10.00% before finishing the quarter -4.60%. International equities fared worse as the MSCI EAFA fell -6.61% in the first quarter, while Emerging Markets fell by -7.32%.*
- ***Bond Markets***[2]: *High Yield outperformed other areas of credit through the first quarter of 2022 as Sub-Investment Grade bonds returned -4.80%, spreads rose by 43 bps to 3.25% over treasuries. Investment Grade spreads rose more modestly by 24 bps to 1.16% over Treasuries but returned -7.70% due to higher rate sensitivity. The US 10-year bond saw yields increase substantially in Q1, rising by 83 basis points to 2.34%. The yield curve, measured by 30 and 2-year rates, flattened with the spread decreasing by 106 bps throughout the quarter as the 2-year rate rose by 160 bps and the 30-year rate rose by a more modest 54 bps. The Fed moved off the 0.00 lower bound by 25 bps in March to 0.25 – 0.50.*
- ***Economics***[3]: *The first quarter saw inflation in the spotlight with year over year readings coming in at 7.50%, 7.90%, and 8.50% in January, February, and March respectively. Despite high inflation, aggregate economic expectations were handedly surpassed when measured by the Citi Economic Surprise Index, with the benchmark closing the quarter well into positive territory. Housing remained robust, job growth accelerated, Unemployment fell, and Industrial Production was strong. Both Manufacturing and Services moderated in aggregate but remained well in growth territory. Retail Sales performed well in the quarter after an acceleration in January coming off Covid related headwinds in December.*
- ***Oil***[4] *ended the quarter at $100.28/barrel WTI, a +33.33% increase from last quarter's close.*
- ***Gold***[5] *futures closed at $1954.00/oz., a +6.86% increase for the quarter.*

Outlook 2022

- *Equity volatility returns after a reprieve in 2021.*
- *Inflation levels and Federal Reserve policy remain in center stage.*
- *Recession fears return.*

ALSO IN THIS ISSUE:

Paradigm Shift – 1970s Redux?

"Patience is bitter, but its fruit is sweet."

– Aristotle

THE VECTOR GROUP *at* MORGAN STANLEY

1290 Avenue of the Americas, New York, New York 10104 • 212 893-7516 • **https://advisor.morganstanley.com/the-vector-group**

Tactical Ideas for Consideration

for the Appropriate Investor

ASSET CLASS CHOICE	SUB CLASS	IDEAS	CONVICTION[1]
US Equity/Debt/ Cash	Equity	Attractive	[3 top hats]
US Equity Size	Larger	Attractive	[4 top hats]
Equity Investment	Sectors: Info Tech, Industrials, Financials	Attractive	[4 top hats]
Developed Int'l Equity	EuroZone	Neutral	[3 top hats]
Emerging Markets	China	Unattractive	[3 top hats]
US Gov Bond Market	Long Term	Unattractive	[4 top hats]
Municipal Bonds	Medium Duration	Attractive	[2 top hats]
High Yield Debt	Various	Unattractive	[4 top hats]
Preferred Stocks	QDI Financials	Unattractive	[3 top hats]
Mortgage Bonds	Agency	Attractive	[4 top hats]
Precious Metals	Gold	Attractive	[4 top hats]

NOTE: We have discontinued ranking currencies and alternative investments as a group.

NOTES:

If you are interested in exploring any of the ideas mentioned above, please call. We will discuss if it is appropriate for your specific situation as well as the different investment choices available to gain exposure.

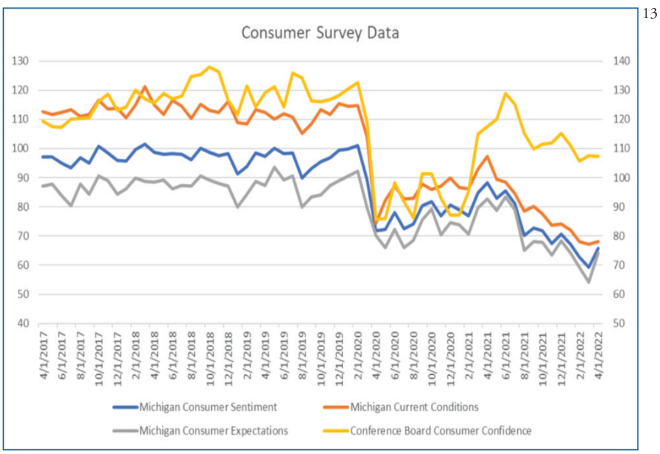
© 2022 Morgan Stanley Smith Barney LLC Member SIPC

QII 2022 Outlook

After a yearlong hiatus, risk has become the driving theme for the first half of 2022. Inflation, Federal Reserve Policy, war, and recession concern are all driving volatility not seen since the beginning phase of the pandemic.

Inflation & The Consumer

It's no secret that elevated inflation is a major concern. Consumer Confidence, and to an even greater extent Consumer Sentiment, have fallen meaningfully to begin the year, due in large part to current inflation readings. Both subindices of Consumer Sentiment, Current Conditions and Expectations have fallen to record lows[3]. This paints a dour picture for consumer behavior should inflation continue at its torrid pace.



[13]

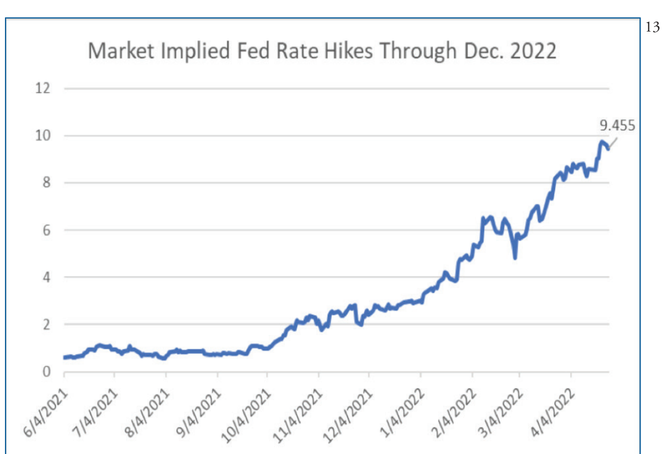
The good news is that we should not be left in limbo too long figuring out inflation's forward trend. The May 2021 reading of CPI was the first to hit 5.00% on a year over year basis[3]. This is where one would expect readings to begin receding from peak levels. If this were to materialize, it would be a welcome site to consumers. Should it not, the implications will be far reaching.

	CPI Y/Y
1/31/2021	1.40
2/28/2021	1.70
3/31/2021	2.60
4/30/2021	4.20
5/31/2021	5.00
6/30/2021	5.40
7/31/2021	5.40
8/31/2021	5.30
9/30/2021	5.40
10/31/2021	6.20
11/30/2021	6.80
12/31/2021	7.00
1/31/2022	7.50
2/28/2022	7.90
3/31/2022	8.50

[13]

The Federal Reserve & Interest Rates

The primary implication of continued elevated inflation will be felt by the Federal Reserve. Prior to the November 2021 committee meeting, inflation was viewed by the organization to be "transitory." This led to modest expectations in the eventual tightening cycle they would pursue. This messaging was drastically altered in November with the removal of the term transitory. To combat inflation, market expectations for rate hikes were aggressively moved forward and as elevated CPI readings continued to come in through the beginning months of 2022, talks of 50 and even 75 bp hikes have become commonplace. As it sits now, the market is expecting between 9 & 10 25 basis point rate hikes through Dec. 2022[13]. If inflation were to continue at current levels, the pace of tightening would be forced to move at an increasingly aggressive pace. Should CPI come down as base effects take hold, market expectations for Fed tightening would likely become too aggressive.



[13]

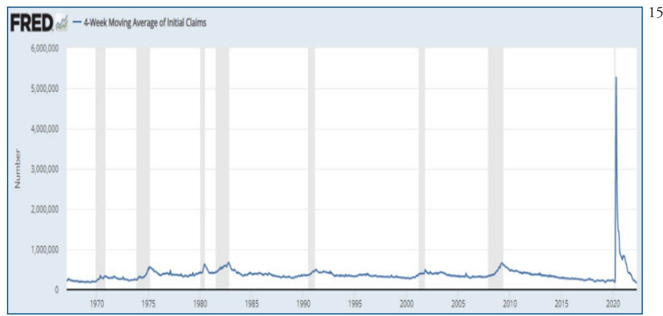
Recession Fears

Elevated inflation, poor consumer sentiment, and aggressive Fed tightening policy has rightfully stoked recession fears. As the S&P 500 finds itself down -10.43% through April 25th from closing highs set January 3rd 2022[14], the aggregate economy becomes increasingly important in dictating the eventual direction of risk assets.

A core tenant of our economic view is employment. It would be an historic outlier for the U.S. to enter a recession with improving employment. Non-Farm payrolls grew by 431m jobs in March, while the February reading was revised up to 750m adds[15]. The February number was good for the highest reading since the immediate aftermath of the Covid-19 related shutdowns[15]. In

© 2022 Morgan Stanley Smith Barney LLC Member SIPC

addition, Unemployment Claims have held consistent at 50-year lows[16] while Job Openings sit at historically elevated levels[17]. In aggregate, this suggests companies are hiring at a rapid pace, while employees are retaining jobs. Concurrently, job openings suggest there is substantially more hiring possible. This paints an extremely positive view of employment as it currently stands and moving forward.



15

16

17

Additional data points that suggest strength in the aggregate U.S. economy include Industrial Production, Housing Starts, Truck Tonnage, and the Leading Economic indicator. In March, Industrial Production hit new highs growing by 5.50% Year over Year[3]. New housing starts grew by 1.793mm reaching a new post-global financial crisis high[3]. Truck Tonnage, which represents approximately 70% of all U.S. freight, grew by 2.40% in March, reaching levels not seen since prior to the pandemic[3]. The Conference Board Leading Economic Index, which aggregates 10 forward looking data releases seeking to be predictive of turning points in the business cycle, also hit new highs in March[3]. Despite a pessimistic consumer, elevated inflation and a Federal Reserve aggressively removing accommodative policy, there are several significant aspects of the U.S. economy suggesting a recession is unlikely in the immediate future.

Implication

Whether the U.S. moves into a recession or not is crucial for risk assets as we move forward. Historical standards suggest that this will ultimately decide the direction of equity markets. From 1950 through 2021, drawdowns of -10% in the S&P 500, where the economy was not in a recession, have tended to produce greater than average forward returns over the following 12 months[13]. During the same time frame, the opposite is true with -10% drawdowns that were met with a recession[13]. A caveat, however, is that since the S&P 500's inception, about half of -10% drawdowns turn into -15% drawdowns, whether there is a recession or not[13]. In other words, volatility is not always absolved by strength in the economy. It has, however, tended to resolve it to the upside.

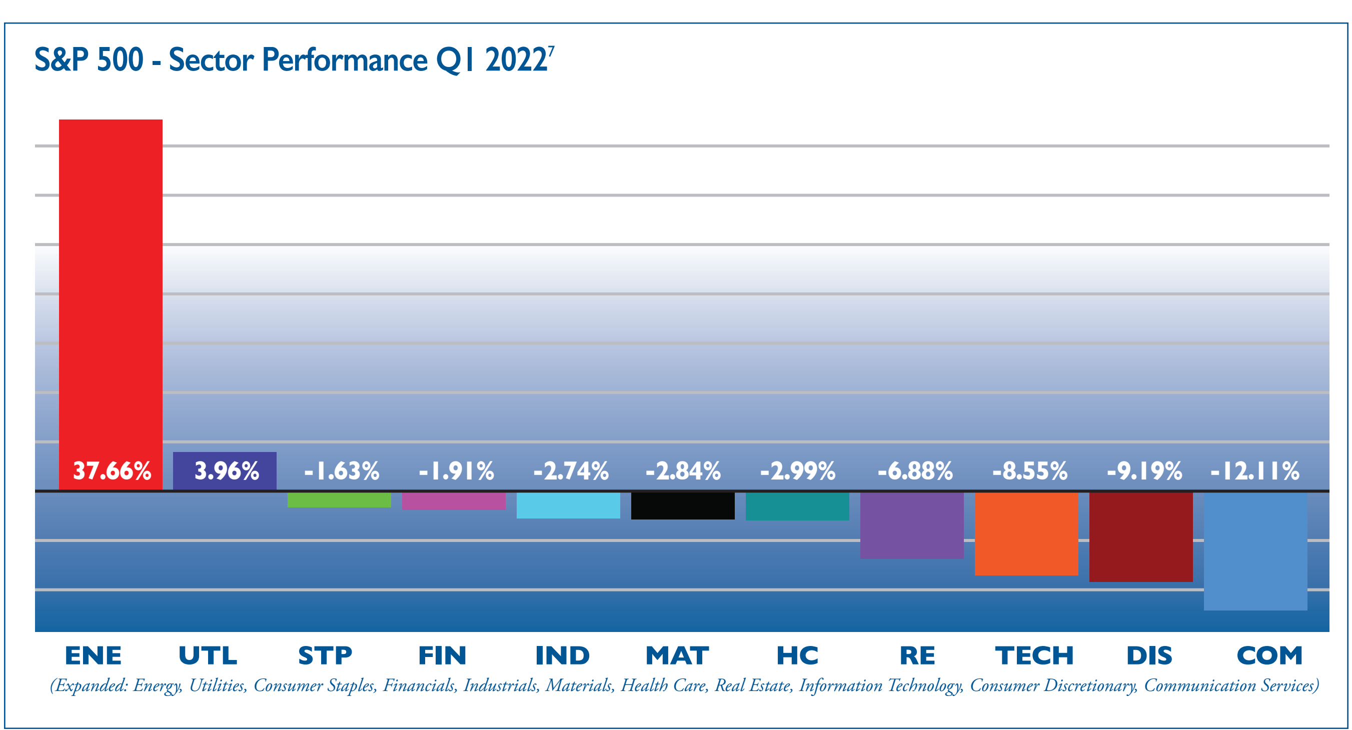
In summary, the path forward looks to hinge on inflation readings and the effect this has on the consumer as well as the Federal Reserve's policy stance. Coupled with the underlying strength in employment and other areas of the economy, positive resolution would provide support moving forward.

© 2022 Morgan Stanley Smith Barney LLC Member SIPC

MARKET ACTION

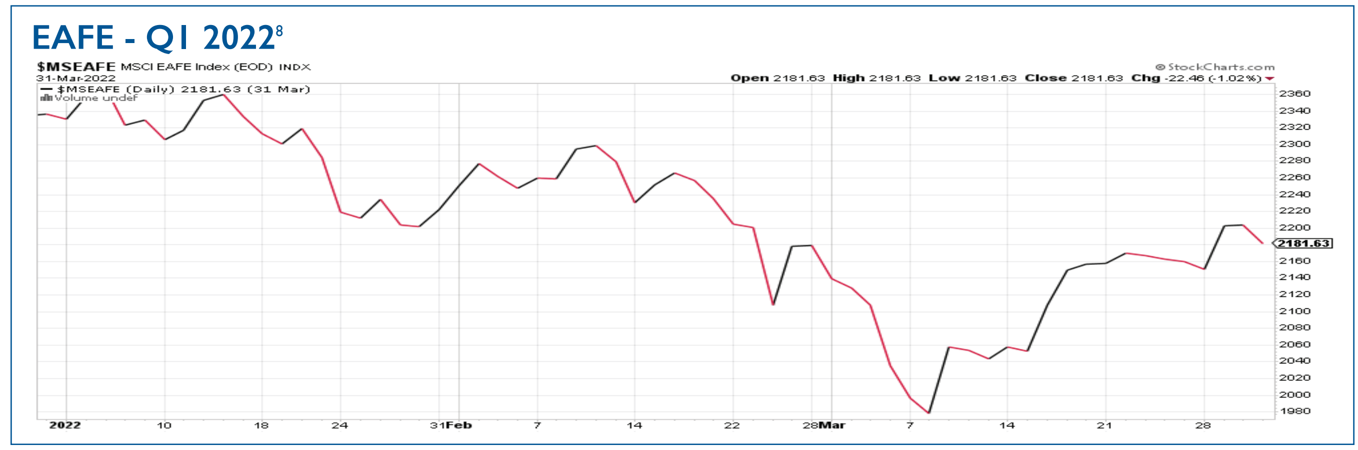
US Equity Markets

The S&P 500 fell -4.60% in the first quarter of 2022[1]. Outperforming sectors include Energy and Utilities, while Information Technology, Consumer Discretionary, and Communication Services underperformed.

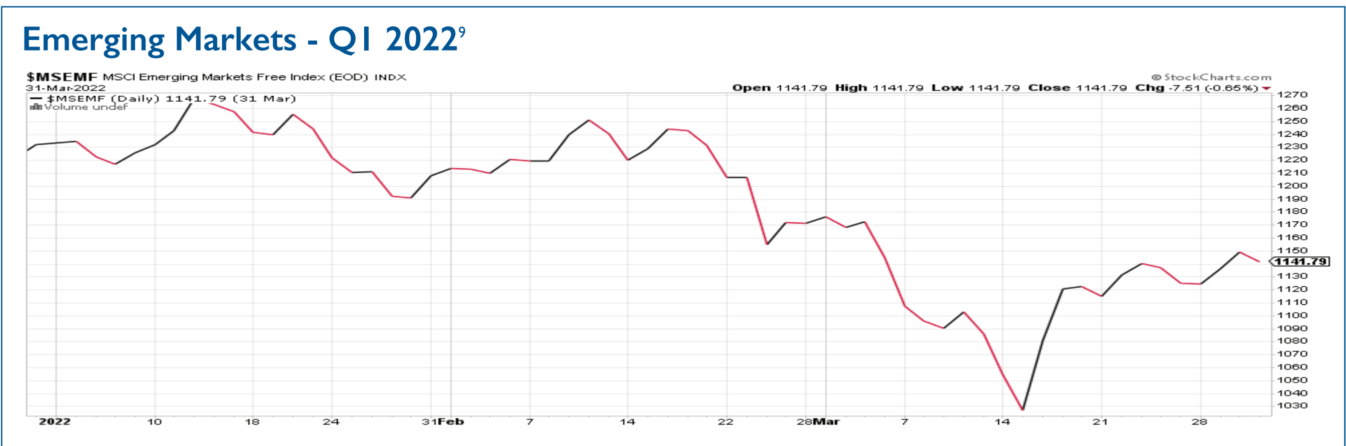


Other Equity Markets

MSCI EAFE underperformed the US by 201 basis points in the fourth quarter, falling -6.61%[1].



EAFE - Q1 2022[8]



Emerging Markets - Q1 2022[9]

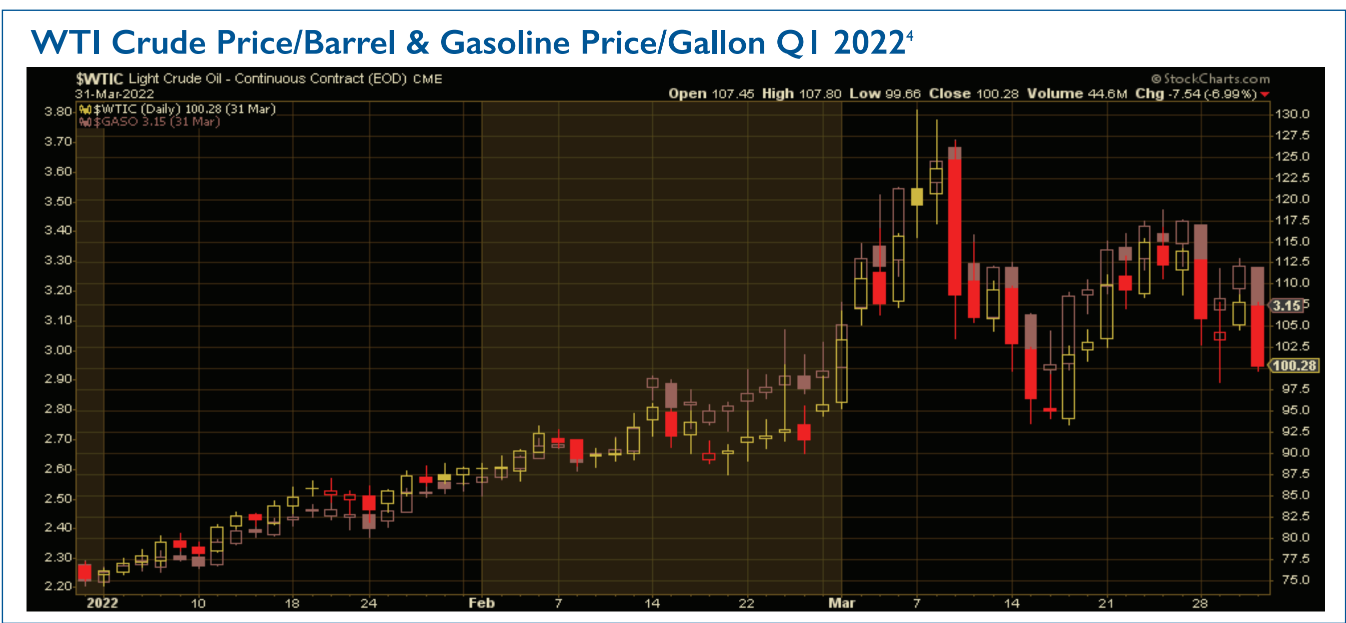
Emerging Markets underperformed the US by 272 basis points while also underperforming Developed International Markets by 71 basis points in the first quarter, falling -7.32% by the MSCI EM Index[1].

Russia, Brazil, India & China - Q1 2022[10]

© 2022 Morgan Stanley Smith Barney LLC Member SIPC

Energy Markets

WTI Crude Price/Barrel & Gasoline Price/Gallon Q1 2022[4]



Energy prices were volatile in the first quarter as WTI rose +33.33% while Gasoline futures rose +41.57%[4].

Precious Metals

Gold ended the quarter gaining +6.86% while Silver ended with a gain of +7.62%[5].

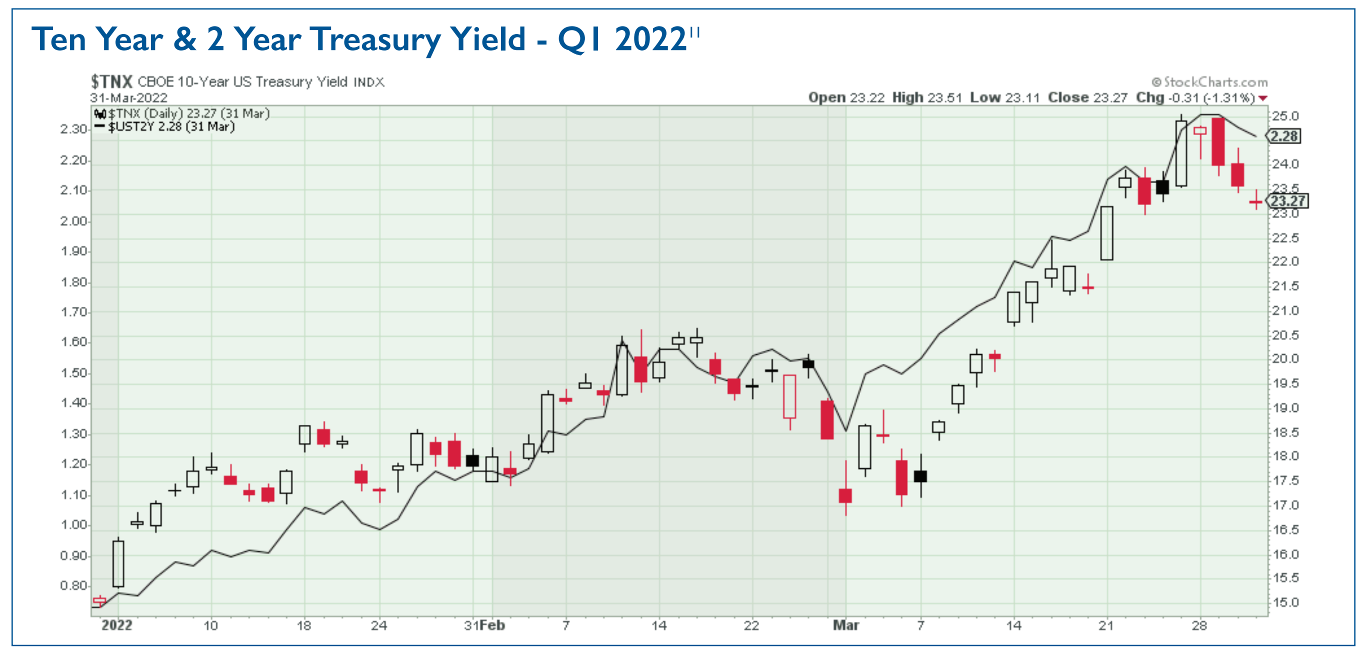
Gold & Silver - Q1 2022[5]

© 2022 Morgan Stanley Smith Barney LLC Member SIPC

Bond Markets

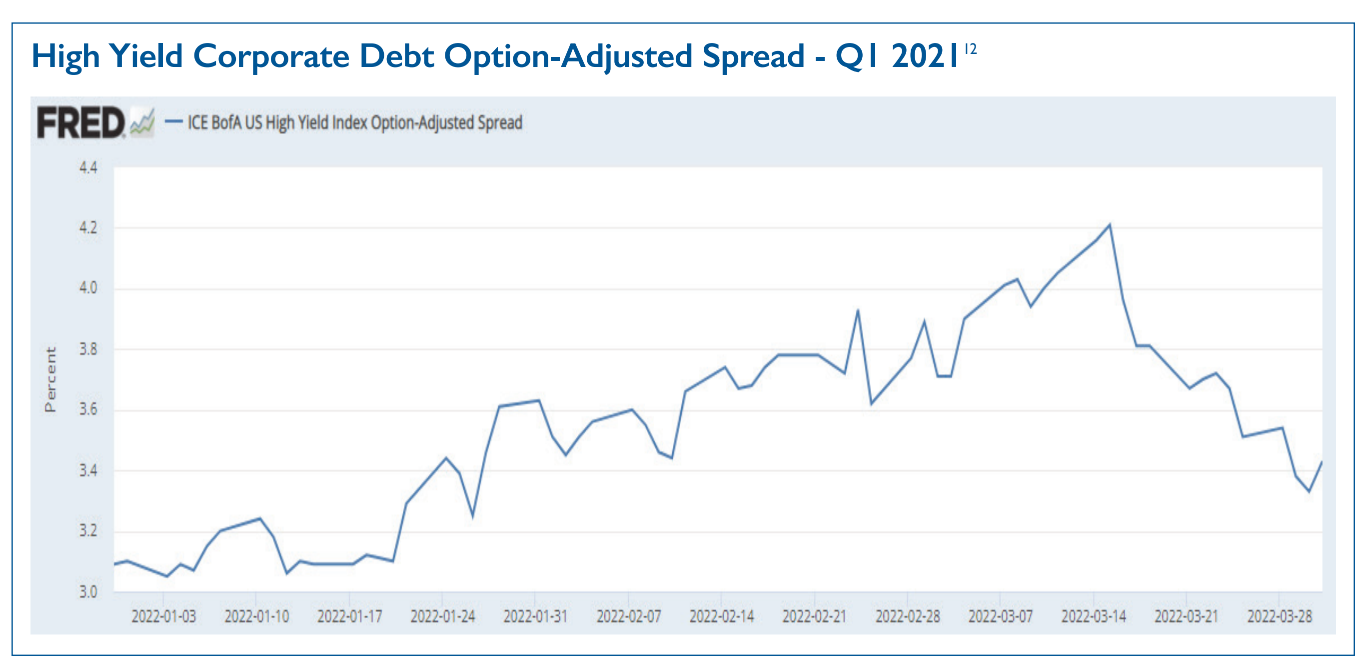
Ten-Year Treasury Yields rose by 83 bps throughout the quarter to 2.34% while the Two-Year Rate rose sharply by 160 bps to 2.33%[2].

Ten Year & 2 Year Treasury Yield - Q1 2022[11]



High Yield spreads rose by 42 bps[3].

High Yield Corporate Debt Option-Adjusted Spread - Q1 2021[12]



© 2022 Morgan Stanley Smith Barney LLC Member SIPC

Paradigm Shift - 1970s Redux?

The phrase "paradigm shift" is one of the scariest to humans. It is a rethinking of whatever assumptions we've made in life about whatever it is we do – social norms, environmental issues and of course, investing. If tomorrow's investment process is different from today's, we may be in danger of choosing the wrong assets from which to gain, grow or receive income. As investors, we all fear missing any important shifts in thinking of how to select securities in which we can invest (or which we want to divest).

At the moment, the paradigm under question is the low-inflation/high growth environment in which we have been. We have enjoyed a long period of growth in part fueled by low interest rates and business investment that yields high growth returns. The greatest current concern is how inflation and interest rate actions affect asset valuation – the higher the interest rate, the lower the present value of the asset so the thinking goes.

To help navigate these times, as always, we try to find periods in history with similar characteristics to help find clues to the outcomes of the current environment. Since recent history has little or no occurrences of high inflation, one must travel back a number of years to find real sustained inflationary pressure in the US economy. Although we had moderate inflation in the mid-2000s, inflation for the last 30+ years has been quite tame. Sustained, persistent inflation hasn't been seen since the early 1980s. If we look at the 1970s as a guide (lord help us), we could be in for an ugly ride. But I don't think this is the case.

1970s

Inflation in the 1970s was caused by a confluence of factors. Among them were: 1) recovery from a high-spending period including funding the "Great Society" and the war in Vietnam; 2) wage-price controls initiated in 1971; 3) major oil price spikes; 4) the end of the Bretton Woods System (ratified in 1976) and release from the gold standard 1971-3; and probably most importantly 5) poor monetary policy and reaction to economic shocks. This was a decade of economic stagnation and price inflation which produced one of the toughest economic environments since the great depression of the 1930s.

The current environment has some similarities to that of the 1970s: oil price shocks (although not nearly as severe) and a previous period of high government spending (the end of QE and covid-induced assistance).

But one key thing these periods do not have in common is that current inflationary pressures have come about through exogenous forces that will likely abate (supply chain issues, production ramp up and access to natural resources). While it is all too possible that current efforts to reign this in result in an economic downturn (in fact this is the goal of the Federal Reserve's action), I believe a recession or pullback will be somewhat shallow and short-lived. I base this on the underlying structure of the US and global economy, which I'll devote more time to in later newsletters.

One other important thing we have today which we did not have in the previous era is a playbook drawn specifically from the 1970s era for monetary policy. As Milton Freidman points out, Monetary Policy alone counted for most of the missteps of this period and the current focus is how to avoid these issues. This doesn't mean we will see perfect execution here, but I suspect the longer-term structure of inflation (I've mentioned my thesis on long term inflation in the modern era in these pages) seems likely to return to lower levels in the not-too-distant future (2-3+% annually). This can of course mean elevated volatility in the stock and bond markets for over a number of quarters before we find a meaningful bottom.

A word about the "Nifty Fifty" comparison

During the 1960s and 1970s there were a group of roughly 50 large cap US stocks that were deemed stable "blue chip" companies that one could buy and hold with some assurances that they would always return favorable results. These names commanded often 40 – 60 x price earnings multiples given their exalted status. It is important to note that these were not considered just growth names, with higher multiples in earlier stages of market maturity – they were across many industries some in various stages of maturation already. Ultimately, as a group, they performed poorly in the market downturns of the 1970s.

When I think about the comparison of the current FMAAMMNNGG (or whatever) to the "Nifty Fifty" of the 1960s-1970s I am reminded of much higher valuations of the latter that resulted in poor performance for a number of years. It is interesting to note that the vast majority of those 50 or so companies exist today and still play a significant role in our economy.

My best guess on the US stock market is while prices may decline a bit further, they currently represent good value in many areas in the long run. As always, there are stocks that may be overvalued (while a few remain in super high growth areas, others may be in energy and materials, given recent runups) but there again individual company selection now means more than ever. These are times when I believe active management can help make or save investors a lot of money.

—MDS

© 2022 Morgan Stanley Smith Barney LLC Member SIPC

NOTES:

1. Morgan Stanley Investment Resources. Month-End Asset Return Analysis published 1 April 2022. Sources: Morgan Stanley & Co. Research, Bloomberg, and FactSet. Index returns reflect total return as of 3/31/2022.
2. Morgan Stanley Research. US Corporate Credit Strategy Chartbook published 1 April 2022. Sources: Morgan Stanley & Co. Research, Bloomberg, Citigroup Index LLC, and iBoxx. Index returns reflect total return as of 3/31/2021.
3. Factset Research Systems. Economics: United States. Data as of 3/31/2022.
4. StockCharts.com, Inc., Market data provided by Interactive Data Corporation, StockCharts.com, SharpChart of ($WTIC) Light Crude Oil – Continuous Contract (EOD) and ($GASO) Gasoline Unleaded – Continuous Contract (EOD), data as of 3/31/2022.
5. StockCharts.com, Inc., Market data provided by Interactive Data Corporation, StockCharts.com, SharpChart of Gold ($GOLD) Gold –Continuous Contract (EOD) and ($SILVER) Silver - Continuous Contract (EOD), data as of 3/31/2022.
6. StockCharts.com, Inc., Market data provided by Interactive Data Corporation, SharpChart of S&P 500 ($SPX), data as of 3/31/2022.
7. StockCharts.com, Inc. Market data provided by Interactive Data Corporation, StockCharts.com, PerfChart of S&P 500 Information Technology Sector Index ($SPT), S&P 500 Consumer Discretionary Sector Index ($SPCC), S&P 500 Health Care Sector Index ($SPHC), S&P 500 Information Utilities Sector Index ($SPU), S&P 500 Consumer Staples Sector Index ($SPST), S&P 500 Materials Sector Index ($SPM), S&P 500 Industrials Sector Index ($SPI), S&P 500 Financial Index ($SPF), S&P 500 Communication Services Sector Index ($SPTS), S&P 500 Energy Sector Index ($SPEN), and S&P 500 Real Estate Sector Index ($SPRE), data from 12/31/2021 through 3/31/2022.
8. StockCharts.com, Inc. Market data provided by Interactive Data Corporation, iShares MSCI EAFE Index ($MSEAFE), StockCharts.com, data as of 3/31/2022.
9. StockCharts.com, Inc., Market data provided by Interactive Data Corporation, SharpChart of MSCI Emerging Markets Free Index ($MSEMF), data as of 3/31/2022.
10. PerfCharts of Shanghai Composite Index ($SSEC), Brazil Bovespa Index ($BVSP), Nifty 50 Index ($NIFTY), and Russia TS Index ($RTSI), data from 12/31/2021 through 3/31/2022.
11. StockCharts.com, Inc., Market data provided by Interactive Data Corporation, StockCharts.com, SharpChart of CBOE 10-Year US Treasury Yield Index ($TNX) & ($UST2Y) 2-Year US Treasury Yield (EOD), data as of 3/31/2022.
12. FRED. ICE BofA US High Yield Index Option-Adjusted Spread. Data as of 3/31/2022.
13. Bloomberg. Data as of 3/31/2022.
14. FactSet Research Systems. Data as of 3/31/2022.
15. FRED. All Employees, Total Nonfarm Monthly Change. Data as of 3/31/2022.
16. FRED. 4-Week Moving Average of Initial Claims. Data as of 4/16/2022.
17. FRED. Job Openings: Total Nonfarm. Data as of 2/28/2022.

© 2022 Morgan Stanley Smith Barney LLC Member SIPC

DISCLOSURES & IMPORTANT INFORMATION:

The views expressed herein are those of the author and do not necessarily reflect the views of Morgan Stanley or its affiliates. All opinions are subject to change without notice. Neither the information provided, nor any opinion expressed constitutes a solicitation for the purchase of sale of any security. Past performance is no guarantee of future results.

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 recommends that investors independently evaluate particular investments and strategies and encourages investors to seek the advice of a financial adviser. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives.

Information contained herein has been obtained from sources considered to be reliable, but we do not guarantee their accuracy or completeness.

A word about the risks of the asset classes/sectors/securities discussed in this material…

International Investing: International investing may not be suitable for every investor and is subject to additional risks, including currency fluctuations, political factors, withholding, lack of liquidity, the absence of adequate financial information, and exchange control restrictions impacting foreign issuers. These risks may be magnified in emerging markets.

Equities: Investors should be willing and able to assume the risks of equity investing. The value of a client's portfolio changes daily and can be affected by changes in interest rates, general market conditions and other political, social and economic developments, as well as specific matters relating to the companies in which securities the portfolio holds.

Sectors: Portfolios that invest primarily in securities of companies in one industry or sector are subject to greater price fluctuation and volatility than portfolios that invest in a more broadly, diversified portfolio.

Fixed Income: All fixed income securities are subject to market risk and interest rate risk. If fixed income securities are sold in the secondary market prior to maturity, an investor may experience a gain or loss depending on the level of interest rates, market conditions and the credit quality of the issuer.

Interest in municipal bonds is generally exempt from federal income tax. However, some bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, local tax-exemption typically applies if securities are issued within one's city of residence.

Bonds are affected by a number of risks, including fluctuations in interest rates, credit risk and prepayment risk. In general, as prevailing interest rates rise, fixed income securities prices will fall. Bonds face credit risk if a decline in an issuer's credit rating, or creditworthiness, causes a bond's price to decline. Finally, bonds can be subject to prepayment risk. When interest rates fall, an issuer may choose to borrow money at a lower interest rate, while paying off its previously issued bonds. As a consequence, underlying bonds will lose the interest payments from the investment and will be forced to reinvest in a market where prevailing interest rates are lower than when the initial investment was made. **NOTE:** High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues.

Bonds rated below investment grade may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk and price volatility in the secondary market. Investors should be careful to consider these risks alongside their individual circumstances, objectives and risk tolerance before investing in high-yield bonds. High yield bonds should comprise only a limited portion of a balanced portfolio.

S&P 500 Index is an unmanaged, market value-weighted index of 500 stocks generally representative of the broad stock market. In investment cannot be made directly in a market index.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley") , its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise agreed to in writing by Morgan Stanley. This material was not intended or written to be used for the purpose of avoiding tax penalties that may be imposed on the taxpayer. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing.

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

Physical precious metals are non-regulated products. Precious metals are speculative investments, which may experience short-term and long-term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. If sold in a declining market, the price you receive may be less than your original investment. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be suitable for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor. The Securities Investor Protection Corporation ("SIPC") provides certain protection for customers' cash and securities in the event of a brokerage firm's bankruptcy, other financial difficulties, or if customers' assets are missing. SIPC insurance does not apply to precious metals or other commodities.

Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention.

Portfolio Management is an advisory program in which the client's Financial Advisor invests the client's assets on a discretionary basis in a wide range of securities.

Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Dow Jones Industrial Average is a price-weighted index of the 30 "blue-chip" stocks and serves as a measure of the U.S. market, covering such diverse industries as financial services, technology, retail, entertainment and consumer goods. An investment cannot be made directly in a market index.

NASDAQ Composite Index is a market-value-weighted index of all NASDAQ domestic and non-U.S. based common stocks listed on NASDAQ stock market. An investment cannot be made directly in a market index.

Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher forecasted median growth (2 year) values and higher historical (5 year) sales per share growth. An investment cannot be made directly in a market index

Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios... An investment cannot be made directly in a market index.

S&P 500 High Quality Rankings Index comprises constituents of the S&P 500 Index reflecting long-term growth and stability of earnings and dividends.

The Citigroup Economic Surprise Index measures actual economic surprises relative to expectations. A positive reading means that data have been stronger than expected, while a negative reading means that data have been worse than expected.

Master Limited Partnerships (MLPs) are (rolled-up) limited partnerships of limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Because of their narrow focus, MLPs maintain exposure to price volatility of commodities and/or underlying assets and tend to be more volatile than investments that diversify across many sectors and companies. MLPs are also subject to additional risks including investors having limited control and rights to vote on matters affecting the MLP, limited access to capital, cash flow risk, lack of liquidity, dilution risk, conflict of interests and limited call rights related to acquisitions.

StockCharts LIMITED LICENSE. Permission to use the Information available from this StockCharts.com website is granted, provided that (1) the copyright notice below appears in all copies and that both the copyright notice and this permission notice appear, (2) use of Information available from this StockCharts.com website is for informational and non-commercial or personal use only, and (3) no Information available from this StockCharts.com website is modified in any way. Except for the specified uses, no part of the Information available from this StockCharts.com website may be copied, photocopied, reproduced, republished, licensed, distributed, performed, displayed, uploaded, posted, translated, altered, retransmitted, broadcast in any way, exploited, used to create derivative works, or reduced to any electronic medium or machine-readable form, in whole or in part, without the prior written consent of StockCharts.com, Inc. or its third-party providers.

The **MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. As of May 30, 2011, the **MSCI EAFE Index** consists of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. An investment cannot be made directly in a market index.

The MSCI Emerging Markets Index is a free-float-adjusted market-capitalization index that is designed to measure equity market performance in developed and emerging markets, excluding the United States. An investment cannot be made directly in a market index.

ANY DISTRIBUTION FOR COMMERCIAL PURPOSES IS STRICTLY PROHIBITED.

COPYRIGHT NOTICE. Except where indicated, all content on this site is Copyright ©1999-2008 by StockCharts.com Inc., Redmond Washington. All rights reserved.

CRC # 4723275 5/2022

Morgan Stanley

THE VECTOR GROUP *at* MORGAN STANLEY

M. David Sherrill, CFA®, CMT®

Managing Director
Senior Portfolio Management Director
International Client Advisor (ICA)
Private Wealth Advisor

212 893-7515

M.David.Sherrill@morganstanley.com

Daniel Sheldon, CFA®

First Vice President
Financial Advisor

212 492-6934

Daniel.Sheldon@morganstanley.com

Greg Waldman

Senior Vice President
Financial Advisor

212 705-4561

greg.waldman@morganstanley.com

Lindsey Paesano

Financial Advisor

212 705 4572

lindsey.paesano@morganstanleypwm.com

1290 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10104 • 212 893-7516

https://advisor.morganstanley.com/the-vector-group