

Morgan Stanley

Morgan Stanley Private Markets

Morgan Stanley Private Markets brings together
a broad range of private markets solutions to
comprehensively service client needs

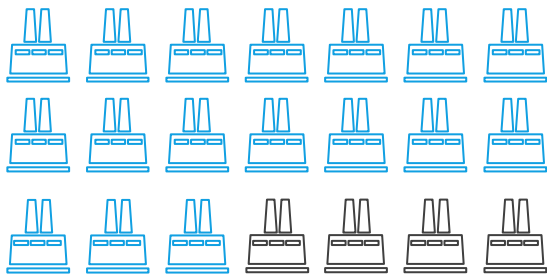


Many of today's companies stay private longer, with more of their valuation created while they are private¹

There are more large private companies.

While only 2,800 public companies have annual revenues greater than \$100 million, there are 18,000 private businesses of that size.²

18,000 large private companies

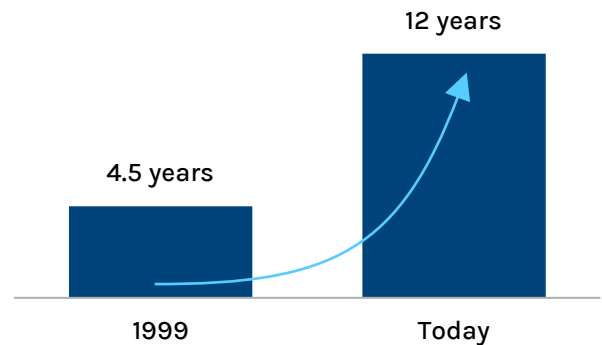


2,800 large public companies

Companies are staying private longer.

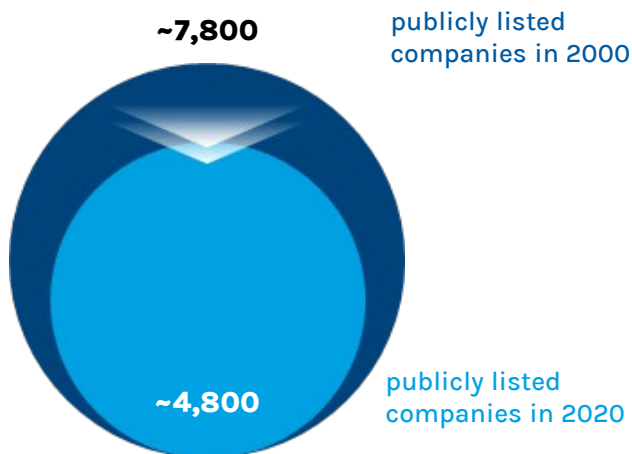
In 1999, companies stayed private for an average of 4.5 years before going public. Today, companies are staying private for an average of 12 years, with the value they create going to private shareholders.²

Company Age at IPO



The size of the public pie is shrinking.

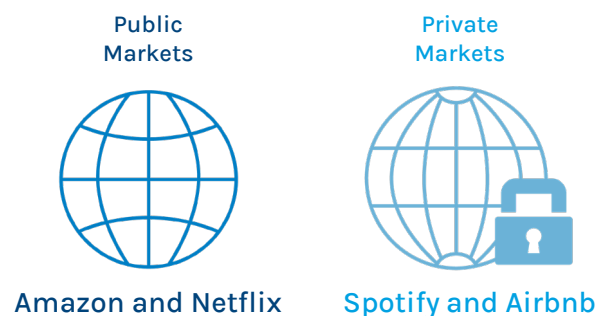
At the beginning of 2000, there were ~7,800 publicly listed companies. By the end of 2020, there were just ~4,800.³



More value creation while companies are private.

Amazon and Netflix both went public more than 20 years ago, stayed private for five years or less, and created nearly all of their **value in the public markets**. Airbnb and Spotify, who went public more recently, stayed private for twelve years before going public and generated most of their **value while private**.⁴

Source of Value Creation



1. Source: SEC, "Going Dark: The Growth of Private Markets and the Impact on Investors and the Economy."
2. Source: Hamilton Lane, "Private Market Investing: Staying Private Longer Leads to Opportunity," April 14, 2022.
3. Source: World Bank as of 12/31/2022.
4. Source: Company filings and valuation as of 2/28/23, via macro trends.net.

The private markets landscape has evolved into a fast-growing source of potential investment opportunities

Features of Co-Investing vs. Fund Investing



Targeted Investments

Co-investing provides clients with exposure to a single company, mitigating blind pool risk¹



Fee Efficiency

Many co-investments are executed on a no-fee, no-carry basis¹



Time Horizon

Private Equity funds typically commit client capital for 8 – 12 years² while co-investments are often funded upfront resulting in a shorter J-curve¹

Features of Secondary Transactions



Access Liquidity

Diversification of concentrated illiquid positions



Direct Investment

Direct ownership of shares rather than via a special purpose vehicle or fund



Price Selection

Buyers and sellers agree on valuation and price vs third party determination

¹ Source: The Growing opportunity in private equity secondaries and co-investments

² Source: https://www.ey.com/en_lu/private-equity/co-investment--a-promising-alternative-to-traditional-private-eq

Morgan Stanley Private Markets has the resources, reputation and relationships that can help connect private market participants to vast opportunities

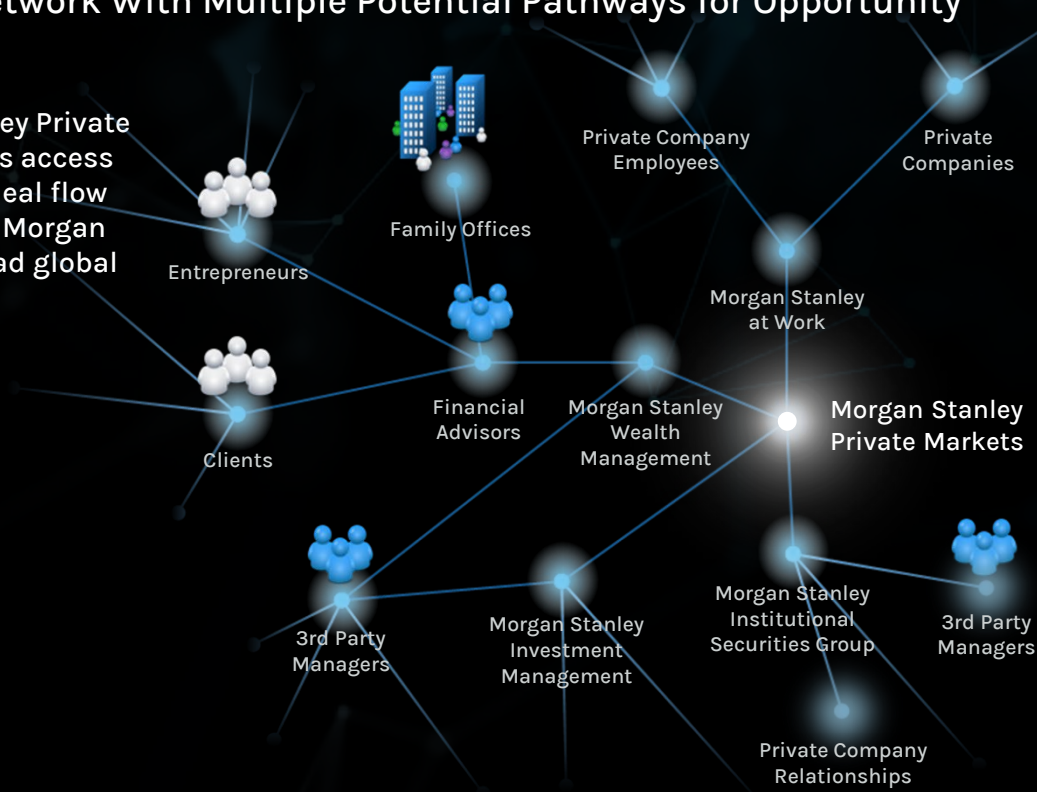
Our long history of having the right specialty in the right places. For over 88 years, Morgan Stanley has served as a global leader in financial services, building deep relationships that create a consistent source of new private investment opportunities.

We have a broad reach with multiple sources for deal flow. Morgan Stanley draws on a breadth of connections from our asset manager relationships, our investment bank, an industry-leading alternatives platform, Morgan Stanley at Work and our Financial Advisor network to deliver private investment opportunities across asset classes, industries, investment stages, and geographies.

Our goal is to bring together private market participants and give them access to solutions. The scale of our business and ongoing commitment to addressing the scope of the financial lives of our clients is a priority at Morgan Stanley.

A Broad Network With Multiple Potential Pathways for Opportunity

Morgan Stanley Private Markets offers access to exclusive deal flow originated by Morgan Stanley's broad global network.



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Comprehensive capabilities differentiate us from the competition



ACCESS

our network of private investors and liquidity solutions

Proprietary deal flow from a leading alternatives platform and investment bank

- Alternative investments platform with \$182Bn+ in client assets under management
- 70% of new alternative offerings are first look or exclusive funds¹
- Since 2020, Morgan Stanley has raised \$65Bn+ of private capital for leading companies across sectors²

Private market equity and liquidity solutions from multiple sources

- Individual and investor-led liquidity solutions
- Issuer controlled secondary sales³
- Tender offers for private issuers



EVALUATE

private market investments and opportunities

Co-Investment / Direct due diligence material

- Access to offering materials and data directly from the sponsor and/or issuer to guide decisions
- Clients receive seamless access to issuer offering materials
- Access to Morgan Stanley proprietary research and thought leadership

Investor-led diligence

- We provide market data and recent supply and demand activity



TRANSACT

in curated deals and self-directed opportunities

Co-Investments / Directs

- We aim to offer opportunities across a variety of geographies, industries, and sources⁴
- Lower ticket minimums than many competitors

Secondary market transactions

- We serve Wealth Management clients looking to buy or sell individual private company securities of U.S.-based private companies³
- Platform leverages partners, industry relationships and network of clients, family offices, institutions, venture funds, and secondary market participants to explore buy-side demand and sell-side supply
- We provide end-to-end support to clients throughout the transaction life cycle
- Lower transaction fees than many competitors

¹ Morgan Stanley Wealth Management Alternative Investments Group. As of December 31, 2023. For Qualified Purchaser offerings available broadly on the platform (ex: democratized funds).

² Morgan Stanley, January 1, 2024.

³ Clients must be willing to sell at least \$500,000 in private company shares in a single transaction.

⁴ Based on information Morgan Stanley believes is reliable but is subject to change.

A holistic ecosystem that offers several programs through which clients can engage

CO-INVESTMENT / DIRECTS: MSPM - SELECT

Client investment opportunities in private companies, either directly or alongside an asset manager, on which MSWM has completed due diligence and advisors can provide advice.

- Clients have access to investment materials and data room
- Advisors may provide advice



CO-INVESTMENTS / DIRECTS: MSPM - ACCESS



Client investment opportunities that are referred by MSWM but have not been evaluated. Clients are responsible for doing their own diligence and are directly notified about new deals.

- Clients have access to additional deals above and beyond what is available in MSPM Select
- Advisors cannot provide advice



PRIVATE MARKETS SECONDARY TRANSACTION DESK

Concierge service designed to support existing Wealth Management clients who wish to buy or sell shares of private companies in the secondary market.

- Private companies with \$1B+ valuation
- Advisors cannot provide advice or recommendations



PRIVATE SHARE AND OPTION LIQUIDITY REFERRAL PROGRAM

Provides clients with referrals to third-party liquidity providers for needs that fall outside the scope of the Firm's offerings.

- Existing domestic clients may be referred to third-party liquidity providers for liquidity options using private shares or options as collateral
- Advisors cannot provide advice*



* Morgan Stanley can only introduce certain clients to certain third-party liquidity providers. If you are eligible for an introduction, you will need to attest to a disclosure that you will assess and evaluate the liquidity providers' products and services and appropriateness on your own or in consultation with independent (non-Morgan Stanley) financial, legal, accounting, tax and other professional advisors, and without reliance on any tax advice, investment advice or any other opinion, advice or recommendation made by Morgan Stanley Wealth Management.

EXAMPLE CO-INVESTMENT/ DIRECT DEALS



Alterra Mountain Company is the second largest mountain resort platform globally, featuring leading destinations and a premier season pass product, the Ikon Pass. Alterra's platform has access to 54 resort destinations and mountains, including the world's largest heli-ski operation.



Epic Games is a leading entertainment and content creation platform. Epic was founded in 1991 and built early success with its game development engine, Unreal, which has become the most widely used toolset for building console and PC games.



SpaceX is an aerospace company that designs, manufactures, and launches advanced rockets and spacecrafts, including a satellite internet constellation called Starlink. SpaceX is an important space supplier to NASA and the Department of Defense.



MedSpa Partners is a leading North American provider of aesthetic dermatology services, with an injectables led approach that has scaled to more than 40 clinics across the U.S. and Canada. They partner with industry renowned physicians focused on customers seeking a high-end experience.



Univar Solutions is a chemical distributor that serves as an intermediary between small customers and bulk-producers to sell products that are cost-ineffective for larger producers to take on. They have the second largest chemical distribution network globally and the largest in North America.



Canva provides a software platform that simplifies the steps and tools required for to build, share, manage, print, publish, and track engagement with digital content. Canva generates revenue from users purchasing add-on capabilities, licensing digital content, and subscriptions.



BlueVoyant is a cloud-native cybersecurity platform, based on proprietary data, analytics, and automation that delivers positive security outcomes to drive business results both internally (e.g., enhancing network security) and externally (e.g., removing sites designed to steal customer data).



Instabase is an application platform that employs machine learning to understand unstructured data and develop enterprise applications that can solve complex business problems, rapidly build end-to-end workflows with pre-packaged solutions blocks, and innovate at an organizational scale.

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EXAMPLE SECONDARY TRANSACTIONS

INSTITUTIONAL-CALIBER EXECUTION IN THE SECONDARY MARKET

A family office engaged the Morgan Stanley Private Markets Secondary Transaction Desk to sell a single private position, seeking a quality buyer and a hassle-free transaction. Pleased with the professionalism, successful execution and competitive fees, they moved forward with selling their remaining positions through the platform. Over the following 12 months, the Desk executed seven additional transactions, generating significant liquidity for the family office, including a 43% price premium on one of the trades through Morgan Stanley's ability to leverage multiple platforms.

THE POWER OF OUR NETWORK TO CONNECT CLIENTS

A C-suite employee of private company needed a source of liquidity for his shares sooner than was available through planned corporate liquidity events. Through our private ecosystem, the Morgan Stanley Private Markets Transaction Desk connected him to another client who wished to purchase the shares. The trade was expedited with lower fees, and the buyer has since continued to make additional purchases in secondary market.

NAVIGATING HIGH-PROFILE SOLUTIONS FOR CLIENTS AND ISSUERS

A board member of a high-profile issuer sought liquidity for his initial investment in a way that was sensitive to his position. By collaborating across different internal groups, our team identified an existing asset manager invested in the company who was interested in purchasing the position and being the sponsor investor in a co-invest opportunity. This enabled other wealth clients to invest in this sought-after private company alongside the sponsor through the MSPM - Access program.

REACH OUT TO A MORGAN STANLEY FINANCIAL ADVISOR TO LEARN MORE IF...

- You are interested in diversifying your portfolio with private market allocations and want to explore opportunities across various industries, geographies, and growth stages
- You have private investments that you want to buy or sell
- You want to learn more about Morgan Stanley's private investment offerings and capabilities

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Investors are responsible for complying with the terms of any applicable exemption from securities law requirements and any potential Private Company issuer restrictions for any sale of Private Company shares, and you must obtain your own legal counsel to advise you in connection with such requirements and Private Company issuer restrictions. You should consult with your third-party advisors regarding the risks of transacting in Private Company shares, including the risk of transacting in a market with little or no price transparency or liquidity. Morgan Stanley provides no opinion or view on the valuation of any Private Company shares, or the sufficiency, fairness or competitiveness of any price obtained. Private Securities do not trade on any national securities exchange and, as such, any potential liquidity (i.e., the potential for any buying interest that might satisfy your sell interest) in such Private Company shares is very limited.

Investments of this nature include a high degree of risk, likely will be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Investors could lose all or a substantial amount of their investment. Investments are appropriate only for eligible investors who are willing to put capital at risk for an indefinite period of time.

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