

Morgan Stanley Total Tax 365



TOTAL TAX 365

Why Does Tax-efficiency Matter?

Tax-efficiency Matters For Growing Wealth

Small reductions in taxes can have large consequences for wealth accumulation over time

HELPING YOU KEEP MORE OF WHAT YOU EARN

Paying less in current taxes through proactive tax management strengthens your ability to compound, grow your wealth and achieve your goals

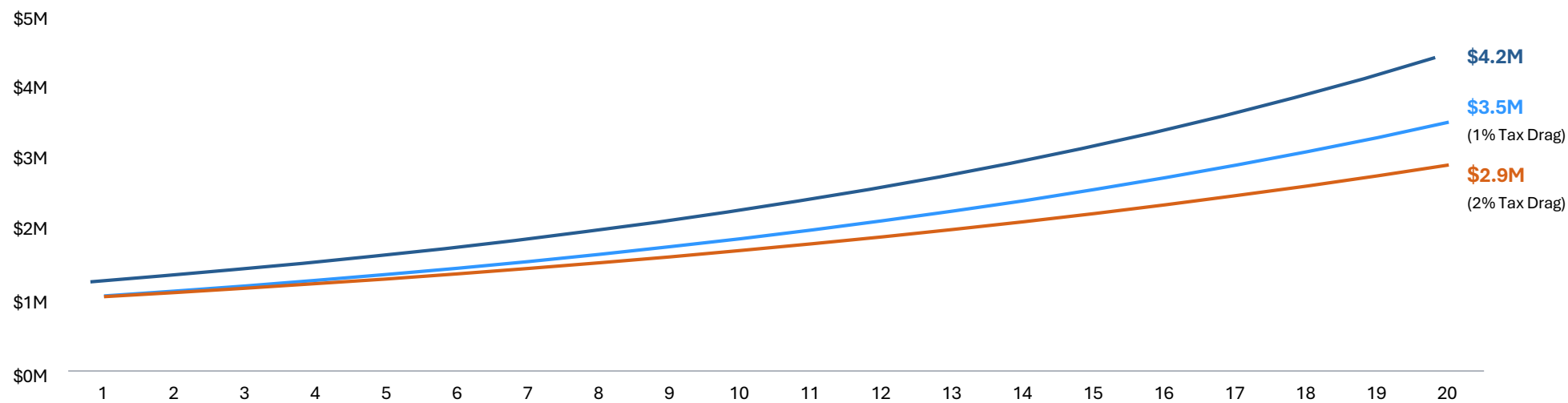
INTEGRATE TAX PLANNING INTO YOUR INVESTMENT DECISIONS

When it comes to tax planning, you should consider tax-smart strategies throughout the investment process—not just at tax time

PRIORITIZE YOUR AFTER-TAX RETURNS

An improvement of 0.5% per year in after-tax returns can result in a wealth difference of 50% after 30 years of distributions.²

HYPOTHETICAL GROWTH OF \$1MM OVER 20 YEARS¹



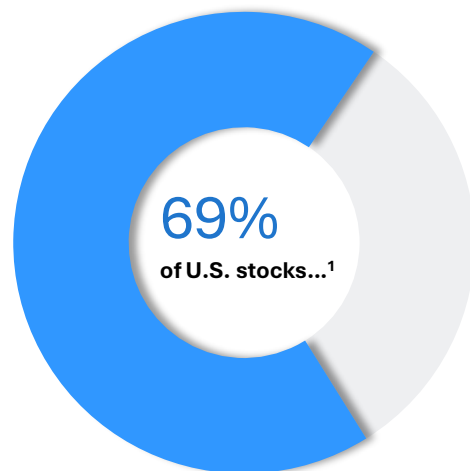
1. For illustrative purposes only. The above hypothetical analysis compares a base portfolio that assumes a 7.5% annual return with two other portfolios with reduced annual returns of 6.5% and 5.5% over a 20-year period gross of fees. The portfolios with reduced returns are meant to demonstrate the long-term effects of even a small amount of compounded annual return loss due to tax-inefficiency. Actual results may be influenced by more complex factors.

2. Source: Morgan Stanley GIC Special Report, “Tax Efficiency: Getting to What You Need by Keeping More of What You Earn.” October 2023.

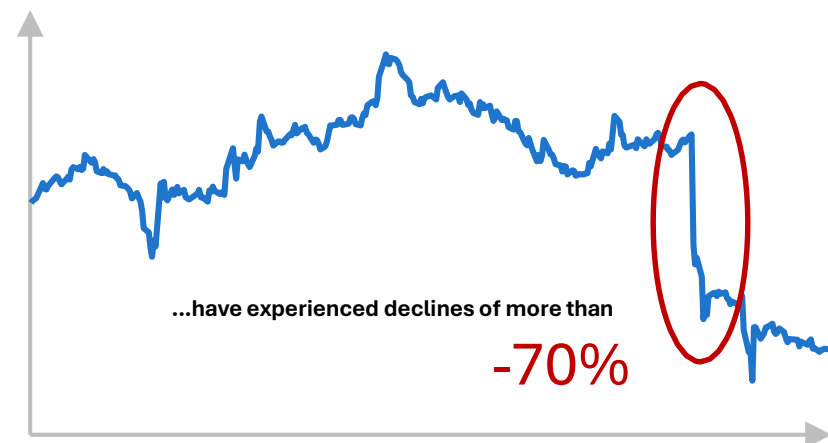
Avoiding Taxable Gains Can Lead to Unintended Risk

The taxable impact of selling large unrealized gains often results in unintended concentrations, exposing the portfolio to additional risk

Most stocks experience significant declines at some point in time, even if temporary



A concentration in one of these positions at the wrong time could have an outsized impact on your portfolio



- Client wealth depends heavily on the movements of a single stock
- Exposed to greater volatility and higher risk than a diversified portfolio
- Large price drawdowns occur frequently for individual stocks; many stocks never recover to previous highs
- Most stocks underperform the broad market over the long term; exposure to tomorrow's winners is critical to keeping up

Your Morgan Stanley advisor has access to our proprietary Portfolio Risk Platform, which can help quantify the potential impact of various market scenarios on your portfolio.

Information as of 12/31/23.

¹ Sources: Ned Davis Research, Eaton Vance. Derived from a universe of 26,563 actively traded stocks listed on NYSE, Nasdaq, and NYSE American (formerly AMEX) since 12/31/1980; and based on relative total return versus the S&P 500 over the listed trading period of the stock through 12/31/2023. Returns are calculated daily, starting on 1/3/1972. Recovery is defined as recovery in price to high prior to maximum drawdown.

The Value of Tax-efficient Investing

There are many strategies that can help capitalize on tax-efficiency to improve long-term wealth

- Taxes may be **more easily reduced** than other drags on return through tax-efficient investment strategies.
- Unlike investment-related risks, variables that guide active tax management (e.g., tax rates, brackets, filing status) are **known but not static**.
- There are a **variety of tax management strategies**, each offering a unique set characteristics to allow for a highly tailored solution to any financial situation.
- While increasing after-tax returns is an important benefit, there are **other strategic benefits to consider**, such as: smoothing portfolio transitions, generating income, and diversifying concentrated positions.

Sample Tax-Management Strategies
Illustrative Value-Add Per Year ¹

0.3%	Tax-Efficient Asset Location
1.2%	Direct Indexing Strategies
1.6%	Municipal Bonds
1.4%	Active Tax Loss Harvesting ²
1.4%	Exchange Funds
0.3%	Intelligent Withdrawals

Sample Strategies Offering
Additional Strategic Benefits

Charitable Giving <i>Potential Tax Deduction</i>
Options Overlay <i>Income Generation</i>

For illustrative purposes only. The above example is hypothetical, actual results may vary.

¹ Source: Morgan Stanley GIC Special Report, “Preparing for the Next Tax Regime: Six Steps to a More Tax-Efficient Portfolio” November 2024.

² Source: Morgan Stanley Wealth Management, Consulting Group. Represents the tax savings yield or the estimated reduction in tax liability because of tax-loss harvesting divided by the total market value of the account – through December 2014-December 2024. UMA Tax Management Analytics assumes the highest marginal Federal Income Tax Rates and may differ from a client’s actual tax savings.

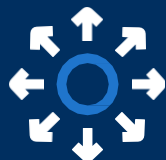
Morgan Stanley Smith Barney LLC, its affiliates, and Financial Advisors do not provide tax or legal advice. Clients should consult their tax advisor for matters involving taxation and tax planning and their attorney for legal matters. Interest on municipal bonds is generally exempt from federal income tax; however, some bonds may be subject to the alternative minimum tax (AMT). Also, municipal bonds acquired in the secondary market at a discount may be subject to the market discount tax provisions, and therefore could give rise to taxable income. Typically, state tax-exemption applies if securities are issued within one’s state of residence and, if applicable, local tax-exemption applies if securities are issued within one’s city of residence. The tax-exempt status of municipal securities may be changed by legislative process, which could affect their value and marketability.

TOTAL TAX 365

Our Approach to Tax-efficient Investing

Introducing Morgan Stanley Total Tax 365

Total Tax 365 is our full spectrum of year-round tax-management solutions, tailored to help you mitigate tax drag in your portfolio



FULL SPECTRUM OF SOLUTIONS

We offer a broad range of solutions that establish a new standard for integrating tax-efficient strategies across all your accounts, throughout the year.



TAILORED TO YOU

Our Financial Advisors can help you create a personalized, tax-efficient investment plan that will evolve with you as your life and the tax environment change.



INTEGRATED INTO YOUR PLAN

We help you tackle tax-related goals such as managing concentrated positions, planning charitable giving, generating tax-efficient income, or finding an appropriate combination of tax-advantaged accounts.

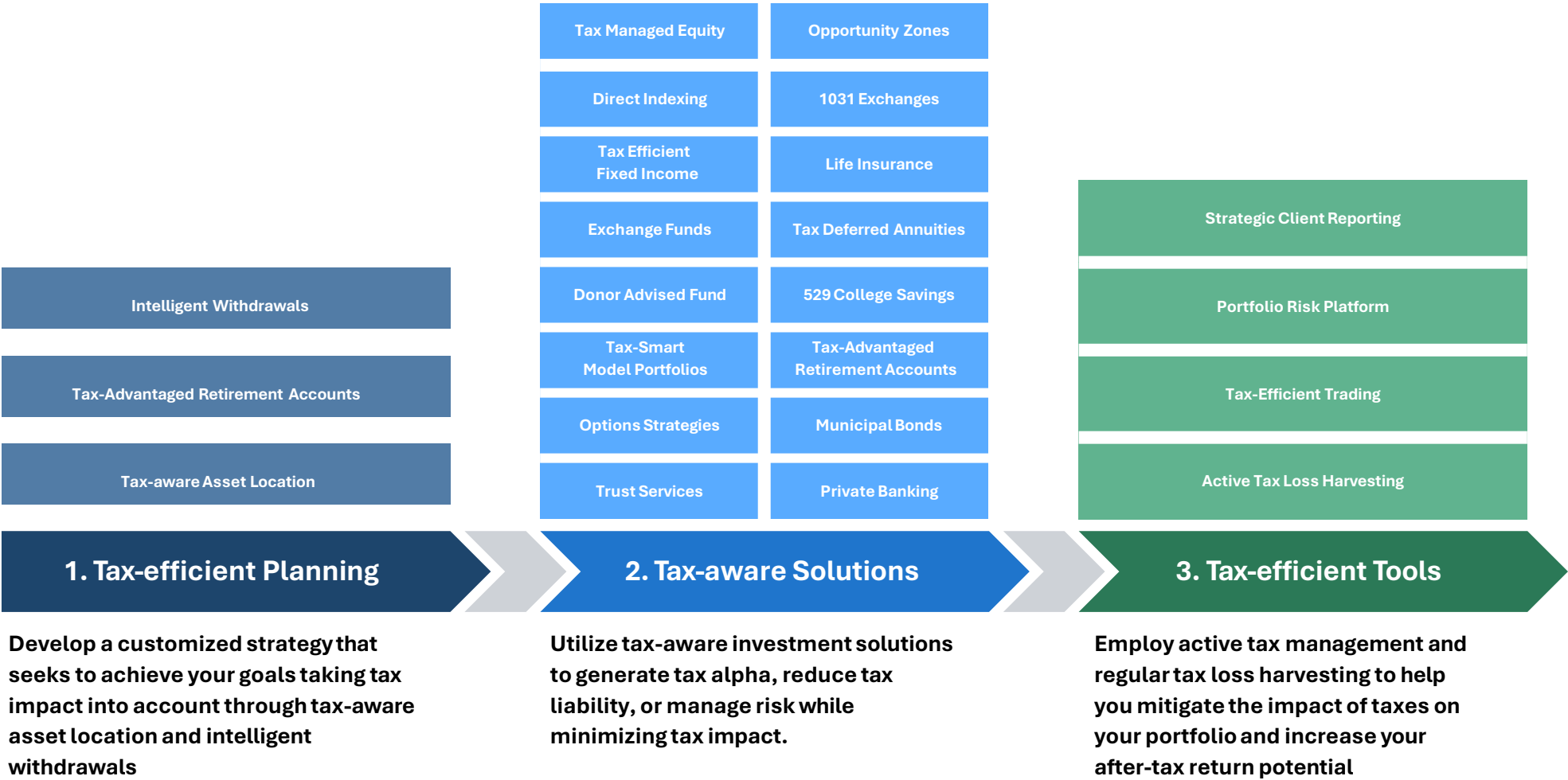


CONTINUALLY WORKING FOR YOU

Our approach to tax efficiency is an ongoing one, with many of our solutions working throughout the year to identify and capitalize on opportunities as they arise.

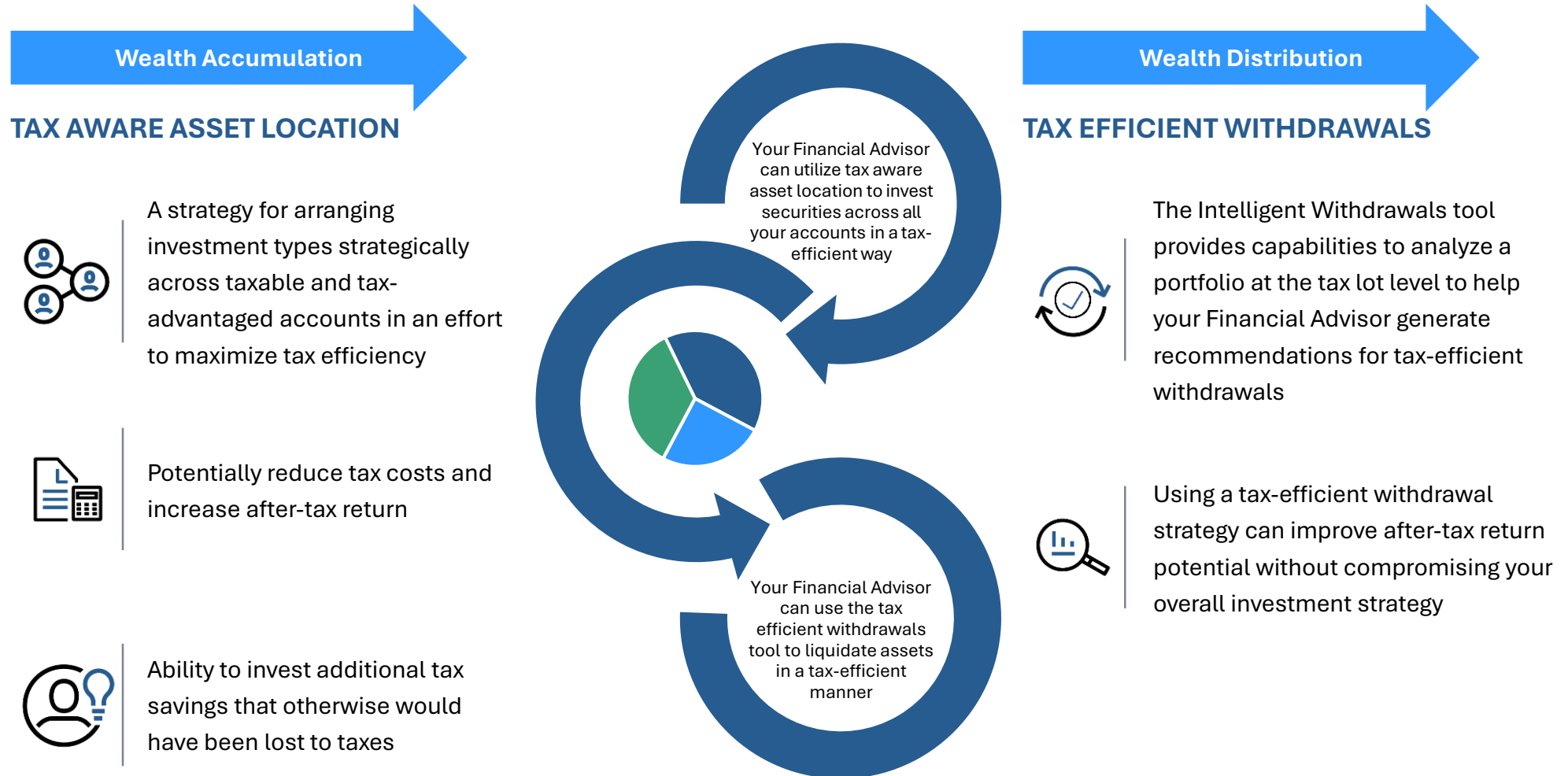
A Strategic Approach to Tax-efficiency

Morgan Stanley can help you minimize the effect of taxes on your portfolio through a spectrum of tax solutions and services



Tax Efficient Goals Planning

Strategies that can Help Improve Tax Efficiency Throughout Your Goal Plan; Both During The Wealth Accumulation Phase Through Tax Aware Asset Location And During Wealth Distribution Through Tax Efficient Withdrawals



Note: Returns are based on asset class projections and are gross of applicable fees and expenses that would lower the assumed returns if implemented in an actual portfolio. Additional factors also apply, including but not limited to, the individual investor's applicable marginal tax rates, affluence, and investment approach, among others.

Tax Efficient Solutions

With access to some of the industry's leading tax-management solutions and services, we can help you mitigate your taxes —365 days a year



YOUR GOALS

You have a highly appreciated portfolio and want to change your investment approach without triggering a large tax bill.

You want to extend the benefits of tax-efficiency to a new or existing fixed income allocation.

You want to leverage charitable giving to manage portfolio concentrations

You own a large position in one stock and want to diversify exposure.

You've built your wealth and want to a tax-smart way to liquidate some of your investments.



SOLUTIONS THAT CAN HELP



Harness the benefit of our tax-smart tools and solutions (e.g., tax-loss harvesting and more) to help **mitigate capital gains while managing risk.**



Leverage tax-efficient fixed income strategies, such as **tax-optimized ladders or municipal bonds**, or work with a **professional bond manager who can identify tax loss harvesting opportunities in your bond portfolio that may boost after-tax returns.**



Donation of appreciated assets to a **Donor Advised Fund** can allow you to pay less in capital gain taxes, while also potentially receiving a charitable deduction.



Use our tax-efficient solutions such as **exchange funds to diversify concentrated stock positions** created by an inheritance, employment stock grant or appreciation.



Our powerful **Intelligent Withdrawal technology** can help you determine a potentially tax-efficient combination of positions (and systematic tax-efficient lot selection for managed accounts) to sell to meet spending needs.

Tax Management Tools

An Effective Tax Management Process Incorporates Specialized Tools to Help You Identify Risk, Reduce Your Overall Tax Liabilities and Potentially Enhance Your After-tax Returns



TAX EFFICIENT TRADING

Carefully reviewing and prioritizing “sell lots” of a security can reduce the resulting taxes associated with a transaction without affecting your portfolio’s performance potential



ACTIVE TAX LOSS HARVESTING

By offsetting capital gains with capital losses, tax loss harvesting can help you minimize your payments



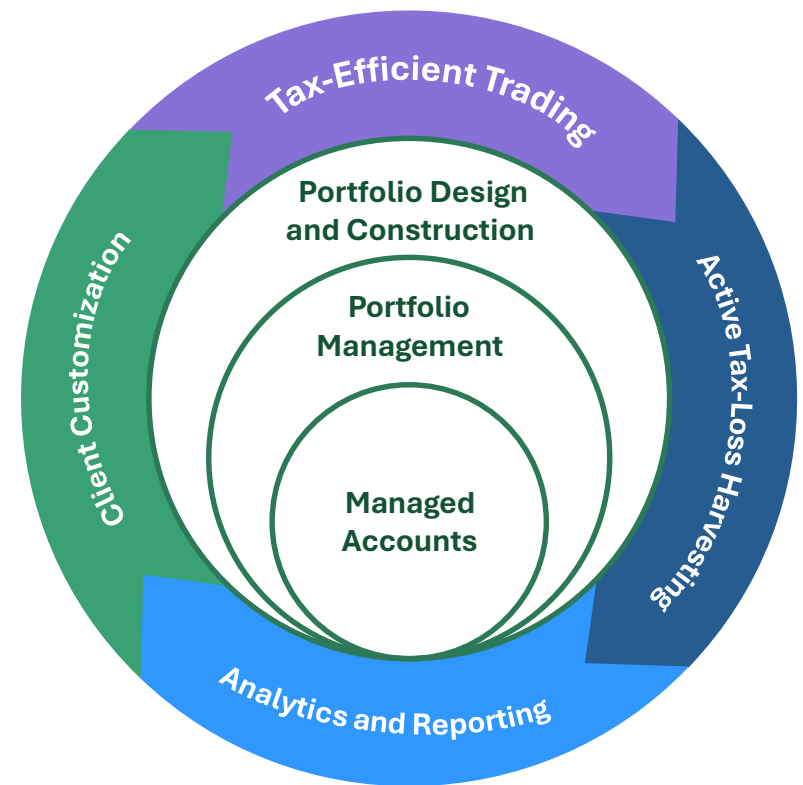
PORTFOLIO ANALYTICS AND REPORTING

Utilizing tools such as Portfolio Risk Platform and Strategic Client Reporting, your advisor can better diagnose concentrations, identify risks, quantify results, and provide you with insights to inform a tax-efficient solution.



CUSTOM SOLUTIONS

Leverage tax-efficient custom solutions that allow you to set capital gains restrictions, receive custom portfolio construction assistance and transition securities and portfolios over time to spread out your tax payments



Note: Returns are based on asset class projections and are gross of applicable fees and expenses that would lower the assumed returns if implemented in an actual portfolio. Additional factors also apply, including but not limited to, the individual investor’s applicable marginal tax rates, affluence, and investment approach, among others.

TOTAL TAX 365

Suite of Tax-efficient Solutions

Tax Management Services in Action

Personalized tax strategies are designed and implemented at the portfolio level to help reduce your taxes and enhance your overall returns

SITUATION	STRATEGY	BENEFIT
TRANSITIONING ASSETS OVERTIME You have a highly appreciated portfolio and/or concentrated positions you want to diversify into a new portfolio without realizing significant tax gains	ACTIVE TAX-LOSS HARVESTING¹	TAX-SMART, ALL YEAR LONG Mitigate your capital gain exposure
SEEKING SMARTER LIQUIDATION You'd like to make a large purchase, but you are concerned about the tax impact of raising capital	TAX-EFFICIENT TRADING	SEEK TO SELL TAX LOTS MORE EFFICIENTLY All trades seek the best tax outcome by selecting lots that aim to minimize taxable impact
PRESERVING TAX LOSSES You want to ensure the value of your losses are potentially protected	CERTAIN WASH SALE ADHERENCES⁽¹⁾	HELP PROTECT YOUR TAX-LOSS REALIZATION When selling at a loss, the security will generally not be repurchased for the 30 days post sale
IMPROVING PERSONAL CONTROL AND FIT You want to personalize when and how we harvest for you	ENHANCED PERSONALIZATION	TAILORED TAX MANAGEMENT Set realized gain limits, defer short-term gain recognition, and choose the tax-loss harvesting frequency that is best for you

¹ Morgan Stanley and the Select UMA Tax Management Service do not guarantee adherence to the IRS Wash Sale Rule, which can disallow the current use of the tax loss.

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

Design Your Own Tax-loss Harvesting Experience

Our Objective is to Preserve Your Investment Returns by Mitigating Tax Liability in a Way that’s Optimized for Your Specific Needs



PERSONALIZE TAX-LOSS HARVESTING FREQUENCY

Choose the frequency and exact months in which a scheduled tax-loss harvest will occur: monthly, quarterly, bi-annually or annually



PERSONALIZE TAX-LOSS HARVESTING TARGETS

Fine tune your tax-loss harvesting targets to fit your unique tax preferences



SHORTTERM GAIN DEFERRAL

Defer the sale of positions in your portfolio that were purchased within one year and currently have an unrealized short-term gain until they qualify for long-term capital gain treatment



OPPORTUNISTIC LOSS THRESHOLD

Customize the opportunistic tax-loss harvest feature that systematically identifies losses to capture throughout the year

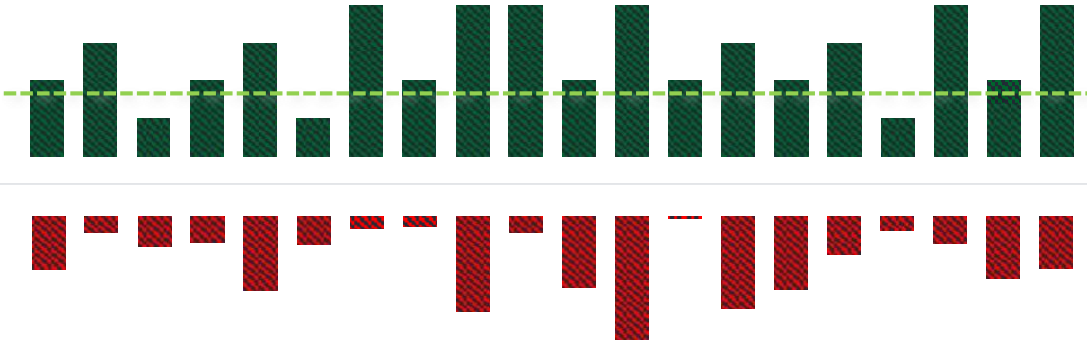


SET LIMITS ON REALIZED GAINS

Set limits or “tax mandates” to prevent sales after your realized gains reach a certain amount

Gain Limit
Unrealized Gains

Unrealized Losses



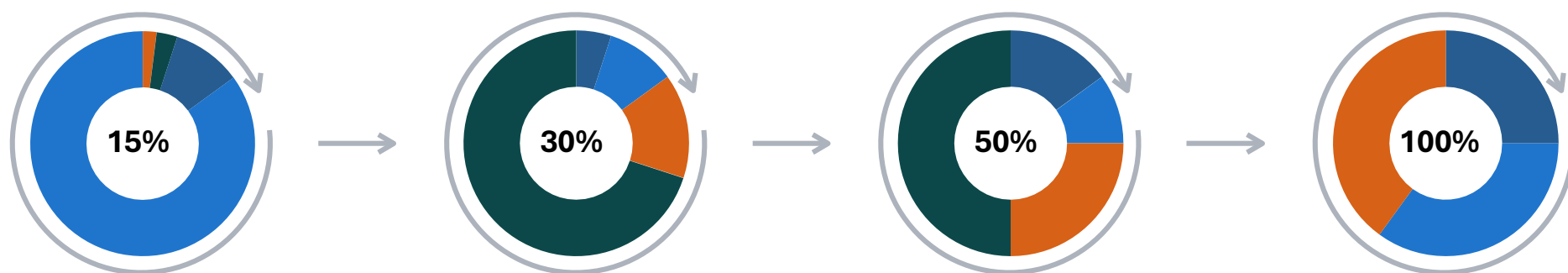
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Tax-Efficient Transitions and Diversification

Our Sophisticated Platform Helps You Unwind Existing Positions into a New Diversified Investment Portfolio Gradually and on Your Own Terms

Our tax management program will look to actively harvest losses throughout the year capitalizing on tax loss opportunities. This process helps expedite the speed at which we sell more of the concentrated securities over time. The proceeds from the sale of the legacy securities will be immediately invested into your managed portfolio.

TRANSITION OVERTIME TO A DIVERSIFIED PORTFOLIO



- Fund a portfolio with existing positions and transition over time with tax gain limit, which provides a cap to the gains on an annual basis
- Existing positions that are transitioning can comprise up to 85% of your portfolio and transition into your new allocation over multiple calendar years

Our transitions process works for a variety of different scenarios including those looking to sell out of concentrated stock positions to diversify risk or to transition assets into Morgan Stanley without realizing large gains.

Direct Indexing

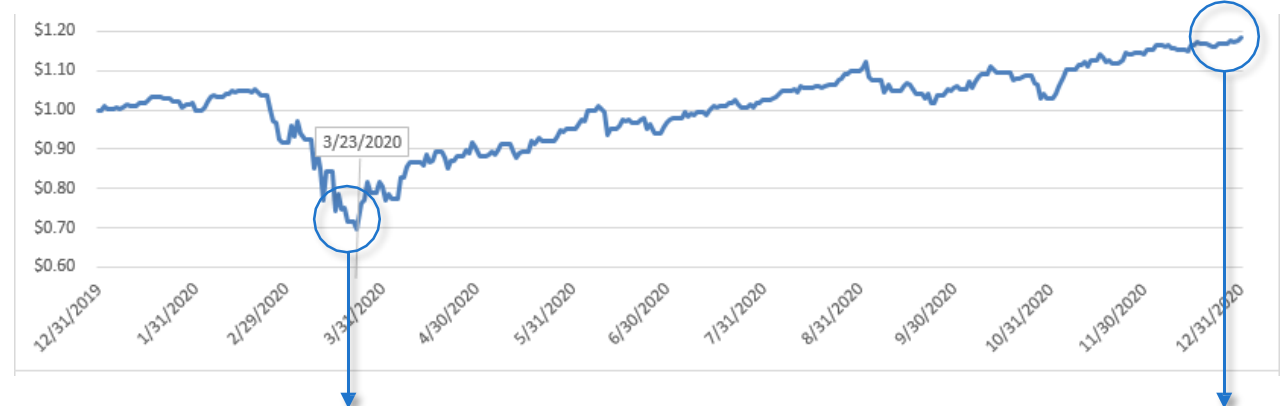
Replicating a market index through direct ownership of individual stocks enables you to strategically harvest losses to offset your capital gains



WHAT ARE THE BENEFITS OF DIRECT INDEXING STRATEGIES?

- **BROAD MARKET EXPOSURE.** Select exposure to a variety of industries, geographies and market caps
- **TAX-LOSS HARVESTING.** Harvested losses¹ to offset capital gains and reduce your tax burden
- **CUSTOMIZATION.** Ability to restrict investments to stocks, industries, sectors, or introduce factors, themes and sustainability metrics

S&P 500® Index in 2020



54% of stocks were down >40% from their high
96% of stocks were down >20% from their high

But only 27% of stocks were
down >10% by the end of 2020

Harvesting losses only at year-end would result in potentially missing out on many tax-loss harvesting opportunities.

Direct indexing combines the benefits of year-round opportunistic tax loss harvesting with the diversification of a broad market index

¹ Morgan Stanley and the Select UMA Tax Management Service do not guarantee adherence to the IRS Wash Sale Rule, which can disallow the current use of the tax loss.

Direct Indexing with Parametric

As part of Morgan Stanley, Parametric offers our clients enhanced access and seamless integration

Morgan Stanley's Parametric integration offers unique features, such as lower minimums for Custom Core Index Strategies and exclusive equity and fixed income solutions, streamlined through the Select UMA program. Benefits include simplified account management, faster trade processing, and enhanced client reporting. In Select UMA, clients can also opt for non-Parametric managers or Tax Management Services to potentially enhance tax outcomes, though these services are not guaranteed to produce specific tax results.



EXCLUSIVE BENEFITS OF ACCESSING PARAMETRIC THROUGH MORGAN STANLEY

- **LOWER INVESTMENT MINIMUMS.** All 30 Parametric direct indexing strategies with a \$100K investment minimum and Direct Core available at \$25K.
- **NO SEPARATE ACCOUNT REQUIREMENT.** Ability to combine multiple Parametric strategies in the same UMA account alongside other investments.
- **TRADE PROCESSING.** Faster trade processing with more efficient execution.
- **ENHANCED CLIENT REPORTING.** Ability to include Parametric After-Tax Alpha.

UNIQUE ACCESS TO PARAMETRIC

A PIONEER IN DIRECT INDEXING

- Parametric is an **industry leader in tax-efficient investing**, with algorithms, processes and technology that have been refined over three decades.
- They have experience executing thousands of transitions and managing complex portfolios through multiple market cycles and high-volatility events.

ACCESSING PARAMETRIC THROUGH MORGAN STANLEY

- Morgan Stanley's Parametric integration offers **unique product access**, such as lower minimums for Custom Core Index Strategies and exclusive equity and fixed income solutions.
- **Benefits include** simplified account management, faster trade processing, and enhanced client reporting with upcoming features like predicted tracking error.
- Clients can also opt for Tax Management Services to potentially **enhance tax outcomes**.¹

¹ Morgan Stanley, Parametric, and the Select UMA Tax Management Service do not guarantee adherence to the IRS Wash Sale Rule, which can disallow the current use of the tax loss.

Managed Fixed Income Specialists

Tax management is an increasingly critical element for customization in fixed income portfolios

A fixed income allocation can be enhanced to maximize your after-tax income by carefully considering your tax rate and relative value between sectors. Our team of fixed income product specialists works with financial advisors to develop customized fixed income advisory solutions for clients. They can help create portfolio allocations, proposals and transition plans for you.

WHAT CAN A PROFESSIONAL MUNICIPAL BOND MANAGER DO FOR YOU?

ILLUSTRATIVE POTENTIAL SOURCES OF VALUE	97 BPS
Access. Professional managers often have broader access to the new issue and secondary markets, with pricing and diversification advantages, particularly in the case of volatile secondary markets. ¹	11 bps
Oversight. Extensive credit teams can often quantify emerging risks and capture new opportunities (e.g., increasing yields by moving into A-/BBB rated Muni's). ²	48 bps
Price. By trading in institutional blocks, professional managers may be able to avoid retail markups and pass the savings on to clients. ³	8 bps
Tax-loss harvesting. When offered by a bond manager, active, year-round tax-loss harvesting seeks to reduce the impact of capital gains taxes and may elevate after-tax return potential. ⁴	30 bps

EXAMPLES OF TAX-EFFICIENT FIXED INCOME SOLUTIONS



MUNICIPAL SMAs

Customized portfolio of directly owned individual municipal securities, with a manager handling trades and portfolio management as well as providing other potential benefits such as credit risk management, portfolio customization, tax efficiency, transparency and diversification.



ACTIVE TAX MANAGEMENT WITH TAX-LOSS HARVESTING

Professional bond managers provide active, year-round tax-loss harvesting that seeks to reduce the impact of capital gains taxes and may elevate after-tax return potential.



TAX-OPTIMIZED LADDERS

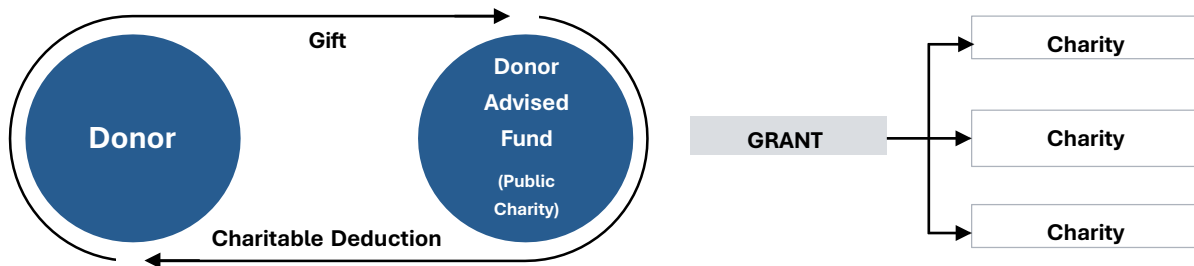
Tax-optimized ladder strategies may help to enhance after-tax yield by seeking to optimize the allocation between tax-exempt and taxable bonds, based on an investor's own tax rate and the relative value between sectors.

¹ Source: Parametric. Parametric Value of a Professional Muni Bond Manager. The average differential spread to MMD in the primary and secondary market, broken out by credit buckets, AAA, AA and A in the 5 to 15 year maturities. Data is from 12/31/2022 to 12/31/2023. The hypothetical performance illustrated is gross of fees and would be reduced by the fees clients pay in an advisory program.
² Bloomberg as of 4/2/2024. 48 basis points is the 5-year average in yield increase between the Bloomberg A-rated municipal bond Index and the average of the Bloomberg AAA and AA rated municipal bond index.. It is not possible to invest directly in an index. Indexes are unmanaged and do not reflect the deduction of fees or expenses. ³ Source: MSRB Report on Secondary Market Trading in the Municipal Securities Market, 12/31/2019. ⁴ Andrew Kalotay, "Tax-efficient Trading of Municipal Bonds," Financial Analysts Journal 72, no. 1 (2016): 48-57.

Donor Advised Funds

Pursue your philanthropic objectives while potentially receiving an instant tax benefit that can help offset capital gains

WHAT IS A DONOR ADVISED FUND?



- **Donors retain advisory privileges** over how money should be granted to charities.⁽²⁾
- Given that DAFs are structured as public charities, **donors may receive a charitable contribution tax deduction** when a contribution is made, allowing them time to develop a plan for grants afterwards.⁽³⁾
- Contributions to a DAF are **invested in line with donor preferences** and have the potential to grow tax-free while the donor recommends which charities to support.



Morgan Stanley Global Impact Funding Trust (MS GIFT)

- Investment platform professionally managed by Morgan Stanley.
- Total grants to charities of over \$5 billion since inception.
- Can take complex assets, including Crypto, Real Estate, and Art.
- \$25K initial minimum contribution; \$5K follow-on contribution
- When combined with Tax Management Services, contributions to MS Gift can help offset additional realized gains to accelerate a tax-efficient transition to a diversified target portfolio.

1. The maximum deduction for a gift to a donor advised fund, as a public charity, is limited to a certain percentage of adjusted gross income (AGI), depending upon the type of asset gifted; deductions exceeding AGI limits may be carried forward for up to five years.

2. Grants can be directed to US organizations that are tax-exempt public charities, US religious houses of worship, and US-qualified foreign charitable organizations. At an additional cost, other domestic and foreign organizations that do not qualify as US public charities can be considered. MS GIFT retains final authority of how money is invested and which charities receive donations.

3. Taxpayers who itemize their deductions may receive a charitable tax deduction in the tax year in which the DAF contribution was made and/or carry forward such charitable deduction for up to 5 years.

Intelligent Withdrawals at Morgan Stanley

Be as smart when taking money out of your portfolio as you were when building it

FOUR FACTORS THAT WILL DETERMINE YOUR TAX IMPACT

HOW DOES IT WORK?

- Intelligent Withdrawals identifies a tax-efficient combination of positions and lots to sell to raise a target amount of cash
- Several factors can contribute complexity:
 - Dividends
 - Multiple accounts
 - Tax lots
 - Significant price movements
 - Changing regulations
- Works best when **factoring in all your accounts and holdings**
- The more combinations it considers, the more accurate the recommendation may be

What you own

How long you've owned it

What type of account
it's held in

Whether the security has increased
or decreased in value



TAXABLE

Withdrawals are generally subject to capital gains tax, but only on the growth of the investment – not the principal.



TAX-DEFERRED

Funded with pre-tax money so the full amount of each withdrawal is subject to ordinary income tax.



TAX-FREE

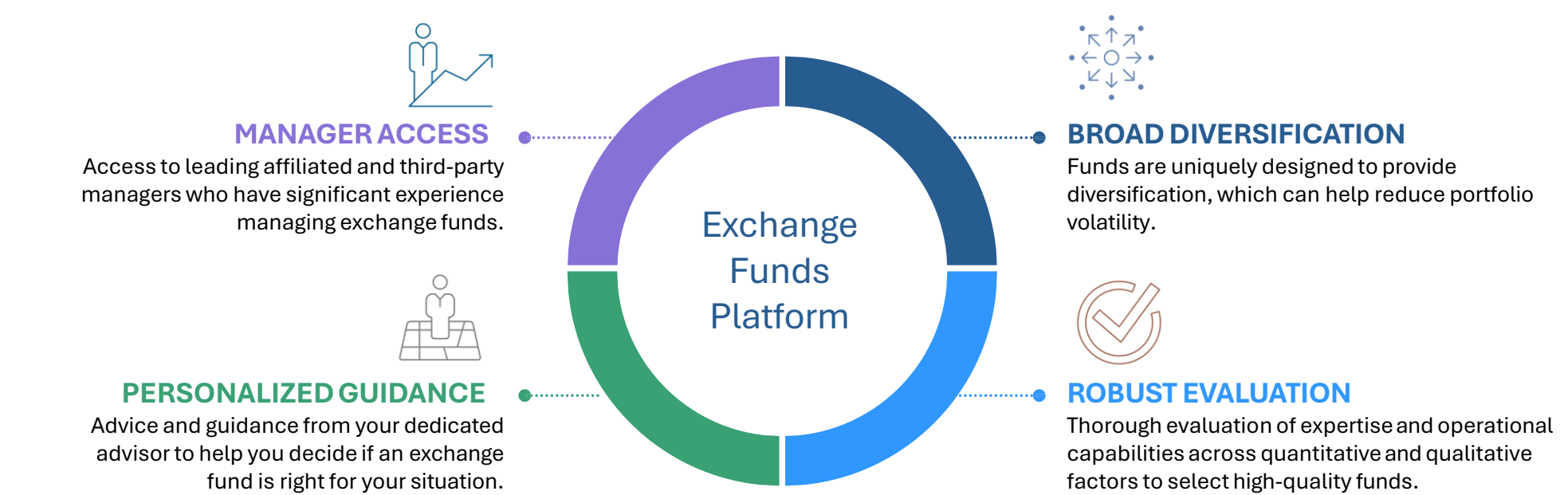
All investment income, growth and withdrawals are tax-free, if meeting the requirements for a qualified distribution.

The Intelligent Withdrawals tool is not available for managed accounts.

Our Exchange Funds Platform

Swap, don't sell. Defer taxes and diversify your concentrated risk.

Exchange funds enable holders of concentrated stock positions to exchange those stocks for a diversified portfolio. Investors may benefit from greater diversification without selling stock.



Platform Overview

Offerings Investment opportunities available from leading affiliated and third-party managers, who have been offering exchange funds for over 20 years.	Minimum Investment Depending on the fund, minimum investments ranges from \$500,000 to \$1,000,000.	Fund Fees Annual fees range from 0.85% to 0.95%, as well as a one-time upfront client fee of up to 1.5% depending upon the investment amount.
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Value You Can Measure with Strategic Client Reporting

Our Detailed Client Reports Track Progress and Quantify The Effectiveness of Your Personalized Tax-management Strategies Within a Comprehensive View of Your Portfolio. Because What Gets Measured Gets Improved



STRATEGIC REPORTS HELP YOU

- Recognize the potential tax savings, or alpha, you will potentially receive through active tax management
- Identify any tax gains, losses or gaps in your strategy
- Effectively plan for your long-term goals

TAX MANAGEMENT ANALYSIS

	Year to Date 01/01/24-10/15/24	Previous Year 01/01/23-12/31/23	Custom 10/01/23-09/30/24
REALIZED GAIN/LOSS			
Short Term Gain (\$)	158,166.80	1,028.90	73,196.36
Short Term Loss (\$)	-208,718.86	-5,732.10	-208,718.86
Short Term Net (\$)	-50,552.06	-4,703.20	-135,522.50
Long Term Gain (\$)	29,917.30	183,608.77	29,919.27
Long Term Loss (\$)	-292,439.55	-10,481.04	-292,439.55
Long Term Net (\$)	-262,522.25	173,127.73	-292,520.28
Disallowed Loss (\$)	295,320.38	375.84	295,320.38
Total Realized G/L (\$)	-313,074.31	168,424.53	-398,042.78
UMA TAX MANAGEMENT			
Tax Harvested Losses (\$)	10,266.60	30,334.29	19,663.62
Estimated Tax Savings (\$)	3,931.23	10,983.38	7,392.77
Estimated Tax Savings Yield (%)	0.33	1.05	0.65

UMATaxManagement Analytics assumes the highest marginal Federal Income Tax Rates and may differ from your actual tax savings. Morgan Stanley and the Select UMATax Management Service do not guarantee adherence to the IRS Wash Sale Rule. For short-term gains, Morgan Stanley Tax Management Services assumes the highest U.S. federal marginal income tax rate of 37.0% plus the 3.8% Net Investment Income Tax, for a combined rate of 40.8%. For long-term gains, Morgan Stanley Tax Management Services assumes the highest U.S. federal marginal income tax rate of 20% plus the 3.8% Net Investment Income Tax, for a combined rate of 23.8%. The Estimated Tax Savings and Estimated Tax Savings Yield shown are subject to the limitations of the specific calculation methodology applied and are not to be used for tax reporting purposes. The client's actual tax rates, the presence of current or future capital loss carry forwards, any disallowed losses and other client tax circumstances will cause the client's Tax Savings and Tax Savings Yield to be over or under the estimates presented here. In periods when net realized losses exceed net realized gains, applying the highest tax rates to our calculations illustrates the highest Tax Savings and Tax Savings Yield that could be expected of the portfolio, and assumes the maximum potential tax benefit was derived. Actual client Tax Savings and Tax Savings Yield will vary. A client may elect Tax Management Services for the account by notifying their Financial Advisor and indicate what Maximum Tax or Realized Capital Gain Instruction is desired for the account, if any. The Tax Management Services Terms and Conditions attached to the Morgan Stanley Smith Barney LLC Select UMA ADV brochure as Exhibit A will govern Tax Management Services in the account. Clients should review the Morgan Stanley Smith Barney LLC Select UMA ADV brochure carefully with their tax advisor. Tax Management Services are not available for all accounts or clients and may adversely impact account performance. Tax Management Services do not constitute tax advice or a complete tax-sensitive investment management program. There is no guarantee that Tax Management Services will produce the desired tax results.

Definitions: Tax Harvested Losses: Tax losses in a portfolio that were harvested by selling securities and using such losses to offset a gain (either within the same portfolio or elsewhere). Estimated Tax Savings: The estimated reduction in the amount of taxes that would be paid by an individual, business, or other taxable entity in dollar terms by applying the maximum marginal federal tax rates to the total Tax Harvested Losses. (Tax Harvested Losses * Federal Tax Rates = Estimated Tax Savings). Estimated Tax Savings Yield: The Estimated Tax Savings yield is the estimated tax savings displayed as a percentage relative to account value. (Estimated Tax Savings / Account Value = Estimated Tax Savings Yield).

Plan for Your Future Today

Tax challenges often accompany major life events and investment decisions

That's why we partner with you to create a personalized investment approach that will keep working for you as your life evolves.



Plan for the tax implications of your investment decisions.

Create a strategy for retirement spending.

Seek the optimal combination of tax-exempt and tax-deferred accounts for your specific situation.

Develop a tax-smart strategy for diversifying a portfolio of highly appreciated securities.

Evaluate your investments for significant potential gain or loss realization events in your future.

Explore how and when you want to make charitable donations.

Talk to your Morgan Stanley Financial Advisor to learn more about our tax-smart solutions.

Disclosures

*The actual value of your investment will fluctuate based on market conditions. This is a hypothetical illustration and not meant to represent an actual investment strategy. Taxes may be due at some point in the future and tax rates may be different when they are. The hypothetical illustration shown is gross of any fees and expenses a client may experience. Investing involves risk and you may incur a profit or loss regardless of strategy selected.

This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. It 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 (“Morgan Stanley”) recommends that investors independently evaluate particular investments and strategies and encourages investors to seek the advice of a Morgan Stanley Financial Advisor. The appropriateness of a particular investment or strategy will depend on an investor’s individual circumstances and objectives.

When Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors (collectively, “Morgan Stanley”) provide “investment advice” regarding a retirement or welfare benefit plan account, an individual retirement account or a Coverdell education savings account (“Retirement Account”), Morgan Stanley is a “fiduciary” as those terms are defined under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and/or the Internal Revenue Code of 1986 (the “Code”), as applicable. When Morgan Stanley provides investment education, takes orders on an unsolicited basis or otherwise does not provide “investment advice”, Morgan Stanley will not be considered a “fiduciary” under ERISA and/or the Code. For more information regarding Morgan Stanley’s role with respect to a Retirement Account, please visit www.morganstanley.com/disclosures/dol. Tax laws are complex and subject to change. Morgan Stanley does not provide tax or legal advice. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a Retirement Account, and (b) regarding any potential tax, ERISA and related consequences of any investments or other transactions made with respect to a Retirement Account.

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: Dividends are pooled. Investors may forfeit their stock voting rights. Investment may be illiquid for several years. Investments may be leveraged or contain derivatives. Significant early redemption fees may apply. Changes to the U.S. tax code, which could be retroactive (potentially disallowing the favorable tax treatment of exchange funds). Investment risk and potential loss of principal.

Morgan Stanley offers investment program services through a variety of investment programs, which are opened pursuant to written client agreements. Each program offers investment managers, funds and features that are not available in other programs; conversely, some investment managers, funds or investment strategies may be available in more than one program. Morgan Stanley’s investment advisory programs may require a minimum asset level and, depending on a client’s specific investment objectives and financial position, may not be appropriate for the client. Please see the applicable program disclosure document for more information, available at www.morganstanley.com/ADV or from your Financial Advisor. Advisory relationships may not be appropriate in certain situations.

Generally, investment advisory accounts are subject to an annual asset-based fee (the “Fee”) which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively “funds”), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund’s share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley’s Separately Managed Account (“SMA”) programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf.

For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor. Morgan Stanley Wealth Management is a business of Morgan Stanley Smith Barney LLC.

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Disclosures cont'd

Advisory relationships may not be appropriate in certain situations.

Direct Indexing may adversely impact account performance. There is no guarantee that Direct indexing will produce the desired tax results.

The investment management services of Morgan Stanley Smith Barney LLC and investment vehicles managed by Morgan Stanley Smith Barney LLC or its affiliates are not guaranteed and could result in the loss of value to your account. 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.

1. Source: Parametric. Based on Parametric Custom Core® US Large Cap and Developed International ADR 2011 Vintage Composites After-Tax Performance (Net of Fees) as of 6/30/2021. The average incremental annual return represents the annualized difference in cumulative gains for each parametric fund and its respective benchmark from 1/1/2010 to 6/30/2021. Starting Q4 2016, Parametric Custom Core U.S. Large Cap 2011 Vintage Composite net returns reflect the deduction of a 0.35% annual management fee – the highest paid by any client in this composite. Prior to Q4 2016, composite net returns reflect the deduction of a 0.45% annual management fee. Starting Q4 2016, the Parametric Custom Core Developed International ADR Vintage Composite net returns reflect the deduction of a 0.40% annual management fee – the highest paid by any client in this composite. Prior to Q4 2016, composite net returns reflect the deduction of a 0.50% annual management fee. Performance reflects the reinvestment of dividends and other earnings. The above information is supplemental to the composites' Global Investment Performance Standards (GIPS®) presentation. The composite consists of all accounts inception between December 1, 2010 and November 30, 2011. Benchmark after-tax returns are simulated for each client portfolio using client-specific, after-tax benchmark portfolios. Performance of the after-tax benchmark is simulated using the same inception date, cash flows, cost basis, and tax rates as the client portfolio. The after-tax benchmark's capital gain realization rate is based on the average turnover rate of the pre-tax benchmark and ending gain or loss of the after-tax benchmark for each period. The dividend income is estimated using the pre-tax benchmark index's dividend return during the period. After-tax benchmark returns reflect the deduction of taxes, but do not include any other fees or expenses. After-tax benchmark returns are hypothetical, do not reflect actual trading, and may not be relied upon for investment decisions. The index is provided for comparison purposes. Indices are unmanaged. It is not possible to invest directly in an index. Past performance is not indicative of future results. All investments are subject to the risk of loss.
2. Source: Eaton Vance Management. For educational purposes only and should not be considered investment, legal or tax advice. This data is general in nature and not intended to serve as the primary or sole basis for investment or tax-planning decisions. The above figure represents the annualized tax alpha on a pre-liquidation period assuming a 10- year time period, 8% annualized return, highest federal tax rates only, 1% fee, and no existing cost basis.

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.

Eaton Vance and Parametric Portfolio Associates are businesses of Morgan Stanley Investment Management and are affiliated with Morgan Stanley Wealth Management.

Morgan Stanley Smith Barney LLC, its affiliates, and Financial Advisors do not provide tax or legal advice. Clients should consult their tax advisor for matters involving taxation and tax planning and their attorney for legal matters.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

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

While we believe that MS GIFT provides a valuable philanthropic opportunity, contributions to MS GIFT are not appropriate for everyone. Other forms of charitable giving may be more appropriate depending on a donor's specific situation. Of critical importance to any person considering making a donation to MS GIFT is the fact that any such donation is an irrevocable contribution. Although donors will have certain rights to make recommendations to MS GIFT as described in the Donor Circular & Disclosure Statement, contributions become the legal property of MS GIFT when donated. The Donor Circular & Disclosure Statement describes the risks, fees and expenses associated with establishing and maintaining an MS GIFT Account. Read it carefully before contributing.

There is no guarantee that tax-loss harvesting will achieve any particular tax result.

General Disclosures

Morgan Stanley Wealth Management ("MSWM", "Morgan Stanley" or "MSSB") is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer and investment adviser in the United States. This material is for educational purposes only and is not an offer or solicitation to buy, sell, or participate in any security or trading strategy. Past performance is not a guarantee of future results.

Morgan Stanley offers a range of brokerage and advisory services, which create different types of client relationships and obligations. Please consult with your Financial Advisor to understand these differences, or review our "Understanding Your Brokerage and Investment Advisory Relationships" brochure available at www.morganstanley.com/wealth-relationshipwithms/pdfs/understandingyourrelationship.pdf.

Asset allocation, diversification, rebalancing and dollar cost averaging do not guarantee a profit or protect against loss in declining markets. Past performance is no guarantee of future results and actual results may vary. Rebalancing strategies may also have tax consequences; investors should consult a qualified tax advisor before implementing such strategies.

Conflicts of Interest: As a diversified global financial services firm, Morgan Stanley engages in a broad range of activities, including financial advisory and investment management services; sponsoring and managing private investment funds; broker-dealer and principal securities transactions, commodities and foreign exchange transactions; and the publication of research, among other activities. In the ordinary course of its business, these activities may create situations where Morgan Stanley's interests may conflict with those of its clients, including the private investment funds it manages. Morgan Stanley can give no assurance that such conflicts of interest will be resolved in favor of its clients or any particular fund.

Indices are unmanaged and cannot be invested in directly. For index, indicator and survey definitions referenced in this report, please visit: www.morganstanley.com/wealth-investmentsolutions/wmir-definitions

For more information, please refer to additional General Disclosures here: www.morganstanley.com/wealthbooks#general-disclosures.

Risks Associated With Investing

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. **Please carefully consider the investment objectives, risks, charges and expenses of investment fund(s) before investing. The fund prospectus contains this and other information about the fund(s). To obtain a prospectus, contact your financial advisor. Please read the prospectus carefully before investing.** There is no assurance that investment funds will achieve their investment objectives. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in emerging markets and frontier markets. Some funds also invest in foreign securities, which may involve currency risk. **Equity securities** may fluctuate in response to news on companies, industries, market conditions and general economic environment. Companies paying dividends can reduce or cut payouts at any time. Small- and mid-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of **small- and mid-capitalization** companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. **Growth investing** does not guarantee a profit or eliminate risk. Growth stocks can trade at relatively high valuations which may increase risk compared with an investment in a company with more modest growth expectations. **Value investing** does not guarantee a profit or eliminate risk. Not all companies deemed value stocks are able to turn around their business or successfully execute corrective strategies, and their stock prices may not rise as initially expected.

The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or value at maturity. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. Yields may change with economic conditions and should be considered alongside other factors when making investment decisions. Credit ratings are subject to change. **High yield bonds** carry additional risks, including increased risk of default and greater volatility due to lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes, though some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities (TIPS)** adjust coupon payments and underlying principal to compensate for inflation in line with the consumer price index (CPI). While the real rate of return is guaranteed, TIPS typically offer lower returns and may significantly underperform conventional U.S. Treasuries during periods of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The **Ultrashort-term fixed income** asset class consists of high-quality securities with very short maturities and is therefore still subject to the risks associated with debt securities such as credit and interest rate risk.

Money Market Funds: You could lose money in money market funds. Although government money market funds (defined as investing 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (defined as money market funds open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee doing so. The price of other money market funds will fluctuate, and when you sell shares they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A money market fund investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund and investors should not expect that the sponsor will provide financial support to the Fund at any time.

Investing in **Commodities:** Commodity prices may be affected by factors such as supply and demand, government policies, domestic or international political and economic events (including war or terrorism), changes in interest and exchange rates, trading activity in commodities and related contracts, pestilence, technological developments, weather, price volatility, and liquidity constraints. Physical precious metals are speculative, non-regulated products that may experience short- and long-term price volatility. Precious metals do not make interest or dividend payments and therefore may not be appropriate for investors who require current income. Precious metals must be stored, which may impose additional costs on investors.

Master Limited Partnerships (MLPs): Investments in MLPs are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity price fluctuations, supply

and demand imbalances, resource depletion and exploration risk. MLPs also carry interest rate risk and may underperform in rising interest rate environments. In addition, MLP funds accrue deferred income taxes on net operating gains and capital appreciation; as a result their after-tax performance could differ significantly from that of its underlying assets.

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.

Alternative investments are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They are appropriate only for eligible, long-term investors willing to forgo liquidity and put capital at risk for an indefinite period. They are often illiquid, may employ leverage, short-selling, or other speculative practices that increase volatility and risk of loss, and may require large minimum investments and initial lock-ups. Alternative investments may also involve complex tax structures, tax-inefficient investing, and delays in distributing important tax documents. Clients should consult their own tax and legal advisors, as Morgan Stanley Wealth Management does not provide tax or legal advice. They also typically carry higher fees and expenses than traditional investments, which can reduce overall returns.

Sector investments, due to their narrow focus, tend to be more volatile than broadly diversified investments. **Non-diversified portfolios:** Portfolios that hold a concentrated number of securities may experience greater overall declines when those securities lose value compared with more diversified portfolios. Portfolios that invest heavily in one or a few industry sectors are more vulnerable to price fluctuations than those diversified across a wider range of sectors.

Environmental, Social and Governance (ESG) investments in a portfolio may experience performance that is lower or higher than a portfolio not employing such practices. Portfolios with ESG restrictions and strategies as well as ESG investments may not be able to take advantage of the same opportunities or market trends as portfolios where ESG criteria is not applied. There are inconsistent ESG definitions and criteria within the industry, as well as multiple ESG ratings providers that provide ESG ratings of the same subject companies and/or securities that vary among the providers. Certain issuers of investments may have inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. ESG designations are as of the date of this material, and no assurance is provided that the underlying assets have maintained or will maintain any such designation or any stated ESG compliance. As a result, it is difficult to compare ESG investment products or to evaluate an ESG investment product in comparison to one that does not focus on ESG. Investors should also independently consider whether the ESG investment product meets their own ESG objectives or criteria. There is no assurance that an ESG investing strategy or techniques employed will be successful. Past performance is not a guarantee or a dependable measure of future results.

Buying, selling, and transacting in Bitcoin, Ethereum or other digital assets ("Digital Assets"), and related funds and products, is highly speculative and may result in a loss of the entire investment. Risks and considerations include but are not limited to: Digital Assets have only been in existence for a short period of time and historical trading prices for Digital Assets have been highly volatile. The price of Digital Assets could decline rapidly, and investors could lose their entire investment. Although any Digital Asset product and its service providers have in place significant safeguards against loss, theft, destruction and inaccessibility, there is nonetheless a risk that some or all of a product's Digital Asset could be permanently lost, stolen, destroyed or inaccessible by virtue of, among other things, the loss or theft of the "private keys" necessary to access a product's Digital Asset. Digital Assets may not have an established track record of credibility and trust. Further, any performance data relating to Digital Asset products may not be verifiable as pricing models are not uniform.

For more information, please refer to additional Risks Associated With Investing here: www.morganstanley.com/wealthbooks#risks-associated-with-investing.

Investment Advisory Programs

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, other investment or service, or to attract any funds or deposits. Investments mentioned may not be appropriate for all clients. MSWM offers investment program services through a variety of investment programs, which are opened pursuant to written client agreements. Each program offers investment managers, funds and features that are not available in other programs; conversely, some investment managers, funds or investment strategies may be available in more than one program. For more information, please see the Morgan Stanley Smith Barney LLC MSWM program disclosure brochure (the "Morgan Stanley ADV"). The Morgan Stanley ADV is available at www.morganstanley.com/ADV.

The Morgan Stanley Pathway Funds, Firm Discretionary UMA Model Portfolios, and other asset allocation or any other model portfolios that are discussed in this material are available only to investors participating in Morgan Stanley Consulting Group advisory programs. For additional information on the Morgan Stanley Consulting Group advisory programs, see the applicable ADV brochure, available at www.morganstanley.com/ADV or request from your Morgan Stanley Financial Advisor or Private Wealth Advisor. To learn more about the Morgan Stanley Pathway Funds, visit the Funds' website at www.morganstanley.com/wealth-investmentsolutions/cgcm.

Generally, investment advisory accounts are subject to an **annual asset-based fee** (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a **Platform Fee** (which is subject to a Platform Fee offset) as described in the Morgan Stanley ADV. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. **Fees and expenses are charged directly to the pool of assets** the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the Morgan Stanley ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's SMA programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instances, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported

on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the **Morgan Stanley ADV** or contact your Financial Advisor / Private Wealth Advisor.

GIMA Conflicts of Interest: Our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by Global Investment Manager Analysis (GIMA) come from a variety of sources, including our MSWM Financial Advisors and their direct or indirect managers, and other business persons within MSWM or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, MSWM or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds or for which a portion of their clients' assets are already invested. Separately, certain strategies managed or sub-advised by us or our affiliates, including but not limited to MSIM and Eaton Vance Management ("EVM") and its investment affiliates, may be included in your account. See the conflicts of interest section in the applicable Morgan Stanley ADV brochure for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, MSWM, Morgan Stanley & Co. LLC ("MS & Co."), managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs.

MSWM, managers, MS & Co., and their affiliates receive compensation and fees in connection with these services. MSWM believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all these companies from an account.

Morgan Stanley charges each fund family we offer a **mutual fund support fee**, also called a "revenue-sharing payment," on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

For more information, please refer to additional Investment Advisory Programs disclosures here: www.morganstanley.com/wealthbooks#investment-advisory-programs.

Products and Services

Annuities and insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates. Not all products and services discussed herein are available through Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates. Since life and long-term care insurance are medically underwritten, you should not cancel your current policy until your new policy is in force. A change to your current policy may incur charges, fees and costs. A new policy will require a medical exam. Surrender charges may be imposed and the period of time for which the surrender charges apply may increase with a new policy. You should consult with your own tax advisors regarding your potential tax liability on surrenders. Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY.

Lending products, including securities-based loans, are offered by Morgan Stanley Smith Barney LLC (MSSB), Morgan Stanley Private Bank, National Association (MSPBNA), and Morgan Stanley Bank, N.A. (MSBNA), collectively referred to as "the Firm" as applicable. Borrowing against securities involves risk and may not be appropriate for all clients. Risks include maintenance calls, forced liquidation of securities, and potential tax consequences. The Firm reserves the right to change collateral requirements, decline funding requests, or call loans at any time. Products are distinct and subject to independent underwriting and approval. Rates, terms, and availability may vary.

Residential mortgage loans and home equity lines of credit are offered by MSPBNA, Member FDIC an Equal Housing Lender. 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 MSSB or other brokerage account.** The pledged-asset feature allows eligible securities to be used as a substitute for a cash down payment. The pledged-asset feature allows eligible securities to be used as an alternative to a cash down payment. Clients must maintain collateral levels and may be subject to liquidation if requirements are not met. Interest-only and adjustable-rate mortgages (ARMs) carry specific risks, including payment increases and higher total interest costs. ARMs are based on the SOFR 30-Day Average. Relationship-based pricing is available based on eligible household assets held at the Firm.

Cards and Cash Management: Debit Cards offered through the Firm are issued by MSPBNA under license from Mastercard. American Express Cards offered through the Firm include the Platinum Card®, Blue Cash Preferred®, and the Morgan Stanley Credit Card. Eligibility requires an "Eligible Account" at the Firm. Cards are issued by American Express National Bank. Terms, conditions, and restrictions apply. The Greenlight App and Debit Card is provided by Greenlight Financial Technologies, not the Firm or any of its affiliates. The Morgan Stanley CashPlus is a brokerage account offered through MSSB. Conditions and restrictions apply. For more information, see the CashPlus Disclosure Statement.

Deposit Products and FDIC: Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s) at FDIC-insured banks. Certain conditions must be met. For more information, view the Bank Deposit Program Disclosure Statement. The Savings and Preferred Savings Programs offer FDIC-insured deposit accounts at Morgan Stanley Private Bank, National Association, Member FDIC or Morgan Stanley Bank, N.A., Member FDIC. The Savings programs are not intended for clients who need to have frequent access to funds and those funds will not be automatically accessed to reduce a debit or margin loan in your brokerage account. Withdrawals are limited to 10 per calendar month, and excess withdrawals may incur fees. Promotional rates may be offered from time to time and are subject to change at any time.

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

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For more information, please refer to additional Products and Services disclosures here: www.morganstanley.com/wealthbooks#products-and-services.

Other General Disclosures

When MSWM, its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors (collectively, "MS") provide "investment advice" regarding a retirement or welfare benefit plan account, an individual retirement account or a Coverdell education savings account ("Retirement Account"), MS is a "fiduciary" as those terms are defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and/or the Internal Revenue Code of 1986 (the "Code"), as applicable. When MS provides investment education, takes orders on an unsolicited basis or otherwise does not provide "investment advice", MS will not be considered a "fiduciary" under ERISA and/or the Code. For more information regarding MS's role with respect to a Retirement Account, please visit www.morganstanley.com/disclosures/dol. Tax laws are complex and subject to change. MS does not provide tax or legal advice. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a Retirement Account, and (b) regarding any potential tax, ERISA and related consequences of any investments or other transactions made with respect to a Retirement Account. Individuals should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning, charitable giving, philanthropic planning and other legal matters. This material is not a financial plan and does not establish an investment advisory relationship. MS will only prepare a financial plan at your specific request using MS approved financial planning software.

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