

Morgan Stanley

Excelsior Wealth Management at Morgan Stanley

Servicing the Unique Needs of Business Owners



Our Commitment

You enjoy the rewards of success. We'll take care of the complexities. The talents and attributes necessary to achieve financial success are not always consistent with the skill sets needed to preserve and grow significant wealth. Successful financial planning requires specialization across a broad range of disciplines, from investment management and estate issues to insurance and philanthropy, etc. The process of building a fulfilling career, or even a great company, may not leave you with enough time or means to focus on your personal finances.

Success in business does, however, teach you how to delegate. At Excelsior Wealth Management, we liken our client relationships to that of a “CEO” and a “CFO” of a successful enterprise. As the “CEO” you set the course and supply the vision. As your “CFO,” we marshal the broad range of talents necessary to help turn that vision into a reality through the implementation of effective planning. At Excelsior Wealth Management, we are well versed in the diverse and complex issues surrounding significant wealth, and we are qualified to help you address them.

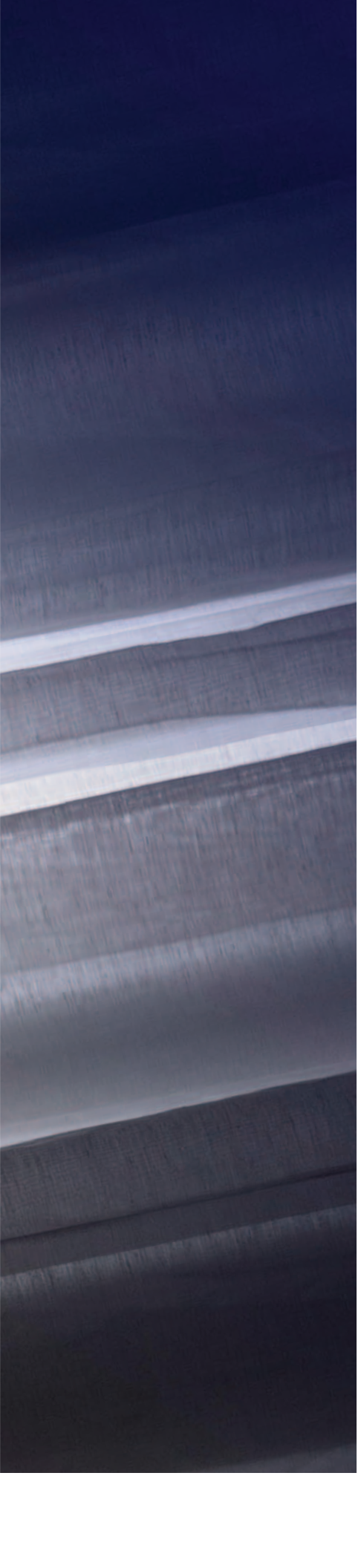
Serving as a virtual family office for highly successful people, we seek to simplify your financial affairs so you can enjoy the rewards of your success. We are a team of skilled individuals who can help provide you with privileged access to world-class talent. We are deeply committed to delivering the highest levels of service, competence and performance.

We look forward to establishing a long and productive relationship.









As a business owner, you have devoted your career to building your enterprise. Now it is time to plan for what comes next: enjoying the substantial rewards, spending more time with your family and pursuing new challenges. It is a transition that is among the most complex in the business world — and life.

Creating and growing a successful business is seldom just about money, nor is the decision to exit the business — whether that exit is through an IPO, merger with another company, private sale or succession within the family. The process is intense, the details myriad and complex, and the decisions often an unexpected combination of the personal and financial.

Excelsior Wealth Management at Morgan Stanley has helped business owners in industries worldwide reap the financial rewards of their efforts, bringing clarity and confidence to what is typically a once-in-a-lifetime event. Our role is twofold: assisting you in preparing for the transition at both a company and individual level, and providing ongoing support following the change. Afterwards, we can work with you and your key executives and advisors to prepare your company for sale, avoid potential pitfalls, analyze your options and connect you with a Morgan Stanley Investment Banker or external affiliate. We can also help you prepare for the impact of significant new wealth by defining your personal objectives and priorities. The result is a structure designed to reflect your goals, values and commitments while also minimizing taxes and maximizing flexibility. Following the transition, we can oversee the details of your financial life, including managing the opportunities and risks that can come with your new balance sheet and investment portfolio.

Throughout this process, Excelsior Wealth Management will work shoulder to shoulder with you. We will begin by listening to your questions and concerns and then work with you to develop a deep understanding of you and your family. We will then seek to shape solutions that will simplify your financial life and help you pursue your aspirations for the next generation. Excelsior Wealth Management will also help ensure that the complete financial resources and intellectual capital of Morgan Stanley are reviewed with you based on your needs, personalizing your access with the highest level of service and attention.

Working With a Family Wealth Director



The Family Wealth Director title is a rare distinction, earned by less than 300 of Morgan Stanley's approximately 16,000 Financial Advisors. The designation is given to those who have extensive experience working with ultra high net worth families, and who have undergone specialized training. Family Wealth Directors possess direct access to an extensive range of resources necessary to help highly affluent families manage the complex, multigenerational challenges of managing significant wealth.

Following an integrated approach to planning, your Family Wealth Director will work with you and your family to develop a comprehensive plan that incorporates issues of family dynamics, wealth transfer, asset protection and location, and business succession planning.

The focus will be on assisting you:

- Maintain family unity across generations, focusing on family mission, governance, conflict management and family endowments
- Ease administration burdens by managing some of the most complex aspects of your life
- Manage wealth with a long-term view and an unwavering focus on your family's interests
- Consider ways to help preserve your assets and transfer them efficiently to the next generation and the causes and institutions you support
- Develop strategies that pass down family values as well as family assets
- Access specialized ultra high net worth resources and strategies tailored specifically to your needs and goals

GUIDED ACCESS TO GLOBAL RESOURCES

Your Family Wealth Director provides guided access to resources across the full range of financial disciplines with deep experience managing IPO-generated wealth for successful entrepreneurs. You and your outside tax and legal advisors will have access to a tightly coordinated team that encompasses:

Coverage Team

Your relationship is overseen by Excelsior Wealth Management, a team of highly experienced professionals who focus on the comprehensive, multigenerational wealth planning needs of you and your family. Just as a business owner has a thorough knowledge of a company's opportunities, risks, capital structure and financial objectives, Excelsior Wealth Management begins by developing a similar understanding of you and your family. Translating this knowledge into strategy and process, Excelsior Wealth Management works with you to help you manage not only your investments, but also your balance sheet and liquidity needs. Further, our team will analyze and assess your financial status and investment performance on an ongoing basis, and then report to you regularly.

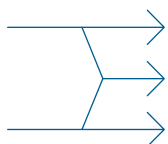
A Team of Specialists to Simplify Complexity

At the beginning of your relationship, we will help you identify the specialized skills required to address your needs and objectives, and assemble a team to focus on your goals. Drawn from the global resources of Morgan Stanley and in coordination with your outside advisors, your team is likely to include specialists in risk management, customized liquidity strategies and income and estate taxation. As your needs evolve, your team may encompass specialists in investment banking, corporate finance, capital markets transactions and venture investing.

The Flexibility and Focus of Family Office Resources

In addition to addressing the purely financial and investment-related aspects of your life, Excelsior Wealth Management can help address family dynamics and personal concerns. Depending on your needs, we can coordinate the many dimensions of your personal finances, manage your family balance sheet and provide financial flexibility and liquidity. Of equal importance to many families is having access to a dedicated team who can assist you with potentially complex issues related to values and legacy: family mission development and governance, wealth transfer planning, trust guidance and meeting multigenerational charitable goals.

Aligning Our Resources



During your years of building and managing your business, you may not have focused on the significant personal wealth you were creating or the financial opportunities and risks that you might encounter after moving on to enjoy your success. Excelsior Wealth Management can guide you through a process designed to integrate your institutional and corporate objectives with your personal goals. Your team will then strive to anticipate your needs, refine your strategy and realign your assets to keep pace with changes in your goals and your life.

A Process Defined by Your Needs

Each client situation is unique. The process outlined on the next page shows one direction that your relationship can take. Excelsior Wealth Management will work closely with you to tailor and refine this process with an eye on your specific needs and objectives. Our goal is to combine our understanding of the global financial marketplace with insight into your financial needs and situation. The financial world changes continually and families redefine themselves over generations. Our approach enables us—working in conjunction with your legal and tax advisors—to realign your financial strategy as needed.

Worldwide Resources for Successful Families

The world is more complex, dynamic and interconnected than ever before. Your success opens up many opportunities, but these require careful analysis and vetting in order to manage risk and maximize control. For example, you may find yourself presented with investment opportunities in unfamiliar companies, continents away. Or you may find yourself conducting business or choosing to live in multiple geographic locations simultaneously. Your children may decide to study or live abroad. As a leading financial institution, Morgan Stanley is prepared to meet your most complex and globally dispersed business and personal financial needs.

Access to Morgan Stanley's Corporate Resources

Through your relationship, you have access to the investment bankers, corporate bankers, market makers and traders of Morgan Stanley. We can also arrange for you to work directly with other senior Morgan Stanley professionals who are important to your strategies and instrumental to your ongoing success. If, for example, you decide to start another company, the knowledge and network of Morgan Stanley could prove invaluable.

CUSTOMIZED APPROACH

1

DISCOVERY

Our relationship begins with an in-depth discussion of your family's needs, values, lifestyle and aspirations for the future. We will also review your balance sheet, tax returns, estate plans and other essential documents to gain a clear picture of your current wealth plans.

2

WEALTH STRATEGIES

Having gained a clear understanding of your goals, challenges and preferences, we identify planning techniques that may be effectively tailored to your personal and financial objectives. We will work with your tax and legal advisors in this effort.

3

ASSET ALLOCATION

We help you develop a customized asset allocation model that reflects your investment time horizon and risk profile across multiple investment and estate entities. We may also explore short-term adjustments to take advantage of opportunities created by temporary market distortions.

4

IMPLEMENTATION

After extensive due diligence and thorough analysis of expected results across a range of market scenarios, investment strategies from our global investment platform can be accessed to create your portfolio. This process can help to create a more efficient balance of risk and return for your specific strategy.

5

ASSESSMENT AND ADJUSTMENT

Coordinating with you and your other advisors, we can conduct ongoing reviews and comprehensive reporting to ensure that your strategy adapts to changing financial and family needs.

Comprehensive Family Office Capabilities



One of the most significant benefits of a relationship with Morgan Stanley is increased control, organization and discipline with regard to personal finances. Through Excelsior Wealth Management, you are connected to a comprehensive suite of family office services — a unique combination of resources and experience.

A Focus on Detail

When your net worth increases and your personal balance sheet grows more complex, the demands on your time make it more difficult to manage the details of your personal financial life. Excelsior Wealth Management can undertake many of these tasks with you, from cash flow planning to maintaining records of your financial transactions. For example, at tax time, we can assemble important documents like your Form 1099s and work with your accountant or tax advisor to answer key questions that will shape your tax return. If you sold your business in return for stock that still bears restrictions or you maintain insider status, we can work with your corporate counsel to help ensure compliance with reporting and timing requirements for stock sales.

Strategic and Focused Resources

We begin with careful analysis of your finances and objectives, integrating and reviewing tax, trust and legacy planning strategies that could affect short-term returns and long-term security. You can access sophisticated lending capabilities to meet immediate liquidity needs. Specialists in family governance and dynamics, as well as philanthropy, can help address issues related to differing values and priorities in addition to charitable goals. Educational programs and events can connect you not only with the resources of the firm, but also with other clients with similar goals. You can also gain access to one of the world's most complete private health care advisory services, a valuable resource for global travelers from a third-party provider.

A Complement of Concierge Services¹

Excelsior Wealth Management can also simplify access to the amenities of success, such as entertainment, health and wellness, and travel as well as more complex needs such as shared ownership of a private jet or managing multiple residences. There is a wide spectrum of services offered by third-party providers that are available to you and your family, and a program can be created to precisely meet your needs, schedules and expectations.



1

Tax, Trust & Estate Planning

Our professionals take a collaborative approach to income tax and estate planning, which incorporates the knowledge and capabilities of your current legal and tax advisors. The result is a fully integrated analysis of your balance sheet, estate plan and investment strategy—one that can result in a more integrated approach to your long-term needs and goals while enhancing after-tax investment returns.

2

Access to Cash Management and Lending Products

Excelsior Wealth Management can help develop sophisticated strategies for cash flow and liquidity management while working to enhance yield on short-term assets. In addition, you can work with experienced professionals with the skills and resources to discuss lending products that may be available, including: securities-based loans, residential mortgage loans, and tailored lending loans that are secured by eligible collateral which may include certain: (i) eligible marketable securities or (ii) commercial real estate.

3

Family Governance & Dynamics

Family members, particularly those in multigenerational families, may have divergent points of view and differing priorities. Specialists are available to you to help address sensitive family issues, facilitate communication, manage conflict and achieve a shared sense of common direction. These professionals can help you draft a family mission and shape a governance structure, work through legacy and wealth transfer issues, implement wealth preservation strategies and manage the complexities of business succession.



4

Philanthropy Management

Collaborating with your legal and tax advisors, we can help integrate philanthropy into your overall wealth management strategy, enhancing the impact of giving and its benefits to your family. Our professionals work at each stage of philanthropic activity, from focusing your interests and defining a mission to translating your interests and values into effective grant-making. You can also work with specialists in the creation, operation and governance of private foundations, and we can support you with comprehensive foundation management services.

5

Lifestyle Advisory¹

These capabilities are designed to enhance your lifestyle and to provide you with easy access to a wide variety of leisure and personal opportunities. These capabilities range from yacht and aircraft charter resources, luxury travel companies and ticket agents for special events, to practical but complex concerns such as services to meet administration and household staffing requirements for multiple residences. In many cases, a single phone call is all it takes to gain admission to a sold-out entertainment or sports event or to book a unique travel experience.

6

Educational Programs

To help broaden your access to our firm's resources and to create opportunities to meet with and share experiences with other clients, we offer an array of programs and events.

7

Private Health Care Advisory²

PinnacleCare Private Health Care Advisory Services are designed to help ensure access to objective information, expert consultation and centers of excellence on a global basis. Available 24/7, professionals can help coordinate resources for you and your family wherever you are in the world, guiding you to the care you need and providing updated medical histories to caregivers to help facilitate treatment.

Strategic Guidance for Your Transition



Exiting your company in a way that supports your financial objectives, preserves business value and positions your wealth to potentially achieve your legacy and multigenerational goals takes careful planning that begins many months in advance. In particular, waiting until after the transaction to deal with wealth management issues can be costly in terms of taxes and lost planning flexibility. Our team at Morgan Stanley can assist at each stage of the process, helping you map issues against your projected timeline; highlighting key decisions, deadlines and milestones as you approach the closing; and working with your outside advisors to help ensure that you are properly positioned to minimize taxes from the transaction.

Strategic Analysis

We can work with firm specialists to help you evaluate various exit strategies—strategic sale, leveraged recapitalization, IPO, sale to an ESOP or private equity transaction—to determine which can best meet your personal goals and your aspirations for the ongoing business after your departure.

Resource Selection

We, as part of your team, can help connect you with a Morgan Stanley investment banker or third-party affiliate based on factors such as transaction size and type, likely purchasers, your industry and geographic focus.

Income Tax Planning

We can help you, in coordination with your outside tax and legal advisors, evaluate the impact of exit opportunities on your income taxes so that you can plan ahead and take advantage of strategies such as stock options or philanthropy to reduce your tax liability. For example, if you have philanthropic goals, you may want to employ a deferral technique such as a Charitable Remainder Trust (CRT).

Estate Planning

It is likely that the amount you realize from the sale will exceed the amount you can pass on free of estate and gift taxes. Through the estate planning process, we can help you update your will and other

foundational documents to reflect your new success and create a plan that provides a smooth transition to the next generation. Whether addressing issues of succession, inheritance or creditor protection, we can help you develop gifting and other strategies before the sale that may help reduce taxes on some or all of the proceeds—as well as on future appreciation of assets. Exelsior Wealth Management can provide information about sophisticated strategies such as Grantor Retained Annuity Trusts (GRATs), Family Limited Partnerships and Self-Cancelling Installment Notes (SCINs), that will help you in discussions with legal and tax advisors to design a program that protects the transfer of wealth from estate and other taxes.

PLANNING YOUR EXIT STRATEGY

Excelsior Wealth Management can work with you and your other advisors to identify and structure an exit strategy consistent with your business and personal financial goals.

SALE TO STRATEGIC ACQUIRER

- Objective is to provide you with immediate liquidity
- Aim to identify well-capitalized buyers willing to fund growth and who seek market entry or market share, new technology or other competitive advantage through an acquisition

RECAPITALIZATION

- Provides liquidity along with potential for upside appreciation
- Can be structured so you retain control, if desired
- Leverage reduces the cost of capital

SALE TO PRIVATE EQUITY INVESTOR

- Objective is a profitable exit strategy (IPO, LBO, future sale)
- Buyer's objective is typically purely financial, seeking a high rate of return
- Transaction is often highly leveraged

SALE TO AN ESOP

- A tax-advantaged strategy to transfer ownership to your employees
- Principal, interest and dividends are tax deductible
- ESOP share of corporate income is not taxable

IPO

- Objective is to raise capital and generate liquidity
- You can leverage the capabilities of Morgan Stanley's³ experienced Investment Banking team or third-party affiliate to evaluate the IPO market and structure an offering that would benefit you, your employees and your investors



Private Banking and Your Personal Balance Sheet

If you have not yet sold your company, you may find yourself with a substantial net worth on paper that can be difficult to access and enjoy because it may be effectively illiquid. Even after the sale, there may be instances when using credit to gain liquidity makes strategic sense or facilitates a purchase. Excelsior Wealth Management may assist you in creating balance sheet flexibility for you to pursue personal and family goals. Through this relationship, you may gain access to lending products that could potentially fit your requirements.

Leveraging Personal Wealth for Business Growth or Liquidity

Although your company is private, you may have developed a substantial investment portfolio over the years. If you qualify, eligible marketable securities in your brokerage account—including those you may have received if you have already sold your business to a public company can potentially serve as collateral for a securities-based loan which can provide you with the financing needed to pursue many personal, business or charitable interests.⁷ Excelsior Wealth Management can engage Private Bankers who are experienced in helping clients identify which lending solutions may potentially address their needs in the context of their overall wealth management strategy.

Customized Financing for Real Estate and Personal Acquisitions

Because of your success, you may have greater flexibility in borrowing than expected. Together with a skilled Private Banker, Excelsior Wealth Management can take a strategic approach to lending that may allow you to take advantage of opportunities as they arise. For qualified applicants, tailored lending, offered by Morgan Stanley Private Bank, National Association, can leverage eligible marketable securities, commercial real estate and certain hedge fund interests; real estate investment trust (REIT) operating partnership units; or fine art as collateral.

Managing Balance Sheet Cash

High levels of liquidity also require careful management in order to avoid concentrated risk in one or more financial institutions. Morgan Stanley will structure, monitor and report on your overall cash position across multiple accounts and entities.

BALANCE SHEET AND LENDING OPTIONS

Lending Capabilities for
Qualified Applicants



Liquidity Access Line⁴

- Nonpurpose Loans



Home Loans⁵

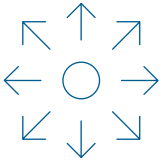
- Products — Conforming, Jumbo, ARMS, HELOCs, fixed rate mortgages



Tailored Lending⁶

- Collateral — Eligible Marketable Securities, Commercial Real Estate
- Referrals to External Lenders with Preferred Programs: Aircraft and Yacht/RV*

Defining Your Legacy



Working in conjunction with your legal and tax advisors, we can help develop a framework for integrated planning and strategic decision-making across your entire family. Many builders of highly successful businesses believe that the most valuable legacy they can leave their children is a keen sense of self-accomplishment. Specialists in Philanthropic Management can work with you and your attorneys to help ensure that your estate plan is aligned with your values and your aspirations for the next generation.

Giving Back

Philanthropic giving can be one of the most satisfying aspects of success as well as a demonstration of your personal values. Specialists in our Philanthropy Management area can help tailor a strategic and disciplined approach to giving by developing a program that incorporates charitable vehicles to help achieve your objectives. Whether your plan makes use of charitable trusts or you decide to focus your giving through a private foundation that involves the next generation in management and decision-making, we can help define and implement your vision.

A Holistic Approach

Legacy planning is not confined to what happens to your assets and estate in the future; it can also involve strengthening family bonds and focusing on family goals today. Excelsior Wealth Management can introduce you to Morgan Stanley professionals with extensive experience in the dynamics of successful families—specialists who can guide you through the creation of a family mission and family governance structure and help conduct family meetings. Our ability to help address the nonfinancial issues of legacy planning and wealth transfer can be precisely focused on your objectives and the needs of your family.

Greene Family

Family Wealth Director

John Smith, Esq. and Joseph Turner
Attorney and CPA



- Household
- Advisor
- Family Attorney and CPA
- Family Entity, current
- Family Entity, future
- Tax Entity, current
- Tax Entity, future

Please note, this is for illustrative purposes only.

CASE STUDY: HOW WE CAN WORK TOGETHER

While your financial and tax circumstances and investment objectives are unique, this diagram illustrates how we can help address some challenges that may be similar to your own.



The Client

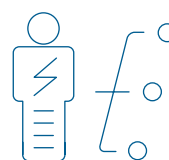
Founder of a precision manufacturing business, a private, closely held company specializing in parts for orthopedic and other medical uses; 55 years old, married with two children in college.

FINANCIAL PROFILE

- Owner of 90 percent of the stock in his business, which is worth \$45 million
- Owns a retirement account valued at \$1.5 million and a \$2.5 million portfolio of investments concentrated in the medical products and pharmaceutical industry

OBJECTIVES

- Came to Morgan Stanley two years prior to his planned date of selling the business. Sought advice on:
 - Structuring the terms of the sale, based on his long-term personal and financial goals
 - Minimizing taxes on the sale
 - Transferring appreciation to other family members at a low tax basis
 - Managing the overall financial picture, including estate planning, philanthropy and liquidity
 - Diversifying risk in the portfolio, which was concentrated in a single industry



Our Approach

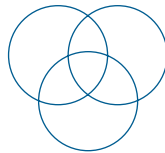
Quantified specific objectives, such as target risk levels and liquidity requirements, and worked with Morgan Stanley specialists to execute the plan.

DEFINE DIVERSIFICATION PLAN OBJECTIVES

- Generate cash for home purchase
- Manage risk through diversification and provide margin of liquidity

EXECUTE DIVERSIFICATION PLAN

- Established 10b5-1 plan to diversify determined amount of concentrated holdings
- Solutions for extensive blackout periods
- Focused on NQSOs
 - Comprised largest percentage of equity value
 - Included grants approaching expiration
 - Used a graduated selling price strategy
- Consulted closely with client's CPA to calculate ISO exercise strategy
- Used income from NQSOs to exercise ISOs
- Carefully exercised throughout year — closely monitoring AMT threshold
- Started clock on ISO shares exercised to attain long-term capital gains status



Results

Reduced risk of concentrated position while supporting charitable goals and generating liquidity for real estate acquisition.

ESTABLISHED CONSERVATIVE ASSET ALLOCATION PLAN

- Emphasized assets with low correlation to concentrated equity position

ESTABLISHED GRANTOR RETAINED ANNUITY TRUST (GRAT)

- Recommended transferring asset out of estate to children with little or no gift tax obligation
- Conducted analysis to determine number of shares and duration
- Worked closely with client's outside estate attorney to structure trust
- Worked closely with client's outside tax advisor to suggest potential updates to better utilize tax allowances

DIVERSIFIED EQUITY POSITION

- Reduced overall concentrated exposure
- Improved liquidity via sales of RSUs ongoing through 10b5-1 plan
- Avoided AMT tax liability
- Achieved advantageous and desired level of concentrated equity holdings (client still bullish)
- Created sufficient liquidity to establish a conservative, globally diversified investment portfolio

REAL ESTATE

- Created sufficient liquidity for real estate purchase
- Provided residential mortgage financing at competitive rate, with terms to meet anticipated payoff plan

CHARITABLE GOALS

- Make tax-advantaged gift with low basis shares to charitable trust
- Next Step: Invest in a Donor-Advised Fund to pursue future charitable goals and offset large expected taxable income

The case study presented is for illustrative purposes only. Past performance is no guarantee of future results. These strategies do not guarantee a profit or protect against loss and may not be suitable for all investors.

CHOOSING YOUR FINANCIAL ADVISOR

The wealth created by your private business is significant, which makes the choice of a Financial Advisor a particularly important decision. The more you know, the more comfortable you will be with your decision.



- Has the advisor guided other business owners through liquidity events and the personal and financial transitions involved?
- Does the advisor have an experience-based process?

- Is the advisor a good listener?
- Will the advisor accommodate and support your personal decision-making process?
- Does the advisor typically recommend one solution or offer several alternatives with a clear analysis of each and an understanding of your personal objectives?

- Is the advisor supported by an experienced team?
- Will you have direct access to others on the team?
- Is the advisor part of a larger organization with deep resources and specializations?

EXPERIENCE WITH BUSINESS OWNERS

COLLABORATIVE APPROACH


ADVISOR AND FIRM STRUCTURE

TRANSACTION PLANNING

WEALTH STRUCTURING AND ESTATE PLANNING

UNDERSTANDING OF FAMILY ISSUES

INVESTMENT MANAGEMENT DEPTH

- 
- Can the advisor enhance value by helping to prepare your business for sale?
 - Is the advisor able to analyze and help you select the most appropriate resources?
 - Are you confident that the advisor can help you minimize transaction obligations in order to pass on the greatest value from what you have built?
 - Can your advisor support a wealth strategy that involves multiple trusts, ownership vehicles and tax and investment strategies?
 - Is there the right chemistry with you and your family?
 - Does the advisor have the sensitivity and experience to help you deal with family issues and disagreements that wealth can create?
 - Does the advisor understand the concept of “family governance?”
 - Does the advisor understand how you think about risk?
 - How broad and flexible is the advisor’s investment platform?
 - Can your advisor clearly explain his or her approach to both strategic and tactical asset allocation?
 - Is the advisor supported by an experienced team of professionals to help execute a customized investment strategy?

For illustrative purposes only.

The Talent at Your Disposal

We are a team of dedicated financial professionals who combine our talents to develop and implement comprehensive, multigenerational wealth management plans. We are committed to the success of our clients and to delivering a truly superior service experience.



Craig Pastolove, CIMA®, CPWA®

*Managing Director, Wealth Management
Financial Advisor*

Craig Pastolove is a Managing Director and a designated Family Wealth Director with Morgan Stanley's* U.S. Wealth Management Group. Craig holds the Family Wealth Director title, earned by only 300 of Morgan Stanley's approximately 16,000 Financial Advisors. Additionally, he has garnered the Corporate Client Group Director title which represents his commitment to institutional retirement plan consulting.

After graduating from the University of Michigan with a Bachelor of Arts, Craig began his career with Oppenheimer & Co. as a financial advisor. Within five years, he was named an Executive Director at the firm.

In 2002, Craig attended the Wharton School of the University of Pennsylvania, and subsequently obtained the title of Certified Investment Management Analyst® (CIMA®), sponsored by the Investment Management Consultants Association (IMCA). Craig and his team strictly adhere to IMCA's Code of Professional Responsibility.

In 2004, Craig's group transferred its clientele to Citigroup. Shortly thereafter he was asked to join Citi Family Office, a division focused on servicing the complex needs of ultra high net worth clients. Only 90 teams out of 10,000 candidates were selected to work within this division.

In 2008, Craig joined Morgan Stanley, where he continues to hone the academic and practical skills required to properly advise wealthy families and institutions. He was recently awarded the Certified Private Wealth Advisor® title after completing a one-year course at the University of Chicago Booth School of Business.

Craig and his wife, Kimberly, reside in New York with their son, Chase, and daughter, Brooke. He is very active in several social and philanthropic organizations in the greater New York metropolitan area.

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Scott Sklar

*Managing Director, Wealth Management
Financial Advisor*

Scott Sklar focuses on providing exemplary service to institutional clients through capital markets coverage, proactive advice and consistent and direct communication. The relationships he has cultivated with some of the premier hedge fund managers in the nation have enabled him to build one of the largest middle-market businesses at our firm. He works with funds and family offices that range in size from \$200 million to \$10 billion.

In 1992, Scott graduated from George Washington University with a bachelor of arts in international business. He subsequently joined Prudential’s training program and, by his fourth year, earned Council Producer status.

Scott left Prudential for Smith Barney, now Morgan Stanley, in 2001. He was named as a Director’s Council producer in 2009, his seventh year in a row of garnering this distinction. In 2011, Scott was named a Managing Director at Morgan Stanley. He also sits on Excelsior Wealth Management’s Investment Committee, which is responsible for managing the team’s proprietary equity, fixed income and alternative investment model portfolios.

Scott is married with three children and resides in Westport, Connecticut. His interests include coaching, traveling, reading, swimming and golfing.

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Jesse S. Friedman, CFP®

*Vice President
Financial Advisor*

Jesse Friedman joined Excelsior Wealth Management in 2001, four weeks after graduating from Brandeis University with a double major in economics and political science and a minor in international business.

He is the primary day-to-day contact for clients and their other advisors, including attorneys, accountants and family office directors. He is also responsible for managing the financial planning process for existing clients and developing customized solutions for new ones. After a year-long education process, Jesse obtained his CERTIFIED FINANCIAL PLANNER™ (CFP®) designation in 2011, allowing him to provide even more intimate planning expertise and strategic advice to clients.

Additionally, Jesse manages the other team members in a concerted effort to help ensure that client needs are met efficiently and effectively. He also assists in synthesizing the firm’s extensive research as the group constructs its equity and fixed income models.

In his spare time, Jesse enjoys traveling, tennis and supporting the New York Rangers and New York Giants. He is an active member of the Turtle Bay Society, the Brandeis University Alumni Association and Central Synagogue. Jesse lives in Manhattan with his wife and high school sweetheart, Melissa, and their sons, Eli and Zach.

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Stephanie Yang

*Assistant Vice President
Consulting Group Analyst*

Stephanie Yang joined Excelsior Wealth Management at Morgan Stanley in 2014 and brings a wide spectrum of private wealth management experience, having started her career in the business in 2011. Stephanie functions as a service advisor and her primary duties include enhancing client experience through diligent portfolio monitoring, generating and reviewing investment ideas and proposing solutions to complete a holistic approach to a balanced and unique financial plan, customized for individual clients and prospective clients.

Prior to working at Morgan Stanley, her New York City-based predecessor firms include Wells Fargo and US Bancorp, where she focused on the portfolio management of ultra high net worth clients’ assets. In 2009, Stephanie graduated from Baruch College, where she received a bachelor of business administration in Finance and Investments, along with a minor in History. She holds the Series 7 and 66 registrations. A New York native, Stephanie resides in New York City and during her leisure time enjoys traveling, cooking and golf.

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Janne Lee

Wealth Management Associate

Janne Lee has worked in the financial services industry since 2002. She began her career with the Alternative Investment Group at Oppenheimer prior to joining Excelsior Wealth Management in 2004.

As the group administrator, Janne's responsibilities include opening new accounts, assisting with client requests, including wires and checks, and all other aspects of their daily banking needs.

Janne serves as our clients' single point of contact for their administrative needs by interfacing with their trust officers, retirement plan providers and hedge fund managers.

She is Series 7 and 63 registered. Janne holds a bachelor of science degree from the University of South Carolina and resides in Manhattan.

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212-296-1029



Chad Levy

Financial Planning Associate

Chad Levy's main responsibilities on the team are focused around financial planning. Utilizing sophisticated financial and technical tools, he develops in-depth financial plans to aid clients in their current spending and retirement planning. Additionally, Chad is responsible for making introductions for the team as well as servicing his current clients.

He received a bachelor of arts in economics from The University of Connecticut in 2013.

Chad started with Excelsior Wealth Management in the winter of 2015 after spending two very successful years at ING Financial Partners out of college building his own book of business and becoming the top producer in his graduating class. He is FINRA® Series 7 and 66 registered.

Chad currently resides in Hoboken, New Jersey. He is an avid tennis player, and enjoys traveling and martial arts.

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212-296-7470



Stacey Smith

Registered Client Service Associate

Stacey Smith has worked in the financial services industry since 1998. She began her career at Prudential when she moved into Manhattan in 1999. In April 2001, Stacey left Prudential with Scott to work at Morgan Stanley and continues to be an integral member of his group.

Stacey's responsibilities include opening new accounts for both retail and institutional clients, assisting with client requests, such as wires and checks, and all aspects of their daily account needs. She handles many of the day-to-day operations, including client orders and executions. Stacey graduated from Binghamton University in Binghamton, New York. She is Series 7 and 63 registered. She resides in Bergen County, New Jersey.

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212-296-0227



Vanessa Kistenmacher

Client Service Associate

Vanessa Kistenmacher joined Excelsior Wealth Management at Morgan Stanley in 2015. In addition to the financial services field, her professional career includes experience in the legal field of immigration law, specializing in cases that supported and provided services to an elite group of high net worth Brazilian nationals. Since 2013, Vanessa has worked as a paralegal at both the Legal Aid Society and Sonia Col & Associates.

Vanessa's responsibilities include day-to-day assistance to client requests, as well as provide the principles and team administrative and operational support. Her wide array of daily clerical duties include client interfacing and being a primary point of contact for internal and external resources, along with handling telephones, mailing, filing and processing forms. She is FINRA® Series 7 registered.

Vanessa grew up in Sabaudia, Brazil, and speaks fluent Portuguese. She graduated from the City College of New York where she majored in Interdisciplinary Arts and Sciences, Human Services. In her spare time, she enjoys traveling, biking and going to the beach. Vanessa currently resides in Manhattan.

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212-296-0230



Carolina Chatila

Client Service Associate

Carolina Chatila joined Excelsior Wealth Management at Morgan Stanley in August 2016 after graduating from Boston College with a bachelor's degree in mathematics. Her professional experience includes work as a sales and marketing operations intern for an enterprise technology research and advisory services firm in Boston.

At Excelsior Wealth Management, Carolina functions as a Client Service Associate and her duties include analytical work such as preparing quarterly performance reports for accounts we help manage, as well as attending meetings with clients and helping participants navigate their plans. She is FINRA® Series 7 registered. Carolina grew up in Potomac, Maryland, and she currently resides in Manhattan.

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212-296-0971

Our Clients



Our clients are accomplished individuals who set high standards for themselves and expect the same from their advisors. Many have risen from relatively humble beginnings to create substantial wealth. Others are building on the legacy established by parents and grandparents. We are committed to help each meet their most serious challenges and work toward fulfilling their greatest expectations.

RELATIONSHIPS BY CLIENT NATURE

42%

Business Owner

12%

Next Generation Wealth/Sudden Wealth

18%

Corporate Retirement Plans

12%

Attorneys

16%

Financial Professionals

RELATIONSHIPS BY SIZE

31%

\$10 million–100 million

34%

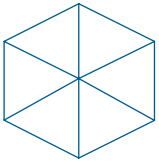
\$5 million–10 million

35%

\$3 million–5 million

As of 12/1/2016

Our Philosophy



We understand that great wealth tends to create great complexity. Investment strategies become more sophisticated, estate planning and succession issues can loom large, and even philanthropic efforts can complicate your life. Our role is to help simplify the challenges of managing wealth, allowing our clients to enjoy the benefits.

We work to protect your wealth, advance your goals and enhance your life. We provide access to an extraordinary range of resources, introducing you to what we believe to be some of the most experienced people in the industry. We

can also help you find a caretaker for the beach house or a seat on the right charitable board. Whatever your challenges and aspirations, we are here to help meet your needs.



Helping You and Your Family Achieve Your Vision of a Successful Life



As your family grows and your wealth increases, you may face a broader and more complex set of wealth management challenges. At Exelsior Wealth Management, we have the extensive experience, specialized training and the resources necessary to help you and your family address these needs. We help you create and implement a comprehensive wealth management plan based on your unique goals and aspirations.

We will help you address the complex challenges—and embrace the opportunities—of your wealth so you can accomplish the things in life that are essential to you. We are here to help you:

- Manage investments with an unwavering focus on your financial strategy and personal goals
- Structure your wealth and customize solutions based solely on an objective view of your needs
- Simplify financial complexity to help you achieve clarity and control
- Align your strategy with the values that have shaped your life and constitute the core of your legacy

Morgan Stanley Smith Barney LLC offers a wide array of brokerage and advisory services to its clients, each of which may create a different type of relationship with different obligations to you. Please consult with your Family Wealth Director to understand these differences.

Life insurance, disability income insurance and long-term care insurance are offered through Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

¹ Products and services are provided by third parties, not Morgan Stanley Smith Barney LLC or its affiliates.

² Morgan Stanley Smith Barney LLC, its Private Wealth Management Division, and its affiliates do not offer the health care advisory services discussed in this piece. If you request additional information, your Family Wealth Director may refer you to one or more third-party health care advisory firm(s) (the "Service Provider(s)"). No health care advisory Service Provider(s) is an affiliate of the Firm. Any referral should in no way be considered to be a solicitation by the Firm for business on behalf of any Service Provider(s), or an endorsement of any Service Provider(s) by the Firm. The Firm makes no representations regarding the suitability or otherwise of the products or services provided by any Service Provider(s). There may be additional service providers who offer this service, and you may wish to identify such other providers for comparative purposes. If you choose to contact a health care advisory Service Provider(s), we recommend that you interview such Service Provider(s), do thorough due diligence and make your own independent decision.

The Firm is a diversified financial services company with millions of individual clients, and corporations, institutions and governmental clients in several countries around the world. The Firm routinely enters into a variety of business relationships for which either the Firm receives compensation, or pays for services, and such business relationships may include health care advisory Service Provider(s), employees or agents, or companies affiliated with such Service Provider(s).

³ As appropriate, clients may be referred to a third party.

⁴ Tailored Lending is a loan/line of credit product offered by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC. A Tailored Lending credit facility may be a committed or demand loan/line of credit. All Tailored Lending loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association. Tailored Lending loans/lines of credit may not be available in all locations. Rates, terms and programs are subject to change without notice. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association is a member FDIC that is primarily regulated by the Office of the Comptroller of the Currency.

With the exception of a margin loan, the proceeds from securities based loan products may not be used to purchase, trade or carry margin stock (or securities, with respect to Express CreditLine); repay margin debt that was used to purchase, trade or carry margin stock (or securities, with respect to Express CreditLine); and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

To be eligible for a securities-based loan, a client must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities, which shall serve as collateral for the securities-based loan.

⁵ Residential mortgage loans/home equity lines of credit are offered by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC. With the exception of the pledged-asset feature, an investment relationship with Morgan Stanley Smith Barney LLC does not have to be established or maintained to obtain the residential mortgage products offered by Morgan Stanley Private Bank, National Association. All residential mortgage loans/home equity lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association. Rates, terms and programs are subject to change without notice. Residential mortgage loans/home equity lines of credit may not be available in all states; not available in Guam, Puerto Rico and the U.S. Virgin Islands. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association is an Equal Housing Lender and member FDIC that is primarily regulated by the Office of the Comptroller of the Currency. Nationwide Mortgage Licensing System Unique Identifier #663185. The proceeds from a residential mortgage loan (including draws and advances from a home equity line of credit) are not permitted to be used to purchase, trade or carry eligible margin stock; repay margin debt that was used to purchase, trade or carry margin stock; or to make payments on any amounts owed under the note, loan agreement or loan security agreement; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

A conforming loan means a residential mortgage loan offered by Morgan Stanley Private Bank, National Association that is saleable to Fannie Mae or Freddie Mac because it conforms to these entities' guidelines, including, for example, loan amount limits that range from \$417,000 to

\$625,500 for one unit properties, depending on location (and even higher in Hawaii). A nonconforming/jumbo loan is a residential mortgage loan that is not a conforming loan.

⁶ Tailored Lending is a loan/line of credit product offered by Morgan Stanley Private Bank, National Association. A Tailored Lending credit facility may be a committed or demand loan/line of credit. All Tailored Lending loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association. Tailored Lending loans/lines of credit may not be available in all locations. Rates, terms and programs are subject to change without notice. Other restrictions may apply.

⁷ Liquidity Access Line ("LAL") is a securities-based loan/line of credit product, the lender of which is either Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, each an affiliate of Morgan Stanley Smith Barney LLC. All LAL loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable. LAL loans/lines of credit may not be available in all locations. Rates, terms and conditions are subject to change without notice. To be eligible for an LAL loan/line of credit, a client must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities, which shall serve as collateral for the LAL. In conjunction with establishing an LAL loan/line of credit, an LAL facilitation account will also be opened in the client's name at Morgan Stanley Smith Barney LLC at no charge. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association and Morgan Stanley Bank, N.A. are members FDIC that are primarily regulated by the Office of the Comptroller of the Currency.

Borrowing against securities may not be suitable for everyone. You should be aware that there are risks associated with a securities-based loan, including possible margin calls on short notice, and that market conditions can magnify any potential for loss. For details, please see the important disclosures at the end of this brochure.

*The loans secured by an aircraft or yacht/RV that are referenced herein are provided by an unaffiliated party. Neither Morgan Stanley Smith Barney LLC ("Morgan Stanley") nor its affiliates are the provider of such loans and will not have any input or responsibility concerning a client's eligibility for, or the terms and conditions associated with, these loans. Neither Morgan Stanley nor its affiliates shall be responsible for content of any advice or services provided by the unaffiliated party. Morgan Stanley or its affiliates may participate in transactions on a basis separate from this unaffiliated party. Morgan Stanley or its affiliates may receive compensation in connection with referrals made to the institution.

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This material does not provide individually tailored investment advice. It has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The strategies and/or investments discussed in this material may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Asset Allocation, Diversification or Rebalancing do not guarantee a profit or protect against a loss. Actual results may vary and past performance is no guarantee of future results.

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The lending products referenced herein are separate and distinct, and are not connected in any way. The ability to qualify for one product is not connected to an individual's eligibility for another.

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

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



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