

Morgan Stanley

Private Markets

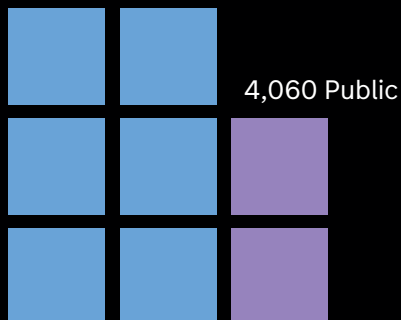
Morgan Stanley Private Markets brings
together a broad range of private markets solutions
to comprehensively service client needs



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

Companies With >\$100M Annual Revenue

17,200 Private



There are more large private companies.

While only 4,060 public companies have annual revenues greater than \$100 million, there are 17,200 private businesses of that size.¹

Company Age at IPO

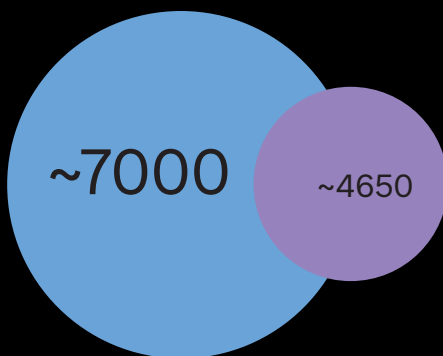
4.5 years

10.7 years

Companies are staying private longer.

In 1999, companies stayed private for an average of 4.5 years before going public. Today, companies are staying private for an average of 10.7 years, with the value they create going to private shareholders.²

Publicly Listed Companies



The size of the public pie is shrinking.

At the beginning of 2000, there were **~7,000 publicly listed companies**. By the end of 2022, there were just **~4,650**.³

Source of Value Creation

Amazon
and Netflix



5 years

AirBnB
and Spotify



12 years

More value creation while companies are private.

Amazon and Netflix both went public more than 20 years ago, **stayed private for five years or less**, and created nearly all of their value in the public markets. **AirBnB and Spotify**, which went public more recently, **stayed private for 12 years** before going public and generated most of their value while private.⁴

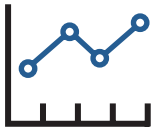
¹ Source: Capital IQ, Data as of December 31, 2024.

² Source: Morningstar, "Unicorns and the growth of private markets | Morningstar Indexes", January 21, 2025.

³ Source: World Bank: Listed domestic companies, total - United States. Data through December 31, 2022. Retrieved January 28, 2025.

⁴ Source: Company filings and valuation as of November 1, 2024.

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



Features of Co-Investing vs. Fund Investing

TARGETED INVESTMENTS

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

TIME HORIZON

Private Equity funds typically commit client capital for 8–12 years¹ while co-investments are often funded upfront, resulting in a shorter J-curve

FEE EFFICIENCY

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



Features of Secondary Transactions

ACCESS LIQUIDITY

Diversification of concentrated illiquid positions

DIRECT INVESTMENT

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

PRICE SELECTION

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

¹ https://www.ey.com/en_lu/insights/private-equity/co-investment--a-promising-alternative-to-traditional-private-eq



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

Our long history of having the right specialty in the right places. For nearly 90 years, Morgan Stanley has served as a global leader in financial services, building deep relationships that create a consistent source of new private investment opportunities.

We have a broad reach with multiple sources for deal flow.

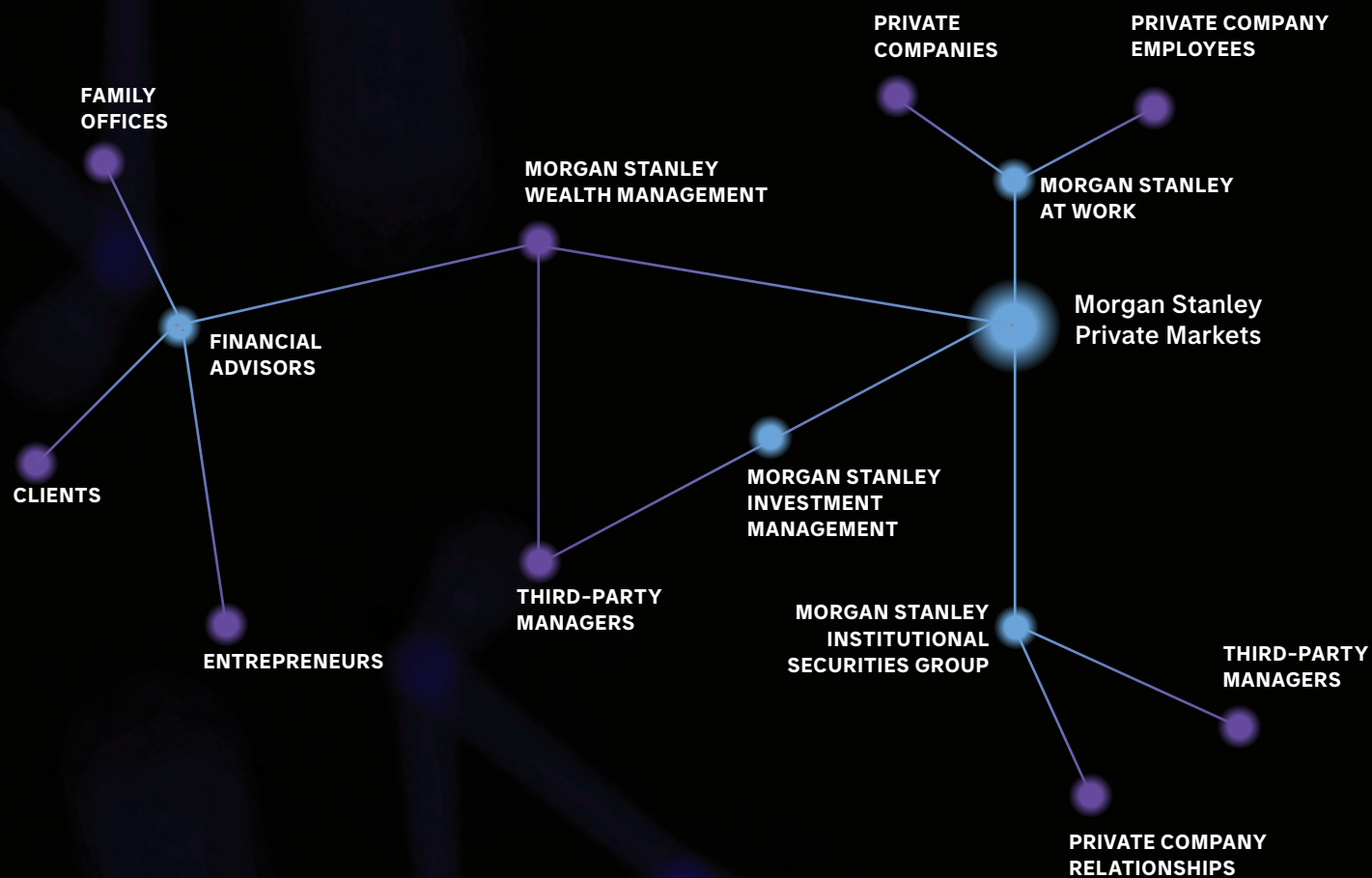
Morgan Stanley draws on a breadth of connections from our asset manager relationships, our investment bank, an industry-leading alternatives platform, Morgan Stanley at Work and our Financial Advisor network to deliver private investment opportunities across asset classes, industries, investment stages, and geographies.

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

For illustrative purposes only. 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, investment or service, or to attract any funds or deposits. The availability of particular services and products is not guaranteed and may vary at any time. Due to various risks and uncertainties, actual events, results or the performance of a particular service or product may be materially impacted.

A BROAD NETWORK WITH MULTIPLE POTENTIAL PATHWAYS FOR OPPORTUNITY

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



Comprehensive capabilities differentiate us from the competition

ACCESS

our network of private investors and liquidity solutions

Proprietary Deal Flow From a Leading Alternatives Platform and Investment Bank

- Alternative investments platform with **\$230Bn+** in client assets under management
- **80%** of new offerings are first look, exclusive, or offer favorable economics¹
- Since 2020, Morgan Stanley has raised **\$70Bn+** of private capital for leading companies across sectors²

Private Market Equity and Liquidity Solutions From Multiple Sources

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

EVALUATE

private market investments and opportunities

Co-Investment/Direct Due Diligence Material

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

Investor-Led Diligence

- We provide market data and recent supply and demand activity

TRANSACT

in curated deals and self-directed opportunities

Co-Investments/Directs

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

Secondary Market Transactions

- We serve Wealth Management clients³ looking to buy or sell individual private company securities
- Platform leverages partners, industry relationships and network of clients, family offices, institutions, venture funds, and secondary market participants to explore buy-side demand and sell-side supply
- We provide end-to-end support to clients throughout the transaction life cycle
- Competitive transaction fees

¹ Morgan Stanley Wealth Management Alternative Investments Group. As of December 31, 2024. For Qualified Purchaser offerings available broadly on the platform (excluding democratized funds).

² Morgan Stanley, Jan. 1, 2025.

³ U.S. clients as well as International clients in the following jurisdictions are able to utilize the Transaction Desk: Brazil, Mexico, Canada, Israel, and Hong Kong. Clients must be willing to sell at least \$500,000 or buy at least \$250,000 in certain private company shares in a single transaction (maximum buy: 5% Total Net Worth).

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

Not all products and services are available in all jurisdictions.

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

Co-Investments/Directs: MSPM – Select



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

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

Co-Investments/Directs: MSPM – Access



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

- Clients must be enrolled in the program and will have access to additional deals beyond what is available in MSPM Select
- Advisors cannot provide advice*

Co-Investments/Directs: MSPM – Premier



Client investment opportunities that are referred by MSWM but have not been evaluated. Advisors can selectively identify opportunities to share with appropriate clients who are then responsible for doing their own diligence.

- Clients must be enrolled in the program and will have access to additional deals beyond what is available in MSPM Select or MSPM Access
- Advisors cannot provide advice*

Private Markets Secondary Transaction Desk



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

- Private companies with \$1Bn+ valuation¹
- Advisors cannot provide advice or recommendations

Private Share and Option Liquidity Referral Program



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

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

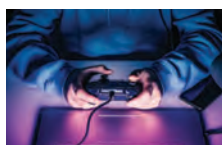
¹ Subject to internal conflicts check; private companies incorporated in the U.S., Brazil, Mexico, Canada, Israel, Australia, Sweden, the UK, and Ireland are in scope.

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

Example Co-Investment/Direct Deals



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



DATABRICKS a cloud-based data engineering tool used for processing and transforming massive quantities of data and exploring the data through machine learning models. Databricks incorporates generative AI to accelerate data management while also simplifying user interactions with data using natural language interfaces.



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



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



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



COREWEAVE an AI hyperscaler and specialized cloud provider that is focused on GPU accelerated workload for AI and Visual Effects ("VFX"). Their trusted platform combines software and infrastructure at scale to power the AI revolution.



PERPLEXITY a free AI-powered search engine that uses natural language processing and machine learning to provide answers to user queries. Perplexity is disrupting Google in the search space by offering direct answers instead of links and footnoting the answers to give users confidence in the reliability of the sources.



INSTABASE a U.S.-based developer, owner, and operator of scalable, cloud-connected, and artificial intelligence-enabling hyperscale data centers.

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Example Secondary Transactions



INSTITUTIONAL-CALIBER EXECUTION IN THE SECONDARY MARKET

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



THE POWER OF OUR NETWORK TO CONNECT CLIENTS

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



NAVIGATING HIGH-PROFILE SOLUTIONS FOR CLIENTS AND ISSUERS

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



VALUE OF VESTED EMPLOYEE STOCK OPTIONS MONETIZED

Long-time employees of unicorn companies held equity awards with significant value, but lacked a source of liquidity to monetize the value. Desk identified buyers of the shares from our internal and external networks and matched the trades. Employees sold such positions providing significant personal liquidity.

Reach out to a Morgan Stanley Financial Advisor to learn more if ...

You are interested in diversifying your portfolio with private market allocations and want to explore opportunities across various industries, geographies, and growth stages

You are interested in buying or selling private company shares

Learn more about Morgan Stanley's alternative investments offerings, access insights and watch our video:

<http://www.morganstanley.com/alts>

Not all products and services are available in all jurisdictions.



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