

# Trust Services Partner Overview



## Eight Core Partners for Personal Trusts



- Largest partner for personal trust accounts
- Robust special asset unit
- Serves as Executor



- Excellent at administering Special Needs Trusts
- Brand name with boutique service
- Very experienced Trust Officers



- Excellent, boutique services
- Very competitive pricing
- Innovative Trustee Assistance Program



- Customized, personal approach
- Highly experienced legal and trust officers
- Expertise in complex trusts and special assets



- Lowest minimum account size of \$250,000
- Offices throughout the country
- Special Needs Trusts



- Accepts Irrevocable Life Insurance Trusts
- Offices throughout the country
- Delaware Trustee



- Excellent brand name; West Coast presence
- Caters to sports and entertainment clients
- Excels at handling Special Assets



- Multi-solution trust company
- Three trustee jurisdictions
- Offices in Nevada, Alaska and Delaware

# Top Trust Jurisdictions – Corporate Trustee Partners

Delaware  
TrusteeSolutions<sup>1</sup>



South Dakota  
TrusteeSolutions



Nevada  
TrusteeSolutions



New Hampshire  
TrusteeSolutions



Alaska  
TrusteeSolutions



1. Comerica Bank & Trust, N.A. and Peak Trust Company have an administrative office in Delaware but not a Delaware state charter.

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# Comerica Bank & Trust, N.A.



## FIRM OVERVIEW

- One of the nation's largest national trust banks, established in 1849 with over \$200 billion in assets
- National Association provides trustee services in all 50 states with 15 offices across the country providing local administration
- A National Team of 14 Fiduciary Strategists available to work with Financial Advisors on client opportunities and account opening
- Minimum account size: \$1,000,000; minimum annual fee: \$4,000



- A full offering of Personal Trusts including Revocable, Irrevocable, Charitable, Estate Settlement and Special Needs Trusts



## SPECIAL SERVICES

- Agency Accounts
- Administrative Agent
- Charitable Services
- Private Foundations
- Bill Paying
- Principal & Income Accounting
- Fiduciary Income Taxes
- Real Estate Services
- Processing Mineral Interests
- Closely-Held Business Services
- Discretionary Distributions
- Life Insurance Trusts
- Dynasty Trusts
- DE Directed Trusts
- Qualified Domestic Trusts (QDOTs)

### As of: 3/6/2023, Source: Comerica

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# First State Trust Company



## FIRMOVERVIEW

- Formerly known as Citi Institutional Trust Company; now part of the Fi-Tek Group
- Servicing personal trust clients for over 40 years; located in Wilmington, DE
- Minimum account size: \$1,000,000; minimum annual fee: \$5,000.



## TRUST SERVICE OFFERINGS

- Discretionary Personal Trusts
- Delaware Directed Trusts / Asset Protection Trusts
- Charitable Trusts / Foundations
- Rabbi Trusts
- Any client who requires corporate trustee and/or specialized accounting



## SPECIAL SERVICES

- Corporate trustee and fiduciary services for institutional and personal trusts
- Personal Trust Services including principal and income accounting, discretionary distributions, discretionary investment management, tax preparation and filing, and Special Asset administration
- Other Services include Trustee Assistance Program, separate account unitization and sub-accounting, bank and trust company operations outsourcing, agency administration and escrow transactions

### As of: 3/6/2023. Source: First State Trust Company

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# Arden Trust Company



## FIRMOVERVIEW

- Serving personal trust clients in all 50 states
- Over \$10 billion in personal trust assets under administration
- Office locations: Wilmington, DE (**main office**); Atlanta, GA; Dallas, TX; Los Angeles, CA; Palm Beach Gardens, FL; Phoenix, AZ; Milwaukee, WI
- Minimum account size: \$1,000,000; minimum annual fee: \$5,000



## TRUST SERVICE OFFERINGS

- Revocable Trusts
- Irrevocable Trusts
- Charitable Trusts
- Credit Shelter Trusts
- DE Directed Trusts
- Qualified Domestic Trusts (QDOT)
- Dynasty Trusts
- Total Return Trusts
- Asset Protection Trusts
- Irrevocable Life Insurance Trusts (ILIT)
- Foreign Grantor Trusts



## SPECIAL SERVICES

- Estate Settlement (dependent on location)
- Real Estate
- Special Assets
- Special Needs Trust
- Agent for the Trustee
- Agent for the Executor
- Principal & Income Accounting

**As of: 3/10/2023, Source: Arden Trust Co.**

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# RBC Trust Company (Delaware) LTD



## FIRMOVERVIEW

- Division of Royal Bank of Canada
- Over 100 years of servicing high net worth and ultra-high net worth clients
- Office locations: 7 global trust offices with 1 domestic U.S. location (Wilmington, DE)
- World's largest global fiduciary
- Minimum account size: \$3,000,000; minimum annual fee: \$6,000



## TRUST SERVICE OFFERINGS

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Special Need Trusts</li> <li>• Delaware Asset Protection Trusts</li> <li>• Directed Trusts</li> <li>• Charitable Trusts</li> </ul> | <ul style="list-style-type: none"> <li>• Credit Shelter Trusts</li> <li>• Dynasty Trusts</li> <li>• Irrevocable Trusts</li> <li>• Qualified Terminable Interest Property (QTIP)</li> <li>• Irrevocable Life Insurance Trusts</li> </ul> | <ul style="list-style-type: none"> <li>• Full Discretionary Trust</li> <li>• Revocable Trust</li> <li>• Testamentary Trust</li> <li>• Escrow</li> <li>• Agent for Trustee</li> </ul> |
|---|---|--|



## SPECIAL SERVICES

- Special Assets – Real Estate, LLCs and S-Corporations
- Principal & Income Accounting
- Bill Pay and Fiduciary Income Taxes

**As of: 5/16/23, Source: RBC Trust Co.**

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# City National Bank, N.A.



## FIRMOVERVIEW

- City National Bank is a wholly owned subsidiary of Royal Bank of Canada
- A national charter allows City National Bank to act as Trustee in all 50 states
- Trust offices located in Atlanta, Beverly Hills, Los Angeles, Nashville, Nevada, New York City, Orange County, San Francisco, Santa Barbara, Washington, D.C. and Wilmington, DE
- Minimum account size: \$3,000,000; minimum annual fee: \$6,000



## TRUST SERVICE OFFERINGS

- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Revocable and Irrevocable Trusts</li> <li>• Delaware Directed Trusts</li> <li>• Special Needs Trusts</li> <li>• Probate Estates</li> </ul> | <ul style="list-style-type: none"> <li>• Charitable Trusts</li> <li>• Private Foundations</li> <li>• Endowments</li> </ul> | <ul style="list-style-type: none"> <li>• Dynasty Trusts</li> <li>• Irrevocable Life Insurance Trusts</li> <li>• Guardianships and Conservatorships</li> <li>• Qualified Domestic Trusts (QDOTs)</li> </ul> |
|---|--|--|



## SPECIAL SERVICES

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Real Estate Management           <ul style="list-style-type: none"> <li>– Property Management</li> <li>– Limited Liability Companies</li> <li>– Limited Partnership Interests</li> </ul> </li> <li>• Oil, Gas &amp; Mineral Interests</li> </ul> | <ul style="list-style-type: none"> <li>• Closely-Held Business Interests</li> <li>• Fiduciary Income Taxes</li> <li>• Principal &amp; Income Accounting</li> <li>• Bill payments</li> </ul> | <ul style="list-style-type: none"> <li>• Music Royalty Interests</li> <li>• Agent for Trustee</li> <li>• Custody Services</li> <li>• Escrow Agent</li> </ul> |
|---|---|--|

### As of: 5/16/23, Source: City National Bank

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# Midwest Trust



## FIRMOVERVIEW

- A state charter allows Midwest Trust to act as Trustee for all 50 states
- Over \$10 billion in personal trust assets under administration
- Office locations: Overland Park, KS (**main office**); Boulder, CO; Colorado Springs, CO; Greenwood Village, CO; Clayton, MO; Kansas City, MO; Westerville, OH; Nashville, TN; Omaha, NE; Wichita, KS; Vancouver, WA.
- Minimum account size: \$500,000; minimum annual fee: \$2,500



## TRUSTSERVICE OFFERINGS

- Special Needs Trusts
- Charitable Trusts
- Credit Shelter Trusts
- Irrevocable Life Insurance Trusts (ILITs)
- Probate Estates
- Dynasty Trusts
- Total Return Trusts



## SPECIAL SERVICES

- Real Estate Management
  - Property Management
  - Limited Liability Companies
  - Limited Partnership Interests
- Oil, Gas & Mineral Interests
- Fiduciary Income Taxes
- Principal & Income Accounting
- Bill payments

### As of: 1/3/2024, Source: Midwest Trust

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# South Dakota Trust Company LLC



## FIRM OVERVIEW

- No products of any kind – purely trust administration services (both liquid and illiquid assets)
- Currently work with over 115 billionaire and 360 centimillionaire clients – 15% are international families from 54 countries
- Trust accounts represent more than \$135 billion in assets under administration
- Accept trusts of any size but minimum annual fee of \$5,500-\$6,500
- Locations: Sioux Falls, SD, Rapid City, SD (SDTC/SDTC Services), New York City, NY & Westport, CT (SDTC Planning Company) and Jackson, WY (SDTC Services of WY LLC) & Las Vegas, NV (SDTC Services of NV LLC)



## TRUST OFFERINGS

- All types of Personal Trusts offered – No Retirement Trusts
- Directed Trust Administration, Irrevocable and Revocable, Self-Settled and Third Party, Charitable and Non-Charitable Trusts
- Assist families with the setup, operation and administration of a cost-effective South Dakota regulated trust company or unregulated trust company in Wyoming or Nevada.



## SPECIAL SERVICES

- Dynasty Trusts
- Self-Settled Trust/Domestic Asset Protection Trusts
- Incentive Trusts
- Life Insurance Trusts
- Premium Tax LLCs and Trusts (Private Placement Life Insurance Trusts)
- Change of Situs Trusts
- International Families
  - Non-Resident Alien (NRA) Dynasty Trusts
  - Pour Over Dynasty Trusts
  - Foreign Grantor, Non-Grantor and Pre-Immigration Trusts
- Administration of All Types of Illiquid Assets
  - Real Estate, LLCs, FLPs, Closely-Held Stock, S-Corporation, Offshore Entities
- Private Trust Companies (Regulated – South Dakota, Unregulated – Wyoming/Nevada)
- Charitable Services
  - Charitable Remainder Trusts
  - Charitable Lead Trusts
  - Private Foundation Trusts
- Agency Accounts
  - Agent for Trustee
  - Administrative Agent

### As of: 3/10/2023, Source: South Dakota Trust Company LLC

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# Premier Trust



## FIRM OVERVIEW

Premier Trust is a Nevada chartered independent trust company providing trust administration services to clients across the United States who want to benefit from Nevada's favorable trust, corporate, asset protection, and tax laws.

- Advisor-friendly since services do not include investment management, tax, or legal advice
- Collaborate with clients' financial advisor and other professionals on complex income tax and estate planning matters, including transferring assets to future generations, assets protection, and navigating complex family dynamics
- Minimum account size: \$1,000,000; minimum annual fee: \$3,000 for directed trusts



## TRUST SERVICE OFFERINGS

- Directed Trusts Only
- Dynasty Trusts
- Nevada Asset Protection Trusts
- Special Needs Trusts
- Irrevocable Life Insurance Trusts (ILITs)
- Charitable Trusts
- Nevada Incomplete Gift Non-Grantor Trusts (NINGS)
- Beneficiary Defective Inheritors Trusts (BDITs)
- Intentional Defective Grantor Trusts (IDGTs)



## NEVADA "TRUST-FRIENDLY" BENEFITS

- Nevada top rated asset protection laws (ranked #1 by Forbes magazine)
- A Nevada trust can last 365 years
- No Nevada state income tax when trustee is located in Nevada
- Favorable "Decanting" Statute (ability to modify an irrevocable trust)



## SPECIAL SERVICES

- Agency Agreements
- Administration of non-traditional trust assets

### As of: 3/6/2023, Source: Premier Trust

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# Bridgeford Trust Company



## FIRM OVERVIEW

- Bridgeford is a fully independent trust company, chartered in South Dakota, providing conflict free and innovative fiduciary services and progressive U.S. modern trust law solutions around asset protection, privacy, and tax planning to domestic and international families across the country and around the world.
- Locations in Sioux Falls and Pierre, SD; Camp Hill and Lancaster, PA (Bridgeford Advisors); New York City (Bridgeford Advisors); Miami, FL (Bridgeford Advisors and Bridgeford International); Los Angeles, CA (Bridgeford Advisors).
- Through a flexible, nimble, and entrepreneurial spirit and approach, Bridgeford has evolved from one of South Dakota's first private trust companies into a public and modern trust company with a talented and growing staff of fiduciary professionals serving the global ultra-high net worth and family office space.
- Working with a multidisciplinary team of experts in the international space, Bridgeford is well positioned to work with international families looking to the United States for trust solutions.



## TRUST SERVICE OFFERINGS

- Directed Trusts Only
- Dynasty Trusts
- Self-Directed / Domestic Asset Protection Trusts
- Community Property Trusts
- Incomplete Non-Grantor Trusts
- Irrevocable Life Insurance Trusts / Insurance Trusts (PPLI)



## SPECIAL SERVICES

- Administration of "Non-Traditional" Trust Assets
  - Real Estate, LLCs, FLPs, Closely Held Stock, S-Corporations, Offshore Entities
- International Clients
  - Foreign Grantor, Non-Grantor, and Pre-Immigration Trust
  - Non-Resident Alien (NRA) Dynasty Trust
  - Pre-Immigration Trusts

### As of: 3/14/2023, Source: Bridgeford Trust

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# Fiduciary Trust of New England



## FIRM OVERVIEW

- Customized, high-touch approach
- Can serve as trustee for trusts established in all 50 states
- Provide access to New Hampshire's advantageous trust laws to clients nationwide
- Highly experienced trust and estates legal team and trust officers
- 137-year firm history with an average annual client retention rate of 98% over the past decade <sup>1</sup>
- Minimum relationship size: \$1,500,000; minimum fee per relationship: \$10,000



## TRUST SERVICE OFFERINGS

- Delegated trusts
- Directed Trusts
- Irrevocable Life Insurance Trusts
- Estate Settlement
- Trust Tax Preparation
- New Hampshire's trust advantages:
  - No state interest, dividend, or capital gains tax on qualifying trusts
  - Asset protection
  - Perpetual trusts
  - Quiet trusts
  - Favorable trust modification laws
  - Decanting
  - Sustainable investing based on beneficiary interests
  - Dedicated trust court



## SPECIAL SERVICES

- Experience working with client counsel to fix broken trusts and migrate or decant trusts to New Hampshire
- Expertise in complex trusts and special assets
- Private family trust company administration
- Experience working with a range of client sizes, from smaller trusts to over \$1 billion client relationships
- Serve international clients, including services for NH Civil Law Foundations

As of: 8/8/2022. Source: Fiduciary Trust of New England

<sup>1</sup> Figures are based on Fiduciary Trust of New England and its Massachusetts affiliate, Fiduciary Trust Company combined.

Note: Tax preparation, irrevocable life insurance trusts, and estate settlement only provided to existing clients. Can serve as a trustee in all 50 states and a personal representative in all states, except Florida and Louisiana. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors or Private Wealth Advisors do not provide tax or legal advice. Clients should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning and other legal matters.

# Peak Trust Company



## FIRM OVERVIEW

- Established in 1997 in Anchorage, Alaska
- Three top-tier trust jurisdictions: Alaska, Nevada, and Delaware
- Works with 1,500+ estate planning attorneys and advisors across the nation
- More than 12 billion of assets under administration
- Privately held



## TRUST SERVICE OFFERINGS

- Asset Protection Trusts (DAPTs)
- Beneficiary Defective Inheritor's Trusts (BDITs)
- Charitable Remainder Trusts (CRTs, CRATs, CRUTs)
- Community Property Trusts
- Directed Trusts
- Discretionary Trusts
- Dynasty Trusts
- Generation Skipping Trusts
- Gift Tax Exemption Trusts
- Grantor Retained Trusts (GRATs)
- Incomplete Gift Non- Grantor Trusts (INGs)
- Irrevocable Life Insurance Trusts (ILITs)
- Marital Trusts
- Self-Settled Trusts
- Special Needs Trusts
- Spousal Lifetime Access Trusts (SLATs)



## SPECIAL SERVICES

- Bifurcated and Trifurcated Trust Services
- Custodial Services for Unique Assets
- Family Legacy and Generational Planning
- Private foundation services
- Custodial Services for LLCs for Private Placement Life Insurance Planning
- Custodial Services for LLCs for Private Placement Variable Annuity Planning

As of: 3/22/2023, Source: Peak Trust Company

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**Global Investment Manager Analysis (GIMA) Focus List, Approved List and Tactical Opportunities List; Watch Policy.** GIMA uses two methods to evaluate investment products in applicable advisory programs: **Focus** (and investment products meeting this standard are described as being on the Focus List) and **Approved** (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. Sometimes an investment product may be evaluated using the Focus List process but then placed on the Approved List instead of the Focus List. Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status). GIMA has a **"Watch"** policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved." The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager or fund to address any concerns. Certain investment products on either the Focus List or Approved List may also be recommended for the **Tactical Opportunities List** based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time. For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "Manager Selection Process."

The **Global Investment Committee** is a group of seasoned investment professionals who meet regularly to discuss the global economy and markets. The committee determines the investment outlook that guides our advice to clients. They continually monitor developing economic and market conditions, review tactical outlooks and recommend model portfolio weightings, as well as produce a suite of strategy, analysis, commentary, portfolio positioning suggestions and other reports and broadcasts.

The GIC Asset Allocation Models are not available to be directly implemented as part of an investment advisory service and should not be regarded as a recommendation of any Morgan Stanley investment advisory service. The GIC Asset Allocation Models do not represent actual trading or any type of account or any type of investment strategies and none of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, advisory fees, fund expenses) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models which, when compounded over a period of years, would decrease returns.

**Adverse Active AlphaSM 2.0** is a patented screening and scoring process designed to help identify high-quality equity and fixed income managers with characteristics that may lead to future outperformance relative to index and peers. While highly ranked managers performed well as a group in our Adverse Active Alpha model back tests, not all of the managers will outperform. Please note that this data may be derived from back-testing, which has the benefit of hindsight. In addition, highly ranked managers can have differing risk profiles that might not be appropriate for all investors. Our view is that Adverse Active Alpha is a good starting point and should be used in conjunction with other information. Morgan Stanley Wealth Management's qualitative and quantitative investment manager due diligence process are equally important factors for investors when considering managers for use through an investment advisory program. Factors including, but not limited to, manager turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be

appropriate for all investors.

The proprietary **Value Score** methodology considers an active investment strategies' value proposition relative to its costs. From a historical quantitative study of several quantitative markers, Value Score measures perceived forward-looking benefit and computes (1) "fair value" expense ratios for most traditional investment managers across 40 categories and (2) managers' perceived "excess value" by comparing the fair value expense ratios to actual expense ratios. Managers are then ranked within each category by their excess value to assign a Value Score. Our analysis suggests that greater levels of excess value have historically corresponded to attractive subsequent performance.

For more information on the ranking models, please see *Adverse Active AlphaSM 2.0: Scoring Active Managers According to Potential Alpha* and *Value Score: Scoring Fee Efficiency by Comparing Managers' "Fair Value" and Actual Expense Ratios*. The whitepapers are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse ActiveAlpha system and/or methodology.

Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors. For more information on AAA, please see the *Adverse Active Alpha Ranking Model* and *Selecting Managers with Adverse Active Alpha* whitepapers. The whitepaper are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

**The Global Investment Manager Analysis (GIMA) Services Only Apply to Certain Investment Advisory Programs** GIMA evaluates certain investment products for the purposes of some – but not all – of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management). If you do not invest through one of these investment advisory programs, Morgan Stanley Wealth Management is not obligated to provide you notice of any GIMA Status changes even though it may give notice to clients in other programs.

**Strategy May Be Available as a Separately Managed Account or Mutual Fund** Strategies are sometimes available in Morgan Stanley Wealth Management investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program. In most Morgan Stanley Wealth Management investment advisory accounts, fees are deducted quarterly and have a compounding effect on performance. For example, on an advisory account with a 3% annual fee, if the gross annual performance is 6.00%, the compounding effect of the fees will result in a net performance of approximately 3.93% after one year, 1 after three years, and 21.23% after five years. **Conflicts of Interest:** GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, 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. Morgan Stanley Wealth Management, managers, MS & Co., and their affiliates receive compensation and fees in connection with these services. Morgan Stanley Wealth Management 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 of 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.

**Consider Your Own Investment Needs:** The model portfolios and strategies discussed in the material are formulated based on general client characteristics including risk tolerance. This material is not intended to be an analysis of whether particular investments or strategies are appropriate for you or a recommendation, or an offer to participate in any investment. Therefore, clients should not use this profile as the sole basis for investment decisions. They should consider all relevant information, including their existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Such a determination may lead to asset allocation results that are materially different from the asset allocation shown in this profile. Talk to your Financial Advisor about what would be an appropriate asset allocation for you, whether CGCM is an appropriate program for you.

**No obligation to notify** – Morgan Stanley Wealth Management has no obligation to notify you when the model portfolios, strategies, or any other information, in this material changes.

**Please consider the investment objectives, risks, fees, and charges and expenses of mutual funds, ETFs, closed end funds, unit investment trusts, and variable insurance products carefully before investing. The prospectus contains this and other information about each fund. To obtain a prospectus, contact your Financial Advisor or Private Wealth Advisor or visit the Morgan Stanley website at [www.morganstanley.com](http://www.morganstanley.com). Please read it carefully before investing.**

***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.***

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals; (2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long “lock-up” periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual fund or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Nontraditional investment options and strategies are often employed by a portfolio manager to further a fund’s investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the fund’s essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or “leverage.”

## KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

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. 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**. **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. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes. 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)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments (“ESG”)** 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. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client’s account will be managed as described herein. **Options** and margin trading involve substantial risk and are not appropriate for all investors. 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. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases shares of a closed-end fund,

shares may have a market price that is above or below NAV. Portfolios that invest a large percentage of assets in only one industry **sector** (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors.

**Alternative investments** often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; Risks associated with the operations, personnel, and processes of the manager; and Risks associated with cybersecurity. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management. This is not a "research report" as defined by FINRA Rule 2241 or a "debt research report" as defined by FINRA Rule 2242 and was not prepared by the Research Departments of Morgan Stanley Smith Barney LLC or Morgan Stanley & Co. LLC or its affiliates. Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. While the HFRI indices are frequently used, they have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown). The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Individual funds have specific tax risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Wealth Management and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley Wealth Management or any of its affiliates, (3) are not guaranteed by Morgan Stanley Wealth Management and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Wealth Management is a registered broker-dealer, not a bank. This material is not to be reproduced or distributed to any other persons (other than professional advisors of the investors or prospective investors, as applicable, receiving this material) and is intended solely for the use of the persons to whom it has been delivered. This material is not for distribution to the general public. Past performance is no guarantee of future results. Actual results may vary. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments. In Consulting Group's advisory programs, alternative investments are limited to US-registered mutual funds, separate account strategies and exchange-traded funds (ETFs) that seek to pursue alternative investment strategies or returns utilizing publicly traded securities. Investment products in this category may employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative investments are not appropriate for all investors. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

A majority of Alternative Investment managers reviewed and selected by GIMA pay or cause to be paid an ongoing fee for distribution from their management fees to Morgan Stanley Wealth Management in connection with Morgan Stanley Wealth Management clients that purchase an interest in an Alternative Investment and in some instances pay these fees on the investments held by advisory clients. Morgan Stanley Wealth Management rebates such fees that are received and attributable to an investment held by an advisory client and retains the fees paid in connection with

investments held by brokerage clients. Morgan Stanley Wealth Management has a conflict of interest in offering alternative investments because Morgan Stanley Wealth Management or our affiliates, in most instances, earn more money in your account from your investments in alternative investments than from other investment options.

It should be noted that the majority of hedge fund indexes are comprised of hedge fund manager returns. This is in contrast to traditional indexes, which are comprised of individual securities in the various market segments they represent and offer complete transparency as to membership and construction methodology. As such, some believe that hedge fund index returns have certain biases that are not present in traditional indexes. Some of these biases inflate index performance, while others may skew performance negatively. However, many studies indicate that overall hedge fund index performance has been biased to the upside. Some studies suggest performance has been inflated by up to 260 basis points or more annually depending on the types of biases included and the time period studied. Although there are numerous potential biases that could affect hedge fund returns, we identify some of the more common ones throughout this paper.

Self-selection bias results when certain manager returns are not included in the index returns and may result in performance being skewed up or down. Because hedge funds are private placements, hedge fund managers are able to decide which fund returns they want to report and are able to opt out of reporting to the various databases. Certain hedge fund managers may choose only to report returns for funds with strong returns and opt out of reporting returns for weak performers. Other hedge funds that close may decide to stop reporting in order to retain secrecy, which may cause a downward bias in returns.

Survivorship bias results when certain constituents are removed from an index. This often results from the closure of funds due to poor performance, “blow ups,” or other such events. As such, this bias typically results in performance being skewed higher. As noted, hedge fund index performance biases can result in positive or negative skew. However, it would appear that the skew is more often positive. While it is difficult to quantify the effects precisely, investors should be aware that idiosyncratic factors may be giving hedge fund index returns an artificial “lift” or upwards bias.

**Hedge Funds of Funds** and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor’s goals by the pre-established year or “target date.” A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are appropriate only for the risk capital portion of an investor’s portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy.

**Asset allocation and diversification** do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

**Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC (“Morgan Stanley”), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not “fiduciaries” (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at [www.morganstanley.com/disclosures/do](http://www.morganstanley.com/disclosures/do). Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.**

Annuities and insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC’s licensed insurance agency affiliates.

Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be an appropriate comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.



This material is not a financial plan and does not create an investment advisory relationship between you and your Morgan Stanley Financial Advisor. We are not your fiduciary either under the Employee Retirement Income Security Act of 1974 (ERISA) or the Internal Revenue Code of 1986, and any information in this report is not intended to form the primary basis for any investment decision by you, or an investment advice or recommendation for either ERISA or Internal Revenue Code purposes. Morgan Stanley Private Wealth Management will only prepare a financial plan at your specific request using Private Wealth Management approved financial planning signature.

We may act in the capacity of a broker or that of an advisor. As your broker, we are not your fiduciary and our interests may not always be identical to yours. Please consult with your Private Wealth Advisor to discuss our obligations to disclose to you any conflicts we may from time to time have and our duty to act in your best interest. We may be paid both by you and by others who compensate us based on what you buy. Our compensation, including that of your Private Wealth Advisor, may vary by product and overtime.

Investment and services offered through Morgan Stanley Private Wealth Management, a division of Morgan Stanley Smith Barney LLC, Member SIPC.

*For index, indicator and survey definitions referenced in this report please visit the following: <https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>*

**The Consulting Group Capital Markets Funds, Firm Discretionary UMA Model Portfolios**, and other asset allocation or any other model portfolios discussed in this material are available only to investors participating in Morgan Stanley Consulting Group advisory programs. Depending upon which advisory program you choose, you will pay an asset-based wrap fee every quarter ("the Fee"), which may be up to 2.0% annually. In general, the Fee covers investment advisory services, the execution of transactions through Morgan Stanley, custody of the client's assets with Morgan Stanley, and reporting. In addition to the Fee, you will pay the fees and expenses of any funds in which your account is invested. Fund fees and expenses are charges 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 will not be included in the Fee amount in your account statements. For additional information on the Morgan Stanley Consulting Group advisory programs, see the applicable ADV brochure, available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) or from your Morgan Stanley Financial Advisor or Private Wealth Advisor. To learn more about the Consulting Group Capital Markets Funds, visit the Funds' website at [www.morganstanley.com/cgcm](http://www.morganstanley.com/cgcm). Consulting Group is a business of Morgan Stanley.

**Morgan Stanley Pathway Program Asset Allocation Models** There are model portfolios corresponding to five risk-tolerance levels available in the Pathway program. Model 1 is the least aggressive portfolio and consists mostly of bonds. As the model numbers increase, the models have higher allocations to equities and become more aggressive. Pathways is a mutual fund asset allocation program. In constructing the Pathway Program Model Portfolios, Morgan Stanley Wealth Management uses, among other things, model asset allocations produced by Morgan Wealth Management's Global Investment Committee (the "GIC"). The Pathway Program Model Portfolios are specific to the Pathway program (based on program features and parameters, and any other requirements of Morgan Stanley Wealth Management's Consulting Group). The Pathway Program Model Portfolios may therefore differ in some respects from model portfolios available in other Morgan Stanley Wealth Management programs or from asset allocation models published by the Global Investment Committee.

**529 Plans - Investors should carefully read the Program Disclosure statement, which contains more information on investment options, risk factors, fees and expenses, and possible tax consequences before purchasing a 529 plan. You can obtain a copy of the Program Disclosure Statement from the 529 plan sponsor or your Financial Advisor.** Assets can accumulate and be withdrawn federally tax-free only if they are used to pay for qualified expenses. Earnings on nonqualified distributions will be subject to income tax and a 10% federal income tax penalty. Contribution limits vary by state. Refer to the individual plan for specific contribution guidelines. Before investing, investors should consider whether tax or other benefits are only available for investments in the investor's home state 529 college savings plan. If an account owner or the beneficiary resides in or pays income taxes to a state that offers its own 529 college savings or pre-paid tuition plan (an "In-State Plan"), that state may offer state or local tax benefits. These tax benefits may include deductible contributions, deferral of taxes on earnings and/or tax-free withdrawals. In addition, some states waive or discount fees or offer other benefits for state residents or taxpayers who participate in the In-State Plan. An account owner may be denied any or all state or local tax benefits or expense reductions by investing in another state's plan (an "Out-of-State Plan"). In addition, an account owner's state or locality may seek to recover the value of tax benefits (by assessing income or penalty taxes) should an account owner rollover or transfer assets from an In-State Plan to an Out-of-State Plan. While state and local tax consequences and plan expenses are not the only factors to consider when investing in a 529 Plan, they are important to an account owner's investment return and should be taken into account when selecting a 529 plan.

**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. Please perform a thorough due diligence and make your own independent decision.

To obtain **Tax-Management Services**, a client must complete the Tax-Management Form, and deliver the signed form to Morgan Stanley. For more information on Tax-Management Services,



including its features and limitations, please ask your Financial Advisor for the Tax Management Form. Review the form carefully with your tax advisor. Tax-Management Services: (a) apply only to equity investments in separate account sleeves of client accounts; (b) are not available for all accounts or clients; and (c) may adversely impact account performance. Tax-management services do not constitute tax advice or a complete tax-sensitive investment management program. There is no guarantee that tax-management services will produce the desired tax results.

**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.

A **LifeView Financial Goal Analysis or LifeView Financial Plan ("Financial Plan")** is based on the methodology, estimates, and assumptions, as described in your report, as well as personal data provided by you. It should be considered a working document that can assist you with your objectives. Morgan Stanley Smith Barney LLC ("Morgan Stanley") makes no guarantees as to future results or that an individual's investment objectives will be achieved. The responsibility for implementing, monitoring and adjusting your financial goal analysis or financial plan rests with you. After your Financial Advisor delivers your report to you, if you so desire, your Financial Advisor can help you implement any part that you choose; however, you are not obligated to work with your Financial Advisor or Morgan Stanley.

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.

**The Morgan Stanley Global Impact Funding Trust, Inc. ("MS GIFT, Inc.")** is an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended. MS Global Impact Funding Trust ("MS GIFT") is a donor-advised fund. Morgan Stanley Smith Barney LLC provides investment management and administrative services to MS GIFT. Back office administration provided by RenPSG, an unaffiliated charitable gift administrator.

**Important Risk Information for Securities Based Lending:** You need to understand that: (1) Sufficient collateral must be maintained to support your loan(s) and to take future advances; (2) You may have to deposit additional cash or eligible securities on short notice; (3) Some or all of your securities may be sold without prior notice in order to maintain account equity at required maintenance levels. You will not be entitled to choose the securities that will be sold. These actions may interrupt your 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 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.

Liquidity Access Line ("LAL") is a securities based loan/line of credit product, the lender of which is either Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, each an affiliate of Morgan Stanley Smith Barney LLC. All LAL loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable. LAL loans/lines of credit may not be available in all locations. Rates, terms and conditions are subject to change without notice. To be eligible for an LAL loan/line of credit, a client must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities, which shall serve as collateral for the LAL. In conjunction with establishing an LAL loan/line of credit, an LAL facilitation account will also be opened in the client's name at Morgan Stanley Smith Barney LLC at no charge. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association and Morgan Stanley Bank, N.A. are Members FDIC that are primarily regulated by the Office of the Comptroller of the Currency. **The proceeds from a non-purpose LAL loan/line of credit (including draws and other advances) 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.**

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.**

Through the pledged-asset feature offered by Morgan Stanley Private Bank, National Association, the applicant(s) or third party pledgor (collectively "Client") may be able to pledge eligible securities in lieu of a full or partial cash down payment or in connection with a refinance mortgage loan. To be eligible for the pledged-asset feature a Client must have a brokerage account at Morgan Stanley Smith Barney LLC. If the value of the pledged securities in the account drops below the agreed-upon level stated in the loan documents, a Client may be required to deposit additional securities or other collateral (such as cash) to stay in compliance with the terms of the mortgage loan. If a Client does not deposit additional securities or other collateral, the Client's pledged securities may be sold to satisfy the Client's obligation, and the Client will not be entitled to choose which assets will be sold. Borrowing against securities may not be appropriate for everyone. In deciding whether the pledged-asset feature is appropriate, a Client should consider, among other things, the degree to which he or she is comfortable subjecting his or her investment in a home to the fluctuations of the securities market. The pledged-asset feature is not available in all states. Other restrictions may apply.

Interest-only loans enable borrowers to make monthly payments of only the accrued monthly interest on the loan during the introductory interest-only period. Once that period ends, borrowers must make monthly payments of principal and interest for the remaining loan term, and payments will be substantially higher than the interest-only payments. During the interest-only period, the total interest that the borrower will be obligated to pay will vary based on the amount of principal paid down, if any. If a borrower makes just an interest-only payment, and no payment of principal, the total interest payable by the borrower during the interest-only period will be greater than the total interest that a borrower would be obligated to pay on a traditional loan of the same interest rate having principal-and-interest payments. In making comparisons between an interest-only loan and a traditional loan, borrowers should carefully review the terms and conditions of the various loan products available and weigh the relative merits of each type of loan product appropriately.

3/1, 5/1, 7/1, 10/1 adjustable rate mortgage ("ARM") loans are based on the 1-Year London Interbank Offered Rate ("LIBOR") with various loan term options. 1-Month Interest only ARM loan is based on 1-Month LIBOR. 1-Month Interest only ARM loan is not available in Maine.

Relationship-based pricing offered by Morgan Stanley Private Bank, National Association is based on the value of clients', or their immediate family members' (i.e., grandparents, parents, and children) eligible assets (collectively "Household Assets") held within accounts at Morgan Stanley Smith Barney LLC. To be eligible for relationship-based pricing, Household Assets must be maintained within appropriate eligible accounts prior to the closing date of the residential mortgage loan. Relationship-based pricing is not available on conforming loans.

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Cash management and lending products and services are provided by Morgan Stanley Smith Barney LLC, Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A, as applicable.

Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A, each a national bank, Member FDIC.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, 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**

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