Morgan Stanley

Morgan Stanley Total Tax 365

Tax-Efficient Investing. All Year Long.

Taxes Matter.
So Does Planning.

SAVE ON TAXES. HELPING YOU KEEP MORE OF WHAT YOU EARN.

Taxes can erode portfolio returns, diminish disposable income and impact wealth. Paying less in current taxes through proactive tax management strengthens your ability to compound and grow your wealth in order to help achieve your goals

INTEGRATE TAX PLANNING INTO YOUR INVESTMENT DECISIONS.

When it comes to tax planning, you need to think ahead—not just at tax time, but throughout the investment process. Tax-smart strategies that adapt investment decisions to actively navigate the shifting tax landscape can help lead to better overall outcomes.

PRIORITIZE YOUR AFTER-TAX RETURNS.

Taxes act as a drag on your account that often will be heavier than any other fee you pay. But they also can be reduced, whether by deferring and/or harvesting losses to offset current gains or re-locating assets (tax-deferred vs taxable accounts).

Because tax rates, brackets and filing status are known but not static, investors can make more informed decisions around their tax strategy.

Taxes can have a significant impact on your future wealth*

Fig 1. Hypothetical Growth of $1M Over 20 Years[1]

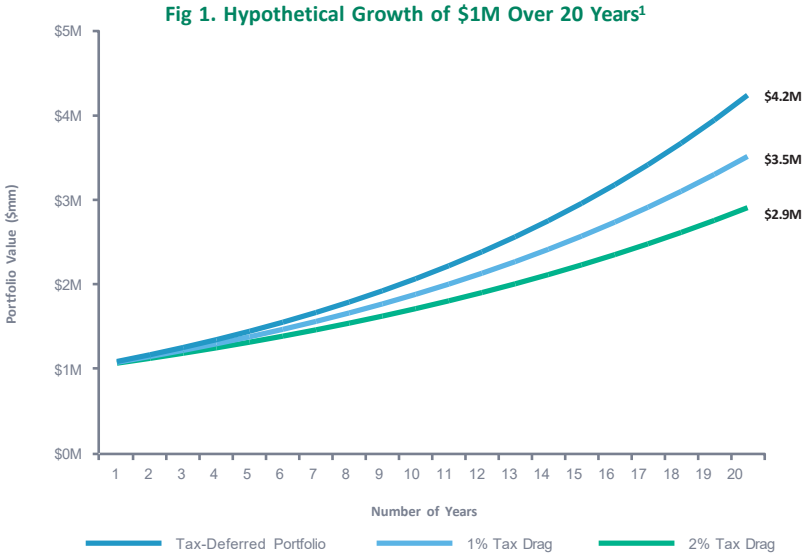

Fig 2. Average Incremental Annual Return Potential

Sample Tax-Management Strategies

For illustrative purposes only. Actual results may vary.

[1] The above hypothetical analysis compares a base portfolio that assumes a 7.5% annual return with two other portfolios with reduced annual returns of 6.5% and 5.5% over a 20-year period. The portfolios with reduced returns are meant to demonstrate the long-term effects of even a small amount of compounded annual return loss due to tax-inefficiency. Actual results may be influenced by more complex factors.

[2] Source: Morgan Stanley GIC Special Report, "Preparing for the Next Tax Regime: Six Steps to a More Tax-Efficient Portfolio." November 2024.

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Morgan Stanley
Total Tax 365

Tax management that is integrated into your investment process 365 days a year can be an essential part of growing your wealth. That's why we offer access to a broad range of tax solutions to help you maximize your after-tax wealth.

TOTAL TAX 365

Total Tax 365 is our full spectrum of year-round, active tax management solutions, that may help you mitigate tax drag in your portfolio.

We offer a comprehensive range of tax-efficient products and solutions to help you manage your tax liability and grow your long-term wealth.

SHIFTING TAX LANDSCAPE

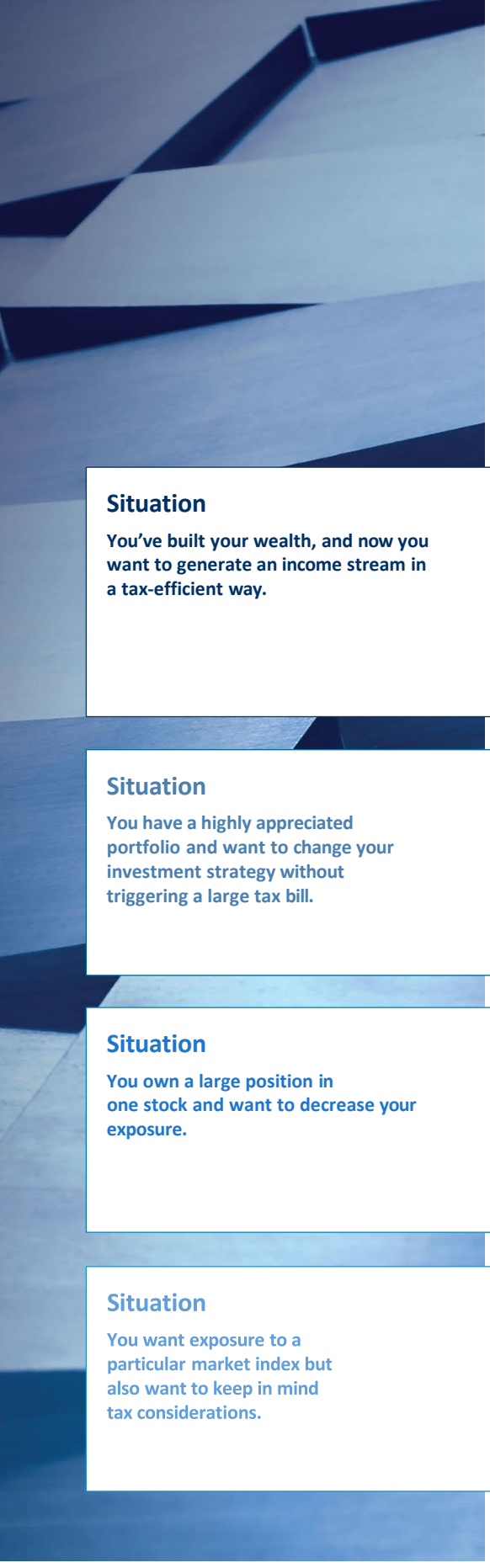
With potential tax increases on the horizon, tax-aware investing has never been more important.

Tax rules are always changing, rewarding investors who actively manage their portfolio in a way that is responsive to the dynamic tax environment and their evolving needs.

TAILORED JUST FOR YOU

Our Financial Advisors have access to some of the industry's leading tax-smart solutions and services.

You and your Financial Advisor can create a customized tax-smart investment plan designed to help you keep more of what you earn.



You Have Tax Challenges.
We Can Help.

We offer many ways to help you mitigate the tax impact on your portfolio. These scenarios cover some of the more common tax challenges investors face, and how our Total Tax 365 can address them.

Situation	Approach	Action
You've built your wealth, and now you want to generate an income stream in a tax-efficient way.	Determine a tax-smart strategy for accessing your assets for retirement or other needs.	Our powerful Intelligent Withdrawal technology can help you determine the most tax-efficient combination of accounts, securities and positions to liquidate, so you meet spending needs.
You have a highly appreciated portfolio and want to change your investment strategy without triggering a large tax bill.	Use tax-smart tools and active tax planning to help manage tax liabilities.	Our customizable Tax Management Services Platform provides a range of tax-aware tools that can help you transition an appreciated portfolio on your terms and at a pace that works for you.
You own a large position in one stock and want to decrease your exposure.	Diversify your position to manage risk.	Our tax-efficient solutions include exchange funds[3] and other tools that help diversify concentrated stock positions created by an inheritance, employment stock grant or appreciation.
You want exposure to a particular market index but also want to keep in mind tax considerations.	Incorporate direct indexing strategies into your investment portfolio.	We offer a broad range of direct indexing strategies that allow you to access both the passive market exposure of your choice as well as providing you with the opportunity for tax alpha from active tax management.

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Plan for Your Future Today:
6 Ways We Can Help

Tax challenges often accompany major life events and investment decisions. That's why we partner with you to create a personalized investment approach that will keep working for you as your life and the tax landscape evolves.

1. **PLAN** for the tax implications of your investment decisions.

2. **CREATE** a strategy for retirement spending.

3. **SEEK** the optimal combination of tax-exempt and tax-deferred accounts for your specific situation.

4. **DEVELOP** a tax-smart strategy for diversifying a portfolio of highly appreciated securities.

5. **EVALUATE** your investments for significant potential gain or loss realization events in your future.

6. **EXPLORE** how and when you want to make charitable donations.

Talk to your Morgan Stanley Financial Advisor to start building a tax-smart portfolio tailored to your needs.

Disclosures

[1]The above hypothetical analysis compares a base portfolio that assumes a 7.5% annual return with two other portfolios with reduced annual returns of 6.5% and 5.5% over a 20-year period. The portfolios with reduced returns are meant to demonstrate the long-term effects of even a small amount of compounded annual return loss due to tax-inefficiency. Actual results may be influenced by more complex factors.

[2] Source: Morgan Stanley GIC Special Report, "Preparing for the Next Tax Regime: Six Steps to a More Tax-Efficient Portfolio." November 2024.

[3]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 by exchanging a concentrated stock position for fund shares without triggering a taxable event. These funds are available only to qualified investors and may only be offered by Financial Advisors who are qualified to sell alternative investments. Before investing, investors should consider the following: i) dividends are pooled, ii) investors may forfeit their stock voting rights, iii) investment may be illiquid for several years, iv) investments may be leveraged or contain derivatives, v) significant early redemption fees may apply, vi) changes to the U.S. tax code, which could be retroactive (potentially disallowing the favorable tax treatment of exchange funds), vii) investment risk and potential loss of principal.

In order to invest in exchange funds, clients must reside in the U.S., meet both Qualified Purchaser and Accredited Investor standards, and meet investment minimums as well as contribute securities that are being accepted at the time of subscription. Funds that rely on a Qualified Purchaser standard require minimum net investable assets of $5 million for an individual, and $25 million for an entity. Funds that rely on an Accredited Investor standard generally require a minimum net worth of $1 million for an individual (excluding primary residence), and $5 million for an entity. Eligibility on its own does not satisfy all requirements and guidelines, nor does it imply appropriateness.

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*The actual value of your investment will fluctuate based on market conditions. This is a hypothetical illustration and not meant to represent an actual investment strategy. Taxes may be due at some point in the future and tax rates may be different when they are. The hypothetical illustration shown is gross of any fees and expenses a client may experience. Investing involves risk and you may incur a profit or loss regardless of strategy selected.

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Diversification does not guarantee a profit or protect against loss in a declining financial market.

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