

Morgan Stanley

Private Markets

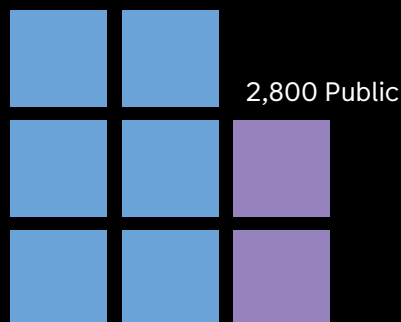
Morgan Stanley Private Markets brings
together a broad range of private markets solutions
to comprehensively service client needs



Many of today's companies stay private longer, with more of their valuation created while they are private¹

Companies With >\$100M Annual Revenue

18,000 Private



2,800 Public

There are more large private companies.

While only 2,800 public companies have annual revenues greater than \$100 million, there are 18,000 private businesses of that size.²

Company Age at IPO

4.5 years

12 years

Companies are staying private longer.

In 1999, companies stayed private for an average of 4.5 years before going public. Today, companies are staying private for an average of 12 years, with the value they create going to private shareholders.²

Publicly Listed Companies



The size of the public pie is shrinking.

At the beginning of 2000, there were **~7,800 publicly listed companies**. By the end of 2020, there were just **~4,800**.³

Source of Value Creation

Amazon and Netflix



5 years

AirBnB and Spotify



12 years

More value creation while companies are private.

Amazon and Netflix both went public more than 20 years ago, stayed private for five years or less, and created nearly all of their value in the public markets. AirBnB and Spotify, which went public more recently, stayed private for 12 years before going public and generated most of their value while private.⁴

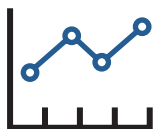
¹ SEC, "Going Dark: The Growth of Private Markets and the Impact on Investors and the Economy."

² Hamilton Lane. "Private Market Investing: Staying Private Longer Leads to Opportunity," April 14, 2022.

³ World Bank as of 12/31/2022.

⁴ Company filings and valuation as of 2/28/23, via macro trends.net.

The private markets landscape has evolved into a fast-growing source of potential investment opportunities



Features of Co-Investing vs. Fund Investing

TARGETED INVESTMENTS

Co-investing provides clients with exposure to a single company, mitigating blind pool risk¹

TIME HORIZON

Private Equity funds typically commit client capital for 8–12 years² while co-investments are often funded upfront, resulting in a shorter J-curve¹

FEE EFFICIENCY

Many co-investments are executed on a no-fee, no-carry basis¹



Features of Secondary Transactions

ACCESS LIQUIDITY

Diversification of concentrated illiquid positions

DIRECT INVESTMENT

Direct ownership of shares rather than via a special purpose vehicle or fund

PRICE SELECTION

Buyers and sellers agree on valuation and price vs. third-party determination

¹ The growing opportunity in private equity secondaries and co-investments

² https://www.ey.com/en_lu/private-equity/co-investment--a-promising-alternative-to-traditional-private-eq



Morgan Stanley Private Markets has the resources, reputation and relationships that can help connect private market participants to vast opportunities

Our long history of having the right specialty in the right places. For over 88 years, Morgan Stanley has served as a global leader in financial services, building deep relationships that create a consistent source of new private investment opportunities.

We have a broad reach with multiple sources for deal flow.

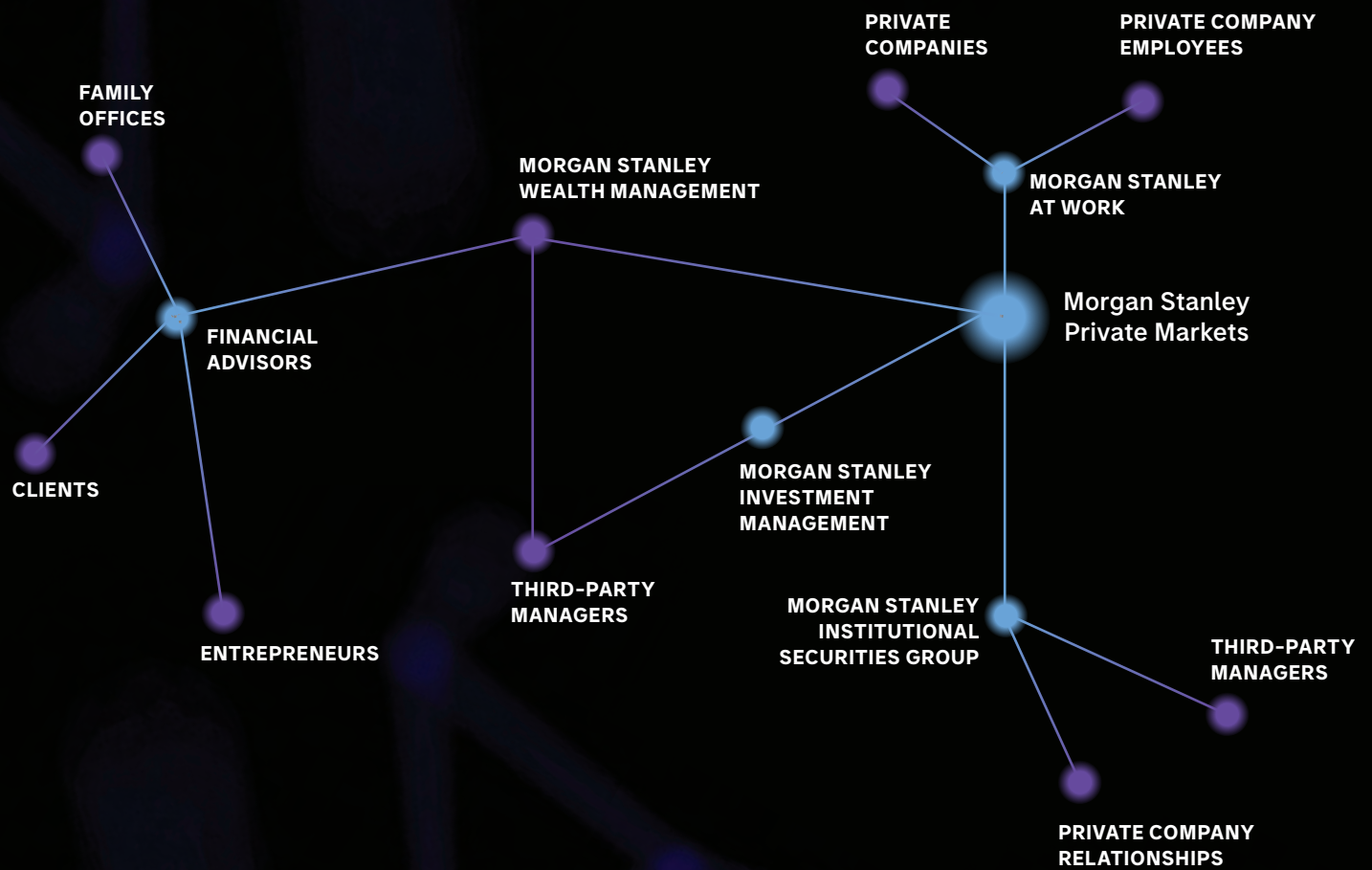
Morgan Stanley draws on a breadth of connections from our asset manager relationships, our investment bank, an industry-leading alternatives platform, Morgan Stanley at Work and our Financial Advisor network to deliver private investment opportunities across asset classes, industries, investment stages, and geographies.

Our goal is to bring together private market participants and give them access to solutions. The scale of our business and ongoing commitment to addressing the scope of the financial lives of our clients are priorities at Morgan Stanley.

For illustrative purposes only. The sole purpose of this material is to inform, and it in no way is intended to be an offer or solicitation to purchase or sell any security, investment or service, or to attract any funds or deposits. The availability of particular services and products is not guaranteed and may vary at any time. Due to various risks and uncertainties, actual events, results or the performance of a particular service or product may be materially impacted.

A BROAD NETWORK WITH MULTIPLE POTENTIAL PATHWAYS FOR OPPORTUNITY

Morgan Stanley Private Markets offers access to exclusive deal flow originated by Morgan Stanley's broad global network.



Comprehensive capabilities differentiate us from the competition

ACCESS

our network of private investors and liquidity solutions

Proprietary Deal Flow From a Leading Alternatives Platform and Investment Bank

- Alternative investments platform with **\$182Bn+** in client assets under management
- **70%** of new alternative offerings are first look or exclusive funds¹
- Since 2020, Morgan Stanley has raised **\$65Bn+** of private capital for leading companies across sectors²

Private Market Equity and Liquidity Solutions From Multiple Sources

- Individual and investor-led liquidity solutions
- Issuer controlled secondary sales³
- Tender offers for private issuers

EVALUATE

private market investments and opportunities

Co-Investment/Direct Due Diligence Material

- Access to offering materials and data directly from the sponsor and/or issuer to guide decisions
- Clients receive seamless access to issuer offering materials
- Access to Morgan Stanley proprietary research and thought leadership

Investor-Led Diligence

- We provide market data and recent supply and demand activity

TRANSACT

in curated deals and self-directed opportunities

Co-Investments/Directs

- We aim to offer opportunities across a variety of geographies, industries, and sources⁴
- Lower ticket minimums than many competitors

Secondary Market Transactions

- We serve Wealth Management clients looking to buy or sell individual private company securities of U.S.-based private companies³
- Platform leverages partners, industry relationships and network of clients, family offices, institutions, venture funds, and secondary market participants to explore buy-side demand and sell-side supply
- We provide end-to-end support to clients throughout the transaction life cycle
- Lower transaction fees than many competitors

¹ Morgan Stanley Wealth Management Alternative Investments Group. As of December 31, 2023. For Qualified Purchaser offerings available broadly on the platform (ex: democratized funds).

² Morgan Stanley, Jan. 1, 2024.

³ Clients must be willing to sell at least \$500,000 in private company shares in a single transaction.

⁴ Based on information Morgan Stanley believes is reliable but is subject to change.

A holistic ecosystem that offers several programs through which clients can engage



Co-Investment/Directs: MSPM - Select

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

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



Co-Investments/Directs: MSPM - Access

Client investment opportunities that are referred by MSWM but have not been evaluated. Clients are responsible for doing their own diligence and are directly notified about new deals.

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



Private Markets Secondary Transaction Desk

Concierge service designed to support existing Wealth Management clients who wish to buy or sell shares of private companies in the secondary market.

- Private companies with \$1B+ valuation
- Advisors cannot provide advice or recommendations



Private Share and Option Liquidity Referral Program

Provides clients with referrals to third-party liquidity providers for needs that fall outside the scope of the Firm's offerings.

- Existing domestic clients may be referred to third-party liquidity providers for liquidity options using private shares or options as collateral
- Advisors cannot provide advice*

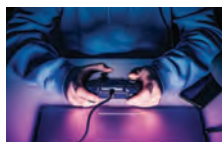


*Morgan Stanley can only introduce certain clients to certain third-party liquidity providers. If you are eligible for an introduction, you will need to attest to a disclosure that you will assess and evaluate the liquidity providers' products and services and appropriateness on your own or in consultation with independent (non-Morgan Stanley) financial, legal, accounting, tax and other professional advisors, and without reliance on any tax advice, investment advice or any other opinion, advice or recommendation made by Morgan Stanley Wealth Management.

Example Co-Investment/Direct Deals



ALTERRA MOUNTAIN COMPANY is the second largest mountain resort platform globally, featuring leading destinations and a premier season pass product, the Ikon Pass. Alterra's platform has access to 54 resort destinations and mountains, including the world's largest heli-ski operation.



EPIC GAMES is a leading entertainment and content creation platform. Epic was founded in 1991 and built early success with its game development engine, Unreal, which has become the most widely used toolset for building console and PC games.



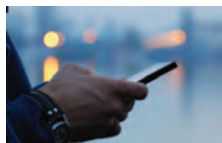
SPACEX is an aerospace company that designs, manufactures, and launches advanced rockets and spacecrafts, including a satellite internet constellation called Starlink. SpaceX is an important space supplier to NASA and the Department of Defense.



MEDSPA PARTNERS is a leading North American provider of aesthetic dermatology services, with an injectables led approach that has scaled to more than 40 clinics across the U.S. and Canada. They partner with industry renowned physicians focused on customers seeking a high-end experience.



UNIVAR SOLUTIONS is a chemical distributor that serves as an intermediary between small customers and bulk producers to sell products that are cost-ineffective for larger producers to take on. They have the second largest chemical distribution network globally and the largest in North America.



CANVA provides a software platform that simplifies the steps and tools required to build, share, manage, print, publish, and track engagement with digital content. Canva generates revenue from users purchasing add-on capabilities, licensing digital content, and subscriptions.



BLUEVOYANT is a cloud-native cybersecurity platform, based on proprietary data, analytics, and automation that delivers positive security outcomes to drive business results both internally (e.g., enhancing network security) and externally (e.g., removing sites designed to steal customer data).



INSTABASE is an application platform that employs machine learning to understand unstructured data and develop enterprise applications that can solve complex business problems, rapidly build end-to-end workflows with pre-packaged solutions blocks, and innovate at an organizational scale.

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Example Secondary Transactions



INSTITUTIONAL-CALIBER EXECUTION IN THE SECONDARY MARKET

A family office engaged the Morgan Stanley Private Markets Secondary Transaction Desk to sell a single private position, seeking a quality buyer and a hassle-free transaction. Pleased with the professionalism, successful execution and competitive fees, they moved forward with selling their remaining positions through the platform. Over the following 12 months, the Desk executed seven additional transactions, generating significant liquidity for the family office, including a 43% price premium on one of the trades through Morgan Stanley's ability to leverage multiple platforms.



THE POWER OF OUR NETWORK TO CONNECT CLIENTS

A C-suite employee of private company needed a source of liquidity for his shares sooner than was available through planned corporate liquidity events. Through our private ecosystem, the Morgan Stanley Private Markets Transaction Desk connected him to another client who wished to purchase the shares. The trade was expedited with lower fees, and the buyer has since continued to make additional purchases in the secondary market.



NAVIGATING HIGH-PROFILE SOLUTIONS FOR CLIENTS AND ISSUERS

A board member of a high-profile issuer sought liquidity for his initial investment in a way that was sensitive to his position. By collaborating across different internal groups, our team identified an existing asset manager invested in the company who was interested in purchasing the position and being the sponsor investor in a co-invest opportunity. This enabled other wealth clients to invest in this sought-after private company alongside the sponsor through the MSPM – Access program.

Reach Out to a Morgan Stanley Financial Advisor to Learn More if ...

You are interested in diversifying your portfolio with private market allocations and want to explore opportunities across various industries, geographies, and growth stages

You have private investments that you want to buy or sell

You want to learn more about Morgan Stanley's private investment offerings and capabilities

Learn more about Morgan Stanley's alternative investments offerings, access insights and watch our video:

<http://www.morganstanley.com/alts>



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