THE VECTOR GROUP *at* MORGAN STANLEY

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

—Miriam Webster Dictionary

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

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

Daniel Sheldon
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

Vector Multi Asset Portfolio

Investment Objective

The Vector Asset Allocation Strategy's primary objective is to provide strong risk-adjusted returns by reducing volatility relative to an all equity allocation. It is suitable for investors who are seeking long term price appreciation along with equity downside protection. Typically, the portfolio will be fully invested with 25 – 35 stock positions and 5 – 10 bond positions. It could be considered a core allocation strategy.

Investment Process

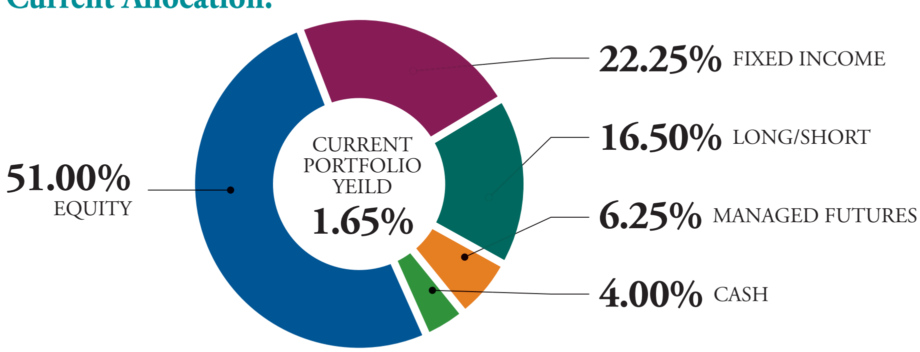
Using a bottom-up approach, stocks purchased in the portfolio are filtered for attractively valued companies with solid, long term prospects. Stocks in the portfolio will generally show strong capital ratios, sales growth and free cash flow. Price to Sales, Price to Book Value, and Long Term Debt to Capital ratios are also considered for inclusion. Equity Investments are paired with bonds targeting 50% of Equity Benchmark Volatility. We include Alternative Funds along with Fixed Income in our non-equity allocation in order to reduce volatility without significantly sacrificing total return.

Stock Sector Breakdown

	VECTOR LONG TERM GROWTH PORTFOLIO	S&P 500[1]
Consumer Discretionary	21.25%	12.20%
Consumer Staples	4.00%	8.20%
Energy	0.00%	6.07%
Financials	15.00%	14.78%
Health Care	10.00%	13.84%
Industrials	10.00%	10.26%
Information Technology	31.50%	23.76%
Materials	8.00%	3.00%
Real Estate	0.00%	2.89%
Telecommunication Services	0.00%	2.06%
Utilities	0.00%	2.93%

**Based on GICS® sectors*
Source: FactSet Research Systems
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%.

Current Allocation:



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DISCLOSURES:

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LT Debt/Capital- A measurement of a company's financial leverage, calculated as the company's debt divided by its total capital. Debt includes all short-term and long-term obligations. Total capital includes the company's debt and shareholders' equity, which includes common stock, preferred stock, minority interest and net debt.

Price/Earnings- A valuation ratio of a company's current share price compared to its per-share earnings.

Price/Cashflow- A valuation ratio of a company's current share price compared to its level of annual cash flow.

Price/Book- A valuation ratio of a company's current share price compared to its book value.

Price/Sales- A valuation ratio of a company's current share price compared to its per-share earnings.

EPS- The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.

Market Cap- Market capitalization, otherwise known as market cap, is a measure of a company's size at a given time.

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.

*DISCRETIONARY PORTFOLIO MANAGEMENT PROGRAM - This program was established in 1979 to provide individual investors with a level of personalized portfolio management typically reserved for major institutional investors. All portfolios are managed individually on a fully discretionary basis by Financial Advisors at Morgan Stanley who have been qualified by the firm to independently manage client assets based on training, experience and commitment to service.

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CRC# 1658801