

The FABN Opportunity: A Look at Issuer Fundamentals and Market Appeal



October 2026

Funding Agreement Backed Notes (FABNs) have garnered increased attention in recent years due to the significant growth in issuance. Regulators at the NAIC have taken notice and have responded by implementing enhanced disclosure requirements within Exhibit 7 of statutory filings.

STEPHEN FITZSIMMONS
*Executive Director,
Head of Insurance Portfolio Management*

ERICA REYNOLDS
*Vice President,
Insurance Portfolio Manager*

KEVIN TO
*Vice President,
Insurance Portfolio Manager*

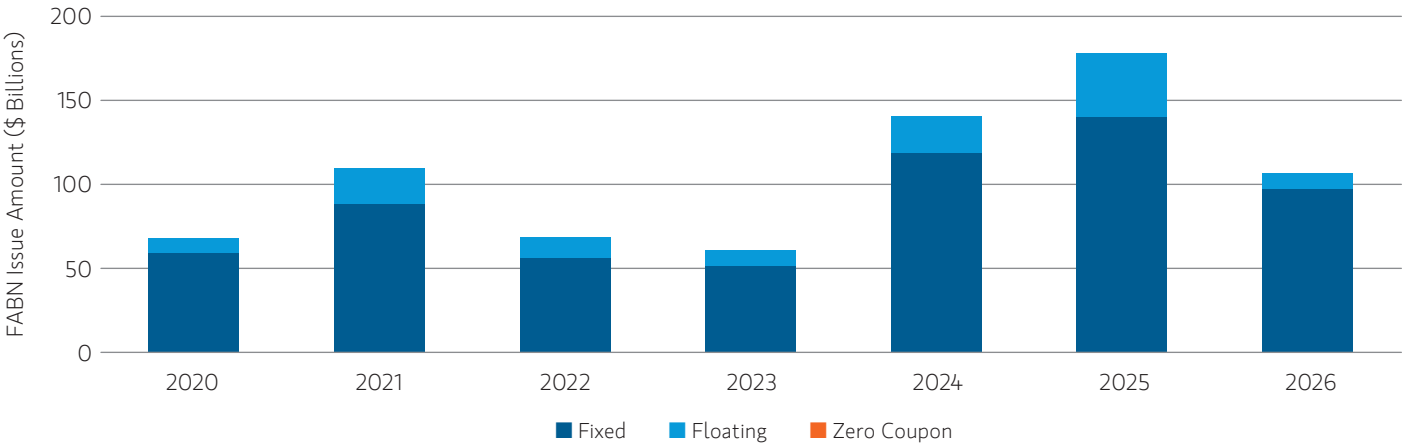
WHY ARE REGULATORS PAYING ATTENTION? Some argue that FABNs may create a form of hidden leverage. When an insurer issues a FABN, the associated funding agreement is reported as a policyholder account balance liability. As a result, issuance increases total assets without increasing financial debt or reducing shareholders' equity. Traditional measures of financial leverage therefore remain unchanged, while investment leverage increases. Importantly, this distinction helps explain why FABNs have become an attractive funding source for life insurers. They provide incremental funding capacity without diluting shareholders or creating traditional debt obligations that may pressure leverage metrics. Some market participants argue that FABNs exhibit characteristics similar to financial leverage and should be considered within leverage analyses. This perspective reflects their direct connection to capital markets, reliance on continued market access and refinancing, market-driven investor behavior, spread sensitivity, and scalability. FABNs are typically issued through medium-term note (MTN) programs and managed as capital markets funding sources rather than self-liquidating insurance liabilities. Approximately one-fifth of all FABN issuance since 2022 has been sourced through MTN programs. Additionally, 21% of FABN issuance in 2025

was floating-rate, up from 15% in 2023. That said, FABNs lack put-optionality, a key distinction from traditional public fixed-income instruments. No outstanding FABNs currently contain put features, which helps mitigate liquidity risk concerns.

WHAT ADDITIONAL DISCLOSURES ARE BEING PROPOSED? Proposed disclosures include whether funding agreement terms mirror those of the issued instruments; issuance breakdowns by currency, including foreign exchange exposure and hedging practices; maturity bucket reporting; and consolidated disclosure across all funding-agreement-backed issuance types, rather than FABNs alone. These enhancements are intended to support financial stability monitoring by improving regulators' visibility into funding-agreement-backed financing activity.

In this note, we take a deeper look at FABN issuance and compare the financial profiles of FABN issuers with those of the broader life insurance industry. Our objective is to evaluate whether FABN issuance has resulted in meaningfully riskier financial profiles for life insurers. Our conclusion is that FABN issuers have generally taken a disciplined approach to the use of the instrument, and that FABNs continue to represent a capital-efficient source of spread income.

DISPLAY 1
FABN issuance has been accelerating over the last couple of years



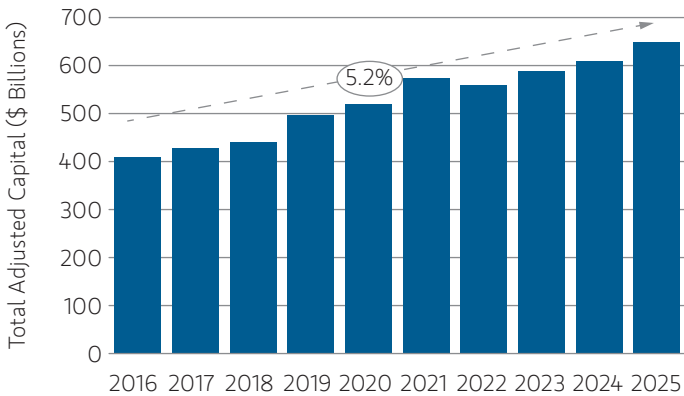
Source: Bloomberg. Data as of: July 2026.

OUR ANALYSIS BEGINS WITH INVESTMENT LEVERAGE. To assess this, we examine the historical relationship between total cash & invested assets and Total Adjusted Capital (TAC).

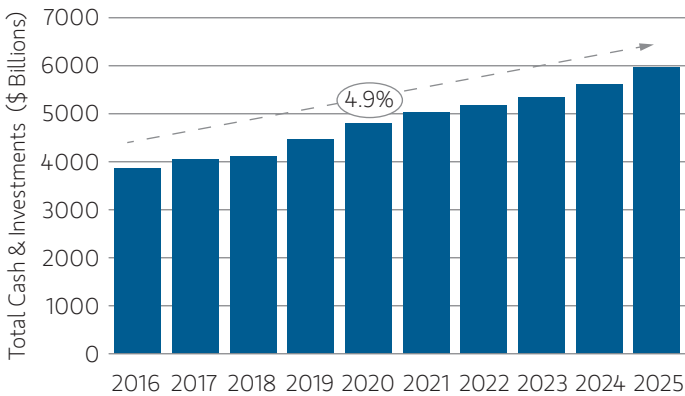
Across the broader life insurance industry, investment leverage has remained relatively stable at approximately 9x since 2016. This stability reflects TAC and total cash & invested assets growing at similar rates, each with a CAGR of roughly 5%. FABN issuers have diverged from this trend, with investment leverage increasing from 9.9x to 11.4x over the same period. This reflects total cash & invested assets

growing at a 7.3% CAGR, compared to TAC growth of 5.7%. While this development should be monitored, the magnitude of the change remains relatively modest. Elevated investment leverage is generally manageable under normal market conditions; however, it can amplify equity volatility and erode capital buffers during periods of market stress. As a result, the quality of the underlying investment portfolio becomes increasingly important. We therefore next examine portfolio allocations and NAIC designations for FABN issuers relative to the broader industry.

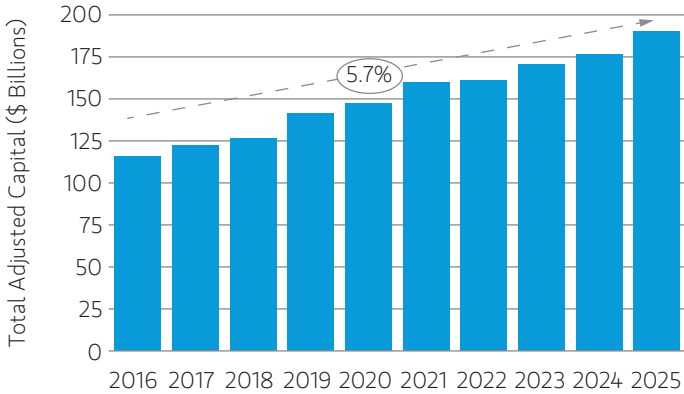
DISPLAY 2
Life insurance industry TAC and investment growth



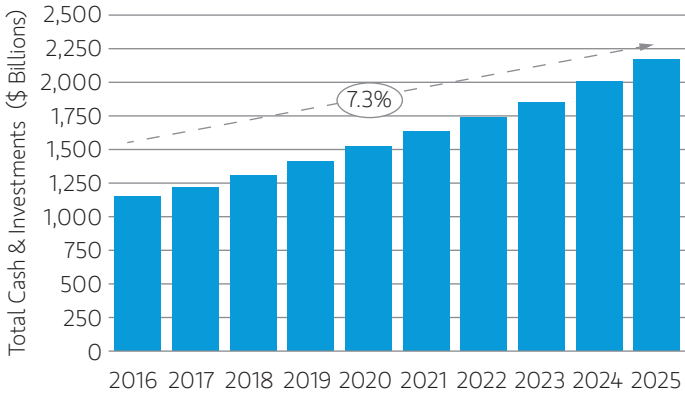
Source: SNL Financial



DISPLAY 3
FABN issuer TAC and investment growth

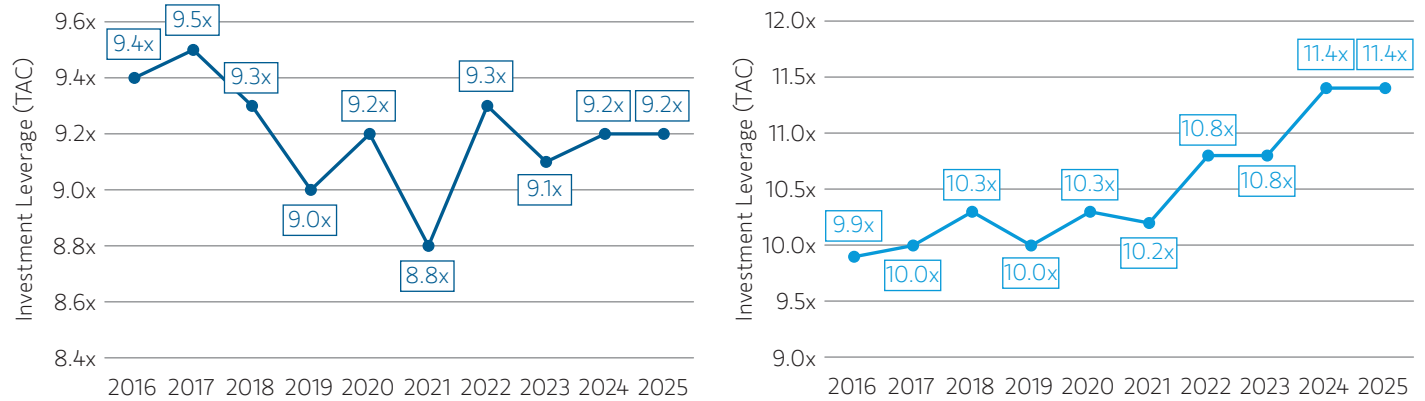


Source: SNL Financial



DISPLAY 4

Investment leverage, Life industry (left) vs. FABN issuers (right)



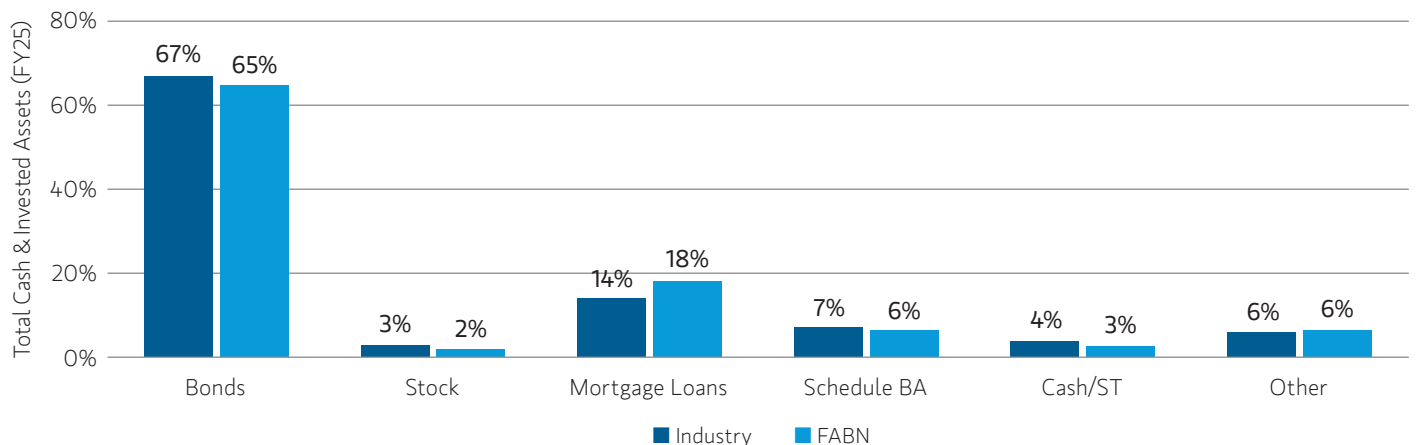
Source: SNL Financial

OVERALL ASSET ALLOCATION AMONG FABN ISSUERS IS BROADLY CONSISTENT WITH THE LIFE INSURANCE INDUSTRY, with approximately 65% of invested assets allocated to bonds. Exposure to Schedule BA assets (other invested assets), which are often viewed as carrying higher risk, is also comparable to the broader industry at approximately 6%. The similarity in portfolio composition is notable because it suggests that insurers are not materially changing their risk appetite simply because they have access to FABN funding. If FABNs were driving excessive risk-taking, one could expect to observe significantly higher allocations to alternative or higher-risk asset classes. The most notable difference is within mortgage loans, where FABN issuers have a higher allocation of 18% versus 14% for the industry overall. We

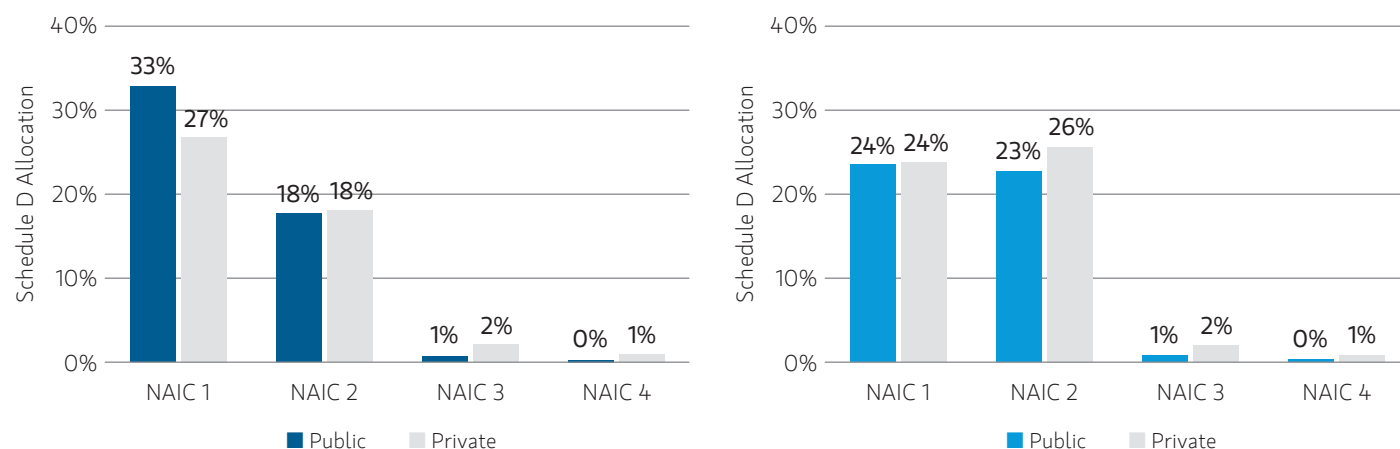
view mortgage loans (CMLs and RMLs) as an important capital efficient and long-standing component of insurance portfolios—as such, the growth here amongst FABN issuers may actually be leading a trend with the broader industry to follow. Indeed, these assets are increasingly attractive from relative and fundamental value perspectives in a post-COVID era as the broader private fixed income markets continue to mature and real estate has largely moved through a recent cycle. We expect the broader industry to mirror this growth trend as they deploy the incremental dollar to CMLs and RMLs whereas FABN issuers have had the ability to deploy funding proceeds more expeditiously, influencing more acute changes to underlying portfolio allocations.

DISPLAY 5

Total cash & invested asset allocations, FY25



Source: SNL Financial

DISPLAY 6**Schedule D investments by NAIC designation, Life industry (left) vs. FABN issuers (right)**

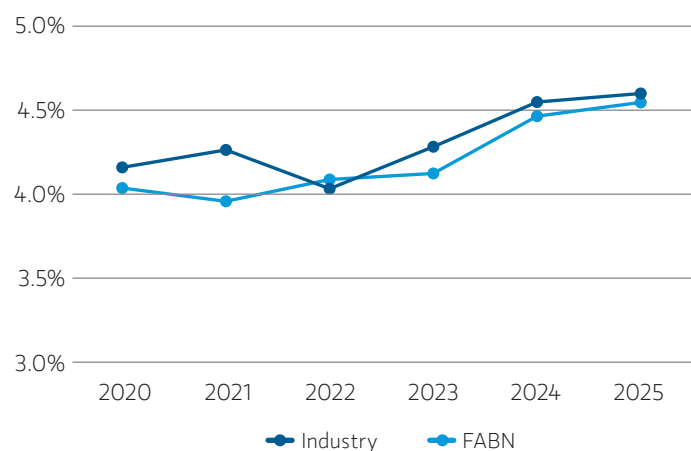
Source: SNL Financial. Data as of: Year end 2025.

Looking at Schedule D NAIC designations, FABN issuers exhibit credit quality that is largely consistent with the broader life insurance industry, with roughly 95% of invested assets designated NAIC 1 or 2, this private allocation with a modest skew toward NAIC 2 classifications among FABN issuers. This finding is particularly important because it suggests that the higher investment leverage observed among FABN issuers has not been accompanied by a meaningful deterioration in credit quality.

Where the two groups differ more meaningfully is in their allocation to private versus public investments. It is important to note that the private investment definition used in this data analysis includes Rule 144A securities and therefore does not represent exclusively true Section 4(a)(2) private placement exposure. FABN issuers allocate 57% of Schedule D invested assets to private investments, compared with 48% for the industry as a whole. For FABN writers, exposure to true 4a2 private placements is typically closer to 25% of schedule D investments, much lower than the 144a inclusive figure. Still, this exposure remains elevated compared to industry. This larger allocation possesses similar investment grade quality to the broader industry, as exhibited by aforementioned NAIC ratings.

We do not view this private allocation as a significant concern. When measured by net investment income as a percentage of total invested assets, FABN issuers generate returns that are nearly identical to those of the broader industry. This suggests that the risk-taking behavior of FABN issuers does not appear to be materially more aggressive than that of their peers. More so, it seems as if issuance is not being used to aggressively reach for yield, but rather as a funding mechanism to support existing investment strategies. In other words, insurers appear to be utilizing FABNs increasingly to grow the denominator (gross magnitude of their invested assets) to increase the absolute size of NII contribution to earnings—as opposed to utilizing FABNs to increase broad risk appetite.

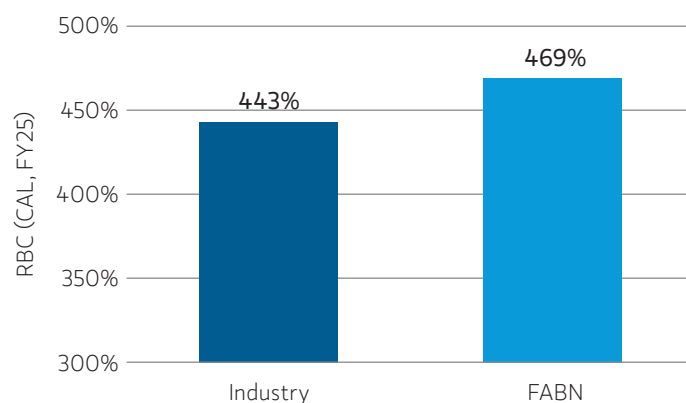
As an additional point of reference, we examined Exhibit 7 and evaluated crediting rates relative to average assets (before reinsurance). Crediting rates for Deposit-Type Contracts (which include funding agreements among many other products) have averaged approximately 3.6% over the last two years. This is broadly consistent with typical credited rates on fixed-rate deferred annuities, which have generally ranged between 2% and 6% over the past five years for 5-year fixed-rate deferred (FRD) products.

DISPLAY 7**Net investment income as a % of total invested assets**

Source: SNL Financial

Consistent with their comparable investment risk profiles, FABN issuers maintain similar capital positions to the broader industry. One advantage of funding agreements is that they primarily hold C-1 (asset) risk within the RBC framework, whereas traditional insurance products require capital to be held against not only credit risk, but also policyholder behavior risks such as lapses, mortality, utilization, and morbidity. Average RBC ratios for the broader life insurance industry stand at 443%, compared with 469% for FABN issuers.

FABN ISSUANCE HAS INCREASED SIGNIFICANTLY SINCE 2020, both in terms of transaction count and average deal size. In 2020, there were 141 FABNs issued with an average issuance size of \$485 million. Through July 2026, there have been 133 FABNs issued with an average issuance size of \$801 million. At the

DISPLAY 8**Risk based capital (CAL), FY25**

Source: SNL Financial

same time, average tenor has gradually declined, falling from 5.1 years to 4.4 years in 2026.

The credit quality of issuance has improved meaningfully. July 2026 YTD, approximately 60% of issuance was rated AA and 30% was rated A, compared with 43% AA and 53% A in the prior year. Issuance spreads have also compressed materially since 2020. Average spread to benchmark for 5-year tenor issuance peaked at 137 bps in 2023 and has since declined to 82 bps in 2026. From an ALM perspective, this spread compression highlights strong and sustained investor demand for FABNs while simultaneously reducing insurers' marginal cost of funding.

Moreover, the share of total life insurer debt issuance represented by FABNs has increased significantly. Over the past

DISPLAY 9**FABN issuance metrics since 2020**

	2020	2021	2022	2023	2024	2025	2026
Average Issue Amount (\$mn)	485	487	447	490	688	643	801
# of Issuance	141	226	154	125	205	278	133
Average tenor (yrs)	5.1	4.6	4.1	4.4	4.3	4.5	4.4
%AA+/-	15%	16%	27%	46%	49%	43%	60%
%A+/-	14%	18%	13%	15%	38%	53%	38%
%NR	71%	65%	60%	39%	13%	4%	2%
Avg. Sprd to bmk, 5yr, at Issue	102	63	106	137	97	87	82

Source: Bloomberg. Data as of: July 2026.

six years, FABN issuance has grown from approximately 25% of total life insurer debt issuance to roughly 60% in 2026.

WHERE WE SEE PORTFOLIO OPPORTUNITIES: Recent regulatory developments have created additional tailwinds for CLO investing which, when combined with the asset class's attractive spread profile, further strengthen the investment case for life insurers, particularly within FABN programs.

Both the NAIC and major rating agencies have recently updated their approaches to CLO capital treatment and credit assessment. In early July, the NAIC approved a recalibration of Life RBC C-1 factors for CLO debt. Under the new framework, capital charges generally decline for highly rated CLO debt tranches (AAA through A) relative to the current bond framework applied to life insurers. Conversely, RBC factors for BBB and lower-rated CLO tranches increase materially and are no longer driven solely by external ratings. Instead, structural characteristics are now incorporated into the capital assessment.

A key enhancement is the introduction of tranche thickness as an explicit risk consideration. For broadly syndicated loan (BSL) CLOs, tranches rated BBB- (NAIC 2.C) or lower with tranche thickness of 4% or less are subject to an additional RBC surcharge. The Working Group adopted an 11.77% thin-tranche surcharge, meaning two CLO tranches carrying the same rating may now receive different regulatory capital treatment depending on their position in the capital structure and the amount of subordination supporting the tranche.

Similarly, both Fitch Ratings and Moody's Investors Service recently updated their CLO rating methodologies, with

anticipated rating outcomes expected to be broadly favorable. Fitch estimates that 5% to 15% of its CLO note ratings could change under the revised criteria, with most changes expected to fall within a one- to two-notch range. If Moody's proposed methodology is ultimately adopted, the agency expects approximately one-third of outstanding U.S. CLO ratings to be positively affected. Standard broadly syndicated loan CLOs could experience one- to two-notch upgrades, while certain low-leverage CLOs and collateralized bond obligations (CBOs) may benefit from upgrades of as much as three notches.

Given that life insurers predominantly allocate to the most senior CLO tranches, we view the capital relief associated with the NAIC changes as particularly meaningful. Across the NAIC 1 category, capital charges decline by approximately 34 basis points on average. The benefit is greatest in the lower NAIC 1 subcategories and gradually diminishes as credit quality improves.

To evaluate the yield advantage offered by CLO debt, we compared CLO AAA, AA, and A tranche yields against corporate bond yields across ratings and maturities. For each CLO rating category, we calculated yield using the tranche's discount margin plus 3-month SOFR and compared the result against corporate bond index yields by rating and tenor. The resulting analysis demonstrates a persistent yield premium for CLO debt. Most notably, CLO AAA, AA, and A tranches maintain a meaningful yield advantage over comparable corporate bonds throughout much of the maturity spectrum, with the yield premium generally persisting through approximately 10 years of maturity.

DISPLAY 10

CLO vs. Corporate bond yields by rating and tenor

RATING CATEGORY	1 TO 2 YRS	2 TO 3 YRS	3 TO 5 YRS	5 TO 7 YRS	7 TO 10 YRS	10 TO 20 YRS	20 TO 30 YRS
AAA	0.69	0.63	0.48	0.37	0.09	(0.35)	(0.72)
AA+	0.96	0.93	0.81	0.64	0.36	(0.32)	(0.49)
AA	0.87	0.76	0.65	0.48	0.16	(0.22)	(0.52)
AA-	0.87	0.74	0.60	0.37	0.14	(0.37)	(0.63)
A+	1.25	1.05	0.89	0.70	0.46	0.04	(0.21)
A	1.16	1.04	0.88	0.71	0.43	(0.03)	(0.27)
A-	1.10	0.97	0.79	0.61	0.33	(0.09)	(0.34)

Source: Bloomberg. Data as of: July 2026.

Past performance is no guarantee of future results. The index performance is provided for illustrative purposes only and is not meant to depict the performance of a specific investment.

FABNs will remain an important funding mechanism for insurers

Taken together, the data suggest that FABN issuance has expanded materially without a corresponding deterioration in credit quality, capital adequacy, investment performance, or risk appetite. Although FABNs increase investment leverage, the evidence indicates that issuers have generally deployed the additional funding in a disciplined manner consistent with broader industry practices. Strong RBC ratios, stable asset quality metrics, competitive crediting costs, and continued spread compression all point to

a market that is maturing rather than becoming riskier. The growth in MTN issuance and floating-rate structures suggests that insurers are increasingly utilizing FABNs as a flexible capital markets funding tool rather than purely as a traditional insurance liability. This trend demonstrates growing investor acceptance of the asset class and a broader range of funding options available to issuers. In our view, FABNs remain an attractive and capital-efficient funding source for life insurers, providing scalable access to spread income while maintaining balance sheet flexibility and supporting long-term asset-liability management objectives.

IMPORTANT DISCLOSURES

Risk considerations:

There is no assurance that a portfolio will achieve its investment objective. Portfolios are subject to market risk, which is the possibility that the market values of securities owned by the portfolio will decline and that the value of portfolio shares may therefore be less than what you paid for them. Market values can change daily due to economic and other events (e.g. natural disasters, health crises, terrorism, conflicts, social unrest, etc.) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g. portfolio liquidity) of events. Accordingly, you can lose money investing in this Portfolio. Please be aware that this Portfolio may be subject to certain additional risks. Fixed-income securities are subject to the ability of an issuer to make timely principal and interest payments (credit risk), changes in interest rates (interest-rate risk), the creditworthiness of the issuer and general market liquidity (market risk). In a rising interest-rate environment, bond prices may fall and may result in periods of volatility and increased portfolio redemptions. In a declining interest-rate environment, the portfolio may generate less income. Longer-term securities may be more sensitive to interest rate changes. An investment in any CLO (collateralized loan obligation) securities is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risk of the investment, which may include: loss of all or a substantial portion of the investment in the CLO securities due to leveraging or other speculative investment practices; lack of liquidity in that there may be no secondary market for the CLO securities and none expected to develop; volatility of returns; restrictions on transferring interests in the CLO securities; potential lack of diversification and resulting higher risk due to concentration within a single industry; absence of information regarding valuations and pricing; delays in tax reporting; phantom tax issues; less regulation and higher fees.

Mortgage- and asset-backed securities are sensitive to early prepayment risk and a higher risk of default and may be hard to value and difficult to sell (liquidity risk). They are also subject to credit, market and interest rate risks. Municipal securities are subject to early redemption risk and sensitive to tax, legislative and political changes. High yield securities ("junk bonds") are lower rated securities that may have a higher degree of credit and liquidity risk. Public bank loans are subject to liquidity risk and the credit risks of lower rated securities. Foreign securities are subject to currency, political, economic and market risks. The risks of investing in emerging market countries are greater than risks associated with investments in foreign developed countries. Derivative instruments may disproportionately increase losses and have a significant impact on performance. They also may be subject to counterparty, liquidity, valuation, correlation and market risks. Restricted and illiquid securities may be more difficult to sell and value than publicly traded securities (liquidity risk).

Please be aware that your portfolio may be subject to certain additional risks. See offering document or investment management agreement for complete discussion of risks.

There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market.

A separately managed account may not be appropriate for all investors. Separate accounts managed according to the Strategy include a number of securities and will not necessarily track the performance of any index. Please consider the investment objectives, risks and fees of the Strategy carefully before investing. A minimum asset level is required.

For important information about the investment managers, please refer to Form ADV Part 2.

The views and opinions and/or analysis expressed are those of the author or the investment team as of the date of preparation of this material and are subject to change at any time without notice due to market or economic conditions and may not necessarily come to pass. Furthermore, the views will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date of publication. The views expressed do not reflect the opinions of all investment personnel at Morgan Stanley Investment Management (MSIM) and its subsidiaries and affiliates (collectively "the Firm"), and may not be reflected in all the strategies and products that the Firm offers.

Forecasts and/or estimates provided herein are subject to change and may not actually come to pass. Information regarding expected market returns and market outlooks is based on the research, analysis and opinions of the authors or the investment team. These conclusions are speculative in nature, may not come to pass and are not intended to predict the future performance of any specific strategy or product the Firm offers. Future results may differ significantly depending on factors such as changes in securities or financial markets or general economic conditions.

This material has been prepared on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. However, no assurances are provided regarding the reliability of such information and the Firm has not sought to independently verify information taken from public and third-party sources.

This material is a general communication, which is not impartial and all information provided has been prepared solely for informational and educational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The information herein has not been based on a consideration of any individual investor circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

Charts and graphs provided herein are for illustrative purposes only. **Past performance is no guarantee of future results.**

The indexes are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an index. Any index referred

to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto.

The Firm has not authorised financial intermediaries to use and to distribute this material, unless such use and distribution is made in accordance with applicable law and regulation. Additionally, financial intermediaries are required to satisfy themselves that the information in this material is appropriate for any person to whom they provide this material in view of that person's circumstances and purpose. The Firm shall not be liable for, and accepts no liability for, the use or misuse of this material by any such financial intermediary.

This material may be translated into other languages. Where such a translation is made this English version remains definitive. If there are any discrepancies between the English version and any version of this material in another language, the English version shall prevail.

The whole or any part of this material may not be directly or indirectly reproduced, copied, modified, used to create a derivative work, performed, displayed, published, posted, licensed, framed, distributed or transmitted or any of its contents disclosed to third parties without the Firm's express written consent. This material may not be linked to unless such hyperlink is for personal and non-commercial use. All information contained herein is proprietary and is protected under copyright and other applicable law.

Morgan Stanley does not render advice on tax and tax accounting matters to clients. You should always consult your legal or tax advisor for information concerning your individual situation.

DISTRIBUTION

This material is only intended for and will only be distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations.

MSIM, the asset management division of Morgan Stanley (NYSE: MS), and its affiliates have arrangements in place to market each other's products and services. Each MSIM affiliate is regulated as appropriate in the jurisdiction it operates. MSIM's affiliates are: Calvert Research and Management, Eaton Vance Management, Parametric Portfolio Associates LLC, Parametric SAS, and Atlanta Capital Management LLC.

EMEA

This material is for Professional Clients/Accredited Investors only. In the EU, MSIM materials are issued by MSIM Fund Management (Ireland) Limited ("FMIL"). FMIL is regulated by the Central Bank of Ireland and is incorporated in Ireland as a private company limited by shares with company registration number 616661 and has its registered address at 24-26 City Quay, Dublin 2, D02 NY19, Ireland.

Outside the EU, MSIM materials are issued by Morgan Stanley Investment Management Limited (MSIM Ltd) is authorised and regulated by the Financial Conduct Authority. Registered in England. Registered No. 1981121. Registered Office: 25 Cabot Square, Canary Wharf, London E14 4QA.

In Switzerland, MSIM materials are issued by Morgan Stanley & Co. International plc, London (Zurich Branch) Authorised and regulated by the Eidgenössische Finanzmarktaufsicht ("FINMA"). Registered Office: Beethovenstrasse 33, 8002 Zurich, Switzerland.

Italy: MSIM FMIL (Milan Branch), (Sede Secondaria di Milano) Palazzo Serbelloni Corso Venezia, 16 20121 Milano, Italy. The **Netherlands:** MSIM FMIL (Amsterdam Branch), Rembrandt Tower, 11th Floor Amstelplein 1 1096HA, Netherlands. **France:** MSIM FMIL (Paris Branch), 61 rue de Monceau 75008 Paris, France. **Spain:** MSIM FMIL (Madrid Branch), Calle Serrano 55, 28006, Madrid, Spain. **Germany:** MSIM FMIL Frankfurt Branch, Große Gallusstraße 18, 60312 Frankfurt am Main, Germany

(Gattung: Zweigniederlassung (FDI) gem. § 53b KWG). **Denmark:** MSIM FMIL (Copenhagen Branch), Gorrissen Federspiel, Axel Towers, Axelstorv2, 1609 Copenhagen V, Denmark.

MIDDLE EAST

Dubai International Financial Centre: This information does not constitute or form part of any offer to issue or sell, any investment products in the UAE (including the Dubai International Financial Centre and the Abu Dhabi Global Market) and accordingly should not be construed as such. The content of this report has not been approved by or filed with the UAE Central Bank, the Dubai Financial Services Authority, the UAE Securities and Commodities Authority or the Financial Services Regulatory Authority.

Abu Dhabi Global Market ("ADGM"): This material is sent strictly within the context of, and constitutes, an Exempt Communication. This material relates to (strategy) which is not subject to any form of regulation or approval by the Financial Services Regulatory Authority of the Abu Dhabi Global Market (the "FSRA").

Saudi Arabia

This financial promotion was issued and approved for use in Saudi Arabia by Morgan Stanley Saudi Arabia, Al Rashid Tower, Kings Sand Street, Riyadh, Saudi Arabia, authorized and regulated by the Capital Market Authority license number O6044-37.

Latin America (Brazil, Chile Colombia, Mexico, Peru, and Uruguay)

This material is for use with an institutional investor or a qualified investor only. All information contained herein is confidential and is for the exclusive use and review of the intended addressee, and may not be passed on to any third party. This material is provided for informational purposes only and does not constitute a public offering, solicitation or recommendation to buy or sell for any product, service, security and/or strategy. A decision to invest should only be made after reading the strategy documentation and conducting in-depth and independent due diligence.

ASIA PACIFIC

Hong Kong: This document has been issued by Morgan Stanley Asia Limited, CE No. AAD291, for use in Hong Kong and shall only be made available to "professional investors" as defined under the Securities and Futures Ordinance of Hong Kong (Cap 571). The contents of this document have not been reviewed nor approved by any regulatory authority including the Securities and Futures Commission in Hong Kong. Accordingly, save where an exemption is available under the relevant law, this document shall not be issued, circulated, distributed, directed at, or made available to, the public in Hong Kong.

Singapore: This material is disseminated in Singapore by Morgan Stanley Investment Management Company, Registration No. 199002743C. This material should not be considered to be the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor under section 304 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"), (ii) to a "relevant person" (which includes an accredited investor) pursuant to section 305 of the SFA, and such distribution is in accordance with the conditions specified in section 305 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. This material has not been reviewed by the Monetary Authority of Singapore.

Australia: This material is provided by Morgan Stanley Investment Management (Australia) Pty Ltd ABN 22122040037, AFSL No. 314182 and its affiliates and does not constitute an offer of interests. Morgan Stanley Investment Management (Australia) Pty Limited arranges for MSIM affiliates to provide financial services to Australian wholesale clients. This material will not be lodged with the Australian Securities and Investments Commission.