

Asset Class Index Performance

Capital Market Returns

As of April 29, 2022; Private Real Estate as of December 31, 2021

ASSET CLASS	INDEX IN USD	1-MONTH	YTD	1-YR	3-YR ANN	5-YR ANN
Global Equity						
Global Equity	MSCI All Country World	-8.0%	-12.8%	-5.0%	10.2%	9.9%
US Equity	S&P 500	-8.7%	-12.9%	0.2%	14.2%	13.6%
International Equity	MSCI All Country World ex US	-6.2%	-11.2%	-9.9%	4.9%	5.3%
Emerging Markets Equity	MSCI Emerging Markets	-5.5%	-12.1%	-18.1%	2.6%	4.5%
Global Fixed Income						
Investment Grade Fixed Income	Bloomberg US Aggregate	-3.8%	-9.5%	-8.5%	0.4%	1.2%
Inflation-Linked Securities	Bloomberg Universal Govt Inflation-Link	-3.1%	-5.9%	1.1%	4.3%	3.6%
High Yield	Bloomberg Global High Yield (H)	-3.5%	-8.5%	-7.4%	1.4%	2.5%
Emerging Markets Fixed Income	JP Morgan EM Bonds (UH in USD)	-6.0%	-12.1%	-15.9%	-2.1%	-1.4%
Alternative Investments						
Global REITs	FTSE EPRA/NAREIT Global REITs	-5.2%	-8.4%	0.7%	3.5%	5.4%
Commodities	Bloomberg Commodities	4.1%	30.7%	43.5%	18.3%	10.3%
MLPs	Alerian MLP	-0.1%	18.7%	27.3%	3.6%	0.2%
Hedged Strategies	HFRX Global Hedge Fund Index	-0.7%	-2.0%	-1.4%	4.5%	2.7%
Managed Futures	HFRX Macro/CTA Index	1.9%	2.8%	0.3%	3.6%	2.2%
Private Real Estate	NCREIF Private Real Estate	-	5.3%	21.9%	9.6%	8.5%
Global Cash						
Cash	Citigroup 3-month Treasury Bill	0.0%	0.1%	0.1%	0.7%	1.1%
Other Fixed Income						
Municipal Fixed Income	Bloomberg Municipal Bond	-2.8%	-8.8%	-7.9%	0.4%	1.8%

Source: FactSet, Morgan Stanley Wealth Management GIC. For more information about the risks to Master Limited Partnerships (MLPs), please refer to the Risk Considerations section at the end of this material.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material. This slide sourced from Market Performance section.

S&P 500 Return Decomposition

S&P 500 Decomposition

As of April 30, 2022

YTD	Current Weight	Revenue*	Margin*	Earnings*	EPS* +	P/E* =	Price Return +	Dividend Return =	Total Return
S&P 500	100.0	5.1	-1.4	5.0	5.6	-17.8	-13.3	0.5	-12.9
Information Technology	27.3	4.8	0.4	6.1	6.9	-23.9	-18.9	0.3	-18.7
Health Care	14.1	2.5	0.0	-0.1	-0.1	-7.5	-7.6	0.5	-7.2
Financials	11.1	3.8	-	3.6	3.7	-14.5	-11.7	0.6	-11.2
Communication Services	8.8	1.5	0.1	-3.3	-1.2	-24.8	-26.0	0.4	-25.7
Consumer Discretionary	11.2	2.7	1.1	-0.9	-1.3	-18.7	-21.0	0.2	-20.9
Industrials	7.9	2.7	-2.2	3.0	4.6	-13.5	-10.1	0.5	-9.7
Consumer Staples	6.7	3.3	-0.7	1.2	1.2	-0.4	0.7	0.8	1.5
Energy	4.5	26.9	15.0	51.6	54.8	-12.2	35.4	1.0	36.9
Utilities	2.9	5.4	-1.4	2.5	2.3	-2.7	-0.5	1.0	0.3
Real Estate	2.8	7.7	-0.6	11.5	5.0	-14.5	-10.3	0.8	-9.6
Materials	2.8	7.9	-2.5	7.6	9.1	-14.1	-6.3	0.6	-5.8

1-Year	Current Weight	Revenue*	Margin*	Earnings*	EPS* +	P/E* =	Price Return +	Dividend Return =	Total Return
S&P 500	100.0	15.4	4.2	21.1	21.9	-19.0	-1.2	1.5	0.2
Information Technology	27.3	14.8	4.2	20.1	21.3	-16.7	1.0	0.9	1.9
Health Care	14.1	12.3	0.2	14.8	12.6	-4.6	7.5	1.5	9.2
Financials	11.1	8.9	-	5.4	7.0	-10.5	-4.7	1.9	-3.0
Communication Services	8.8	8.3	0.9	10.1	12.2	-31.4	-23.1	1.1	-22.5
Consumer Discretionary	11.2	15.6	3.2	25.1	24.3	-29.0	-11.4	0.7	-10.8
Industrials	7.9	13.0	22.5	25.7	31.7	-30.2	-6.6	1.6	-5.3
Consumer Staples	6.7	10.8	-4.5	8.0	8.3	4.8	13.6	2.3	16.5
Energy	4.5	53.4	60.9	188.1	193.9	-48.1	54.0	2.9	60.8
Utilities	2.9	9.5	-0.8	5.6	4.5	2.2	6.7	2.9	10.1
Real Estate	2.8	20.9	-0.4	38.3	19.3	-8.6	9.1	2.3	12.0
Materials	2.8	22.4	-1.1	33.0	36.4	-24.9	2.5	1.8	4.4

*Change in Forward Estimates

Source: FactSet, Morgan Stanley Wealth Management. Note: Within forward margin, Financials and Energy use Net Interest Income and Net EBIT Margin instead of forward gross margin due to data viability.

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GIC Recommendations: Tactical Portfolio Construction Advice

As of March 2022

Asset Allocation

Cash		Equities		Fixed Income		Alternatives					
Underweight		Equalweight		Equalweight		Overweight					
Equities				Fixed Income				Alternatives			
++ + o + ++		Themes		++ + o + ++		Themes		++ + o + ++		Themes	
US		Global	Earnings revisions and COVID recovery	Rates		Credit	Attractive risk/reward	Low Inflation Protection		High Inflation Protection	REITs, Commodities
Value		Growth	Real rates affect multiples	Short Duration		Long Duration	Ladder 3 months to 3 years	Low Volatility		High Volatility	Global macro, managed futures
Small		Large		Taxable		Non-Taxable		Low Leverage/Alpha		High Leverage/Alpha	Equity L/S, event driven
Quality		Junk		IG		HY	Spreads wider versus history	Private Alternatives			
Defensives		Cyclicals	Financials, REITs, Energy	US		Int'l	Non-sovereign	-- - o + ++		Themes	
Active		Passive	Active management outlook continue to improve	Developed		Emerging Markets		Private Equity		Small and middle market buyout, secondaries, co-investments, VC/growth equity	
Hedged		Unhedged	Unhedged in both Europe and Japan					Private Credit		Asset backed, structured credit, distressed	
								Private Real Estate		Secondaries, demographic trends, non-major markets	

Source: Morgan Stanley Wealth Management GIC. Note: ++ is most attractive, + is moderately attractive, o is neutral, - is moderately unattractive, -- is most unattractive.

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