

Putting Tax Management to Work: A Complimentary Service in Advisory

Morgan Stanley's Tax Management Services are designed to integrate tax smart portfolio management techniques directly into your managed account.

Core Benefits of Tax Management



Systematic Tax-Loss Harvesting

Tax Management executes loss-harvesting systematically throughout the year, aligned with a scheduled approach to taking loss.



Tax-Smart Trading

Tax Management manages portfolios using a “best tax lot outcome” methodology, attempting to minimize capital gains and maximize proceeds when trading.



Tactical Loss Harvesting

Tax Management monitors portfolios daily to harvest losses during market dips and dislocations.



Client-Directed Tax Gain Limits

Customize annual gain limits to limit your tax bill, so you can control the realized gains in your account each year.



Wash-Sale Aware Adherence

Tax Management systematically restricts the repurchase of a security for 30 days after it is sold for a loss to prevent wash sales within the same account.



Tax-Aware Rebalancing

Tax Management integrates tax considerations into portfolio rebalancing, keeping your allocation aligned while minimizing tax impact.

Speak with your Morgan Stanley Financial Advisor to learn how Tax Management Services can work for you.

Morgan Stanley Wealth Management

Disclosures

Any type of continuous or periodic investment plan does not assure a profit and does not preserve against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider their financial ability to continue their purchases through periods of low price levels.

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Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment. Companies paying dividends can reduce or stop payouts at any time.

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An investment in an exchange-traded fund involves risks similar to those of investing in a broadly based portfolio of equity securities traded on exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock prices. The investment return and principal value of ETF investments may fluctuate, so that an investor's ETF shares, if or when sold, may be worth more or less than the original cost.

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.

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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.

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

Clients may elect Tax Management Services prp 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. Review the Morgan Stanley Smith Barney LLC Select UMA ADV brochure carefully with your 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.

Morgan Stanley and the Select UMA Tax 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.