

Beyond the Ledger:

Emerging Challenges and Opportunities for Small to Mid-Size Accounting Firms

10 Recommendations for Becoming a Future-Ready Firm With the Profession at a Crossroads



A White Paper by:

Peter J. Haack Jr., CFP[®], CIMA[®]

Senior Investment Management Consultant, Alternative Investments Director, Senior Vice President, Financial Advisor

Address

The Stanek-Haack Group at Morgan Stanley
233 South Wacker Drive, Suite 8600
Chicago, IL 60606

Date

April 2025

Contact

Peter.Haack@morganstanley.com
Mobile: +1 (847) 260-9533

Executive Summary

It's no secret that the accounting profession is at a crossroads. Fee compression, staff shortages, client complexity, and rapid technological change are weighing on small- to mid-sized firms. Many remain stuck in outdated business models, with limited vision, burnout at both the leadership and staff, and missing critical opportunities. Based on interviews with half a dozen thought leaders from the accounting profession, this white paper dives deep into why these challenges can be so hard for firms to overcome and offers a better way forward. It's a way based on a people-first culture, along with patient, strategic marketing, billing innovation, AI enablement, and collaborative advisory relationships.

The author(s) of this paper want to share real solutions that progressive firms can implement to go from being reactive to proactive, and from transactional to transformational for their clients.

Introduction: The Inflection Point of 2025

Many accounting professionals view “tax season” (aka “busy season”) with dread. But according to **Dan McMahon, CPA**, founder of Integrated Growth Advisors, a business growth and consulting firm, high-performing firms are increasingly calling it “Opportunity Season.” Why? Because while others are buried in tax returns and getting work “out the door, these firms are doubling down on client engagement and discovery. They know this is the time of year when they're spending the most time with each client. While doing so, they're uncovering business needs, proposing year-round advisory support, and turning their busiest months of the year into their most profitable months.

But most firms haven't figured out how to extricate themselves from the deluge of compliance work. As several experienced professionals we interviewed for this white paper told us, too many firms remain reactive rather than proactive, running from one fire to the next and resistant to change. To paraphrase Steven Covey, they're “so busy sawing they don't have time to sharpen the saw” and the so-called “SALY” mentality (Same As Last Year) lives on seemingly forever. **Randy Crabtree**, co-founder of Tri-Merit Specialty Tax Professionals and host of the Unique CPA Podcast agreed. “We get so caught up in doing things the same way that the SALY mindset is killing us. Clients don't just need us to process anymore. They need us to help them think, anticipate, and make better decisions,” he added.

Overcoming the Biggest Challenges Facing Accounting Firms Today

To break that cycle, here are our recommendations for overcoming the biggest challenges facing the accounting profession today based on our interviews with over half a dozen accounting industry influencers. By incorporating these strategies and tactics into your practice, you'll be well on your way toward becoming a more proactive, future-ready firm. These recommendations aren't just theories—they are tactics grounded in the real-world experiences of leaders who have successfully navigated similar challenges. Some of the steps may involve small, incremental adjustments to your current processes. Others may call for a complete shift in perspective and a willingness to embrace a new paradigm. Together, they form a roadmap to help you focus your time, energy, and resources where they will have the greatest impact. As you work through each step, you'll see how thoughtful, intentional changes—both big and small—can lead to significant, lasting transformation.

Challenge 1: Inability to Transform Tax Season From Survival to Opportunity

Extreme hours, compressed deadlines, demanding clients, complex ever-changing regulations, employee turnover, repetitive high stakes work and strain on personal relationships make the 75-day whirlwind between January and April a survival test for too many CPAs today. But it's also when your best clients are in your office. Are you using that time to deepen the relationship?

Most aren't. "It's like a restaurant saying, 'We're too busy to serve you lunch,'" according to McMahon. "No other business would operate that way."

Blake Oliver, CPA, founder of the Earmark CPE learning platform and co-host of *The Accounting Podcast* agreed: "The firms that grow in the next decade will be the ones who stop seeing tax returns as the finish line and start seeing them as the starting point for year-round, life-centered conversations."

"The firms that grow in the next decade will be the ones who stop seeing tax returns as the finish line and start seeing them as the starting point for year-round, life-centered conversations."

– **Blake Oliver, CPA**

Founder of Earmark CPE learning platform
and co-host of *The Accounting Podcast*

Morgan Stanley

Anthony Venette, CPA/ABV, a business valuation and estate planning specialist for Withum Smith+Brown, PC agreed. “As a profession, we should be doing a lot more to help clients with the Great Wealth Transfer, because they are really struggling with that,” he noted. “They don't know how to proceed through succession planning, whether a business transition through an exit makes sense. I just don't think most of them are getting the service they need there.”

Solution: *Reframe busy season. Train staff to identify additional needs — succession planning, cash flow strategy, business transitions. Capture ideas now, follow up in May. Schedule discovery calls before they walk out the door.*

Challenge 2: Fee Compression and the Commoditization Trap

Our panel of professionals told us unanimously that the profession is grappling with fee pressure like never before. Online DIY tools, AI-assisted prep software, and offshore competition are lowering market expectations — especially for commoditized services like 1040s and basic compliance work.

“We can win on time, on price, or on quality. I choose quality. But to do that, we must walk away from the wrong clients.”

– **Anthony Venette, CPA/ABV**

Business Valuation and Estate Planning specialist for Withum Smith+Brown, PC

As Venette shared with us: “We can win on time, on price, or on quality. I choose quality. But to do that, we must walk away from the wrong clients.”

CPA firms must shift their positioning. Clients don't want more documents — they want less worry. Deliver outcomes, not hours.

According to Oliver: “Firms still think of themselves as historians. But clients don't want a historian. They want a guide. They want someone who's going to help them shape the next chapter, not just record the last one.”

McMahon agreed: “CPAs don't realize how much they already know about their clients. That knowledge is gold — but it only becomes valuable when it's actively used to guide and advise.”

These insights speak to the heart of transformation.

Solution: *Emphasize value. Reframe pricing around strategic outcomes. Introduce subscription billing or bundled advisory packages. Educate clients about the return on*

Morgan Stanley

investment (ROI) of having a true dedicated resource. As McMahon shared: A \$2,500 return becomes \$400/month. That's \$4,800 per year and a predictable engagement. Plus, the client gets year-round access.

Challenge 3: The Talent Pipeline Is Cracking

With the number of accounting grads declining, and retirements accelerating, the profession faces a long-term shortage of talent.

Crabtree told us recently: “We’re losing the pipeline because the perception is broken. Young professionals want purpose. They want impact. expect more from their careers than long hours during tax season and limited upward mobility. They expect more from their careers than long hours during tax season and limited upward mobility.” As Crabtree noted:

"Our profession has a pipeline problem, and much of it is cultural. People don't want to burn out. They want flexibility, meaning, and room to grow. Firms that don't adapt won't attract the next generation of CPAs."

Meanwhile, **Bill Finestone**, Partner Lipschultz, Levin & Gray said his firm used to rely heavily on recruiting firms to find new talent and they could justify the 25% to 30% fee (on first year compensation) because new employees would stay on average five to six years. “However, now this younger generation is leaving after a year, making this an unprofitable way to recruit new talent,” lamented Finestone.

Key barriers include outdated educational paths (including the 5-year 150-hour requirement for undergrads), rigid credentialing models, and old-school firm culture.

Venette pointed to the shortage of new talent coming into the industry_just as a tidal wave of accounting firm leaders expect to retire within the next 10 years. Furthermore, Oliver states that the profession needs more new hires with critical thinking skills, not just the ability to memorize rules and processes, which can now be accessed easily through artificial intelligence (AI) with the push of a button.

“Now we use social media and visit schools and campuses to go the student directly. This has worked out very well for us. It costs less and [new hires] stay on a lot longer.”

– **Bill Finestone**

Partner at Lipschultz, Levin & Gray

Solution: *Redesign roles. Offer hybrid schedules.*

Recruit from adjacent disciplines like finance or data analytics. Use AI to handle low-level tasks and free up young talent for higher level thinking. Partner with schools to showcase modern advisory work — not just debits and credits. “Now we use social media and visit

schools and campuses to go the student directly,” added Finestone. “This has worked out very well for us. It costs less and [new hires] stay on a lot longer.”

Challenge 4: Burnout and the Broken Culture

Burnout isn't just an HR issue; it's a business model issue. When partners insist on doing work that should have been delegated -- at half their billable rate -- “just to get things done,” it detracts from their ability to lead their team and firm morale, and margin suffers.

Venette emphasized: “Firms that succeed focus on highest and best use. Partners don't balance checkbooks.” Crabtree added: “As I go around the country evangelizing about mental health awareness, I tell practitioners and firms that one of the best things they can do is make mental health resources readily available at their organization and to remove the stigma around accessing them,” he explained. “This could include an employee assistance program, access to counseling services, or allowing employees to take ‘mental health’ days without fear of judgment or loss of vacation days.”

The annual [CPA Career Satisfaction Survey](https://tri-merit.com/satisfaction-survey/)¹ (<https://tri-merit.com/satisfaction-survey/>) finds that CPAs who work at firms in which mental health resources are readily available (without stigma) are more than **twice as likely** to feel “highly satisfied” in their careers than CPAs who work at firms in which those resources are not readily available. “As CPAs, we see our role is to help everybody first,” related Crabtree. “We forget that we need to help ourselves and help the people we work with.”

“As CPAs, we see our role is to help everybody first. We forget that we need to help ourselves and help the people we work with.”

– Randy Crabtree

Co-founder of Tri-Merit Specialty Tax Professionals and host of the *Unique CPA* podcast

Solution: *Implement strong leverage models. Reward efficiency and team-based work. Redefine advancement around leadership and innovation — not just hours worked. Make mental health resources readily available (without stigma) to all team members.*

¹ Conducted by Randy Crabtree's firm, Tri-Merit Specialty Tax Professionals, in association with Accountants Forward, Big4 Transparency and HB Publishing & Marketing Company.

Challenge 5: The Marketing Disconnect

Many firms now hire marketers and business development pros — and then fire them within a year. Why?

“Partners expect miracles in 30 days,” said McMahon. “That’s not how branding works. That’s not how trust works.” According to McMahon, they often treat marketing as a cost-center rather than a potential profit center and too often assign a direct input vs. output to a single marketing effort – say a webinar, or a Facebook ad, or a conference sponsorship -- rather than looking at the cumulative build effect of all of their marketing efforts over a specific time.

Solution: *Align expectations. Treat marketing as a long-term system: brand building, nurturing, then conversion. Measure awareness and engagement before leads. Give marketers support and access to decision-makers.*

Challenge 6: Firm Websites Are Online Brochures; They Don’t Tell Clients How They Can Ease Their Pain

Most firm websites read like résumés. They say, “We do audit and tax” and tout each partner’s and team member’s academic credentials and career stops. But they don’t answer the client’s real question: “Can you help me solve my problem?”

Oliver told us in an interview: “Make the website about the client. Their goals. Their path. Not just your credentials.”

Solution: *Use case studies. Show before-and-after stories. Build empathy. Clarify outcomes. Tell the story of your client — not just your firm.*

Challenge 7: Billing Models Outdated

Hourly billing punishes efficiency and discourages innovation. Subscription and fixed-fee models offer stability, cash flow, and better alignment.

Morgan Stanley

As mentioned in Challenge 2 above: A \$2,500 return becomes \$400/month. That's \$4,800 per year and a predictable engagement. Plus, the client gets year-round access.

CPAs must realize they can't underprice forever. "At some point, you have to charge for value, not for hours. Clients aren't comparing your hourly rate—they're comparing the outcomes you help them achieve," added McMahon.

"At some point, you have to charge for value, not for hours. Clients aren't comparing your hourly rate—they're comparing the outcomes you help them achieve."

– Dan McMahon, CPA

Founder of Integrated Growth Advisors

Solution: *Bundle services. Offer advisory tiers. Introduce quarterly reviews as part of your pricing. Move from reactive to proactive service.*

Challenge 8: Reluctance to Coordinate With the Client's Other Advisors

When a CPA and wealth manager fail to collaborate effectively, the client often receives disjointed advice that can lead to missed opportunities or costly mistakes. This fragmented experience can erode trust and leave the client feeling like they're managing the professionals instead of the other way around. As a result, clients may leave for a firm that offers coordinated, in-house financial and tax planning—costing both the CPA and advisor valuable business.

Venette emphasized the importance of this leadership role: "You need to curate the advisory team. If a client's lawyer or advisor isn't pulling their weight, or isn't aligned, we help the client find better solutions. That's what trusted advisors do."

In this collaborative role, CPAs become quarterbacks, not just players in the huddle. They manage the team to help ensure that client outcomes are achieved holistically.

Solution: Wealth Management Collaboration — A New Frontier

More and more accounting firms are working with financial advisors to offer holistic planning. But the success of a CPA/financial advisor collaboration depends on how it is implemented.

It makes sense for a CPA to collaborate proactively with a client's wealth advisor because their combined insights and experience can lead to more strategic, tax-efficient financial decisions for the client. By aligning their planning strategies, both professionals can identify opportunities and avoid conflicts that might otherwise go unnoticed. This collaboration also

Morgan Stanley

deepens client trust and loyalty, as the clients now sees a unified team working in their best interest.

Please see Addendum A for mind mapping and client discovery strategy.

The quarterback is often the financial advisor. They're in front of the client more often. But the CPA is the secret weapon when it comes to strategy.

Solution: Vet financial advisors. Create formal processes. Co-brand discovery tools. Share planning systems. Align incentives with the client's best interests.

Challenge 9: Reluctance to Adopt Artificial Intelligence (AI)

AI can multiply your capacity and surface new opportunities. But only if the data is clean and firm leadership is aligned about how to use it. Many firms worry about the learning curve, the investment of time and money, the distraction to their team and the challenge of constantly trying to keep up with emerging technologies such as AI to make the commitment to lean into it.

Solution: **Ellen Choi**, co-founder of Aiwyn, an automation platform for accounting firms emphasized: "If your revenue per head isn't going up, you're missing the boat. AI should let one person do what three used to do."

To introduce AI successfully, she recommends three tactics:

1. Partner-level AI literacy workshops.
2. Basic opportunity dashboards using Power BI or vendor tools.
3. Data clean-up projects to fuel automation.

AI in Practice. Choi outlined three important ways that AI can take over basic-level redundant work at firms to free up staff for higher level tasks:

1. Scan client files for missed deductions or entity structure issues
2. Analyze transactions for recurring advisory moments
3. Summarize quarterly reports in plain English

Final thoughts: Start small. Run a pilot. Build success stories. Bring the skeptics along with wins, not theory. But as **Choi** reminded us during an interview for this paper, remember: “Technology doesn’t replace people. It amplifies them. But only if you have the courage to lead from the top.”

According to Choi, "AI and CRM systems now make it easy to track who in your client base needs referrals to wealth managers, estate attorneys, or insurance advisors. When CPAs automate this insight, they become proactive in connecting the right people at the right time — which is what clients remember," she added.

Crabtree emphasized the simplicity and power of this process:

"When you show clients visually where their gaps are, and then introduce people who can help them, they light up immediately. It’s like solving a puzzle they didn’t know they were stuck on."

“Technology doesn’t replace people. It amplifies them. But only if you have the courage to lead from the top.”

– **Ellen Choi**

Co-founder of Aiwyn

Summary of 10 Recommendations for Becoming a Future-Ready Firm

1. Reframe tax season as your client engagement season.
2. Ditch hourly billing for subscription and advisory bundles.
3. Recruit for values, not just credentials.
4. Elevate marketers and support long-term brand building.
5. Rewrite your website with your client’s voice.
6. Bring on technology leaders or outsource strategy.
7. Start using AI — even a little.
8. Invest in your data infrastructure.
9. Collaborate with experienced financial advisors.
10. Build a culture based on relationships, not rules.

Conclusion: The Choice Ahead

Change is hard. But irrelevance is harder. Firms that modernize — in their mindset, their marketing, their billing, their tech, and their client collaboration — will thrive.

“It’s not about compliance anymore,” said Crabtree. “It’s about connection. People hire advisors they trust. Not just technicians.”

The firms of tomorrow will look nothing like the firms of yesterday and today. But the opportunity is greater than ever.

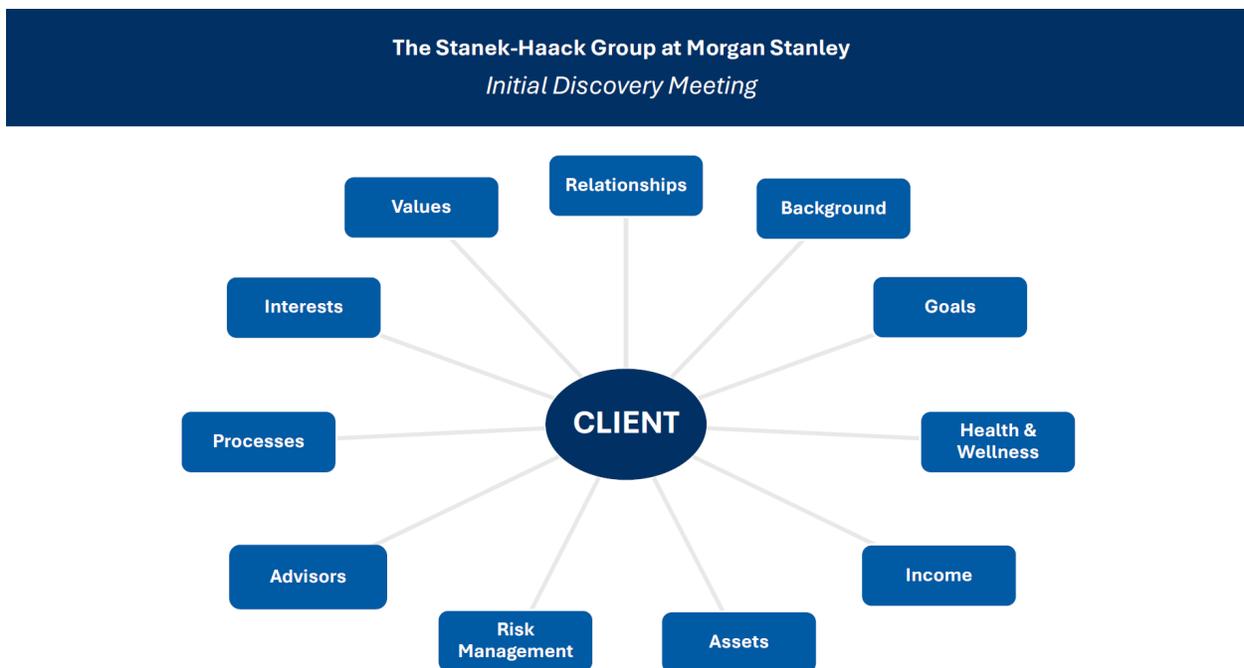
The accounting profession is at a crossroads. Both individually and collectively, CPAs must decide whether they want to adapt and lead or stand still and fade into irrelevance. Clients no longer settle for backward-looking reports; they expect forward-thinking strategies that unify every part of their financial life. Collaborating with wealth managers who embrace a holistic, advanced-planning approach empowers a CPA to deliver exactly that—cementing their role as the architect of their clients’ financial success. The firms that seize this moment can gain trust, loyalty, and growth for years to come. However, for those that wait, they risk watching their most valuable relationships migrate to professionals who are already delivering the integrated solutions that clients demand.

Prepared April 2025 by Peter Haack, CFP®, CIMA® – with contributions from industry leaders across accounting, wealth, and innovation.

ADDENDUM A

The Call to Action

The most successful CPAs go beyond tax preparation—they serve as trusted financial advisors who help clients navigate critical decisions that impact their businesses, families, and long-term goals. Yet, while CPAs often excel in technical analysis, they can gain valuable insight by studying how top wealth managers use structured discovery and mind mapping to uncover what truly matters to clients. As shown in the **Initial Discovery Meeting** diagram below, wealth managers begin with a holistic view, exploring the client’s values, relationships, goals, risks, and current advisors to fully understand the person behind the numbers. This approach builds deeper trust and reveals challenges and opportunities that might otherwise go unnoticed.



Finally, after the initial discovery meeting with a client is completed, one can start to look at the entire wealth management process. To organize our thinking and approach to wealth management, we recommend a single all-encompassing formula:

Wealth Management =
Investment Consulting +
Advanced Planning +
Relationship Management

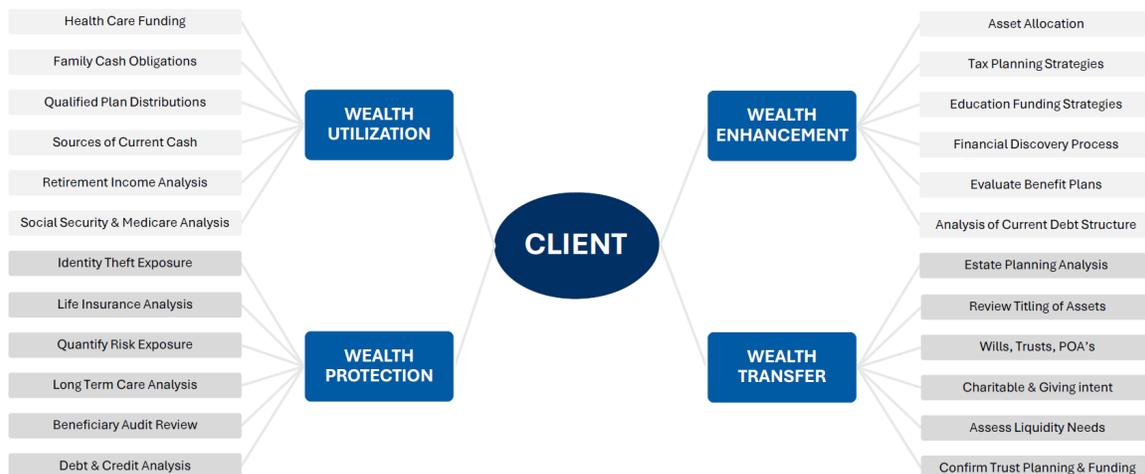
$$\mathbf{WM = IC + AP + RM}$$

Investment Consulting is the core investment offering for many wealth management financial advisors and the foundation upon which they build the client relationship

Advanced Planning addresses the range of financial needs beyond investment consulting, in which all of the information is taken from the client's original mind map to formulate the wealth management advanced planning strategies. It consists of four areas:

1. Wealth Enhancement
2. Wealth Utilization
3. Wealth Protection
4. Wealth Transfer (see below)

The Stanek-Haack Group at Morgan Stanley Advanced Planning Activities



Finally, *Relationship Management* involves three key tasks:

Morgan Stanley

1. Fully understanding clients' life changes, values and goals through an ongoing consulting process.
2. Assembling and managing a network of service providers.
3. Working effectively with the client's other professional advisors such as their accountant and attorney.

Discovery + Mind Mapping: Unlocking These Opportunities

To leverage collaborative relationships fully, the CPA's discovery process becomes critical. To optimize the discovery process, the Mind Mapping approach advocated by Peter Haack creates a visual, client-centered map of:

- Financial goals and current assets.
- Ownership structures and succession plans.
- Family dynamics and wealth transfer priorities.
- Business goals and charitable objectives.
- Identified gaps or risks needing professional support.

By completing these discovery maps with clients, CPAs naturally uncover advisory needs. They become the catalyst for action and connection. And in doing so, they own the central role in the advisory team.

Crabtree emphasized the simplicity and power of this process:

"When you show clients visually where their gaps are, and then introduce people who can help them, they light up immediately. It's like solving a puzzle they didn't know they were stuck on."

Mind mapping not only reveals opportunities — it elevates the CPA's role from reactive responder to **strategic guide**.

The CPA's mind map and advanced planning strategies will probably look very different, but hopefully this exercise demonstrates a new and innovative way for CPAs to help and guide clients.

Final comments

Mind mapping and advanced planning strategies are just the beginning — they're powerful tools to spark a shift in how CPAs engage with clients. However, they represent just a fraction of the ways that CPAs can help clients make positive changes in their lives. By embracing these approaches, firms take the first steps toward a new paradigm in which client relationships are deeper, more strategic, and more collaborative. This transformation isn't about adding more tasks; it's about reframing the CPA's role as a forward-looking advisor

Morgan Stanley

who proactively drives value for clients. Once this mindset takes hold, the door opens to an entire toolbox of innovative methods that can redefine client engagement and help set the firm apart in an increasingly competitive marketplace.

To explore how these strategies can be tailored to your firm's unique challenges and opportunities, reach out to Peter Haack today. A short conversation could be the catalyst for transforming how you engage with clients and position your firm for long-term success.

A special thank you to our accounting contributors:

Ellen Choi

*CEO/Founder
Edgefield Group*

Randy Crabtree

*Co-Founder, Partner, CPA
Tri Merit
Specialty Tax Professionals*

William H. Finestone

*Partner
Lipschultz Levin & Gray, L.L.C.*

Daniel J. McMahon

*Managing Partner
Integrated Growth Advisors*

Blake Oliver

*Co-host The Accounting Podcast
Earmark CPE*

Anthony Venette CPA/ABV

*Manager Corporate Value Consulting
Withum*

About Peter Haack



Peter Haack, CIMA[®], CFP[®] is Senior Vice President and Financial Advisor with **The Stanek-Haack Group at Morgan Stanley**, a twelve-person Chicago-based wealth management team. With a background that includes founding his own advisory firm, managing multifamily real estate apartment buildings, and earning an engineering degree while playing football at Villanova University, Peter brings both analytical rigor and entrepreneurial insight to client relationships.

Peter's practice integrates tax, legal, insurance, and accounting areas of focus to deliver holistic strategies without the burden of in-house overhead. For CPA firms, his approach creates opportunities to expand client service and relationships. His firm's proprietary "stress-testing" portfolio risk platform provides CPAs with deeper insight into financial planning outcomes. This combination positions CPAs to strengthen client

relationships and grow their practices through collaborative wealth management.

Since 2023, Peter and his wife Susie have lived full-time in Estero, Florida, enabling him to remain closely connected to Gulf Coast clients while maintaining strong ties to the firm's Midwest roots.

Peter J. Haack, CIMA[®], CFP[®]

The Stanek-Haack Group at Morgan Stanley
Senior Investment Management Consultant
Senior Vice President
Financial Advisor

Morgan Stanley Wealth Management

233 S. Wacker Drive, Suite 8600 Chicago, IL 60606

NMLS #126220

Mobile: (847) 260-9533

Peter.Haack@morganstanley.com

Morgan Stanley

Disclaimers:

This article has been prepared for informational purposes only. The views expressed herein are those of the author and do not necessarily reflect the views of Morgan Stanley Smith Barney LLC (Morgan Stanley) or its affiliates. All opinions are subject to change without notice. Neither the information provided nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Past performance is no guarantee of future results.

The referenced third party contributors are neither employees of nor affiliated with Morgan Stanley Smith Barney LLC (Morgan Stanley). We are not implying an affiliation, sponsorship, endorsement, approval, investigation, verification or monitoring by Morgan Stanley of any information contained in their commentary. The opinions expressed by the third party contributors are solely their own and do not necessarily reflect those of Morgan Stanley.

The services, strategies and investments discussed may not be appropriate for all investors. Morgan Stanley Smith Barney LLC recommends that investors independently evaluate particular services, strategies and investments, and encourages investors to seek the advice of a financial advisor. The appropriateness of a particular service, strategy or investment will depend upon an investor's individual circumstances and objectives.

Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors or Private Wealth Advisors do not provide tax or legal advice. Clients should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning and other legal matters.

Morgan Stanley Smith Barney LLC offers insurance products in conjunction with its licensed insurance agency affiliates.

Since life insurance and long term care insurance are medically underwritten, you should not cancel your current policy until your new policy is in force. A change to your current policy may incur charges, fees and costs. A new policy will require a medical exam. Surrender charges may be imposed and the period of time for which the surrender charges apply may increase with a new policy. Actual premiums may vary from any initial quotation. Guarantees and contractual obligations are backed by the claims-paying ability of the issuing insurance company. You should consult with your own tax advisors regarding your potential tax liability on surrenders.

Morgan Stanley offers a wide array of brokerage and advisory services to its clients, each of which may create a different type of relationship with different obligations to you. Please consult with your Financial Advisor to understand these differences or review our Understanding Your Brokerage and Investment Advisory Relationships brochure available at <https://www.morganstanley.com/wealth-relationshipwithms/pdfs/understandingyourrelationship.pdf>

Information contained herein has been obtained from sources considered to be reliable, but we do not guarantee their accuracy or completeness.

The Portfolio Analysis report ("Report") is generated by Morgan Stanley Smith Barney LLC's ("Morgan Stanley") Portfolio Risk Platform. The assumptions used in a Report incorporate portfolio risk and scenario analysis employed by BlackRock Solutions ("BRS"), a financial technology and risk analytics provider that is independent of Morgan Stanley. BRS' role is limited to providing risk analytics to Morgan Stanley, and BRS is not acting as a broker-dealer or investment adviser nor does it provide investment advice with respect to the Report. Morgan Stanley has validated and adopted the analytical conclusions of these risk models.

Any recommendations regarding external accounts/holdings are asset allocation only and do not include security recommendations.

IMPORTANT: The projections or other information provided in a Report regarding the likelihood of various investment outcomes (including any assumed rates of return and income) are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Hypothetical investment results have inherent limitations.

- There are frequently large differences between hypothetical and actual results.
- Hypothetical results do not represent actual results and are generally designed with the benefit of hindsight.
- They cannot account for all factors associated with risk, including the impact of financial risk in actual trading or the ability to withstand losses or to adhere to a particular trading strategy in the face of trading losses.
- There are numerous other factors related to the markets in general or to the implementation of any specific strategy that cannot be fully accounted for in the preparation of hypothetical risk results and all of which can adversely affect actual performance.

Morgan Stanley cannot give any assurances that any estimates, assumptions or other aspects of the risk analyses will prove correct. They are subject to actual known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those shown in a Report.

This communication contains links to third party websites that are not affiliated with Morgan Stanley. These links are provided only as a convenience. The inclusion of any link is not and does not imply an affiliation, sponsorship, endorsement, approval, investigation, verification or monitoring by Morgan Stanley of any information contained in any third party website. In no event shall Morgan Stanley be responsible for the information contained on that site or your use of or inability to use such site. Furthermore, no information contained in the site constitutes a recommendation by Morgan Stanley to buy, sell, or hold any security, financial product, particular account or

Morgan Stanley

instrument discussed therein. You should also be aware that the terms and conditions of such site and the site's privacy policy may be different from those applicable to your use of any Morgan Stanley website.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Real estate investments are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions.

Certified Financial Planner Board of Standards, Inc. (CFP Board) owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, and CFP® (with plaque design) in the United States, which it authorizes use of by individuals who successfully complete CFP Board's initial and ongoing certification requirements.

Investments and services offered through Morgan Stanley Smith Barney LLC. Member SIPC.

CRC4787007 10/25