UW Health Investment Sub-Committee

February 17, 2022, 4:00 - 5:30 PM

https://uwhealth.webex.com/uwhealth/j.php?MTID=m3dd228c485eee10a66b6b596b65cf90b

Meeting number: 2622 656 1704 // Password: 021722


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# Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Section</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>4:00 PM</td>
<td>I. Call to Order</td>
<td>Mr. John Litscher</td>
</tr>
<tr>
<td>4:00 PM</td>
<td>II. Open Session Meeting Minutes</td>
<td>Mr. John Litscher</td>
</tr>
<tr>
<td>4:01 PM</td>
<td>III. University of Wisconsin Foundation - Market Observations</td>
<td>Mr. Michael Stohler, Mr. David Golden, Mr. Mike Knetter (University of Wisconsin Foundation)</td>
</tr>
<tr>
<td>4:16 PM</td>
<td>IV. Closed Session</td>
<td>Motion to enter into closed session pursuant to Wisconsin Statutes section 19.85(1)(e) for the discussion of the following investment matters which for competitive reasons require a closed session: review and approval of closed session minutes, performance of University of Wisconsin Foundation investments, UW Health Capital Markets and Portfolio Review – Fourth Quarter, discuss Environmental, Social and Governance portfolio allocations, and discuss UW Health's investment portfolio additions.</td>
</tr>
<tr>
<td>5:20 PM</td>
<td>V. Return to Open Session</td>
<td></td>
</tr>
<tr>
<td>5:20 PM</td>
<td>VI. ACTION: UW Health Portfolio Additions</td>
<td>Mr. John Litscher</td>
</tr>
<tr>
<td></td>
<td>(Motion to approve Graystone's recommendations regarding UW Health's Portfolio Additions as discussed in Closed Session)</td>
<td></td>
</tr>
<tr>
<td>5:21 PM</td>
<td>VII. Grayscale Consulting Update</td>
<td>Mr. Tom Parks, Mr. Matt Conway, Ms. Kelli Schrade, Ms. Kristina Van Liew</td>
</tr>
<tr>
<td></td>
<td>Presentation - Grayscale Market Commentary - Fourth Quarter 2021</td>
<td></td>
</tr>
<tr>
<td>5:30 PM</td>
<td>VIII. Adjourn</td>
<td></td>
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Investment Sub-Committee Meeting

Open Session
Market Commentary

Graystone Consulting | February 17, 2022

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Business Development Director
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2021: A Banner Year for Equities

A blockbuster year for the S&P 500 capping three consecutive calendar years of gains while Emerging Markets continued to struggle in 2021.

<table>
<thead>
<tr>
<th>Total Returns – 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2021</td>
</tr>
<tr>
<td>S&amp;P 500</td>
</tr>
<tr>
<td>Russell 2000</td>
</tr>
<tr>
<td>MSCI EAFE</td>
</tr>
<tr>
<td>MSCI Emerging Markets</td>
</tr>
<tr>
<td>MSCI ACWI</td>
</tr>
</tbody>
</table>

March 19th – 10 Yr Treasury reached 1.74%, the highest point in more than a year.

June 16th – The Federal Reserve’s “dot plot” shows the potential for two rate increases through 2023.

May 12th – US CPI biggest YoY increase since 2008.

August – China’s government steps up regulations, negatively effecting education and technology industries.

November 26th – Omicron emergence sends markets in tailspin on Black Friday.


Source: Bloomberg. Data as of December 31, 2021 - For index definitions to the indices referenced in this report please visit the following: https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions

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. Investment and services offered through Morgan Stanley Smith Barney LLC. Member SIPC. Graystone Consulting, a business of Morgan Stanley.
An Amazing 10-Year Run for US Equities

From 2012-2021, the S&P 500 gained 16.6% Annually

<table>
<thead>
<tr>
<th>Year</th>
<th>Large-Cap Growth</th>
<th>Mid-Cap Growth</th>
<th>Small-Cap Growth</th>
<th>Large-Cap Value</th>
<th>Mid-Cap Value</th>
<th>Small-Cap Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2.6%</td>
<td>18.5%</td>
<td>43.3%</td>
<td>5.7%</td>
<td>14.7%</td>
<td>31.7%</td>
</tr>
<tr>
<td>2012</td>
<td>2.1%</td>
<td>18.1%</td>
<td>35.7%</td>
<td>S&amp;P 500</td>
<td>13.7%</td>
<td>20.0%</td>
</tr>
<tr>
<td>2013</td>
<td>Large-Cap Growth</td>
<td>Mid-Cap Growth</td>
<td>Small-Cap Growth</td>
<td>13.5%</td>
<td>S&amp;P 500</td>
<td>25.3%</td>
</tr>
<tr>
<td>2014</td>
<td>-0.2%</td>
<td>17.3%</td>
<td>S&amp;P 500</td>
<td>22.2%</td>
<td>Mid-Cap Growth</td>
<td>-4.8%</td>
</tr>
<tr>
<td>2015</td>
<td>S&amp;P 500</td>
<td>S&amp;P 500</td>
<td>Large-Cap Growth</td>
<td>-1.4%</td>
<td>12.0%</td>
<td>21.8%</td>
</tr>
<tr>
<td>2016</td>
<td>Large-Cap Growth</td>
<td>Mid-Cap Growth</td>
<td>Small-Cap Growth</td>
<td>33.5%</td>
<td>Large-Cap Value</td>
<td>-8.3%</td>
</tr>
<tr>
<td>2017</td>
<td>Mid-Cap Growth</td>
<td>Large-Cap Growth</td>
<td>S&amp;P 500</td>
<td>13.0%</td>
<td>S&amp;P 500</td>
<td>28.5%</td>
</tr>
<tr>
<td>2018</td>
<td>S&amp;P 500</td>
<td>Mid-Cap Growth</td>
<td>Small-Cap Growth</td>
<td>Large-Cap Value</td>
<td>11.9%</td>
<td>Mid-Cap Growth</td>
</tr>
<tr>
<td>2019</td>
<td>Large-Cap Growth</td>
<td>Large-Cap Growth</td>
<td>Mid-Cap Value</td>
<td>Small-Cap Growth</td>
<td>-3.8%</td>
<td>Large-Cap Value</td>
</tr>
<tr>
<td>2020</td>
<td>Mid-Cap Growth</td>
<td>Mid-Cap Growth</td>
<td>Small-Cap Growth</td>
<td>Large-Cap Value</td>
<td>11.3%</td>
<td>Mid-Cap Value</td>
</tr>
<tr>
<td>2021</td>
<td>Large-Cap Value</td>
<td>Small-Cap Growth</td>
<td>S&amp;P 500</td>
<td>Large-Cap Value</td>
<td>7.3%</td>
<td>Mid-Cap Value</td>
</tr>
</tbody>
</table>

The Fed’s Hawkish Pivot

Tapering and hiking the Fed Funds rate are among the moves the Fed may employ sooner rather than later in 2022 as they watch inflation closely.

10-year Treasury Yields Are Trading Above 1.8%, Highest Level Since January 2020

Is This a Repeat of the 1940s When Inflation Forced the Fed’s Hand?

Source: Bloomberg, Morgan Stanley Research
The Great Resignation Continues

Higher wages and flexibility fuel job switches as we approach full employment

Jobless Claims Relative to Labor Force Near Low
Data as of January 8, 2022

High Wage Jobs Are Back Above Pre-Covid Levels
Payroll trends by Wage Cohort. Data as of December 31, 2021

Baby Boomer Workers Are Looking for an Earlier Retirement

Wages Will Likely Grow Even if Inflation Declines

Source: Cornerstone Macro, Morgan Stanley & Co. Research, Federal Reserve Bank of New York, Bloomberg
Is Wall Street’s Optimism Sustainable?

Despite last year’s mammoth gains, the market's future remains highly uncertain as consumer confidence wobbles, inflation rises, and the economy remains far from fully healed.

Stocks' Valuations High as Consumer Confidence Falls
Examining the S&P 500 next 12 months price/earnings ratio (dark blue/left axis) against the U. of M. Consumer Expectations Index (light blue/right axis)

Early January Volatility
Even with 2022's early market volatility, more than half the stocks (53.1%) traded on NYSE are above their 200-day moving average.

What’s Ahead in 2022?

Morgan Stanley’s predictions on inflation, Global GDP and earning growth.

- **Strong Global Inflation Now But Receding in 2023. Remains Persistent**
  - CPI Inflation %Y over time from Dec-16 to Dec-23.
  - Forecasted CPI for Global, DM, and EM regions.

- **Global GDP to Reach the Pre-Covid Path in 3Q23**
  - Global Real GDP Level (4Q19=100) from Mar-16 to Mar-23.
  - Pre-Covid GDP Path and Actual+MS Forecast.

- **Muted Earning Growth and More Volatile Equity Markets Ahead in 2022**
  - S&P 500 Earnings Growth, Trailing 12-Month, Year Over Year.

Source: Bloomberg, Haver Analytics, IMF, national sources, Morgan Stanley Research forecasts
Morgan Stanley Forecasts

In 2022, we see a strong US economy, but not broad market gains. Other headwinds for stocks include potential for policy mistakes, a peaking of the US dollar and political dysfunction.

### S&P 500 Earnings Estimates

**Morgan Stanley Consensus**

<table>
<thead>
<tr>
<th></th>
<th>2021E</th>
<th>2021E</th>
<th>2022E</th>
<th>2022E</th>
<th>2023E</th>
<th>2023E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>$207</td>
<td>$207</td>
<td>$227</td>
<td>$224</td>
<td>$245</td>
<td>$241</td>
</tr>
</tbody>
</table>

Note: 2023 consensus is as of Nov. 15, 2021

### MS & Co. S&P 500 Price Target: Year-End 2022

<table>
<thead>
<tr>
<th>LANDSCAPE</th>
<th>EARNINGS</th>
<th>PRICE/EARNINGS MULTIPLE</th>
<th>PRICE TARGET</th>
<th>UPSIDE/DOWNSIDE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bull Case</td>
<td>$265</td>
<td>18.8</td>
<td>5,000</td>
<td>4.9%</td>
</tr>
<tr>
<td>Base Case</td>
<td>$245</td>
<td>18.0</td>
<td>4,400</td>
<td>-7.7%</td>
</tr>
<tr>
<td>Bear Case</td>
<td>$225</td>
<td>17.2</td>
<td>3,900</td>
<td>-18.2%</td>
</tr>
</tbody>
</table>

Current S&P 500 Price: 4,766

Note: Price targets are based on estimated 2023 earnings.
Source: MS & Co. Research as of December 31, 2021

### Morgan Stanley & Co. Forecasts (as of December 31, 2021)

<table>
<thead>
<tr>
<th></th>
<th>REAL GDP GROWTH (%)</th>
<th>10-YR GOVT. BOND YIELD (%)</th>
<th>HEADLINE INFLATION (%)</th>
<th>2021E</th>
<th>2022E</th>
<th>2023E</th>
<th>Q2 ’22E</th>
<th>Q4 ’22E</th>
<th>2021E</th>
<th>2022E</th>
<th>2023E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>6.1</td>
<td>3.4</td>
<td>3.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>5.5</td>
<td>4.6</td>
<td>3.7</td>
<td>1.9</td>
<td>2.1</td>
<td>4.6</td>
<td>4.8</td>
<td>2.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Euro Zone</td>
<td>5.2</td>
<td>4.5</td>
<td>2.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.5</td>
<td>2.6</td>
</tr>
<tr>
<td>UK</td>
<td>6.9</td>
<td>4.6</td>
<td>1.6</td>
<td>1.20</td>
<td>1.35</td>
<td>2.5</td>
<td>4.1</td>
<td>2.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>1.9</td>
<td>2.9</td>
<td>1.6</td>
<td>0.15</td>
<td>0.25</td>
<td>-0.3</td>
<td>0.9</td>
<td>0.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>6.9</td>
<td>4.9</td>
<td>4.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.7</td>
<td>4.1</td>
<td>3.4</td>
</tr>
<tr>
<td>China</td>
<td>7.8</td>
<td>5.5</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.8</td>
<td>1.6</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Source: Morgan Stanley & Co. Research
Important Disclosures
A combination of funds that share the same investment style combined as a group for comparison purposes.

Peer/Plan Sponsor Universe: A combination of asset pools of total plan investments by specific sponsor and plan types for comparison purposes.

Performance Ineligible Assets: Performance returns are not calculated for certain assets because accurate valuations and transaction data for these assets are not processed or maintained by us. Common examples of
these include life insurance, some annuities and some assets held externally.

**Performance Statistics:** A generic term for various measures of investment performance measurement terms.

**Portfolio Characteristics:** A generic term for various measures of investment portfolio characteristics.

**Preferred Return:** A term used in the private equity (PE) world, and also referred to as a “Hurdle Rate.” It refers to the threshold return that the limited partners of a private equity fund must receive, prior to the PE firm receiving its carried interest or “carry.”

**Ratio of Cumulative Wealth:** A defined ratio of the Cumulative Return of the portfolio divided by the Cumulative Return of the benchmark for a certain time period.

**Regression Based Analysis:** A statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables.

**Residual Correlation:** Within returns-based style analysis, residual correlation refers to the portion of a strategy’s return pattern that cannot be explained by its correlation to the asset-class benchmarks to which it is being compared.

**Return:** A rate of investment performance for the specified period.

**Rolling Percentile Ranking:** A measure of an investment portfolio’s ranking versus a peer group for a specific rolling time period (i.e. Last 3 Years, Last 5 years, etc.).

**R-Squared:** The percentage of a portfolio’s performance explained by the behavior of the appropriate benchmark. High R-Squared means a higher correlation of the portfolio’s performance to the appropriate benchmark.

**SA/CF (Separate Account/Comingled Fund):** Represents an acronym for Separate Account and Commingled Fund investment vehicles.

**Sector Benchmark:** A market index that serves as a proxy for a sector within an asset class.

**Sharpe Ratio:** Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product’s historical risk-adjusted performance results in.

**Standard Deviation:** A statistical measure of the range of a portfolio’s performance; the variability of a return around its average return over a specified time period.

**Total Fund Benchmark:** The policy benchmark for a complete asset pool that could consist of multiple investment mandates.

**Total Fund Composite:** The aggregate of multiple portfolios within an asset pool or household.

**Tracking Error:** A measure of standard deviation for a portfolio’s investment performance, relative to the performance of an appropriate market benchmark.

**Treynor Ratio:** A ratio that divides the excess return (above the risk free rate) by the portfolio’s beta to arrive at a unified measure of risk adjusted return. It is generally used to rank portfolios, funds and benchmarks. A higher ratio is indicative of higher returns per unit of market risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing market risk.

**Up Market Capture:** The ratio of average portfolio returns over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.

**Upside Semi Deviation:** A statistical calculation that measures the volatility of returns above an acceptable return. This return measure isolates the positive portion of volatility: the larger the number, the greater the volatility.

**Value:** A diversified investment strategy that includes investment selections which tend to trade at a lower price relative to its dividends, earnings, and sales. Common attributes are stocks that include high dividend, low price-to-book ratio, and/or low price-to-earnings ratio.

**Worst Quarter:** The lowest rolling quarterly return for a certain time period.

**Information Disclosures**

The performance data shown reflects past performance, which does not guarantee future results. Investment return and principal will fluctuate so that an investor’s shares when redeemed may be worth more or less than original cost. Please note, current performance may be higher or lower than the performance data shown. For up to date month-end performance information, please contact your Financial Advisor or visit the funds’ company website.

Investors should carefully consider the fund’s investment objectives, risks, charges and expenses before investing. The prospectus and, if available the summary prospectus, contains this and other information that should be read carefully before investing. Investors should review the information in the prospectus carefully. To obtain a prospectus, please contact your Financial Advisor or visit the funds’ company website.

Past performance is no guarantee of future results.

Investing involves market risk, including possible loss of principal. Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. Value investing involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. Small and mid-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than those of larger, more established companies. Bond funds and bond holdings have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the funds. The return of principal in bond funds, and in funds with significant bond holdings, is not guaranteed. International securities’ prices may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in emerging markets. Alternative investments, including private equity funds, real estate funds, hedge funds, managed futures funds, and funds of hedge funds, private equity, and managed futures funds, are speculative and entail significant risks that can include losses due to leveraging or other speculative investment practices, lack of liquidity, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification, absence and/or delay of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than mutual funds and risks associated with the operations, personnel and processes of the advisor. Master Limited Partnerships (MLPs) are limited partnerships or 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; and MLP interests in the real estate sector are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions. 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.

Mortgage backed securities also involve prepayment risk, in that faster or slower prepayments than expected on underlying mortgage loans can dramatically alter the yield-to-maturity of a mortgage-backed security and prepayment risk includes the possibility that a fund may invest the proceeds at generally lower interest rates.

Tax managed funds may not meet their objective of being tax-efficient.

Real estate investments are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions. High yield fixed income securities, also known as “junk bonds”, are considered speculative, involve greater risk of default and tend to be more volatile than investment grade fixed income securities.

Credit quality is a measure of a bond issuer’s creditworthiness, or ability to repay interest and principal to bondholders in a timely manner. The credit ratings shown are based on security rating as provided by Standard & Poor’s, Moody’s and/or Fitch, as applicable. Credit ratings are issued by the rating agencies for the underlying securities in the fund and not the fund itself, and the credit quality of the securities in the fund does not represent the stability or safety of the fund. Credit ratings shown range from AAA, being the highest, to D, being the lowest based on S&P and Fitch’s classification (the equivalent of Aaa and C, respectively, by Moody’s), Ratings of BBB or higher by S&P and Fitch (Baa or higher by Moody’s) are considered to be investment grade-quality securities. If two or more of the agencies have assigned different ratings to a security, the highest rating is applied. Securities that are not rated by all three agencies are listed as “NR”.

“Alpha tilt strategies comprise a core holding of stocks that mimic a benchmark type index such as the S&P 500 to which additional securities are added to help tilt the fund toward potentially outperforming the market in an effort to enhance overall investment returns. Tilt strategies are subject to significant timing risk and could potentially expose investors to extended periods of underperformance.”

Custom Account Index: The Custom Account Index is an investment benchmark based on your historical target allocations and/or manager selection that you may use to evaluate the performance of your account. The Custom Account Index does take into consideration certain changes that may have occurred in your portfolio since the inception of your account, i.e., asset class and/or manager changes. However, in some circumstances, it may not be an appropriate benchmark for use with your specific account composition. For detailed report of the historical composition of this blend please contact your Financial Advisor.

Peer Groups

Peer Groups are a collection of similar investment strategies that essentially group investment products that share the same investment approach. Peer Groups are used for comparison purposes to compare and illustrate a clients investment portfolio versus its peer across various quantitative metrics like performance and risk. Peer Group comparison is conceptually another form of benchmark comparison whereby the actual investment can be ranked versus its peer across various quantitative metrics.

All Peer Group data are provided by Investment Metrics, LLC.

The URL below provides all the definitions and methodology about the various Peer Groups

https://www.invmetrics.com/style-peer-groups

Peer Group Ranking Methodology

A percentile rank denotes the value of a product in which a certain percent of observations fall within a peer group. The range of percentile rankings is between 1 and 100, where 1 represents a high statistical value and 100 represents a low statistical value.

The 30th percentile, for example, is the value in which 30% of the highest observations may be found, the 65th percentile is the value in which 65% of the highest observations may be found, and so on.

Percentile rankings are calculated based on a normalized distribution ranging from 1 to 100 for all products in each peer group, where a ranking of 1 denotes a high statistical value and a ranking of 100 denotes a low statistical value. It is important to note that the same ranking methodology applied to all statistics, implying that a ranking of 1 will always mean highest value across all statistics.

For example, consider a risk/return assessment using standard deviation as a measure of risk. A percentile ranking equal to 1 for return denotes highest return, whereas a percentile ranking of 1 for standard deviation denotes highest risk among peers.

In addition, values may be used to demonstrate quartile rankings. For example, the third quartile is also known as the 75th percentile, and the median is the 50th percentile.

Alternatives

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As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, for an account with an initial value of $100,000 and a 2.5% annual fee, if the gross performance is 5% per year over a three year period, the compounding effect of the fees will result in a net annual compound rate of return of approximately 2.40% per year over a three year period, and the total value of the client’s portfolio at the end of the three year period would be approximately $115,762.50 without the fees and $107,372.63 with the fees.

Please see the applicable Morgan Stanley Smith Barney LLC Form ADV Part 2A for more information including a description of the fee schedule. It is available at www.morganstanley.com/ADV <http://www.morganstanley.com/ADV> or from your Financial Advisor/Private Wealth Advisor.

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2021 Capital Market Assumptions

We represented ultrashort fixed income represented by 90-day T-bills, fixed income & preferreds by Bloomberg Barclays US Aggregate Index, short-term fixed income by Bloomberg Barclays Aggregate 1-3 Year Index, US taxable fixed income by Bloomberg Barclays US Aggregate Index, international fixed income by Barclays Global Aggregate Non-USD (Hedged) Index, inflation-linked securities by Bloomberg Barclays Global Inflation-Linked Index, high yield fixed income by Barclays Global High Yield Corporate Index and emerging market fixed income by JP Morgan EMBI Global Index. All other are based on proprietary models. Strategic annualized return and volatility estimates are based on a seven-year time horizon. Secular annualized return and volatility estimates are based on a 20-year time horizon. Annualized volatility estimates are based on data with longest available history through Feb. 26, 2021. Estimates are for illustrative purposes only, are based on proprietary models and are not indicative of the future performance of any specific investment, index or asset class. Actual performance may be more or less than the estimates shown in this table. Estimates of future performance are based on assumptions that may not be realized. Investor appropriateness: Morgan Stanley Wealth Management recommends that investors independently evaluate each asset class, investment style, issuer, security, instrument or strategy discussed. Legal, accounting and tax restrictions, transaction costs and changes to any assumptions may significantly affect the economics and results of any investment. Investors should consult their own tax, legal or other advisors to determine appropriateness for their specific circumstances. Investments in private funds (including hedge funds, managed futures funds and private equity funds) are speculative and include a high degree of risk.