Morgan Stanley

PRIVATE WEALTH MANAGEMENT

Single Family Office Capabilities and Considerations

Building an effective Single Family Office that is aligned with a family's mission and delivers the extensive range of capabilities required involves a series of critical structuring, staffing and strategic measures. Morgan Stanley Private Wealth Advisors, supported by our Single Office Advisory Group, deliver the specialized focus, experienced perspective and global resources to make and implement informed decisions. Serving prominent families across the nation, we are positioned to set performance benchmarks and share best practices across the industry.

Defining a Mission

CONSIDERATIONS:

High-performing Family Offices have a clear understanding of what the family wishes to accomplish and how they are expected to contribute to those goals. A well-crafted, and regularly revisited, mission statement provides guidance for key strategic decisions as the family and Family Office evolve.

CAPABILITIES:

- Family Governance and Wealth Education
- Single Family Office Advisory

Choosing an Operating Model

CONSIDERATIONS:

In choosing between a Single Family Office, Multifamily Office or virtual solution, families need to consider a number of factors, including the complexity of finances, amount and type of assets under management, number of family members served and intended longevity of the office. There is also a balance to strike between the cost of operations and the amount of control desired.

CAPABILITIES:

- Family Governance and Wealth Education
- Single Family Office Advisory
- Morgan Stanley Family Office

Selecting a Legal Entity

CONSIDERATIONS:

Legal structures under which Single Family Offices operate differ significantly in how they are taxed, the extent to which they provide liability protections, regulatory requirements, transferability between generations and other factors. Consideration should be given to several forms of partnerships, trust companies, LLCs and other corporate structures.

CAPABILITIES:

- Single Family Office Advisory
- Morgan Stanley Family Office Resources
- Wealth and Estate Planning
- Trust Services

Defining a Scope

CONSIDERATIONS:

Given the extensive range of capabilities required by affluent families, Single Family Offices must carefully assess which services are most efficiently and effectively performed in-house, and which are better outsourced. Purveyors of any services must be carefully vetted and seamlessly integrated into the operations of the office.

CAPABILITIES:

- Niche Referral Solutions From Single Family Office Advisory
- Outsourced Chief Investment Officer Solutions
- Signature Access Lifestyle Advisory

Hiring and Compensating Staff

CONSIDERATIONS:

Highly qualified Single Family Office leaders are in high demand. It's important to clearly define roles and expectations, and to offer compensation packages that are competitive in structure as well as amount. This requires a realistic understanding of compensation benchmarks for the size and location of the Single Family Office.

CAPABILITIES:

- Single Family Office Advisory
- Single Family Office Compensation Survey

PRIVATE WEALTH MANAGEMENT HIGHLIGHTS

Part of an exclusive boutique that specializes in the needs of ultra high net worth clients, we craft highly customized management solutions for individuals and families with $20 million-plus in investable assets.

More than 200 clients with at least $250 million in household net worth[1]

More than 750 clients with at least $100 million in household net worth[1]

Approximately 300 Private Wealth Management teams[2]

Over $720 billion in AUM[3]

Comprising 28% of Barron's Top 100 Financial Advisors list for 2022[4]

Direct access to leading experts in philanthropy, family dynamics, wealth transfer, lifestyle advisory and other areas of interest to affluent families and individuals

SINGLE FAMILY OFFICE ADVISORY

We offer customized resources and advisory services for families who maintain a Single Family Office, or are considering the establishment of one, along with proprietary content, to help family offices operate more effectively.

CONTENT

Single Office Advisory generates and commissions proprietary research and reports to disseminate best practices and set benchmarks for the industry. Our Single Family University delivers fully customized educational programs to individual Single Family Offices.

EVENTS

Single Family Office Advisory hosts a series of educational and social events throughout the year, providing opportunities for clients and family office leadership to share experiences and discuss best practices.

SELECT REFERRAL SERVICES

Our Single Family Office Advisory team supports Private Wealth Advisors in the delivery of tailored solutions that range from a single service to a fully outsourced solution. This includes introductions to carefully vetted providers of services across a broad spectrum of disciplines.

[4] Source: Barron's.com (April 2022) 2022 Barron's Top 100 Financial Advisors awarded in 2022. This ranking was determined based on an evaluation process conducted by Barron's during the period from Dec 2020 - Dec 2021. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors paid a fee to Barron's to obtain or use the ranking. This ranking is based on in-person and telephone due diligence meetings to evaluate each advisor qualitatively, a major component of a ranking algorithm that includes client retention, industry experience, review of compliance records, firm nominations, and quantitative criteria, including assets under management and revenue generated for their firms. Investment performance is not a criterion. Rankings are based on the opinions of Barron's and this ranking may not be representative of any one client's experience. This ranking is not indicative of the Financial Advisor's future performance. Morgan Stanley Smith Barney LLC is not affiliated with Barron's.

ADDITIONAL RESOURCES

Drawing on the vast global resources, specialized expertise and intellectual capital of Morgan Stanley, we have access to the full range of capabilities needed to address every aspect of your personal and professional financial life.

INVESTMENT MANAGEMENT

- Assistance with your Investment Policy Statement
- Tax-Effective Asset Allocation
- Portfolio Construction and Management
- Open Architecture Platform
- Morgan Stanley Proprietary Investment Opportunities
- Exclusive Co-investment Opportunities
- Money Manager Due Diligence Research
- Alternative Investments
- Impact Investing Opportunities

RESEARCH

- Access to the intellectual capital of Morgan Stanley's Global Investment Office
- Global insights from Morgan Stanley Wealth Management's research analysts and strategists

RISK MANAGEMENT

- Hedging Strategies
- Concentrated/Restricted Stock Advice
- Interest Rate Risk Management
- Currency Exposure Strategies
- Portfolio Protection Solutions
- Insurance Solutions

FAMILY OFFICE RESOURCES

- Single Family Office Advisory
- Family Governance and Wealth Education
- Philanthropy Management
- Estate Planning Strategies
- Lifestyle Advisory
- Trust Services

ADDITIONAL RESOURCES

- Wealth Strategies and Planning Tools
- Outsourced Chief Investment Office (OCIO)

CASH MANAGEMENT AND LENDING PRODUCTS AND SERVICES

- Securities-based Lending
- Residential Mortgage Lending
- Tailored Lending
- Cash Management Services

FINANCIAL PLANNING

- Goals-Based Planning
- Cash Flow Planning
- Retirement Planning

CORPORATE SERVICES

- Directed Shares, Stock Plans, 10b5-(1) Programs
- Capital Markets and Investment Banking Interaction
- Cash Management Services
- Retirement and Pension Plans

DIGITAL CAPABILITIES

- E*TRADE Self-Directed Accounts
- Manage Accounts Online
- Trade Securities, Transfer Funds and Pay Bills Online
- OneView
- eDelivery
- Digital Vault
- Asset Aggregation
- Mobile App for iPhone®, iPad®, Android®

ADDITIONAL FIRM CAPABILITIES

A globally respected financial services leader with an 85-year history, our firm has the vast resources and intellectual capital to support the growth of your enterprise without limits.

- Global Research
- Sales and Trading — Equity/Fixed Income
- Morgan Stanley at Work/E*TRADE
- Morgan Stanley Investment Management/Eaton Vance
- Morgan Stanley Institute for Sustainable Investing
- Multicultural Innovation Lab
- Institute for Inclusion

For more information, please contact your Morgan Stanley Private Wealth Advisor.

IMPORTANT DISCLOSURE

[1] PWM Finance, March. ME 2021 | [2] PWM Roster April 2022 | [3] PWM Finance, March. ME 2022

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The returns on a portfolio consisting primarily of environmental, social and governance (ESG) aware investments may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria.

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Borrowing against securities may not be appropriate for everyone. You must make your clients aware that there are risks associated with a securities based loan, including possible maintenance calls on short notice, and that market conditions can magnify any potential for loss. For details, please read the important disclosures below.

Important Risk Information for Securities Based Lending: You must make your clients aware that: (1) Sufficient collateral must be maintained to support your clients' loan(s) and to take future advances; (2) Clients may have to deposit additional cash or eligible securities on short notice; (3) Some or all of your clients' securities may be sold without prior notice in order to maintain account equity at required collateral maintenance levels. Clients will not be entitled to choose the securities that will be sold. These actions may interrupt your clients' long-term investment strategy and may result in adverse tax consequences or in additional fees being assessed; (4) Morgan Stanley Bank, N.A., Morgan Stanley Private Bank, National Association or Morgan Stanley Smith Barney LLC (collectively referred to as "Morgan Stanley") reserves the right not to fund any advance request due to insufficient collateral or for any other reason except for any portion of a securities based loan that is identified as a committed facility; (5) Morgan Stanley reserves the right to increase your clients' collateral maintenance requirements at any time without notice; and (6) Morgan Stanley reserves the right to call securities based loans at any time and for any reason.

With the exception of a margin loan, the proceeds from securities based loan products may not be used to purchase, trade or carry margin stock (or securities, with respect to Express CreditLine); repay margin debt that was used to purchase, trade or carry margin stock (or securities, with respect to Express CreditLine); and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

To be eligible for a securities based loan, a client must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities, which shall serve as collateral for the securities based loan.

Securities based loans are provided by Morgan Stanley Smith Barney LLC, Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A, as applicable.

Morgan Stanley Smith Barney LLC does not accept appointments nor will it act as a trustee but it will provide access to trust services through an appropriate third-party corporate trustee.

Lifestyle Advisory Services: Products and services are provided by third party service providers, not Morgan Stanley Smith Barney LLC ("Morgan Stanley"). Morgan Stanley may not receive a referral fee or have any input concerning such products or services. There may be additional service providers for comparative purposes. Clients should perform a thorough due diligence and make their own independent decisions.

Tailored Lending is a loan/line of credit product offered by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC. A Tailored Lending credit facility may be a committed or demand loan/line of credit. All Tailored Lending loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association. Tailored Lending loans/lines of credit may not be available in all locations. Rates, terms and programs are subject to change without notice. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association is a member FDIC that is primarily regulated by the Office of the Comptroller of the Currency. **The proceeds from a Tailored Lending loan/line of credit (including draws and other advances) generally may not be used to purchase, trade or carry margin stock; repay margin debt that was used to purchase, trade or carry margin stock; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.**

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The lending products [referenced or described] are separate and distinct, and are not connected in any way. The ability to qualify for one product is not connected to an individual's eligibility for another.

Residential mortgage loans/home equity lines of credit are offered by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC. With the exception of the pledged-asset feature, an investment relationship with Morgan Stanley Smith Barney LLC does not have to be established or maintained to obtain the residential mortgage products offered by Morgan Stanley Private Bank, National Association. All residential mortgage loans/home equity lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association. Rates, terms and programs are subject to change without notice. Residential mortgage loans/home equity lines of credit may not be available in all states; not available in Guam, Puerto Rico and the U.S. Virgin Islands. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association is an Equal Housing Lender and member FDIC that is primarily regulated by the Office of the Comptroller of the Currency. 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 Morgan Stanley Smith Barney LLC or other brokerage account.

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EQUAL HOUSING LENDER

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