

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
Sections 354, 356, 358, 368(a), and 1001 of the Code.

18 Can any resulting loss be recognized? ▶ See attachment.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
The Merqers (as defined as in the attached response to Box 14) were consummated on March 1, 2021. Consequently, the reportable year for holders of Eaton Vance common stock (as defined in the attached response to Box 14) for reporting the tax effect of the Merqers is the taxable year that includes March 1, 2021.

Former holders of Eaton Vance common stock are urged to consult with their own tax advisors with respect to their individual tax consequences of the Merqers.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 03/01/2021
Print your name ▶ Humberto B. Soredo Title ▶ Managing Director

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

**Morgan Stanley, as successor to
Eaton Vance Corp.
EIN 36-3145972
Attachment to Form 8937**

Form 8937, Part I, Box 9:

Eaton Vance Non-Voting common stock
Eaton Vance Voting common stock

Form 8937, Part I, Box 10 (CUSIP Number):

Eaton Vance Non-Voting common stock: 278265103
Eaton Vance Voting common stock: N/A

Form 8937, Part I, Box 12 (Ticker Symbol):

Eaton Vance Non-Voting common stock: EV
Eaton Vance Voting common stock: N/A

Form 8937, Part II, Box 14:

On March 1, 2021, pursuant to the Agreement and Plan of Merger, dated as of October 7, 2020, by and among Morgan Stanley, Eaton Vance Corp. ("Eaton Vance"), Mirror Merger Sub 1, Inc. ("Merger Sub 1") (a wholly owned subsidiary of Morgan Stanley) and Mirror Merger Sub 2, LLC ("Merger Sub 2") (a wholly owned subsidiary of Morgan Stanley), Merger Sub 1 merged with and into Eaton Vance with Eaton Vance surviving (the "First Merger" and the effective time of the First Merger, the "Effective Time") and Eaton Vance thereafter merged with and into Merger Sub 2 with Merger Sub 2 surviving (the "Second Merger", and the First Merger and Second Merger together, the "Mergers," and such agreement, the "Merger Agreement").

At the Effective Time, each share of the Eaton Vance Non-Voting common stock, par value \$0.00390625 per share and Eaton Vance Voting common stock, par value \$0.00390625 per share (together, "Eaton Vance common stock") outstanding immediately prior to the Effective Time (other than certain shares of Eaton Vance common stock held immediately prior the Effective Time by Parent, Merger Sub 1 or Merger Sub 2 and certain shares of Eaton Vance common stock held immediately prior to the Effective Time by a subsidiary of Eaton Vance) was converted into the right to receive (i) only shares of Morgan Stanley common stock, par value \$0.01 per share ("Morgan Stanley common stock"), (ii) only cash, or (iii) a combination of shares of Morgan Stanley common stock and cash (such Morgan Stanley common stock and cash, the "Merger Consideration"), at the election of the holder and subject to automatic adjustment as described in the Form S-4 for Morgan Stanley as filed with the Securities and Exchange Commission on January 19, 2021, under the heading "The Merger Agreement— Allocation of Merger Consideration and Illustrative Elections and Calculations" (available at: https://www.sec.gov/Archives/edgar/data/895421/000114036121001460/nt10016793x2_s4a.htm) (the "Form S-4"). No fractional shares of Morgan Stanley common stock were issued in the Mergers, and holders of Eaton Vance common stock received cash in lieu of any fractional shares of Morgan Stanley Common Stock based on a per share price of \$76.87.

Form 8937, Part II, Box 15:

The information contained herein does not constitute tax advice and does not purport to be complete or to

describe the consequences that may apply to particular categories of shareholders.

Further discussion of material U.S. federal income tax consequences of the Mergers can be found in the Form S-4 under the heading “Material U.S. Federal Income Tax Considerations.”

Consistent with the discussion in the Form S-4, the Mergers will be reported as, and Morgan Stanley believes that the Mergers qualified as, a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”). No ruling from the Internal Revenue Service has been requested or is intended to be obtained as to the U.S. federal income tax consequences of the Mergers. The following description assumes that the Mergers constitute a reorganization. The effect of the Mergers to U.S. taxpayers not in a special class of holders subject to special rules as described further in the Form S-4 (“U.S. holders”) depends on whether such holder of Eaton Vance common stock received solely cash, solely shares of Morgan Stanley common stock or a combination of cash and shares of Morgan Stanley common stock in exchange for such holder's shares of Eaton Vance common stock. A U.S. holder who acquired different blocks of Eaton Vance common stock at different times and at different prices generally must apply the rules described below separately to each identifiable block of shares of Eaton Vance common stock.

U.S. Holders Receiving Solely Stock

Except as described below with respect to the receipt of cash in lieu of a fractional share of Morgan Stanley common stock, a U.S. holder who received solely shares of Morgan Stanley common stock in exchange for shares of Eaton Vance common stock in the Mergers generally should not recognize gain or loss as a result of such exchange. A U.S. holder’s aggregate tax basis in the Morgan Stanley common stock received in exchange for the Eaton Vance common stock surrendered (including the basis allocable to any fractional share of Morgan Stanley common stock for which cash is received) will be equal to the U.S. holder’s aggregate tax basis in the shares of Eaton Vance common stock exchanged therefor.

U.S. Holders Receiving Solely Cash

A U.S. holder of Eaton Vance common stock who received solely cash in exchange for shares of Eaton Vance common stock in the Mergers generally should recognize capital gain or loss equal to the difference between the amount of cash received by such holder and such holder's tax basis in the shares of Eaton Vance common stock exchanged therefor. Since such holders did not receive any shares of Morgan Stanley common stock, such holder does not have a new tax basis to compute.

With respect to a U.S. holder that exchanged an identifiable block of Eaton Vance common stock solely for cash, but also exchanged a different identifiable block of Eaton Vance common stock for Morgan Stanley common stock or Morgan Stanley common stock and cash, the Internal Revenue Service has interpreted Section 356 of the Code in a manner that would not entitle such holder who realized a loss with respect to shares of Eaton Vance common stock exchanged solely for cash to recognize such loss. Such holder should consult the holder’s tax advisor with respect to the possibility of recognizing such loss and, if such loss is not recognized, the allocation of any excess basis in such shares of Eaton Vance common stock surrendered to Morgan Stanley common stock received in the Mergers.

U.S. Holders Receiving Morgan Stanley Common Stock and Cash

A U.S. holder of Eaton Vance common stock that exchanged its Eaton Vance common stock for a combination of Morgan Stanley common stock and cash should recognize a taxable gain, but not a loss, equal to the lesser of (i) the excess, if any, of the amount of cash plus the fair market value at the Effective Time of the Morgan Stanley common stock received in exchange for such shares of Eaton Vance common stock in the Mergers, over such holder's tax basis in the shares of Eaton Vance common stock exchanged therefor and (ii) the amount of cash received by such holder in exchange for such shares of Eaton Vance common stock. For purposes of calculating taxable gain, the amount of cash received in the exchange does not include cash received in lieu of fractional shares of Morgan Stanley common stock (see discussion of cash received in lieu of fractional share below).

Generally, such holder's aggregate tax basis in the Morgan Stanley common stock received by such holder in the Mergers, including the basis allocable to any fractional share of Morgan Stanley common stock for which cash is received, should equal such holder's aggregate tax basis in the shares of Eaton Vance common stock exchanged therefor, increased by the amount of taxable gain, if any, recognized by such holder of Eaton Vance common stock in the exchange of such shares, and decreased by the amount of cash received by such holder of Eaton Vance common stock in exchange for such shares of Eaton Vance common stock (excluding cash received in lieu of any fractional share of Morgan Stanley common stock).

Fractional Shares

A U.S. holder of Eaton Vance common stock who received cash instead of a fractional share of Morgan Stanley common stock will generally be treated as having received the fractional share pursuant to the Mergers and then as having sold to Morgan Stanley that fractional share of Morgan Stanley common stock for cash. As a result, a holder of Eaton Vance common stock will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocated to such fractional share of Morgan Stanley common stock.

Form 8937, Part II, Box 16:

See response to Box 15, above. For purposes of calculating basis of Morgan Stanley common stock received in the Mergers, the taxable gain (if any) recognized is determined by reference to the fair market value of Morgan Stanley common stock and the amount of cash received in the Mergers. Although U.S. federal income tax rules do not specify how to determine fair market value, one possible approach is to utilize the New York Stock Exchange market closing price on February 26, 2021 for Morgan Stanley common stock as an indication of the fair market value. Using this approach, the fair market value of each share of Morgan Stanley common stock received in the Mergers was \$76.87. Other approaches to determine fair market value may also be possible and a U.S. holder of Eaton Vance common stock should consult its own tax advisor regarding the appropriate method for determining fair market value.

Form 8937, Part II, Box 18:

The Mergers were intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code. As described in the response to Box 15, if the Mergers are respected as a "reorganization" within the meaning of Section 368(a) of the Code, a U.S. holder of Eaton Vance common stock generally will not recognize any loss upon receipt of Morgan Stanley common stock in the Mergers, but may

recognize loss in the circumstances described in the response to Box 15:

- A U.S. holder of Eaton Vance common stock who receives cash in lieu of a fractional share of Morgan Stanley common stock in the Mergers generally will be treated as having received such fractional share in the Mergers and then as having received cash in redemption of such fractional share and may recognize a taxable loss as a result of such redemption.
- A U.S. holder of Eaton Vance common stock who exchanged Eaton Vance common stock solely for cash may recognize loss, if any, subject to the limitations discussed in Box 15.

The deductibility of capital losses may be subject to limitations.