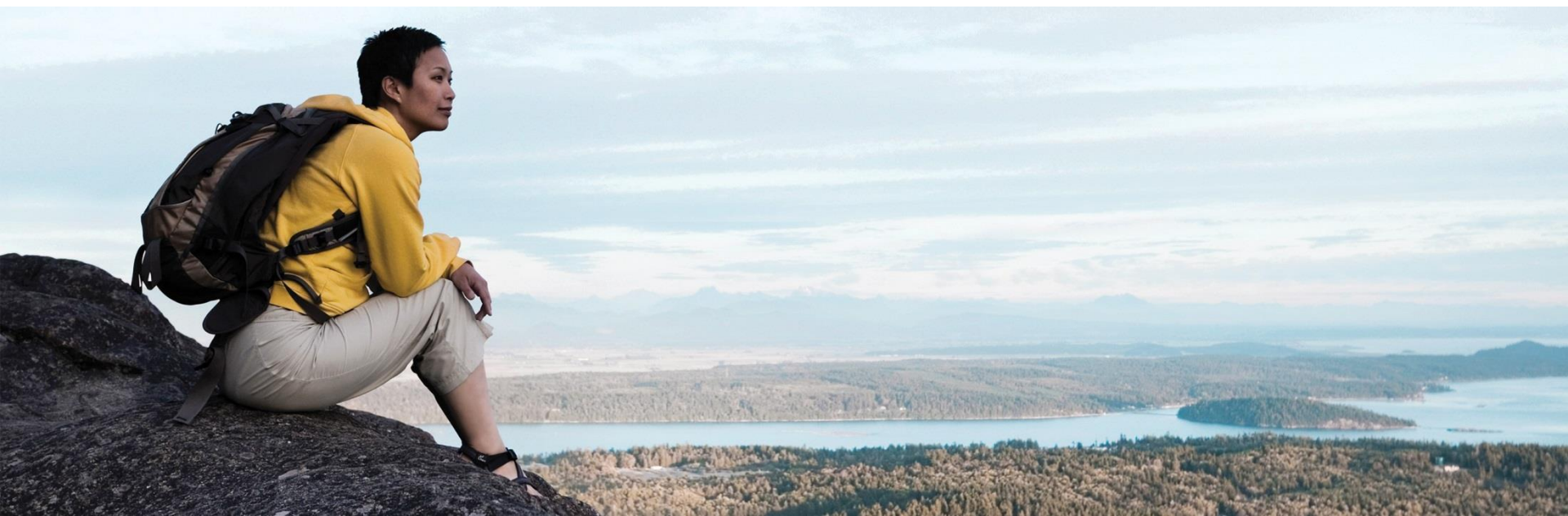


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Divorce: Planning for a New Beginning

Our Agenda

- The Challenges You May Face After Divorce
- Planning for Your New Beginning
- How Morgan Stanley Can Help

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SECTION 1

**The Challenges You May Face
After Divorce**

Divorce: A Time of Questioning



How do I re-shape my savings plans for my children's college expenses and my retirement?

Will I have enough income to live on now and in the future?

Will I be able to stay in my house or will I need to sell it?

I was covered on my spouse's insurance plan, now what do I do?

Who gets what? How will we divide our property and assets?

Do I have adequate credit established in my own name?

Should I sell some assets to provide immediate cash flow?

The Financial Consequences of Divorce Can Be Devastating

30%

After divorce, most individuals will need a **30% increase in income** to maintain their standard of living ⁽¹⁾

20%

One in five women fall into **poverty** as a result of divorce ⁽¹⁾

80%

Men earning less than 80% of the joint income will experience a **10 – 40% lower standard of living due** to loss of income and alimony payments ⁽¹⁾

1. YourDivorceQuestions.org. How will divorce affect me financially? Available at <http://yourdivorcequestions.org/how-will-divorce-affect-me-financially/>. Accessed February 17, 2021.

Divorce Ground Rules: Who Gets What?

MARITAL PROPERTY

Property that you and your spouse acquired during your marriage, such as:

- Real estate
- Investments
- Bank accounts
- Personal property, such as art, cars and boats
- Private businesses

INDIVIDUAL PROPERTY

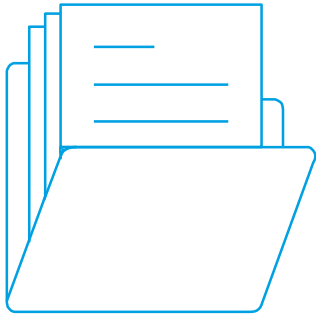
Property that was kept separate and not woven into the fabric of the marriage and / or:

- Given solely to you
- Inherited by you
- Acquired before your marriage
- Acquired using property that was given solely to you, inherited by you or already owned before your marriage
- Excluded by a prenuptial or postnuptial agreement

- Specifics can vary from state to state and may depend on the facts of the case
- Appreciation of nonmarital property during your marriage may be considered marital property in some jurisdictions
- The Community Property approach that is used in several states divides property equally between spouses, regardless of how it came to the marriage

Preparing Yourself for Divorce Proceedings

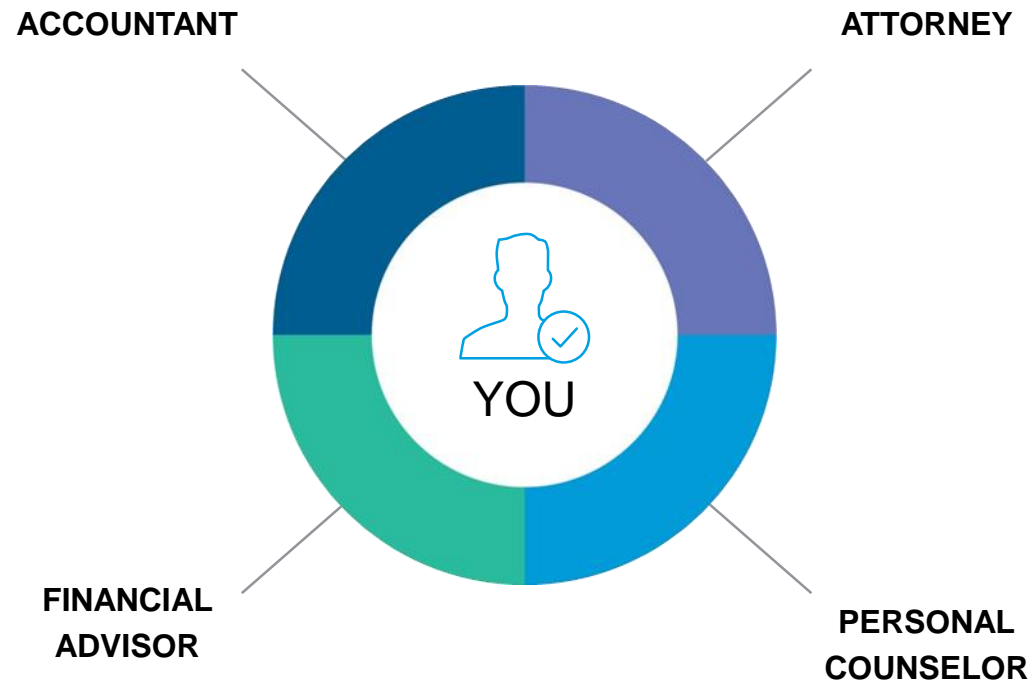
DO I HAVE?



- Birth records, marriage certificates, premarital agreements
- Compensation records
- Trust agreements
- Tax returns (for the last three years)
- Records of lawsuits
- Savings and checking account statements
- Employee retirement plan records for you and your spouse
- Brokerage account statements
- Credit card records
- Records of gifts from third parties and spouse
- Business and personal loan records
- Insurance policies
- Real estate / mortgage / lease / documents
- Health insurance coverage
- Living will / power of attorney / health care proxy / organ donor cards

Assembling an Advisory Team

An experienced team of advisors can help you make informed decisions and provide critical support.



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SECTION 2

Planning for Your New Beginning

Your Credit and Basic Finances: Things to Consider

DO I KNOW



- How much money we earned over the past five years?
- How much it costs every year to maintain our lifestyle?
- Whether I have credit cards in my own name?
- How much debt we have?
- Who the owner of each account is?
- How much money we have in all our financial accounts?
- How assets in various accounts are allocated among stocks, bonds and cash?

Your Credit and Basic Finances: Plan of Action

Your Credit and Basic Finances

1

Open an interim account

Establish an account for interim family expenses during the period between separation and divorce.

2

Check your credit report

Get a free report from annualcreditreport.com

3

Protect your credit

Explain your situation and, if appropriate, ask to put a stop on any future charges by your spouse.

4

Establish your own credit

Consult with your attorney and Financial Advisor about opening credit card, checking and / or savings accounts in your own name.

Have your direct deposit paycheck go into your own checking account.

Your Health and Retirement: Things to Consider

DO I KNOW



- Whether I'm still covered by my spouse's health care plan, if divorced?
- Whether I qualify for COBRA coverage?
- How much future health care insurance will cost?
- Whether I have a beneficiary interest in my spouse's 401(k) or other retirement plan?
- Whether my spouse has a beneficiary interest in my 401(k) or other retirement plan?

Your Health and Retirement: Plan of Action

HEALTH CARE

- Research the coverage of your current plan, especially if you are part of your spouse's plan
- Investigate the cost and coverage of future health insurance options, including COBRA

RETIREMENT PLANS

- A Qualified Domestic Relations Order, or QDRO, will specify the terms under which a spouse or former spouse can receive a beneficiary interest in a qualified retirement plan, such as a 401(k) or pension
- To avoid mandatory withholding or potential penalties, transfers must be made directly from one qualified (tax-exempt) account to another

Your Estate: Things to Consider

DO I KNOW



- What happens to any trusts we've established?
- What happens if my spouse passes away or becomes disabled and is no longer able to provide alimony and / or child support?
- Who is the designated beneficiary and contingent beneficiary of any life insurance policies, retirement plans or annuities?
- Whether my children's inheritance will be affected if my spouse remarries?

Your Estate: Plan of Action

1

Review Trusts

Certain trusts can protect your children's inheritance if your former spouse should remarry.

2

Consider Dividing Charitable Trusts

If you have done any irrevocable charitable planning, you may be able to divide your charitable trust or family foundation between you and your former spouse.

3

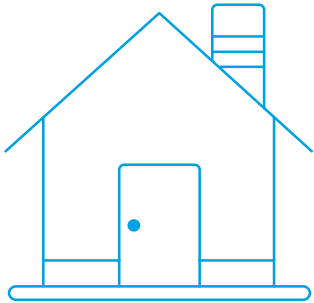
Discuss Your Current Beneficiary Designations With Your Attorney After Your Divorce

If your former spouse is your life insurance beneficiary, it may make sense to change your beneficiary (including to your retirement plans, IRAs, etc.) , perhaps to your parents, siblings or your children (if there is a named custodian for your minor children). You should be able to name the custodian for any minor child in a beneficiary designation for either life insurance or for an IRA.

If your former spouse is going to pay child support and / or alimony, the payer usually maintains life insurance on his or her life with the spouse or children as the beneficiaries to secure the support payments in the event of death.

Your House: Things to Consider

DO I STAY OR DO I MOVE?



- Can I afford to stay in my house now?
- How difficult is the emotional environment in my home?
- Will selling my interest in the house result in a taxable financial gain?
- Down the road, will I be able to maintain the home once the marriage is dissolved – mortgage, taxes, utilities, maintenance, general upkeep?
- Do I want to or need to maintain a sense of continuity for my children?

Your House: Can You Afford to Stay in It?

SOURCES OF INCOME

- Wages
- Consulting fees
- Alimony
- Child support
- Other

EXPENSES

- Mortgage
- Property tax
- Utilities
- Child-related expenses
- Car
- Loans

Your House: Buying or Renting?

If you decide to move, you should consider whether buying is right for you.

BENEFITS OF OWNING

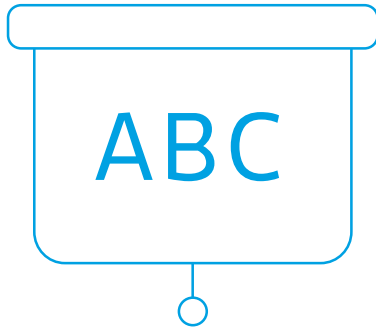
- Potential financial advantages
 - Potential appreciation
 - Potential equity
 - Potential tax deductions
- Freedom to make improvements

BENEFITS OF RENTING

- Usually not responsible for repairs
- Increased flexibility / transferability
- Landlord bears the risk of decline in property value

Your Children: Things to Consider

WHAT YOU SHOULD KNOW ABOUT



Child Support

- Laws vary by state, but a judge typically determines the financial resources that must be made available to the custodial parent
- Some states base payment on the parents' combined income and number of dependent children

Education Expenses

- Both parents' contributions to education expenses (including higher education) and extracurricular activities, will need to be addressed in the divorce agreement, if the children are old enough

Health Insurance

- Children are typically covered until they reach age 26
- If one parent has access to health insurance at a reasonable cost, most states will permit or require the children to be on that plan
- If health insurance becomes an expense, it should be factored into the child support award
- Determine how unreimbursed medical expenses will be covered

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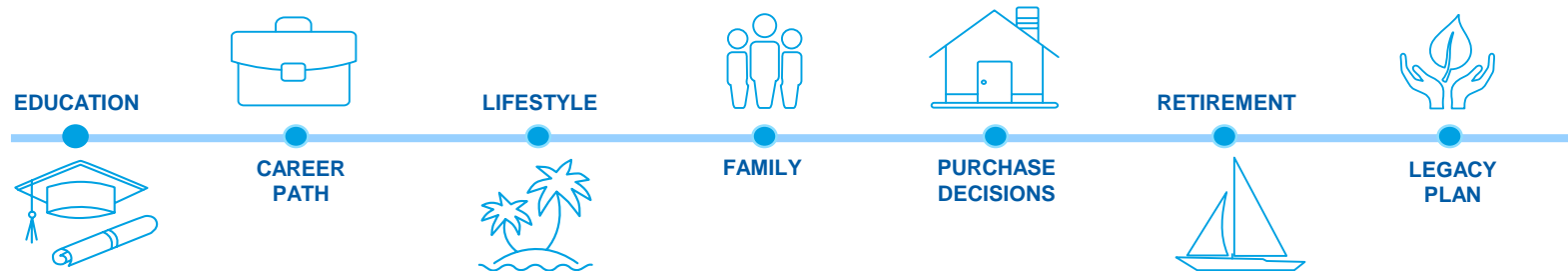


SECTION 3

How Morgan Stanley Can Help

Planning a New Beginning Starts with Getting to Know You

At Morgan Stanley, we specialize in helping individuals like you weather the challenges of divorce, regardless of how complex your specific situation may be and help you define new goals within your current circumstances.



WE WORK WITH YOU TO UNDERSTAND YOUR GOALS:

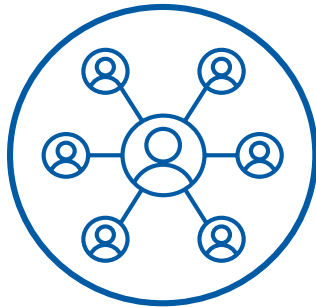
- **Lifestyle:** Determine how much you need to maintain your desired lifestyle
- **Revise Investment Strategy:** Determine whether current investments are suitable, given their new economic circumstances
- **Implement New Investment Strategy:** Develop a budget, rebuild wealth and access liquidity
- **Adjust Insurance Plans:** Identify and prepare for unexpected expenses
- **Modify Estate and Legacy Plans:** Protect children through appropriate insurance vehicles and estate planning

Our **top priority** is to thoroughly understand your specific financial needs and then align the appropriate resources and tools to **empower you to help meet them.**

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Goals Planning System | GPS

Our integrated platform ties goals to implementation, leveraging the intellectual capital and sophisticated institutional capabilities of Morgan Stanley



DISCOVER

Start with a conversation to uncover your goals and understand your entire financial picture.



ADVISE

Work with you to assess various scenarios and advise you on the appropriate strategies designed to meet those goals.



IMPLEMENT

Look across multiple accounts / products to identify the combination to help meet spending needs and invest tax-efficiently.



TRACK PROGRESS

Periodic review of your financial situation with the ability to make adjustments according to your needs, life events and changing market conditions. ⁽¹⁾

1. This functionality is currently limited and will expand with future phases of the tool.

We Offer Comprehensive Solutions

We help individuals manage their financial life, no matter the complexity of the specific situation

WEALTH PLANNING



- Goals-Based Wealth Management
- Retirement Strategies

INVESTMENT ADVICE



- Thought Leadership
- Asset Allocation
- Portfolio Construction
- Investment Manager Selection

INVESTMENT SOLUTIONS



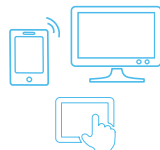
- Advisory
- Brokerage
- Traditional Products
- Alternatives
- Annuities
- Investing with Impact

LENDING and CASH MANAGEMENT



- Home Loan Solutions
- Securities Based Loans
- Mobile Check Deposit / Bill Pay
- Morgan Stanley Cards (debit, credit, charge)
- Unlimited ATM access

DIGITAL OFFERINGS



- Morgan Stanley Online
- Morgan Stanley Mobile App
- eDelivery
- Bill Pay
- Transfers
- Mobile Check Deposit Authorizations
- Send Money with Zelle®

TRUST, ESTATE and LEGACY PLANNING ⁽¹⁾



- Wealth Transfer Strategies
- Wills, Trust, Estate and Legacy Planning
- Trust and Estate Professionals

INSURANCE SERVICES



- Permanent Life
- Term Life
- Long-Term Care
- Disability

PHILANTHROPY SERVICES ⁽¹⁾



- Charitable Lead Trusts
- Charitable Remainder Trusts
- Family Foundations
- Donor-Advised Funds

1. Although they may be admitted attorneys, planning directors and other wealth planning center personnel holding legal degrees are acting purely in a non-representative capacity. Neither they nor Morgan Stanley provide tax or legal advice to clients or to Morgan Stanley.



Our Presentation in Review: Creating a Plan to Reflect Your New Circumstances

Divorce may have a significant effect on an entire family both emotionally and financially. Proper planning and sound, informed decisions may help lower this overwhelming financial impact. Your plan will help you:

Discover what you don't know about your credit and basic finances.

Take precautions to maintain credit and preserve assets.

Understand what you have to do to

- Plan for retirement
- Provide health care protection for yourself and your children
- Revise your estate plan

Plan for a new beginning by:

- Developing a budget
- Identifying expenses
- Reviewing your investments
- Planning for your children's financial future

Your Next Steps to Your New Beginning

[Refer to Our Fact Card](#)

[Call for a Consultation](#)

Disclosures

Life insurance, disability income insurance, and long-term care insurance are offered through Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

Not all products and services discussed are available at Morgan Stanley.

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. 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.

Not all products and services discussed are available at Morgan Stanley.

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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.

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.

The Morgan Stanley Goals-Planning System (GPS) includes a brokerage investment analysis tool. While securities held in a client's investment advisory accounts may be included in the analysis, the reports generated from the GPS Platform are not financial plans nor constitute a financial planning service. A financial plan generally seeks to address a wide spectrum of a client's long-term financial needs, and can include recommendations about insurance, savings, tax and estate planning, and investments, taking into consideration the client's goals and situation, including anticipated retirement or other employee benefits. Morgan Stanley Smith Barney LLC ("Morgan Stanley") will only prepare a financial plan at a client's specific request using Morgan Stanley approved financial planning software.

Investing in financial instruments carries with it the possibility of losses and that a focus on above-market returns exposes the portfolio to above-average risk. Performance aspirations are not guaranteed and are subject to market conditions. High volatility investments may be subject to sudden and large falls in value, and there could be a large loss on realization, which could be equal to the amount invested.

IMPORTANT: The projections or other information provided by the Morgan Stanley Goals Planning System regarding the likelihood of various investment outcomes (including any assumed rates of return and income) are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Morgan Stanley does not represent or guarantee that the projected returns or income will or can be attained.

Disclosures

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. 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.

The Morgan Stanley Credit Card from American Express or the Platinum Card® from American Express exclusively for Morgan Stanley is only available for clients who have an eligible Morgan Stanley Smith Barney LLC brokerage account (“eligible account”). Eligible account means a Morgan Stanley Smith Barney LLC brokerage account held in your name or in the name of a revocable trust where the client is the grantor and trustee, except for the following accounts: Charitable Remainder Annuity Trusts, Charitable Remainder Unitrusts, irrevocable trusts and employer-sponsored accounts. Eligibility is subject to change. American Express may cancel your Card Account and participation in this program, if you do not maintain an eligible account. Morgan Stanley Smith Barney LLC may compensate your Financial Advisor and other employees in connection with your acquisition or use of either the Morgan Stanley Credit Card from American Express or the Platinum Card® from American Express exclusively for Morgan Stanley.

The Morgan Stanley Cards from American Express are issued by American Express Bank, FSB, not Morgan Stanley Smith Barney LLC. Services and rewards for the Cards are provided by Morgan Stanley Smith Barney LLC, American Express or other third parties. Restrictions and other limitations apply. See the terms and conditions for the Cards for details. Clients are urged to review fully before applying.

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