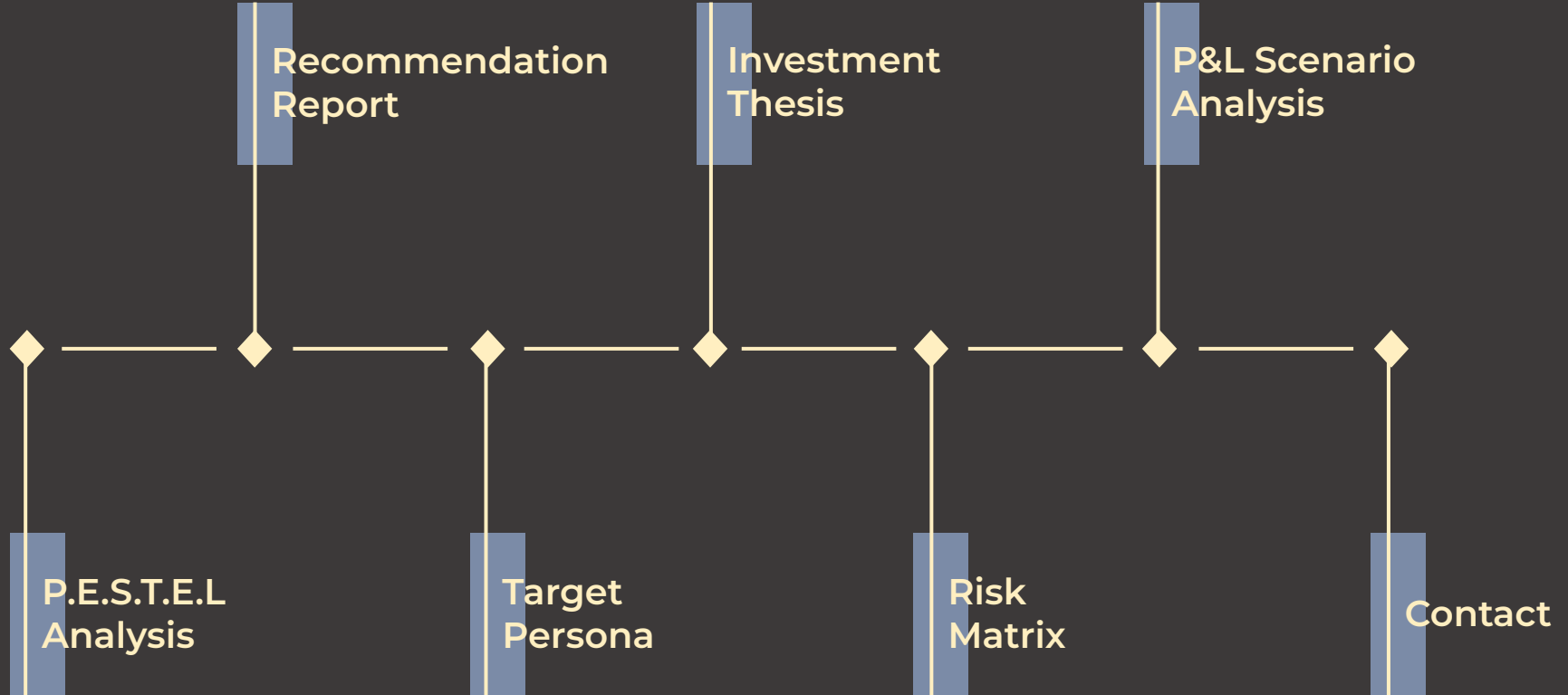


Morgan Stanley X MAP

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AGENDA



P.E.S.T.E.L ANALYSIS

Political

- China's tariffs raise supply chain risks
- 2025 election may impact regulatory outlook

Current conditions favor defensive equity sectors and high-quality fixed income.

Economic

- Interest rates remain high, Fed cautious
- Slowing inflation, but recession fears persist

Social

- Retirees seek lower volatility
- Growing interest in dividend-paying assets

P.E.S.T.E. L Factors

Technological

- AI/automation driving tech valuation
- Opportunity in infrastructure-enabling firms

Environmental

- Demand for ESG-compliant ETFs rising
- Carbon regulations influencing energy sector

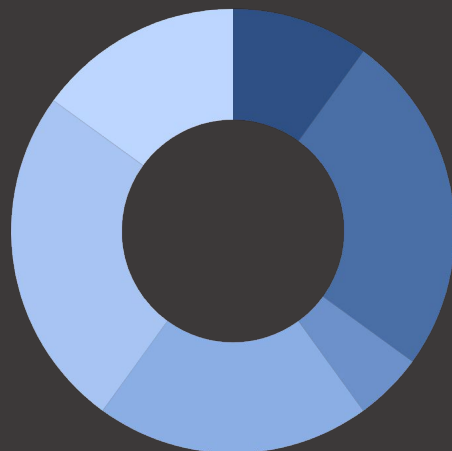
Legal

- Pending consumer tax protection laws
- SEC scrutiny on crypto and fintech

RECOMMENDATION REPORT

60% Equities

40% Fixed Income



Treasuries **10%**

Financials **20%**

Consumer Staples **25%**

Municipal Bonds **25%**

Investment Credit **5%**

S&P Exposure ETFs **15%**

Justification:

- Matches client risk profile
- Resilient to tariffs and interest rate pressures
- Strong historical performance in varied markets



TARGET PERSONA

Attract

PERSONAL INFO:

- any gender
- aged above mid to late 20s
- higher education level

CHALLENGES:

- navigating complex investment strategies
- managing risk with high returns

VALUES/GOALS:

- achieving financial security
- long-term wealth creation
- access to expert guidance and advice

COMMON OBJECTIONS:

- fear of losing money
- hesitation due to lack of understanding

Engage

DIFFERENTIATION:

The most value now -

- High-net-worth individuals (HNWI)
- Institutional clients like hedge funds

The most value in the future:

- Gen Z and younger millennials
- Clients interested in tech and AI

INTERACTION:

- Host webinars and online events
- Send targeted email campaigns
- Offer consultations
- Advertise on social media

Retain

CUSTOMIZATION:

- Personalized follow-ups
- Regular check-ins to offer portfolio adjustments
- Regularly asking for feedback through surveys or calls

INVESTMENT THESIS

S&P 500 ETF

The S&P 500 ETF offers diversified exposure to leading U.S. companies, combining strong long-term growth potential, low costs, and resilience: making it an ideal core holding for a retirement portfolio.



Question 1

Do I understand how the S&P 500 ETF generates returns?



Question 2

Am I confident that the ETF's long-term historical outperformance and low costs make it a superior core holding even during periods of market volatility?



Question 3

Have I considered how macroeconomic factors (tariffs, interest rates, geopolitical risks) impact the ETF's underlying sectors?



RISK MATRIX

	Classification	Likelihood	Clientele	Mitigation Strategy
Risk 1 - Market Volatility	Moderate	51-75%	-near-retirement clients -heavily dependent on portfolio income	-diversification across sectors -match risk to age of client
Risk 2 - Interest Rate Sensitivity in Fixed Income Holdings	Moderate	26-50%	-near-retirement clients -clients holding long-term bonds -younger clients less affected	-focus on short-to-intermediate duration bonds -invest in bonds at staggered intervals
Risk #3 - Concentration Risk Within Equity and Assets	Moderate	51-75%	-clients with concentrated portfolios -less experienced investors -clients with little risk tolerance	-diversification -use broad market ETFs -educate the client

PROFIT AND LOSS SCENARIO ANALYSIS

Best Case Scenario

- equity portion of the portfolio grows moderately - often means around 6-8% annually
- fixed Income receives steady growth
- inflation is steady

Worst Case Scenario

- equity and fixed income both have a sharp downturn
- fixed income will decline because of rising interest rates
- rise in inflation

Best Case Scenario

- both equity and fixed income have a sharp upwards turn
- interest rates remain low

CONTACT

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Thank you! Questions?