

Custom Solutions Group

Overview

Custom Investing Outsourcing is Morgan Stanley's Outsourced Chief Investment Officer (OCIO) program, which provides a firm-discretionary investment management solution. Services provided by the program include:

- Developing an investment policy statement
- Customized asset allocation
- Investment product selection
- Risk management
- Drift rebalancing
- Portfolio oversight and monitoring
- Custom performance reporting
- Performance attribution analysis

Custom Solutions Value Proposition

Deliver a **customized, institutional-caliber** investment solution, grounded on a **disciplined** process, leveraging the full resources of Morgan Stanley

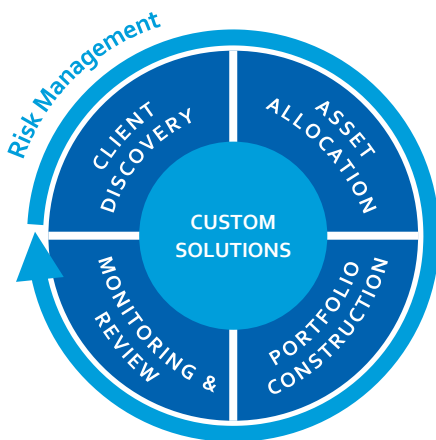
Independence & Objectivity	Intellectual Capital & Resources	Governance & Transparency	Competitive Pricing
<ul style="list-style-type: none"> • Open-architecture platform • Independent, non-proprietary managers and products • Established, holistic investment process 	<ul style="list-style-type: none"> • Leading thinkers, strategists and analysts • Access to extensive resources • Extensive manager due diligence team • Exclusive offerings 	<ul style="list-style-type: none"> • Dedicated investment oversight committee • Fiduciary responsibility • Complete fee transparency 	<ul style="list-style-type: none"> • Custodial platform • Global scale • Access and cost efficiency

Investment Process

An Institutional, Multi-Factor Approach to Building Tailored Portfolios

Investment policy setting; benchmark analysis; establish time horizon & constraints; determine approach

Reporting & monitoring; performance analysis & attribution



Strategic & tactical allocation advice

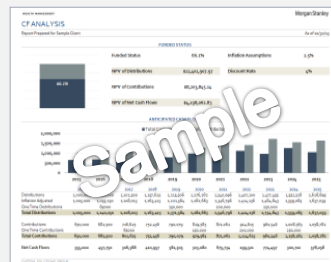
Manager selection & weightings to seek to optimize risk-reward profile; blend active and passive managers to optimize fees; rebalancing

Sample Analytics

RFP and IPS Creation



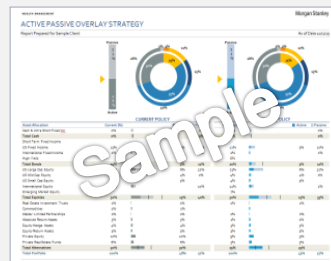
Spending & LDI



Benchmark Assignment



Active/Passive Overlay



For illustrative purposes only.

Custom Solutions Group (cont.)

Fiduciaries See the Value of Professional Investment Management

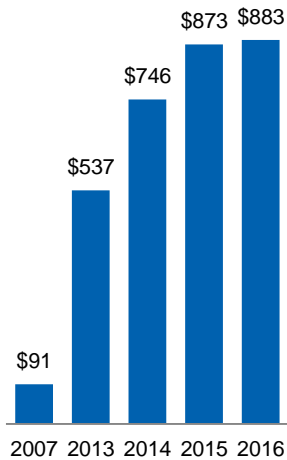
Fiduciaries Recognize Benefits of Outsourcing¹

- 91%** **Lack Of Internal Resources**
No independent talent acquisition and retention
- 88%** **Risk Management**
Risk management techniques and methods
- 81%** **Fiduciary Oversight**
Adherence to policy and regulatory requirements
- 74%** **Need to Increase Returns**
Innovative strategies for all market environments
- 63%** **Quicker Implementation**
Disciplined execution and implementation
- 58%** **Cost Savings**
Disciplined execution and implementation
- 56%** **Strategic Partnership**
Complete fiduciary solution in line with your interests

Outsourcing Is Rising²

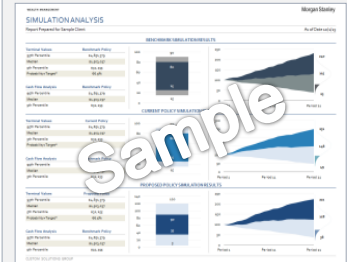
Discretionary OCIO Growth
Assets in \$Billions

870% Growth
Since 2007

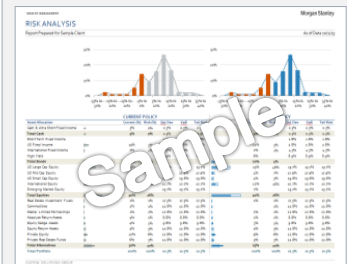


Sample Analytics

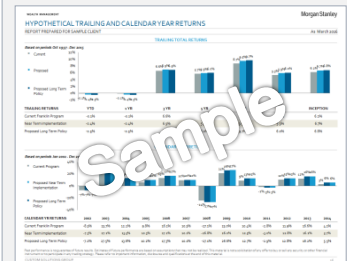
Optimization & Simulation



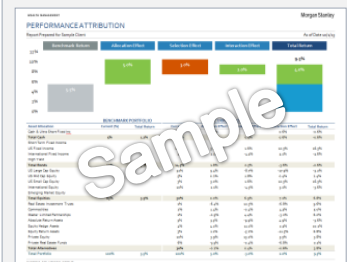
Risk Management



Custom Reporting

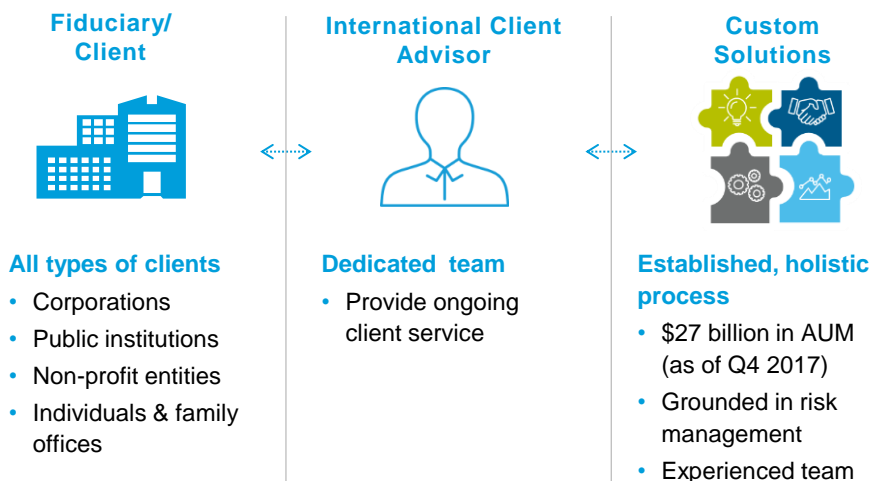


Performance Attribution



For illustrative purposes only.

Custom Solutions Client Service Model



1. AI Chief Investment Officer 2017 Outsourced-Chief Investment Officer Survey, <https://www.ai-cio.com/surveys/2017-outsourced-chief-investment-officer-survey/2/>
 2. AI Chief Investment Officer 2017 Outsourced-Chief Investment Officer Buyer's Guide, <https://www.ai-cio.com/surveys/2017-outsourced-chief-investment-officer-buyers-guide>
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