

THE VECTOR GROUP *at* MORGAN STANLEY

*Vec-tor (VEK-ter) n.
magnitude and direction*

—Miriam Webster Dictionary

PORTFOLIO MANAGEMENT TEAM:

M. David Sherrill, CFA®, CMT®
Managing Director
Senior Portfolio Management Director
Financial Advisor

Daniel Sheldon
Financial Advisor

Michael J. Belsky
Senior Vice President
Senior Portfolio Management Director
Family Wealth Advisor
Financial Advisor

1290 Avenue of the Americas
12th Floor
New York, New York 10104
tel: (212) 893-7516
toll-free: (800) 827-1512
fax: (212) 705-4513

www.vectorgroupfinancial.com

As of December 31, 2017

Morgan Stanley

The Sustainable Impact Portfolio

Investment Objective

The Sustainable Impact Model Portfolio merges the investment process of the Equity Model Portfolios with SRI screen and environmental social and governance transparency that fits into one of seven sustainability themes. The primary objective of the portfolio is to outperform the S&P Index and MSCI USA Broad ESG Index, while maintaining a market-average or above-average ESG sustainability score. Typically, the portfolio is fully invested with 20-30 positions, with a maximum position size of 5%.

Investment Process

Socially responsible securities are identified with strong long-term fundamentals that fit with the generally conservative risk parameters that are used to construct the model portfolio solutions. The investment process combines quantitative and fundamental analysis, integrating environmental social and governance factors.



Stock Sector Breakdown

	SUSTAINABLE IMPACT PORTFOLIO	S&P 500
Consumer Discretionary	9.00%	12.20%
Consumer Staples	6.50%	8.20%
Energy	0.00%	6.07%
Financials	16.50%	14.78%
Health Care	17.50%	13.84%
Industrials	10.00%	10.26%
Information Technology	23.50%	23.76%
Materials	2.00%	3.00%
Real Estate	7.00%	2.89%
Telecommunication Services	0.00%	2.06%
Utilities	6.00%	2.93%

Source: Morgan Stanley & Co. LLC (Morgan Stanley) Company Data, Morgan Stanley Wealth Management Investment Resources, Bloomberg as of December 31, 2017

The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%. Cash allocation has been excluded; therefore, the aggregate weights for the portfolio may not equal 100%.

Data based upon holdings as of 12/31/2017

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DISCLOSURES:

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

Morgan Stanley Smith Barney LLC member SIPC

As of December 31, 2017

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