

Morgan Stanley

PRIVATE WEALTH MANAGEMENT

Managing a Concentrated Equity Position

Client/Presenter/Project Name

DATE DAY, YEAR

Our Commitment to Clients

We will help you address the challenges and complexities of wealth so you can accomplish the things in life that are essential to you. We couple more than three decades of experience – serving many of the world’s most prominent entrepreneurs, executives, families and foundations – with the strength, stature and resources of the Morgan Stanley franchise.

CLIENT PRINCIPLES

- **CONFIDENCE** in a business that has navigated over 85 years of market cycles
- **ACCESS** to Morgan Stanley’s brightest people and vast resources
- An exclusive **FOCUS** on wealthy individuals, families and foundations
- Objective solutions for your family’s needs that reflect our **INSIGHT** into the complex financial world
- The highest levels of **PERSONAL SERVICE** by serving a limited number of clients per Private Wealth Advisor

Morgan Stanley Global Footprint ⁽¹⁾

NORTH AMERICA

Canada | United States | Mexico

EUROPE

Bulgaria | France | Germany | Greece | Hungary | Ireland | Italy | Luxembourg | Netherlands | Poland | Portugal | Spain | Sweden | Switzerland | United Kingdom | Ukraine

ASIA & MIDDLE EAST

China | India | Indonesia | Israel | Japan | Malaysia | Philippines | Qatar | Republic of Russian Federation | Saudi Arabia | Singapore | South Korea | Taiwan | Thailand | Turkey | United Arab Emirates

CENTRAL AND SOUTH AMERICA

Argentina | Brazil | Peru | Colombia | Chile | Costa Rica

AFRICA

South Africa

AUSTRALIA

Australia

MORGAN STANLEY PRIVATE WEALTH MANAGEMENT HIGHLIGHTS

- Approximately 300 teams in more than 56 regional offices in key metropolitan areas ⁽¹⁾
- Over \$614 billion in assets under management ⁽²⁾
- Focus on families with \$20 million plus in investable assets
- Generally co-located in the same offices as other Morgan Stanley businesses such as Investment Banking, Equities, Fixed Income and Investment Management, which provides strong linkage to other parts of the firm
- PWM-dedicated offices include: Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, Menlo Park, Miami, New York, Philadelphia, San Francisco and Washington, D.C.

1. Internal Source as of December 2022.

2. As of December 31st, 2022. Morgan Stanley Fourth Quarter 2022 Earnings Report

Morgan Stanley Franchise

As a result of the integrated leadership between PWM and the other divisions of the firm, PWM is uniquely positioned to deliver the firm's expansive resources to each client.

MORGAN STANLEY FRANCHISE POWER ⁽¹⁾

- \$4 trillion in assets under management ⁽²⁾
- Total Deposits \$356 billion ⁽²⁾
- Morgan Stanley reported full year net revenues of over \$53 billion in 2022 ⁽¹⁾
- Morgan Stanley's Global employees approximately 82,000 ⁽²⁾
- The Tier 1 risk-based Capital Ratio under U.S. Basel III was approximately 16% ⁽²⁾
- \$312 billion in liquidity reserve ⁽²⁾

MORGAN STANLEY WEALTH MANAGEMENT

Clients

- Individuals
- UHNW individuals, families and their Foundations (Morgan Stanley Private Wealth Management)
- Small- to medium-size businesses and institutions
- Non-profit organizations

Products and Services

- Brokerage and investment advisory services
- Financial and wealth planning services
- Annuity and insurance products
- Access to Cash Management and Lending products and services
- Retirement plan services
- Investing with Impact

INSTITUTIONAL SECURITIES GROUP

Investment Banking

- Capital raising
- Corporate lending
- Financial advisory services, including advice on mergers and acquisitions, restructurings, real estate and project finance

Sales, Trading, Financing and Market-Making Activities

- Equity securities and related products
- Fixed income securities and related products, including foreign exchange and commodities
- Prime brokerage

Research

- All research

INVESTMENT MANAGEMENT

Investment Capabilities

Delivering solutions and innovative products that help our clients meet their investment needs:

- Solutions & Multi-Asset
- Real Assets
- Active Fundamental Equity
- Private Credit & Equity
- Global Fixed Income
- Global Liquidity
- Impact Investing

Business Strengths

- **True Global Footprint, Local Market Expertise:** 20 Countries, 39 Offices, 1,894 Employees, 599 Investment Professionals
- **Investment Expertise Across Public and Private Markets**
- **Time-Tested Investment Managers:** 80% of long-term assets are managed by senior investors with an average of 15+ years at Morgan Stanley

1. Morgan Stanley Quarterly Earnings Report, Q4 2022

2. Morgan Stanley Quarterly Earnings Report, Q4 2022

3. Morgan Stanley Wealth Management is a business of Morgan Stanley Smith Barney LLC. The other affiliated businesses of Morgan Stanley described herein as "Institutional Securities Group" and "Investment Management" are also broker-dealers in the United States registered as Morgan Stanley & Co. LLC, and Morgan Stanley Distribution, Inc., respectively.

4. DATA AND INFORMATION SUBJECT TO CHANGE.

Comprehensive Capabilities



1. Services provided by third parties and affiliates, not Morgan Stanley Wealth Management.

A Customized Approach to Helping You Pursue Your Objectives

Your family's dynamics, goals and risk tolerance are unique. We will tailor our process to help meet your personal and financial needs and objectives.

1

DISCOVERY PROCESS

Because every client situation is unique, we begin by learning about you, your family and your financial complexities. This helps us to formulate specific strategies, and of equal importance, it helps us customize the entire relationship to your preferences and requirements.

4

INTEGRATION OF TACTICAL ASSET ALLOCATION

These short-term adjustments in asset allocations⁽¹⁾ seek to take advantage of opportunities created by temporary market distortions. Before adjustments are made, we can analyze the impact of any taxes or trading costs on potential returns.

2

FORMULATION OF TAX, TRUST AND ESTATE STRATEGY WITH APPROPRIATE ADVISORS

After reviewing your balance sheet and estate plan, we seek to identify planning techniques that may be tailored to your personal and financial objectives. We will work with your tax and legal advisors in this effort.

5

IMPLEMENTATION OF A CUSTOMIZED WEALTH STRATEGY

After comprehensive due diligence and extensive analysis of expected results across a range of market scenarios, investment strategies from our global investment platform can be leveraged to create your portfolio. This process seeks to create an efficient balance of risk and return for your specific strategy.

3

CREATION OF A CUSTOMIZED STRATEGIC ASSET ALLOCATION

We help you develop a customized asset allocation mix that reflects risk, opportunities and taxation across multiple entities, while integrating your investing and estate plans. This asset allocation¹ becomes the basis for a long-term strategy formalized in your investment policy.

6

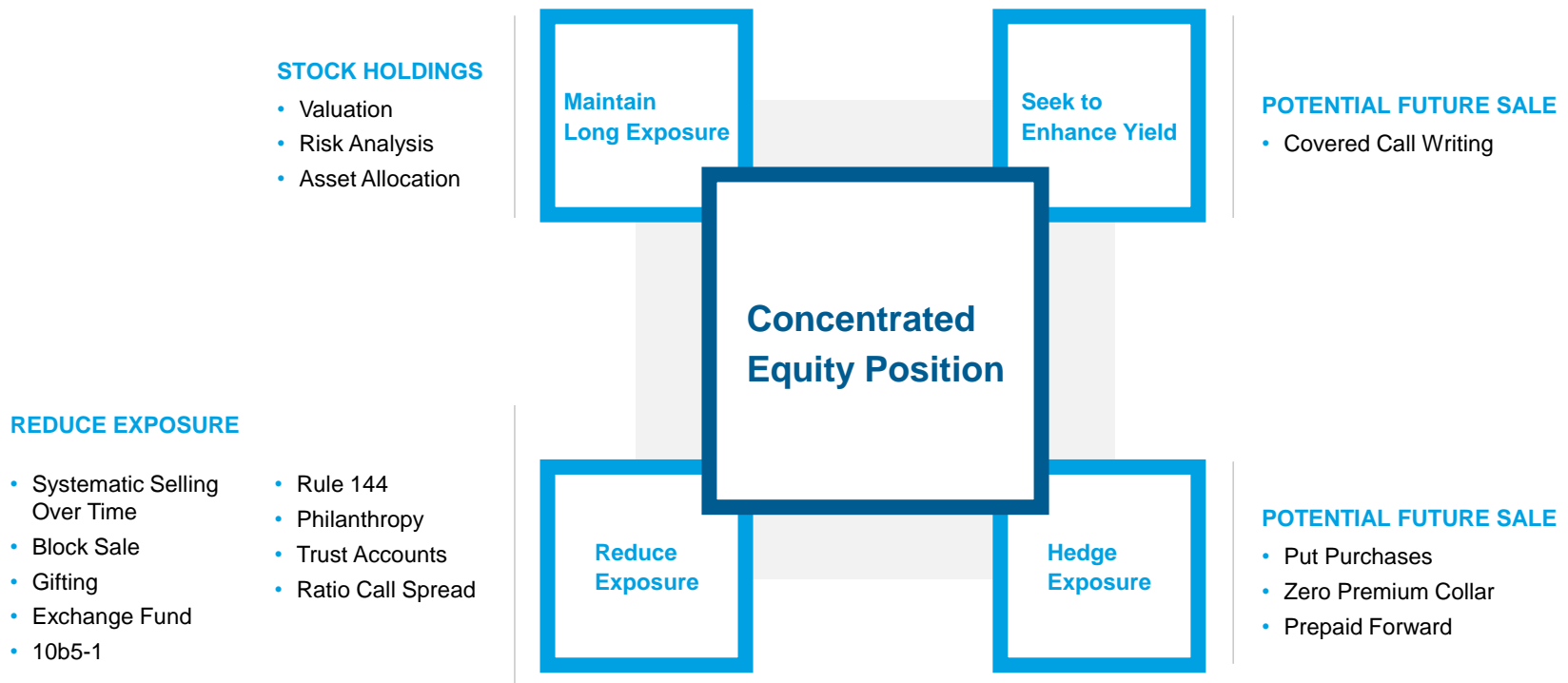
ONGOING ASSESSMENT OF A FAMILY'S PORTFOLIO AND WEALTH MANAGEMENT NEEDS

Coordinating with you and your other advisors, we can conduct ongoing reviews and comprehensive reporting to help ensure that your strategy adapts to changing markets and family needs.

1. Asset allocation does not ensure a profit or protect against a loss in declining financial markets.

Managing a Concentrated Equity Position

- You may own founder's stock, restricted and control stock and stock options, which results in the need to develop customized strategies based on your need to enhance yield, or maintain, reduce or hedge exposure
- Your Private Wealth Advisor can help you seek diversification and liquidity through tailored solutions that are consistent with your insider status and take into account any potential impact on investor relations



Hypothetical Liquidity Event Timeline

Managing wealth through a liquidity event presents many complications – Morgan Stanley can provide a team of knowledgeable and experienced professionals that will work with your tax and legal advisors to help navigate the process



Morgan Stanley Smith Barney LLC ("Morgan Stanley") and its Financial Advisors and Private Wealth Advisors do not provide any tax/legal advice. Consult your own tax/legal advisor before making any tax- or legal-related investment decisions.

Phase One: Pre-IPO Tax and Estate Planning Overview

Our Tax, Trust and Estate professionals can assist you and your tax and legal advisors with tax-efficient, pre-IPO property planning, asset protection and asset control strategies

- Important tax savings strategies can be implemented prior to the IPO
- While certain contingencies arising after (or in connection with) the transaction may produce some tax advantages, the savings may not be the same as if acted upon prior to the IPO

STOCK OPTION

NON-QUALIFIED STOCK OPTIONS

- Exercise of an NQSO prior to IPO may reduce an executive's tax liability because, while the difference between the exercise price and the stock's value at exercise is subject to ordinary income tax, any future appreciation after exercise is treated as a capital gain and, if sold more than one year after exercise, is subject to the preferential long-term capital gains tax rate

INCENTIVE STOCK OPTIONS

- Exercise of an ISO prior to IPO (assuming stock increases) may minimize or even eliminate AMT exposure and starts executive's holding period with respect to shares obtained upon exercise (for long term capital gains tax-rate)

ESTATE PLANNING

NECESSITIES

- A number of tools allow the individual to control his or her person and property when he or she is unable to do so because of death or incapacity e.g., will, revocable living trust, power of attorney, living will and health care proxy

GIFTING

- Annual exclusion of \$16K per year, per donee tax-free (\$32k for married couples electing to split gifts)
- Applicable credit/exempt amounts of \$12,060,000 free of estate and gift tax in 2022

LEVERAGED GIFTING

- Grantor Retained Annuity Trust (GRAT)
- Sale to Defective Grantor Trust
- Charitable Lead Annuity Trust (CLAT)

ASSET PROTECTION

PROPERTY

- Individuals can give property away, change title of property or change the character of property to possibly protect assets from creditors
- Trusts established in states with asset protection laws may also help individuals protect assets.

CONTROL

CONTROLLING ASSETS

- An individual interested in keeping control of gifted property away from the donee can gift in trust
- Individuals interested in keeping control of assets themselves can transfer assets to an FLP or LLC and make gifts of non-controlling interests outright or in trusts

Phase Two: Restricted Stock – Liquidity Overview

Your Private Wealth Advisor can help implement strategies designed to enhance liquidity with legal and regulatory guidelines.

- Transacting in restricted stock can be a complicated legal and regulatory process
- Restricted stock positions can present significant liquidity challenges

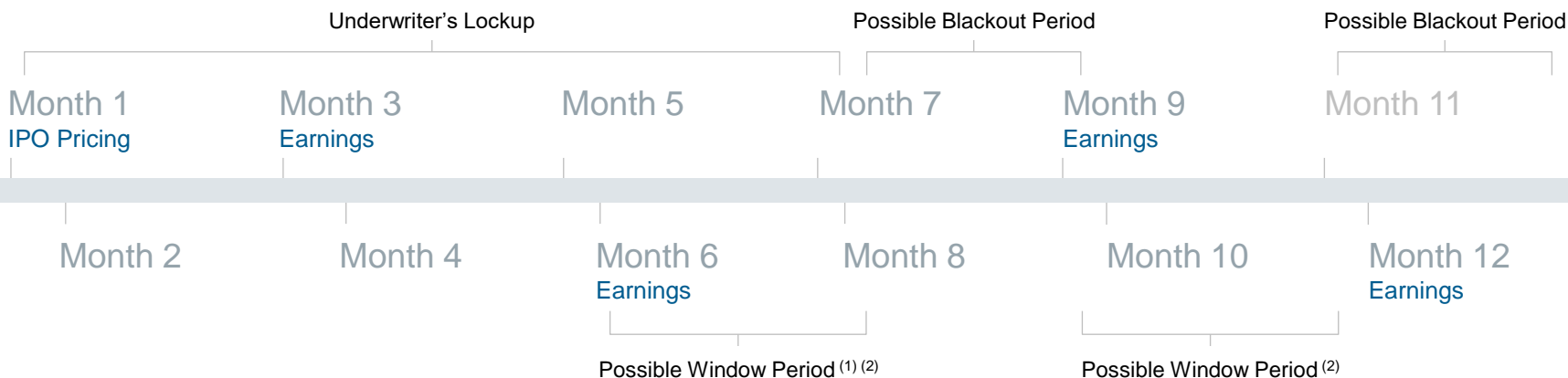
KEY RISK MANAGEMENT ISSUES

- Underwriter’s Lockup Analysis
- Affiliate Status / Rule 144
- Corporate Selling Windows
- Market Perception



POTENTIAL STRATEGIES

- Implement Quarterly Selling Program
- Adopt Preset Diversification Program/ 10b5-1 plan
- Disclose “Rationale” of Sales to Marketplace
- Utilize Hedging and Liquidity Strategies



**For Illustrative Purposes Only –
Dates Do Not Reflect Actual Events**

1. Where the Underwriter’s lockup overlaps with a window period, the investor must generally wait until the lockup period expires prior to selling or pledging the stock.

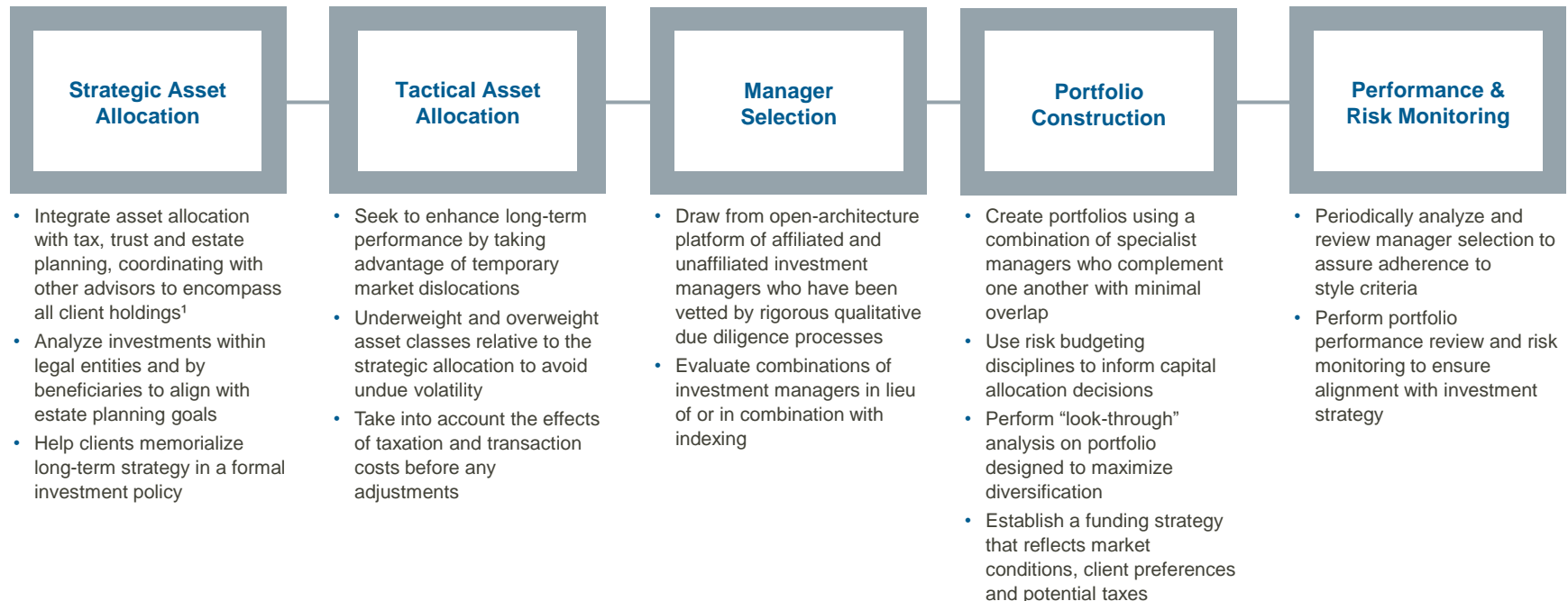
2. Where applicable, subject to Rule 144.

Morgan Stanley Smith Barney LLC (“Morgan Stanley”) and its Financial Advisors and Private Wealth Advisors do not provide any tax/legal advice. Consult your own tax/legal advisor before making any tax- or legal-related investment decisions.

Phase Three: Diversification Portfolio Construction and Monitoring

Your Private Wealth Advisor can leverage a breadth of resources within Morgan Stanley to assist you with the various stages of your portfolio.

- The portfolio construction process begins with a comprehensive understanding of your specific needs, goals and risk tolerance
- Investment programs are designed to help meet your objectives, drawing upon a broad array of internal and external portfolio managers, strategies and asset classes
- Ongoing portfolio analysis includes performance reviews and risk monitoring to help ensure your investment objectives are being satisfied and remain aligned with the investment strategy



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 1. Trust and Estate Planning activities are conducted between the customer and their legal counsel

Phase Four: Post-IPO Tax & Estate Planning Overview

Post-IPO, our Tax, Trust and Estate professionals work with you and your tax/legal advisors to help preserve and maximize the impact of your wealth.

- Effective post-IPO planning could enable you to minimize the potential impact of taxes on your estate
- Philanthropic giving strategies can help you and your family have an enduring impact on communities and future generations

NON-QUALIFIED STOCK OPTIONS

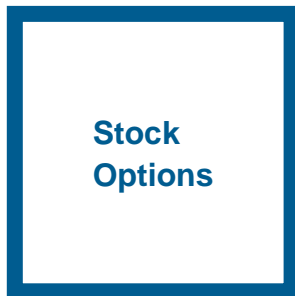
- Analysis of intrinsic value and time value of deep in the money options

INCENTIVE STOCK OPTIONS

- AMT exposure on deep in the money options
- AMT credit may be attributed to payment of ATM in previous years

ONGOING CONSIDERATIONS

- Annual Exclusion
- Applicable Credit Amount
- Leveraged Gifting
- Control
- Asset Protection



CHARITABLE REMAINDER TRUST (CRT)

- Asset placed in trust with the donor retaining an income interest and making a gift of remainder to charity
- Income interest taxable to donor, but CRT may be tax-exempt, allowing assets in trust to grow tax-deferred

PUBLIC CHARITY

- Entity supported and controlled by public or government which advances charitable purpose
- Higher income tax deductibility limitations
- Not subject to private foundation rules

PRIVATE NON-OPERATING FOUNDATION

- Privately funded entity which advances charitable purpose through grant-making
- Can be controlled by donor/family
- Lower income tax deductibility limitations
- Subject to private foundation rules

OPERATING FOUNDATION

- Private foundation which actively advances its charitable purposes
- Can be controlled by donor/family
- Higher income tax deductibility limitations
- Subject to some of the private foundation rules

SUPPORTING ORGANIZATION

- Entity established to support a public charity
- Control may be shared between public charity and donor/family
- Higher income tax deductibility limitations
- Subject to some of the private foundation rules

Important Disclosures

This material has been prepared for informational purposes only. It does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. Morgan Stanley Smith Barney LLC recommends that investors independently evaluate particular investments and strategies and encourages investors to seek the advice of a Morgan Stanley Smith Barney LLC Private Wealth Advisor. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives.

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.

The returns on a portfolio consisting primarily of sustainable investments may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment

considerations. Because sustainability 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.

"Morgan Stanley Wealth Management" is the trade name of Morgan Stanley Smith Barney LLC. The other affiliated businesses of Morgan Stanley described herein as "Institutional Securities Group", and "Investment Management" are also broker-dealers in the United States registered as Morgan Stanley & Co. LLC, and Morgan Stanley Distribution, Inc., respectively. Morgan Stanley Smith Barney LLC and its affiliates in this presentation are collectively referred to as "Morgan Stanley".

Investments and services offered through Morgan Stanley Private Wealth Management, a division of Morgan Stanley Smith Barney LLC, member SIPC. Morgan Stanley Smith Barney LLC offers a wide array of brokerage and advisory services to its clients, each of which may create a different type of relationship with different obligations to you. Please consult with your Private Wealth Advisor to understand these differences.

Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank. Where appropriate, Morgan Stanley Smith Barney has entered into arrangements with banks and other unaffiliated third parties to assist in offering certain banking related products and services.

Asset allocation, diversification, and rebalancing do not guarantee a profit or protect against loss in a declining financial market. There may be a potential tax implication with a rebalancing strategy. Investors should consult with their tax advisor before implementing such a strategy.

Important Disclosures (cont'd)

Options may not be appropriate for particular investors.

Before engaging in the purchase or sale of options, potential clients should understand the nature and extent of their rights and obligations and be aware of the risks involved, including, without limitation, the risks pertaining to the business and financial condition of the issuer of the underlying security/instrument. Options investing, like other forms of investing involves tax considerations, transaction costs and margin requirements that can significantly affect clients' potential profits and losses. The transaction costs of options investing consist primarily of commissions (which are imposed in opening, closing, exercise and assignment transactions) but may also include margin and interest costs in particular transactions. Transaction costs are especially significant in options strategies calling for multiple purchases and sales of options, such as multiple leg strategies, including spreads straddles and collars. If a client is considering engaging in options trading as part of their investment plan, the Financial Advisor or Private Wealth Advisor is required to provide the client with the "Characteristics and Risks of Standardized Options" (ODD) booklet published by the Options Clearing Corporation. Clients should not enter into options transactions until they have read and understood the ODD Disclosure Document, as options are not **appropriate** for everyone, and discussed transaction costs with the Financial Advisor or Private Wealth Advisor. A copy of the ODD is also available online at <http://www.theocc.com/about/publications/publication-listing.jsp>

Supporting documentation for any claims (including any claims made on behalf of options programs or the options expertise of sales persons) comparisons recommendations, statistics, or other technical data, will be supplied upon request.

Insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

Individuals executing a 10b5-1 trading plan should keep the following important considerations in mind:

- (1) 10b5-1 trading plans should be approved by the compliance officer or general counsel of the individual's company.
- (2) A 10b5-1 trading plan may require a cessation of trading activities at times when lockups may be necessary to the company (i.e., secondary offerings, pooling transactions, etc.).
- (3) A 10b5-1 trading plan does not generally alter the restricted stock or other regulatory requirements (e.g., Rule 144, Section 16, Section 13) that may otherwise be applicable.
- (4) 10b5-1 trading plans that are modified or terminated early may weaken or cause the individual to lose the benefit of the affirmative defense.
- (5) Public disclosure of 10b5-1 trading plans (e.g., via press release) may be appropriate for some individuals.
- (6) Most companies will permit 10b5-1 trading plans to be entered into only during open window periods.
- (7) Morgan Stanley, as well as some issuers, imposes a mandatory waiting period between the execution of a 10b5-1 trading plan and the first sale pursuant to the plan.

Exchange funds are private placement vehicles that enable holders of concentrated single-stock positions to exchange those stocks for a diversified portfolio. Investors may benefit from greater diversification by exchanging a concentrated stock position for fund shares without triggering a taxable event.

These funds are available only to qualified investors and may only be offered by Financial Advisors who are qualified to sell alternative investments. Before investing, investors should consider the following: 1) Dividends are pooled 2) Investors may forfeit their stock voting rights 3) Investment may be illiquid for several years 4) Investments may be leveraged or contain derivatives 5) Significant early redemption fees may apply 6) Changes to the U.S. tax code, which could be retroactive (potentially disallowing the favorable tax treatment of exchange funds) 7) investment risk and potential loss of principal

Important Disclosures (Cont)

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.**

Morgan Stanley Smith Barney LLC and its affiliates and their employees (including Financial Advisors and Private Wealth Advisors) are not in the business of providing tax or legal advice. These materials and any statements contained herein should not be construed as tax or legal advice. Individuals should consult their personal tax advisor or attorney for matters involving taxation and tax planning and their attorney for matters involving personal trusts and estate planning.

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.

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.

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

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