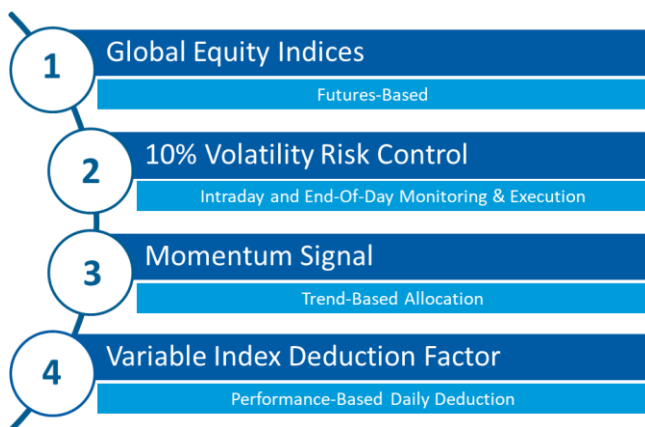


Morgan Stanley

# Morgan Stanley Global Equity Allocator Index

## Index Key Features



### INDEX IDENTIFIER (TICKER):

MSUSMSG

### WEBSITE:

[morganstanley.com/indices/#/msg](https://morganstanley.com/indices/#/msg)

### INDEX CALCULATION AGENT:

Morgan Stanley & Co. LLC

### INDEX LIVE DATE:

October 12, 2022

### NUMBER OF INDEX COMPONENTS:

6 Global Equity Futures

### REBALANCE FREQUENCY:

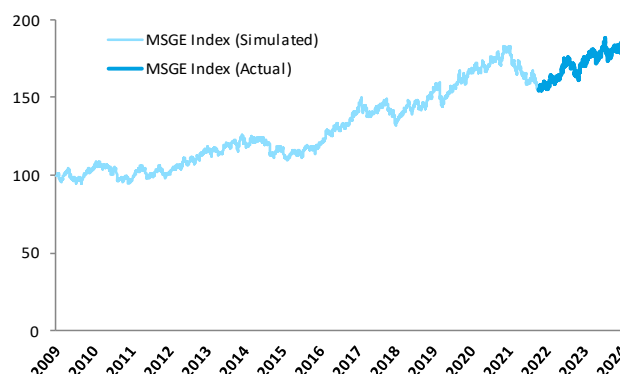
Intraday (up to seven times) and End of Day

### VOLATILITY TARGET:

10% Annualized

Please see Notes on Simulated Returns, page 3

## Index Performance, Simulated and Actual\*



Source: Morgan Stanley Sales & Trading, Bloomberg.  
Past performance is not an indication of future performance.

## Summary Statistics, Simulated and Actual\*

	MSGE Index	S&P 500 Index (Excess Return)	MSCI World (Excess Return)
YTD Return	-2.64%	0.73%	2.06%
Return** Since Index Live Date	5.09%	19.44%	17.62%
1-Year Ann. Return	-2.90%	12.58%	9.93%
3-Year Ann. Return	0.91%	7.87%	5.64%
5-Year Ann. Return	3.05%	13.85%	10.99%
10-Year Ann. Return	3.43%	10.86%	7.77%
10-Year Ann. Volatility	8.99%	17.66%	15.11%
10-Year Sharpe Ratio	0.38	0.62	0.51
Correlation to MSGE Index	100%	80%	79%

Source: Morgan Stanley Sales & Trading, Bloomberg.

\* From December 23, 2009 to February 28, 2025.

\*\* Actual Return if less than 1yr since Index Live Date; if not, Annualized Return is used.

The Index Live Date is October 12, 2022. All data prior to the Index Live Date is simulated.

Past performance is not an indication of future performance.

This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. This material was not prepared by the Morgan Stanley Research Department. Please refer to important information and qualifications at the end of this material. The information contained herein does not constitute advice. Morgan Stanley is not acting as your advisor (municipal, financial, or otherwise) and is not acting in a fiduciary capacity.

## Index Construction

The Morgan Stanley Global Equity Allocator Index (“MSGE Index” or the “Index”) provides exposure to global equities by employing a momentum-based allocation. Targeting a 10% realized volatility, the Index adjusts exposure to US Equities intraday while adjusting all other allocations end of day. A variable index deduction factor is deducted daily from the Index’s performance.



**Global Equities** – The Index provides exposure to US Large Caps, US Tech, Eurozone, UK, Japanese and Emerging Market Equities through listed futures.



**10% Volatility Risk Control** – The Index targets 10% annualized volatility by adjusting its allocation on an intraday and end of day basis. If the Index’s US Equity holdings experience significant changes in volatility intraday, the Index will rebalance the allocation in order to bring the holdings volatility back to the target level of volatility. All other equity component exposures are adjusted end of day.



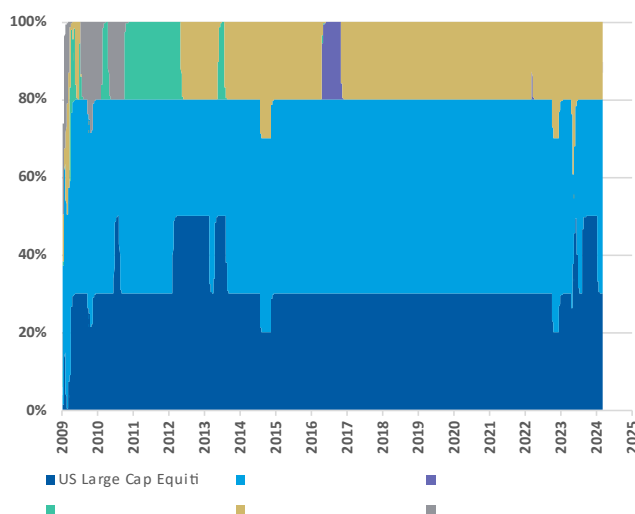
**Momentum Signal** – A momentum signal is calculated for each equity component based on the 10% volatility controlled underlying component prices and used as an indicator of the corresponding equity future performance. On each day, the signals are ranked and weights are assigned to each component based on this relative ranking.



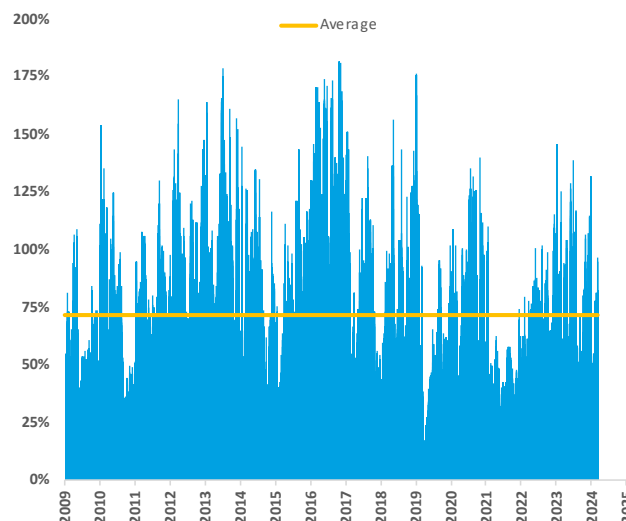
**Variable Index Deduction Factor** – Dynamic fee mechanism built within the Index allows for a larger allocation to non-cash assets and greater participation to upside performance in a cost-controlled manner.

There are risks associated with the Index, including that the performance of the Index is reduced by a Variable Index Deduction Factor that scales upward based on positive recent performance of the Index, up to a maximum of 0.15% per business day. Such index deduction is applied when calculating the level of the Index and is a function of Index performance and will vary based on such performance. In addition, the Index includes transactional and margin costs based on rebalances and exposures of the Global Equities futures. Please see pages 3 and 4 for further information.

### Smoothed Weights



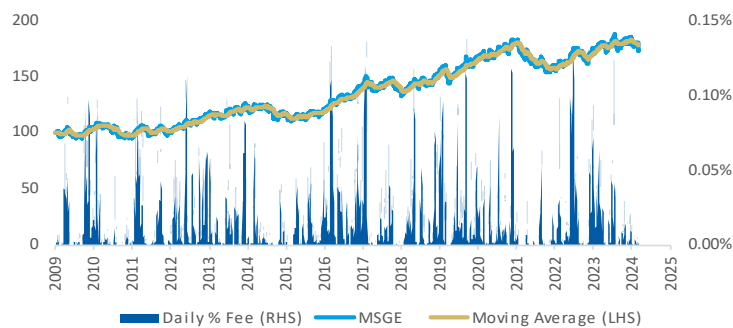
### Cumulative Leverage



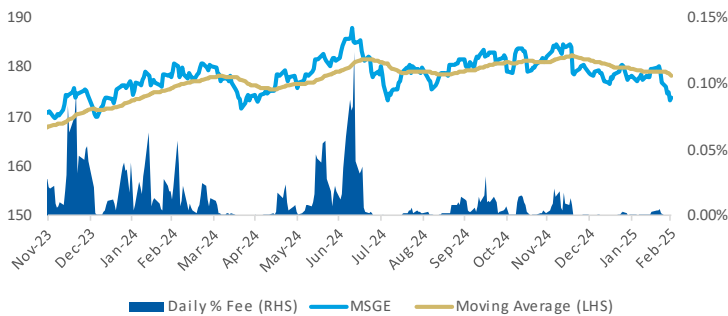
\*Source for all exhibits contained herein : Morgan Stanley Sales & Trading, Bloomberg. Data as of February 28, 2025. The Index Live Date is October 12, 2022. All data prior to the Index Live Date is simulated. Past performance is not an indication of future performance.

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### Variable Index Deduction Factor\*



### Variable Index Deduction Factor\* (Last 12 Months)



### Certain Key Risks

- The Index level may decrease due to a number of factors including trends in the market for the underlying component.
- The Index’s volatility scaling mechanism makes use of leverage and may result in exposures different from one-for-one to the Underlying Futures Index. This may lead to underperformance in both downward and upward markets.
- The level of the Index reflects a Variable Index Deduction Factor that scales upward based on positive recent performance of the Index, up to a maximum of 0.15% per business day.
- The Index level is adjusted for costs associated with trading futures as well as the deduction of a Variable Index Deduction Factor applied on the Index, both of which will reduce the Index level and the returns of investments linked to the Index.
- The Index has a limited performance history and past performance is not an indication of future performance.

The risks identified above are not exhaustive. Please see the full set of risk factors included in any disclosure materials relating to instruments linked to the Index for additional information.

### How The Variable Index Deduction Factor Works

To determine the Variable Index Deduction Factor, the previous day’s Index level is compared to its own recent moving average (“MA”), using a window of approximately one month (one twelfth of a year):

- If the Index is significantly below its MA, the Variable Index Deduction Factor reduces, down to a minimum of 0.00% per day.
- If the Index is equal its MA, the Variable Index Deduction Factor is 0.00197% per day.
- If the Index is significantly above its MA, the Variable Index Deduction Factor increases, up to a maximum of 0.15% per day.

Examples	A	B	C
Index Level	97.0	100.0	103.0
Moving Average	100.0	100.0	100.0
Next Day’s Variable Index Deduction Factor	0.00002%	0.00197%	0.07262%

\*Source for all exhibits contained herein : Morgan Stanley Sales & Trading. Data as of February 28, 2025. The Index Live Date is October 12, 2022. All data prior to the Index Live Date is simulated. Past performance is not an indication of future performance.

### NOTE ON SIMULATED RETURNS:

Back-testing and other statistical analyses provided herein use simulated analysis and hypothetical circumstances to estimate how the Index may have performed between December 23, 2009 to October 11, 2022, prior to its actual existence. The results obtained from such “back-testing” should not be considered indicative of the actual results that might be obtained from an investment or a product linked to the Index. The actual performance of the Index may vary significantly from the results obtained from back-testing. Unlike an actual performance record, simulated results are achieved by means of the retroactive application of a back-tested model itself designed with the benefit of hindsight and knowledge of factors that may have possibly affected its performance. Morgan Stanley provides no assurance or guarantee that any product linked to the Index will operate or would have operated in the past in a manner consistent with these materials. Calculation based on simulated performance is purely hypothetical and may not be an accurate or meaningful comparison. Past performance (actual or simulated) is not necessarily indicative of future results.

## Index Monthly Returns\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full Year
<b>2025</b>	-0.20%	-2.45%											
<b>2024</b>	-0.08%	2.70%	0.71%	-3.67%	1.85%	2.56%	-0.64%	-0.18%	0.89%	-1.29%	1.66%	-1.97%	2.34%
<b>2023</b>	3.23%	-0.35%	2.07%	0.29%	2.79%	2.71%	0.91%	-1.66%	-4.14%	-1.59%	5.28%	2.03%	11.80%
<b>2022</b>	-4.61%	-2.22%	1.54%	-4.42%	0.36%	-3.53%	3.45%	-2.45%	-3.78%	2.05%	1.41%	-2.30%	-13.96%
<b>2021</b>	-1.04%	0.20%	0.28%	1.89%	-0.95%	2.72%	-0.47%	2.73%	-3.43%	4.13%	0.34%	1.04%	7.45%
<b>2020</b>	-0.01%	-3.25%	-1.67%	3.26%	1.47%	0.61%	1.36%	5.24%	-2.17%	-2.15%	4.81%	1.74%	9.19%
<b>2019</b>	3.17%	1.34%	1.22%	3.89%	-4.88%	3.80%	0.50%	-1.85%	0.98%	2.51%	2.48%	1.60%	15.40%
<b>2018</b>	4.72%	-2.85%	-3.28%	-0.22%	1.23%	0.82%	1.90%	2.89%	0.66%	-5.47%	-0.06%	-4.66%	-4.74%
<b>2017</b>	2.12%	4.14%	0.09%	1.97%	1.30%	-1.80%	2.54%	0.55%	0.72%	3.47%	1.50%	0.08%	17.81%
<b>2016</b>	-3.56%	-0.75%	3.72%	-1.71%	2.34%	-3.07%	4.32%	0.16%	0.15%	-0.78%	1.12%	0.98%	2.61%
<b>2015</b>	-1.77%	4.68%	-1.75%	0.02%	1.51%	-2.99%	1.07%	-6.00%	-1.35%	4.55%	0.09%	-1.21%	-3.58%
<b>2014</b>	-3.99%	3.26%	-1.41%	-1.33%	2.55%	1.71%	-1.09%	3.39%	-0.71%	0.54%	3.34%	-4.04%	1.81%
<b>2013</b>	3.29%	0.41%	1.87%	0.45%	1.71%	-1.40%	2.65%	-2.41%	3.19%	2.15%	3.03%	1.50%	17.53%
<b>2012</b>	3.87%	2.86%	1.76%	-1.31%	-5.03%	1.91%	-0.29%	2.48%	0.63%	-2.91%	0.64%	-0.38%	3.95%
<b>2011</b>	0.78%	1.26%	-0.25%	0.70%	-1.76%	-2.30%	-0.68%	-3.89%	-2.50%	2.95%	-1.82%	0.08%	-7.37%
<b>2010</b>	-3.17%	0.90%	4.33%	0.22%	-3.88%	-2.98%	2.51%	-2.40%	5.91%	1.73%	-0.58%	2.84%	4.99%
<b>2009</b>												-0.28%	-0.28%

Source: Morgan Stanley Sales & Trading, Bloomberg.

\* Data based on simulated returns from December 23, 2009 to October 11, 2022 and actual thereafter. Data as of February 28, 2025.

Please see Notes on Simulated Returns.

Past performance is not indicative of future performance.

### Disclaimer:

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