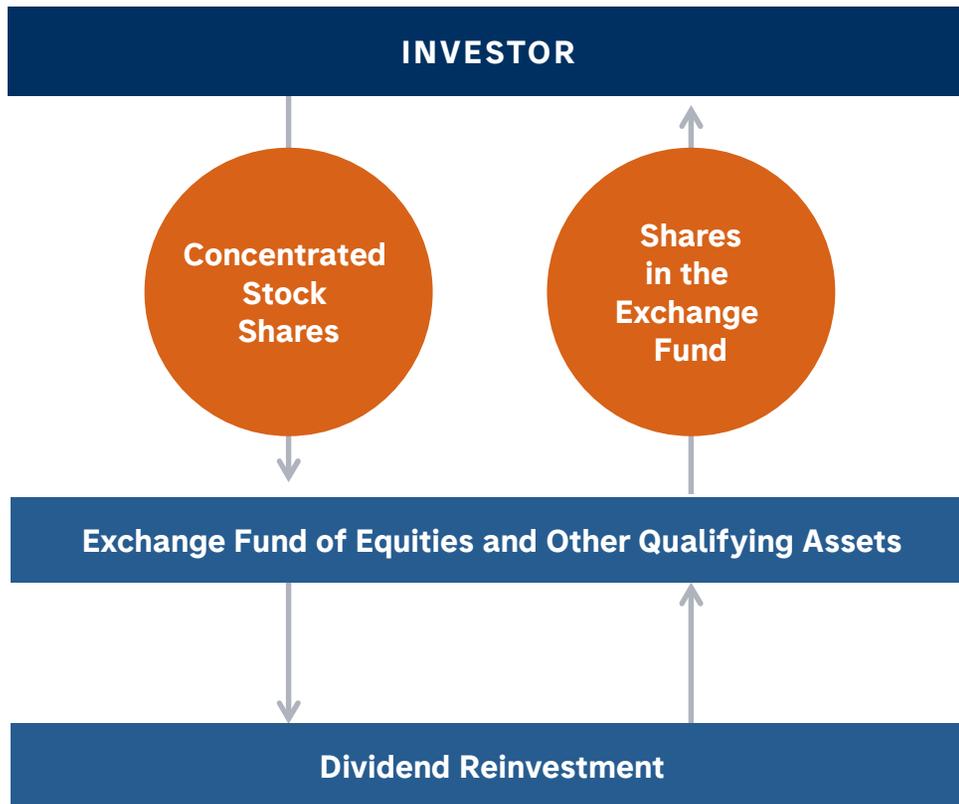


What is an Exchange Fund?

An exchange fund is a special-purpose vehicle that offers holders the ability to diversify their investments by exchanging stock positions, oftentimes in highly appreciated or restricted stock,¹ for shares of a diversified portfolio. Contributions of appreciated stock to a properly structured exchange fund are not taxable under current federal tax law.



EXCHANGE FUNDS ALLOW YOU TO:



DIVERSIFY YOUR HOLDINGS

Exchange a concentrated stock position for ownership of a diversified portfolio



AVOID BORROWING

Since assets are swapped, there are no repayment requirements or interest fees



GAIN POTENTIAL TAX ADVANTAGES

Concentrated shares are swapped for fund shares without triggering a taxable event, and investors can benefit from tax-deferred growth

1. Not all stock positions are eligible. Please see respective offering documents or consult your Financial Advisor.

Source: Morgan Stanley Wealth Management GIC.

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