

Corporate Retirement Broker of Record Material Conflicts of Interest

OVERVIEW

Similar to other global financial service providers, Morgan Stanley Smith Barney LLC (“Morgan Stanley”) faces conflicts of interest in the normal course of business. While we recognize that certain conflicts of interests exist, we have taken a variety of steps through policies, procedures and/or oversight that are reasonably designed to manage them effectively. In addition, we expect all of our employees to maintain the highest standards of ethical behavior in dealing with our clients. This high level summary is not intended to be inclusive of all conflicts of interest that might exist with respect to a particular transaction or service. Additional information may be provided in other documents Morgan Stanley or partner firms may provide you, including product prospectuses, and offering or marketing materials. Please contact your Financial Advisor for more information on specific offerings.

I. MORGAN STANLEY INDIVIDUAL COMPENSATION STRUCTURE

The compensation structure for Financial Advisors and Branch Managers results in conflicts of interest between clients and Financial Advisors and Branch Managers. Morgan Stanley engages in strict oversight of Financial Advisors’ and Branch Managers’ activities to manage these conflicts. Financial Advisors and Branch Managers earn compensation and/or benefits based on the revenue Morgan Stanley earns from client transactions and services, including referral fees or other compensation earned from transactions with affiliates or third parties. As revenue increases, a Financial Advisor’s and a Branch Manager’s compensation and/or benefits will increase. This compensation structure means that Financial Advisors have a financial interest in charging more for transactions or services where they have the discretion to do so, or recommending those products or services that generate higher amounts of revenue for Morgan Stanley and compensation to the Financial Advisors and the Branch Manager, rather than those products or services that generate lower amounts of revenue. For a client with retirement assets in a qualified retirement plan (“QRP”) held at another financial institution, a Financial Advisor has an incentive to recommend that the client roll over or transfer those retirement assets to a QRP serviced by Morgan Stanley, as the Financial Advisor can generally expect to earn compensation and/or benefits based on the variable or level asset-based fee Morgan Stanley earns from the QRP at Morgan Stanley, but generally will not earn compensation and/or benefits if the assets remain in the QRP at another financial institution. Certain employees (including Financial Advisors and their Branch Managers or support staff to whom FAs have allocated a portion of their revenue) may be paid compensation that varies depending on (i) the type of account (i.e. brokerage vs. investment advisory), and/or (ii) the type of product (including share classes of products), service or strategy recommended to a client. As a result, Financial Advisors may receive more or less compensation if, for example, clients select certain products over others or if they purchase products in larger quantities. Similarly, there may be alternative ways to achieve the same or a similar investment objective which may carry different costs. Financial Advisors may also have an incentive to recommend transactions where the benefit to the client is limited after taking into account the costs of the transaction.

Additionally, Morgan Stanley pays certain of its Financial Advisors recruiting and retention compensation based on certain milestones relating to the Financial Advisor’s assets under management and/or the amount of revenue generated from client transactions. This compensation structure increases the Financial Advisor’s and the Branch Manager’s financial interest in maximizing revenue from client transactions and/or increasing the amount of client assets at Morgan Stanley, including in the situations described above. Please visit <http://www.finra.org/sites/default/files/Broker-Dealer-Recruitment-Disclosure.pdf> to access an educational communication about important considerations in determining whether to transfer assets to Morgan Stanley.

See the section below titled “How Morgan Stanley Compensates your Financial Advisor” for more

information.

II. MORGAN STANLEY REVENUE ARRANGEMENTS

The ways that Morgan Stanley and its affiliates generate revenue result in conflicts of interest between clients and Morgan Stanley in certain situations.

The revenue Morgan Stanley and its affiliates earn from a client's transactions or assets varies based on a number of factors, including Morgan Stanley's or its affiliates' role, the type of products or services selected, method of distribution, whether the transaction is in the primary or secondary market, where the order is routed for execution, whether Morgan Stanley or your Financial Advisor is eligible to receive a referral fee, revenue sharing or other compensation from an affiliate or a third party, whether a product or service is provided by Morgan Stanley or a third party and, in certain cases, which third party is providing the product or service to the investor as different third parties compensate Morgan Stanley at different rates for comparable products and services.

Morgan Stanley and its affiliates generally earn more revenue on the sale to a client of a proprietary product (a product that is managed, issued, underwritten, placed or sponsored by Morgan Stanley or any of its affiliates) or proprietary service as compared to a third-party product or service. For certain products and services offered or available to clients, Morgan Stanley or its affiliates are the primary or the only source or provider of such products, services or secondary market liquidity for such products and can control the price of, or rate charged on, such products or services. Similarly, Morgan Stanley generally earns more revenue when it or its employees act as a client's portfolio manager than when a third party is engaged as a manager in an investment advisory program. When acting as index sponsor or calculation agent, MS may engage in activities that may present conflicts of interest and that may affect the level of the index, including: transactions involving index components; providing banking, advisory or other services to issuers of index components; and issuing derivatives or engaging in hedging transactions in respect of index components.

As a result, Morgan Stanley has a financial interest in Financial Advisors recommending those types of products or services, or those suppliers of products and services (including Morgan Stanley itself), that generate more revenue for Morgan Stanley or its affiliates.

III. ADDITIONAL PAYMENTS FROM THIRD PARTIES AND AFFILIATES

Financial Advisors may recommend, and clients may purchase, products and services provided by Mutual Fund companies and other product providers (including Morgan Stanley and its affiliates). In addition to revenue sharing arrangements between these providers and Morgan Stanley (see Section II above), some suppliers pay additional compensation to Morgan Stanley in exchange for sales data analytics and provide reimbursement for education and training expenses for Morgan Stanley employees, (including Financial Advisors) and/or clients. This creates an incentive for Morgan Stanley and Financial Advisors to recommend products or services from the providers that make these additional payments to Morgan Stanley, rather than from providers that do not or that pay a lower amount.

IV. AFFILIATES' TRADING AND OTHER ACTIVITIES

Morgan Stanley is part of a global financial services firm and, together with our affiliates, Morgan Stanley is engaged in the investment banking, securities and investment management and lending businesses. As part of these businesses, we are engaged in a variety of services, such as securities underwriting, distribution, trading and brokerage activities, lending, foreign exchange, commodities and derivatives trading, prime brokerage, private placement as well as providing investment banking, financing and financial advisory services. In connection with these various activities, certain conflicts of interest arise in certain situations.

Trading Activities

Orders for certain transactions may be referred, introduced or routed through an affiliate of Morgan Stanley and could generate additional revenue for Morgan Stanley from third parties, through payment for order flow or other compensation arrangements. Trades can also be routed to facilities, exchanges or venues in which Morgan Stanley has a financial interest.

When executing a securities transaction at the request of a client, the timeliness or speed with which the trade is completed, and/or the price at which the trade is executed could negatively impact the investor while positively impacting Morgan Stanley, a Financial Advisor or another Morgan Stanley client.

Morgan Stanley's, its employees' and its affiliates' trading patterns, including (among other things) trading and hedging activities, and its and their facilitation of their clients' trading and hedging activities, may negatively impact the price, rate charged or payable on, or availability of securities or positions that a client holds, or would like to hold.

As part of its trading or Investment Management activities Morgan Stanley or its affiliates may hold a security that is also held by a client, but the two parties may have conflicting interests in the direction of price movements (e.g., Morgan Stanley is net short a stock, while the investor is net long). In addition, Morgan Stanley or its affiliates may take a position with respect to a corporate action, such as a bankruptcy, reorganization or other voting matter, serve on a creditor's committee or hold another position of influence that conflicts with the interests of investors. Morgan Stanley and its affiliates may also be involved in regulatory and industry initiatives that impact clients directly or indirectly. For example, affiliates of Morgan Stanley participate on central bank committees that are selecting alternative benchmark interest rates and developing transition plans for trading these new rates.

Certain products are subject to availability which may not meet client demand. In situations where a limited quantity of a product or security is available, for example initial public offerings and other syndicated transactions, Morgan Stanley and/or a Financial Advisor must decide to which investor a particular product is offered, resulting in conflicts between Morgan Stanley's clients. These decisions may be based on a number of factors including the amount of revenue generated by a particular client for Morgan Stanley and/or the Financial Advisor.

Financial Advisors may be incentivized to provide better terms, such as discounts, to clients that generate higher amounts of revenue or do more transactions with the Financial Advisors or may facilitate cross trades between customers. Such activity may create conflicts between Morgan Stanley's clients and between Morgan Stanley, Financial Advisors and clients.

Content generation and ideas for trades and other investment activities may in some cases be produced by areas within the Firm that hold positions or engage in other investment activities that are the subject of the content and trade or other investment ideas.

Investment Banking and Underwriting Activities; Other Relationships with Security Issuers

Morgan Stanley's affiliates provide investment banking and other services to a wide variety of clients. Investors may hold securities of these clients and Morgan Stanley may, from time to time, recommend the purchase or sale of these securities and Morgan Stanley may earn additional compensation as a result. These activities may occur while affiliates of Morgan Stanley are assisting the issuers of those securities in connection with transactions that may adversely impact investors' transactions in those securities.

Where Morgan Stanley or an affiliate is underwriting or distributing a particular offering, Morgan Stanley may be incentivized to approve securities for distribution to Wealth Management clients in support of its affiliate's client business or recommend securities transactions to assist its affiliate in selling an offering

that is undersubscribed.

There may be periods during which Morgan Stanley is not permitted to recommend or initiate certain types of transactions in the securities of issuers for which Morgan Stanley or its affiliates are providing broker-dealer or investment banking services or where Morgan Stanley or its affiliates have material non-public information about such issuers.

Morgan Stanley provides various services to security issuer clients and their employees, including stock plan services and financial education for which Morgan Stanley receives compensation. Also, in the event of corporate actions with respect to securities held in client accounts, to the extent such corporate actions result in exchanges, tender offers or similar transactions, Morgan Stanley and/or its affiliates may participate in and/or advise on such transactions and receive compensation.

Syndicate Offerings

Securities available in syndicate offerings, including shares in Initial Public Offerings (IPOs), are often limited. Given the limited availability of some offerings, many clients will not have an opportunity to invest in these syndicated offerings (or, if they do, they generally will receive smaller allocations than they requested). Accordingly, if a client submits an offer to purchase securities in a syndicate offering, Morgan Stanley is not obligated to accept the offer or allocate securities to the client.

Generally, syndicate shares are allocated to Financial Advisors via a formula that includes several factors, including, but not limited to, the Financial Advisor's previous participation in the firm's syndicate offerings and non-syndicate revenue, which may create an incentive for Financial Advisors to participate in more syndicate offerings. Financial Advisors make client allocations based on a number of factors including those which may favor clients who generate the most revenues for Morgan Stanley or most consistently participate in such syndicated offerings.

Investment Management Activities

In connection with its Investment Management business, affiliates of Morgan Stanley may hold positions in securities that are also held in client accounts. The investor and Morgan Stanley's affiliates may have different interests in the direction of price movements in these securities (e.g., Morgan Stanley is long a stock, but investor is short the same stock).

Research Activities

Morgan Stanley and its affiliates do and seek to do business with companies and funds covered by its Research Departments. As a result, clients should be aware that Morgan Stanley and/or its affiliates have a conflict of interest that could affect the objectivity of its research and other investment materials. In addition, research, content and ideas for trades and other investment activities are generated by Morgan Stanley's or its affiliates' Research Departments, sales and trading personnel, and WM Investment Resources. Morgan Stanley or its affiliates could hold positions or engage in other investment activities that are the subject of the content, resulting in Morgan Stanley disseminating to its clients research or trading ideas or strategies that, if acted upon by clients, may benefit Morgan Stanley's or its affiliates principal trading, investment banking or investment management activities, as applicable.

Cash Management and Lending Activities

Morgan Stanley and its affiliates offer cash management and lending products and services to its Wealth Management clients. Clients engaging with securities based lending products have the opportunity to preserve their investment portfolios pledged as collateral while obtaining competitive interest rates on funds borrowed (subject to risks of market fluctuation and maintenance calls). Financial Advisors may recommend use of securities based lending as a strategic tool for a client where appropriate because of

the aforementioned advantages, but they may also have a conflict of interest in preserving assets under management and recommending use of leverage rather than liquidation of assets. Financial Advisors are also compensated when their clients borrow funds; for further details on compensation, see the section below titled “How Morgan Stanley Compensates your Financial Advisor” for more information. Morgan Stanley and its affiliates receive financial benefits in connection with the Bank Deposit Program that may be greater than the fees earned by Morgan Stanley and its affiliates from managing and distributing other options available to you as a sweep investment.

Referral from E*TRADE

Employees of our E*TRADE from Morgan Stanley channel may refer clients to Morgan Stanley Financial Advisors. Should those clients elect to open a full-service Morgan Stanley account, the referring employee will receive compensation and as a result, has an incentive to make a referral.

V. OUTSIDE BUSINESS ACTIVITIES & INVESTMENTS; GIFTS AND ENTERTAINMENT

Morgan Stanley employees, including Financial Advisors, could engage in outside business activities and investments or have outside or pre-existing relationships with product or service providers that conflict with their job responsibilities or that could influence recommendations they make to clients. In addition, employees may receive (in amounts subject to Morgan Stanley policy), gifts, entertainment or reimbursement of certain training and education expenses from third-party product or service providers, creating an incentive to recommend the products or services of those providers. Employees may also receive gifts or entertainment from clients, creating a potential incentive to provide preferential treatment to the gifting client over others.

VI. INFORMATION ABOUT INVESTMENT ADVISORY PROGRAMS

For information related to conflicts of interest within Morgan Stanley’s investment advisory programs, please refer to the ADV Brochure for your specific program. ADV Brochures can be found at <http://www.morganstanley.com/adv>.

OTHER INFORMATION

Broker of Record vs. Investment Advisory Capacity: All recommendations regarding your broker of record relationship will be made in a broker-dealer capacity, and all recommendations regarding your investment advisory relationship will be made in an advisory capacity. When we make a recommendation to you, we will expressly tell you orally which relationship we are discussing, in the event you have both a broker of record and investment advisory relationship. If we have not yet recommended a relationship type or you do not have an existing relationship with us, our recommendations will be made in both a broker of record and investment advisory capacity.

Supplementing, clarifying and updating these written disclosures: The disclosures contained within this document may be supplemented or clarified with additional information from time to time. Your Financial Advisor can provide you information about where these important disclosures can be found.

Limitations on Product Availability: Financial Advisors may lack certain licensing or are otherwise limited in the products they can recommend. For example, some Financial Advisors may only be licensed to recommend and provide broker of record services, meaning that they cannot recommend or service investment advisory relationships. In the event your Financial Advisor is limited in the products or services they can offer as described above, we will provide you disclosure of this fact and/ or may refer you to another Financial Advisor or area of Morgan Stanley that can provide the desired product or service. Only products and services approved by a Morgan Stanley product committee can be purchased through Morgan Stanley. We generally do not offer products or services unless the product provider has entered into an

agreement with us and in most cases agrees to make payments to us. Certain investment products, such as mutual funds, will only be available for purchase if the investment provider has agreed to pay us revenue share or sub-accounting fees. In broker of record accounts, we keep this revenue; in investment advisory accounts, we refund this revenue to clients.

Our programs may limit the types of investment products we will be able to recommend. For example, the products available for recommendation in the broker of record and certain investment advisory programs must be approved by our Global Investment Manager Analysis group ("GIMA").

Our Investment Approach: To the extent we provide you with recommendations, the firm and its Financial Advisors will recommend products and services to you consistent with your risk tolerance, investment objectives and financial situation. In addition, if you have identified a goal to the firm and/or your Financial Advisor our recommendations will be consistent with assisting you in meeting that goal.

HOW MORGAN STANLEY AND YOUR FINANCIAL ADVISORS ARE COMPENSATED

HOW MORGAN STANLEY IS COMPENSATED BY YOU

Depending on the types of relationships you establish and the ways you choose to do business with us, Morgan Stanley may be compensated for the services we provide through transaction commissions and markups, asset-based fees and other fees and charges.

BROKER OF RECORD

For broker of record services, asset-based compensation is payable according to a specified time period from the purchase date as determined by the recordkeeping provider. Generally, within a particular retirement program, providers will pay level compensation to the Financial Advisor or Private Wealth Advisor calculated as a percentage of the total assets of your Plan. In some cases, variable compensation may be paid according to the product type used within the plan. For more specific compensation information, please refer to the contract/agreement and additional disclosure documentation provided by the recordkeeping provider and/or call your Morgan Stanley Financial Advisor or Private Wealth Advisor. Morgan Stanley pays a portion of these amounts to your Financial Advisor or Private Wealth Advisor and retains any amounts not payable to the Financial Advisor or Private Wealth Advisor. The portion of the gross compensation payable to your Financial Advisor or Private Wealth Advisor depends on the Financial Advisor's or Private Wealth Advisor's total annual gross production for all clients as well as other factors.

INVESTMENT ADVISORY

In our investment advisory programs, you generally pay an asset-based fee, payable monthly in advance based on the total value of the assets in your investment advisory account at the end of the previous month. Unless otherwise noted, the asset-based fee generally covers investment consulting and as well as internal investment management fees according to the services selected.

OTHER COMPENSATION

Morgan Stanley and its affiliates may earn compensation in other, more indirect ways with regard to certain products you purchase or services you receive. For example, Morgan Stanley may earn compensation in connection with the provision of investment banking, prime brokerage, institutional brokerage or placement agent services, as well as stock loan or other lending, money-management or trading-desk activities. Certain investment vehicles may include securities of Morgan Stanley's parent or other affiliates and companies in which Morgan Stanley or its affiliates make a market or the officers or employees of Morgan Stanley or Morgan Stanley's affiliates own securities.

If your account was referred to us by one of our affiliates, including but not limited to Morgan Stanley and Co. LLC or Morgan Stanley Investment Management Inc., we may compensate our affiliate for referring your account to us. If your account was referred to us, we may pay our affiliate a fixed fee, a percentage of the transaction-based compensation or a percentage of the management fees paid to us by you. You will pay us an advisory fee or transaction compensation, depending on the account type you open, that clients ordinarily pay us for our services. You will not pay us or our affiliate that referred you to us any additional compensation for this referral.

Morgan Stanley may provide general investment education and guidance to retirement plan participants which is a service that is included as part of the fee arrangement with the recordkeeper. Plan participants may also have Morgan Stanley and/or E*TRADE from Morgan Stanley personal accounts for which Morgan Stanley and its Financial Advisor are compensated.

HOW MORGAN STANLEY COMPENSATES YOUR FINANCIAL ADVISOR

Your Financial Advisor's compensation is based primarily on the fees and commission that you pay us. In general, your Financial Advisor receives a portion of Morgan Stanley's fees and commissions as gross revenue credits, and we pay our Financial Advisors a percentage of their gross revenue credits as incentive compensation. Different products have different gross revenue credit structures and, accordingly, our Financial Advisors get paid more or less depending on the product or service you choose. The more overall gross revenue a Financial Advisor generates, the higher his or her percentage of gross revenue or incentive compensation credit rate. The incentive compensation credit rate varies and is subject to change. The incentive compensation credit rate has varying thresholds which range from 20% to 55.5%, with a portion of total credits awarded to the Financial Advisor as deferred compensation, and the remainder of the total credits awarded as cash compensation. Financial Advisors must generally meet certain minimum revenue thresholds established by the firm in order to retain their position. In addition, Financial Advisors can qualify for club memberships, which are attained through meeting certain revenue thresholds. These club memberships provide additional financial benefits, such as enhanced payments in retirement. In certain instances, Financial Advisors may be reimbursed for a portion of certain training costs they incur upon achieving a specified level of new assets.

In addition to the incentive compensation credit rate schedule outlined above, your Financial Advisor may be eligible for bonuses based on the total gross revenue he or she generates during the year, net inflow and outflow of assets, his or her clients' Margin, Liquidity Access Line/Express Credit Line and Tailored Lending balances, and Mortgages closed. Your Financial Advisor may also be eligible for incentives based on his or her clients' establishing a new recurring deposit to their Morgan Stanley account. Your Financial Advisor may be eligible to receive financial incentives in connection with the transition of his or her employment to Morgan Stanley. Such incentives may include sign-on bonuses and/or loan-bonus arrangements, equity awards, buyout of forfeited deferred compensation or retention arrangements, special commission arrangements, supplemental bonuses or loan-bonus arrangements, and may be contingent upon your Financial Advisor satisfying certain performance-based criteria that may depend on total client assets serviced by the Financial Advisor at Morgan Stanley and/or the gross revenue they generate. Your Financial Advisor may also be eligible for financial incentives and ongoing compensation upon retirement from the firm. This could include ongoing compensation related to accounts that have been transitioned from the retiring Financial Advisor to a new Morgan Stanley Financial Advisor.

Your Financial Advisor will receive reduced or no incentive compensation for transactions below certain commission levels, as well as for households that do not meet certain asset or liability minimums. Under a legacy program that is no longer available to new hires after January 1, 2020, Financial Advisors under

Morgan Stanley's Financial Advisor Associate ("FAA") Program may receive a bonus for achieving certain gross revenue thresholds within the first 5 years of working as a FAA.

If you have an account that is serviced through Morgan Stanley Virtual Advisor ("MSVA"), your MSVA is paid a base salary plus a discretionary bonus and can earn additional compensation for certain activities such as 1) creating a financial or goals-based plan for clients; or 2) recommending the purchase of securities; or 3) when clients add assets to their accounts. You may be charged a commission for trades executed in your brokerage account serviced through MSVA which will vary by product type. When a Financial Advisor assists you in placing an equity or options trade in your MSVA brokerage account, you may be charged a higher commission than you would be charged if you placed the same trade online. Please ask your Financial Advisor about applicable commissions when executing trades in your MSVA brokerage account. For more information on MSVAs, please visit <https://www.morganstanley.com/campaigns/wealth-management/morgan-stanley-virtual-advisor>.

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