

Morgan Stanley

Financing and Liquidity Strategies



Morgan Stanley offers you a comprehensive approach to financing and liquidity—delivering customized solutions for you that complement your overall investment strategy and encompass your personal and business needs.

We help you address the intricacies of wealth while focusing on what matters most to you. Our approach reflects the scale of your opportunities, the complexity of your balance sheet and the individual nature of your financial requirements and goals. Your Morgan Stanley Financial Advisor, supported by a team of professionals that includes a Private Banker,* can provide liquidity strategies based on capabilities that extend beyond traditional securities based lending. By enhancing liquidity, you can unlock the value of your portfolio while minimizing the cost and constraints of your liabilities.

Whether you want to purchase a vacation home, explore a business opportunity, finance a tax obligation or employ sophisticated trading strategies, our team can work with you to determine which liquidity strategies might be appropriate to help meet your goals.

*Private Bankers are employees of Morgan Stanley Private Bank, National Association, Member FDIC.

FLEXIBILITY / P3 / Maximize the liquidity solutions available to you.

SOPHISTICATION / P4 / Unlock the value in your portfolio through a strategic approach that addresses both sides of your balance sheet.



INSIGHT / P7 / The insights of your Financial Advisor, Private Banker and an experienced team of specialists will be reflected in proposed liquidity solutions.



Flexibility



Maximize the liquidity solutions available to you with the flexibility you need to pursue your goals.

In uncertain times, access to liquidity and financial flexibility are even more critical to protect your net worth and allow for quick decision making. Liquidating financial assets to cover a large expense or investment can carry costs that are not obvious, such as potential tax consequences, the potential loss of future growth or an imbalance in your portfolio's asset allocation. Certain financing options may cover an immediate need, but may disrupt your long-term wealth management strategy.

Liquidity strategies at Morgan Stanley are designed to meet your individual needs while providing an opportunity to leave your portfolio and investment strategy intact. Depending on your goals and the nature of your portfolio, you

may have the choice of several liquidity solutions. Working with a Private Banker, your Financial Advisor can show you how to address your cash flow needs, adhere to your preference for maintaining liquidity or offsetting

risk and allow for the purchase of additional securities for your investment portfolio, all under one comprehensive strategy focused on your personal goals and priorities.

There are some risks associated with liquidity strategies, and these strategies are not suitable for all investors. If your strategy includes a securities based loan, sufficient collateral must be maintained and you may need to deposit additional securities on short notice. The loan can be called at any time and your securities may be sold without prior notice in order to maintain account equity at required levels. Your Financial Advisor can help determine whether or not a particular liquidity strategy is appropriate for your needs. Liquidity solutions are subject to eligibility and credit approval.

Unlock the value in your portfolio through a strategic approach that addresses both sides of your balance sheet.



Managing your balance sheet and the timing of your cash flows effectively can help unlock liquidity. At Morgan Stanley, we carefully consider the relationship between your assets and liabilities as well as how they may be effectively paired given your overall portfolio goals. As your wealth grows, your options for borrowing expand.

Your Financial Advisor and Private

Banker can explore many factors to formulate the appropriate liquidity solution for you, including:

- The structure of your balance sheet, including the composition of your current liabilities
- Your asset allocation, with a particular focus on potential capital gains consequences, potential risk and how various securities may contribute to liquidity over time

- The purpose of the loan or the nature of the asset being acquired
- Longer term implications, such as potential tax consequences (assessed by your external tax advisor) and interest rate expectations

The breadth of our platform allows us to create solutions that may combine several types of lending solutions with a focus on flexibility and unlocking the value of your assets.

Sophistication



Insight



The insights of your Financial Advisor, Private Banker and an experienced team of specialists will be reflected in proposed liquidity solutions.

Your Financial Advisor's integrated approach leverages the expertise of a Private Banker, seasoned lenders, underwriters and portfolio managers who understand the strategic uses of credit and liquidity. The more complex the need, the more important an integrated approach becomes. The result is a solution that is uniquely tailored for you and designed to address your immediate needs while complementing your long-term investment strategy.

Your Morgan Stanley Financial Advisor will provide you with additional information about the lending options available to you to optimize your balance sheet and meet your personal goals — today and in the years to come.

Important Disclosures

Tax laws are complex and subject to change. 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 and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise agreed to in writing by Morgan Stanley. This material was not intended or written to be used for the purpose of avoiding tax penalties that may be imposed on the taxpayer. Individuals are urged to consult their tax or legal advisors before establishing a retirement plan and to understand the tax, ERISA and related consequences of any investments made under such plan.

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

Banking and credit products and services are provided by Morgan Stanley Private Bank, National Association, Morgan Stanley Bank, N.A. or other affiliates. Investment services are offered through Morgan Stanley Smith Barney LLC, member SIPC. Unless specifically disclosed in writing, investments and services offered through Morgan Stanley Smith Barney LLC are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, the Bank and involve investment risks, including possible loss of principal amount invested.

Securities Based Lending: Borrowing against securities may not be suitable for everyone. You should be aware that securities based loans involve a high degree of risk and that market conditions can magnify any potential for loss. Most importantly, you need to understand that: (a) The loan can be called at any time and for any reason; (b) Sufficient collateral must be maintained to support your loan(s) and to take future advances; (c) You may have to deposit additional eligible securities or funds for investment on short

notice; (d) Some or all of your securities may be sold without prior notice in order to maintain account equity at required maintenance levels. You will not be entitled to choose the securities that will be sold. These actions may interrupt your long-term investment strategy and may result in adverse tax consequences or in additional fees being assessed. (e) Morgan Stanley or its affiliates (the Firm) reserves the right not to fund any advance request due to insufficient collateral or for any other reason. (f) Your collateral maintenance requirements can be increased at any time without notice.

Funds drawn may not be used to purchase, carry or trade marketable securities, or to repay margin debt.

All loans are subject to application and credit approval. Loans may not be available in all areas. Other restrictions, conditions and limitations may apply. The information contained herein should not be construed as a commitment to lend.

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