

Morgan Stanley

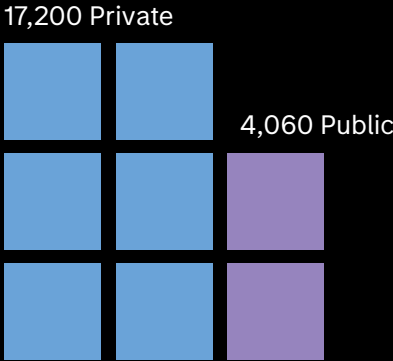
Private Markets

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

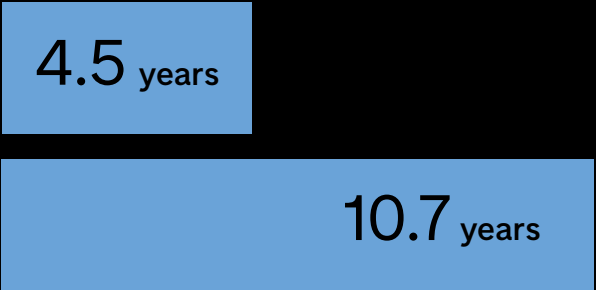
Companies With >\$100M Annual Revenue



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

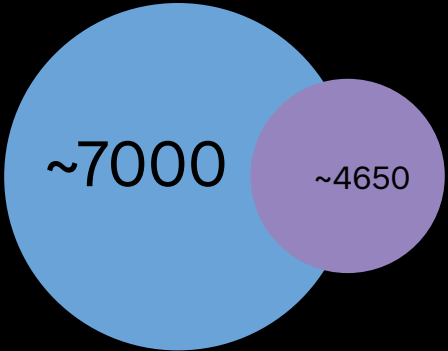
Company Age at IPO



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

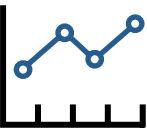


More value creation while companies are private.

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/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

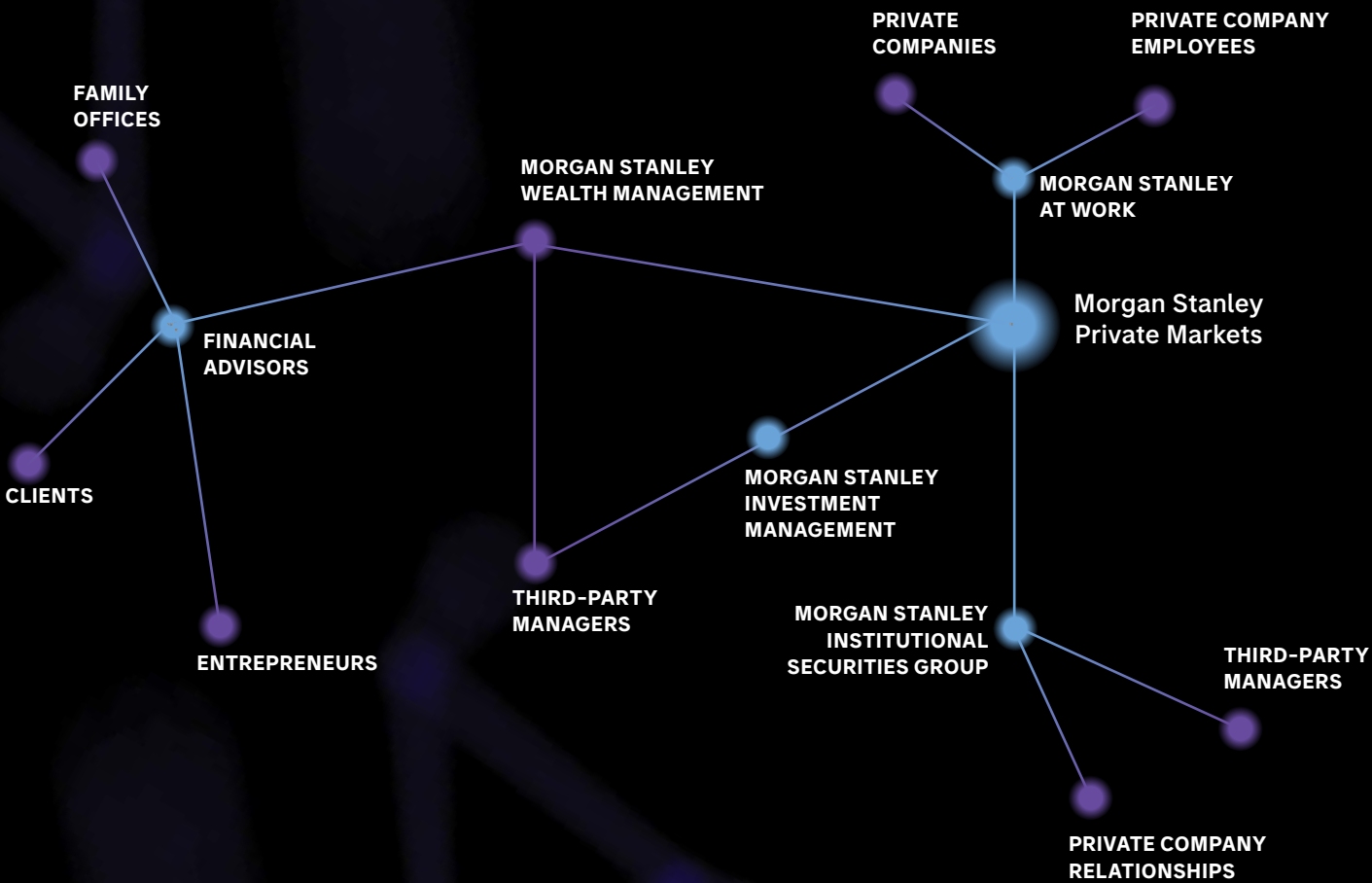
Our long history of having the right specialty in the right places. For nearly 90 years, Morgan Stanley has served as a global leader in financial services, building deep relationships that create a consistent source of new private investment opportunities.

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.

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.



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.

Comprehensive capabilities differentiate us from the competition

ACCESS our network of private investors and liquidity solutions	EVALUATE private market investments and opportunities	TRANSACTION in curated deals and self-directed opportunities
<p>Proprietary Deal Flow From a Leading Alternatives Platform and Investment Bank</p> <ul style="list-style-type: none">Alternative investments platform with \$230Bn+ in client assets under management80% of new offerings are first look, exclusive, or offer favorable economics funds¹Since 2020, Morgan Stanley has raised \$70Bn+ of private capital for leading companies across sectors²	<p>Co-Investment/Direct Due Diligence Material</p> <ul style="list-style-type: none">Access to offering materials and data directly from the sponsor and/or issuer to guide decisionsClients receive seamless access to issuer offering materialsAccess to Morgan Stanley proprietary research and thought leadership	<p>Co-Investments/Directs</p> <ul style="list-style-type: none">We aim to offer opportunities across a variety of geographies, industries, and sources⁴Lower ticket minimums than many competitors
<p>Private Market Equity and Liquidity Solutions From Multiple Sources</p> <ul style="list-style-type: none">Individual and investor-led liquidity solutionsIssuer controlled secondary sales³Tender offers for private issuers	<p>Investor-Led Diligence</p> <ul style="list-style-type: none">We provide market data and recent supply and demand activity	<p>Secondary Market Transactions</p> <ul style="list-style-type: none">We serve Wealth Management clients³ looking to buy or sell individual private company securitiesPlatform 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 supplyWe provide end-to-end support to clients throughout the transaction life cycleCompetitive 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-Investment/Directs: MSPM - Select

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

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



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 have access to additional deals above and beyond what is available in MSPM Select
- Advisors cannot provide advice*



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.



SPACE X 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.

The above is 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.

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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Investors are responsible for complying with the terms of any applicable exemption from securities law requirements and any potential Private Company issuer restrictions for any sale of Private Company shares, and you must obtain your own legal counsel to advise you in connection with such requirements and Private Company issuer restrictions. You should consult with your third-party advisors regarding the risks of transacting in Private Company shares, including the risk of transacting in a market with little or no price transparency or liquidity. Morgan Stanley provides no opinion or view on the valuation of any Private Company shares, or the sufficiency, fairness or competitiveness of any price obtained. Private Securities do not trade on any national securities exchange, and, as such, any potential liquidity (i.e., the potential for any buying interest that might satisfy your sell interest) in such Private Company shares is very limited.

Investments of this nature include a high degree of risk, likely will be highly illiquid, and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Investors could lose all or a substantial amount of their investment. Investments are appropriate only for eligible investors who are willing to put capital at risk for an indefinite period of time.

Past performance is no guarantee of future results. Actual results may vary. Diversification does not assure a profit or protect against loss in a declining market.

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