



MAP Skills Challenge | Morgan Stanley **Strategic Allocation for Growth & Income**

A Long-Term Retirement Portfolio

Presented by Team Super Max





Agenda

1. PESTEL Analysis
2. Feasibility Study & Recommendation Report
3. Target Persona(s)
4. Investment Thesis
5. Breakdown of Profile
6. Risk Assessment Matrix & Mitigation Strategy
7. Profit & Loss Scenario Analysis





PESTEL Analysis

Macro Forces Influencing Our Portfolio Strategy

Factor	Strategic Insight
Political	Rising geopolitical risk drives regional diversification and thematic exposure .
Economic	Sticky inflation and monetary divergence support real assets and FX-balanced allocation .
Social	Demographic shifts and ESG demand reshape long-term consumer and investor priorities .
Technological	Innovation in AI and climate tech creates alpha in select high-growth and green sectors.
Environmental	Climate regulation and carbon risk reinforce allocation to resilient and green industries .
Legal	Global regulatory shifts (e.g., antitrust, digital assets) create asymmetries and compliance alpha .



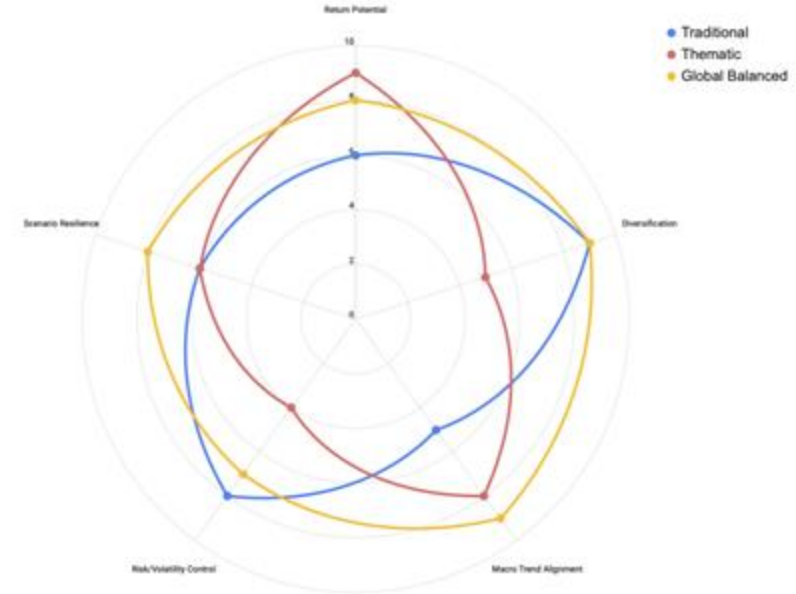


Feasibility Study/Recommendation Report

- 1. Traditional Sector-Balanced** - Broad market exposure, lower fees, limited adaptability
- 2. Thematic Innovation** - Concentrated in tech/sustainability, higher volatility alpha potential
- 3. Global Balanced w/ Strategic Tilts** - Core diversification with innovation exposure and macro-aligned positioning

Strategy Comparison by Key Investment Criteria

Evaluating Traditional, Thematic, and Global Balanced Approaches





Target Persona

The Long Term Growth Seeker

Name:	Alex Chen (<i>fictional placeholder</i>)
Age:	28
Occupation:	Mid-level professional in tech sector
Investment Goal:	Retirement growth & long-term security
Risk Profile:	Moderate to High
Time Horizon:	30+ years
Key Concerns:	Market volatility, inflation, global instability
Key Preferences:	Diversified, growth-oriented portfolio with downside protection

- **Growth:** 50% in innovation-driven equities
- **Stability:** 40% fixed income + 25% defensive stocks
- **Inflation Hedge:** TIPS, cyclical, real assets
- **Global Reach:** 50% international equity + global bonds
- **Risk Control:** Diversified sectors + bond duration strategy





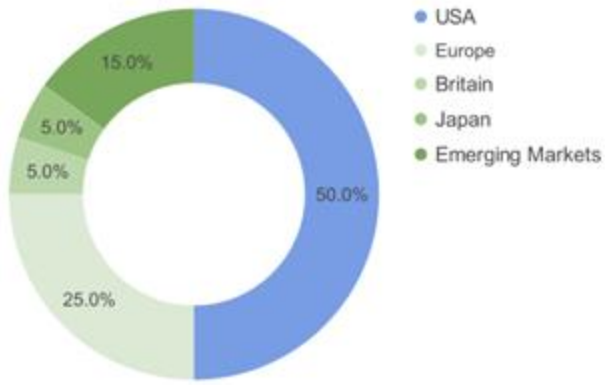
Portfolio Overview

Structure & Allocation

Summary	Values
Total Portfolio Value	\$2,500,000
Equity Allocation (%)	60%
Bond Allocation (%)	40%
Growth Stocks (% of Equity)	50%
Cyclical Stocks (% of Equity)	25%
Defensive Stocks (% of Equity)	25%
U.S. Equity (% of Equity)	50%
International Equity (%)	50%
Risk Profile	Moderate to High
Investment Horizon	Long-term (10–30 years)
Primary Goal	Retirement Growth
Notes	Assumes full investment of \$2.5M across equity and fixed income

Regional Exposure: Equity Allocation

Balanced across U.S., Europe, and select international markets



A globally diversified \$2.5M portfolio designed to grow wealth steadily over 30+ years, balancing innovation-driven equity with resilient fixed income



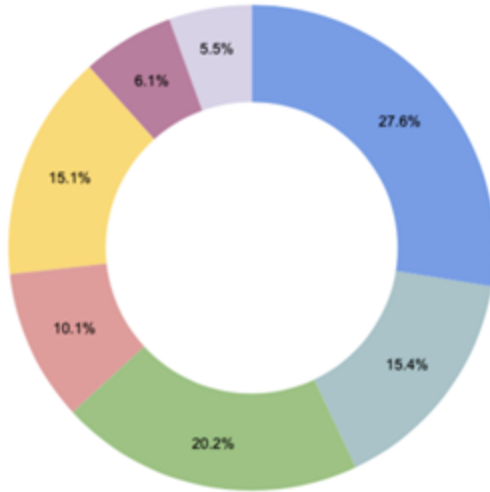


Investment Thesis

A diversified strategy designed to deliver long-term growth with structural resilience

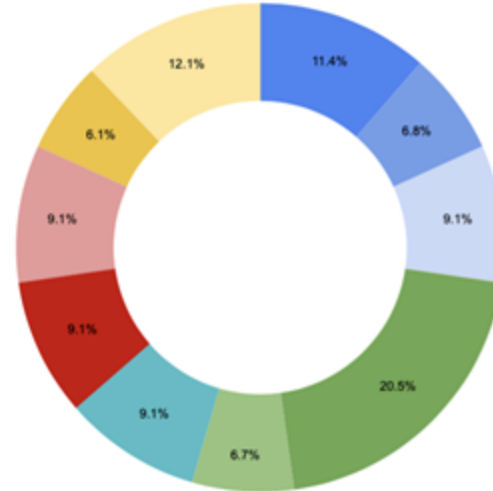
Total Equity Portfolio by Industry

- Technology
- Healthcare & Pharma
- Consumer
- Financials
- Industrials & Materials
- Utilities / Renewables
- Communication Services



Fixed Income Allocation (%)

- U.S. Core Aggregate
- U.S. Treasury (Long-Term)
- U.S. Treasury (Short-Term)
- U.S. Corporate (Long-Term)
- U.S. Corporate (Intermediate)
- U.S. TIPS
- Municipal Bonds
- High Yield
- Emerging Market Bonds
- International Bonds (Hedged)



Equity exposure targets innovation and demographic growth through tech, healthcare, and renewables.

Fixed income provides stability through diversified duration, credit quality, and global exposure





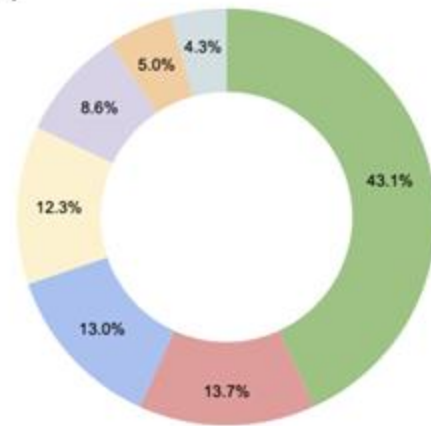
Growth Equity Allocation

Driving long-term capital appreciation through innovation and global exposure

Key Holdings

- **Microsoft, Nvidia, Alphabet** – U.S. tech leaders in AI and cloud
- **Eli Lilly, AstraZeneca, Roche** – Global pharma & healthcare innovators
- **Amazon, Mercado Libre** – E-commerce platforms with scalable growth
- **ASML, TSMC** – Semiconductor dominance from Netherlands & Taiwan
- **Schneider Electric, Infosys** – Industrial and digital infrastructure
- **LVMH, Nestlé** – Global consumer brands with growth resilience
- **Visa, CrowdStrike** – Fintech and cybersecurity innovators

Growth Allocation by Industry





Cyclical Equity Allocation

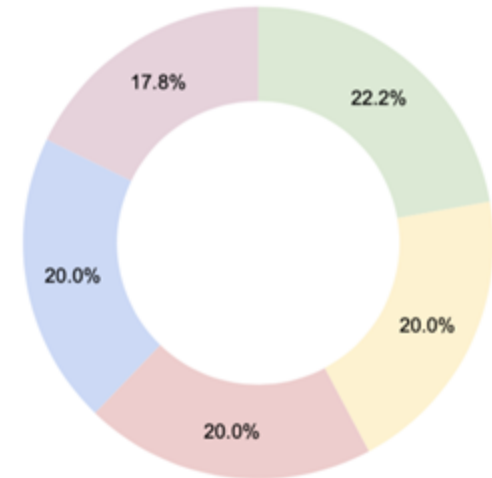
Capturing upside from economic expansion and global demand cycles.

Key Holdings

- **Caterpillar (USA)** – Industrial leader in infrastructure and machinery
- **JPMorgan Chase (USA)** – Top-tier financial institution with global exposure
- **BHP Group (Australia)** – Commodity and materials giant, plays on resource demand
- **Booking Holdings (USA/Global)** – Global travel and consumer rebound play
- **Trent Ltd (India)** – Fast-growing fashion retail in emerging consumer markets

Cyclical Allocation by Industry

- Industrials
- Financials
- Commodities / Materials
- Consumer / Travel
- Retail (Fashion)





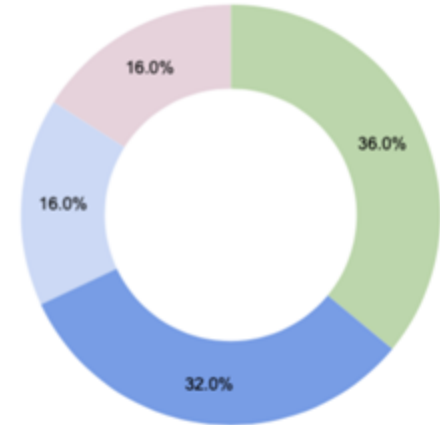
Defensive Equity Allocation

Mitigating downside risk with stable, resilient sectors.

Key Holdings

- **Procter & Gamble (USA)** – Iconic consumer staples brand with reliable cash flow
- **PepsiCo (USA)** – Global food & beverage giant with strong dividend track record
- **Brookfield Renewable (Canada/Global)** – Renewable utility leader with long-term contracts
- **NextEra Energy (USA)** – Major U.S. clean energy utility with stable returns
- **Novo Nordisk (Denmark)** – Defensive-growth healthcare innovator
- **Roche (Switzerland)** – Global pharmaceutical company with durable revenues

Defensive Allocation by Industry





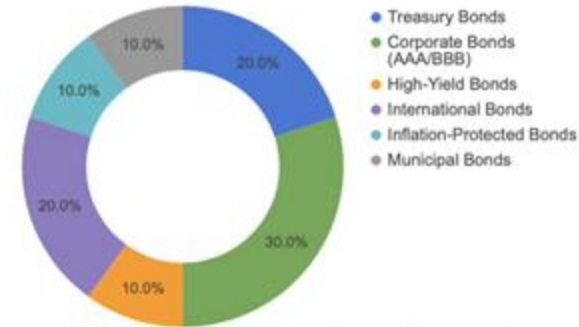
Defensive Equity Allocation

Mitigating downside risk with stable, resilient sectors.

- **U.S. Government Bonds**
 - Broad-based aggregate exposure through diversified **U.S. Treasuries**
 - **Long-term Treasuries** for interest rate sensitivity and potential upside
 - **Short-term Treasuries** to manage duration risk
 - **Inflation-Protected Securities (TIPS)** to hedge inflation
- **U.S. Corporate Bonds**
 - **Long-term** investment-grade corporate bonds for yield and credit exposure
 - **Intermediate-term** corporate bonds for balance between risk and return
 - **Corporate bonds** with BBB tilt to enhance yield while managing credit risk
- **Other U.S. Bonds**
 - **Municipal bonds** for tax-exempt income and stability
 - **High-yield corporate bonds offering** enhanced return potential with elevated credit risk
- **International Bonds**
 - **Emerging market** sovereign and corporate debt to diversify globally
 - **Developed market bonds** (currency-hedged) to reduce FX volatility and broaden exposure

Fixed Income Allocation (% of Total Portfolio)

40% of portfolio; includes AAA/BBB, TIPS, and international bonds





Risk Assessment Matrix/Mitigation Strategy

Identifying Key Portfolio Risks

Risk	Likelihood	Impact	Risk Level	Mitigation Strategy
Geopolitical Instability	Medium	High	High	Geographic diversification (50% non-US equities); exposure to resilient sectors
Market Volatility (Tech-heavy)	High	Medium	Medium-High	Balanced allocation: 50% growth, 25% cyclical, 25% defensive; fixed income cushion
Inflation Risk	Medium	High	High	TIPS, floating rate bonds, commodity exposure via cyclical holdings
Interest Rate Hikes	Medium	Medium	Medium	Duration-hedged bond allocation; allocation to short-term Treasuries and corporates
Sector Overconcentration	Low	Medium	Low-Medium	Diversified across sectors (IT, green tech, healthcare, etc.); thematic tilts are capped
Currency Risk (Intl. holdings)	Medium	Low	Low-Medium	Portfolio hedging optionality; natural FX balance across 50% international exposure

- High-impact risks include **inflation** and **geopolitical instability**.
- Market volatility is likely due to **tech exposure**.
- Risk is mitigated through **global diversification, fixed income balance, and sectoral spread**.
- The portfolio is resilient across macro and portfolio-specific threats.





Profit & Loss Scenario Analysis

Modeling Expected Returns Across Macroeconomic Environments

Scenario	Dollar Value (on \$2.5M)
Worst Case	\$2.59M (+\$90K/year)
Base Case	\$2.665M (+\$165K/year)
Best Case	\$2.705M (+\$205K/year)

Gross Annual Return vs. Scenario



Assumptions: Scenario returns reflect asset-weighted averages based on historical data and forward estimates. Does not account for taxes, fees, or active rebalancing.





Q&A and Contact

Thank you for your time and attention. We're happy to take any questions.

Access the Full Portfolio Data Appendix:

[Click here to view our full investment spreadsheet](#)

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