

JUNE 30, 2025

**ANNUAL REPORT**

**Morgan Stanley National Advisory 529 Plan**

Not FDIC Insured • May Lose Value • No Bank Guarantee



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Performance information and Fee and Expense information regarding the Morgan Stanley National Advisory 529 Plan may be found in the Morgan Stanley National Advisory 529 Plan Description and Participation Agreement located on Morgan Stanley's website and can be accessed at [www.morganstanley.com/529plans](http://www.morganstanley.com/529plans). References to Morgan Stanley's websites are intended to allow investors public access to information regarding the Morgan Stanley National Advisory 529 Plan and do not, and are not intended to, incorporate Morgan Stanley's website into this report.

## Independent Auditor's Report

### To the Morgan Stanley National Advisory 529 Plan:

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying Statement of Fiduciary Net Position of the Morgan Stanley National Advisory 529 Plan (the "Plan"), a Plan of the State of North Carolina State Education Assistance Authority, as of June 30, 2025, and the related Statement of Changes in Fiduciary Net Position for the year then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2025, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

##### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with

auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Schedules**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The Combining Statements of Fiduciary Net Position and the Combining Statements of Changes in Fiduciary Net Position, as listed in the table of contents, are supplemental schedules presented for purposes of additional analysis and are not a required part of the basic financial statements. Such schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements of Fiduciary Net Position and the Combining Statements of Changes in Fiduciary Net Position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2025 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

*Deloitte & Touche LLP*

September 15, 2025

## Management's Discussion and Analysis

The North Carolina State Education Assistance Authority ("NCSEAA") offers and oversees the Morgan Stanley National Advisory 529 Plan (the "MS Advisory 529 Plan" or "Plan") for the State of North Carolina.

These financial statements pertain solely to the Plan's investment options that are each referred to individually as an "Investment Option" and collectively as the "Investment Options." As investment manager of the Plan, which is offered and overseen by NCSEAA for the State of North Carolina, Morgan Stanley Smith Barney LLC ("Morgan Stanley") offers readers of the financial statements of the Plan this discussion and analysis of the Plan's financial performance for the fiscal year ended June 30, 2025.

### Overview of the Financial Statements

The Plan's financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

This report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements consist of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position and Notes to Financial Statements that explain certain information in the financial statements and provide more detailed information.

The Statement of Fiduciary Net Position presents information on the Plan's assets and liabilities, with the difference between the two reported as fiduciary net position. This statement, along with the Statement of Changes in Fiduciary Net Position discussed below, is prepared using the accrual basis of accounting 1) whereby contributions are recognized when enrollment in the Plan has been successfully completed and all documentation is found to be in good order, 2) withdrawals are recognized when the withdrawal request has been received and all documentation is found to be in good order and 3) expenses and liabilities are recognized when services are provided, regardless of when cash is paid.

The Statement of Changes in Fiduciary Net Position presents information showing how the Plan's assets changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows in future fiscal years.

Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

This report presents the operating results and financial status of the Plan, which the North Carolina State Education Assistance Authority reports as a fiduciary fund (private purpose trust fund). Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the government entity.

## Financial Analysis

**Fiduciary Net Position:** The following is a condensed Statement of Fiduciary Net Position for the Plan:

	June 30, 2025	June 30, 2024
<b>Assets</b>		
Investments . . . . .	\$ 1,241,994,512	\$ 891,721,715
Cash . . . . .	405,301	–
Receivables . . . . .	1,824,968	1,573,354
Total assets . . . . .	1,244,224,781	893,295,069
<b>Liabilities</b>		
Payable and other liabilities . . . . .	2,351,177	1,769,397
Total liabilities . . . . .	2,351,177	1,769,397
<b>Fiduciary Net Position</b>	<b>\$ 1,241,873,604</b>	<b>\$ 891,525,672</b>

Total Fiduciary net position represents total contributions from participants since the Plan's inception, plus net increases and decreases from investment operations, less withdrawals and expenses.

Investments make up 100.0% of total fiduciary net position, and consist of 13 Investment Options. Each investment option is made up of a combination of up to nine Morgan Stanley ("MS") 529 Funds, and each MS 529 Fund in turn invests its assets in one of the nine Morgan Stanley Pathway Funds (the "Pathway Funds" or "underlying funds"). Receivables consist of receivables for subscription of Plan units and for underlying funds sold. Payables consist of payables for redemptions of Plan units, underlying funds purchased and consulting and advisory fees payable.

**Changes in Net Position:** The following is a condensed Statement of Changes in Fiduciary Net Position for the Plan:

	Year Ended June 30, 2025	Year Ended June 30, 2024
<b>Additions:</b>		
Contributions and conversions of units . . . . .	\$ 323,581,796	\$ 293,129,803
Net increase (decrease) from investment operations . . . .	121,609,524	82,292,335
Exchanges in . . . . .	137,623,948	77,837,624
Total additions . . . . .	582,815,268	453,259,762

Morgan Stanley National Advisory 529 Plan  
Changes in Net Position

	Year Ended June 30, 2025	Year Ended June 30, 2024
Deductions:		
Withdrawals and conversion of units . . . . .	93,801,125	57,130,446
Expenses . . . . .	1,042,263	710,641
Exchanges out . . . .	137,623,948	77,837,624
Total deductions . . . . .	232,467,336	135,678,711
Net increase in fiduciary net position . . . . .	350,347,932	317,581,051
Fiduciary Net Position, beginning of year . . .	891,525,672	573,944,621
<b>Fiduciary Net Position,     end of year . . . . .</b>	<b>\$ 1,241,873,604</b>	<b>\$ 891,525,672</b>



Morgan Stanley National Advisory 529 Plan  
Statement of Fiduciary Net Position

**June 30, 2025**

**Plan Total**

<b>Assets</b>	
Investments in underlying funds . . . . .	\$ 1,241,994,512
Cash . . . . .	405,301
Receivable for subscription of Plan units . . .	703,634
Receivable for underlying funds sold . . . . .	1,121,334
Total assets . . . . .	<u>1,244,224,781</u>
<b>Liabilities</b>	
Payable for redemption of Plan units . . . . .	357,276
Payable for underlying funds purchased . . .	1,708,329
Accrued consulting and advisory fees . . . . .	285,572
Total liabilities . . . . .	<u>2,351,177</u>
Fiduciary Net Position . . . . .	<u>\$ 1,241,873,604</u>

Morgan Stanley National Advisory 529 Plan  
Statement of Changes in Fiduciary Net Position

<b>Year Ended June 30, 2025</b>	<b>Plan Total</b>
<b>Additions</b>	
Contributions and conversions of units . . . .	\$ 323,581,796
Dividend income from underlying fund shares . . . . .	22,094,993
Net realized gain (loss) from sales of underlying fund shares . . . . .	(11,354,887)
Capital gains distributions from underlying fund shares . . . . .	26,057,847
Net change in unrealized appreciation (depreciation) on underlying fund shares . . . . .	84,811,571
Net increase (decrease) from investment operations . . . . .	121,609,524
Exchanges in . . . . .	137,623,948
Total additions . . . . .	582,815,268
<b>Deductions</b>	
Withdrawals and conversion of units . . . . .	93,801,125
Expenses:	
Consulting and advisory fees . . . . .	1,042,263
Total expenses . . . . .	1,042,263
Exchanges out . . . . .	137,623,948
Total deductions . . . . .	232,467,336
<b>Fiduciary Net Position</b>	
Net increase in fiduciary net position . . . . .	350,347,932
Beginning of year . . . . .	891,525,672
End of year . . . . .	\$ 1,241,873,604

## 1. Organization

The Morgan Stanley National Advisory 529 Plan (the “MS Advisory 529 Plan” or “Plan”) is established and maintained pursuant to Section 529 of the Internal Revenue Code of 1986, as a “Qualified Tuition Plan” (“529 Plan”). 529 Plans are designed to encourage and facilitate saving and investing funds by offering numerous tax and other advantages to pay for certain future primary, secondary and higher education expenses of an individual anticipated to incur such expenses.

The North Carolina State Education Assistance Authority (“NCSEAA”) is the instrumentality of the State of North Carolina responsible for establishing and maintaining the MS Advisory 529 Plan. NCSEAA has contracted with Morgan Stanley Smith Barney LLC (“Morgan Stanley”) as the exclusive manager responsible for the administration, distribution, investment management and other services for the MS Advisory 529 Plan. The Plan is sponsored and overseen by the NCSEAA. The Plan, which is a part of the Parental Savings Trust Fund, is maintained by the NCSEAA and managed by Morgan Stanley.

The MS Advisory 529 Plan currently offers 13 Investment Options, consisting of up to 9 MS 529 Funds. The Investment Options represent different risk-level models, ranging from conservative allocations (Conservative Fixed Income) to aggressive allocations (Opportunistic Growth and Equity) and include:

- MS 529 – Conservative Fixed Income
- MS 529 – Tactical Wealth Conservation
- MS 529 – Tactical Income
- MS 529 – Tactical Balanced Growth
- MS 529 – Tactical Market Growth
- MS 529 – Tactical Opportunistic Growth
- MS 529 – Tactical Equity
- MS 529 – U.S. Focused Wealth Conservation
- MS 529 – U.S. Focused Income
- MS 529 – U.S. Focused Balanced Growth
- MS 529 – U.S. Focused Market Growth
- MS 529 – U.S. Focused Opportunistic Growth
- MS 529 – U.S. Focused Equity

The 9 MS 529 Funds includes:

- MS 529 Large-Cap Equity Fund
- MS 529 Small-Mid Cap Equity Fund
- MS 529 International Equity Fund
- MS 529 Emerging Markets Equity Fund
- MS 529 Core Fixed Income Fund
- MS 529 High-Yield Fund
- MS 529 International Fixed Income Fund
- MS 529 Inflation-Linked Fixed Income Fund
- MS 529 Ultra-Short Term Fixed Income Fund

Each MS 529 Fund in turn invests its assets in one or more of nine Morgan Stanley Pathway Funds (the “Pathway Funds” or “underlying funds”) listed below:

- Morgan Stanley Pathway Large-Cap Equity ETF
- Morgan Stanley Pathway Small-Mid Cap Equity ETF
- Morgan Stanley Pathway International Equity Fund
- Morgan Stanley Pathway Emerging Markets Equity Fund
- Morgan Stanley Pathway Core Fixed Income Fund
- Morgan Stanley Pathway High-Yield Fund
- Morgan Stanley Pathway International Fixed Income Fund
- Morgan Stanley Pathway Inflation-Linked Fixed Income Fund
- Morgan Stanley Pathway Ultra-Short Term Fixed Income Fund

The Pathway Funds provide exposure to different asset classes utilizing various investment managers selected by an affiliate of Morgan Stanley to create diversified portfolios. Financial statements of the underlying funds contain additional information about the expenses and investments of the underlying funds and are available from the EDGAR database on the Securities and Exchange Commission website at <http://www.sec.gov>.

Interests in the Plan (“Units”) have not been registered with the Securities and Exchange Commission (the “SEC”) or any other state or federal governmental agency. The Units in the Plan are exempt from the registration requirements of the federal securities laws and are instead regulated as “municipal fund securities” by the Municipal Securities Rulemaking Board. There are no front-end or deferred sales charges associated with the Investment Option or MS 529 Plan fund selections.

In accordance with Plan Description document, Qualified Withdrawals, used to pay Qualified Education Expenses, are free from federal income tax and the income tax of nearly every state. Non-Qualified Withdrawals, used for any other purpose, are subject to income taxes and a 10% federal tax penalty on the earnings component of such Withdrawal only, unless such penalty is eligible for a waiver.

## 2. Significant Accounting Policies

**Use of Estimates:** The Plan’s financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**Investment Transactions and Investment Income:** For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income and capital gain distributions from the underlying funds are recorded on the ex-dividend dates. Income, expenses and realized and unrealized gains and losses are allocated to each fund Unit based on its relative net assets.

**Distributions to Unitholders:** Distributions, if any, paid by the Investment Options are recorded on the ex-dividend dates.

**Income Taxes:** The Plan has been designed to comply with the requirements for treatment as a qualified state tuition plan under Section 529 of the Internal Revenue Code, which is exempt from federal and state income tax. Therefore, no provision for income tax is required.

### 3. Investment Valuation and Fair Value Measurements:

**Investment Valuation Policies:** The Plan's policy is to value its investments in the underlying funds at fair value. Investments in the underlying funds are valued based on the published net asset value of each such underlying fund computed as of the close of regular trading on the New York Stock Exchange ("NYSE") on days when the NYSE is open.

**Fair Value Hierarchy:** Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 — Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 — Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 — Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments are typically categorized as Level 3.

As of year end, the Plan's investments in its underlying funds were classified as Level 1.

### 4. Plan and Other Fees

To maintain an account in the MS Advisory 529 Plan, a shareholder must at all times be a Morgan Stanley Wealth Management client. Each plan account is subject to a

consulting and advisor fee. This fee may range up to a maximum of 2.00% of the Plan's total aggregate assets on an annual basis. There are no front-end or deferred sales charges associated with an investment in the MS Advisory 529 Plan. The Investment Options have certain expenses associated with their investment strategies. Each Account Owner bears these direct ongoing expenses, which will vary with the chosen Investment Option. The expenses of each Investment Option represents a blended weighted average of the underlying investments in the MS 529 Funds. The NCSEAA will receive an oversight and marketing fee at an annual rate of up to 0.10% of the average daily net assets in each fund constituting MS Advisory 529 Plan. Such fee is included in consulting and advisory fees on the Combining Statements of Changes in Fiduciary Net Position.

### 5. Plan Units

All beneficial interests in the Investment Options are expressed as a number of Plan units. Plan unit values under each Investment Option are based on the net position value per share of each of the underlying funds in which the Investment Option is invested. Unit values of the underlying funds are determined as described in Note 3 above.

Contributions by a participant are evidenced through the issuance of units in the particular Investment Option according to the investment elections made by the participant. Contributions and withdrawals are subject to terms and limitations defined in the participation agreement between the participant and the Plan. Contributions are invested in units of the assigned Investment Option on the same day as the credit of the contribution to the participant's account. Withdrawals are based on the unit value calculated for such Investment Option on the day that the withdrawal request is accepted. The earnings portion of non-qualified withdrawals, in addition to applicable federal and state income taxes, may be subject to a 10% non-qualified withdrawal penalty to be withheld from the amount withdrawn.

Transfers of participant assets between Investment Options are referred to as exchanges on the Statement of Changes in Fiduciary Net Position. Subject to certain limitations and restrictions, participants may generally direct their assets to be reinvested in one or more Investment Options twice each calendar year.

### 6. Change in Investments

The following table represents a calculation of the net change in appreciation (depreciation) on investments during the year ended June 30, 2025:

Value of investments at end of current year.	\$ 1,241,994,512
Less: Cost of investments purchased during year . . . . .	401,687,096
Add: Sale proceeds of investments sold during the year . . . . .	124,870,983
Less: Value of investments at the beginning of year . . . . .	891,721,715
Less: Net realized gain (loss) from sales of underlying fund shares . . . . .	(11,354,887)

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Net change in unrealized appreciation (depreciation) on investments during the year .....	\$ 84,811,571
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## 7. Investments Risks

The Plan's investments consist of shares of the underlying funds, rather than individual securities and therefore are not subject to classification by custodial credit risk or disclosure of concentration of credit risk under GASB Statement No. 40, *Deposits and Investment Risk Disclosures*. The underlying funds are not rated by any nationally recognized statistical rating organization. An Investment Option is exposed to the risks of the underlying funds in direct proportion to the amounts of assets the Investment Option allocates to each underlying fund.

Interests in the Investment Options, and in the underlying funds in which they invest, are subject to a number of Investment Risks. Please refer to the Plan Description for a complete list of such Investment Risks, which include the following:

**Interest Rate Risk:** Certain underlying funds invest in debt securities, including bonds, and are subject to interest rate risk. Declining interest rates generally increase the value of the debt instruments, and rising interest rates generally decrease the value of existing debt instruments. The exposure to interest rate risk is greater with underlying funds with longer average effective maturity and average effective duration.

**Foreign Securities Market Risk:** Securities of many non-U.S. companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. Securities of companies traded in many countries outside the U.S., particularly emerging markets countries, may be subject to further risks due to the inexperience of local investment professionals and financial institutions, the possibility of permanent or temporary termination of trading and greater spreads between bid and asked prices of securities. In addition, non-U.S. stock exchanges and investment professionals are subject to less governmental regulation, and commissions may be higher than in the United States. Also, there may be delays in the settlement of non-U.S. stock exchange transactions.

**Emerging Market Risk:** Certain underlying funds invest in emerging market instruments which are subject to certain credit and market risks. The securities and currency markets of emerging market countries are generally smaller, less developed, less liquid and more volatile than the securities and currency markets of the United States and other developed markets. Disclosure and regulatory standards in many respects are less stringent than in other developed markets. There also may be a lower level of monitoring and regulation of securities markets in emerging market countries and the activities of investors in such markets and enforcement of existing regulations may be extremely limited. Political and economic structures in many of these countries may be in their infancy and developing rapidly, and such countries may lack the social,

political and economic stability characteristics of more developed countries.

**Foreign Currency Risk:** Certain underlying funds invest in securities of foreign issuers, including American Depositary Receipts. These markets are subject to special risks associated with foreign investments not typically associated with investing in U.S. markets. Because the foreign securities in which the underlying funds may invest generally trade in currencies other than the U.S. dollar, changes in currency exchange rates will affect the underlying fund's net position value, the value of dividends and interest earned and gains and losses realized on the sale of securities. Because the net position value of each underlying fund is determined on the basis of U.S. dollars, the underlying funds may lose money by investing in a foreign security if the local currency of a foreign market depreciates against the U.S. dollar, even if the local currency value of the underlying funds' holdings goes up. Generally, a strong U.S. dollar relative to these other currencies will adversely affect the value of an underlying fund's holdings in foreign securities.

**Market and Credit Risk:** In the normal course of business, the underlying funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the underlying funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the underlying funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the underlying funds may be exposed to counterparty credit risk, or the risk that an entity with which the underlying funds have unsettled or open transactions fails to be able to perform on its commitments. Financial assets, which potentially expose the underlying funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the underlying funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the underlying funds' Statements of Assets and Liabilities, less any collateral held by the underlying funds. Certain underlying funds invest in various derivative instruments. Refer to the prospectuses and financial statements of the underlying funds for information on the respective underlying fund's investment strategy.

## 8. Transfer Agent

BNY Mellon Investment Servicing (US) Inc., a subsidiary of The Bank of New York Mellon Corporation, serves as the Plan's transfer agent and the administrator.

## 9. Subsequent Events

Management has evaluated the impact of all subsequent events on the Plan through September 15, 2025, the date the financial statements were available to be issued, and has determined that there are no subsequent events requiring recognition or disclosure in the financial statements.

## Supplementary Schedules

The Combining Statements of Fiduciary Net Position and the Combining Statements of Changes in Fiduciary Net Position, as listed in the table of contents on pages 11 through 17, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Morgan Stanley National Advisory  
Combining Statements of Fiduciary Net Position

June 30, 2025	MS 529 Large- Cap Equity Fund	MS 529 Small- Mid Cap Equity Fund	MS 529 International Equity Fund	MS 529 Emerging Markets Equity Fund
<b>Assets</b>				
Investments in underlying funds . . . . .	\$ 553,111,497	\$ 112,898,675	\$ 167,712,193	\$ 98,429,548
Cash. . . . .	337,829	67,472	—	0
Receivable for subscription of Plan units . . .	264,848	55,969	99,728	43,036
Receivable for underlying funds sold . . . . .	45	48	—	—
Total assets . . . . .	553,714,219	113,022,164	167,811,921	98,472,584
<b>Liabilities</b>				
Payable for redemption of Plan units . . . . .	133,849	25,500	36,536	22,556
Payable for underlying funds purchased . . .	337,633	67,419	63,194	20,480
Accrued consulting and advisory fees . . . . .	124,724	25,408	38,793	22,452
Total liabilities . . . . .	596,206	118,327	138,523	65,488
Fiduciary Net Position . . . . .	\$ 553,118,013	\$ 112,903,837	\$ 167,673,398	\$ 98,407,096
<b>Computation of Net Position Value</b>				
Number of units outstanding . . . . .	24,997,575	6,096,787	8,421,028	6,776,478
Net position value . . . . .	\$ 22.13	\$ 18.52	\$ 19.91	\$ 14.52
Cost of investments in underlying funds. . . .	\$ 474,029,384	\$ 114,076,076	\$ 140,842,583	\$ 86,658,390

Morgan Stanley National Advisory  
Combining Statements of Fiduciary Net Position (continued)

June 30, 2025	MS 529 Core Fixed Income Fund	MS 529 High- Yield Fund	MS 529 International Fixed Income Fund	MS 529 Inflation- Linked Fixed Income Fund
<b>Assets</b>				
Investments in underlying funds . . . . .	\$ 194,526,283	\$ 17,995,315	\$ 24,837,446	\$ 3,420,845
Receivable for subscription of Plan units . . .	121,848	8,901	15,069	2,491
Receivable for underlying funds sold . . . . .	732,281	99,126	—	13,449
Total assets . . . . .	195,380,412	18,103,342	24,852,515	3,436,785
<b>Liabilities</b>				
Payable for redemption of Plan units . . . . .	59,221	4,541	6,957	1,059
Payable for underlying funds purchased . . .	792,052	103,486	8,112	14,880
Accrued consulting and advisory fees . . . . .	47,838	4,247	5,988	812
Total liabilities . . . . .	899,111	112,274	21,057	16,751
Fiduciary Net Position . . . . .	\$ 194,481,301	\$ 17,991,068	\$ 24,831,458	\$ 3,420,034
<b>Computation of Net Position Value</b>				
Number of units outstanding . . . . .	19,978,846	1,362,972	2,386,035	309,996
Net position value . . . . .	\$ 9.73	\$ 13.20	\$ 10.41	\$ 11.03
Cost of investments in underlying funds . . .	\$ 197,700,243	\$ 18,008,380	\$ 24,646,681	\$ 3,573,657



Morgan Stanley National Advisory  
Combining Statements of Fiduciary Net Position (concluded)

June 30, 2025	MS 529 Ultra- Short Term Fixed Income Fund	Plan Total
<b>Assets</b>		
Investments in underlying funds . . . . .	\$ 69,062,710	\$ 1,241,994,512
Cash. . . . .	—	405,301
Receivable for subscription of Plan units . . .	91,744	703,634
Receivable for underlying funds sold . . . . .	276,385	1,121,334
Total assets . . . . .	69,430,839	1,244,224,781
<b>Liabilities</b>		
Payable for redemption of Plan units . . . . .	67,057	357,276
Payable for underlying funds purchased . . .	301,073	1,708,329
Accrued consulting and advisory fees . . . . .	15,310	285,572
Total liabilities . . . . .	383,440	2,351,177
Fiduciary Net Position . . . . .	\$ 69,047,399	\$ 1,241,873,604
<b>Computation of Net Position Value</b>		
Number of units outstanding . . . . .	5,848,286	
Net position value . . . . .	\$ 11.81	
Cost of investments in underlying funds. . . .	\$ 68,232,046	

Morgan Stanley National Advisory  
Combining Statements of Changes in Fiduciary Net Position

Year Ended June 30, 2025	MS 529 Large-Cap Equity Fund	MS 529 Small-Mid Cap Equity Fund	MS 529 International Equity Fund	MS 529 Emerging Markets Equity Fund
<b>Additions</b>				
Contributions and conversions of units . . . .	\$ 131,839,457	\$ 28,989,018	\$ 51,609,027	\$ 23,393,068
Dividend income from underlying fund shares. . . . .	3,426,510	610,054	3,789,493	1,476,406
Net realized gain (loss) from sales of underlying fund shares . . . . .	(413,826)	(55,626)	(2,539,820)	(561,375)
Capital gains distributions from underlying fund shares . . . . .	12,535,099	8,262,436	5,260,312	—
Net change in unrealized appreciation (depreciation) on underlying fund shares. . . . .	49,099,483	(3,127,968)	17,762,394	10,281,290
Net increase (decrease) from investment operations . . . . .	64,647,266	5,688,896	24,272,379	11,196,321
Exchanges in . . . . .	57,466,423	22,421,063	3,026,566	13,967,837
Total additions . . . . .	253,953,146	57,098,977	78,907,972	48,557,226
<b>Deductions</b>				
Withdrawals and conversion of units . . . . .	35,031,636	6,451,230	12,726,302	5,266,377
Expenses:				
Consulting and advisory fees . . . . .	430,827	87,897	160,689	75,677
Total expenses . . . . .	430,827	87,897	160,689	75,677
Exchanges out . . . . .	19,425,521	1,529,712	48,767,710	3,233,430
Total deductions . . . . .	54,887,984	8,068,839	61,654,701	8,575,484
<b>Fiduciary Net Position</b>				
Net increase in fiduciary net position . . . . .	199,065,162	49,030,138	17,253,271	39,981,742
Beginning of year . . . . .	354,052,851	63,873,699	150,420,127	58,425,354
End of year . . . . .	\$ 553,118,013	\$ 112,903,837	\$ 167,673,398	\$ 98,407,096

Morgan Stanley National Advisory  
Combining Statements of Changes in Fiduciary Net Position (continued)

Year Ended June 30, 2025	MS 529			
	MS 529 Core Fixed Income Fund	MS 529 High- Yield Fund	International Fixed Income Fund	MS 529 Inflation- Linked Fixed Income Fund
<b>Additions</b>				
Contributions and conversions of units . . . .	\$ 57,409,060	\$ 4,616,944	\$ 6,633,312	\$ 1,022,471
Dividend income from underlying fund shares. . . . .	8,583,671	1,057,862	518,908	93,988
Net realized gain (loss) from sales of underlying fund shares . . . . .	(7,184,557)	(71,751)	(462,170)	(43,365)
Capital gains distributions from underlying fund shares . . . . .	—	—	—	—
Net change in unrealized appreciation (depreciation) on underlying fund shares. . . . .	8,846,236	347,653	1,168,488	124,105
Net increase (decrease) from investment operations . . . . .	10,245,350	1,333,764	1,225,226	174,728
Exchanges in . . . . .	9,610,581	488,506	1,388,183	128,438
Total additions . . . . .	77,264,991	6,439,214	9,246,721	1,325,637
<b>Deductions</b>				
Withdrawals and conversion of units . . . . .	21,668,941	1,298,250	2,152,071	268,024
Expenses:				
Consulting and advisory fees . . . . .	193,065	15,703	22,710	2,910
Total expenses . . . . .	193,065	15,703	22,710	2,910
Exchanges out . . . . .	39,888,763	780,665	3,017,154	141,270
Total deductions . . . . .	61,750,769	2,094,618	5,191,935	412,204
<b>Fiduciary Net Position</b>				
Net increase in fiduciary net position . . . . .	15,514,222	4,344,596	4,054,786	913,433
Beginning of year . . . . .	178,967,079	13,646,472	20,776,672	2,506,601
End of year . . . . .	\$ 194,481,301	\$ 17,991,068	\$ 24,831,458	\$ 3,420,034

Morgan Stanley National Advisory  
Combining Statements of Changes in Fiduciary Net Position (concluded)

<b>Year Ended June 30, 2025</b>	<b>MS 529 Ultra- Short Term Fixed Income Fund</b>	<b>Plan Total</b>
<b>Additions</b>		
Contributions and conversions of units . . . .	\$ 18,069,439	\$ 323,581,796
Dividend income from underlying fund shares. . . . .	2,538,101	22,094,993
Net realized gain (loss) from sales of underlying fund shares . . . . .	(22,397)	(11,354,887)
Capital gains distributions from underlying fund shares . . . . .	—	26,057,847
Net change in unrealized appreciation (depreciation) on underlying fund shares. . . . .	309,890	84,811,571
Net increase (decrease) from investment operations . . . . .	2,825,594	121,609,524
Exchanges in . . . . .	29,126,351	137,623,948
Total additions . . . . .	50,021,384	582,815,268
<b>Deductions</b>		
Withdrawals and conversion of units . . . . .	8,938,294	93,801,125
Expenses:		
Consulting and advisory fees . . . . .	52,785	1,042,263
Total expenses . . . . .	52,785	1,042,263
Exchanges out . . . . .	20,839,723	137,623,948
Total deductions . . . . .	29,830,802	232,467,336
<b>Fiduciary Net Position</b>		
Net increase in fiduciary net position . . . . .	20,190,582	350,347,932
Beginning of year . . . . .	48,856,817	891,525,672
End of year . . . . .	\$ 69,047,399	\$ 1,241,873,604

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