Morgan Stanley

WEALTH MANAGEMENT

PRIMER

Global Investment Manager Analysis | January 21, 2022

Private Investments in the Secondary Market

Daniel Maccarrone
Investment Analyst
Daniel.Maccarrone@morganstanley.com
+1 212 296-1278

Paul Jodice
Investment Analyst
Paul.Jodice@morganstanley.com
+1 212 296-0470

Keith Fortmiller
Investment Analyst
Keith.Fortmiller@morganstanley.com
+1 212 296-1839

The original version of this report was published on May 25, 2017, with subsequent updates on June 6, 2018, June 6, 2019 and June 22, 2020.

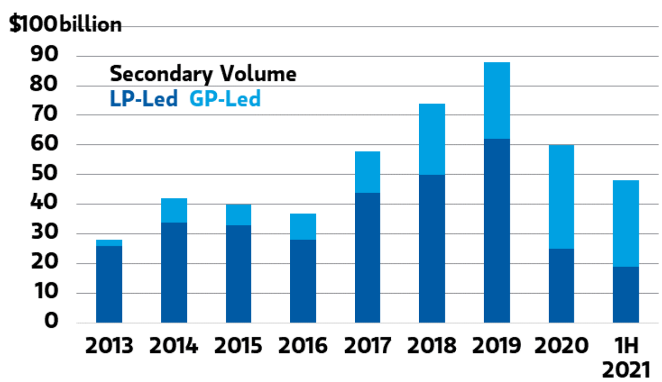
As private investments establish themselves as complementary additions to diversified portfolios, they present investors with unique challenges in the areas of cash flow management, diversification and liquidity. Helping to offset some of these challenges, secondary investments have become effective tools for investors seeking to access the potentially attractive returns offered in private investments such as private equity, real estate, credit and infrastructure. With diversification and attractive cash-flow profiles, secondary investments are becoming more appealing for investors looking to better manage current exposure or to establish portfolios of private investments or augment those portfolios. Morgan Stanley Wealth Management Global Investment Manager Analysis (GIMA) believes this strategy offers compelling benefits to investors and deserves consideration as a strategic allocation in investors' portfolios.

Evolution of the Secondary Market

For nearly two decades, institutional and high-net-worth investors have embraced private investments for their return potential and lower correlation to the capital markets. While private investments offer diversification and an uncommon potential return profile, one of the main drawbacks is their lack of liquidity, as investors typically cannot access their capital for 10 or more years. Responding to this illiquidity, limited partners (LPs) and general partners (GPs) of private equity funds have turned to the secondary market for their respective portfolio management needs.

According to advisory firms Greenhill and Jefferies, secondary transaction volume has grown substantially over the years. This increase in volume, primarily in the form of private equity strategies, is a function of the strategy serving as a growing tool for managers of illiquid assets as well as a viable private investment tool. In 2020, annual volume of secondary transactions fell to $60 billion (see Exhibit 1), which was generally the result of market disruptions from COVID-19. Secondary volume appears to have rebounded in 2021.

Exhibit 1: Secondary Market Growth Has Been Buoyant



Source: Greenhill Global Secondary Market Review—January 2021, Jefferies Global Secondary Market Review—July 2021

The secondary market has grown to encompass a wide array of transaction types through LP-led and GP-led deals. LP-led transactions occur when LPs sell their private fund interests to secondary market investors to generate liquidity or to use them as portfolio management tools in order to rebalance their private equity portfolio exposure while redeploying capital to higher-conviction areas. Historically, LP-led deals have accounted for the majority of transaction volume.

GP-led transactions allow GPs to drive the process of providing LPs with liquidity by facilitating the sale of LP interests to secondary market investors. They may also facilitate the sale of specific assets later in a fund's life so these assets can be moved into a new vehicle alongside a secondary market investor as an alternative exit route. While LPs get liquidity in this situation, one benefit for GPs is the ability to extend the management period of high-quality assets that may have the potential for further value creation but might otherwise need to be sold due to limited fund lifespan. GP-led transaction volume has grown as a percentage of total secondary volume—from 7% in 2013 to 60% by mid-2021. Market participants expect that GP-led transactions will continue to gain an increasing share of secondary market volume as GPs continue to view the secondary market as a valuable and strategic liquidity tool.

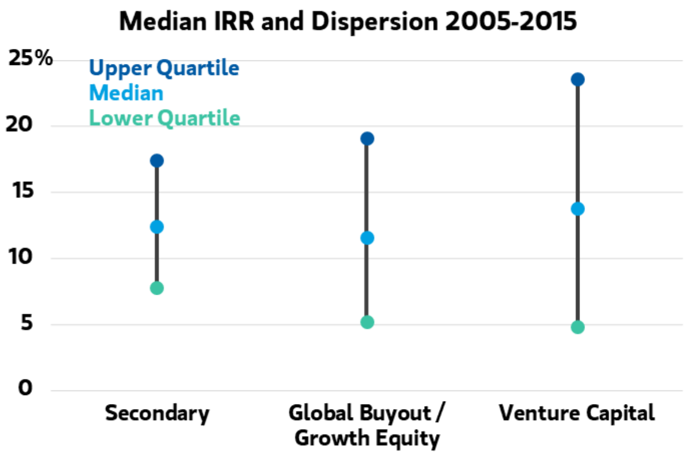
Investment Merits

How do investors better manage their private investment exposure, and, equally as important, what is the opportunity for investment managers? Private investments are utilized for their combination of diversification and return potential. Increasingly, investors have looked for ways to monetize their private investment capital for both economic and noneconomic reasons. The secondary market offers an outlet for investors seeking liquidity and fertile ground for fund managers seeking unique assets. While investors with private investment positions find the secondary market useful, we are increasingly seeing asset managers eager to adopt this opportunistic strategy.

Managers of secondary funds provide liquidity to investors who would otherwise be locked up while accessing assets with compelling attributes. These attributes include asset availability at a discount; partially seasoned investments, which helps mitigate the "J-curve"—the historical tendency of private equity funds to deliver negative returns in early years and gains in outlying years, as assets mature; and potentially improved cash flows. If the portfolio manager is doing his or her job correctly, investors can reap the above benefits in the form of higher internal rates of return (IRR) and lower IRR dispersion relative to other private market strategies.

To this point, secondary funds have exhibited favorable risk/return profiles, though with lower multiples of invested capital, generating a 12.4% median IRR and 960 basis points of dispersion between the top and bottom quartile, on average, from 2005 through 2015, according to Cambridge Associates. This compares to an 11.6% median IRR and 1,390 basis points of dispersion in returns for global buyout/growth equity funds and 13.8% median IRR and 1,880 basis points of dispersion in returns for global venture capital (see Exhibit 2). It is important to note that while the median IRRs are significant in newer vintages, spreads will naturally tighten as these secondary funds mature.

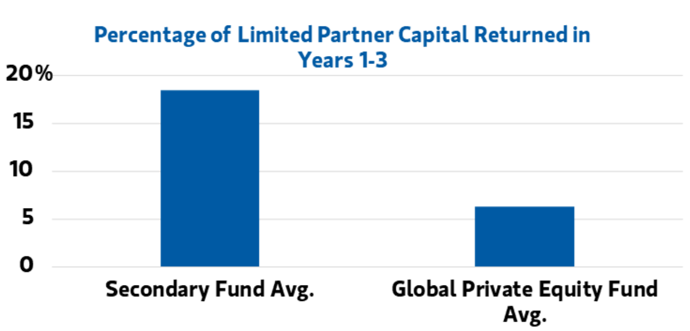
Exhibit 2: Secondaries Have Delivered a Favorable Risk-Return Profile



Source: Cambridge Associates, Thomson Reuters Eikon as of March 31, 2021

One of the more attractive attributes of investing in the secondary market is accelerated cash flow. In a typical primary private investment fund, investors experience a gradual drawdown of capital during the first few years, and positive returns are generally not reported until roughly five years after the initial contribution. Investors must wait even longer for any type of meaningful distributions. Secondary investments can still be long-life assets, though the pattern of cash flows is often different. Secondary funds typically purchase more seasoned assets, which often lead to earlier distributions. Accordingly, secondary funds have returned approximately 19% of LP capital in the first three years of the secondary fund's life, on average, compared to approximately 6% for global buyout/growth equity funds, based on Cambridge Associates data for mature vintage years 2005 to 2015, as of March 31, 2021 (see Exhibit 3). The end result is that investors in secondary portfolios may experience smoother return patterns and earlier distributions than those investing in traditional private investments.

Exhibit 3: Secondary Funds May Return Capital Faster



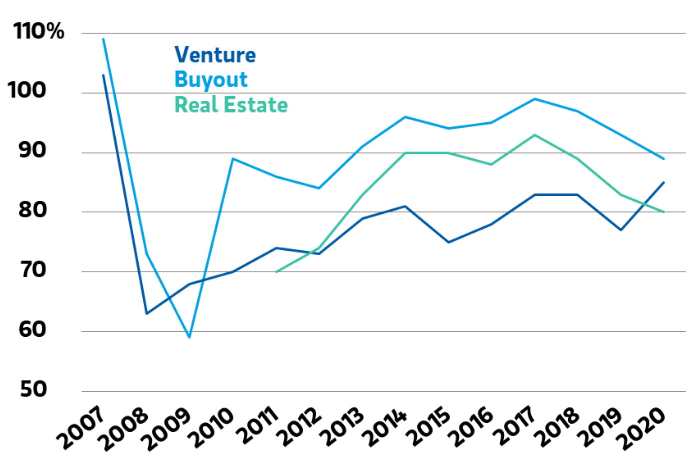
Represents vintage year funds 2005-2015
Source: Cambridge Associates, Thomson Reuters Eikon as of March 31, 2021

Investment Mechanics

To be clear, secondary investments have limited scope in driving value relative to traditional private investments. Once a selection has been made, there is rarely an opportunity for a secondary manager to affect the performance of the underlying investments. The typical secondary strategy is centered on acquiring LP interests or assets, usually at a discount to net asset value (NAV). As a result, sellers receive liquidity for their stake in the investment, and the secondary buyers usually acquire assets at a discount and with the prospect of accelerated cash flows. Essentially, the buyers agree to take on any future funding obligations in exchange for future distributions from the investment. While average market pricing does fluctuate, during most normal market environments the secondary market trades at some discount to NAV.

Secondary prices may fluctuate over various environments (see Exhibit 4). During periods when secondary buyers face pricing pressure for the best assets, returns may be slightly lower than historical averages. To enhance returns, many secondary managers employ more innovative deal structures, such as those featuring deferred payments or third-party leverage, in which case the buyer borrows capital to try to enhance returns. Deferred payments have become more common as financing tools to bridge pricing gaps between asset buyers and sellers, especially for IRR-challenged situations. Additionally, and as a consequence of larger funds and increased competition, more secondary managers are using third-party leverage to complete transactions or enhance returns. Of course, leverage is also likely to magnify losses during downturns.

Exhibit 4: Secondary Pricing Versus Net Asset Value



Source: Greenhill as of January 2021

For those planning to invest in private markets, choices may include investing directly in funds or aggregating exposure through a fund of funds. Investing directly in funds can be challenging, as it may take large amounts of capital and several years to build a diversified program. While investing in a primary fund of funds can aid in diversification, it is limited, as the portfolio will typically contain a limited number of managers and still present a degree of vintage year risk. In contrast, a typical secondary portfolio is built on multiple transactions. The secondary investment manager can diversify by a greater extent and across a wider variety of factors—including strategy, fund, manager, geography and vintage. Depending on the market environment, a secondary portfolio would likely have exposure to a range of vintages spanning nearly a decade. Typical secondary portfolios will have exposure to both buyout and venture strategies and can also have exposure to non-US funds. This ability to purchase at a discount and diversify can be particularly attractive for investors who have not historically invested in private investments. Finally, because secondary funds have the luxury of underwriting a set of existing assets well into their lifecycle, a degree of uncertainty is removed from the underwriting equation.

Market Participants

Historically, two types of managers have been the dominant buyers of LP interests in the secondary market: stand-alone secondary fund managers and fund-of-private-funds managers. Stand-alone secondary managers raise capital to invest solely in secondary opportunities. In contrast, funds of private funds can make secondary investments either directly or through specific vehicles. Today, some of the largest secondary investment funds are actually being managed by many of the same firms that operate primary private investments. Over the past decade, investors hoping to capitalize on what is perceived to be a growing opportunity have increasingly entered into the secondary transaction market.

These new entrants encompass captive secondary funds (including those that are part of large financial institutions), niche or sector-focused secondary funds (real estate, infrastructure and venture capital) and more opportunistic players such as pension plans, endowments and family offices. Additional participants in the secondary market are intermediation platforms. While intermediation in the secondary market is still not as pervasive as in corporate banking, leading advisors to secondary market sellers include investments banks, dedicated boutique firms, electronic exchanges and established fund placement agents.

Investment Process

As we look to better understand the secondary market environment, it helps to understand its processes and categories. Transaction sizes in the secondary market can range from around $1 million to more than $1 billion. That said, deals in excess of $50 million tend to be intermediated or brokered. In an intermediated process, commonly known as an auction, the intermediary elicits bids from a number of preselected buyers, and the winner generally is the highest bidder. On the other hand, deals smaller than $50 million are often privately negotiated. While these deals are difficult to source, they may potentially offer higher returns to the secondary investor, as the discount in a privately negotiated transaction tends to be greater.

Secondary Market Categories

The secondary market is broad and growing. Almost all types of private investments can be sold on the secondary market, with certain strategies, such as buyout, venture, real estate and infrastructure, more heavily traded than distressed debt, mezzanine financing and special situations. A secondary transaction can be made either through a traditional sale or a number of structured transactions. Secondary managers engage in buying interests in seasoned funds that are typically 50% to 70% funded, three years old and well into, or possibly emerging from, their J-curves. This timing allows greater visibility of the underlying portfolio as well as earlier distributions, as the portfolio may already be generating cash. Typically, the secondary investment category can be subdivided as follows:

Secondary Direct

The sale of a captive portfolio of direct investments to a secondary buyer, with the secondary buyer either managing the investments or arranging for a new manager.

Synthetic Secondary/Spinout

Under a synthetic secondary transaction, secondary investors acquire an interest in a new limited partnership that is formed specifically to hold a portfolio of direct investments. Typically, the manager of the new fund has managed the assets as a captive portfolio.

Tail-end

This category typically refers to the sale of the remaining assets in a fund that is approaching, or has exceeded, its anticipated life. A tail-end transaction allows the manager of the fund to achieve liquidity for the fund's investors.

Structured Secondary

This category typically refers to the structured sale of a portfolio of fund interests in which the seller keeps some or all of the fund interests on its balance sheet, but the buyer agrees to fund all future capital calls of the seller's portfolio in exchange for a preferred return secured against future distributions of the seller's portfolio.

Stapled Secondary/Primary

A stapled secondary transaction combines the purchase of an existing pool of assets together with the commitment of primary capital to the general partner's next fund.

Portfolio Restructuring

The secondary investment manager can develop and finance innovative structures that allow investors to rebalance their exposure to fund assets—including fund interests, direct investments and co-investments—through alternative mechanisms to an outright sale.

Conclusion

While many have thought of secondary portfolios as a tactical allocation during periods of market dislocations, GIMA believes these portfolios deserve consideration for a strategic allocation in investors' portfolios. Secondary investments currently represent one of the most compelling and economical ways for sophisticated investors to access private investments. As the secondary market for private investments has become an established part of the broader private investment opportunity set, secondary market investments not only provide broad diversification across various sectors and vintages, but generally return capital earlier than more traditional private investment portfolios. Along with allowing investors greater diversification, liquidity and flexibility, secondary funds have produced competitive returns relative to other private markets. As a result, we believe they deserve consideration in a client's portfolio construction process.

Disclosure Section

Important Disclosures

It is important to note that Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy products. Traditional alternative investment vehicles may include hedge funds, fund of hedge funds (both registered and unregistered), private equity, private credit, and private real estate or managed futures funds. Depending on the size of the client account, liquidity mandates or other concerns, alternative investments for the account may be limited to non-traditional alternative strategy products such as separately managed accounts, open-end mutual funds and ETFs. These non-traditional products also seek alternative-like exposure but have significant differences from traditional alternative investments. Non-traditional alternative strategy products may employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss.

This material is not to be reproduced or distributed to any other persons (other than professional advisors of the investors or prospective investors, as applicable, receiving this material) and is intended solely for the use of the persons to whom it has been delivered. This material is not for distribution to the general public.

The sole purpose of this material is to inform, and it in no way is intended to be an offer or solicitation to purchase or sell any security, other investment or service, or to attract any funds or deposits. Investments mentioned may not be appropriate for all clients. Any product discussed herein may be purchased only after a client has carefully reviewed the offering memorandum and executed the subscription documents. Morgan Stanley Wealth Management has not considered the actual or desired investment objectives, goals, strategies, guidelines, or factual circumstances of any investor in any fund(s). Before making any investment, each investor should carefully consider the risks associated with the investment, as discussed in the applicable offering memorandum, and make a determination based upon their own particular circumstances, that the investment is consistent with their investment objectives and risk tolerance.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to:

• Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices;

• Lack of liquidity in that there may be no secondary market for a fund;

• Volatility of returns;

• Restrictions on transferring interests in a fund;

• Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized;

• Absence of information regarding valuations and pricing;

• Complex tax structures and delays in tax reporting;

• Less regulation and higher fees than mutual funds;

• Risks associated with the operations, personnel, and processes of the manager; and

• Risks associated with cybersecurity

As a diversified global financial services firm, Morgan Stanley engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley therefore engages in activities where Morgan Stanley's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund.

All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management.

This is not a "research report" as defined by FINRA Rule 2241 or a "debt research report" as defined by FINRA Rule 2242 and was not prepared by the Research Departments of Morgan Stanley Smith Barney LLC or Morgan Stanley & Co. LLC or its affiliates.

Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be an appropriate comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing.

Certain assumptions have been made regarding the historical performance information included herein, and such performance information is presented by way of example only. Statements in this material are stated as of the dates specified herein. No representation or warranty (express or implied) is made or can be given with respect to the accuracy or completeness of the information in this material. No representation is made that the performance presented will be achieved as a result of implementing an investment strategy substantially identical or similar to that described herein or that every assumption made in achieving, calculating, or presenting the historical performance information has been considered or stated. Any changes to assumptions could have a material impact on the investment returns that are presented by way of example. Returns for any period may be attributable to certain market conditions, fund size, and timing of transaction, which may not be repeated. Diversification does not assure a profit or protect against loss in a declining market. Past performance is no guarantee of future results. Actual results may vary.

Unless otherwise stated herein, neither performance or related information nor any investment terms presented herein have been adjusted to reflect the impact of the additional fees paid to a placement agent by an investor (for Morgan Stanley Wealth Management placement clients, a one-time upfront Placement Fee of up to 3%, and for Morgan Stanley Wealth Management Consulting Clients, an annual advisory fee of up to 2%), which, if such fees were incorporated, would result in a substantial reduction in any returns presented herein and may impact any information related to investment terms presented herein, as applicable. In addition to such fees, clients will pay the fees and expenses of any funds in which their account is invested. These fees and expenses are an additional cost and will not be included in the fee amount in the account statements.

For most investment advisory clients, the program account will be charged an asset-based wrap fee every quarter (the "Wrap Fee"). In general, the Wrap Fee covers investment advisory services and reporting. In addition to the Wrap Fee, clients will pay the fees and expenses of any funds in which their account is invested. These fees and expenses are an additional cost and will not be included in the Wrap Fee amount in the account statements. Additionally, unless stated otherwise herein, neither performance or related information nor any investment terms presented herein have been adjusted to reflect the impact of the Wrap Fee, which, if the Wrap Fee was incorporated, would result in a substantial reduction in any returns presented herein and may impact any information related to investment terms presented herein, as applicable.

As Wrap Fees are deducted quarterly, the compounding effect will be to increase the impact of the Wrap Fees by an amount directly related to the gross account performance. For example, for an account with an initial value of $100,000 and a 2.5% annual Wrap Fee if the gross performance is 5% per year over a three year period, the compounding effect of the Wrap Fee will result in a net annual compound rate of return of approximately 2.40% per year over a three year period, and the total value of the client's portfolio at the end of the three year period would be approximately $115,762.50 without the Wrap Fee and $107,372.63 with the Wrap Fee.

Please see the applicable Morgan Stanley Smith Barney LLC Form ADV Part 2A for more information including a description of the Wrap Fee schedule. It is available at www.morganstanley.com/ADV or from your Financial Advisor/Private Wealth Advisor.

Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

Interests in alternative investment products are only made available pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Wealth Management and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley Wealth Management or any of its affiliates, (3) are not guaranteed by Morgan Stanley Wealth Management and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Wealth Management is a registered broker-dealer, not a bank.

Glossary of Terms

Drawdown refers to the largest cumulative percentage decline in net asset value or the percentage decline from the highest value or net asset value (peak) to the lowest value net asset value (trough) after the peak.

Internal rate of return (IRR) is the interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero. Internal rate of return is used to evaluate the attractiveness of a project or investment.

Sources of Data

Material in this report has been obtained from sources that we believe to be reliable, but we do not guarantee its accuracy, completeness or timeliness. Third party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data.

Asset Class and Other Risks

International securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in ***emerging markets and frontier markets***.

Real estate investments: property values can fall due to environmental, economic or other reasons, and changes in interest rates can negatively impact the performance of real estate companies.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets.

Rebalancing does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy. Investors should consult with their tax advisor before implementing such a strategy.

No Tax Advice

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

Conflicts of Interest

GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. Separately, certain strategies managed or sub-advised by us or our affiliates, including but not limited to MSIM and Eaton Vance Management ("EVM") and its investment affiliates, may be included in your account. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, MS&Co., managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs. Morgan Stanley Wealth Management, managers, MS&Co., and their affiliates receive compensation and fees in connection with these services. Morgan Stanley Wealth Management believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account.

Morgan Stanley has no obligation to notify you when information in this material changes.

This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Morgan Stanley Smith Barney LLC material, or any portion of it, may not be reprinted, sold or redistributed without Morgan Stanley Smith Barney LLC's written consent.

Overlay Managers or Executing Sub-Managers ("managers") in some of Morgan Stanley's Separately Managed Account ("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. If your manager trades with another firm, you may be assessed costs by the other firm in addition to Morgan Stanley's fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain managers have historically directed most, if not all, of their trades to outside firms. Information provided by managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor/Private Wealth Advisor.

Alternative investment securities discussed herein are not covered by the protections provided by the Securities Investor Protection Corporation, unless such securities are registered under the Securities Act of 1933, as amended, and are held in a Morgan Stanley Wealth Management Individual Retirement Account.

RSI1642689634562 01/2022