Morgan Stanley
AT WORK

CLIENT SMITH

FA Team
Address
Telephone

Equity Award Analysis

Prepared as of June 30, 2021
for CLIENT SMITH

This is a Sample Equity Award Analysis. It is intended to demonstrate the type of analysis your Financial Advisor can create for you. This should not be construed as recommendation for any specific product or service. An actual Equity Award Analysis would be based on your individual financial considerations, needs, objectives and risk tolerance. It would therefore differ from this sample Employee Equity Award Analysis.

Available through your employer's relationship with Morgan Stanley at Work.

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The Wealth Management Process

Overview

Leveraging our vast resources—including intellectual capital, experience, and dedicated personal service—we can work with you to create a personalized wealth strategy. Then, over time, we can adapt it to changing circumstances, helping you to pursue your goals. Compensation in the form of employee stock and options tends to carry a significant level of risk and a high degree of complexity. Your Morgan Stanley Financial Advisor, as a courtesy, has provided this Equity Award Analysis Report (this "Report") to help you in evaluating your employee stock and option holdings as well as potential sell and exercise strategies. This Report should be considered a working document that can assist you with this objective. This analysis is based on the information you and/or your employer provided to us, the assumptions you have asked us to make and the other assumptions indicated herein as of the date of the Report. It is not an official account statement and is not intended to be a substitute for an account statement. You should carefully review the information found in this Report and discuss any necessary changes with your Morgan Stanley Financial Advisor.

This Report provides a summary of your employee stock and options holdings, critical inputs and assumptions, and estimated gross and net proceeds from sell and exercise of available shares and vested options. Assumed tax consequences are based on U.S. tax rates provided by you. The summary reflects U.S. tax law assumptions only. If you have worked in more than one jurisdiction (including multiple U.S. states) your tax consequences may differ from those shown in the report. You should consult your tax advisor regarding tax advice with respect to the U.S. (and if applicable, non-U.S.) tax consequences of the hypothetical scenarios shown in this report.

The appropriateness of a particular investment strategy or account type will depend on an investor's individual circumstances and objectives. This Report contains hypothetical examples for consideration and is not intended to be a personalized security, account type or investment strategy recommendation.

Important: The estimation or other information generated in this analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. See important disclosure information at the end of this document for explanation of assumptions, limitations and methodologies.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors do not provide tax or legal advice, are not "fiduciaries" (under the Investment Advisers Act of 1940, 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/dol. Individuals are encouraged to consult their tax or legal advisors to understand the tax and legal consequences of any actions, including implementation of any investments strategies, included in this Report.

Discover

Start a conversation to gain a thorough understanding of your needs, lifestyle and family—and your goals for the future.

Advise

We work with you to develop portfolio allocation strategies to help you achieve and protect the outcomes you envision.

Implement

Look across multiple accounts and products to help you implement solutions that are an appropriate fit for your strategy.

Track Progress

We help you periodically track your progress and make adjustments as necessary.

Considerations for Employee Stock and Options

Compensation in the form of employee stock and options tends to carry a significant level of risk and a high degree of complexity. They present a number of difficult questions to clients who own employee stock and options: *what is the value of my holdings? What actions can I take today regarding my employee stock and options holdings? When should I exercise my options? How do I assess the risk of my options? If I were to liquidate my options, which options should I liquidate first?* The financial implications associated with these decisions are driven by tradeoffs between risk and return. Factors such as company stock outlook and taxes may affect the outcome of various strategies.

Depending on your outlook on the company, risk tolerance and access to capital, there are various actions that you may take today regarding your vested in-the-money employee stock options. Ranging from the most conservative to the most aggressive: exercise all of your options and sell the stock, exercise some of your options and sell the stock, cashless exercise, do nothing (thus hold on to your options), and exercise your options early and hold the stock.

To better assess the risk and reward tradeoff associated with your decision, it is critical to understand the tax implications of various option exercising strategies. There are two types of employee stock options: incentive stock options (ISOs) and non-qualified stock options (NQSOs). If certain criteria are met, an ISO may qualify for preferential tax treatment. While there are potential tax advantages associated with exercising options early and holding the stock, the risk of doing so includes, among other considerations, taking on additional market loss if the stock price depreciates and potentially paying more in taxes. Such risk and reward tradeoffs also differ depending on the type of employee stock options that you own.

Finally, for the same market value, a portfolio of options may have greater economic exposure and volatility than a portfolio of stock. Clients who wish to reduce concentration risk may do so by exercising options and selling the acquired stock. Generally, the rule of liquidation order suggests that options with lower strike prices and less time to maturity are liquidated first. Clients with concentrated employee stock and options holdings should consult with their tax and legal advisers to understand the tax and financial implications when assessing the appropriateness of various strategies.

Types of Employee Stock and Options

Holding Type	Definition	Considerations
Vested Options	Rights to purchase shares of the company stock at a pre-established price (strike price)	Employee stock options become worthless if they are not exercised prior to the expiration date. When exercising a stock option, the option holder pays the strike price as well as the exercise taxes (if any) and receives a share of the company stock. Nonqualified Stock Options (NQSOs) and Incentive Stock Options (ISOs) have different tax treatments.
Unvested Options	Future rights to purchase shares of the company stock at a pre-established price (strike price)	Unvested options cannot be exercised today. No taxes are incurred at the time of vesting
Unvested Restricted Stock Units (RSU) / Unvested Restricted Stock Award (RSA)	Stock-based compensation / grants of company stock subject to vesting requirements	Vesting requirements may be met by the passage of time or by performance. Upon the conversion of a RSU or the vesting of a RSA, the employee receives the company stock and pays ordinary income taxes on the value of the RSU/RSA at the time of vesting/conversion.
Stock Holdings	Shares of company stock owned other than stock acquired through an Employee Stock Purchase Plan (ESPP) or exercise of an ISO.	If shares are held for more than a year, they will be taxed at a long-term capital gain tax rate, which is lower than the short-term capital gain tax rate.

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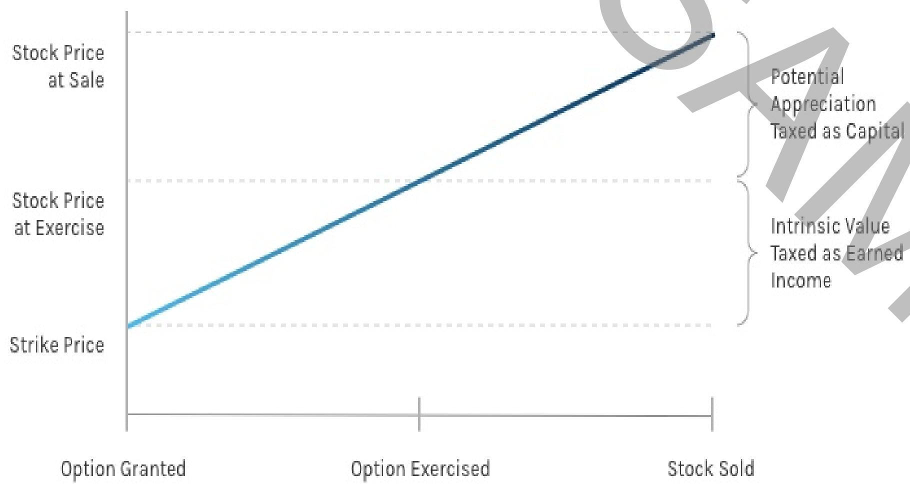
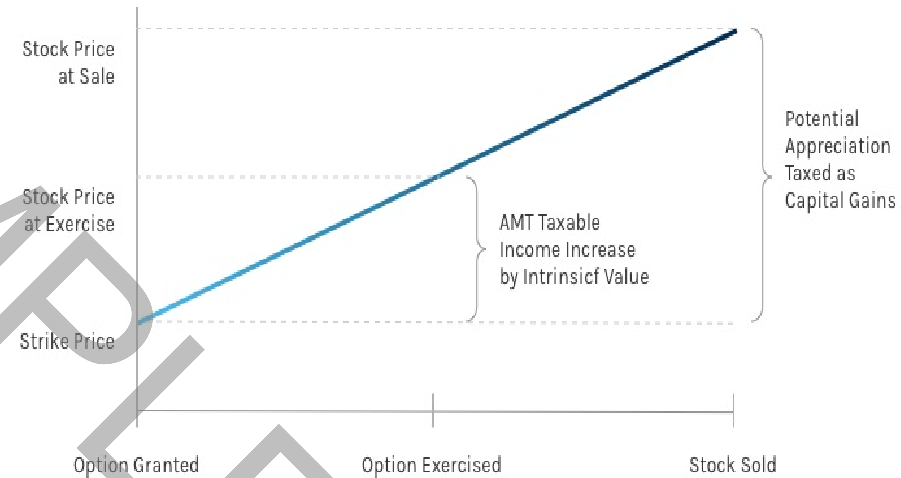
See IMPORTANT DISCLOSURES at the end of this Report for an explanation of assumptions, limitations and methodologies.

How Are Employee Stock Options Taxed?

Hypothetical Illustration: exercise VESTED In-the-Money options and hold stock

The following shows a scenario in which the stock price continues to increase over time.





Once a NQSO is exercised, the intrinsic value of the option (market price minus strike price) is treated as compensation and taxed as ordinary income. The cost basis of the acquired stock is the market price at the time of exercise. If the stock price increases over time, such appreciation is taxed as capital gains.

An ISO may qualify for more favorable tax treatment than a NQSO, provided certain criteria are met. Once an ISO is exercised, one's AMT taxable income increases by the intrinsic value (market price minus strike price) and may result in additional tax due if AMT exceeds the regular tax. If the stock price at the sale is greater than the strike price, the entire appreciation is taxable as long-term capital gains, provided certain holding periods are met.

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Hypothetical Illustration of Current Holdings

Company Information

• Imported data[1]

Ticker Symbol	Company	Stock Price ($)	Dividend Yield (%)	Volatility (%)	As Of Date
• MS	MORGAN STANLEY QA TEST STK	87.70	1.59 [3]	29.23 [4]	6/28/2021
-	XYZ Private Company, LLC	50.00 [2]	-	-	6/14/2021

Holdings Summary

Holding Type	Company	Quantity	Holdings Market Value [5] ($)	Available Net Value [6] ($)
Vested Options	• MORGAN STANLEY QA TEST STK	5,000.00	438,500.00	188,519.63
	XYZ Private Company, LLC	1,800.00	90,000.00	21,781.00
Total Vested Options		**6,800.00**	**528,500.00**	**210,300.63**
Unvested Options	• MORGAN STANLEY QA TEST STK	5,000.00	438,500.00	-
	XYZ Private Company, LLC	200.00	10,000.00	-
Total Unvested Options		**5,200.00**	**448,500.00**	**-**
Unvested RSU/RSA	• MORGAN STANLEY QA TEST STK	2,500.00	219,250.00	-
	XYZ Private Company, LLC	800.00	40,000.00	-
Total Unvested RSU/RSA		**3,300.00**	**259,250.00**	**-**
Stock Holdings	XYZ Private Company, LLC	1,000.00	50,000.00	47,620.00
TOTAL			**1,286,250.00**	**257,920.63**

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2) For private companies, you provided the stock price on which the calculations included in this analysis are based. The valuation of private companies can be uncertain and may not be realizable at any given point in time. Please exercise caution when relying on private company valuations when assessing this analysis given the inherent uncertainty of the valuation as well as the illiquid nature of the investment. Valuations of options on private company shares are more uncertain than the share valuation given their inherent leverage.
3) The dividend yield estimates provided above represent the latest available annualized historical dividend yield of the securities. Companies paying dividends can reduce or cut payouts at any time.
4) The volatility estimates provided above represent the hypothetical, projected volatility over a 12 month period beginning from the date stated under As Of Date. Volatility is an estimate of expected fluctuation in a security's return. Commonly, the higher the volatility is, the riskier the security.
5) Holdings Market Value is total market value of underlying stock of vested and unvested options, unvested RSU/RSA, and stock holdings based on the stock price stated in the Company Information section above.
6) Available Net Value is estimated after-tax proceeds if all vested options and stock holdings are exercised and liquidated at the stock price stated in the Company Information section above. If there are ISOs, the above table assumes a disqualified disposition of stock acquired on the exercise of ISOs, and thus reflects ISO exercise tax rate as ordinary income tax rate. For stock holdings, it is assumed that gains will be long or short term capital gains based on the acquisition date you provided. Note that special rules may apply to stock obtained by exercise of an ISO or through an Employee Stock Purchase Plan (ESPP). Please see the Tax Rates Applied (Provided by Client) section of this Report for the tax rate assumptions used for this analysis.
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Hypothetical Illustration of Current Holdings – Detailed View

Vested Options

• Imported data[1]

Company	Type	Grant Name	Grant Date	Stock Price ($)	Strike Price ($)	Expiration	Quantity	Intrinsic Value ($)	Tax Rate [2] (%)	Potential Taxes ($)	Net Value ($)
• MORGAN STANLEY QA TEST STK	NQSO	BETA020267	7/29/2018	87.70	10.00	7/29/2028	2,500.00	194,250.00	52.65	(102,272.63)	91,977.38
• MORGAN STANLEY QA TEST STK	ISO	BETA020266	7/29/2018	87.70	10.00	7/29/2028	2,500.00	194,250.00	28.00	(54,390.00)	139,860.00
XYZ Private Company, LLC	NQSO	NQSO Private 1	1/1/2016	50.00	20.00	12/31/2025	1,000.00	30,000.00	52.65	(15,795.00)	14,205.00
XYZ Private Company, LLC	NQSO	NQSO Private 2	1/1/2017	50.00	30.00	12/31/2026	800.00	16,000.00	52.65	(8,424.00)	7,576.00
TOTAL							**6,800.00**	**434,500.00**		**(180,881.63)**	**253,618.38**

Unvested Options

Company	Type	Grant Name	Grant Date	Stock Price ($)	Strike Price ($)	Expiration	Quantity	Intrinsic Value ($)	Tax Rate [2] (%)	Potential Taxes ($)	Net Value [3] ($)
• MORGAN STANLEY QA TEST STK	NQSO	BETA020267	7/29/2018	87.70	10.00	7/29/2028	2,500.00	194,250.00	52.65	(102,272.63)	91,977.38
• MORGAN STANLEY QA TEST STK	ISO	BETA020266	7/29/2018	87.70	10.00	7/29/2028	2,500.00	194,250.00	28.00	(54,390.00)	139,860.00

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2) Nonqualified Stock Options (NQSOs) and Incentive Stock Options (ISOs) have different tax treatments. Upon the exercise of a NQSO, the option's intrinsic value is treated as compensation and therefore is taxed as earned ordinary income. An ISO may qualify for potentially more favorable tax treatment than a NQSO if certain requirements are met. Upon the exercise of an ISO, the individual's AMT taxable income increases by the amount of the option's intrinsic value. If there are ISOs, the table above assumes that AMT will be due upon exercise. It is also assumed that the future disposition of stock received upon exercise of an ISO will be a qualified disposition with no additional gain or loss
3) Unvested options cannot be exercised nor liquidated. Net Value is the estimated after-tax fair value of the holdings in a hypothetical exercise and liquidation event for your information only.
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Hypothetical Illustration of Current Holdings – Detailed View

Unvested Options

• Imported data[1]

Company	Type	Grant Name	Grant Date	Stock Price ($)	Strike Price ($)	Expiration	Quantity	Intrinsic Value ($)	Tax Rate [2] (%)	Potential Taxes ($)	Net Value [3] ($)
XYZ Private Company, LLC	NQSO	NQSO Private 2	1/1/2017	50.00	30.00	12/31/2026	200.00	4,000.00	52.65	(2,106.00)	1,894.00
TOTAL							**5,200.00**	**392,500.00**		**(158,768.63)**	**233,731.38**

Unvested RSU/RSA

Company	Type	Grant Name	Grant Date	Stock Price ($)	83(b) Election	Cost Basis ($)	Quantity	Gross Value ($)	Taxable Income ($)	Tax Rate [4] (%)	Potential Taxes ($)	Net Value [5] ($)
• MORGAN STANLEY QA TEST STK	RSA	BETA020268	7/29/2018	87.70	-	-	2,500.00	219,250.00	219,250.00	52.65	(115,435.13)	103,814.88
XYZ Private Company, LLC	RSU	RSU Private	1/1/2020	50.00	-	-	800.00	40,000.00	40,000.00	52.65	(21,060.00)	18,940.00
TOTAL							**3,300.00**	**259,250.00**	**259,250.00**		**(136,495.13)**	**122,754.88**

Stock Holdings

Company	Acquisition Date	Stock Price ($)	Cost Basis ($)	Quantity	Gross Value ($)	Gain/Loss ($)	Tax Rate [6] (%)	Potential Taxes ($)	Net Value [7] ($)
XYZ Private Company, LLC	1/1/2019	50.00	40.00	1,000.00	50,000.00	10,000.00	23.80	(2,380.00)	47,620.00
TOTAL				**1,000.00**	**50,000.00**	**10,000.00**		**(2,380.00)**	**47,620.00**

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2) Nonqualified Stock Options (NQSOs) and Incentive Stock Options (ISOs) have different tax treatments. Upon the exercise of a NQSO, the option's intrinsic value is treated as compensation and therefore is taxed as earned ordinary income. An ISO may qualify for potentially more favorable tax treatment than a NQSO if certain requirements are met. Upon the exercise of an ISO, the individual's AMT taxable income increases by the amount of the option's intrinsic value. If there are ISOs, the table above assumes that AMT will be due upon exercise. It is also assumed that the future disposition of stock received upon exercise of an ISO will be a qualified disposition with no additional gain or loss
3) Unvested options cannot be exercised nor liquidated. Net Value is the estimated after-tax fair value of the holdings in a hypothetical exercise and liquidation event for your information only.
4) Upon the conversion of a Restricted Stock Unit (RSU) or the vesting of a Restricted Stock Award (RSA), generally the fair market value of the RSU or RSA is taxable as earned income. If you have indicated that an 83(b) election was made for a RSA, we assume you paid income tax for this award when it was granted; therefore, upon hypothetical liquidation, the short-term or long-tax capital tax rate will apply depending on your holding period.
5) Unvested RSU/RSA cannot be liquidated. Net Value is the estimated after-tax fair value of the holdings in a hypothetical liquidation event for your information only.
6) The stock holdings may have embedded capital gains / losses.The capital gains tax rates reflected above are based on the assumption that the stock holdings are liquidated today.The presentation may reflect a negative value of "potential taxes" if the stock holdings have embedded capital losses. Please see the Tax Rates Applied(Provided by Client) section of this Report for the tax rate assumptions used for this analysis.
7) For stock holdings, it is assumed that gains will be long or short term capital gains based on the acquisition date you provided. Note that special rules may apply to stock obtained by exercise of an ISO or through an Employee Stock Purchase Plan (ESPP).
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Hypothetical Illustration of Available Net Value – Detailed View

Vested Options

• Imported data[1]

Company	Type	Grant Name	Stock Price ($)	Strike Price ($)	Grant Date / Expiration Date	Quantity	Gross Value[2] ($)	Exercise Cost ($)	Intrinsic Value ($)	Tax Rate[3] (%)	Potential Taxes ($)	Net Value[4] ($)
• MORGAN STANLEY QA TEST STK	NQSO	BETA020267	87.70	10.00	7/29/2018 / 7/29/2028	2,500.00	219,250.00	(25,000.00)	194,250.00	52.65	(102,272.63)	91,977.38
XYZ Private Company, LLC	NQSO	NQSO Private 1	50.00	20.00	1/1/2016 / 12/31/2025	1,000.00	50,000.00	(20,000.00)	30,000.00	52.65	(15,795.00)	14,205.00
XYZ Private Company, LLC	NQSO	NQSO Private 2	50.00	30.00	1/1/2017 / 12/31/2026	800.00	40,000.00	(24,000.00)	16,000.00	52.65	(8,424.00)	7,576.00
• MORGAN STANLEY QA TEST STK	ISO	BETA020266	87.70	10.00	7/29/2018 / 7/29/2028	2,500.00	219,250.00	(25,000.00)	194,250.00	50.30	(97,707.75)	96,542.25
TOTAL						**6,800.00**	**528,500.00**	**(94,000.00)**	**434,500.00**		**(224,199.38)**	**210,300.63**

You should evaluate your overall exposure to any individual security relative to your entire portfolio. If you are concerned with over concentration in your company stock, you may reduce exposure by liquidating vested in-the-money employee stock options. In-the-money options with different strike prices and expiration dates may have similar economic exposure based on their notional values. When there are multiple options tranches, it is suggested that you first liquidate the options with the lowest strike price or the options with the least amount of time to expiration.

Stock Holdings

Company	Acquisition Date	Stock Price ($)	Cost Basis ($)	Quantity	Gross Value[2] ($)	Gain/Loss ($)	Tax Rate[3] (%)	Potential Taxes ($)	Net Value[5] ($)
XYZ Private Company, LLC	1/1/2019	50.00	40.00	1,000.00	50,000.00	10,000.00	23.80	(2,380.00)	47,620.00
TOTAL				**1,000.00**	**50,000.00**	**10,000.00**		**(2,380.00)**	**47,620.00**

You should evaluate your overall exposure to any individual security relative to your entire portfolio concentrated position in each company stock. If you are concerned with over concentration, you may reduce exposure by liquidating stock holdings. Potential taxes could be considered when prioritizing holdings to liquidate. Generally, unless you have strong convictions on how the company stock may perform in the short term versus the long term, it is recommended to liquidate the stock holdings with the least estimated potential taxes first. Other important considerations when selecting which holding tranches to liquidate first include your view of future stock price movements, liquidity need, risk appetite, concentrated positions, and overall asset allocation, among others.

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1)Imported data refers to your equity plan details which are sourced on 06/28/2021 from systems used by Morgan Stanley in connection with providing employee stock plan administration services to your employer and used for analysis purposes only in this Report. Imported data includes the latest information your employer provides to Morgan Stanley
2) Gross Value is market value of underlying stock based on the stock price stated in the Hypothetical Illustration of Current Holdings section of this Report. It does not reflect the deduction of transaction costs and other fees.
3) Please see the Tax Rates Applied (Provided by Client) section of this Report for the tax rate assumptions used for this analysis.
4) If there are ISOs, the above table assumes a disqualified disposition of stock acquired on the exercise of ISOs, and thus reflects ISO exercise tax rate as ordinary income tax rate.
5) For stock holdings, it is assumed that gains will be long or short term capital gains based on the acquisition date you provided. Note that special rules may apply to stock obtained by exercise of an ISO or through an Employee Stock Purchase Plan (ESPP).
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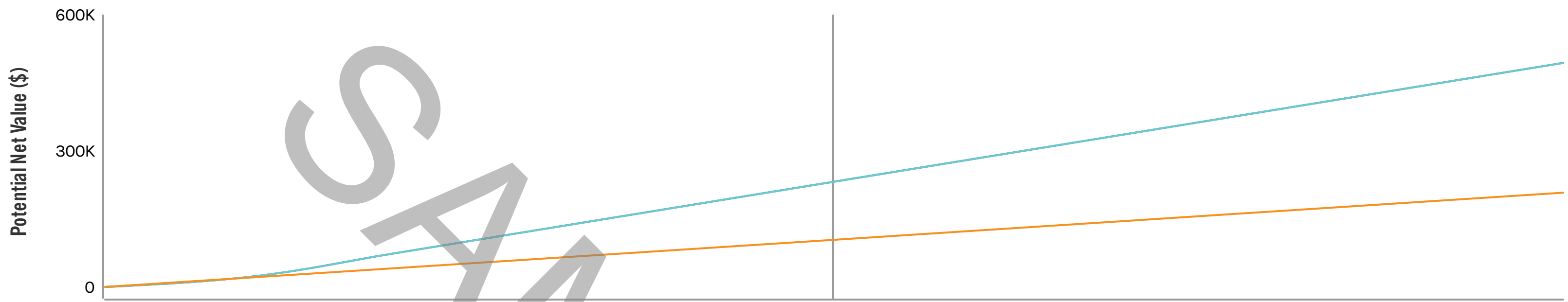
Hypothetical Illustration of Current Holdings at Different Stock Prices

• MORGAN STANLEY QA TEST STK

• Imported data[1]



Price Change Increment	-100%	-80%	-60%	-40%	-20%	0%	20%	40%	60%	80%	100%
Hypothetical Stock Price ($)	**0.00**	**17.54**	**35.08**	**52.62**	**70.16**	**87.70 [2]**	**105.24**	**122.78**	**140.32**	**157.86**	**175.40**

Potential Net Value of Current Holdings at Different Stock Prices[3]

Price Change Increment	-100%	-80%	-60%	-40%	-20%	0%	20%	40%	60%	80%	100%
Hypothetical Stock Price ($)	**0.00**	**17.54**	**35.08**	**52.62**	**70.16**	**87.70 [2]**	**105.24**	**122.78**	**140.32**	**157.86**	**175.40**
Total Potential Net Value ($)[4]	**0.00**	**65,757.93**	**191,190.85**	**316,623.78**	**442,056.70**	**567,489.63**	**692,922.55**	**818,355.48**	**943,788.40**	**1,069,221.33**	**1,194,654.25**
Change in Potential Net Value ($)	**(567,489.63)**	**(501,731.70)**	**(376,298.78)**	**(250,865.85)**	**(125,432.93)**	**0.00**	**125,432.93**	**250,865.85**	**376,298.78**	**501,731.70**	**627,164.63**
Potential Net Value by Holding Type											
Vested Options ($)	0.00	22,497.48	74,832.45	127,167.43	179,502.40	231,837.38	284,172.35	336,507.33	388,842.30	441,177.28	493,512.25
Unvested Options ($)	0.00	22,497.48	74,832.45	127,167.43	179,502.40	231,837.38	284,172.35	336,507.33	388,842.30	441,177.28	493,512.25
Unvested RSU/RSA ($)	0.00	20,762.98	41,525.95	62,288.93	83,051.90	103,814.88	124,577.85	145,340.83	166,103.80	186,866.78	207,629.75

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2) This is the stock price stated in the Company Information section of the Hypothetical Illustration of Current Holdings in this Report.
3) Hypothetical stock prices are estimated based on price change increment and the stock price stated in the Company Information section of the Hypothetical Illustration of Current Holdings in this Report.
4) An ISO may qualify for potentially more favorable tax treatment than a NQSO if certain requirements are met. Upon the exercise of an ISO, the individual's AMT taxable income increases by the amount of the option's intrinsic value. If there are ISOs, the table above assumes that AMT will be due upon exercise. It is also assumed that the future disposition of stock received upon exercise of an ISO will be a qualified disposition with no additional gain or loss.
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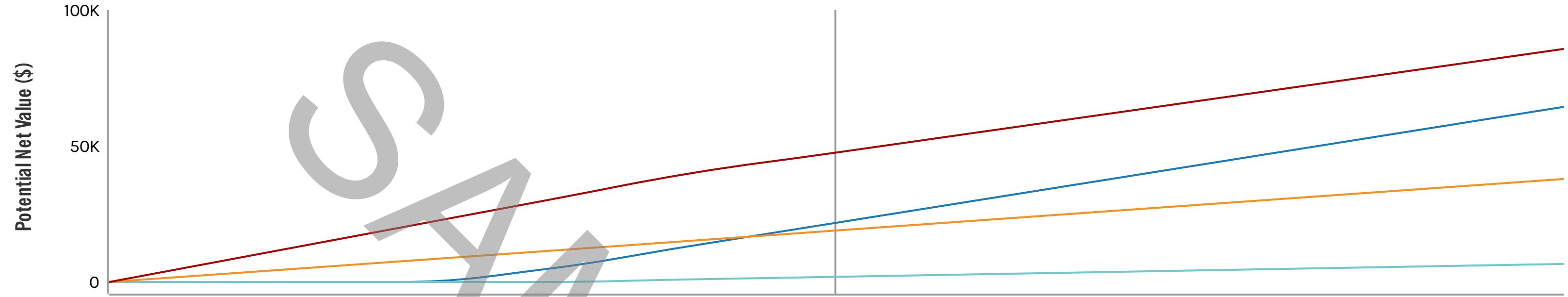
Hypothetical Illustration of Current Holdings at Different Stock Prices

XYZ Private Company, LLC



Price Change Increment	-100%	-80%	-60%	-40%	-20%	0%	20%	40%	60%	80%	100%
Hypothetical Stock Price ($)	**0.00**	**10.00**	**20.00**	**30.00**	**40.00**	**50.00** [1]	**60.00**	**70.00**	**80.00**	**90.00**	**100.00**

Potential Net Value of Current Holdings at Different Stock Prices[2]

Price Change Increment	-100%	-80%	-60%	-40%	-20%	0%	20%	40%	60%	80%	100%
Hypothetical Stock Price ($)	**0.00**	**10.00**	**20.00**	**30.00**	**40.00**	**50.00** [1]	**60.00**	**70.00**	**80.00**	**90.00**	**100.00**
Total Potential Net Value ($)[3]	**0.00**	**13,788.00**	**27,576.00**	**46,099.00**	**69,357.00**	**90,235.00**	**111,113.00**	**131,991.00**	**152,869.00**	**173,747.00**	**194,625.00**
Change in Potential Net Value ($)	**(90,235.00)**	**(76,447.00)**	**(62,659.00)**	**(44,136.00)**	**(20,878.00)**	**0.00**	**20,878.00**	**41,756.00**	**62,634.00**	**83,512.00**	**104,390.00**
Potential Net Value by Holding Type											
Vested Options ($)	0.00	0.00	0.00	4,735.00	13,258.00	21,781.00	30,304.00	38,827.00	47,350.00	55,873.00	64,396.00
Unvested Options ($)	0.00	0.00	0.00	0.00	947.00	1,894.00	2,841.00	3,788.00	4,735.00	5,682.00	6,629.00
Unvested RSU/RSA ($)	0.00	3,788.00	7,576.00	11,364.00	15,152.00	18,940.00	22,728.00	26,516.00	30,304.00	34,092.00	37,880.00
Stock Holdings ($)	0.00	10,000.00	20,000.00	30,000.00	40,000.00	47,620.00	55,240.00	62,860.00	70,480.00	78,100.00	85,720.00

Illustration does not include the effect of transaction costs and other fees which would lower the hypothetical values illustrated.
1) This is the stock price stated in the Company Information section of the Hypothetical Illustration of Current Holdings in this Report.
2) Hypothetical stock prices are estimated based on price change increment and the stock price stated in the Company Information section of the Hypothetical Illustration of Current Holdings in this Report.
3) An ISO may qualify for potentially more favorable tax treatment than a NQSO if certain requirements are met. Upon the exercise of an ISO, the individual's AMT taxable income increases by the amount of the option's intrinsic value. If there are ISOs, the table above assumes that AMT will be due upon exercise. It is also assumed that the future disposition of stock received upon exercise of an ISO will be a qualified disposition with no additional gain or loss.
See IMPORTANT DISCLOSURES at the end of this Report for an explanation of assumptions, limitations and methodologies.

What Can You Do Today Regarding Employee Stock Holdings?

Bearish ← → Bullish

What can you do today?	Sell All of Your Shares	Sell Some of your Shares	Hold All of Your Shares
What would your portfolio have?	Cash	A mix of cash and shares	Shares of company stock
If stock price increases…	No effect on cash	No effect on cash, the remaining shares will increase in value (potential capital gain)	The shares of stock will appreciate in value (potential capital gain)
If stock price decreases…	No effect on cash	No effect on cash, the remaining shares may decrease in value or lose their value entirely (potential capital loss)	The shares of stock will depreciate in value and may become worthless (potential capital loss)

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What Can You Do Today Regarding Employee Vested Options[1]?

Bearish ⟵ ⟶ Bullish

What can you do today?	Exercise All and Sell[2] Exercise all of your vested options. Then, sell all the shares acquired.	Exercise Some and Sell[2] Exercise some of your vested options, sell the shares, and keep the remaining options. Need to decide which options to liquidate first.	Cashless Exercise[2] Exercise all vested options. Sell some shares of stock to generate enough cash to cover exercise costs.	Keep the Options Do nothing. Hold on to your vested options (assuming they do not expire in near future)	Exercise All and hold Exercise all of your vested options. Pay the exercise expenses and hold on to acquired shares.
What would your portfolio have?	Cash	A mix of cash and shares	Shares of stock (fewer shares of stock than the original quantity of options)	Your vested options	Shares of company stock less cash used to exercise
If stock price increases….	No effect on cash	No effect on the cash; the remaining options will appreciate in value (more earned income)	The shares of stock will appreciate in value (potential capital gains)	The options will appreciate in value (more earned income)	The shares of stock will appreciate in value (potential capital gain)
If stock price decreases…	No effect on cash	No effect on the cash; the remaining options will depreciate in value and may become worthless (less earned income)	The shares of stock will depreciate in value and may become worthless (potential capital loss)	The options will depreciate in value and may become worthless (less earned income)	The shares of stock will decrease in value (and may become worthless). The cash used to exercise may not be fully recovered

1) This discussion focuses only on your vested options that are in-the-money (stock price above strike price).
2) Only applicable if the underlying shares of the company can be sold today.
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Holdings Included in Hypothetical Exercise and Sell Strategy Analysis

Sample Analysis 1

Vested Options

• Imported data[1]

Company	Type	Grant Name	Grant Date	Stock Price ($)	Strike Price ($)	Expiration	Quantity	Gross Value [2] ($)
• MORGAN STANLEY QA TEST STK	NQSO	BETA020267	7/29/2018	87.70	10.00	7/29/2028	2,500.00	219,250.00
• MORGAN STANLEY QA TEST STK	ISO	BETA020266	7/29/2018	87.70	10.00	7/29/2028	2,500.00	219,250.00
XYZ Private Company, LLC	NQSO	NQSO Private 1	1/1/2016	50.00	20.00	12/31/2025	1,000.00	50,000.00
XYZ Private Company, LLC	NQSO	NQSO Private 2	1/1/2017	50.00	30.00	12/31/2026	800.00	40,000.00
TOTAL							**6,800.00**	**528,500.00**

Stock Holdings

Company	Acquisition Date	Stock Price ($)	Cost Basis ($)	Quantity	Gross Value [2] ($)
XYZ Private Company, LLC	1/1/2019	50.00	40.00	1,000.00	50,000.00
TOTAL				**1,000.00**	**50,000.00**

1) Imported data refers to your equity plan details which are sourced on 06/28/2021 from systems used by Morgan Stanley in connection with providing employee stock plan administration services to your employer and used for analysis purposes only in this Report. Imported data includes the latest information your employer provides to Morgan Stanley.
2) Gross Value is market value of underlying stock based on the stock price stated in the Hypothetical Illustration of Current Holdings section of this Report. It does not reflect the deduction of transaction costs and other fees.
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Hypothetical Illustration for Exercise and Sell Strategy Analysis

Sample Analysis 1

Selected Exercise and Sell Strategies

• Imported data[1]

Holding Type	Company	Strategies	Exercise Quantity	Sell Quantity
Vested Options	• MORGAN STANLEY QA TEST STK	Exercise All and Sell	5,000.00	5,000.00
Vested Options	XYZ Private Company, LLC	Exercise All and Hold	1,000.00	0.00
Vested Options	XYZ Private Company, LLC	Cashless Exercise	800.00	648.48
Stock Holdings	XYZ Private Company, LLC	Sell All Shares	-	1,000.00

Summary of Gain/Loss

Holding Type	Gross Value[2] ($)	Exercise Cost of Options ($)	Total Cost Basis of Stock Holdings ($)	Short Term Gain/Loss ($)	Long Term Gain/Loss ($)	Ordinary Income Tax[3] ($)	Short Term Gain Tax[3] ($)	Long Term Gain Tax[3] ($)	Net Proceeds[4] ($)
Vested Options	528,500.00	(94,000.00)	-	-	-	(224,199.38)	-	-	152,724.63
Stock Holdings	50,000.00	-	40,000.00	0.00	10,000.00	-	0.00	(2,380.00)	47,620.00
TOTAL	**578,500.00**	**(94,000.00)**	**40,000.00**	**0.00**	**10,000.00**	**(224,199.38)**	**0.00**	**(2,380.00)**	**200,344.63**

Summary of Holdings Post Exercise and Sell

Holding Type	Company	Quantity	Holdings Market Value[5] ($)
Cash	-	-	200,344.63
Vested Options	• MORGAN STANLEY QA TEST STK	0.00	0.00
	XYZ Private Company, LLC	0.00	0.00
Total Vested Options		0.00	0.00
Stock Holdings	XYZ Private Company, LLC	1,151.52	57,576.00

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Illustration does not include the effect of transaction costs and other fees which would lower the hypothetical values illustrated. Please see the Tax Rates Applied (Provided by Client) section of this report for the tax rate assumptions used for this analysis.
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2) Gross Value is market value of underlying stock based on the exercise quantity or sell quantity and the stock price stated in the Hypothetical Illustration of Current Holdings section of this Report.
3) Please see the Tax Rates Applied (Provided by Client) section of this Report for the tax assumptions used for this analysis.
4) Net Proceeds is your estimated after-tax cash proceeds based on the scenario you selected. It reflects the cash cost of the exercise costs and tax cost, plus the cash received from the sale of stock in your scenario.
5) Holdings Market Value is total market value of underlying stock of vested and unvested options, unvested RSU/ RSA, and stock holdings based on the stock price stated in the Hypothetical Illustration of Current Holdings section of this Report.
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Hypothetical Illustration for Exercise and Sell Strategy Analysis

Sample Analysis 1

Summary of Holdings Post Exercise and Sell

Holding Type	Company	Quantity	Holdings Market Value[1] ($)
TOTAL			**257,920.63**

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1) Holdings Market Value is total market value of underlying stock of vested and unvested options, unvested RSU/ RSA, and stock holdings based on the stock price stated in the Hypothetical Illustration of Current Holdings section of this Report.
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Hypothetical Illustration for Exercise and Sell Strategy Analysis – Detailed View

Sample Analysis 1

Selected Exercise and Sell Strategies

• Imported data[1]

Vested Options

Company	Type	Grant Name	Stock Price ($)	Strike Price ($)	Grant Date / Expiration Date	Exercise Strategy	Exercise Quantity	Sell Quantity	Gross Value[2] ($)	Exercise Cost ($)	Intrinsic Value ($)	Tax Rate[3] (%)	Estimated Taxes[4] ($)	Net Proceeds[5] ($)
• MORGAN STANLEY QA TEST STK	NQSO	BETA020267	87.70	10.00	7/29/2018 / 7/29/2028	Exercise All and Sell	2,500.00	2,500.00	219,250.00	(25,000.00)	194,250.00	52.65	(102,272.63)	91,977.38
• MORGAN STANLEY QA TEST STK	ISO	BETA020266	87.70	10.00	7/29/2018 / 7/29/2028	Exercise All and Sell	2,500.00	2,500.00	219,250.00	(25,000.00)	194,250.00	50.30	(97,707.75)	96,542.25
XYZ Private Company, LLC	NQSO	NQSO Private 1	50.00	20.00	1/1/2016 / 12/31/2025	Exercise All and Hold	1,000.00	0.00	50,000.00	(20,000.00)	30,000.00	52.65	(15,795.00)	(35,795.00)
XYZ Private Company, LLC	NQSO	NQSO Private 2	50.00	30.00	1/1/2017 / 12/31/2026	Cashless Exercise	800.00	648.48	40,000.00	(24,000.00)	16,000.00	52.65	(8,424.00)	0.00
TOTAL							**6,800.00**	**5,648.48**	**528,500.00**	**(94,000.00)**	**434,500.00**		**(224,199.38)**	**152,724.63**

Stock Holdings

Company Name	Acquisition Date	Stock Price ($)	Cost Basis ($)	Sell Strategy	Sell Quantity	Gross Value[2] ($)	Total Cost Basis ($)	Gain/Loss ($)	Tax Rate[3] (%)	Estimated Taxes[4] ($)	Net Proceeds[5] ($)
XYZ Private Company, LLC	1/1/2019	50.00	40.00	Sell All Shares	1,000.00	50,000.00	40,000.00	10,000.00	23.80	(2,380.00)	47,620.00
TOTAL					**1,000.00**	**50,000.00**	**40,000.00**	**10,000.00**		**(2,380.00)**	**47,620.00**

Illustration does not include the effect of transaction costs and other fees which would lower the hypothetical values illustrated. Please see the Tax Rates Applied (Provided by Client) section of this report for the tax rate assumptions used for this analysis.
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2) Gross Value is market value of underlying stock based on the exercise quantity or sell quantity and the stock price stated in the Hypothetical Illustration of Current Holdings section of this Report.
3) Please see the Tax Rates Applied (Provided by Client) section of this Report for the tax assumptions used for this analysis.
4) If there are ISOs, the above table assumes a disqualified disposition of stock acquired on the exercise of ISOs, and thus reflects ISO exercise tax rate as ordinary income tax rate. For stock holdings, it is assumed that gains will be long or short term capital gains based on the acquisition date you provided. Note that special rules may apply to stock obtained by exercise of an ISO or through an ESPP.
5) Net Proceeds is your estimated after-tax cash proceeds based on the scenario you selected. It reflects the cash cost of the exercise costs and tax cost, plus the cash received from the sale of stock in your scenario.
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Tax Rates Applied (Provided by Client)

Tax Rates Applied In Your Current Holdings

Tax Rates[1]	Federal (%)	State (%)	City (%)	ACA[2] (%)	Medicare (%)	Effective Tax Rate (%)
Ordinary Income (earned) (RSU/RSA[3]/NQSO[4])	37.00	13.30	0.00	0.90	1.45	52.65
Ordinary Income (earned) (disqualified ISO[5])	37.00	13.30	0.00	-	-	50.30
Short-Term Capital Gains	37.00	13.30	0.00	3.80	-	54.10
Long-Term Capital Gains	20.00	0.00	0.00	3.80	-	23.80
Alternative Minimum (qualified ISO[6])	28.00	0.00	0.00	-	-	28.00

Tax Rates Applied In Your Exercise and Sell Strategy Analysis

Sample Analysis 1

Tax Rates[1]	Federal (%)	State (%)	City (%)	ACA[2] (%)	Medicare (%)	Effective Tax Rate (%)
Ordinary Income (earned) (RSU/RSA[3]/NQSO[4])	37.00	13.30	0.00	0.90	1.45	52.65
Ordinary Income (earned) (disqualified ISO[5])	37.00	13.30	0.00	-	-	50.30
Short-Term Capital Gains	37.00	13.30	0.00	3.80	-	54.10
Long-Term Capital Gains	20.00	0.00	0.00	3.80	-	23.80
Alternative Minimum (qualified ISO[6])	28.00	0.00	0.00	-	-	28.00

1) Please note that these tax rates are U.S. tax rates only. These tax rates were provided by you for illustrative purposes and could differ significantly from your actual tax rates. Morgan Stanley and its FAs do not provide any tax/legal advice. Consult your own tax/legal advisor before making any tax or legal-related investment decisions.
2) The Affordable Care Act (ACA) premium was introduced by the IRS in 2014.
3) Upon the conversion of a restricted stock unit (RSU) or the vesting of a restricted stock award (RSA), the fair market value of the RSU or RSA is taxable as earned income.
4) Upon the exercise of a non-qualified stock option (NQSO), the intrinsic value of the NQSO is taxable as earned income.
5) A disqualifying disposition of an incentive stock option (ISO) occurs, among others, when the option exercise and the sale of the acquired stock occur in the same calendar year. Upon a disqualifying disposition, the lesser of i. the intrinsic value of the ISO at the time of exercise and ii. the difference between the option strike price and the sale price of the stock is taxable as earned income.
6) There are a number of requirements for an option to qualify as an ISO. Among others, the sale of the acquired stock cannot take place in the same calendar year as the option exercise. Upon the exercise of a qualified ISO, the AMT taxable income increases by the intrinsic value of the option at the time of exercise.
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Glossary

AMT (Alternative Minimum Tax)
AMT is a tax imposed by the United States federal government that is owed only if a taxpayer's AMT is greater than their regular income tax. Certain items, including the intrinsic value of your ISOs, are added to your regular taxable income to calculate your AMT income.

Dividend Yield
For a public company, dividend yield is the ratio of a company's annual dividend compared to its stock price.

Intrinsic Value
The intrinsic value of an option is also called exercisable value. It is the value captured if you exercise the option now, and thus equals the spread between the strike price and the current stock price for an in-the-money option. The intrinsic value of an out-of-money option is zero.

ISO (Incentive Stock Options)
An ISO is a type of employee stock option that gives an employee the right to buy stock shares at a discounted price with the added incentive in the form of a tax incentive on the profit. If certain holding periods are met (two years from grant and one year from exercise), the sale of stock is a "qualified disposition" and the profit is taxed at the capital gains rate, not the higher rate for ordinary income. If sold earlier, it is a "disqualified disposition" and the amount of the intrinsic value at exercise is taxed as ordinary income and any additional increase in value is taxed as capital gains.

NQSO (Non Qualified Stock Options)
A NQSO is a type of employee stock option wherein you pay ordinary income tax on the difference between the granted strike price and the price at which you exercise the option.

Stock Holdings
Stock holdings refer to shares of company stock owned. If shares are sold after being held for more than a year, they will generally be taxed at a long-term capital gain, which is a lower rate than the short-term capital gain tax rate. Note the special "disqualified disposition" rule for ISOs above.

Strike Price
A strike price is the price at which the underlying security of an employee stock option can be bought when it is exercised.

Time to Expiration
The amount of time you have until the employee stock option expires. At issue, ISOs and NQSOs typically have ten years to expiration.

Time to Vest
The amount of time you have until the employee stock option becomes vested. Employee stock options are not exercisable until they vest. A vested option behaves like an American option, which is exercisable at any point prior to expiration. An unvested option behaves like a European option until it vests. A European option is only exercisable at expiration.

Unvested RSU/RSA (Restricted Stock Unit/Restricted Stock Award)
Unvested RSU/RSA are stock-based compensation / grants of company stock subject to vesting requirements. Upon the conversion of an RSU or the vesting of an RSA, the employees receive the company stock (or the cash equivalent) and pay ordinary compensatory income taxes on the value of the RSU or RSA at the time of vesting. Under Section 83(b) of the Internal Revenue Code, recipients of RSAs may elect to include the fair value of the RSAs at the time of the grant as part of compensatory income in that year. No ordinary income taxes are incurred as a result of the RSAs at the time of vesting. There is no refund of taxes previously paid if the RSAs depreciate in value or are forfeited prior to vesting.

Vested Options
Rights to purchase shares of the company stock at a pre-established price (strike price). Employee stock options become worthless if they are not exercised prior to expiration date. When exercising a stock option, the option holder pays the strike price as well as the exercise taxes (if any), and receives a share of the company stock. Nonqualified Stock Options (NQSOs) and Incentive Stock Options (ISOs) have different tax treatments. How much tax the option holder ultimately pays depends on the option type, how the option is exercised, and how the stock price changes over time.

Volatility
For a public company, volatility is the projected annualized standard deviation of security returns. Commonly, the higher the volatility is, the riskier the security.

Unvested Options
Future rights to purchase shares of the company stock at a pre-established price (strike price). Unvested options cannot be exercised today. The vesting of employee stock options takes place over a predetermined schedule.

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Asset allocation does not assure profit or protect against loss in declining financial markets. Certain assumptions may have been made in the analyses that have resulted in the contained herein. Any change in these assumptions may have a material impact on any hypothetical values.

Hypothetical values and assumptions are shown for illustration purposes only. Hypothetical Performance has inherent limitations and does not reflect actual performance, trading or decision making. The results vary and reflect material economic or market factors such as liquidity constraints or volatility, which have an important impact on decision making and actual performance.

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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 Financial 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 Financial Advisor, may vary by product and over time.

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

Important Disclosures (cont'd)

General Risks of Investing
You should note that 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. Asset allocation, diversification and rebalancing do not assure a profit or protect against loss. There may be a potential tax implication with a rebalancing strategy. Please consult your tax advisor before implementing such a strategy.

Non diversification is attributed to a portfolio that holds a concentrated or limited number of securities; a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. 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.

Value and growth investing also carry risks. Value investing involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations.

KEY ASSET CLASS RISK CONSIDERATIONS

Alternative Investments
The asset allocation information provided to you in this report may include allocations to alternative asset classes. It is important to note that Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy products. Traditional alternative investment vehicles may include hedge funds, fund of hedge funds (both registered and unregistered), private equity, and private real estate or managed futures funds. Non-traditional alternative strategy products may include open-end mutual funds and ETFs. These non-traditional products also seek alternative-like exposure but have significant differences from traditional alternative investments.

The risks of traditional alternative investments may include: can be highly illiquid, speculative and not appropriate for all investors, loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices, 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 open-end mutual funds, and risks associated with the operations, personnel and processes of the manager. Non-traditional alternative strategy products 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.

REITs
In addition to the general risks associated with real estate investments, REIT investing entails other risks such as credit and interest rate risk. Real estate investment risks can include fluctuations in the value of underlying properties; defaults by borrowers or tenants; market saturation; changes in general and local economic conditions; decreases in market rates for rents; increases in competition, property taxes, capital expenditures, or operating expenses; and other economic, political or regulatory occurrences affecting the real estate industry.

Commodities
The commodities markets may fluctuate widely based on a variety of factors including changes in supply and demand relationships; governmental programs and policies; national and international political and economic events; war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence; weather; technological change; and, the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention.

Master Limited Partnerships (MLPs)
Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk.

Individual MLPs are publicly traded partnerships that have unique risks related to their structure. These include, but are not limited to, their reliance on the capital markets to fund growth, adverse ruling on the current tax treatment of distributions (typically mostly tax deferred), and commodity volume risk. The potential tax benefits from investing in MLPs depend on their being treated as partnerships for federal income tax purposes and, if the MLP is deemed to be a corporation, then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value.

MLPs carry interest rate risk and may underperform in a rising interest rate environment. MLP funds accrue deferred income taxes for future tax liabilities associated with the portion of MLP distributions considered to be a tax-deferred return of capital and for any net operating gains as well as capital appreciation of its investments; this deferred tax liability is reflected in the daily NAV; and, as a result, the MLP fund's after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked.

Important Disclosures (cont'd)

Equities
Investing in stock securities involves volatility risk, market risk, business risk, and industry risk. The prices of stocks fluctuate. Volatility risk is the chance that the value of a stock will fall. Market risk is the chance that the prices of all stocks will fall due to conditions in the economic environment. Business risk is the chance that a specific company's stock will fall because of issues affecting it such as the way the company is managed. Industry risk is the chance that a set of factors particular to an industry group will adversely affect stock prices within the industry.

Small/Mid Cap Equity
Stocks of small and medium-sized companies entail special risks, such as limited product lines, markets, and financial resources, and greater market volatility than securities of larger, more established companies.

International/Emerging Markets Equities
Foreign investing involves certain risks not typically associated with investments in domestic corporations and obligations issued by the U.S. government, such as currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability. In addition, the securities markets of many of the emerging markets are substantially smaller, less developed, less liquid and more volatile than the securities of the U.S. and other more developed countries.

Fixed Income
Investing in fixed income securities involves interest rate risk, credit risk, and inflation risk. Interest rate risk is the possibility that bond prices will decrease because of an interest rate increase. When interest rates rise, bond prices, and the values of fixed income securities generally fall. Credit risk is the risk that a company will not be able to pay its debts, including the interest on its bonds. Inflation risk is the possibility that the interest paid on an investment in bonds will be lower than the inflation rate, decreasing purchasing power.

Ultra-Short Fixed Income
Ultra-short bond funds are mutual funds and exchange-traded funds that generally invest in fixed income securities with very short maturities, typically less than one year. They are not money market funds. While money market funds attempt to maintain a stable net asset value, an ultra-short bond fund's net asset value will fluctuate, which may result in the loss of the principal amount invested. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

Non-US Fixed Income
Foreign fixed income securities may involve greater risks than those issued by U.S. companies or the U.S. government. Economic, political and other events unique to a country or region will affect those markets and their issues, but may not affect the U.S. market or similar U.S. issuers.

Inflation-Linked Securities
These securities adjust periodically against a benchmark rate, such as the Consumer Price Index (CPI). They pay a coupon equal to the benchmark rate, plus a fixed 'spread' and reset on a periodic basis. The initial interest rate on an inflation linked or floating security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in CPI, or the linked reference interest rate. However, there can be no assurance that these increases will occur.

High Yield Fixed Income
High yield fixed income securities, also known as "junk bonds", are considered speculative, involve greater risk of default and tend to be more volatile than investment grade fixed income securities.

Municipal Fixed Income
Income generated from an investment in a municipal bond 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.

Structured Investments
An investment in structured investments involves risks. These risks can include but are not limited to: fluctuations in the price, level or yield of underlying asset(s), interest rates, currency values and credit quality, substantial loss of principal, limits on participation in appreciation of underlying asset(s), limited liquidity, credit risk, and/or conflicts of interest. Many structured investments do not pay interest or guarantee a return above principal at maturity. Investors should read the security's offering documentation prior to making an investment decision.

Fixed and Variable Annuities
Annuity contracts contain exclusions, limitations, reductions of benefits, and terms for keeping them in force. Your Financial Advisor can provide you with complete details.
All guarantees, including optional benefits, are based on the financial strength and claims-paying ability of the issuing insurance company and do not apply to the underlying investment options.
A variable annuity is a long-term investment designed for retirement purposes and may be subject to market fluctuations, investment risk and possible loss of principal.
Optional riders may not be able to be purchased in combination and are available at an additional cost. Some optional riders must be elected at time of purchase. Optional riders may be subject to specific limitations, restrictions holding periods, costs, and expenses as specified by the insurance company in the annuity contract.

Variable annuities are sold by prospectus only. The prospectus contains the investment objectives, risks, fees, charges and expenses, and other information regarding the variable annuity contract and the underlying investments, which should be considered carefully before investing. Prospectuses for both the variable annuity contract and the underlying investments are available from your Financial Advisor. Please read the prospectus carefully before investing.