

Morgan Stanley

Morgan Stanley National Advisory 529 Plan

Plan Description and Participation Agreement

MARCH 31, 2026

Please read this entire Plan Description, including the accompanying Participation Agreement and any included supplements, carefully before opening an Account under the Plan and keep copies for future reference.

This Plan Description and the Participation Agreement will be updated and revised from time to time to reflect changes to the Plan, and both documents are subject to change without notice.

Neither the North Carolina State Education Assistance Authority (the "Authority"), the State of North Carolina (the "State") or any other affiliated or public entity is guaranteeing the principal or earnings in any Account and any contributions or Accounts may lose value and that nothing stated shall be construed to create any obligation of the Authority, the State Treasurer, the State, or any agency or instrumentality of the State to guarantee for the benefit of any parent, other interested party or designated beneficiary the rate of return or other return for any contribution to the Parental Savings Trust Fund (the "Trust Fund") and the payment of interest or other return on any contribution to the Trust Fund. Plan Accounts are not bank or credit union deposits and are not insured by the Federal Deposit Insurance Corporation. Neither Contributions to the Plan nor the earnings thereon invested in Plan Accounts are backed by the full faith and credit of the State of North Carolina or guaranteed by the North Carolina State Education Assistance Authority or Morgan Stanley. The value of an Account Owner's Account in the Plan will fluctuate depending on market conditions and the performance of the Investment Options and Morgan Stanley 529 Funds selected. It is possible that you could lose money by investing in the Plan.

The Plan is sponsored and overseen by the Authority. The Plan, which is a part of the Trust Fund, is maintained by the Authority and managed by Morgan Stanley. Interests in the Plan ("Units") have not been registered with the Securities and Exchange Commission (the "SEC") or any other state or federal governmental agency, and the Trust Fund is not registered with the SEC as an investment company. The Units in the Plan are exempt from the registration requirements of the federal securities laws and are instead regulated as "municipal fund securities" by the Municipal Securities Rulemaking Board (the "MSRB"). However, MSRB does not have the authority to directly regulate the Authority as a government issuer of municipal securities. Neither the SEC nor any state securities commission has determined whether this Plan Description is accurate or complete, nor have they made any determination as to whether anyone should purchase the Units.

Sponsored by the



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Plan Highlights

The information shown in the Plan Highlights is only a summary of the Plan. More detailed information about the Plan is described below in the full Plan Description, which you should read carefully before investing. Capitalized terms that are not otherwise defined have the meanings set forth in the “**Key Terms**” section below.

Before you make Contributions to the Plan, please read, and understand this Plan Description and the Participation Agreement attached hereto as **APPENDIX C**. Please keep both this Plan Description and the Participation Agreement for future reference. These documents together give you important information about the Plan, including information about the investment risks associated with, and the terms under which you agree to participate in the Plan.

About the Plan

The Morgan Stanley National Advisory 529 Plan (the “MS Advisory 529 Plan” or “Plan”) is established and maintained pursuant to Section 529 of the Internal Revenue Code of 1986, as amended (the “Code”) as a “Qualified Tuition Plan” (“529 Plan”). 529 Plans are designed to encourage and facilitate saving and investing funds by offering numerous tax and other advantages to pay for certain future primary, secondary, and higher education expenses of an individual anticipated to incur such expenses (identified as a “Designated Beneficiary”). The Plan is open to residents of any State working with a Morgan Stanley Financial Advisor.

Plan Sponsor

The North Carolina State Education Assistance Authority (“NCSEAA” or “Authority”) is the instrumentality of the State of North Carolina (the “State”) responsible for establishing and maintaining the MS Advisory 529 Plan pursuant to Section 116-209.25 of the General Statutes of North Carolina (the “Act”). The NCSEAA has also established and maintains the North Carolina National College Savings Plan, offered separately from MS Advisory 529 Plan, with investment options, costs, and other features that are different from the MS Advisory 529 Plan.

Plan Manager

NCSEAA has contracted with Morgan Stanley Smith Barney LLC (“Morgan Stanley”) as the exclusive manager responsible for the administration, distribution, investment management and other services for the MS Advisory 529 Plan.

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, wealth management and investment management services. With offices in more than 41 countries, the firm’s employees serve clients worldwide, including corporations, governments, institutions, and individuals.

Scope

The Parental Savings Trust Fund (the “Trust Fund”) was established by the General Assembly of the State of North Carolina, and is offered and maintained by the State Education Assistance Authority pursuant to Section 116-209.25 of the General Statutes of North Carolina. The Authority’s MS Advisory 529 Plan operating procedures (the “Operating Procedures”) govern participation in the Plan administered by Morgan Stanley Smith Barney LLC (“Morgan Stanley”), as agent of the Authority, and the Plan accounts and assets are held in the Trust Fund.

Differences Between the Morgan Stanley National Advisory 529 Plan and Other 529 Plans

The Morgan Stanley National Advisory 529 Plan is offered exclusively to clients participating in Morgan Stanley-sponsored investment advisory programs. This offering allows for a planning-based solution for clients who prefer an investment advisory relationship with a Financial Advisor. When acting as your investment adviser, Morgan Stanley and its Financial Advisors are considered to have a fiduciary relationship with you.

Eligible Account Owner and Designated Beneficiary

Certain individuals and other entities, which are advisory clients of Morgan Stanley, may open an account in the MS National Advisory 529 Plan (an “Account”). Neither the owner of such Account (“Account Owner”) nor the Designated Beneficiary needs to be a resident of the State to open and fund an Account. Any person or entity may make Contributions to an Account (a “Contributor”).

The Account Owner may designate any U.S. citizen or legal U.S. resident of any age, including the Account Owner as the Designated Beneficiary of such Account. Each Account has one Designated Beneficiary.

No Age Limits

There are no Designated Beneficiary age limits. A Designated Beneficiary may be of any age, from newborn to adult.

Client Ownership and Control of Account

The client, as Account Owner, retains control of the Account at all times. This control includes which Investment Options are selected, when and how the Account assets are to be withdrawn and used, and whether to make any change in the Designated Beneficiary or Successor Owner on the Account.

Contributors and Contribution Limits

The minimum initial contribution is \$1,000. Morgan Stanley reserves discretion to waive minimum in certain cases.

Each Account may accept Contributions until the net asset value of such Account, together with any other accounts in a 529 plan maintained by NCSEAA for the same designated beneficiary, reaches the maximum contribution limit (the

“Maximum Contribution Limit”), currently set at \$550,000. Effective May 1, 2026 (the “Maximum Contribution Limit”) will be increased to \$600,000. Accounts may grow above such limit.

Trust Fund Units and Investment Options

The Units represent interests in the Trust Fund and are municipal fund securities, and which represent interests in one of nine MS 529 Funds (“MS 529 Funds”). Each Account Owner may select and own, at any given time, only one Investment Option offered through a Financial Advisor in the MS Advisory 529 Plan for each Account. Each Investment Option comprises Units of several MS 529 Funds, and each MS 529 Fund in turn invests its assets in one or more of nine Morgan Stanley Pathway Funds (“Pathway Funds”). The Pathway Funds provide exposure to different asset classes utilizing various investment managers selected by an affiliate of Morgan Stanley to create a diversified portfolio. The Investment Options represent different risk levels, ranging from conservative allocations (Conservative Fixed Income) to aggressive allocations. Account Owners should consult with their Morgan Stanley Financial Advisor to determine which of the Investment Options is most appropriate.

Fees and Expenses

Morgan Stanley does not charge an account opening or ongoing account maintenance fee in association with opening or maintaining an account. There may be certain administrative and operating expenses associated with the underlying funds in which your Investment Option is invested. In addition, your Morgan Stanley Advisor will charge a mutually agreed-upon consulting or advisory fee.

Additional details surrounding underlying fund expenses are included in this Program Document under **Fees and Expenses** beginning on page [18] and in **Appendix A**.

Qualified Withdrawals

The entire Qualified Withdrawal, including the earnings portion of qualified Withdrawals, is generally federal and state income tax free if used to pay for Qualified Education Expenses.

Tax Advantages

Earnings in the Account accumulate free of federal and state income taxes.

Contributions to an Account are treated as gifts to the Designated Beneficiary and as such, each Contributor may utilize all or a portion of their annual gift tax exclusion, \$19,000 for 2026 (\$38,000 for married couples who properly elect to gift split) per year per Designated Beneficiary. Contributions in excess of the Contributor’s annual exclusion can be treated as a gift made over a five- year period on a pro rata basis. A maximum utilization of this annual exclusion would, for married couples who properly elect to gift split, equal \$190,000 for 2026 per Beneficiary (\$38,000 for the current and four future years). To make additional contributions within five years

to an Account by the same Contributor up to the \$600,000 Maximum Contribution

Limit (hereinafter defined), the Unified Lifetime Gift Exclusion is also available to contributors to fund Plan accounts above \$190,000.

Since applicable federal tax law provides that the gift was made to the Designated Beneficiary, it is excluded from the Account Owner’s and Contributor’s taxable estate (unless the Account Owner or Contributor is the Designated Beneficiary), even though the Account Owner may continue to own and control such amount gifted/contributed and the earnings thereon.

Qualified Withdrawals, used to pay Qualified Education Expenses, are free from federal income tax and generally free from state income tax in nearly every state. Non-Qualified Withdrawals, used for any other purpose, are subject to income taxes and a 10% federal tax penalty on the earnings component of such Withdrawal only, unless such penalty is eligible for a waiver. For more information, see page 13 under Non-Qualified Withdrawals.

Morgan Stanley clients investing in this Plan should consult with their tax advisor about specific tax questions or issues on the tax treatment of funding an Account.

Plan Risk and Other Important Considerations

Neither the principal invested in the MS Advisory 529 Plan nor earnings thereon, if any, is guaranteed or insured by NCSEAA, the State or any political subdivision thereof, the U.S. Government, the Federal Deposit Insurance Corporation, Morgan Stanley, or any other entity. Total Account values at any time, including at the time of Withdrawal from an Account, may be worth more or less than the amount invested initially.

The MS Advisory 529 Plan offers certain benefits provided by federal and state tax laws. No assurances can be given that the U.S. Congress, the U.S. Treasury Department, the Internal Revenue Service, the State, the state of your residence and other taxing authorities will not take actions that will adversely affect the MS Advisory 529 Plan and that any such adverse effects won’t be retroactive.

Creditor Protection

The laws of the State of North Carolina govern the MS Advisory 529 Plan. North Carolina statutes provide that funds located in a 529 account or funds withdrawn from such account and used for qualifying purposes under Section 529 of the Code shall not be subject to liens, attachment, garnishment, levies, seizure, any involuntary sale or assignment by law, or the enforcement of any judgment or claim to pay any debt or liability of the account owner, beneficiary or contributor to the account. Such protection does not apply to funds deposited to a 529 account as a result of fraud or other intentional wrongdoing or withdrawn and used for a non-qualified purpose.

Changing the Beneficiary

You may change the Account's Beneficiary to a new Beneficiary who is a Member of the Family of the immediately prior Beneficiary, and that transfer will not be subject to federal income tax or penalty. You may also make Withdrawals from the Account or close the Account by notifying Morgan Stanley. Only the earnings portion of any Non-qualified Withdrawals will be subject to federal income tax and any state taxes, as well as a 10% federal tax penalty.

Contact Information

If you have any questions regarding the Plan or the details contained in this Plan Description, please contact Morgan Stanley via your Financial Advisor or Private Wealth Advisor.

Key Terms

All capitalized terms used in this Plan Description shall have the following meanings unless the context otherwise attributes a different meaning:

"529 Plan" means a qualified tuition program established under and operated in accordance with Section 529 of the Code.

"Account" means the individual investment account established and maintained in the Parental Savings Trust Fund pursuant to a Participation Agreement and in accordance with the Act and the MS Advisory 529 Plan Operating Procedures.

"Account Application" means the application to be completed by you as the Account Owner to open an Account. By completing and submitting the Account Application, you agree to be bound by the terms and conditions of the Participation Agreement.

"Account Owner" means any "person" described in Section 529(b)(1) of the Internal Revenue Code or entity who is also eligible to participate in the MS Advisory 529 Plan under the MS Advisory 529 Plan Operating Procedures and who establishes an Account.

"Act" means Chapter 1180 of the Sessions Laws of North Carolina of 1965, as amended, being Sections 116-201 to 116-209.104, inclusive, of the Act, as existing at the date of adoption of the MS Advisory 529 Plan Operating Procedures, or as thereafter amended.

"Advisory MS Wealth Management Client" means a client that is actively enrolled in a Morgan Stanley Wealth Management advisory program.

"Authority" or "NCSEAA" means the State Education Assistance Authority, a political subdivision of the State of North Carolina, created by Article 23 of Chapter 116 of the North Carolina General Statutes, acting in its own right or through Morgan Stanley.

"Authority Board" means the Board of Directors of the Authority.

"Beneficiary" means, with respect to an Account, the individual so designated by the Account Owner in accordance with the MS Advisory 529 Plan Operating Procedures and the Participation Agreement, or in the case of an Account established by a state or local government, or agency or instrumentality thereof, or qualifying tax-exempt organization as part of a scholarship MS Advisory 529 Plan, the recipient of the scholarship.

"Contribution" means any payment directly allocated to an Account and invested in the Parental Savings Trust Fund through one or more of the Investment Options for the benefit of a designated Beneficiary.

"Costs of Advanced Education" has the meaning ascribed to it in Section 2005(d)(3) of Title 10 of the United States Code.

"Direct Plan" means the North Carolina College Savings and Investment Program, established, and maintained by the Authority and marketed as the "NC 529 Plan," to the public directly and administered by the Foundation.

"eDelivery" means electronic delivery, a service offered by Morgan Stanley to clients that opt to receive account documents electronically directly through their online account.

"Eligible Institution" means an "eligible educational institution" as defined in Section 529(e)(5) of the Internal Revenue Code (26 U.S.C. § 529(e)(5)).

"Executive Director" means the executive director of the Authority appointed by the president of the University of North Carolina and may include any acting executive director.

"Foundation" means the College Foundation, Inc., the central administrator of the Direct Plan.

"Internal Revenue Code" or "Code" means the Internal Revenue Code of 1986, as amended from time to time, as applicable. Each reference to a section of the Internal Revenue Code shall be deemed to include the United States Treasury Regulations, any formal guidance issued by the IRS relating to such sections that is applicable to the MS Advisory 529 Plan. There are references to various sections of the Code throughout the Plan Description, including Section 529 as it exists today and as it may subsequently be amended, and regulations adopted under it.

"Investment Options" means one or more of the available investment strategies designed and managed by Morgan Stanley and authorized by the Authority pursuant to Section 116-209.25(c1) of the Act and the Authority's Investment Policy Statement for the investment of Contributions to the Parental Savings Trust Fund and the earnings thereon. Each of the Investment Options comprises of Units of various MS 529 Funds. Each MS 529 Fund in turn invests its assets in one of

nine Morgan Stanley Pathway Funds (“Pathway Funds”). Each of the Pathway Funds provides exposure to different asset classes utilizing various investment managers selected by an affiliate of Morgan Stanley to create a diversified portfolio.

“*Investment Policy Statement*” means the document titled, “*Authority Investment Policy Statement*,” which sets forth the parameters, objectives, and limitations for the investment management of the Investment Options, and MS 529 Funds, as duly adopted, and as may be amended from time to time, by the Authority Board of the Authority and set forth in Appendix A.

“*IRS*” means the Internal Revenue Service of the United States Department of the Treasury.

“*K-12 School*” means an elementary or secondary public, private or religious school providing kindergarten (K) and 12 grades of instruction, or any combination in the range K through 12, as determined under applicable state law, or any other method of elementary or secondary education allowed by Section 529 of the Internal Revenue Code for payment of Qualified K-12 Expenses.

“*Management Agreement*” means the Management Agreement for The Morgan Stanley 529 Advisory Plan of The Parental Savings Trust Fund by and between Morgan Stanley and the Authority dated December 17, 2019, as such may be amended from time to time.

“*Maximum Contribution Limit*” means the higher of \$600,000 or the maximum dollar amount of the net asset value of all accounts in the Parental Savings Trust Fund with the same Beneficiary, including the MS Advisory 529 Plan and other qualified tuition plans sponsored by the Authority, determined by the Executive Director from time to time, to which amount additional Contributions to Accounts maintained for a Beneficiary will be permitted, provided, however, any Rollover Contributions shall not include the earnings portion of such rollover, but only the principal portion contributed for purposes of this Maximum Contribution Limit.

“*Member of the Family*” has the same meaning given such term in Section 529(e)(2) of the Internal Revenue Code. A “member of the family” of the Beneficiary is defined as:

- father, mother or ancestor of either
- son, daughter, or descendant of either
- stepfather or stepmother
- stepson or stepdaughter
- brother, sister, stepbrother or stepsister
- brother or sister of father or mother
- brother-in-law, sister-in-law, son-in-law, daughter-in-law, father-in-law, or mother-in-law
- son or daughter of brother or sister
- spouse of Beneficiary or any of the above
- first cousin

A legally adopted child of an individual is treated as the child of such individual.

“*Morgan Stanley*” means Morgan Stanley Smith Barney LLC.

“*MS Advisory 529 Plan*” means the Morgan Stanley National Advisory 529 Plan, as approved, established and maintained by the Authority pursuant to Section 116-209.25 of the Act.

“*MS Advisory 529 Plan Manager*” means Morgan Stanley as the manager appointed by the Authority to administer the MS Advisory 529 Plan on its behalf as provided in the Management Agreement.

“*MS 529 Advisory Plan Description*” means the document, as duly amended and updated from time to time, that describes the terms and conditions of participation in the MS Advisory 529 Plan, explains certain tax consequences and risks associated with the MS Advisory 529 Plan and discloses information about the Investment Options and MS 529 Funds, in a form and substance that meets the standards for disclosure, known as the “*Disclosure Principles*,” adopted by the College Savings Plan Network and in effect at the time of publication of the MS 529 Advisory Plan Description.

“*MS Advisory 529 Plan Operating Procedures*” means the MS Advisory 529 Plan Operating Procedures governing participation in the MS Advisory 529 Plan as approved by the Executive Director, as may be amended, and so approved from time to time.

“*MS 529 Funds*” means those funds in which the Accounts are invested.

“*MS 529 Fund Units*” or “*Units*” means interests in one or more of the MS 529 Funds.

“*Non-Qualified Withdrawal*” means any Withdrawal from an Account other than (i) a Qualified Withdrawal, (ii) a Withdrawal on account of the Beneficiary’s death, Disability, receipt of a Scholarship, not exceeding the amount of the Scholarship, or attendance at a U.S. Military Academy, not exceeding the Costs of Advanced Education attributable to such attendance, or (iii) a Rollover Distribution.

“*Operating Procedures*” means those procedures that govern the Trust Fund established by the Authority.

“*Parental Savings Trust Fund*” means the Parental Savings Trust Fund identified, authorized, and established by Section 116-209.25 of the North Carolina General Statutes as a trust fund of the Authority, consisting of Account Owners’ Contributions and the earnings that are held and invested in trust by the Authority in accordance with Section 116-209.25(c1) of the Act.

“*Participation Agreement*” means the document titled “*Participation Agreement*,” by which the Account Owner establishes an Account and agrees to be bound by the

provisions of the MS 529 Advisory Plan Description, the MS Advisory 529 Plan Operating Procedures, the Participation Agreement and State law, as such document may be amended by Morgan Stanley from time to time.

“Participation Supplement” means any form designed and distributed by Morgan Stanley from time to time for the purpose of facilitating an update or modification to the Participation Agreement.

“Pathway Funds” means the Morgan Stanley Pathway Funds in which the MS 529 Funds invest.

“Plan” or “Program” means the Morgan Stanley National Advisory 529 Plan.

“Program Manager” means Morgan Stanley, which serves as the Plan’s Program Manager and has overall responsibility for the day-to-day operations of the Plan.

“Qualified Higher Education Expenses” means the expenses allowed under Sections 529(e)(3) of the Internal Revenue Code that are required for the Beneficiary’s Participation in and attendance at an Eligible Institution.

“Qualified Higher Education Expenses” means the expenses allowed under Section 529(e)(3) of the Internal Revenue Code that are required for the Beneficiary’s Participation in and attendance at an Eligible Institution and included but not limited to Qualified Postsecondary Credentialing Expenses.

“Qualified K-12 Expenses” means the expenses allowed under Section 529(c)(7) of the Internal Revenue Code for tuition in connection with the Beneficiary’s Participation at a K-12 School, currently \$20,000 per year.

“Qualified Postsecondary Credentialing Expenses” means certain expenses as defined in Section 529(f) of the Internal Revenue Code in connection with obtaining and maintaining a postsecondary credential. These expenses include:

- tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a [designated beneficiary](#) in a [recognized postsecondary credential program](#), or any other expense incurred in connection with enrollment in or attendance at a [recognized postsecondary credential program](#) if such expense would, if incurred in connection with enrollment or attendance at an [eligible educational institution](#), be covered under Section 529 (e)(3)(A),
- fees for testing if such testing is required to obtain or maintain a [recognized postsecondary credential](#), and
- fees for continuing education if such education is required to maintain a [recognized postsecondary credential](#).

“Qualified Withdrawal” means any amount disbursed by Morgan Stanley from an Account for the direct or indirect payment of Qualified Education Expenses as defined by the IRS.

“Regular Contribution” means any amount remitted as a Contribution on an ad hoc or periodic basis through physical or electronic means acceptable to Morgan Stanley.

“Rollover Contribution” means any transfer of funds to an Account from (i) an account established in another state’s qualified tuition plan to an Account, (ii) an account in a qualified tuition plan established for another Member of the Family, (iii) a Coverdell Education Savings Account or (iv) a qualified U.S. Savings Bonds Account or any other funding as permitted under Section 529 of the Internal Revenue Code.

“Scholarship” means any educational assistance allowance under federal law and certain payments for educational expenses at, or attributable to attendance at, certain Eligible Institutions and K-12 Schools to the extent such assistance or payments are exempt from federal income tax; the term includes tuition waivers.

“Section 529” means Section 529 of the Internal Revenue Code, as amended from time to time, and any regulations and other guidance issued thereunder.

“State” means the State of North Carolina.

“Substitute Beneficiary” means, except as otherwise may be provided in the MS Advisory 529 Plan Operating Procedures, the Member of the Family who is eligible as a Beneficiary and replaces the immediately prior Beneficiary as provided by the Participation Agreement and the MS Advisory 529 Plan Operating Procedures.

“Successor Account Owner” or “Successor Owner” means a “person” as defined in Section 529(b)(1) of the Internal Revenue Code who acts on behalf of the Account Owner and succeeds as Account Owner as provided in the MS Advisory 529 Plan Operating Procedures.

“Trust Fund” means the trust created by the Authority in whose Units Account Owners invest.

“U.S. Military Academy” means the U.S. Military Academy, the U.S. Naval Academy, the U.S. Air Force Academy, the U.S. Coast Guard Academy, or the U.S. Merchant Marine Academy.

“Withdrawal” means the Withdrawal of funds in cash from an Account by check, journal entry or other electronic means based on a request received by Morgan Stanley in accordance with the MS Advisory 529 Plan Operating Procedures.

Introduction

The MS Advisory 529 Plan has been established and is maintained as a “qualified tuition program” under Section 529 of the Internal Revenue Code, and any regulations and other guidance issued thereunder. The General Assembly of the State (the “General Assembly”) has established the Parental Savings Trust Fund (the “Trust Fund”), with NCSEAA as trustee, to hold all assets of its 529 programs, including those in the MS Advisory 529 Plan. The Trust Fund assets are not the property of the State and are held solely for the benefit of Account Owners.

The Plan is designed as an investment vehicle to pay for Qualified Education Expenses. Such investing provides certain tax advantages as further described in this Plan Description. The Trust Fund, including the MS Advisory 529 Plan, is open to Morgan Stanley clients regardless of income level and state of residency.

Morgan Stanley Financial Advisors are held to a fiduciary standard when managing, recommending, and servicing the MS Advisory 529 Plan. Under this standard, an investment adviser must act in the best interest of clients. The Plan provides MS clients with the ability to work with a MS Financial Advisor to manage their portfolio for an asset-based fee, rather than brokerage commissions. This offering allows for a goals-based planning solution for clients who prefer an advisory relationship with their Financial Advisor.

NCSEAA was originally created and empowered to develop and administer programs of financial assistance for students pursuing higher education. In 1996, and again in 2000, 2001 and 2018, the State’s General Assembly amended the NCSEAA’s enabling legislation to authorize NCSEAA to develop, administer and maintain the Program (the “Act”). NCSEAA is the State instrumentality responsible for designing, establishing, and maintaining the Program (“Program Sponsor”), including the MS Advisory 529 Plan component. Pursuant to the Act, the Trust Fund was established with the NCSEAA as trustee, to hold all assets of the Program, including the assets in the MS Advisory 529 Plan.

NCSEAA sets all of the terms and conditions of the MS Advisory 529 Plan, including, without limitation, such Plan’s participation terms and conditions applicable to such Accounts pursuant to the Operating Procedures for such Plan. Further, as required by State law, NCSEAA has determined an appropriate investment strategy for the Trust Fund by selecting the Investment Options for the Program. NCSEAA maintains oversight of the Investment Options through an investment policy approved by the Authority Board (the “Investment Policy”) specific for each plan, including the MS Advisory 529 Plan.

Plan Manager

As Plan Manager for the Plan, Morgan Stanley Smith Barney LLC (“Morgan Stanley”) has entered into an agreement with NCSEAA, to assume certain responsibilities for the MS Advisory 529 Plan, including the administration, investment management, and other functions. The initial term is through December 17, 2029, but is to be extended for a term not to exceed 10 years, unless either party declines. Such agreement may also be terminated at any time upon certain events. In the event that Morgan Stanley’s agreement with NCSEAA terminates for any reason, Morgan Stanley shall remain responsible for the Accounts unless and until Morgan Stanley and NCSEAA mutually agree otherwise.

Morgan Stanley Wealth Management is one of the largest wealth management firms in the world, with more than \$7 trillion in client assets. Our Financial Advisors deliver tailored solutions designed to help clients achieve their financial goals. We provide individuals, families, and institutions with a wide variety of services: brokerage and investment advisory services, financial and wealth planning, access to credit and lending, cash management, annuities and insurance, and retirement services.

Investment Options

The MS Advisory 529 Plan currently offers 13 Investment Options, consisting of portfolios representing different risk-level models, ranging from conservative allocations (Conservative Fixed Income) to aggressive allocations. Account Owners may select one Investment Option per Account. Each Investment Option is made up of a combination of up to nine MS 529 Funds, and each MS 529 Fund in turn invests its assets in one of nine Morgan Stanley Pathway Funds (“Pathway Funds”). The Pathway Funds provide exposure to different asset classes utilizing various investment managers selected by an affiliate of Morgan Stanley to create a diversified portfolio.

Account Owners should consult with their Morgan Stanley financial advisors to determine which of the Investment Options are most appropriate for their individual Account.

Governing Law

The MS Advisory 529 Plan is governed by the applicable laws of the State, including the Act, and applicable federal law, including Section 529 of the Internal Revenue Code, as well as NCSEAA’s MS Advisory 529 Plan Operating Procedures, the Participation Agreement by and between the Account Owner and NCSEAA, and the agreements entered into by the Account Owner, as a Morgan Stanley client, with Morgan Stanley.

Morgan Stanley Wealth Management Client Requirement

All Account Owners in the Plan must open (and continue to maintain) an advisory account with Morgan Stanley in order to remain eligible to participate in the MS Advisory 529 Plan.

Application and Enrollment Process

Opening an Account

For a MS Advisory 529 Plan Account to be opened, the *MS 529 Plan Account Application* must be completed by the Account Owner, as well as the *Morgan Stanley Single Advisory Contract* and any other applicable Morgan Stanley account forms. There is no enrollment fee or charge to establish an Account.

Account Owner

Any individual of majority age, a custodian for a minor under the Uniform Gifts to Minors Act (UGMA) or Uniform Transfers to Minors Act (UTMA) entity, or any authorized representative of an estate, government, nonprofit organization, partnership, sole proprietorship, and unincorporated association is eligible for participation in the MS Advisory 529 Plan if, as of the date of the Participation Agreement, the individual or entity: (i) is an advisory client of Morgan Stanley; and (ii) consents and agrees to the terms and conditions of the Participation Agreement.

The Account Owner must have a valid domestic (United States) legal address at the time of account opening; however, there are no state residency or income restrictions to open an Account. Before investing in any 529 Plan, however, an Account Owner should consider whether the state(s) where they or the Beneficiary lives (or pay state income tax) sponsors a 529 plan that offers you state income tax or other benefits such as scholarships, grants, or protection from creditors not available to you or the Beneficiary through the Plan.

There may only be one Account Owner and one Beneficiary per Account. You cannot establish more than one Account for a particular Beneficiary within this Plan. You may have multiple Accounts for different Beneficiaries. Also, different Account Owners may have Accounts for the same Beneficiary within the Plan. A valid Social Security number (or taxpayer identification number) and date of birth must be provided for the Account Owner and the Beneficiary.

Eligible Designated Beneficiary

The Account Owner must designate an individual as such Account's Designated Beneficiary upon opening an Account. Such Designated Beneficiary need not have any relation to the Account Owner but may be anyone, including the Account Owner, who has a valid Social Security number or tax identification number. An Account Owner that is a governmental entity or a nonprofit organization is not required to name a Designated Beneficiary. Only one Designated Beneficiary per Account is permitted. A Designated Beneficiary does not have any rights, or access to such Account.

Ownership Transfers

As an Account Owner, you may, during your lifetime, transfer ownership of an Account, without penalty, to another individual

or entity to be the Account Owner in the Plan, as long as such new Account Owner is also an Advisory MS Wealth Management Client. A transfer of ownership of an Account does not require a change of the Beneficiary. A transfer of ownership of an Account will only be effective if it is irrevocable and transfers all rights, title, and power over the Account. A change in ownership of an Account may have potential negative income or gift tax consequences, so contact your tax advisor before transferring ownership of an Account.

Successor Owner

The Account Owner is not required, but is strongly encouraged, to designate a Successor Owner at the time the Account is established. The Successor Owner must meet the requirements of an Account Owner set forth above. Upon the death of the Account Owner, the Successor Owner becomes the Account Owner by the submission of a death certificate, signed Application and Account Change Supplement to Morgan Stanley in order to update the Account of the prior Account Owner. The Account Owner can change the Successor Owner at any time by written notification to Morgan Stanley. The Successor Owner, upon becoming an Owner, must be an Advisory MS Wealth Management Client.

If the Account Owner does not properly designate a Successor Owner who is able and willing to serve as Successor Owner, upon the death of the Account Owner, ownership of the Account will pass to the person or entity as provided in the Account Owner's will as an asset of such Account Owner's estate. If no such person or entity is designated in the Account Owner's will, ownership of the Account will pass to the Beneficiary if such Beneficiary is of legal age as of the date of ownership change. Otherwise, the individual(s) responsible for the estate of the Account Owner will be authorized to name a new Account Owner in accordance with law applicable to the Account Owner's estate.

Changing the Beneficiary

Section 529 generally allows for changes of the Beneficiary without adverse federal income tax consequences, as long as the Account Owner represents that the new Beneficiary is a Member of the Family of the current Beneficiary. In addition, the proposed IRS regulations provide that no federal gift tax or generation-skipping transfer tax will result, as long as the new Beneficiary is of the same or older generation as the current Beneficiary. Any change of the Beneficiary to a person who is not a Member of the Family of the current Beneficiary is treated as a *Non-Qualified Withdrawal* subject to applicable federal and state income taxes, as well as the additional 10% federal tax on earnings. There is no fee or charge for changing a Beneficiary.

Contributions

Contributing to an Account

Any person or entity is permitted to make Contributions to an Account at any time. Individuals or entities that contribute funds to the Account, other than the Account Owner, will have no subsequent control over any amounts contributed or any earnings thereon. Depending on the applicable state tax laws, a Contributor may or may not receive state tax benefits from such Contributions. There are no federal income tax benefits for making a Contribution.

Form of Contribution

All Contributions must be in cash or cash equivalent and a Contributor cannot transfer into the Account securities or other property. Any such Contribution may be in one or more lump sums, or the Account Owner may provide for Morgan Stanley to make automatic periodic Contributions to such Account.

Contribution Limits

Minimum. Upon opening an Account, the minimum amount of \$1,000 must be funded. This minimum may be waived at the discretion of the program manager.

Maximum. Once the total Account balance (including any earnings) reaches the Maximum Contribution Limit, currently \$600,000, the MS Advisory 529 Plan will not accept additional Contributions to that single Account. For the purposes of this limit, any other MS Advisory 529 Plan Accounts and other accounts in the Trust Fund opened for the same Designated Beneficiary will be considered and aggregated. However, any Rollover Contribution shall not include the earnings portion of such rollover, but only the principal portion, for the purposes of this Maximum Contribution Limit.

The Maximum Contribution Limit may be increased by NCSEAA from time to time based on the estimated cost of Qualified Higher Education Expenses at certain Eligible Institutions in the United States.

Excess Contributions

The Plan will not accept any Contribution to the extent it would cause the Account balance to exceed the Maximum Contribution Limit ("Excess Contributions"). Excess Contributions will be rejected and returned to the contributor. If a Contribution is applied to an Account and later determined by the Plan to have caused the aggregate market value of the Account(s) for a Beneficiary to exceed the Maximum Contribution Limit, the Plan will refund such Excess Contribution, and any earnings thereon, to the contributor.

Plan Transfers for the Account of a New Beneficiary

You may decide to transfer assets from one Account to an Account for the benefit of a new Beneficiary without the imposition of federal income tax or the additional 10% federal tax, if such plan transfer is made directly into an Account

for a new Beneficiary who is a Member of the Family of the immediately prior Beneficiary.

Re-Contribution of Refunds From Eligible Educational Institutions

If the Beneficiary receives from an Eligible Institution a refund of funds originally withdrawn from an Account to pay for Qualified Higher Education Expenses, such funds may be re-contributed to an account in a 529 Plan for the same Beneficiary up to the amount of the refund, provided that the re-contribution is made within 60 days of the date of the refund. Such funds also will not be subject to federal or state income tax or the additional 10% federal tax. For tax purposes, you are responsible for maintaining proper documentation evidencing the refund from the Eligible Institution.

Contribution Methods

You may opt to contribute to your account via one or more of the following ways:

- One-Time Payment(s) via Check, Wire, ACH, Internal Transfer ("Journal") or Mobile Check Deposit
- Recurring Contributions via ACH, Wire, or Internal Transfer
- Rollover Contributions From Another State-Sponsored Qualified Tuition Plan
- Rollover Contribution From a Coverdell Education Savings Account ("CESA")

Consult with your Morgan Stanley Financial Advisor on which method(s) best suit your investment needs.

Pricing of MS 529 Fund Units

The Units represent interests in the Trust Fund and the MS 529 Funds. The value of each Unit is calculated each business day after the close of trading on the New York Stock Exchange ("NYSE"). The value is determined by dividing the dollar value of the MS 529 Fund's net assets (i.e., total Fund assets minus total Fund liabilities) by the number of MS 529 Fund Units for that Investment Option outstanding. On holidays or other days when the NYSE is closed, the Unit values are not calculated, and the Plan does not transact purchase, exchange, transfer, or redemption requests.

Confirmations and Statements

Account Owners will receive a confirmation of their holdings and all transactions in their MS Advisory 529 Plan Account as a part of their Morgan Stanley overall monthly (if any eligible activity) or account quarterly statements, which may be furnished via e-delivery at the election of the Account Owner. Such account statements will indicate: (a) Contributions made to the Account; (b) requested and automatic reallocations of Account assets among or within the Investment Options; (c) any Withdrawals; (d) the total value of the Account at the end of the time period and (e) any earnings.

Withdrawals

General

In general, only the Account Owner may request Withdrawals from an Account. The Account Owner may use the funds in the Account for any purpose and may make Withdrawals at any time.

Generally, each Withdrawal from an Account comprises two pro rata components: (1) a return of principal and (2) earnings. Upon distribution, such components are calculated by Morgan Stanley and reported to the Internal Revenue Service and the recipient of such funds in January of the following year, via Form 1099-Q. The return of the principal portion of any Withdrawal, whether Qualified or Non-Qualified, is not taxable. As explained in more detail below, the earnings portion of a Withdrawal may be subject to taxation, and possibly tax penalties, depending upon whether the Withdrawal is Qualified or Non-Qualified. The distributee, or recipient of such Withdrawal, whether it be the Account Owner or the Designated Beneficiary, is responsible for determining whether a Withdrawal is Qualified or Non-Qualified and whether a tax penalty applies.

Qualified Withdrawals

If the Account Owner withdraws funds to pay for Qualified Education Expenses of the Designated Beneficiary, such Withdrawal will be a Qualified Withdrawal. The earnings on Qualified Withdrawals used to pay such expenses are free from federal income taxes and generally free from applicable state income taxes and are not subject to a 10% federal tax penalty.

The earnings on a Non-Qualified Withdrawal made as a result of the Designated Beneficiary's death, disability, certain U.S. Military Academy enrollment or receipt of a scholarship (to the extent of the scholarship award) may be subject to federal or state income tax. However, such earnings will not be subject to the 10% federal tax penalty.

Qualified Education Expenses consist of: (1) Tuition incurred by the Designated Beneficiary attending an elementary or secondary public, private, or religious school (kindergarten through 12th grade) up to a maximum of \$20,000 incurred during the taxable year;* and (2) Qualified Higher Education Expenses (which include approved apprenticeships and certain repayments of student loans, as described in more detail below).

Qualified Higher Education Expenses

Qualified Higher Education Expenses are expenses that are incurred by a Designated Beneficiary attending an Eligible Institution. Generally, these expenses include:

- tuition;
- all mandatory fees;
- textbooks, supplies and required equipment;

- room and board for any academic period during which the Designated Beneficiary is enrolled at least half-time in a degree, certificate or other program that leads to a recognized educational credential awarded by an Eligible Educational Institution;
- special-needs services for a special-needs Designated Beneficiary;
- computer or peripheral equipment, computer software, or internet access and related services used primarily by the Designated Beneficiary during the time enrolled at the Eligible Educational Institution;
- repayment of principal/interest on any qualified education loans for the 529 account Beneficiary and/or sibling, up to a lifetime limit of \$10,000 per individual. (For these purposes, the term sibling is defined as the Beneficiary's brother, sister, stepbrother, or stepsister);* and
- fees, books, supplies, and other equipment required for participation in an apprenticeship program that is registered and certified with the Secretary of Labor under Section 1 of the National Apprenticeship Act;*

To be considered Qualified Higher Education Expenses, room and-board costs may not exceed the following amounts:

- on-campus: actual invoice amount for room and board; or
- off-campus: up to the applicable room-and-board portion of the cost of attendance, as determined by the Eligible Educational Institution.

*Tax treatment of certain education expenses identified above and authorized under Section 529 varies among states, as not every state's tax law conforms to the Internal Revenue Code. Consult your tax advisor prior to withdrawing funds from your Account to pay such expenses for a better understanding of the state tax consequences of payment of those certain expenses.

Non-Qualified Withdrawals

Those Withdrawals (excluding rollovers to another 529 Plan) that are not Qualified Withdrawals are Non-Qualified Withdrawals. Any earnings calculated to be included in such Non-Qualified Withdrawals are subject to federal and, if applicable, state income tax, and may be subject to a 10% federal tax penalty in addition to such taxes, unless an exception applies. The Account Owner or the Designated Beneficiary is responsible for determining whether a Withdrawal is Non-Qualified, making the appropriate filings with the IRS and paying any applicable 10% federal tax penalty on earnings.

Re-Contribution of Refunded Amounts

If a Designated Beneficiary receives a refund of any Qualified Higher Education Expenses from an Eligible Educational Institution, any Withdrawals from the Account used to pay such refunded expenses will be considered a Qualified Withdrawal if the refunded amount is re-contributed to the Account or

another Qualified Tuition Program not later than 60 days after the date of such refund.

Other Withdrawals

Death of Beneficiary. Upon the death of the Beneficiary, the Account Owner may authorize a change in the Beneficiary who is a Member of the Family of the former Beneficiary for the Account, authorize a payment to the estate of the Beneficiary or request the return of the Account balance. A distribution due to the death of the Beneficiary, if paid to the estate of the Beneficiary, will not be subject to the additional 10% federal tax on earnings, but earnings will be subject to federal and any applicable state income tax. A Withdrawal of amounts in the Account, if not paid to the Beneficiary's estate, may constitute a Non-Qualified Withdrawal, subject to federal and applicable state income taxes at the distributee's tax rate and the additional 10% federal tax on earnings. If the Account Owner selects a new Beneficiary who is a Member of the Family of the former Beneficiary, they may not owe federal or state income tax or a penalty.

Disability of Beneficiary. If the Beneficiary becomes disabled, the Account Owner may authorize a change in the Beneficiary who is a Member of the Family of the former Beneficiary for the Account, or request the return of all or a portion of the Account balance. A Withdrawal due to the qualified disability of the Beneficiary will not be subject to the additional 10% federal tax on earnings, but earnings will be subject to federal and any applicable state income tax at the Account Owner's tax rate. A person is considered to be disabled if they shows proof (if requested by the IRS) that they cannot do any substantial gainful activity because of his or her physical or mental condition. A physician must determine that his or her condition can be expected to result in death or to be of long-continued and indefinite duration. If the Account Owner selects a new Beneficiary who is a Member of the Family of the former Beneficiary, they may not owe federal or state income tax or a penalty.

Receipt of Scholarship. If the Beneficiary receives a qualified scholarship, Account assets up to the amount of the scholarship may be returned without imposition of the additional 10% federal tax on earnings. A qualified scholarship includes certain educational assistance allowances under federal law as well as certain payments for educational expenses (or attributable to attendance at certain educational institutions) that are exempt from federal income tax. The earnings portion of a distribution due to a qualified scholarship is subject to federal and any applicable state income tax at the distributee's tax rate.

Attendance at Certain Specified Military Academies. If the Beneficiary attends the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, the United States Coast Guard Academy, or the United States Merchant Marine Academy, the Account Owner may withdraw an amount up to an amount equal to the costs of

advanced education attributable to the Beneficiary's attendance at the institution without incurring the additional 10% federal tax on earnings. The earnings portion of the Withdrawal will be subject to federal and any applicable state income tax at the distributee's tax rate.

Residual Account Balances

If the Beneficiary graduates from an Eligible Educational Institution or chooses not to pursue higher education and funds remain in the Account, the Account Owner may generally choose from four options:

1. If requested, the remaining funds (including earnings) will be returned to the Account Owner and treated as a Non-Qualified Withdrawal. Earnings will be subject to federal and any applicable state income tax, including an additional 10% federal tax on earnings.
2. The Account Owner may authorize a change of Beneficiary for the Account to a Member of the Family of the current Beneficiary.
3. The Account Owner may keep the funds in the Account to pay future Qualified Higher Education Expenses (such as graduate or professional school expenses) of the current Beneficiary.
4. On or after January 1, 2024, the Account Owner may roll over certain amounts from a 529 plan to a Roth IRA established and maintained for the Beneficiary of the 529 plan, provided (a) the 529 plan has been maintained for the Beneficiary for at least 15 years prior to the rollover, (b) the rollover amount does not exceed the aggregate amount contributed to the 529 plan (plus the earnings attributable to such contributions) before the 5-year period ending on the date of the rollover, (c) the funds are paid to the Roth IRA in a direct trustee-to-trustee transfer, (d) the aggregate amount rolled over for the tax year does not exceed the annual Roth IRA contribution limit for that year (determined without regard to the modified adjusted gross income limit for Roth IRA contributions), reduced by the aggregate amount of regular contribution made to traditional and Roth IRAs established and maintained for the Beneficiary for that year, and (e) the aggregate amount of such rollovers with respect to the Beneficiary for all tax years does not exceed \$35,000. The rollover is not subject to federal income tax or the 10% federal penalty tax but, unlike other rollovers to Roth IRAs, the rollover amount counts toward the annual contribution limit for Roth IRAs.

Options 2 and 3 above would not be Non-Qualified Withdrawal. Option 2 contemplates transfer to a member of the current beneficiary's family. Naming a beneficiary a nonfamily member of the current beneficiary would constitute a Non-Qualified Withdrawal. There is no specific deadline for the use of assets in an Account to pay for Qualified Education Expenses.

Rollovers

General

Account Owners may make a Rollover Contribution without imposition of federal or state income tax or the additional 10% federal tax if such Rollover is made within 60 days of distribution from the original Account into an account for the same Beneficiary, or a new Beneficiary who is a Member of the Family of the original Beneficiary. A Rollover Contribution to the Plan for the benefit of the same Beneficiary may be effected without adverse tax consequences only if no other such Rollovers have occurred with respect to such Beneficiary within the prior 12 months, and if the Rollover Contribution is made within 60 days of distribution from the original Account.

529 Programs

Rollovers from any other 529 program to the MS Advisory 529 Plan are done via a completed MS Advisory 529 Plan Account application, the Morgan Stanley 529 Rollover/Transfer Request form and appropriate documentation from the prior 529 program manager showing the earnings portion of the rollover. If such documentation is not provided, the entire amount rolled over is to be treated as earnings in the Account.

No fee is imposed by Morgan Stanley for Rollovers into the MS Advisory 529 Plan.

Please note that funds withdrawn from any other 529 program with the intention of rolling over to the MS Advisory 529 Plan must be re-contributed within 60 days of the initial Withdrawal in order to retain the tax-free treatment of the Rollover.

If the Designated Beneficiary is not being changed, an MS Advisory 529 Plan Account may be rolled over to another 529 program, provided that there has not been a Rollover to a qualified tuition program account to the benefit of the same Beneficiary in the previous 12 months. The program manager must provide to a transferee 529-program manager a statement providing the earnings portion of the Rollover by the earlier of: (1) 30 days after the Rollover or (2) January 1 of the calendar year following the calendar year in which the rollover occurred.

Coverdell Education Savings Accounts

Transfers from a Coverdell Education Savings Account (“CESA”) to the MS Advisory 529 Plan are considered a nontaxable Withdrawal from such CESA. A completed Account application and appropriate documentation from the trustee or custodian of the CESA that show the earnings portion of the transfer is required. If such documentation is not provided, the entire transfer will be treated as earnings.

Qualified U.S. Savings Bonds

Transfers of the proceeds of Qualified U.S. Savings Bonds to the MS Advisory 529 Plan require a completed MS Advisory 529 Plan Account application with appropriate documentation, such as a Form 1099-INT or a written statement from the

financial institution that redeemed the Qualified U.S. Savings Bonds, that shows the earnings portion of the transfer. If such documentation is not provided, the entire transfer will be treated as earnings. It is recommended that tax advice regarding the tax consequences of such a transfer be obtained.

UGMA or UTMA Contributions

An Account may be opened with UGMA/UTMA funds. These types of accounts involve additional restrictions. Generally, UGMA/UTMA custodians/Account Owners may not change the Designated Beneficiary of a custodial MS Advisory 529 Plan Account. Account Owners wishing to change a Designated Beneficiary should seek legal advice, as funds held in UGMA/UTMA accounts represent an irrevocable gift to a specific individual.

At the time that Morgan Stanley is notified by either the UGMA/UTMA custodian or the Designated Beneficiary that the Designated Beneficiary has reached the age of majority, the Designated Beneficiary may assume control of the Account. Additional Contributions to the Account holding UGMA/UTMA funds will be subject to these restrictions.

Neither NCSEAA nor Morgan Stanley is liable for any consequences related to a custodian’s improper use or transfer of UGMA/UTMA custodial funds. Transfers from UGMA/UTMA accounts create significant legal considerations and may be restricted by Morgan Stanley. A Morgan Stanley Financial Advisor should be consulted along with a tax advisor before making such a transfer.

Terminations Where Account Owner Is No Longer an Advisory Morgan Stanley Wealth Management Client

In the event that the Account Owner ceases to be an Advisory MS Wealth Management Client, such Account Owner’s eligibility to participate in the MS Advisory 529 Plan shall terminate. The Account Owner will have the option of: (a) completing a Rollover to another 529 Plan offered by Morgan Stanley’s brokerage unit; (b) completing a Rollover to another 529 Plan not offered by Morgan Stanley or (c) withdrawing the assets (including earnings) that the Account Owner has invested in the MS Advisory 529 Plan.

Note that any such Rollover must be accomplished within 60 days of the Account Owner’s ceasing to be an Advisory MS Wealth Management Client in order to be eligible for tax-free treatment (see “Rollovers” above). Any Withdrawals of assets from the MS Advisory 529 Plan that do not constitute Qualified Withdrawals will likely be subject to unfavorable tax treatment and potential penalties (see “Withdrawals” above). Any funds not rolled over, or otherwise withdrawn within 90 days of the Account Owner ceasing to be an Advisory MS Wealth Management Client, will be distributed to the Account Owner’s linked brokerage account (if any) or legal address on record and therefore constitute a Non-Qualified Withdrawal.

Termination of the Management Agreement by Morgan Stanley or the Authority

In the event that the Management Agreement between Morgan Stanley and the Authority is terminated for any reason, the MS Advisory 529 Plan will continue to operate for one year following the date of termination. During this period, Account Owners will have the option of completing a Rollover into a different 529 Plan or withdrawing the assets. If such a Rollover or Withdrawal is not accomplished by an Account Owner within one year of termination, the assets in such Account may be rolled over into the North Carolina Direct Plan.

Federal and State Tax Treatment of Rollovers

This section summarizes key aspects of the U.S. federal and state tax treatment of Contributions to, and Withdrawals from, 529 Plan accounts. The information provided below is not exhaustive. It is based on the Program Manager understanding of current law and regulatory interpretations relating to 529 Plans generally, and is meant to provide Account Owners with general background about the tax characteristics of these programs. Neither this Federal and State Tax Treatment section nor any other information provided throughout this Plan Description is intended to constitute, nor does it constitute, legal or tax advice. You should consult your legal or tax advisor about the impact of federal and state tax rules and regulations on your individual situation.

The summary tax and legal description provided below is based on the Internal Revenue Code and proposed regulations in effect as of the date of this Plan Description, as well as other administrative guidance and announcements issued by the IRS and the U.S. Department of Treasury. It is possible that Congress, the Treasury Department, the IRS, or federal or state courts may take action that will affect the tax treatment of 529 Plan Contributions, earnings, or Withdrawals or the availability of state tax deductions. Individual state legislation may also affect the state tax treatment of a 529 Plan for residents of that state.

The MS Advisory 529 Plan strongly encourages you and your Beneficiaries to consult with your tax advisors regarding the tax consequences of contributing money to, or withdrawing money from, an Account.

If you are not a North Carolina taxpayer, before investing, consider whether your or the Beneficiary's home state offers a 529 Plan that provides its taxpayers with favorable state tax and other benefits that may only be available through investment in the home state's 529 Plan and that are not available through investment in the Plan. Because different states have different tax provisions, this Plan Description contains limited information about the state tax consequences of investing in

the Plan. Therefore, please consult your financial, tax or other advisor to learn more about how state-based benefits (or any limitations) would apply to your specific circumstances. You may also wish to contact your home state's 529 Plan(s), or any other 529 Plan, to learn more about those plans' features, benefits and limitations. Keep in mind that state-based benefits should be just one of many appropriately weighted factors to be considered when making an investment decision.

529 Plans Generally

Among the most notable tax advantages of 529 Plans is that the earnings portion of a Qualified Withdrawal is exempt from federal and state taxes. To be eligible for these tax benefits, 529 Plan account assets must be used to pay the Qualified Education Expenses of the Beneficiary at an Eligible Educational Institution or subject to limitations, Qualified K-12 Expenses.

529 Plan Contributions and Withdrawals

Federal law does not allow a tax deduction for contributions to 529 Plans. Certain tax considerations apply to the method of contribution to an Account. (see "Contributions" above). The income earned on any such Contributions may generally grow federal and state income tax-free until distributed. Qualified Withdrawals (i.e., Withdrawals to pay for the Qualified Higher Education Expenses of a Beneficiary at an Eligible Educational Institution or to pay for Qualified K-12 Expenses) and qualified rollovers are not subject to federal and state income taxation. The earnings portion of Non-Qualified Withdrawals, however, is subject to all applicable federal and state income taxes and, in most cases, an additional 10% federal tax on earnings.

As described above in "Withdrawals," there are several exceptions to the additional 10% federal tax on earnings required under Section 529 of the Code: (1) Withdrawals made from the Account in the event of the Beneficiary's death (if paid to the Beneficiary of the Beneficiary or the Beneficiary's estate), (2) Withdrawals made from the Account in the event of the Beneficiary's disability, (3) receipt of a qualified scholarship, allowance or similar payment made to the Beneficiary, but only to the extent of such qualified scholarship, allowance or payment, (4) Withdrawals on Account of the Beneficiary's attendance at certain specified military academies, (5) qualified rollovers and (6) a refund from an Eligible Educational Institution that is re-contributed to a 529 Plan within 60 days of the date of the refund.

The earnings portion of a Withdrawal will generally be calculated on an Account-by-Account basis. Withdrawals from an Account will be taken proportionally from all of the Investment Options in an Account.

Qualified Rollovers

An Account Owner may transfer all or part of the funds in a 529 Plan account to an account in another 529 Plan without adverse federal and state income tax consequences if, within

60 days of the Withdrawal from the distributing account, such funds are transferred to or deposited into an account at another 529 Plan for the benefit of (1) an individual who is a Member of the Family of the original Beneficiary; or (2) the same Beneficiary, but only if no other such rollover distribution or transfer has been made for the benefit of such individual within the preceding 12 months.

Other Contributions and Transfers

An individual may generally transfer into a 529 Plan account, without adverse federal or state income tax consequences, all or part of money held in an Account for a Member of the Family of the Beneficiary if the money is transferred within 60 days of the Withdrawal from the distributing account.

Coordination With Other Higher-Education Expense Benefit Programs

The federal tax benefits afforded to 529 Plans must be coordinated with other programs designed to provide tax benefits for meeting higher education expenses in order to avoid the duplication of such benefits. The coordinated programs include the Education Credits under Section 25A of the Code.

Education Credits

The use of Education Credits by a qualifying Account Owner and Beneficiary will not affect participation in or receipt of benefits from a 529 Plan account so long as any Withdrawal from the 529 Plan account is not used for the same expenses for which the credit was claimed.

Federal Gift and Estate Taxes

Contributions (including certain Rollover Contributions) to a 529 Plan account generally are considered completed gifts to the Beneficiary and are eligible for the applicable annual exclusion from gift and generation-skipping transfer taxes. As of January 1, 2026, the annual exclusion from gift taxes is \$19,000 for a single individual or \$38,000 for a married couple electing to split gifts. Except in the situations described in the following paragraph, if the Contributor were to die while assets remain in a 529 Plan account, the value of the Account would not be included in the Contributor's estate for federal estate tax purposes. In cases where annual Contributions to a 529 Plan account by a Contributor exceed the applicable annual exclusion amount, the Contributions are subject to federal gift tax and possibly the generation-skipping transfer tax in the year of Contribution. However, in these cases, the Contributor may elect to apply the annual exclusion for a five-year period against the Contribution. This option is applicable only for Contributions up to five times the available annual exclusion amount in the year of the Contribution. As of January 1, 2026, the maximum contribution that may be made using this rule is \$95,000 for individuals and \$190,000 for married couples. Once this election is made, if the Contributor makes any additional gifts to the same Beneficiary in the same or the next

four years, such gifts are subject to gift-or generation-skipping transfer taxes in the calendar year of the gift. However, the Contributor's lifetime gift tax exemption can be applied against any excess gifts.

If the Contributor chooses to use the five-year forward election and dies before the end of the five-year period, the portion of the Contribution allocable to the years remaining in the five-year period (beginning with the year after the contributor's death) would be included in the Contributor's estate for federal estate tax purposes.

If the Beneficiary of a 529 Plan account is changed, or amounts in an account are rolled over to a new Beneficiary of the same or older generation as the former Beneficiary and the new Beneficiary is a Member of the Family of the former Beneficiary, there are no gift-or generation-skipping transfer tax consequences. If the new Beneficiary is of a younger generation than the former Beneficiary or is not a Member of the Family of the former Beneficiary, the former Beneficiary will have made a taxable gift to the extent of the amount transferred. If the new Beneficiary is two or more generations below the former Beneficiary, the change or rollover will be subject to generation-skipping transfer tax. The five-year rule explained above may be applied here. The gross estate of a Beneficiary may include the value of the 529 Plan account.

Estate, gift, and generation-skipping tax issues arising in conjunction with 529 Plans can be quite complicated. **You should consult with your tax advisor if you have any questions about these issues.**

State Taxes

The earnings of an Account are not subject to any North Carolina state income tax under current North Carolina law. In addition, no portion of a Qualified Withdrawal is included in computing the taxable income of the Account Owner or the Beneficiary for North Carolina state income tax purposes.

Neither an Account Owner nor a Beneficiary who is a nonresident of North Carolina for state income tax purposes will become subject to North Carolina state income tax merely by merely having an interest in an Account or receiving a Withdrawal from an Account.

If you are not a resident of North Carolina, before you invest you should consider whether your home state or the Beneficiary's home state offers any state tax or other benefits, such as financial aid, scholarship funds and protection from creditors that are only available for investments in that state's qualified tuition program. You should consider many factors before deciding to invest in any 529 Plan, such as the MS Advisory 529 Plan, including the plan's investment options and its performance history, the plan's flexibility and features, the reputation and expertise of the plan's investment manager(s),

the plan's contribution limits, the plan's fees and expenses, and federal and state tax benefits and creditor protection associated with an investment in the plan.

In certain states, a Contributor to the Plan may be entitled to a deduction in computing the income tax imposed by the state where they live or pay taxes. Likewise, it is possible that a recipient of money withdrawn from the Plan may be subject to income tax on those Withdrawals by the state where they live or pays taxes. It is also possible that amounts rolled over into the Plan from another state's 529 Plan may be subject to a state tax imposed on the rollover amount. **You should consult with your tax advisor regarding the state tax consequences of participating in the Plan.**

Plan Fees and Expenses

Morgan Stanley Advisory Fees

As discussed above, to be eligible to open and maintain an Account in the MS Advisory 529 Plan, you must at all times be a Morgan Stanley Wealth Management client. As determined in consultation with your Financial Advisor or Private Wealth Advisor, your MS Advisory 529 Plan is subject to a consulting and advisory fee that you and your Financial Advisor or Private Wealth Advisor must agree to. This fee may range up to a maximum of 2.00% of your account's total aggregate assets on an annual basis.

Investment Fees and Expenses

- *No Sales Charges.* There are no front-end or deferred sales charges associated with your Investment Option or MS 529 Plan fund selections.
- *Investment Option Expenses.* The Investment Options have certain expenses associated with their investment strategies. Each Account Owner bears these direct ongoing expenses, which will vary with the chosen Investment Option. The expenses of each Investment Option represent a blended weighted average of the underlying investments in the MS 529 Funds. The underlying investments in the MS 529 Funds are referred to as the Morgan Stanley Pathway Funds. The Authority will receive an oversight and marketing fee at an annual rate of up to 0.10% of the average daily net assets in each MS 529 Fund, as outlined in this Plan Description. This state fee is included in the Total Annual Investment Option Fee in the Table of Expenses below. For a more detailed description of the underlying MS 529 Fund expenses, refer to Appendix A.

Account Fees

- *No Annual Account Fee.* Morgan Stanley does not charge an account opening fee in association with establishing a 529 Plan at the Firm.
- *No Account Maintenance Fee.* Morgan Stanley does not charge an annual account maintenance fee in association with maintaining an ongoing 529 Plan at the Firm.

Table of Expenses

Each Investment Option allocates its holdings from among the MS 529 Funds, which in turn invest in underlying Morgan Stanley Pathway Funds. The Morgan Stanley Pathway Fees have certain ongoing fees and expenses associated with their investment strategies.

The tables below reflect current expenses associated with each Investment Option derived from the MS 529 Funds, which include the state fee and the underlying Pathway Funds in which they invest, as set forth in Appendix A.

INVESTMENT OPTION (as of December 31, 2025)	TOTAL ANNUAL INVESTMENT OPTION FEE¹
MS 529 — Conservative Fixed Income	0.70%
MS 529 — Tactical Wealth Conservation	0.67%
MS 529 — Tactical Income	0.67%
MS 529 — Tactical Balanced Growth	0.67%
MS 529 — Tactical Market Growth	0.67%
MS 529 — Tactical Opportunistic Growth	0.67%
MS 529 — Tactical Equity	0.67%
MS 529 — U.S. Focused Wealth Conservation	0.72%
MS 529 — U.S. Focused Income	0.71%
MS 529 — U.S. Focused Balanced Growth	0.71%
MS 529 — U.S. Focused Market Growth	0.70%
MS 529 — U.S. Focused Opportunistic Growth	0.70%
MS 529 — U.S. Focused Equity	0.66%

Annual Advisory Fees (as a percentage of assets)

In addition to the Investment Option fees and expenses above, Account Owners also pay Annual Advisory Fees, which are paid directly from your investment in the applicable Morgan Stanley-sponsored investment advisory program.

MAXIMUM ANNUAL FEE

Morgan Stanley Advisory Fee (Select UMA Program)	2.00%
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¹“Total Annual Investment Option Fee” means the weighted average of expenses associated with the Investment Option’s underlying funds, the MS 529 Funds.

Additional details on the MS 529 Funds, in which the above Investment Options invest, and their corresponding Morgan Stanley Pathway Funds, can be found in Appendix A.

Estimated Investment Costs

Estimated Asset-Based Investment Option Fees Over Time^(1, 2)

INVESTMENT OPTION	1 YEAR	3 YEARS	5 YEARS	10 YEARS
MS 529 — Conservative Fixed Income	\$70	\$219	\$381	\$852
MS 529 — Tactical Wealth Conservation	\$67	\$210	\$365	\$817
MS 529 — Tactical Income	\$67	\$210	\$365	\$817
MS 529 — Tactical Balanced Growth	\$67	\$210	\$365	\$817
MS 529 — Tactical Market Growth	\$67	\$210	\$365	\$817
MS 529 — Tactical Opportunistic Growth	\$67	\$210	\$365	\$817
MS 529 — Tactical Equity	\$67	\$210	\$365	\$817
MS 529 — U.S. Focused Wealth Conservation	\$72	\$225	\$392	\$876
MS 529 — U.S. Focused Income	\$71	\$222	\$387	\$864
MS 529 — U.S. Focused Balanced Growth	\$71	\$222	\$387	\$864
MS 529 — U.S. Focused Market Growth	\$70	\$219	\$381	\$852
MS 529 — U.S. Focused Opportunistic Growth	\$70	\$219	\$381	\$852
MS 529 — U.S. Focused Equity	\$66	\$207	\$360	\$805

¹ Assumes an initial investment of \$10,000.

² Assumes an average annual return of 5%.

Estimated Asset-Based Investment Option Fees Over Time With Advisory Fees^(1, 2, 3)

INVESTMENT OPTION	1 YEAR	3 YEARS	5 YEARS	10 YEARS
MS 529 — Conservative Fixed Income	\$270	\$829	\$1,414	\$2,997
MS 529 — Tactical Wealth Conservation	\$267	\$820	\$1,399	\$2,968
MS 529 — Tactical Income	\$267	\$820	\$1,399	\$2,968
MS 529 — Tactical Balanced Growth	\$267	\$820	\$1,399	\$2,968
MS 529 — Tactical Market Growth	\$267	\$820	\$1,399	\$2,968
MS 529 — Tactical Opportunity	\$267	\$820	\$1,399	\$2,968
MS 529 — Tactical Equity	\$267	\$820	\$1,399	\$2,968
MS 529 — U.S. Focused Wealth Conservation	\$272	\$835	\$1,423	\$3,017
MS 529 — U.S. Focused Income	\$271	\$832	\$1,418	\$3,007
MS 529 — U.S. Focused Balanced Growth	\$271	\$832	\$1,418	\$3,007
MS 529 — U.S. Focused Market Growth	\$270	\$829	\$1,414	\$2,997
MS 529 — U.S. Focused Opportunistic Growth	\$270	\$829	\$1,414	\$2,997
MS 529 — U.S. Focused Equity	\$266	\$817	\$1,394	\$2,958

¹ Assumes an initial investment of \$10,000.

² Assumes an average annual return of 5%.

³ Assumes the Maximum Advisory Fee of 2.00% is charged.

Allocation of Investment Options

Each Investment Option exhibits varying levels of exposure to distinct sectors of the market, depending on the MS 529 Funds in which it invests.

The tables below may be useful when reviewing current asset allocation targets associated with each Investment Option. Allocations of each Investment Option into these MS 529 Funds may be modified from time to time by Morgan Stanley and the Authority.

U.S. Focused Asset Allocation Models

AS OF DECEMBER 31, 2025	WEALTH CONSERVATION	INCOME	BALANCED GROWTH	MARKET GROWTH	OPPORTUNISTIC GROWTH	EQUITY
U.S. Equity	16%	27%	37%	48%	59%	75%
Large Cap Equity	15%	24%	31%	39%	49%	62%
Small-Mid Cap Equity	1%	3%	6%	9%	10%	13%
International Equity	6%	9%	13%	16%	20%	25%
International Equity	4%	6%	9%	11%	13%	16%
Emerging Markets Equity	2%	3%	4%	5%	7%	9%
Fixed Income	78%	64%	50%	36%	21%	0%
Core Fixed Income	42%	36%	31%	23%	13%	–
International Fixed Income	6%	5%	5%	3%	2%	–
High Yield Fixed Income	3%	3%	3%	3%	3%	–
Inflation-Linked Fixed Income	1%	1%	1%	1%	1%	–
Ultra-Short Term Fixed Income	26%	19%	10%	6%	2%	–

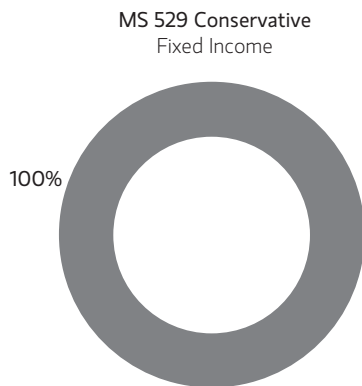
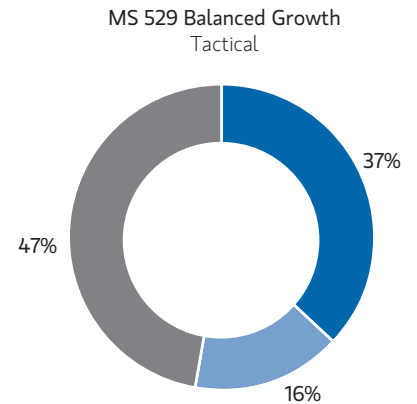
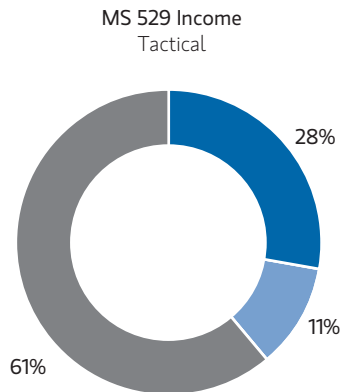
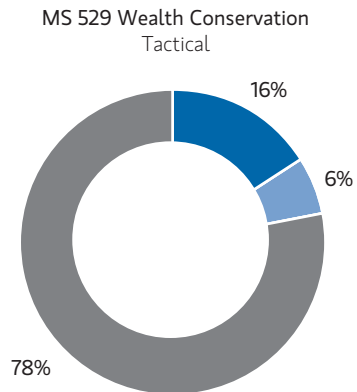
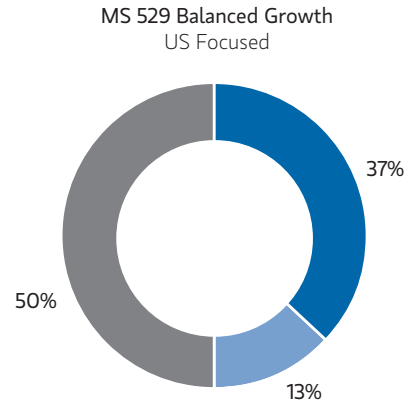
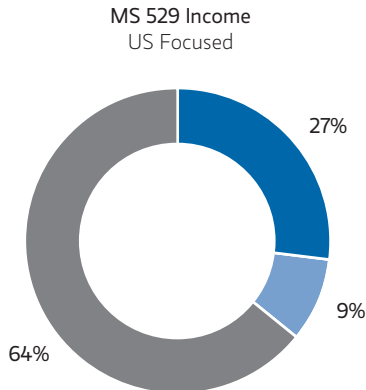
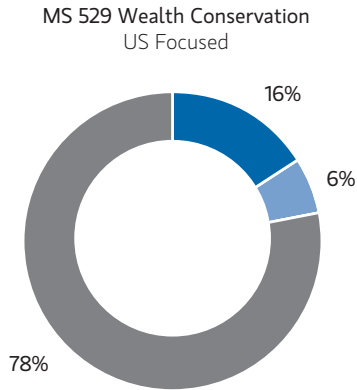
GIC Tactical Asset Allocation Models

AS OF DECEMBER 31, 2025	WEALTH CONSERVATION	INCOME	BALANCED GROWTH	MARKET GROWTH	OPPORTUNISTIC GROWTH	EQUITY
U.S. Equity	16%	28%	37%	47%	56%	68%
Large Cap Equity	14%	23%	31%	39%	47%	57%
Small-Mid Cap Equity	2%	5%	6%	8%	9%	11%
International Equity	6%	11%	16%	21%	26%	32%
International Equity	4%	7%	10%	13%	16%	20%
Emerging Markets Equity	2%	4%	6%	8%	10%	12%
Fixed Income	78%	61%	47%	32%	18%	0%
Core Fixed Income	56%	45%	36%	25%	14%	–
International Fixed Income	7%	5%	3%	3%	2%	–
High Yield Fixed Income	2%	2%	2%	2%	1%	–
Inflation-Linked Fixed Income	–	–	–	–	–	–
Ultra-Short Term Fixed Income	13%	9%	6%	2%	1%	–

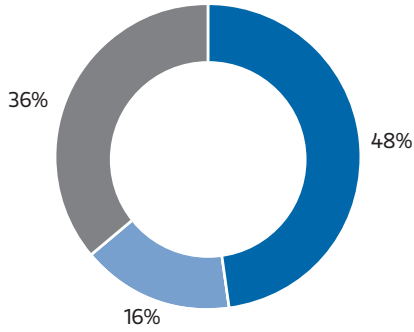
CONSERVATIVE FIXED INCOME

Fixed Income	100%
Core Fixed Income Fund	30%
Ultra-Short Term Fixed Income Fund	70%

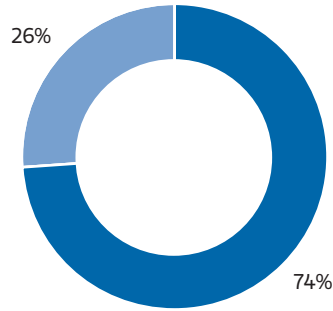
Allocation of Investment Options Continued



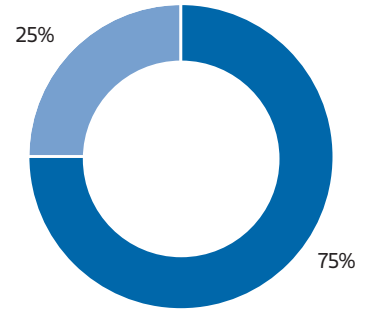
MS 529 Market Growth
US Focused



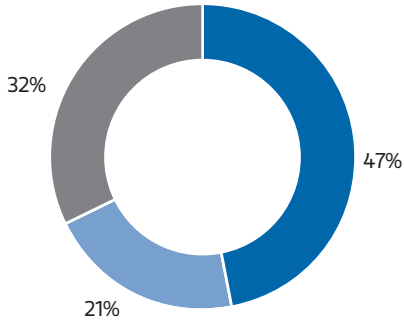
MS 529 Opportunistic Growth
US Focused



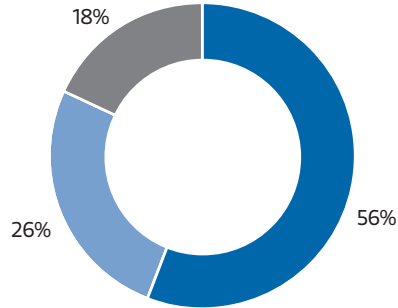
MS 529 Equity
US Focused



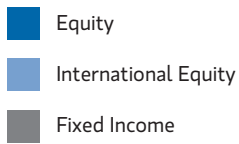
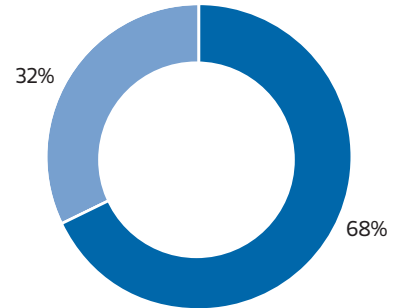
MS 529 Market Growth
Tactical



MS 529 Opportunistic Growth
Tactical



MS 529 Equity
Tactical



Plan Investment Options

Investment Options

Each Account Owner may select one Investment Option per Beneficiary, offered through a Financial Advisor in the MS Advisory 529 Plan for each Account, based upon the goals for such Account. Each Investment Option is composed of Units of up to nine MS 529 Funds, and each MS 529 Fund in turn invests of its assets in one of nine Morgan Stanley Pathway Funds (“Pathway Funds”). The Pathway Funds provide exposure to different asset classes utilizing various investment managers selected by an affiliate of Morgan Stanley to create a diversified portfolio.

There are currently 13 Investment Options, consisting of portfolios representing different risk-level models, ranging from conservative allocations (Conservative Fixed Income) to aggressive allocations. Account Owners should consult with their Morgan Stanley Financial Advisor to determine which of the Investment Options is most appropriate for you.

Unless amended by the Internal Revenue Code, guidance from the IRS or other applicable Federal authority, **current IRS guidelines specify an Account Owner may generally only change their Investment Option selection for funds in their Account up to twice (2) per calendar year, except when accompanied by a Beneficiary change.**

The Investment Options available for selection by an Account Owner are as follows:

- *MS 529— Conservative Fixed Income* Designed to preserve capital with low volatility. This portfolio may be appropriate for clients with very conservative risk profiles who are looking for near-term liquidity. This Investment Option prioritizes preservation of capital. This portfolio uses only fixed income MS 529 Funds and its benchmarked composition is 30% Bloomberg Barclays U.S. Aggregate Bond Index and 70% FTSE 3-Month T-Bill Index.
- *MS 529— Tactical Wealth Conservation.* Designed to be appropriate for clients with a conservative risk tolerance and the need to prioritize preservation of purchasing power. A conservative asset allocation may generally be expected to exhibit lower price volatility as measured by the standard deviations of annual returns from the portfolio and generally seeks to generate a somewhat greater proportion of its returns from income as compared with capital gains. This portfolio takes a tactical view on the markets, generally a one-year time horizon, and incorporates the current and projected financial and economic environment; risk estimates in the global asset markets; and other fundamental, valuation and psychological/ technical/liquidity issues. Tactical portfolios can rebalance more frequently (generally up to 4x per year). The benchmark for this portfolio has an allocation of 65% Bloomberg Barclays U.S. Aggregate Bond Index, 15% FTSE 3 Month T-Bill Index and 20% MSCI All Country World Index (net).
- *MS 529— Tactical Income* Designed to be appropriate for clients who have a moderately conservative risk tolerance and wish to generate steady income from their portfolio while tempering the risk that comes with more growth-oriented allocations. This portfolio takes a Tactical view on the markets, generally a one-year time horizon, and incorporates the current and projected financial and economic environment; risk estimates in the global asset markets; and other fundamental, valuation and psychological/technical/liquidity issues. Tactical portfolios can rebalance more frequently (generally up to 4x per year). The benchmark for this portfolio has an allocation of 55% Bloomberg Barclays U.S. Aggregate Bond Index, 10% FTSE 3 Month T-Bill Index and 35% MSCI All Country World Index (net).
- *MS 529— Tactical Balanced Growth* Designed to be appropriate for clients who have a moderate risk tolerance and are able to tolerate moderate volatility. This portfolio takes a Tactical view on the markets generally a one year time horizon and incorporates the current and projected financial and economic environment; risk estimates in the global asset markets; and other fundamental, valuation, and psychological/technical/liquidity issues. Tactical portfolios can rebalance more frequently (generally up to 4x per year). The benchmark for this portfolio has an allocation of 45% Bloomberg Barclays U.S. Aggregate Bond Index, 5% FTSE 3 Month T-Bill Index and 50% MSCI All Country World Index (net).
- *MS 529— Tactical Market Growth* Designed to be appropriate for clients who have a moderate-to-aggressive risk tolerance and are able to tolerate moderate-to-high volatility. This portfolio takes a Tactical view on the markets, generally a one-year time horizon, and incorporates the current and projected financial and economic environment; risk estimates in the global asset markets; and other fundamental, valuation and psychological/technical/liquidity issues. Tactical portfolios can rebalance more frequently (generally up to 4x per year). The benchmark for this portfolio has an allocation of 35% Bloomberg Barclays U.S. Aggregate Bond Index, and 65% MSCI All Country World Index (net).
- *MS 529— Tactical Opportunistic Growth* Designed to be appropriate for clients with an aggressive risk tolerance and are able to tolerate high volatility. An Opportunistic Asset Allocation risk profile style may generally be expected to exhibit higher price volatility as measured by the standard deviations of annual returns from the portfolio and generally seeks to generate a somewhat lower proportion of its returns from income as compared with capital gains. This portfolio takes a Tactical view on the markets, generally a one-year time horizon, and incorporates the current and projected

financial and economic environment; risk estimates in the global asset markets; and other fundamental, valuation and psychological/technical/liquidity issues. Tactical portfolios can rebalance more frequently (generally up to 4x per year). The benchmark for this portfolio has an allocation of 20% Bloomberg Barclays U.S. Aggregate Bond Index, and 80% MSCI All Country World Index (net).

- *MS 529—Tactical Equity*. Designed to be appropriate for clients with an aggressive risk tolerance and who are able to tolerate high volatility. An Equity asset allocation risk profile style may generally be expected to exhibit higher price volatility as measured by the standard deviations of annual returns from the portfolio and generally seeks to generate a somewhat lower proportion of its returns from income as compared with capital gains. This portfolio takes a Tactical view on the markets, generally a one-year time horizon, and incorporates the current and projected financial and economic environment; risk estimates in the global asset markets; and other fundamental, valuation and psychological/technical/liquidity issues. Tactical portfolios can rebalance more frequently (generally up to 4x per year). The benchmark for this portfolio is the MSCI All Country World Index (net).

- *MS 529—U.S. Focused Wealth Conservation* Designed to be appropriate for clients with a conservative risk tolerance and the need to prioritize preservation of purchasing power. A conservative asset allocation may generally be expected to exhibit lower price volatility as measured by the standard deviations of annual returns from the portfolio and generally seeks to generate a somewhat greater proportion of its returns from income as compared with capital gains. The U.S. Focused portfolios leverage Morgan Stanley's capital market assumptions but create a home country bias to the portfolios to allow for more domestic-focused portfolios while leveraging our firm's asset allocation guidance. The equity portion of these portfolios has a target of approximately a 70% U.S. equity exposure and 30% non-U.S. equity. The portfolio is built using a seven-year time horizon with one asset class rebalancing per year. The benchmark for this portfolio has an allocation of 65% Bloomberg Barclays U.S. Aggregate Bond Index, 15% FTSE 3 Month T-Bill Index, 14% Russell 3000 Index and 6% MSCI All Country World Index ex U.S. (net).

- *MS 529—U.S. Focused Income* Designed to be appropriate for clients who have a moderately conservative risk tolerance and wish to generate steady income from their portfolio while tempering the risk that comes with more growth-oriented allocations. The U.S. Focused portfolios leverage Morgan Stanley's capital market assumptions but create a home country bias to the portfolios to allow for more domestic focused portfolios while leveraging our firm's asset allocation guidance. The equity portion of these portfolios

has a target of approximately a 70% U.S. equity exposure and 30% non-U.S. equity. The portfolio is built using a seven-year time horizon with one asset class rebalancing per year. The benchmark for this portfolio has an allocation of 55% Bloomberg Barclays U.S. Aggregate Bond Index, 10% FTSE 3 Month T-Bill Index, 25% Russell 3000 Index and 10% MSCI All Country World Index ex U.S. (net).

- *MS 529—U.S. Focused Balanced Growth* Designed to be appropriate for clients who have a moderate risk tolerance and are able to tolerate moderate volatility. The U.S. Focused portfolios leverage Morgan Stanley's capital market assumptions but create a home country bias to the portfolios to allow for more domestic-focused portfolios while leveraging our firm's asset allocation guidance. The equity portion of these portfolios has a target of approximately a 70% U.S. equity exposure and 30% non-U.S. equity. The portfolio is built using a seven-year time horizon with one asset class rebalancing per year. The benchmark for this portfolio has an allocation of 45% Bloomberg Barclays U.S. Aggregate Bond Index, 5% FTSE 3 Month T-Bill Index, 35% Russell 3000 Index and 15% MSCI All Country World Index ex U.S. (net).

- *MS 529—U.S. Focused Market Growth* Designed to be appropriate for clients who have a moderate-to-aggressive risk tolerance and are able to tolerate moderate-to-high volatility. The U.S. Focused portfolios leverage Morgan Stanley's capital market assumptions but create a home country bias to the portfolios to allow for more domestic-focused portfolios while leveraging our firm's asset allocation guidance. The equity portion of these portfolios has a target of approximately a 70% U.S. equity exposure and 30% non-U.S. equity. The portfolio is built using a seven-year time horizon with one asset class rebalancing per year. The benchmark for this portfolio has an allocation of 35% Bloomberg Barclays U.S. Aggregate Bond Index, 45% Russell 3000 Index and 20% MSCI All Country World Index ex U.S. (net).

- *MS 529—U.S. Focused Opportunistic Growth* Designed to be appropriate for clients with an aggressive risk tolerance and are able to tolerate high volatility. An Opportunistic Asset Allocation risk profile style may generally be expected to exhibit higher price volatility as measured by the standard deviations of annual returns from the portfolio and generally seeks to generate a somewhat lower proportion of its returns from income as compared with capital gains. The U.S. Focused portfolios leverage Morgan Stanley's capital market assumptions but create a home country bias to the portfolios to allow for more domestic-focused portfolios while leveraging our firm's asset allocation guidance. The equity portion of these portfolios has a target of approximately a 70% U.S. equity exposure and 30% non-U.S. equity. The portfolio is built using a seven-year time horizon with one

asset class rebalancing per year. The benchmark for this portfolio has an allocation of 20% Bloomberg Barclays U.S. Aggregate Bond Index, 56% Russell 3000 Index and 24% MSCI All Country World Index ex U.S. (net).

- *MS 529—U.S. Focused Equity*. Designed to be appropriate for clients with an aggressive risk tolerance and who are able to tolerate high volatility. An Equity asset allocation risk profile style may generally be expected to exhibit higher price volatility as measured by the standard deviations of annual returns from the portfolio and generally seeks to generate a somewhat lower proportion of its returns from income as compared with capital gains. The U.S. Focused portfolios leverage Morgan Stanley's capital market assumptions but create a home country bias to the portfolios to allow for more domestic-focused portfolios while leveraging our firm's asset allocation guidance. The portfolio has a target of approximately a 70% U.S. equity exposure and 30% non-U.S. equity. The portfolio is built using a seven-year time horizon with one asset class rebalancing per year. The benchmark for this portfolio has an allocation of 70% Russell 3000 Index and 30% MSCI All Country World Index ex U.S. (net).

Performance Indices

The indices selected by Morgan Stanley to measure performance are representative of broad asset classes. Morgan Stanley retains the right to change representative indices at any time. The indices are unmanaged. An investor cannot invest directly in an index. The volatility of the indices used for comparison may be materially different from that of actual Investment Options and MS 529 Funds associated with the Plan. Index returns consist of income and capital appreciation (or depreciation) and do not take into account fees, taxes or other charges that will apply when investing in securities and financial instruments such as by paying commissions, sales loads or other account fees, where applicable. Such fees and charges will reduce performance.

General Plan Risks and Specific Risks of Individual Investment Options

General Plan Risks

The Plan is designed to enable Account Owners to save for Qualified Education Expenses of their Accounts' Beneficiaries on a flexible basis that achieves certain tax savings in accordance with federal and state law. However, as is the case with most investment products, there are various risks associated with owning an Account in the Plan. Prospective Account Owners should carefully consider the matters presented in this part, as well as other information contained in this Plan Description, before deciding whether to open an Account. Participation in the Plan is at all times subject to, and the disclosure contained herein is qualified by, reference to the

State statutes governing the Authority, as a political subdivision of the State, and the Plan; the rules and regulations governing the Plan, including the Code, applicable federal regulations and any guidance issued by the IRS and Treasury; and any contracts related to the Plan.

You should carefully consider the information in this section as well as the other information in this Plan Description before making any decisions to establish an Account or make any contributions. The contents of this Plan Description should not be construed as legal, financial or tax advice. Prospective Account Owners should consult an attorney or a qualified financial or tax advisor with any legal, business or tax questions they may have.

In addition to the general risks associated with an investment in the Plan, certain Investment Options are subject to more and/ or different risks than others. You should weigh such specific risks associated with these Investment Options below with the understanding that these risks could arise at any time during the life of an Account. The risks associated with the Funds in which the Investment Options will invest are described in **Appendix A** and **Appendix B**.

Investment Objectives Risk

There is no guarantee that Morgan Stanley's judgment or investment decisions about particular securities, asset classes or Investment Options will necessarily produce the intended results, and you might not achieve the desired investment objectives.

No Guarantee of Principal or Earnings;

No Insurance The value of your Account may increase or decrease over time based on the performance the Investment Options that constitute your Account. It is possible that, at any given time, your Account value may be less than the total amount contributed. Neither Morgan Stanley nor the Authority is an insurer of, makes any guarantee of, or has any legal obligations to ensure, a particular level of investment return. You should be aware that you could lose all or a portion of your investment, depending on market conditions.

Neither the Authority, the State or any other affiliated or any other public entity is guaranteeing the principal or earnings in any Account and that any Contributions or Accounts may lose value and that nothing stated shall be construed to create any obligation of the Authority, the State Treasurer, the State, or any agency or instrumentality of the State to guarantee for the benefit of any parent, other interested party, or designated beneficiary the rate of return or other return for any contribution to the Trust Fund and the payment of interest or other return on any contribution to the Trust Fund.

Limited Investment Direction

The Investment Options are set forth in the Investment Policy, which has been approved by the Authority Board and

is subject to revision or modification by the Authority Board at its discretion, without prior notice to the Account Owner. The ongoing oversight of the Plan is the responsibility of the Authority, as trustee of the Trust Fund. An Account Owner may not direct how Investment Options are invested in underlying MS 529 Funds. In addition, Account Owners are limited under federal law to two changes per calendar year in their ability to direct a transfer of an Account, or a portion of an Account, invested in one Investment Option to another Investment Option of the Plan. Investment allocation changes to Investment Options recommended by Morgan Stanley and approved by the Authority Board that affect all Accounts in a particular Investment Options do not count toward your twice-per-calendar-year investment exchange limit.

Limited Liquidity

Investments in the Plan involves the risk of reduced liquidity regarding your investment. Investments in Section 529 Plans are considered less liquid than other types of investments (e.g., investments in mutual fund shares) because the circumstances in which an Account owner may withdraw money from a Section 529 Plan account without a penalty or adverse tax consequences are significantly more limited. After an Account is established, the Account Owner may only request Withdrawals in limited circumstances without incurring federal and state tax liability on any investment earnings, including the 10% additional federal tax on Non-Qualified Withdrawals. See “Federal and State Tax Treatment.”

Potential Changes to the Plan and Plan Termination

The Investment Options have been approved by the Authority Board and are subject to revision or modification by the Authority Board at its discretion. In addition, the Authority’s Management Agreement with Morgan Stanley has stated terms and may be renewed only upon certain conditions. There can be no assurance that the Management Agreement will be renewed at the expiration of its term. In addition, under certain circumstances, either the Authority or Morgan Stanley may terminate the Management Agreement prior to its expiration date. If the Management Agreement is terminated, Account Owners will have to choose a different 529 Plan in which to rollover their Accounts within one year of the termination date or automatically be transferred to the North Carolina Direct Plan. See “Rollovers—Terminations.”

The specific allocations of MS 529 Funds in which the Investment Options in an Account are invested are subject to change without the consent of Account Owners. In addition, future increases in or additional Plan fees or expenses that apply to Contributions made before the effective date of the increases may make continued participation in the Plan less attractive.

Account Portability

The MS Advisory 529 Plan is only available to Morgan Stanley advisory account clients. The Account is not transferable to

any other financial intermediary, and it may not be maintained in a Morgan Stanley brokerage account. Therefore, upon termination of the advisory account status of the Account for any reason, whether at your election or otherwise, Account Owners will have the option of: (a) completing a Rollover to another 529 Plan offered by Morgan Stanley’s brokerage unit; (b) completing a Rollover to another 529 Plan not offered by Morgan Stanley; or (c) withdrawing the assets (including earnings) that the Account Owner has invested in the MS Advisory 529 Plan (which may result in adverse tax consequences. See “Rollovers—Terminations.”

Eligibility for Financial Aid

Similar to other assets owned by the Account Owner, the treatment of Account assets may have an adverse effect on your Beneficiary’s eligibility to receive assistance under various federal, state and institutional financial aid programs as an eligible asset of Account Owners for certain financial aid qualifications. Under current federal law, assets held in a Qualified Tuition Program account are a type of “qualified education benefit” for the purposes of determining a student’s eligibility for postsecondary financial aid. They are typically treated as owned by the student’s parent, if owned by such parent, in the federal financial needs analysis, regardless of whether the owner of the Qualified Tuition Program account is the dependent student or the dependent student’s parent. Accordingly, if a dependent student is the Account Owner or the Beneficiary of an Account, the Account assets will be considered parental assets, to the extent to which such assets and any other countable assets may exceed the “education savings and asset protection allowances” in the calculation of the “Student Aid Index” or SAI. Assets of non-parental owners such as grandparents or other owners that do not have a parental relationship with the beneficiary are generally excluded from the above EFC calculation.

No Guarantee That Investments Will Cover Qualified Education Expenses

There is no guarantee that the money in your Account will be sufficient to cover all of a Beneficiary’s Qualified Education or Qualified Higher Education Expenses, even if Contributions are made in the maximum allowable amount for the Beneficiary. The future rate of increase in Qualified Education Expenses is uncertain and could exceed the rate of investment return earned by an Account over any relevant period of time.

No Guarantee of Admittance

Participation in the Plan does not guarantee or otherwise provide a commitment that the Beneficiary will be admitted to, allowed to continue to attend, or receive a degree from any educational institution. Participation in the Plan also does not guarantee that a Beneficiary will be treated as a state resident of any state, including the State, for tuition or any other purpose.

Changes in Federal or State Law Governing the Plan

The Authority may alter the terms and conditions of the Plan or amend the Plan's Operating Procedures without the consent of the Account Owners and the Beneficiaries to the extent required to achieve or preserve the Plan's status as a Qualified Tuition Program under Section 529 or for any other reason the Authority deems necessary. Such alterations, if required, may impose additional requirements on the Account Owner, limit the flexibility of the Plan, or otherwise modify terms and conditions that the Account Owner considers important. In the event the Plan fails to qualify, or loses its qualification, as a Qualified Tuition Program under Section 529, the income, estate, gift and generation-skipping transfer tax consequences of Contributions to the Plan, and the earnings thereon, may be substantially less favorable than those described in this Plan Description.

In addition, federal and State law governing the Plan may change. Both federal and state laws pertaining to the funding of higher education expenses and relevant tax matters are subject to change. Moreover, because individual income for state income tax purposes is generally calculated as it is under the Code, with certain specific modifications and adjustments, any changes in the federal tax law would likely have an impact on the State income tax consequences for Account Owners and Beneficiaries under the Plan. The Authority and Morgan Stanley cannot provide any assurance that such changes will not adversely affect the Plan.

Not a Direct Investment in Mutual Funds, ETFs or Registered Securities

Although Contributions invested in the Plan are invested in Units of the MS 529 Funds associated with each Investment Option designated by Account Owners, an investment in the Plan represents an interest in the Trust Fund and not an interest or share in the underlying Pathway Funds. Units represent interests in the Trust Fund and are not registered with the Securities and Exchange Commission or any state, nor are the Trust Fund, the Plan, the Units, or the Investment Options registered as investment companies with the Securities and Exchange Commission or any state.

Education Savings and Investment Alternatives

Various Qualified Tuition Programs other than the Plan, including programs designed to provide prepaid tuition and certain other education expenses, are currently available as are other education savings and investment vehicles. These alternatives involve different features and options than are available through the Plan, and may entail different tax and other consequences and features, as well as fees, transaction charges and expenses that are greater or less than the fees, transaction charges and expenses applicable to Accounts. There is no guarantee that the Plan will offer the most appropriate features for any particular Account Owner, Beneficiary or other

person. A prospective Account Owner should carefully evaluate these other alternatives before opening an Account.

No Indemnification

None of the Authority, the Plan, the Trust Fund or Morgan Stanley will indemnify any Account Owner or Beneficiary against any losses or other claims arising from the official or unofficial acts, negligent or otherwise, of the Authority, the Plan or State employees.

Individual Investment Options Risk

Accounts are subject to a variety of investment risks that will vary depending upon the Investment Option selected by the Account Owner for the Account. These risks are derived from the risks associated with the underlying MS 529 Funds (and in turn Pathway Funds) in which each Investment Option invests. **Appendix A** and **Appendix B** discuss underlying Pathway Funds and the principal risks associated with each Pathway Fund.

Other Plan Information

Control Over the Account

Although any individual or entity may make Contributions to an Account, you, as the Account Owner, retain control of all Contributions made to an Account as well as all earnings credited to the Account up to the date they are directed for Withdrawal. A Beneficiary who is not the Account Owner never has control over any of the Account assets. Only you, as the Account Owner, will receive confirmation of Account transactions. Individuals or entities other than you that contribute funds to an Account will have no subsequent control over the Contributions; you control all Contributions made to an Account as well as all earnings credited to the Account. Only you, as the Account Owner, may direct transfers, rollovers, investment changes (as permitted under federal law), Withdrawals and changes in the Beneficiary.

Continuing Disclosure

To comply with Rule 15c2-12(b)(5) of the Securities Exchange Act of 1934 (the "Rule"), Morgan Stanley will make appropriate arrangements for the benefit of Account Owners to produce and disseminate certain financial information and operating data (the "**Annual Information**") relating to the Plan and notices of the occurrence of certain enumerated events as required by the Rule. They will make provision for the filing of the Annual Information with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (**EMMA**) system. They will also make appropriate arrangements to file notices of certain enumerated events with EMMA.

Independent Registered Public Accounting Firm

Morgan Stanley has contracted with an independent registered public accounting firm to prepare annual financial statements for the Plan. Morgan Stanley is to make the

Plan's financial statements for the most recent fiscal year-end available on EMMA.

Custodial Arrangements

The Bank of New York Mellon Corporation (“**Bank of New York Mellon**”) is the Plan's custodian. As such, Bank of New York Mellon is responsible for maintaining the Plan's assets.

No Assignment or Pledging

Under Section 529 and the rules governing the MS Advisory 529 Plan, neither an Account nor any interest in an Account may be assigned, pledged or transferred as security for a loan (including, but not limited to, a loan, the proceeds of which fund Contributions to the Account) or otherwise either by the Account Owner or the Beneficiary. This prohibition does not apply to the designation of a Successor Beneficiary or a Rollover as discussed above.

Creditor Protection

The laws of the State of North Carolina govern the MS Advisory 529 Plan. North Carolina statutes provide that funds located in a 529 account or funds withdrawn from such account and used for qualifying purposes under Section 529 of the Code shall not be subject to liens, attachment, garnishment, levies, seizure, any involuntary sale or assignment by law, or the enforcement of any judgment or claim to pay any debt or liability of the account owner, beneficiary or contributor to the account. Such protection does not apply to funds deposited to a 529 account as a result of fraud or other intentional wrongdoing or withdrawn and used for a non-qualified purpose.

Conflicts

In the event of any conflicts, the North Carolina statutes and the Code shall prevail over this Plan Description.

Contact Information

If you have any questions regarding the Plan or the details contained in this Plan Description, please contact your Morgan Stanley Financial Advisor or Private Wealth Advisor.

Privacy

The Authority and Morgan Stanley and other service providers for the Plan obtain certain nonpublic personal

information from Account Owners and Beneficiaries through various sources. For example, from an Account Owner's "Account Application," the Authority and Morgan Stanley know the Account Owner's name, address and Social Security number, and the corresponding information for the Beneficiary of the Account. The Authority and Morgan Stanley also know how each Account is invested or allocated, each Account balance, the frequency and amount of the Contributions in each Account, and the nature of all Withdrawals.

The nonpublic information obtained by the Authority and Morgan Stanley is protected by physical, electronic, and procedural safeguards. The Authority and Morgan Stanley also limit access to this nonpublic information to persons who need to know that information to perform Plan services.

The nonpublic personal information obtained by the Authority and Morgan Stanley is used to initiate and maintain Accounts and otherwise to operate the Plan. The Authority and Morgan Stanley may disclose the information collected, as described above, to third parties in order to administer the programs and services offered by the Plan. However, under these circumstances, the Authority and Morgan Stanley will require that the third party, as a condition of its contract with the Authority or Morgan Stanley, protect the confidentiality of all nonpublic personal information as required by law and limit the usage of such nonpublic personal information to the extent necessary to perform services in connection with the Plan. The Authority and Morgan Stanley require all of these persons to protect the confidentiality of nonpublic information.

Neither the Authority nor Morgan Stanley will otherwise provide nonpublic personal information to third parties, except to the attorneys, accountants or auditors who represent the Authority or Morgan Stanley or service providers thereto, and as otherwise permitted or required by law.

APPENDIX A

Underlying Morgan Stanley Fund Summaries

This Appendix A lists and describes certain information related to the investment objectives, principal investment strategies, principal risks, and performance of the underlying investment vehicles (the Morgan Stanley Pathway Funds) associated with the MS 529 Funds. The information below is not intended to be exhaustive.

Fund Lineup

Each of the MS 529 Funds invests its assets in one of the corresponding Morgan Stanley Pathway Funds as noted in the table, below. The Morgan Stanley Pathway Funds are a series of mutual funds and ETFs sub-advised by institutional-caliber managers selected by an affiliate of Morgan Stanley. Expenses below are current as of December 9th, 2025.

MS 529 FUND	UNDERLYING PATHWAY FUND	UNDERLYING MS 529 FUND EXPENSES	STATE FEE	TOTAL ANNUAL MS 529 FUND EXPENSES
Morgan Stanley 529 Large-Cap Equity Fund	Morgan Stanley Pathway Large-Cap Equity ETF	0.40%	0.10%	0.50%
Morgan Stanley 529 Small-Mid Cap Equity Fund	Morgan Stanley Pathway Small-Mid Cap Equity ETF	0.66%	0.10%	0.76%
Morgan Stanley 529 International Equity Fund	Morgan Stanley Pathway International Equity Fund	0.59%	0.10%	0.69%
Morgan Stanley 529 Emerging Markets Equity Fund	Morgan Stanley Pathway Emerging Markets Equity Fund	0.73%	0.10%	0.83%
Morgan Stanley 529 Core Fixed Income Fund	Morgan Stanley Pathway Core Fixed Income Fund	0.47%	0.10%	0.57%
Morgan Stanley 529 High-Yield Fixed Income Fund	Morgan Stanley Pathway High-Yield Fixed Income Fund	0.82%	0.10%	0.82%
Morgan Stanley 529 International Fixed Income Fund	Morgan Stanley Pathway International Fixed Income Fund	1.07%	0.10%	1.17%
Morgan Stanley 529 Inflation-Linked Fixed Income Fund	Morgan Stanley Pathway Inflation-Linked Fixed Income Fund	2.31%	0.10%	2.41%
Morgan Stanley 529 Ultra-Short Term Fixed Income Fund	Morgan Stanley Pathway Ultra-Short Term Fixed Income Fund	0.52%	0.10%	0.62%

Morgan Stanley Pathway Large-Cap Equity ETF

Investment objective. Capital appreciation.

Principal investment strategies. The ETF will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in the equity securities of large-capitalization (or “cap”) companies or in other investments with similar economic characteristics. The ETF defines large-cap companies as companies whose market capitalizations typically fall within the range of the Russell 1000® Index. The market capitalization of the companies in large-cap market indices and the ETF’s portfolio changes over time. The ETF may invest up to 10% of its assets in the securities of foreign issuers that are not traded on a U.S. exchange or the U.S. over-the-counter market.

Principal risks. Loss of money is a risk of investing in the Fund. The Fund principal risks include: market risk, equity risk,

exchange-traded funds risk, investment-style risk, foreign investment risk, securities lending risk, manager risk, multi-manager risk, issuer risk and sector risk.

For current performance information, visit www.morganstanley.com/wealth-investmentsolutions/cgcm.

Morgan Stanley Pathway Small-Mid Cap Equity ETF

Investment objective. Capital appreciation.

Principal investment strategies. The ETF will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in the equity securities of small-mid capitalization (or “cap”) companies or in other investments with similar economic characteristics. The ETF defines small-mid cap companies as companies with market caps not exceeding the highest month-end market cap value of any stock in the Russell 2500® or Russell Mid Cap Index for the previous 12 months, whichever is greater. The ETF may invest up

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to 10% of its assets in the securities of foreign issuers that are not traded on a U.S. exchange or the U.S. over-the-counter market.

Principal risks. Loss of money is a risk of investing in the ETF. The ETF's principal risks include: market risk, equity risk, exchange-traded funds risk, investment style risk, small-mid cap risk, foreign investment risk, securities lending risk, manager risk, multi-manager risk, issuer risk and sector risk.

For current performance information, visit www.morganstanley.com/wealth-investmentsolutions/cgcm.

Morgan Stanley Pathway International Equity Fund

Investment objective. Capital appreciation.

Principal investment strategies. The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in the equity securities of companies located outside the U.S. The Fund focuses on companies located in developed markets but also may invest a portion of its assets in securities of companies located in emerging markets. The Fund intends to diversify its assets by investing primarily in securities of issuers located in at least three foreign countries. The Fund may attempt to hedge against unfavorable changes in currency exchange rates by engaging in forward-currency transactions or currency swaps, and trading currency futures contracts and options on these futures. However, a sub-adviser may choose not to, or may be unable to, hedge the Fund's currency exposure.

Principal risks. Loss of money is a risk of investing in the Fund. The Fund's principal risks include: market risk, equity risk, foreign investment risk, currency risk, forwards, futures, options and swaps risk, emerging markets risk, small and mid-cap risk, securities lending risk, manager risk, multi-manager risk, LIBOR transition risk, issuer risk and sector risk.

For current performance information visit www.morganstanley.com/wealth-investmentsolutions/cgcm.

Morgan Stanley Pathway Emerging Markets Equity Fund

Investment objective. Long-term capital appreciation.

Principal investment strategies. The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in equity securities of issuers organized, domiciled or with substantial operations in emerging markets countries, which are defined as countries included in an emerging markets index by a recognized index provider, such as the MSCI Emerging Markets Index (Net), or characterized as developing or emerging by any of the World Bank, the United Nations, the International Finance Corporation or the European Bank for Reconstruction and Development. Certain emerging market countries may also be classified as "frontier" market countries, which are a subset of emerging countries with even smaller national economies. To diversify its investments, the Fund invests primarily in securities

of issuers located in at least three foreign countries. The Fund also may invest a portion of its assets in closed-end investment companies that invest in emerging markets.

Principal risks. Loss of money is a risk of investing in the Fund. The Fund's principal risks include: market risk, equity risk, foreign investment risk, emerging markets and frontier markets risk, currency risk, futures and options risk, closed-end investment company risk, securities lending risk, strategy risk, manager risk, multi-manager risk, issuer risk, LIBOR transition risk and sector risk.

For current performance information, visit www.morganstanley.com/wealth-investmentsolutions/cgcm.

Morgan Stanley Pathway Core Fixed Income Fund

Investment objective. Maximum total return, consistent with preservation of capital and prudent investment management.

Principal investment strategies. The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income instruments. Fixed income instruments include securities issued or guaranteed by the U.S. government, its agencies, or government-sponsored enterprises (note that securities issued by U.S. Government agencies or government-sponsored enterprises may not be guaranteed by the U.S. Treasury); corporate debt securities of U.S. and non-U.S. issuers, including convertible securities and corporate commercial paper; mortgage-backed and other asset-backed securities; inflation-indexed bonds issued both by governments and corporations; structured notes, including hybrid or "indexed" securities and event-linked bonds; loan participations and assignments; delayed funding loans and revolving credit facilities; bank certificates of deposit, fixed time deposits and bankers' acceptances; repurchase agreements on fixed income instruments and reverse repurchase agreements on fixed income instruments; debt securities issued by states or local governments and their agencies, authorities and other government-sponsored enterprises; obligations of non-U.S. governments or their subdivisions, agencies and government-sponsored enterprises; and obligations of international agencies or supranational entities.

Principal risks. Loss of money is a risk of investing in the Fund. The Fund's principal risks include: market risk, interest rate risk, credit and junk bond risk, prepayment and extension risks, U.S. Government securities risk, convertible and preferred securities risk, mortgage-backed securities risk, asset-backed securities risk, portfolio turnover risk, liquidity risk, derivatives risk, leverage risk, foreign investment risk, emerging markets risk, currency risk, short sale risk, securities lending risk, delayed funding loans and revolving credit facilities risk, event-linked exposure risk, repurchase agreements and reverse repurchase agreements risk, LIBOR transition risk, manager risk, multi-manager risk, issuer risk and exchange-traded funds risk.

For current performance information, visit www.morganstanley.com/wealth-investmentsolutions/cgcm.

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Morgan Stanley Pathway High-Yield Fund

Investment objective. A high level of current income primarily through investment in below-investment-grade debt securities.

Principal investment strategies. The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in U.S. dollar-denominated high-yield fixed income securities of corporate issuers rated below investment grade by two or more nationally recognized statistical rating organizations (commonly called “junk bonds”), or, if unrated, of equivalent quality as determined by the sub-advisers. These securities include all types of debt obligations, such as corporate bonds and notes, collateralized mortgage obligations and variable and floating rate securities. The Fund may invest up to 20% of its assets in securities not denominated in U.S. dollars, including securities of issuers located in emerging market foreign countries. The Fund also may invest up to 20% of its assets in equity and equity-related securities, including common stock, convertible securities, preferred stock, warrants and rights.

Principal risks. Loss of money is a risk of investing in the Fund. The Fund’s principal risks include: market risk, derivatives risk, equity risk, interest rate risk, credit and junk bond risk, prepayment and extension risks, mortgage-backed securities risk, asset-backed securities risk, liquidity risk, LIBOR transition risk, foreign investment risk, emerging markets risk, currency risk, convertible and preferred securities risk, short sale risk, securities lending risk, manager risk, multi-manager risk, issuer risk and leverage risk.

For current performance information, visit www.morganstanley.com/wealth-investmentsolutions/cgcm.

Morgan Stanley Pathway International Fixed Income Fund

Investment objective. Maximize current income, consistent with the protection of principal.

Principal investment strategies. The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income instruments. The Fund invests primarily in fixed income instruments of issuers located outside the U.S. and up to 15% of the Fund’s total assets may be invested in issuers located in emerging markets countries. The fixed income instruments in which the Fund may invest include securities issued or guaranteed by the U.S. government, its agencies, or government-sponsored enterprises (note that securities issued by U.S. Government agencies or government-sponsored enterprises may not be guaranteed by the U.S. Treasury); corporate debt securities of U.S. and non-U.S. issuers, including preferred and convertible securities and corporate commercial paper; mortgage-backed and other asset-backed securities; inflation-indexed bonds issued both by governments and corporations; structured notes, including hybrid or “indexed” securities and event-linked bonds;

loan participations and assignments; delayed funding loans and revolving credit facilities; bank loans; bank certificates of deposit, fixed time deposits and bankers’ acceptances; repurchase agreements on fixed income instruments and reverse repurchase agreements on fixed income instruments; debt securities issued by foreign sovereigns, states or local governments and their agencies, authorities, and other government-sponsored enterprises; obligations of non-U.S. governments or their subdivisions, agencies and government-sponsored enterprises; and obligations of international agencies or supranational entities.

Principal risks. Loss of money is a risk of investing in the Fund. The Fund’s principal risks include: market risk, interest rate risk, portfolio turnover risk, credit and junk bond risk, prepayment and extension risks, mortgage-backed securities risk, asset-backed securities risk, convertible and preferred securities risk, derivatives risk, delayed funding loans and revolving credit facilities risk, event-linked exposure risk, foreign investment risk, emerging markets risk, currency risk, short sale risk, liquidity risk, securities lending risk, manager risk, equity risk, LIBOR transition risk, issuer risk, leverage risk and foreign sovereign debt securities risk.

For current performance information, visit www.morganstanley.com/wealth-investmentsolutions/cgcm.

Morgan Stanley Pathway Inflation-Linked Fixed Income Fund

Investment objective. Total return that exceeds the rate of inflation over an economic cycle.

Principal investment strategies. Under normal market conditions, the Fund will invest at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income securities. The Fund seeks to allocate assets among investments to achieve the highest level of real return (total return less the rate of inflation). The Fund will shift its investments among the following general asset classes: inflation-indexed securities issued by governments, corporations and municipal issuers; investment-grade fixed income securities and high-yield fixed income securities (i.e., junk bonds) issued by governments, corporation, and municipal issuers; and short-term non-dollar-denominated debt securities. The Fund may also, to a lesser extent, invest in equity securities with high correlation to broad measures of inflation.

Principal risks. Loss of money is a risk of investing in the Fund. The Fund’s principal risks include: interest rate risk, call risk, credit risk, high yield risk, market risk, issuer risk, liquidity risk, derivatives risk, LIBOR transition risk, equity risk, mortgage-related and other asset-backed securities risk, asset-backed securities risk, foreign (non-U.S.) investment risk, emerging markets risk, sovereign debt risk, currency risk, leveraging risk, short sale risk, and portfolio turnover risk.

For current performance information, visit www.morganstanley.com/wealth-investmentsolutions/cgcm.

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Morgan Stanley Pathway Ultra-Short Term Fixed Income Fund

Investment objective. Total return, consistent with preservation of capital.

Principal investment strategies. The Fund will invest, under normal market conditions, at least 80% of its net assets (plus the amount of any borrowing for investment purposes) in fixed income instruments with maturities of less than or equal to two years. Under normal market conditions, the Fund invests primarily in investment-grade securities and will seek to maintain an average portfolio duration of two years or less. The Fund seeks to outperform the FTSE 3-Month U.S. Treasury Bill Index over a full market cycle while maintaining overall risk similar to the index. The Fund will invest in government and corporate debt securities, mortgage- and asset-backed securities, money market instruments, collateralized loan obligations (CLOs), and derivatives, including futures contracts, forward contracts (such as currency and cross-currency forwards),

options and swaps (such as interest rate swaps and credit default swaps). The Fund may invest up to 20% of net assets in securities rated below investment grade. It may also invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. Under normal market conditions, the Fund will seek to limit its foreign currency exposure to 20% of its total assets.

Principal risks. Loss of money is a risk of investing in the Fund. The Fund's principal risks include: interest rate risk, call risk, credit risk, high yield risk, market risk, issuer risk, liquidity risk, derivatives risk, LIBOR transition risk, securities lending risk, equity risk, mortgage-related and other asset-backed securities risk, U.S. Government securities risk, money market securities risk, foreign (non-U.S.) investment risk, currency risk, leveraging risk, short sale risk and collateralized loan obligations risk.

For current performance information visit www.morganstanley.com/wealth-investmentsolutions/cgcm.

Fund Performance

AS OF 12/31/2025	AVERAGE ANNUAL RETURNS ¹					
	1 YEAR		3 YEARS		SINCE INCEPTION	
	TACTICAL	US FOCUS	TACTICAL	US FOCUS	TACTICAL	US FOCUS
Wealth Conservation						
Gross	9.17%	9.01%	7.18%	8.53%	2.50%	2.88%
Net of Max Advisory Fee	7.02%	6.86%	5.06%	6.39%	0.47%	0.84%
Income						
Gross	11.51%	11.01%	8.88%	9.94%	3.56%	4.06%
Net of Max Advisory Fee	9.32%	8.83%	6.74%	7.78%	1.51%	2.01%
Balanced Growth						
Gross	13.70%	13.05%	10.35%	11.25%	4.55%	5.06%
Net of Max Advisory Fee	11.47%	10.83%	8.18%	9.07%	2.48%	2.98%
Market Growth						
Gross	15.76%	14.73%	12.59%	13.20%	5.72%	6.16%
Net of Max Advisory Fee	13.49%	12.48%	10.38%	10.98%	3.63%	4.07%
Opportunistic Growth						
Gross	17.72%	16.97%	14.46%	14.83%	7.70%	8.10%
Net of Max Advisory Fee	15.41%	14.68%	12.21%	12.58%	5.58%	5.97%
All Equity						
Gross	20.38%	19.48%	17.65%	18.04%	8.88%	9.71%
Net of Max Advisory Fee	18.03%	17.15%	15.35%	15.73%	6.73%	7.55%
Conservative Fixed Income						
Gross	5.51%		5.19%		2.35%	
Net of Max Advisory Fee	3.43%		3.12%		0.32%	

* Assumes the maximum advisory fee of 2.00% is assessed

^o Inception date 7/20/2020

¹ 5 and 10 year performance is not yet available

APPENDIX B

Underlying Morgan Stanley Funds Risk Profile

This Appendix B lists and describes certain principal risks of the underlying investment vehicles (the Morgan Stanley Pathway Funds) associated with the Investment Options via the MS 529 Funds. The information below is not intended to be exhaustive. For additional information regarding the risks associated with an investment in a Fund, please visit www.morganstanley.com/wealth-investmentsolutions/cgcm.

Asset-Backed Securities Risk. Exists when a Fund invests in asset-backed securities which are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. Asset-backed securities are subject to many of the same risks as mortgage-backed securities including prepayment and extension risk. The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited.

Call Risk. The risk that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that a Fund has invested in, a Fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

Closed-End Investment Company Risk. Since closed-end investment companies issue a fixed number of shares they typically trade on a stock exchange or over-the-counter at a premium or discount to their net asset value per share. A Fund will also bear its pro rata portion of any costs of a closed-end fund in which it invests.

Collateralized Loan Obligations Risk. Collateralized loan obligations ("CLOs") are a type of asset-backed security that is typically structured as a trust collateralized by a pool of loans. The cash flows from the trust are split into two or more portions, called tranches, varying in risk and yield. The risks of an investment in a CLO depend largely on the type of the collateral securities and the class of the instrument in which a Fund invests. In addition to the normal risks associated with fixed income securities, CLOs carry additional risks including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) a Fund may invest in CLOs that are subordinate to other classes; and (iv) the complex structure of the security may not be fully understood at the time of

investment and may produce disputes with the issuer or unexpected investment results.

Convertible and Preferred Securities Risk. Convertible and preferred securities have many of the same characteristics as stocks, including many of the same risks. In addition, convertible securities may be more sensitive to changes in interest rates than stocks. Convertible securities may also have credit ratings below investment grade, meaning that they carry a higher risk of failure by the issuer to pay principal and/or interest when due.

Credit and Junk Bond Risk. The credit quality of an investment could cause a Fund to lose money. Non-investment grade securities (sometimes called "high yield securities" or "junk bonds") involve greater risks of default or downgrade, are more volatile and may be more susceptible than other issuers to economic downturns. Such securities are subject to the risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity, which could substantially adversely affect the market value of the securities.

Credit Risk. The risk that a Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations.

Currency Risk. Refers to the risk that as a result of a Fund's investments in securities denominated in, and/or receiving revenues in, foreign currencies, those currencies will decline in value relative to the U.S. dollar or, in the case of hedged positions, the U.S. dollar will decline in value relative to the currency hedged.

Delayed Funding Loans and Revolving Credit Facilities Risk. A Fund's investments in delayed funding loans and revolving credit facilities may have the effect of requiring a Fund to increase its investment in a company at a time when it might not otherwise decide to do so. Delayed funding loans and revolving credit facilities are subject to credit, interest rate and liquidity risk and the risks of being a lender.

Derivatives Risk. A Fund's use of futures, forwards, options, swaps and swaptions based on fixed income instruments to enhance returns or hedge against market declines subjects a Fund to potentially greater volatility and/or losses. Even a small investment in futures, forward, options, swaps, and swaptions can have a large impact on a Fund's interest rate, securities market, and currency exposure. Therefore, using futures, forward, options, swaps and swaptions can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. A Fund may not fully benefit from or may lose money on its investment in futures, forward, options, swaps and swaptions if changes in their value do not correspond accurately to changes in the

value of a Fund's holdings. The other party to certain futures, forwards, options, swaps and swaptions presents the same types of credit risks as issuers of fixed income securities. Investing in futures, forwards, options, swaps and swaptions can also make a Fund's assets less liquid and harder to value, especially in declining markets.

Derivatives Risk (Ultra Short-Term Bond Fund and Inflation-Linked Fixed Income Fund). The risk of investing in derivative instruments (such as forwards, futures, swaps, and structured securities), include liquidity, interest rate, market, and credit risks, each of which is described herein. Derivative instruments also may be difficult to accurately price due to their complexity, particularly derivative instruments that are traded off an exchange (also known as "over the counter"). Changes in the value of the derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and a Fund could lose more than the initial amount invested. A Fund's use of derivatives may result in losses to a Fund, a reduction in a Fund's returns and/or increased volatility. Over-the-counter derivatives are also subject to the risk that the other party in the transaction will not fulfill its contractual obligations. For derivatives traded on exchanges, the primary credit risk is the creditworthiness of a Fund's clearing broker or the exchange itself.

Emerging Markets Risk. Emerging markets countries, which are generally defined as countries that may be represented in a market index such as the MSCI Emerging Markets Index (Net) or having per capita income in the low to middle ranges, as determined by the World Bank. In addition to foreign investment and currency risks, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. Emerging market securities may present market, credit, liquidity, legal, political, and other risks different from, or greater than, the risks of investing in developed foreign countries. A Fund also could experience a loss from settlement and custody practices in some emerging markets.

Emerging Markets and Frontier Markets Risk. Emerging markets countries, which are generally defined as countries that may be represented in a market index such as the MSCI Emerging Markets Index (Net) or having per capita income in the low to middle ranges, as determined by the World Bank. Certain emerging market countries may also be classified as "frontier" market countries, which are a subset of emerging countries with even smaller national economies. In addition to foreign investment and currency risks, emerging markets may experience rising interest rates, or, more significantly, rapid inflation or hyperinflation. Emerging market securities may present market, credit, liquidity, legal, political, and other risks different from, or greater than, the risks of investing in developed foreign countries. A Fund also could experience a

loss from settlement and custody practices in some emerging markets. These risks tend to be even more prevalent in frontier market countries. The economies of frontier market countries tend to be less correlated to global economic cycles than the economies of more developed countries and their markets have lower trading volumes and may exhibit greater price volatility and illiquidity. A small number of large investments in these markets may affect these markets more than more developed markets. Frontier market countries may also be more affected by government activities than more developed countries. For example, the governments of frontier market countries may exercise substantial influence within the private sector or subject investments to government approval, and governments of other countries may impose or negotiate trade barriers, exchange controls, adjustments to relative currency values and other measures that adversely affect a frontier market country. Governments of other countries may also impose sanctions or embargoes on frontier market countries. Although all of these risks are generally heightened with respect to frontier market countries, they also apply to emerging market countries.

Equity Risk. The risk that the prices of equity securities rise and fall daily due to factors affecting individual companies, particular industries, or the equity market as a whole.

Event-Linked Exposure Risk. Event-linked exposure results in gains or losses that typically are contingent, or formulaically related to defined trigger events such as hurricanes, earthquakes, weather-related phenomena, or statistics relating to such events. If a trigger event occurs, a Fund may lose a portion of or the entire principal investment in the case of a bond or a portion of or the entire notional amount in the case of a swap. Event-linked exposure instruments often provide for an extension of maturity to process and audit loss claims where a trigger event has, or possibly has, occurred, such extension of maturity may increase volatility. Event-linked exposure may also expose a Fund to liquidity risk and certain unanticipated risks including credit risk, counterparty risk, adverse regulatory or jurisdictional interpretations, and adverse tax consequences.

Exchange-Traded Funds ("ETFs") Risk. The risk of owning shares of an ETF and the risks of owning the underlying securities that the ETF is designed to track. Further, the lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio securities. When a Fund invests in an ETF, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses.

Foreign Investment Risk. Risks unique to foreign securities, including less information about foreign issuers, less liquid securities markets, political instability, and unfavorable changes in currency exchange rates.

Foreign (Non-U.S.) Investment Risk. The risk that investing in foreign securities may result in a Fund experiencing more rapid and extreme changes in value than a fund that invests exclusively in securities of U.S. companies, due to smaller markets, differing reporting, accounting and auditing standards, increased risk of delayed settlement of portfolio transactions or loss of certificates of portfolio securities, and the risk of unfavorable foreign government actions, including nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments. Foreign securities may also be less liquid and more difficult to value than securities of U.S. issuers.

Foreign Sovereign Debt Securities Risk. Includes that (i) the governmental entity that controls the repayment of sovereign debt may not be willing or able to repay the principal and/or interest when it becomes due, due to factors such as debt service burden, political constraints, cash flow problems and other national economic factors; (ii) governments may default on their debt securities, which may require a Fund, as a holder of such securities, to participate in debt rescheduling or additional lending to defaulting governments; and (iii) there is no bankruptcy proceeding by which defaulted sovereign debt may be collected in whole or in part.

Forwards, Futures, Options and Swaps Risk. A Fund's use of forwards, futures, options, and swaps to enhance returns or hedge against market declines subjects a Fund to potentially greater volatility and/or losses. Even a small investment in forwards, futures, options, or swaps can have a large impact on a Fund's interest rate, securities market and currency exposure. Therefore, using forwards, futures, options, or swaps can disproportionately increase losses and reduce opportunities for gains when interest rates, stock prices or currency rates are changing. A Fund may not fully benefit from or may lose money on its investment in forwards, futures, options, or swaps if changes in their value do not correspond accurately to changes in the value of a Fund's holdings. Investing in forwards, futures, options, or swaps can also make a Fund's assets less liquid and harder to value, especially in declining markets. A Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued. *Futures and Options Risk.* A Fund's use of futures and options to enhance returns or hedge against market declines subjects a Fund to potentially greater volatility and/or losses. Even a small investment in futures or options can have a large impact on the currency exposure. Therefore, using futures or options can disproportionately increase losses and reduce opportunities for gains when currency rates are changing. A Fund may not fully benefit from or may lose money on its investment in futures or options if changes in their value do not correspond accurately to changes in the value of a Fund's holdings. Investing in futures or options can also make a Fund's assets less liquid and harder to value, especially in declining

markets. A Fund may hold illiquid securities that may be difficult to sell and may be required to be fair valued.

High-Yield Risk. The risk that high-yield securities and unrated securities of similar credit quality (commonly known as "junk bonds") are subject to greater levels of credit, call, and liquidity risks. High-yield securities are considered primarily speculative with respect to the issuer's continuing ability to make principal and interest payments, and may be more volatile than higher-rated securities of similar maturity.

Interest Rate Risk. The risk that interest rates rise and fall over time. When interest rates are low, a Fund's yield and total return also may be low. When interest rates rise, bond prices generally fall, which might cause a Fund's share price to fall. When a Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of a Fund's shares.

Investment Style Risk. Large cap and/or growth stocks could fall out of favor with investors and trail the performance of other types of investments.

Issuer Risk. The risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Leverage Risk. A Fund's use of leverage may exaggerate the effect of any increase or decrease in the value of the Fund's portfolio securities and cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to maintain asset coverage. A Fund's use of derivatives may result in a Fund's total investment exposure substantially exceeding the value of its portfolio securities and that a Fund's investment returns depending substantially on the performance of securities that a Fund may not directly own. A Fund's use of leverage may result in a heightened risk of investment loss.

Leveraging Risk. The risk that certain transactions of a Fund, such as reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, or derivative instruments, may give rise to leverage, magnifying gains and losses and causing a Fund to be more volatile than if it had not been leveraged. This means that leverage entails a heightened risk of loss.

LIBOR Transition Risk refers to the fact that a commonly used interest rate, the London Interbank Offered Rate ("LIBOR") rate may adversely affect the interest rates on, and value of, certain Fund investments that are tied to LIBOR. The U.K. Financial Conduct Authority ceased publishing all LIBOR

settings on a representative basis after June 30, 2023, although some USD LIBOR settings will continue to be published under a synthetic methodology until September 30, 2024 for certain legacy contracts. Alternatives to LIBOR are established or in development in most major currencies and markets are slowly responding to these new rates. It is difficult to predict the full impact of the transition away from LIBOR on a Fund.

Liquidity Risk, exists when securities are difficult or impossible for a Fund to sell at the time and the price that a Fund would like due to a limited market or to legal restrictions. These securities may also need to be fair valued.

Liquidity Risk (Ultra Short-Term Bond Fund and Inflation-Linked Fixed Income Fund). The risk that a particular investment may be difficult to purchase or sell and that a Fund may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector. Liquidity risk may result from the lack of an active market or reduced number and capacity of traditional market participants to make a market in fixed income securities, and may be magnified in a rising interest rate environment or other circumstances where investor redemptions from fixed income mutual funds may be higher than normal, causing increased supply in the market due to selling activity.

Manager Risk. The risk that poor security selection by a sub-adviser will cause a Fund to underperform. This risk is common for all actively managed funds.

Manager Risk (Alternative Strategies Fund). The risk that a poor selection of underlying funds by the Adviser will cause a Fund to underperform.

Market Risk (Equity). The risk that stock prices decline overall. Markets are volatile and can decline significantly in response to real or perceived adverse issuer, political, regulatory, market or economic developments in the U.S. and in other countries. Similarly, environmental, and public health risks, such as natural disasters, epidemics, pandemics, or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short and long-term. Market risk may affect a single company, a sector of the economy or the market as a whole.

Market Risk (fixed income). The risk that a Fund will be affected by broad changes in the fixed income markets. The prices of a Fund's fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. Generally, a Fund's fixed income securities will decrease in value if interest rates rise and vice versa. Declines in dealer market-making capacity as a result of structural or regulatory changes could decrease

liquidity and/or increase volatility in the fixed income markets. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar. In response to these events, a Fund's value may fluctuate and/or a Fund may experience increased redemptions from shareholders, which may impact a Fund's liquidity or force a Fund to sell securities into a declining or illiquid market. Environmental and public health risks, such as natural disasters, epidemics, pandemics or widespread fear that such events may occur, may impact markets adversely and cause market volatility in both the short- and long-term.

Money Market Securities Risk. An investment in a Fund is subject to the risk that the value of its investments in high-quality short-term obligations ("money market securities") may be subject to changes in interest rates, changes in the rating of any money market security and in the ability of an issuer to make payments of interest and principal.

Mortgage-Backed Securities Risk, exists when a Fund invests in mortgage-backed securities, which represent an interest in a pool of mortgages. Mortgage-backed securities are subject to prepayment and extension risk as well as the risk that underlying borrowers will be unable to meet their obligations.

Mortgage-Related and Other Asset-Backed Securities risk, the risks of investing in mortgage-related and other asset-backed securities, including interest rate risk, extension risk, prepayment risk, and credit risk.

Multi-Manager Risk, which is the risk that the investment styles of the sub-advisers may not complement each other as expected by the Manager. A Fund may experience a higher portfolio turnover rate, which can increase a Fund's transaction costs and result in more taxable short-term gains for shareholders.

Municipal Securities Risk. The risk that new federal or state legislation or Internal Revenue Service determinations may adversely affect the tax-exempt status of securities held by a Fund or the financial ability of the municipalities to repay these obligations. Municipal securities, like other fixed income securities, rise and fall in value in response to economic and market factors, primarily changes in interest rates, and actual or perceived credit quality. Rising interest rates will generally cause municipal securities to decline in value. Longer-term securities usually respond more sharply to interest rate changes than do shorter-term securities. A municipal security will also lose value if, due to rating downgrades or other factors, there are concerns about the issuer's current or future ability to make principal or interest payments. State and local governments rely on taxes and, to some extent, revenues from private projects financed by municipal securities, to pay interest and principal on municipal debt. Poor statewide or local economic results

or changing political sentiments may reduce tax revenues and increase the expenses of municipal issuers, making it more difficult for them to meet their obligations. Actual or perceived erosion of the creditworthiness of municipal issuers may reduce the value of a Fund's holdings. As a result, a Fund will be more susceptible to factors that adversely affect issuers of municipal obligations than a mutual fund that does not have as great a concentration in municipal obligations. Also, there may be economic or political changes that impact the ability of issuers of municipal securities to repay principal and to make interest payments on securities owned by a Fund. Any changes in the financial condition of municipal issuers may also adversely affect the value of a Fund's securities. Due to local economic and financial conditions, certain municipal issuers will be more susceptible to default on their obligations than others. Each of these risks may be heightened with respect to investments in U.S. instrumentalities, such as Guam, the Virgin Islands and Puerto Rico.

Portfolio Turnover Risk. The risk that due to its investment strategy, a Fund may buy and sell securities frequently. This may result in higher transaction costs and additional capital gains tax liabilities.

Prepayment and Extension Risks. A debt obligation may be paid off earlier or later than expected. Either situation could cause a Fund to hold securities paying lower-than-market rates of interest, which could hurt a Fund's yield or share price.

Repurchase Agreements and Reverse Repurchase Agreements Risk. The risk that in the event of the insolvency of the counterparty to a repurchase agreement or reverse repurchase agreement, recovery of the repurchase price owed to the Fund or, in the case of a reverse repurchase agreement, the securities sold by the Fund, may be delayed. Because reverse repurchase agreements may be considered to be the practical equivalent of borrowing funds, they constitute a form of leverage. If the Fund reinvests the proceeds of a reverse repurchase agreement at a rate lower than the cost of the agreement, entering into the agreement will lower a Fund's yield.

Sector Risk. The risk that the value of securities in a particular industry or sector will decline because of changing expectations for the performance of that industry or sector. From time to time, based on market or economic conditions, a Fund may have significant positions in one or more sectors of the market. To the extent a Fund invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader market.

The industries that constitute a sector may all react in the same way to economic, political, or regulatory events.

Securities Lending Risk. Includes the potential insolvency of a borrower and losses due to the re-investment of collateral received on loaned securities in investments that default or do not perform well.

Short Sale Risk. The risk of entering into short sales, including the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to a Fund. Selling short may produce higher than normal portfolio turnover, result in increased transaction costs and magnify the potential for both gain and loss to a Fund. In addition, because a Fund's loss on a short sale arises from increases in the value of the security sold short, such loss is theoretically unlimited. By contrast, a Fund's loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot drop below zero.

Small and Mid-Cap Risk. Refers to the fact that historically, small, and midcap stocks tend to be more vulnerable to adverse business and economic events, more sensitive to changes in earnings results and forecasts and investor expectations and will experience sharper swings in market values than larger, more established companies. At times, small and midcap stocks may be less liquid and harder to sell at prices sub-advisers believe are appropriate.

Sovereign Debt Risk. The risk that investments in fixed income instruments issued by sovereign entities may decline in value as a result of default or other adverse credit events resulting from the issuer's inability or unwillingness to make principal or interest payments in a timely fashion.

Strategy Risk. A Fund invests a portion of its assets in stocks believed by a sub-adviser to be undervalued, but that may not realize their perceived value for extended periods of time or may never realize their perceived value. A Fund also invests a portion of its assets in stocks believed by a sub-adviser to have the potential for growth, but that may not realize such perceived growth potential for extended periods of time or may never realize such perceived growth potential. Such stocks may be more volatile than other stocks because they can be more sensitive to investor perceptions of the issuing company's growth potential. The stocks in which a Fund invests may respond differently to market and other developments than other types of stocks.

U.S. Government Securities Risk. Although U.S. Government securities are considered to be among the safest investments, they are still subject to the credit risk of the U.S. Government and are not guaranteed against price movements due to changing interest rates. Obligations issued by some U.S. Government agencies are backed by the U.S. Treasury, while

others are backed solely by the ability of the agency to borrow from the U.S. Treasury or by the agency's own resources. No assurance can be given that the U.S. Government will provide financial support to its agencies and instrumentalities if it is not obligated by law to do so.

APPENDIX C

Morgan Stanley National Advisory 529 Plan Participation Agreement

Dated December 9, 2025

This Participation Agreement, by and between you, as Account Owner, and the State Education Assistance Authority (“NCSEAA” or the “Authority”), an instrumentality of the state of North Carolina (the “State”), contains certain terms governing the Account that you will establish in the Morgan Stanley National Advisory 529 Plan (the “Morgan Stanley Advisory 529 Plan” or the “Plan”).

By executing the Morgan Stanley 529 Plan Account Application/Client Agreement and becoming the Account Owner of your Account, you agree to be bound by the terms of such agreement and this Participation Agreement, which is deemed effective as of the date you execute such Account Application/Client Agreement. Therefore, it is important for you to read and understand the terms and conditions of this Participation Agreement.

NCSEAA sponsors and maintains the Morgan Stanley National Advisory 529 Plan (the “Plan”), which is designed to qualify for treatment as a 529 Plan.

The Plan is designed for you, as a client of Morgan Stanley Smith Barney LLC (“Morgan Stanley” or “Manager”), to invest for the future Qualified Education Expenses of the person you may designate from time to time as the Designated Beneficiary of the Account. Your investment in the Plan is to be used to purchase units of beneficial interest in a separate Account in the Plan that is to be part of the Parental Savings Trust Fund established by the General Assembly of the State (the “Trust Fund”) which is maintained by the Authority. Morgan Stanley, as Plan Manager, is to provide, or cause to be provided, investment advisory, marketing, administrative, custody, tax-reporting, record keeping and other necessary services with respect to operation and management of the Plan, (collectively referred to herein as the “Services”), pursuant to the Management Agreement by and between Morgan Stanley and the Authority. Participation in the Plan is governed by the Authority’s Operating Procedures and the investments are governed by the Authority’s Investment Policy Statement. Such Management Agreement, Operating Procedures, and Investment Policy Statement (collectively, the “Plan Documents”) may be amended or modified upon the terms and conditions provided therein and effective without prior notice to you.

The Plan Description preceding this Participation Agreement, as may be amended from time to time, describes certain terms, features and requirements of the Plan set forth in the Plan Documents. After reading the Plan Description, you should

contact your Morgan Stanley financial advisor prior to investing with any questions about the Plan or your Account.

Neither the Authority, the State or any other affiliated or any other public entity is guaranteeing the principal or earnings in any Account, and any Contributions or Accounts may lose value. Nothing stated shall be construed to create any obligation of the Authority, the State Treasurer, the State, or any agency or instrumentality of the State to guarantee for the benefit of any parent, other interested party, or designated beneficiary the rate of return or other return for any contribution to the Trust Fund and the payment of interest or other return on any contribution to the Trust Fund. Any Account that you open pursuant to this Participation Agreement is not insured by the State or NCSEAA and neither the principal invested in nor the investment return on the Account is guaranteed by the State, NCSEAA or Morgan Stanley, or any affiliate of any of the foregoing, or the federal government or any of its agencies or instrumentalities.

A. DEFINED TERMS. Capitalized terms appearing but not defined in this Participation Agreement have the meanings assigned to them in the Plan Description.

B. CERTAIN AGREEMENTS, REPRESENTATIONS AND WARRANTIES. I hereby represent and warrant to the Authority and acknowledge and agree as follows:

1. Plan Description

The Manager has furnished to me the Plan Description, with any and all supplements and amendments thereto, which I have read in its entirety and I understand it and have had the opportunity to ask my Morgan Stanley Financial Advisor any questions that I may have had. In making a decision to open and fund an Account and enter into this Participation Agreement, I have not relied on any representations or other information, whether oral or written, other than as set forth in the Plan Description and this Participation Agreement. I agree to be bound by the terms and requirements of the Plan as set forth in the Plan Documents and described in the Plan Description.

2. Full Authority and Legal Capacity

I have full authority and legal capacity to establish an Account in the Morgan Stanley Advisory 529 Plan.

3. Limit on Contributions

My Account is being funded to pay for certain future primary, secondary, and higher education expenses of a Designated Beneficiary of the Account and each Contribution to the Account is intended for that purpose. I will not make any Contribution to the Account if, to the best of my knowledge, the total value of the Account combined with the total value of all other accounts established for the same Designated Beneficiary in other Section 529 Plans, including those maintained by the Authority, exceeds the Maximum Contribution Limit.

4. Risks

I recognize that the investment of my Account involves risks, including the risk of loss of my Contributions, as described in the Plan Description. I understand that the returns on Contributions are not guaranteed by the State of North Carolina, the Authority, or any other state or federal governmental entity, or by the Manager or any current or successor investment manager or any of their affiliates, directors, officers, employees, or agents. I understand the value of my Account may fluctuate depending on market conditions and the performance of the Investment Options selected and that I could lose money by investing in the Plan.

5. Termination of the Plan or My Account

Nothing contained in this Participation Agreement or the Plan Description shall constitute an agreement or representation by the Authority, on its own behalf or on behalf of the Manager that it will continue to maintain the Plan indefinitely. I understand that my Morgan Stanley Advisory 529 Plan is only available to Morgan Stanley advisory account clients. I further acknowledge and understand that my Account is not transferable to any other financial intermediary and it may not be maintained in a Morgan Stanley brokerage account. Therefore, upon termination of the advisory account status of my Account for any reason, whether at my election or otherwise, I hereby agree that I will rollover my Account to another 529 plan of my choice within 60 days of the termination. Should I fail to do so, I hereby authorize and direct Morgan Stanley to liquidate any remaining positions in my Account and remit the proceeds to me. I understand that this may result in adverse tax consequences for which I acknowledge my full responsibility.

6. Finality of Decisions

All decisions and interpretations by the Authority and the Manager in connection with the management and operation of the Plan and my Account shall be final and binding on me as Account Owner, the Designated Beneficiary and any other person affected thereby.

7. Taxes

I understand state tax laws and rules vary from each other and may vary from how federal tax law treats my Account, including Contributions, rollovers into the Plan from other state-sponsored Section 529 Plans and the application of proceeds of certain Withdrawals. I understand that (i) the state(s) in which I reside or pay taxes may sponsor a Section 529 Plan, (ii) that such other plan may offer me state income tax or other benefits that are not available to me through participating in the Morgan Stanley Advisory 529 Plan and/or may not offer favorable tax treatment of Withdrawals for certain educational expenses that are available under federal tax law, (iii) that Withdrawals from my Account may be subject to state and federal tax liability that I or the Designated Beneficiary may be liable for ascertaining and paying, (iv) that no portion

of this Participation Agreement, the Plan Description, or any other materials distributed by the Manager is intended or may be relied upon as tax advice by the Manager or the Authority, (v) that any statements concerning U.S. federal and state tax issues in this Participation Agreement or the Plan Description, are provided as general information in connection with participation in the Plan and are not provided or intended to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. tax penalties, and (vi) that the Authority does not render tax advice and I should consult with my tax advisor regarding the federal and state tax consequences of investing in the Plan. Further, I understand that I should retain adequate records relating to Withdrawals from my Account for my tax reporting purposes. I understand that changes in or interpretation of the law governing any of the federal, state, and local tax consequences relating to participating in the Plan may result in adverse tax consequences.

8. Fees and Charges

I understand that my Account is subject to the fees as described in the Plan Description. I understand further that these fees may change in the future without prior notice to me. I agree that the payment of such fees as set forth in the Plan Description is an unconditional obligation of mine and the Account and shall be payable from my Account or other funds of mine held on my behalf by the Manager.

9. Account cannot be collateral

I understand that under federal tax law my Account cannot be pledged or used as collateral for any loan. Any attempt to use an Account as collateral for a loan shall be void. The Plan itself will not loan any assets to me.

The laws of the State of North Carolina govern the MS Advisory 529 Plan. North Carolina statutes provide that funds located in a 529 account or funds withdrawn from such account and used for qualifying purposes under Section 529 of the Code shall not be subject to liens, attachment, garnishment, levies, seizure, any involuntary sale or assignment by law, or the enforcement of any judgment or claim to pay any debt or liability of the account owner, beneficiary or contributor to the account. Such protection does not apply to funds deposited to a 529 account as a result of fraud or other intentional wrongdoing or withdrawn and used for a non-qualified purpose.

10. Limited investment direction

I understand that under federal tax law I have a limited ability to, directly or indirectly, direct the investment of my Account and that I, or my Financial Advisor on my behalf, cannot change how my Account is then invested more than two times in any calendar year, or as may otherwise be provided by Section 529 of the Internal Revenue Code and regulations or guidance issued thereunder. I understand that although I own interests in an Investment Option, I do not have a direct beneficial interest

in the underlying mutual funds, ETFs or other underlying investment instruments held by that Investment Option, and therefore I do not have the rights of a shareholder or owner of such underlying funds or other investment instruments.

11. Indemnity

I understand that the establishment of my Account is based on my agreements, representations and warranties set forth in this Participation Agreement. I will indemnify and hold harmless the Authority, from and against any loss, damage, liability, or expense, including reasonable attorney's fees, that any of them may incur by reason of, or in connection with, any misstatement or misrepresentation by me herein or otherwise with respect to my Account, and any breach by me of any of the agreements, representations or warranties contained in this Participation Agreement. I agree to hold harmless the Authority for any loss, cost or expense resulting from my instructions reasonably believed to be genuine. This provision, and all of my agreements, representations or warranties will survive termination of this Participation Agreement.

12. Extraordinary Events

Neither the Authority nor the Manager shall be liable for any loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, strikes, changes in federal or State law (including tax law) or other conditions beyond their control.

13. Binding Nature, Third-Party Beneficiaries.

This Agreement will survive my death and will be binding on my personal representatives, heirs, successors, and assigns.

The individual designated as the Designated Beneficiary of an Account has no independent claim, right or access to any funds in an Account solely related to such designation. Payments directly to a Designated Beneficiary will only be made with the Account Owner's specific authorization for such payments.

14. Amendment and Termination

At any time, and from time to time, the Authority and the Plan Manager may amend this Participation Agreement or the Plan Description, or may suspend or terminate the Plan, without prior notice to me.

15. Severability

If any provision of this Participation Agreement is held to be invalid, illegal, void, or unenforceable, by reason of any law, rule or administrative order, or by judicial decision, such determination will not affect the validity of the remaining provisions of this Participation Agreement.

16. Governing Law

The Plan, my Account and this Participation Agreement are governed by North Carolina law, without regard to the community property laws or choice of law rules of any state, and I submit to the exclusive jurisdiction of courts in North Carolina for all legal proceedings arising out of or relating to the Plan, my Account or this Participation Agreement.

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