

Specialized Investment Consulting for Healthcare Organizations



Holistic Partnerships with Healthcare Organizations

The financial challenges facing hospitals and healthcare systems have grown in their complexity and increased the importance of strong financial reserves. Industry headwinds from consolidations, workforce shortages, and rising costs have combined to increase pressures. These factors underscore the importance of a holistic investment strategy that integrates and supports the mounting list of financial considerations that healthcare organizations must manage.

Drawing on our deep knowledge of the financial, operational and regulatory demands of the healthcare industry and our proficiency in the areas of portfolio construction, manager selection, plan design and capital markets, Graystone Consulting provides customized, effective investment advice to entities across the healthcare ecosystem.

Our Healthcare Experience



35+
years



\$45B+
AUM¹



Our Healthcare Clients

Hospitals and healthcare systems

Medical clinics

Treatment centers

Senior living facilities

Private practices

Home healthcare providers



Our Approach

Dedicated team with deep understanding of the healthcare sector

Engagements led by seasoned consultants

Boutique service backed by Morgan Stanley's vast global resources

Holistic investment strategies that support the needs of various stakeholders and priorities

Mission-aligned investing for faith-based and mission-driven clients

200+
clients



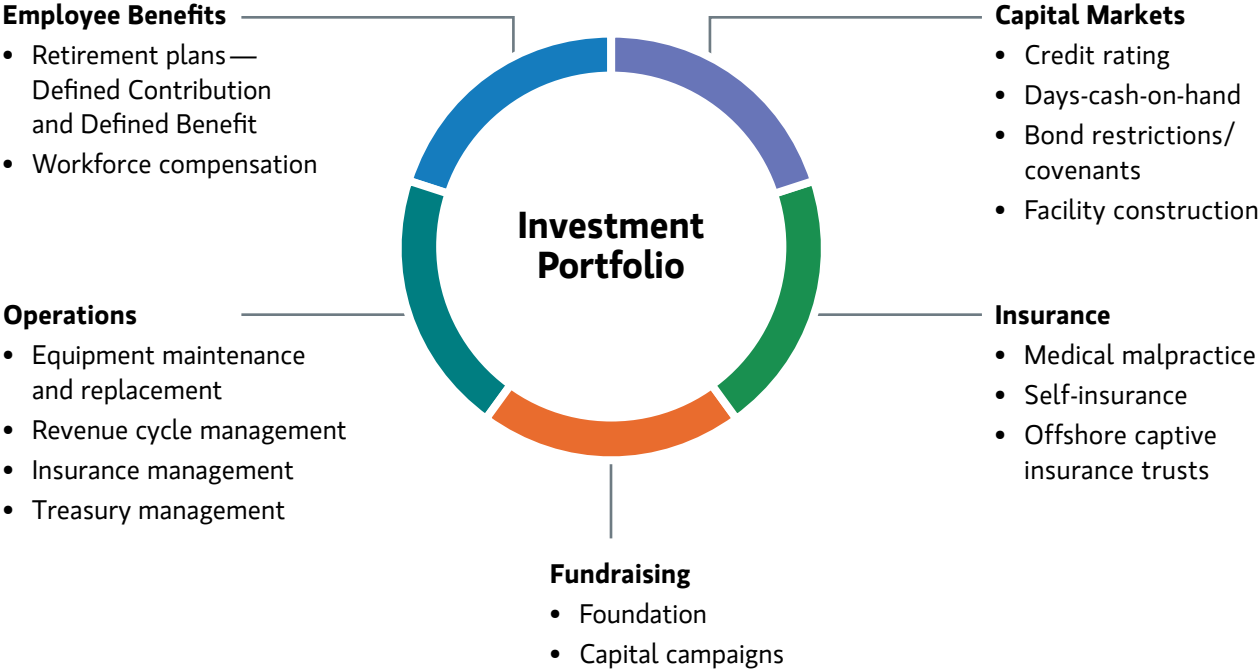
Investment Consulting Focused on Enterprise-Level Objectives

Healthcare organizations' investment portfolios need to work in concert with myriad financial and operational considerations to generate risk-adjusted returns and liquidity to support the organization's larger mission. To build holistic solutions that account for the portfolio's broader impact, we seek input from decision-makers and stakeholders across your organization.

We understand that reliable sources of non-operating income are key parts of budgetary planning, managing liabilities and maintaining facilities and equipment. As part of Morgan Stanley, we bring a depth of investment banking and capital markets knowledge that allows us to assess how portfolio changes can influence an organization's ability to manage liquidity, efficiently raise capital and maintain debt service requirements.



Healthcare organizations must make investment decisions that are informed by their potential impact on the rest of the organization.



Cost-Effective, Rigorously Researched Solutions from a Global Investment Leader

Leveraging Extensive Manager Relationships and Research

As part of Morgan Stanley, Graystone Consulting provides healthcare clients access to one of the industry's leading investment platforms. Our ability to identify, research and monitor best-in-class investment managers for our clients' portfolios is fueled by our robust manager platform and analyst team.



~75 Analysts dedicated to manager analysis²



4,400+ Strategies monitored per year²



~400 Investment manager relationships²



Harnessing the Strength of One of the Industry's Largest Alternatives Platforms

For healthcare clients seeking the illiquidity premiums, diversification and other potential benefits of private markets, we provide an array of proprietary and third-party alternative investments with top managers.

45+

year history

\$165B

in client assets
under management³

200+

alternative investment
funds available³

75%

of new offerings are first
look or exclusive funds⁴



Turning Our Scale Into Savings and Simplicity

We help achieve an efficient consulting engagement by creating “all-in” investment solutions that are both cost-effective and comprehensive, simplifying the management of our clients’ investment programs.

Our approach comprises two transparent components: separately managed accounts (SMAs) with third-party managers and a single-contract advisory fee.



Third-party manager SMAs: We achieve favorable economics on behalf of our clients by harnessing Morgan Stanley’s position as one of the world’s largest and best-known financial services companies with more than \$6.6 trillion⁵ in assets under management globally. Graystone’s clients benefit from the economies of scale and dedicated pricing arrangements that Morgan Stanley negotiates with third-party investment managers.



Single-contract advisory fee: Graystone clients experience a simplified, efficient approach to working with a consultant. By combining our consulting activities with middle-office services in one relationship agreement, we reduce costs and significantly ease the administrative burden for clients. Upon request, we also offer custody of client assets through Morgan Stanley at no additional cost. This optional service can provide such benefits as cost-effective implementation and more detailed portfolio analysis and reporting.

Morgan Stanley’s scale as one of the industry’s largest investment firms empowers us to achieve highly favorable fees with third-party managers on behalf of our clients.

With **traditional investment consultants**, clients must contract with multiple vendors, creating complexity and higher costs; they also often pay standard fees for third-party managers.

Graystone clients benefit from the cost-savings and simplicity of a **single-contract advisory fee** while also receiving **reduced third-party manager fees** thanks to the preferred dedicated pricing Morgan Stanley negotiates for clients.



Types of Missions Served by Our Healthcare Clients



Faith



Community



Children/Family



Relief

Aligning Portfolios with Our Clients' Missions

For mission-driven and faith-based healthcare clients, we build portfolios that are consistent with their unique goals and create more targeted outcomes. We have the manager access as well as portfolio construction and reporting capabilities to align exposures with our clients' priorities.

Demand is growing among healthcare providers — including those that are non-mission-based — to incorporate key sustainability metrics into their investment and manager selection processes. Many of these organizations are considering the environment's effect on patients and/or recognizing the benefits of diversity in their workforce and in their investments.

These factors are increasingly important considerations for donors and boards, and we play a vital role in helping clients achieve their objectives. Our client-centric approach to Impact Investing is designed to capture impact priorities and monitor alignment. We have extensive experience helping clients identify and implement mission-aligned considerations into their portfolio.



The Graystone Consulting Advantage

Guiding clients through complexity

Graystone's healthcare clients get a deep level of engagement from our most senior consultants for the lifetime of the relationship. Together, we develop customized, innovative and flexible solutions to help clients meet their most sophisticated financial needs, while building long-term partnerships based on trust.

Independent and objective fiduciary partner

Our extensive open architecture investment platform empowers us to deliver objective, unbiased advice and maintain complete fiduciary independence. We work solely in our clients' interests to help create lasting financial security for their organizations.

Boutique service on a global scale

Graystone combines the fresh thinking, nimbleness and spirit of a modern consulting boutique with the deep knowledge of Morgan Stanley. Our consultants are experienced healthcare advisors who understand the industry's unique challenges and develop innovative strategies to navigate emerging dynamics across healthcare.

Connected to Morgan Stanley resources

We put the financial resources of Morgan Stanley's vast research network to work for our clients. With an enterprise mindset that goes beyond asset management, Graystone draws from the investment banking and capital markets expertise of Morgan Stanley.

Global Resources with Local Expertise

At Graystone Consulting, we combine local expertise and global resources to help healthcare organizations make informed, confident investment decisions.



\$614.2
BILLION

in total institutional assets under management¹



50+
YEARS

of experience advising institutional clients



280+
CONSULTANTS

serving institutional clients¹



Let's Talk

We look forward to starting the conversation on how we can help.

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¹ As of December 31, 2023. Mandates include all Assets Under Management and Assets Under Advisement.

² As of June 2023. Source Global Investment Manager Analysis (GIMA).

³ As of June 30, 2023. Source Morgan Stanley Wealth Management Alternative Investments Group.

⁴ Morgan Stanley Wealth Management Alternative Investments Group. As of June 30, 2023. Includes offerings available broadly on the platform.

⁵ As of December 31, 2023. Source Morgan Stanley 10-K.

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.

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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 differing and 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 and 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.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing.

Diversification does not guarantee a profit or protect against loss in a declining financial market.

Investment advisory services discussed herein are offered through Morgan Stanley Smith Barney LLC ("Morgan Stanley") Advisory Programs only. 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.

As a business unit of Morgan Stanley, which is a registered investment adviser under the Investment Advisers Act of 1940, Graystone provides discretionary investment advisory and consulting services pursuant to its Institutional Services Agreement, Graystone will also acknowledge that it is a fiduciary pursuant to Section 3(21) and Section 3(38) of ERISA as applicable. Part 1 of our Form ADV can be found on the SEC's website (<http://www.adviserinfo.sec.gov/>) alongside our most recent ADV Program Brochure.

Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice. Clients should consult their tax advisor for matters involving taxation and tax planning and their attorney for matters involving trust and estate planning, charitable giving, philanthropic planning and other legal matters.

Private equity interests may be highly illiquid, involve a high degree of risk and be subject to transfer restrictions.

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