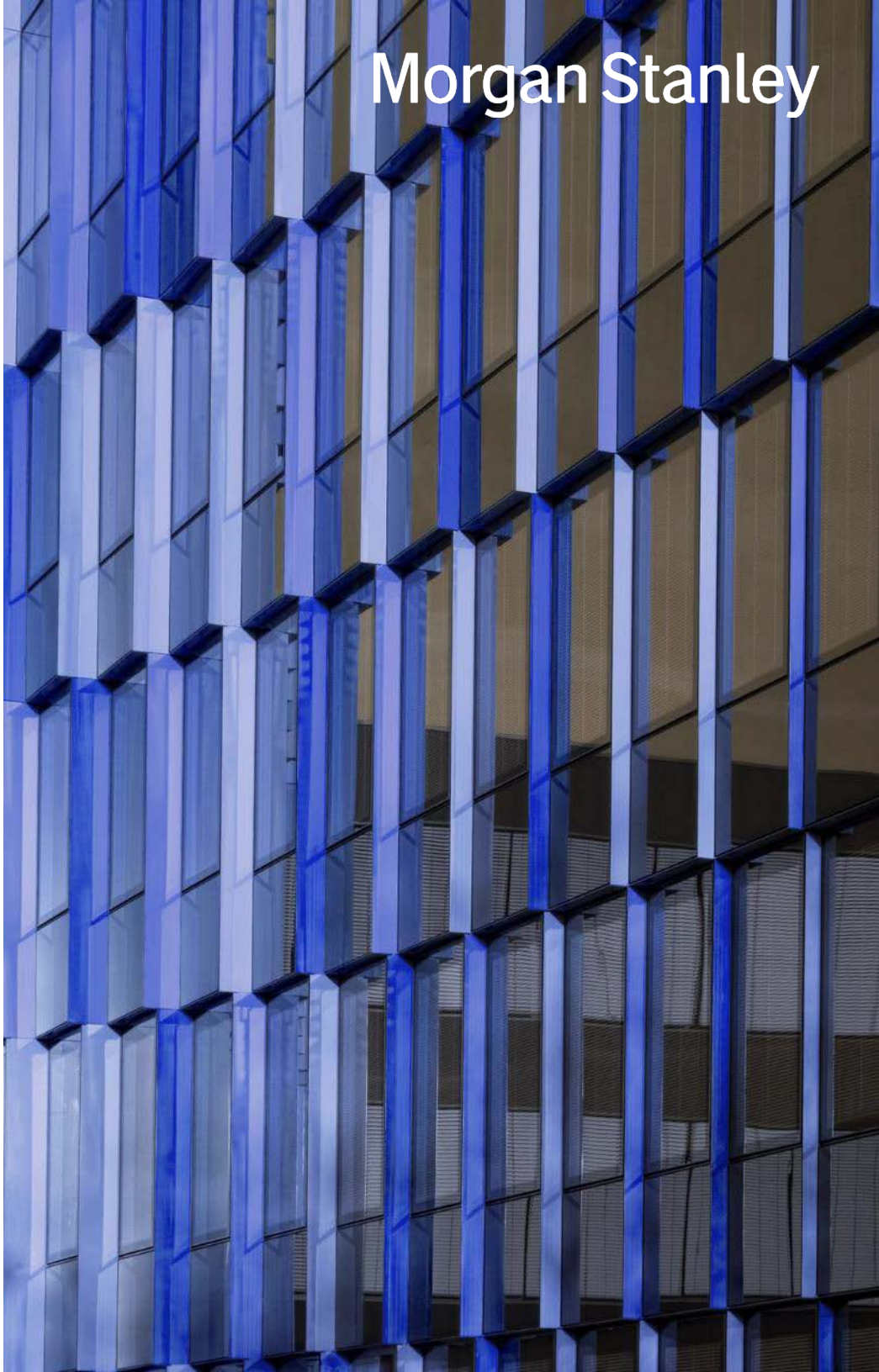
WEALTH MANAGEMENT

Insurance Solutions



Insurance: The Morgan Stanley Advantage

Preserving Your Trust is Critical to Our Success. Your Financial Advisor can Provide Holistic Advice on Your Morgan Stanley Assets and Provide a Comprehensive Suite of Insurance Products that can help you Meet Your Financial Needs.

INDUSTRY LEADER

Morgan Stanley is an industry leader in the distribution of insurance and annuity products. We offer products with competitive features designed by some of the industry's most respected issuing insurance companies.

COMPREHENSIVE DUE DILIGENCE

We assess insurance companies' overall financial health, leveraging several independent sources such as:

- Analytical reports and other services from ALIRT Insurance Research, LLC ("ALIRT")
- Financial strength and credit ratings from A.M. Best Company, Standard & Poor's, Moody's Investor Service and Fitch, Inc.
- Financial periodicals to assess insurance companies' business platform, reputational and industry risks

PERIODIC REVIEWS

We verify insurance companies' financial health and financial conditions via ratings from ALIRT, independent rating agencies, and our ongoing due diligence process.

THE ANNUITY AND INSURANCE PRODUCT DUE DILIGENCE COMMITTEE

This independent committee—comprised of seven voting members who are senior leaders across the Firm, as well as nonvoting members who serve as advisors—reviews insurance company issues relating to credit quality, creditworthiness and risk.

WHAT YOU NEED TO KNOW

Due diligence has evolved into a "point-in-time" consideration that policyholders need to periodically review for a number of reasons:

- More frequent changes in the insurance companies' financial strength and credit ratings from independent public rating sources
- Ownership changes of insurance companies due to mergers and acquisitions or other reasons

Just as you might diversify your overall portfolio among different types of investments, you might also consider diversifying among different insurance companies when allocation to any one insurance company represents a significant percentage of your portfolio.

Insurance is a Way of Providing Protection Against the Unexpected

A sound wealth plan involves more than just seeking returns. It also involves mitigating and managing risks, helping to support you when the unexpected occurs. An insurance product can help you plan for and guard against life's hidden curves – to help protect your assets and your family.

What are the Different Types of Insurance Products?

There are a number of insurance products in the marketplace to help protect you and your family in the event of death, disability, long-term care or property & casualty needs.

LIFE INSURANCE

- Insurance product that protects against income loss due to the death of the insured. Different types of life insurance products include permanent and term life insurance

DISABILITY INCOME INSURANCE

- Insurance product designed to provide income replacement in the event the insured is unable to work due to an injury or illness

LONG-TERM CARE INSURANCE

- Insurance product that helps to pay for the cost of a range of medical and personal services for individuals who need assistance with daily activities for an extended period of time

PROPERTY & CASUALTY INSURANCE

- Insurance product for high net worth clients and their families to mitigate potential risks associated with personal property loss and general liability

MORGAN STANLEY OFFERS THESE INSURANCE PRODUCTS IN CONJUNCTION WITH ITS LICENSED INSURANCE AGENCY SUBSIDIARIES.

Understanding Life Insurance

LIFE INSURANCE

TERM

- Coverage provided for a specified period of time.
- Lower cost protection to help cover various-length debts or survivor income replacement

PERMANENT

- Provides coverage up to an entire lifetime for the policy holder.
- Potential for tax-deferred growth of cash value
- Potential solution for wealth transfer, liquidity planning, estate equalization, gifting strategies
- Potential solution for long-term business planning (Key-Person coverage, Buy-Sell funding)

GUARANTEED LEVEL TERM

Available in term periods of 10, 15, 20, or 30 years. During the level term period, premiums remain level and the policy can generally be converted to a permanent life insurance policy.

UNIVERSAL LIFE (UL)

Offers more flexibility than Whole Life insurance by providing for the ability to adjust the frequency and amount of premium payments, or change the death benefit amount(increases in the death benefit may require evidence of insurability).

WHOLE LIFE

Offers lifetime protection, and the insurance company guarantees the premium amount, death benefit, and the cash value, provided the policyholder pays all required premiums when they are due.

VARIABLE UL

Offers the flexibility of traditional UL products while allowing the policy owner to invest the policy's cash value in a number of underlying portfolios or "sub-accounts". The value of these sub-accounts is subject to investment risk, including the possible loss of premiums paid into the policy.

INDEX UL

Offers the flexibility associated with traditional UL products with an opportunity to earn interest linked to the performance of major indices (e.g. S&P 500). Index UL also provides downside market protection in the form of an interest crediting floor (varies across product/carrier) with an upside cap.

Understanding Disability Income Insurance

DISABILITY INCOME INSURANCE IS DESIGNED TO HELP REPLACE LOST INCOME WHEN THE INSURED IS UNABLE TO WORK DUE TO AN INJURY OR ILLNESS

- Disability policies are available on an individual basis
- Traditional policies provide a minimum monthly benefit of approximately 67% of the insured's income up to a maximum benefit amount specified by the insurance carrier
- The benefits typically expire at age 65
- Disability income insurance may be suitable for clients that
  - Are between the ages of 25 and 55
  - Are non-professionals, professionals or business owners
  - Do not have access to or sufficient coverage from a Group Disability plan
  - Do not have adequate resources to weather a prolonged loss of income
- Disability income insurance is also available for business owners to provide protection for overhead expenses, buy-out funding, and temporary key-person replacement

What is Long-Term Care (LTC)?

Personal care or supervision needed by persons of all ages for an extended period of time

Associated with the effects of aging, but may be needed at any time, due to an accident or illness

Some conditions that may require long-term care

Insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency subsidiaries.
Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. 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. Please refer to important information, disclosures and qualifications at the end of this material.

Long-Term Care Planning

SELF INSURE

- Self-insuring is an option to pay for long-term care by allocating personal savings or setting aside investments from a retirement strategy. However, care can be expensive and can consume money you may prefer to use for something else. What's more, you could find yourself spending down assets in your portfolio if the long-term care event occurs unexpectedly.

ANNUITIES WITH WAIVERS

- Certain annuity contracts offer Contingent Deferred Sales Charge (CDSC) waivers.[3] These waivers allow clients to withdraw from their contract without penalty or surrender charges.
  - Nursing Home / Extended Care Waiver: If confined to a nursing home or hospital allows the withdrawal of up to 100% of the contract value free of surrender charges.[4]
  - Terminal Illness Waiver: If a terminal illness is incurred allows the withdrawal of up to 100% of the contract value free of surrender charges.[4]

LINKED LIFE/LONG-TERM CARE INSURANCE[1]

- A linked life/long-term care insurance policy can be thought of as a combination of life insurance with long term care insurance. Linked policies use permanent life insurance as their foundation and offer a long-term care rider that can be added to help pay for immediate and extended long term care services, if needed.[2]

STANDALONE LONG-TERM CARE INSURANCE

- Traditional or standalone long-term care insurance creates a pool of benefit dollars to help offset expenses incurred when receiving care for an extended period of time (policy maximums apply). Policies provide flexibility in the types of benefits and services available.

PERMANENT LIFE INSURANCE WITH RIDERS[1]

- Chronic and terminal illness riders can be added to a permanent life insurance policy in order to provide a limited pool of money for long term care services, if needed.[2]

1. Please note that these types of policies are generally more expensive than stand-alone long-term care policies.
2. May be available at additional cost. The amount returned will be adjusted for any benefits paid and any loans and withdrawals taken, and may have tax implications. Premium payments are typically single sum or limited pay options to create leveraged payouts
3. The CDSC waivers may vary by insurance company and contract and may not be available on all contracts. Please review the disclosure documents and/or prospectus.
4. Each insurance company and contract may have specific length of time requirements in order to qualify for the waiver. Restrictions may apply and are detailed in the disclosure documents and/or prospectus.

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. 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. Please refer to important information, disclosures and qualifications at the end of this material.

Property & Casualty Insurance[1]

While many affluent families have sound plans to grow and preserve their wealth for future generations, they may be ill-prepared for the possibility of a personal property damage, legal claims, or the loss of valuable possessions – risks that can have a significant financial impact in the long run. The inclusion of property & casualty insurance provides personal property and liability coverage and help mitigate loss when the unexpected occurs.

Why is it Important?

With considerable wealth comes additional areas of loss and liability exposure with increased need for sophisticated risk Management techniques

Many wealthy families lack a cohesive strategy and sufficient coverage to help protect themselves from even the most immediate and apparent risks to their financial wellbeing

As lifestyle needs change, from the need for in-home staff to a desire to invest in collectibles, it is important to review existing protection plans to make sure they are evolving in line with the core objectives of each family

1. The UHNW Property & Casualty Program is designed for clients of Morgan Stanley with $10 million+ in assets under management with the Firm.

Digital Insurance Platform

Your Morgan Stanley Financial Advisor has a set of dynamic tools designed to enable him or her to answer the question “Are you protected?”

YOUR FINANCIAL ADVISOR CAN

- Help you evaluate options by seamlessly generating insurance quotes and comparisons across multiple carriers and policies
- Help you choose an appropriate insurance policy, as well as customize the coverage for your needs
- Provide access to digital insurance application paperwork utilizing electronic signatures
- Provide you with a simple, easy-to-read report that shows how well your current policy aligns to your future needs

HELP PROTECT AGAINST UNCERTAINTY WITH INSURANCE

HELP PRESERVE YOUR WEALTH WITH INSURANCE

HELP EVALUATE YOUR COVERAGE NEEDS

LIFE CAN BE COMPLICATED. BUT PROTECTING YOUR FAMILY AND YOUR FUTURE DOESN’T HAVE TO BE.

Morgan Stanley Insurance Carrier Partners

At Morgan Stanley, we offer products from most major insurance carriers[1].

1. Carriers for Life, Disability and Long-Term Care Insurance only. Does not include Property & Casualty insurance partners.

Morgan Stanley Insurance Carrier Partners

We recognize that preserving your trust is critical to our success. An important consideration when selecting an insurance product is the financial strength of the insurance carrier. Every carrier is rated by well-known credit agencies, such as Moody's , Standard & Poor's (S&P), or AM Best.

MOODY'S	S&P	A.M. Best	DESCRIPTION
Aaa	AAA	A++ A+	The carrier has extremely strong financial security characteristics.
Aa1 Aa2 Aa3	AA+ AA AA-	A A-	The carrier has very strong financial security characteristics, differing only slightly from those carriers rated as AAA.
A1 A2 A3	A+ A A-	B++ B+	The carrier has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions.
Baa1 Baa2 Baa3	BBB+ BBB BBB-	B B-	The carrier has good financial security characteristics, but is more likely to be affected by adverse business conditions.

INSURANCE CARRIERS[1] WHOSE PRODUCTS ARE AVAILABLE THROUGH MORGAN STANLEY'S LICENSED INSURANCE AGENCY SUBSIDIARIES GENERALLY CARRY RATINGS OF A1/A+ OR HIGHER.

1. Carriers for Life, Disability and Long-Term Care Insurance only. Does not include Property & Casualty insurance partners.

Insurance Carrier Partners (1 of 6)

INSURANCE CARRIER [1]	CREDIT RATING	PRODUCT CATEGORIES
American General Life Insurance Company (AGLC) [2]	S&P: A+ Moody's: A2 A.M. Best: A	• Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Indexed Universal Life • Survivorship Indexed Universal Life • Survivorship Universal Life • Term • Whole Life –Conversion Only
Banner Life Insurance Company	S&P: AA- Moody's: NR A.M. Best: A+	• Flexible Premium Universal Life • Term
Brighthouse Life Insurance Company	S&P: A+ Moody's: A3 A.M. Best: A	• Flexible Premium Universal Life • Single/Flexible Premium Indexed Universal Life (SmartCare) • Whole Life –Conversion Only • Flexible Premium Registered Index-Linked Universal Life
Brighthouse Life Insurance Company of NY	S&P: A+ Moody's: NR A.M. Best: A	• Flexible Premium Universal Life • Whole Life – Conversion Only
Equitable Life Ins Co	S&P: A+ Moody's: A1 A.M. Best: A	• Flexible Premium Variable Universal Life • Indexed Universal Life • Survivorship Indexed Universal Life • Survivorship Universal Life • Term
Guardian Life Insurance Company	S&P: AA+ Moody's: Aa1 A.M. Best: A++	• Term • Whole Life • Survivorship Whole Life

1. Carriers for Life, Disability and Long-Term Care Insurance only. Does not include Property & Casualty insurance partners. Ratings as of 09/2024.
2. Subsidiary of Corebridge.

Insurance Carrier Partners (2 of 6)

INSURANCE CARRIER [1]	CREDIT RATING	PRODUCT CATEGORIES
Guardian/Berkshire	S&P: AA+ Moody's: NR A.M. Best: A++	• Disability Income
John Hancock Life Ins Co NY	S&P: AA- Moody's: A1 A.M. Best: A+	• Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Indexed Universal Life • Survivorship Universal Life • Survivorship Indexed Universal Life • Survivorship Variable Universal Life • Term
John Hancock Life Ins Co USA	S&P: AA- Moody's: A1 A.M. Best: A+	• Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Indexed Universal Life • Survivorship Indexed Universal Life • Survivorship Universal Life • Survivorship Variable Universal Life • Term
Lincoln Life and Annuity of NY	S&P: A+ Moody's: A2 A.M. Best: A	• Flexible Premium Variable Universal Life • Survivorship Variable Universal Life • Term

1. Carriers for Life, Disability and Long-Term Care Insurance only. Does not include Property & Casualty insurance partners. Ratings as of 09/2024.

Insurance Carrier Partners (3 of 6)

INSURANCE CARRIER [1]	CREDIT RATING	PRODUCT CATEGORIES
Lincoln National Life	S&P: A+ Moody's: A2 A.M. Best: A	• Single/Flexible Premium Universal Life (MoneyGuard) • Flexible Premium Variable Universal Life • Survivorship Universal Life • Survivorship Variable Universal Life • Term
Mass Mutual	S&P: AA+ Moody's: Aa3 A.M. Best: A++	• Whole Life • Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Survivorship Universal Life • Disability Income
Nationwide Life Insurance Company	S&P: A+ Moody's: A1 A.M. Best: A+	• Flexible Premium Universal Life • Single/Flexible Premium Universal Life (CareMatters) • Single/Flexible Premium Survivorship Universal Life (CareMatters Together) • Flexible Premium Variable Universal Life • Indexed Universal Life • Survivorship Universal Life • Survivorship Variable Universal Life
Nationwide Life & Annuity Ins Co	S&P: A+ Moody's: A1 A.M. Best: A+	• Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Indexed Universal Life • Single Premium Universal Life (Care Matters) • Single/Flexible Premium Survivorship Universal Life (CareMatters Together) • Survivorship Universal Life • SurvivorshipVariableUniversal Life

1. Carriers for Life, Disability and Long-Term Care Insurance only. Does not include Property & Casualty insurance partners. Ratings as of 09/2024.

Insurance Carrier Partners (4 of 6)

INSURANCE CARRIER [1]	CREDIT RATING	PRODUCT CATEGORIES
Pacific Life	S&P: AA- Moody's: Aa3 A.M. Best: A+	• Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Indexed Universal Life • Survivorship Indexed Universal Life • Survivorship Universal Life • Survivorship Variable Universal Life • Term
Principal Life Insurance Company (NY)	S&P: A+ Moody's: A1 A.M. Best: A+	• Disability Income • Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Survivorship Universal Life • Term
Principal National Life Insurance Company	S&P: A+ Moody's: A1 A.M. Best: A+	• Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Indexed Universal Life • Survivorship Universal Life • Term
Protective Life Insurance Co	S&P: AA- Moody's: A1 A.M. Best: A+	• Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Indexed Universal Life • Survivorship Universal Life • Term

1. Carriers for Life, Disability and Long-Term Care Insurance only. Does not include Property & Casualty insurance partners. Ratings as of 09/2024.

Insurance Carrier Partners (5 of 6)

INSURANCE CARRIER [1]	CREDIT RATING	PRODUCT CATEGORIES
PRUCO Life Insurance Co.	S&P: AA- Moody's: Aa3 A.M. Best: A+	• Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Indexed Variable Universal Life • Indexed Universal Life • Survivorship Universal Life • Survivorship Indexed Universal Life • Survivorship Variable Universal Life • Private Placement Variable Universal Life Insurance • Term
PRUCO Life of New Jersey (NY)	S&P: AA- Moody's: NR A.M. Best: A+	• Flexible Premium Universal Life • Flexible Premium Variable Universal Life • Indexed Universal Life • Survivorship Universal Life • Survivorship Indexed Universal Life • Survivorship Variable Universal Life • Term
Symetra Life Insurance Co.	S&P: A Moody's: A1 A.M. Best: A	• Flexible Premium Universal Life • Indexed Universal Life • Term
Transamerica Financial Life (NY)	S&P: A+ Moody's: A1 A.M. Best: A	• Whole Life • Term

1. Carriers for Life, Disability and Long-Term Care Insurance only. Does not include Property & Casualty insurance partners. Ratings as of 09/2024.

Insurance Carrier Partners (6 of 6)

INSURANCE CARRIER [1]	CREDIT RATING	PRODUCT CATEGORIES
Transamerica Life Insurance Co.	S&P: A+ Moody's: A1 A.M. Best: A	• Whole Life • Term
US Life Of NewYork (AGLC)[2]	S&P: A+ Moody's: A2 A.M. Best: A	• Flexible Premium Universal Life • Indexed Universal Life • Survivorship Indexed Universal Life • Whole Life (For Term Conversions Only) • Term
William Penn Life Insurance Co of NY[3]	S&P: AA- Moody's: NR A.M. Best: A+	• Flexible Premium Universal Life • Term
Zurich American Life Insurance Company	S&P: A Moody's: NR A.M. Best: A+	• Private Placement Variable Universal Life Insurance

1. Carriers for Life, Disability and Long-Term Care Insurance only. Does not include Property & Casualty insurance partners. Ratings as of 09/2024.
2. Subsidiary of Corebridge.
3. Affiliate of Banner Life Insurance Co.

Next Steps

Talk to your Morgan Stanley Financial Advisor about how our insurance solutions can help safeguard your family, and your legacy – no matter what life may bring.

Disclosures

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

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Financial Advi sors do not provide tax or legal advice. Individuals are urged to consult their personal tax or legal advisors to understand the tax and legal consequences of any actions, including any implementation of any strategies or investments described herein.

Since long-term care insurance is 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 may require a medical exam. Actual premiums may vary from any initial quotation.

Since life insurance is 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. You should consult with your own tax advisors regarding your potential tax liability on surrenders.

Since disability income insurance is 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 may require a medical exam.

Morgan Stanley Smith Barney LLC, Private Wealth Management or its affiliates (the “Firm”) offer certain property and casualty products and services through certain service providers. Any referral of a Service Provider should in no way be considered an endorsement of the service provider by the Firm. The Firm makes no representations regarding the appropriateness or otherwise of the products or services provided by the service provider. There may be additional service providers for comparative purposes. If you choose to engage the service provider, we recommend that you interview such service provider, do thorough due diligence and make your own independent decision. The Firm will receive commissions if you purchase a Property and Casualty product or service from the service provider.

© 2024 Morgan Stanley Smith Barney LLC. Member SIPC.

General Disclosures

Morgan Stanley Wealth Management ("MSWM", "Morgan Stanley" or "MSSB") is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer and investment adviser in the United States. This material is for educational purposes only and is not an offer or solicitation to buy, sell, or participate in any security or trading strategy. Past performance is not a guarantee of future results.

Morgan Stanley offers a range of brokerage and advisory services, which create different types of client relationships and obligations. Please consult with your Financial Advisor to understand these differences, or review our "**Understanding Your Brokerage and Investment Advisory Relationships**" brochure available at www.morganstanley.com/wealth-relationshipwithms/pdfs/understandingyourrelationship.pdf.

Asset allocation, diversification, rebalancing and dollar cost averaging do not guarantee a profit or protect against loss in declining markets. Past performance is no guarantee of future results and actual results may vary. Rebalancing strategies may also have tax consequences; investors should consult a qualified tax advisor before implementing such strategies.

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

Indices are unmanaged and cannot be invested in directly. For index, indicator and survey definitions referenced in this report, please visit: www.morganstanley.com/wealth-investmentsolutions/wmir-definitions

For more information, please refer to additional General Disclosures here: www.morganstanley.com/wealthbooks#general-disclosures.

Risks Associated With Investing

Investing in the markets entails the risk of market volatility. The value of all types of investments, **including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts,** may increase or decrease over varying time periods. **Please carefully consider the investment objectives, risks, charges and expenses of investment fund(s) before investing. The fund prospectus contains this and other information about the fund(s). To obtain a prospectus, contact your financial advisor. Please read the prospectus carefully before investing.** There is no assurance that investment funds will achieve their investment objectives. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in emerging markets and frontier markets. Some funds also invest in foreign securities, which may involve currency risk. **Equity securities** may fluctuate in response to news on companies, industries, market conditions and general economic environment Companies paying dividends can reduce or cut payouts at any time. Small- and mid-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of **small- and mid-capitalization** companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. **Growth investing** does not guarantee a profit or eliminate risk. Growth stocks can trade at relatively high valuations which may increase risk compared with an investment in a company with more modest growth expectations. **Value investing** does not guarantee a profit or eliminate risk. Not all companies deemed value stocks are able to turn around their business or successfully execute corrective strategies, and their stock prices may not rise as initially expected.

The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or value at maturity. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. Yields may change with economic conditions and should be considered alongside other factors when making investment decisions. Credit ratings are subject to change. **High yield bonds** carry additional risks, including increased risk of default and greater volatility due to lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes, though some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities (TIPS)** adjust coupon payments and underlying principal to compensate for inflation in line with the consumer price index (CPI). While the real rate of return is guaranteed, TIPS typically offer lower returns and may significantly underperform conventional U.S. Treasuries during periods of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The **Ultrashort-term fixed income** asset class consists of high-quality securities with very short maturities and is therefore still subject to the risks associated with debt securities such as credit and interest rate risk.

Money Market Funds: You could lose money in money market funds. Although government money market funds (defined as investing 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (defined as money market funds open to natural person investors only) seek to preserve value at $1.00 per share, they cannot guarantee doing so. The price of other money market funds will fluctuate, and when you sell shares they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A money market fund investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund and investors should not expect that the sponsor will provide financial support to the Fund at any time.

Investing in **Commodities:** Commodity prices may be affected by factors such as supply and demand, government policies, domestic or international political and economic events (including war or terrorism), changes in interest and exchange rates, trading activity in commodities and related contracts, pestilence, technological developments, weather, price volatility, and liquidity constraints. Physical precious metals are speculative, non-regulated products that may experience short- and long-term price volatility. Precious metals do not make interest or dividend payments and therefore may not be appropriate for investors who require current income. Precious metals must be stored, which may impose additional costs on investors.

Master Limited Partnerships (MLPs): Investments in MLPs are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity price fluctuations, supply

and demand imbalances, resource depletion and exploration risk. MLPs also carry interest rate risk and may underperform in rising interest rate environments. In addition, MLP funds accrue deferred income taxes on net operating gains and capital appreciation; as a result their after-tax performance could differ significantly from that of its underlying assets.

Exchange Funds are private placement vehicles that enable holders of concentrated single-stock positions to exchange those stocks for a diversified portfolio. Investors may benefit from greater diversification.

Alternative investments are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They are appropriate only for eligible, long-term investors willing to forgo liquidity and put capital at risk for an indefinite period. They are often illiquid, may employ leverage, short-selling, or other speculative practices that increase volatility and risk of loss, and may require large minimum investments and initial lock-ups. Alternative investments may also involve complex tax structures, tax-inefficient investing, and delays in distributing important tax documents. Clients should consult their own tax and legal advisors, as Morgan Stanley Wealth Management does not provide tax or legal advice. They also typically carry higher fees and expenses than traditional investments, which can reduce overall returns.

Sector investments, due to their narrow focus, tend to be more volatile than broadly diversified investments. **Non-diversified portfolios:** Portfolios that hold a concentrated number of securities may experience greater overall declines when those securities lose value compared with more diversified portfolios. Portfolios that invest heavily in one or a few industry sectors are more vulnerable to price fluctuations than those diversified across a wider range of sectors.

Environmental, Social and Governance (ESG) investments in a portfolio may experience performance that is lower or higher than a portfolio not employing such practices. Portfolios with ESG restrictions and strategies as well as ESG investments may not be able to take advantage of the same opportunities or market trends as portfolios where ESG criteria is not applied. There are inconsistent ESG definitions and criteria within the industry, as well as multiple ESG ratings providers that provide ESG ratings of the same subject companies and/or securities that vary among the providers. Certain issuers of investments may have inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. ESG designations are as of the date of this material, and no assurance is provided that the underlying assets have maintained or will maintain any such designation or any stated ESG compliance. As a result, it is difficult to compare ESG investment products or to evaluate an ESG investment product in comparison to one that does not focus on ESG. Investors should also independently consider whether the ESG investment product meets their own ESG objectives or criteria. There is no assurance that an ESG investing strategy or techniques employed will be successful. Past performance is not a guarantee or a dependable measure of future results.

Buying, selling, and transacting in Bitcoin, Ethereum or other digital assets ("Digital Assets"), and related funds and products, is highly speculative and may result in a loss of the entire investment. Risks and considerations include but are not limited to: Digital Assets have only been in existence for a short period of time and historical trading prices for Digital Assets have been highly volatile. The price of Digital Assets could decline rapidly, and investors could lose their entire investment. Although any Digital Asset product and its service providers have in place significant safeguards against loss, theft, destruction and inaccessibility, there is nonetheless a risk that some or all of a product's Digital Asset could be permanently lost, stolen, destroyed or inaccessible by virtue of, among other things, the loss or theft of the "private keys" necessary to access a product's Digital Asset. Digital Assets may not have an established track record of credibility and trust. Further, any performance data relating to Digital Asset products may not be verifiable as pricing models are not uniform.

For more information, please refer to additional Risks Associated With Investing here: www.morganstanley.com/wealthbooks#risks-associated-with-investing.

Investment Advisory Programs

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. MSWM offers investment program services through a variety of investment programs, which are opened pursuant to written client agreements. Each program offers investment managers, funds and features that are not available in other programs; conversely, some investment managers, funds or investment strategies may be available in more than one program. For more information, please see the Morgan Stanley Smith Barney LLC MSWM program disclosure brochure (the "Morgan Stanley ADV"). The Morgan Stanley ADV is available at www.morganstanley.com/ADV.

The Morgan Stanley Pathway Funds, Firm Discretionary UMA Model Portfolios, and other asset allocation or any other model portfolios that are discussed in this material are available only to investors participating in Morgan Stanley Consulting Group advisory programs. For additional information on the Morgan Stanley Consulting Group advisory programs, see the applicable ADV brochure, available at www.morganstanley.com/ADV or request from your Morgan Stanley Financial Advisor or Private Wealth Advisor. To learn more about the Morgan Stanley Pathway Funds, visit the Funds' website at www.morganstanley.com/wealth-investmentsolutions/cgcm.

Generally, investment advisory accounts are subject to an **annual asset-based fee** (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a **Platform Fee** (which is subject to a Platform Fee offset) as described in the Morgan Stanley ADV. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. **Fees and expenses are charged directly to the pool of assets** the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the Morgan Stanley ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's SMA programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instances, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported

on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-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 **Morgan Stanley ADV** or contact your Financial Advisor / Private Wealth Advisor.

GIMA Conflicts of Interest: Our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by Global Investment Manager Analysis (GIMA) come from a variety of sources, including our MSWM Financial Advisors and their direct or indirect managers, and other business persons within MSWM or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, MSWM or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds or for which a portion of their clients' assets are already invested. 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 Morgan Stanley ADV brochure for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, MSWM, Morgan Stanley & Co. LLC ("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.

MSWM, managers, MS & Co., and their affiliates receive compensation and fees in connection with these services. MSWM 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 these companies from an account.

Morgan Stanley charges each fund family we offer a **mutual fund support fee**, also called a "revenue-sharing payment," on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

For more information, please refer to additional Investment Advisory Programs disclosures here: www.morganstanley.com/wealthbooks#investment-advisory-programs.

Products and Services

Annuities and insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates. Not all products and services discussed herein are available through Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates. Since life 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. You should consult with your own tax advisors regarding your potential tax liability on surrenders. 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.

Lending products, including securities-based loans, are offered by Morgan Stanley Smith Barney LLC (MSSB), Morgan Stanley Private Bank, National Association (MSPBNA), and Morgan Stanley Bank, N.A. (MSBNA), collectively referred to as "the Firm" as applicable. Borrowing against securities involves risk and may not be appropriate for all clients. Risks include maintenance calls, forced liquidation of securities, and potential tax consequences. The Firm reserves the right to change collateral requirements, decline funding requests, or call loans at any time. Products are distinct and subject to independent underwriting and approval. Rates, terms, and availability may vary.

Residential mortgage loans and home equity lines of credit are offered by MSPBNA, Member FDIC an Equal Housing Lender. Nationwide Mortgage Licensing System Unique Identifier #663185. **The proceeds from a residential mortgage loan (including draws and advances from a home equity line of credit) are not permitted to be used to purchase, trade, or carry eligible margin stock; repay margin debt that was used to purchase, trade, or carry margin stock; or to make payments on any amounts owed under the note, loan agreement, or loan security agreement; and cannot be deposited into a MSSB or other brokerage account.** The pledged-asset feature allows eligible securities to be used as a substitute for a cash down payment. The pledged-asset feature allows eligible securities to be used as an alternative to a cash down payment. Clients must maintain collateral levels and may be subject to liquidation if requirements are not met. Interest-only and adjustable-rate mortgages (ARMs) carry specific risks, including payment increases and higher total interest costs. ARMs are based on the SOFR 30-Day Average. Relationship-based pricing is available based on eligible household assets held at the Firm.

Cards and Cash Management: Debit Cards offered through the Firm are issued by MSPBNA under license from Mastercard. American Express Cards offered through the Firm include the Platinum Card®, Blue Cash Preferred®, and the Morgan Stanley Credit Card. Eligibility requires an "Eligible Account" at the Firm. Cards are issued by American Express National Bank. Terms, conditions, and restrictions apply. The Greenlight App and Debit Card is provided by Greenlight Financial Technologies, not the Firm or any of its affiliates. The Morgan Stanley CashPlus is a brokerage account offered through MSSB. Conditions and restrictions apply. For more information, see the CashPlus Disclosure Statement.

Deposit Products and FDIC: Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s) at FDIC-insured banks. Certain conditions must be met. For more information, view the Bank Deposit Program Disclosure Statement. The Savings and Preferred Savings Programs offer FDIC-insured deposit accounts at Morgan Stanley Private Bank, National Association, Member FDIC or Morgan Stanley Bank, N.A., Member FDIC. The Savings programs are not intended for clients who need to have frequent access to funds and those funds will not be automatically accessed to reduce a debit or margin loan in your brokerage account. Withdrawals are limited to 10 per calendar month, and excess withdrawals may incur fees. Promotional rates may be offered from time to time and are subject to change at any time.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer 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

For more information, please refer to additional Products and Services disclosures here: www.morganstanley.com/wealthbooks#products-and-services.

Other General Disclosures

When MSWM, its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors (collectively, "MS") provide "investment advice" regarding a retirement or welfare benefit plan account, an individual retirement account or a Coverdell education savings account ("Retirement Account"), MS is a "fiduciary" as those terms are defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and/or the Internal Revenue Code of 1986 (the "Code"), as applicable. When MS provides investment education, takes orders on an unsolicited basis or otherwise does not provide "investment advice", MS will not be considered a "fiduciary" under ERISA and/or the Code. For more information regarding MS's role with respect to a Retirement Account, please visit www.morganstanley.com/disclosures/dol. Tax laws are complex and subject to change. MS does not provide tax or legal advice. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a Retirement Account, and (b) regarding any potential tax, ERISA and related consequences of any investments or other transactions made with respect to a Retirement Account. Individuals should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning, charitable giving, philanthropic planning and other legal matters. This material is not a financial plan and does not establish an investment advisory relationship. MS will only prepare a financial plan at your specific request using MS approved financial planning software.

No obligation to notify: MSWM has no obligation to notify you when the model portfolios, strategies, or any other information in this material changes. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results.

This material, or any portion thereof, **may not be reprinted, sold or redistributed** without the written consent of Morgan Stanley Smith Barney LLC.

E*TRADE from Morgan Stanley is a registered trademark of Morgan Stanley. Morgan Stanley Smith Barney LLC, Member SIPC. Consulting Group, Investment Advisory Services, Private Wealth Management and Graystone are businesses of Morgan Stanley Smith Barney LLC.

For more information, please refer to additional Other General Disclosures here: www.morganstanley.com/wealthbooks#other-general-disclosures.

© 2026 Morgan Stanley Smith Barney LLC.

CRC 4953093 (11/25)