

The Matterhorn Group at Morgan Stanley

The Parity Portfolio Strategy

INVESTMENT OBJECTIVE

The Parity Portfolio is a discretionary Portfolio Management gender lens investment strategy developed by The Matterhorn Group at Morgan Stanley to help meet the needs of high net worth individuals and institutional clients seeking financial returns and social impact.

The strategy seeks to achieve financial returns through capital appreciation and current income and have an impact on social returns through advocating for gender parity in corporate America.

INVESTMENT PROCESS

Investable universe: US-headquartered companies, listed on regulated US exchanges.

Gender-diversity criteria: Minimum of three women on board

Bottom-up Focused
Quantitative Analysis
Free Cash Flow
Profitability
Valuation
Qualitative Analysis
Business Model and Adaptability
Management Strength
Innovation Strength

SHAREHOLDER ACTIVISM

Extensive research (Catalyst, The Committee for Economic Development, Deloitte, McKinsey & Company, Credit Suisse, Ernst & Young, Columbia University, and Pepperdine University, among others), reveals a correlation between gender diversity on corporate boards and company financial strength. According to the Catalyst report for 2014, 19.2% of S&P500 board members are women.

The Matterhorn Group uses its voice through direct dialogue with both holding and non-holding companies and promotes public discussion to advocate for parity in corporate America.

WHO SHOULD CONSIDER INVESTING

Investors who seek growth of capital over the long term,
Investors who are willing to accept moderate to significant fluctuation in value,

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Investors who understand that the way we invest is intended to have an impact on achieving gender equality on boards in corporate America.

PORTFOLIO MANAGERS

Eve Ellis, Financial Advisor
CERTIFIED FINANCIAL PLANNER™
Certified Investment Management Analyst®
Chartered Advisor in Philanthropy

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The individuals mentioned as the Portfolio Management Team are Financial Advisors with Morgan Stanley participating in the Morgan Stanley Portfolio Management program. The Portfolio Management program is an investment advisory program in which the client's Financial Advisor invests the client's assets on a discretionary basis in a range of securities. The Portfolio Management program is described in the applicable Morgan Stanley ADV Part 2, available at www.morganstanley.com/ADV or from your Financial Advisor.

Past performance of any security is not a guarantee of future performance. There is no guarantee that these investment strategies will work under all market conditions, and each investor should evaluate his/her ability to invest for a long-term, especially during periods of downturns in the market. Each investor should evaluate himself/herself the level of impact on parity in corporate America that the investment may have. Holdings are subject to change daily, so any securities discussed in this profile may or may not be included in your account if you invest in this investment strategy. Do not assume that any holdings mentioned were, or will be, profitable. The performance, holdings, sector weightings, portfolio traits and other data for an actual account may differ from that in this material due to various factors including the size of an account, cash flows within an account, and restrictions on an account.

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