

KIAWAH ISLAND
COMMUNITY
ASSOCIATION

Q3 2023

Quarterly Finance Report



Executive Summary

Consolidated Balance Sheet

- KICA continues to have a strong balance sheet. Much of KICA's revenue comes in the 1st qtr (assessments) while expenses are incurred throughout the year. In addition, many large projects have been scheduled for 3rd & 4th qtr spend. As a result, **Fund balances** will continue to decrease through 4th qtr.
- **Operating Cash** is composed of checking, money market and sweep accounts. This line item will see a significant drawdown due to expected 4th qtr expenditures.
- Please refer to the Cook Street / Morgan Stanley **Investment** report included later in this report and posted separately on KICA's website for an investment summary.
 - Operating investments are currently invested in fixed income instruments with maturities in compliance with the Financial Controls Manual and that are set based on cash flow analyses. Treasury maturities are: 3, 6, 9 & 12-month.
- Both the annual and mid-year flood assessments are 99.9% collected as of Sept 30.



Executive Summary

Consolidated Balance Sheet

- **Prepaid Expenses** are primarily comprised of KICA's insurance portfolio (annual premium paid in May to eliminate financing) and Sandcastle vendor down payments to hold future events.
- **Special Assessment Receivable** (Flood) represents the final installment to be paid in 2024 net of those who paid in full at closing or in advance.
- A significant portion of **Payroll Liabilities** is accumulated vacation time not yet taken. Vacation is accrued as it is earned; offset against the accrual when taken. Also included is accrued payroll for the month.
- **Accounts Payable** is current.



Executive Summary

Consolidated Balance Sheet

- **Deferred Revenue - Flood Mitigation** is the amount left to be incurred for flood projects contemplated with the 2020 assessment. Revenue is recognized as projects are completed. \$177,500 was recognized in Q1 and Q2 of 2023. No change from Q2 to Q3.
- In accordance with the member vote in 2020, any unspent funds after completion of all projects will be restricted solely for major repairs and maintenance of those projects and future water management needs.
- Approximately \$920,000 is projected to be unspent and transferred to the Reserve Fund when all projects are completed.
- **Deferred Revenue - Royalty Income** resulted from the 2014 agreement with Comcast that included an up front payment that is recorded here and amortized to revenue over the 12-year agreement. The amount to be amortized within the next 12 months is recorded in the current liabilities section.



Executive Summary

Consolidated Income Statement

- Please note the income statement format change with Non-operating revenue/expenses segregated below Operating.
- Please refer to the Operating Fund and Reserve Fund Income Statement sections for detail on activities.



Executive Summary

Operating Fund Income Statement

- **Assessment Revenue** is tracking above budget due to late charges being under budgeted.
- **User Income** is lagging against budget due to decreased Sandcastle Grille activity caused by weather closures.
- **Other Income** is tracking well due to continued brisk property sales (CTR) & access fee revenue which are recorded in the Reserve Fund (a 15% administrative fee is transferred from the Reserve Fund) and BOD approved expenditures from the General Fund recorded as revenue in the Preserve Fund.



Executive Summary

Operating Fund Income Statement

- **Payroll** - The Board and staff implemented several recruitment and retention strategies over the past year to stay competitive with other island employers which have significantly reduced the past understaffing challenges. Strategies included higher pay scales, travel stipend adjustments and retention bonuses.
 - Normal spending pattern expected in **Payroll** with a bit of savings due to a strategic open position and a limited number of open positions in land/lakes.
- **G & A Expenses** are tracking higher than budget due primarily to higher legal fees, BOD approved Preserve activities and higher insurance renewal premiums (net of overall savings across other G & A).



Executive Summary

Operating Fund Income Statement

- **Investment Income** resulted from the performance throughout the year of the t-bill ladder (3, 6, 9 and 12-month maturities) as well a money market account that earned 4.3% - 5.25% in Q3, yielding \$32,343.
- **Royalty Income** results from the Comcast relationship initiated in 2014 (mentioned in Balance Sheet section).



Executive Summary

Operating Fund Income Statement

- **Interfund Transfers** zeros out in consolidation with the MRR Fund.
- The budget for **Other (Gains)** anticipated the sale of the shuttle van which sold for \$27,500. It also includes unrealized gains from investments which is historically not budgeted.
- The budgeted amount for **Capital Equipment Purchases** should have had an offset in the same amount to net zero. This is a tracking mechanism for capitalized expenditures that are “moved” to the Property Fund.
- **Depreciation** - Although many assets have become fully depreciated thus decreasing the rate of monthly depreciation, the year end balance will approximate \$365,000 due in part to unanticipated replacement of depreciated assets.



Executive Summary

Reserve Fund Income Statement

- The remaining budget for **Assessments** results from flood mitigation revenue yet to be recognized. Flood revenue is recognized from deferred revenue as expenditures occur.
 - \$177,500 of expenditures have been recognized in 2023 to-date.
- Due to the need to redesign Flood project 6, this project might be completed in Q1 2024.
- KICA has experienced higher than expected **Commercial Access** activity.
- The 1st phase of “The Cape” project which is included in the **Contributions to Reserve** budget (\$800k) is delayed to 2024 due to labor and supply chain challenges.
- Island property sales continue to be brisk, more than compensating for the above delay.
 - An average of approx. \$165,000 through Q3 is needed to meet budget which is significantly less than the \$200,000/mo. avg from a year ago.



Executive Summary

Reserve Fund Income Statement

- Significant Q4 expenditures are expected to bring the year-to-date spending in **Capital Projects** closer to budget with minimal savings anticipated.
- **Investment Income** through Q2 saw positive returns in the fixed income and equities markets. Please see the investment report later in this report and posted separately on the KICA web site.
- **Interfund Transfers** zeros out when consolidated with operating funds.
- **Other Gains (Losses)** is comprised of unrealized gains from investments which is not historically budgeted.



Q3: AS OF SEPTEMBER 30, 2023

Consolidated Balance Sheet



Kiawah Island Community Association, Inc.
Consolidated Balance Sheet
September 30, 2023

	General	Recreation	V-Gate	OP Preserve	Property	Operating Combined Total	Reserve	Consolidated Total
ASSETS								
Current Assets								
Operating Cash	1,002,166	(71,359)	(24,574)	27,536	(145,760)	788,009	2,349,503	3,137,513
Investments	5,819,688	4,302	343,337	93,960	2,605,659	8,866,947	14,383,689	23,250,635
Accounts Receivable	299,844	29,647	206	1,034	0	330,731	10,168	340,899
Prepaid Expenses	439,309	37,410	0	0	0	476,720	0	476,720
Total Current Assets	7,561,007	0	318,969	122,530	2,459,899	10,462,406	16,743,361	27,205,766
Fixed Assets								
Depreciable Assets (net of accum. depreciation)	0	0	0	0	2,275,989	2,275,989	0	2,275,989
Land	0	0	0	0	408,448	408,448	0	408,448
Total Fixed Assets	0	0	0	0	2,684,437	2,684,437	0	2,684,437
Other Assets								
Special Assessment Receivable	416,216	0	0	0	0	416,216	0	416,216
Total Other Assets	416,216	0	0	0	0	416,216	0	416,216
TOTAL ASSETS	7,977,223	0	318,969	122,530	5,144,337	13,563,059	16,743,361	30,306,420
LIABILITIES AND FUND BALANCE								
Current Liabilities								
Payroll Liabilities	526,972	55,284	0	0	0	582,256	0	582,256
Deposits and Prepaid Assessments	10,149	21,755	0	0	0	31,904	0	31,904
Accounts Payable and Accrued Liabilities	254,850	18,042	0	0	0	272,892	23,912	296,804
Deferred Revenue - Royalty Income	50,157	0	0	0	0	50,157	0	50,157
Total Current Liabilities	842,127	95,081	0	0	0	937,208	23,912	961,121
Non-Current Liabilities								
Deferred Revenue - Flood Mitigation	1,378,930	0	0	0	0	1,378,930	0	1,378,930
Deferred Revenue - Royalty Income	112,853	0	0	0	0	112,853	0	112,853
Total Non-Current Liabilities	1,491,783	0	0	0	0	1,491,783	0	1,491,783
Fund Balance								
Fund Balance	5,643,313	(95,081)	318,969	122,530	5,144,337	11,134,068	16,719,448	27,853,516
Due To/From	0	0	0	0	0	0	0	0
Total Fund Balance	5,643,313	(95,081)	318,969	122,530	5,144,337	11,134,068	16,719,448	27,853,516
TOTAL LIABILITIES/FUNDS	7,977,223	0	318,969	122,530	5,144,337	13,563,059	16,743,361	30,306,420

Q3: FOR THE PERIOD ENDING SEPTEMBER 30, 2023

Consolidated Income Statement



Kiawah Island Community Association, Inc.
Consolidated Income Statement
Sept 30, 2023

	Year-to-Date		Variance		2023 Budget	Remaining Budget
	Actual	Budget	\$	%		
Operating Revenues						
Assessments	13,780,035	13,949,974	(169,939)	-1.2%	13,979,389	199,354
Contribution to Reserves	2,553,940	2,287,500	266,439	11.6%	3,050,000	496,061
Commercial Access Fees	1,965,111	1,702,789	262,322	15.4%	2,162,085	196,974
User Income	497,556	541,345	(43,789)	-8.1%	602,802	105,246
Other Income	1,109,422	787,179	322,243	40.9%	999,593	(109,830)
Total Operating Revenues	19,906,064	19,268,787	637,277	3.3%	20,793,869	887,805
Operating Expense						
Payroll Expenses	6,211,340	6,548,676	337,336	5.2%	8,796,135	2,584,794
Building/Equipment R/M	508,128	609,665	101,537	16.7%	746,191	238,063
Common Area R/M	2,051,781	2,015,989	(35,791)	-1.8%	2,534,924	483,143
General & Administrative Expenses	2,040,770	1,855,329	(185,441)	-10.0%	2,376,775	336,005
Capital Projects - LCI	200,957	315,000	114,043	3.6%	420,000	219,043
Capital Projects - MRR	3,276,169	4,980,636	1,704,467	34.2%	5,427,681	2,151,512
Total Operating Expense	14,289,146	16,325,296	2,036,151	12.5%	20,301,706	6,012,560
Excess (deficit) operating rev over exp	5,616,918	2,943,491	2,673,428	90.8%	492,164	(5,124,755)
Non-operating Income (Expense)						
Total Investment Income (Loss)	713,623	415,975	297,648	71.6%	500,000	(213,623)
Total Royalty Income	249,273	232,617	16,656	7.2%	310,156	60,883
Total Gains (Losses)	62,992	25,000	(37,992)	-152.0%	25,000	(37,992)
Total Capital Equipment Purchases - Net	0	(187,492)	(187,492)	-100.0%	(187,492)	(187,492)
Depreciation	(285,204)	(255,000)	30,204	11.8%	(340,000)	(54,796)
Total Non-operating Income (Expense)	740,685	231,100	509,585	220.5%	307,664	(433,021)
NET SURPLUS/(DEFICIT)	6,357,603	3,174,591	3,183,012	100.3%	799,827	(5,557,776)

Q3: FOR THE PERIOD ENDING SEPTEMBER 30, 2023

Operating Fund: Income Statement



Kiawah Island Community Association, Inc.

Operating Fund Income Statement

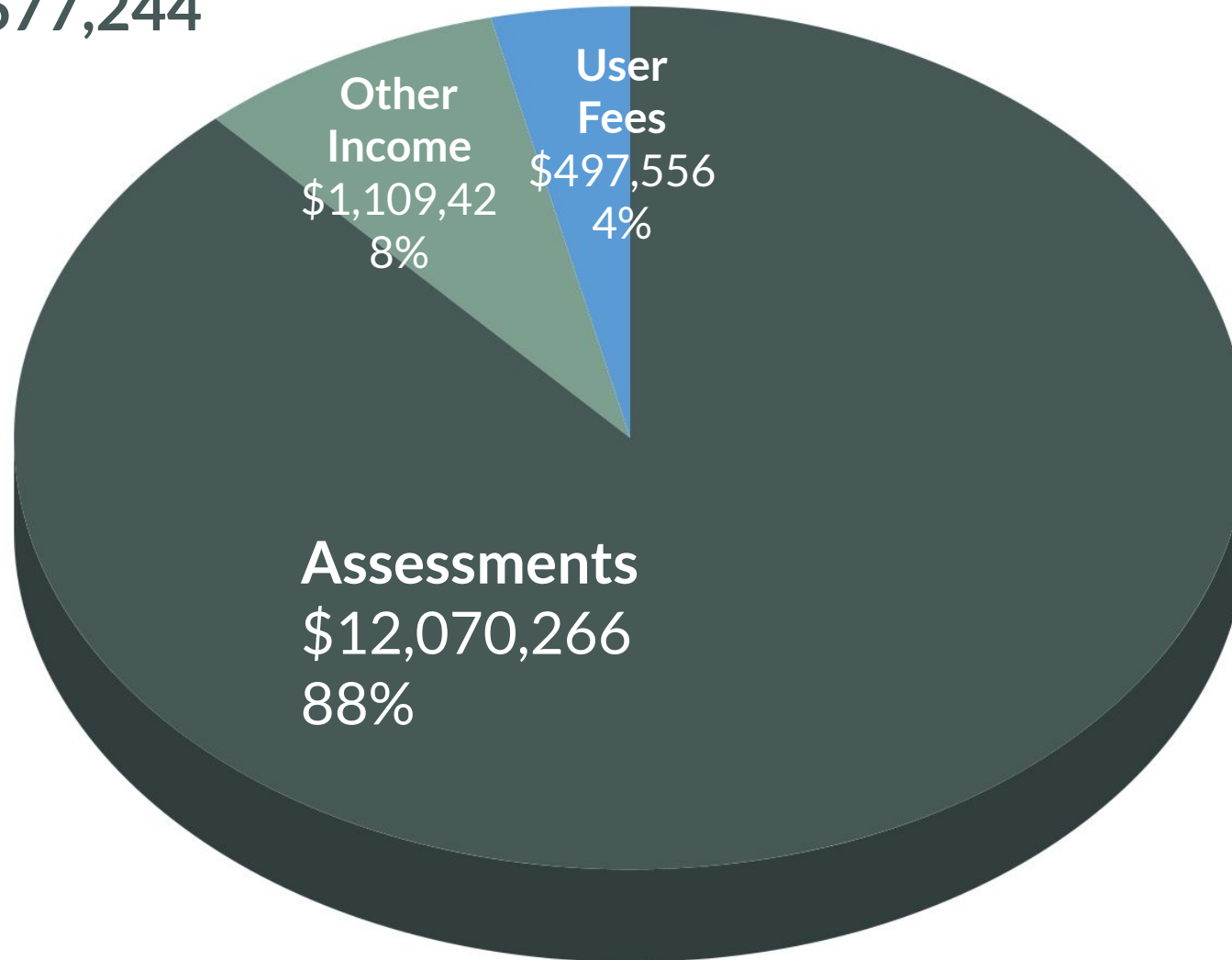
Sept 30, 2023

	Year-to-Date		Variance		2023	Remaining
	Actual	Budget	\$	%	Budget	Budget
Operating Revenues						
Assessments	12,070,266	11,971,781	98,485	0.8%	12,001,196	(69,070)
User Income	497,556	541,345	(43,789)	-8.1%	602,802	105,246
Other Income	1,109,422	787,179	322,243	40.9%	999,593	(109,830)
Total Operating Revenues	13,677,245	13,300,305	376,940	2.8%	13,603,591	(73,654)
Operating Expense						
Payroll Expenses	6,211,340	6,548,676	337,336	5.2%	8,796,135	2,584,794
Building/Equipment R/M	508,128	609,665	101,537	16.7%	746,191	238,063
Common Area R/M	2,051,781	2,015,990	(35,791)	-1.8%	2,534,924	483,143
General & Administrative Expenses	2,040,770	1,855,329	(185,441)	-10.0%	2,376,775	336,005
Total Operating Expense	10,812,019	11,029,660	217,641	2.0%	14,454,025	3,642,005
Excess (deficit) operating rev over exp	2,865,226	2,270,645	594,581	26.2%	(850,434)	(3,715,660)
Non-operating Income (Expense)						
Investment Income (Loss)	372,879	168,475	204,404	121.3%	202,000	(170,879)
Royalty Income	249,273	232,617	16,656	7.2%	310,156	60,883
Interfund Transfers	(250,000)	0	250,000	0.0%	0	250,000
Gains (Losses)	73,166	25,000	(48,166)	-192.7%	25,000	(48,166)
Capital Equipment Purchases - Net	0	(187,492)	(187,492)	-100.0%	(187,492)	(187,492)
Depreciation	(285,204)	(255,000)	30,204	11.8%	(340,000)	(54,796)
Total Non-operating Income (Expense)	160,113	(16,400)	176,514	1076.3%	9,664	(150,450)
NET SURPLUS/(DEFICIT)	3,025,339	2,254,245	771,094	34.2%	(840,770)	(3,866,109)

Operating Income

for the period ending Sept. 30, 2023

\$13,677,244



● **Other Income:** CTR Admin Fee, landscape and maintenance services revenue, other miscellaneous

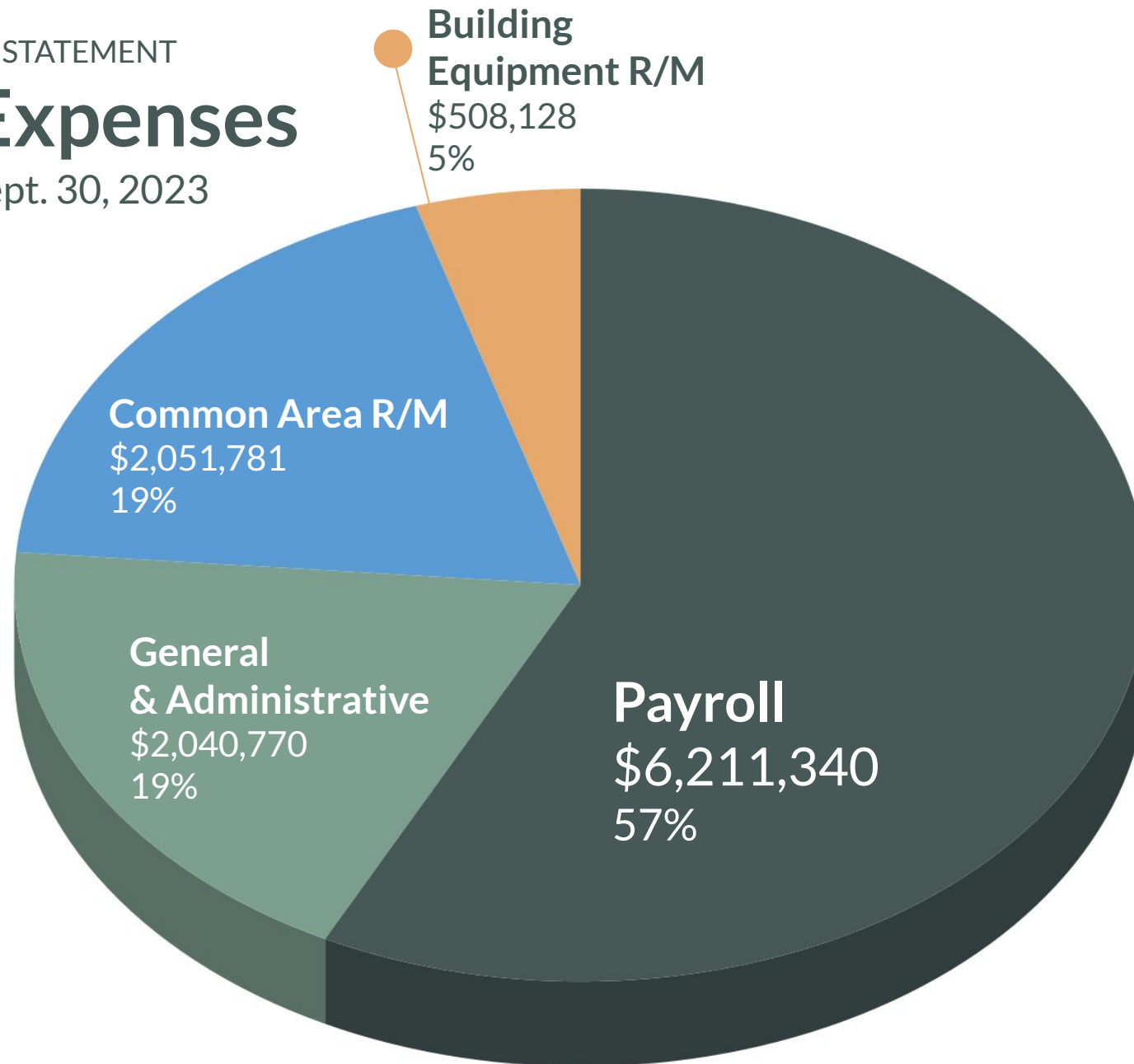


OPERATING FUND: INCOME STATEMENT

Operating Expenses

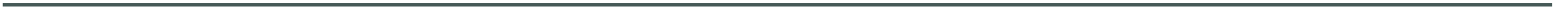
for the period ending Sept. 30, 2023

\$10,812,019



Q3: FOR THE PERIOD ENDING SEPTEMBER 30, 2023

Reserve Fund: Income Statement



Kiawah Island Community Association, Inc.

Reserve Fund Income Statement

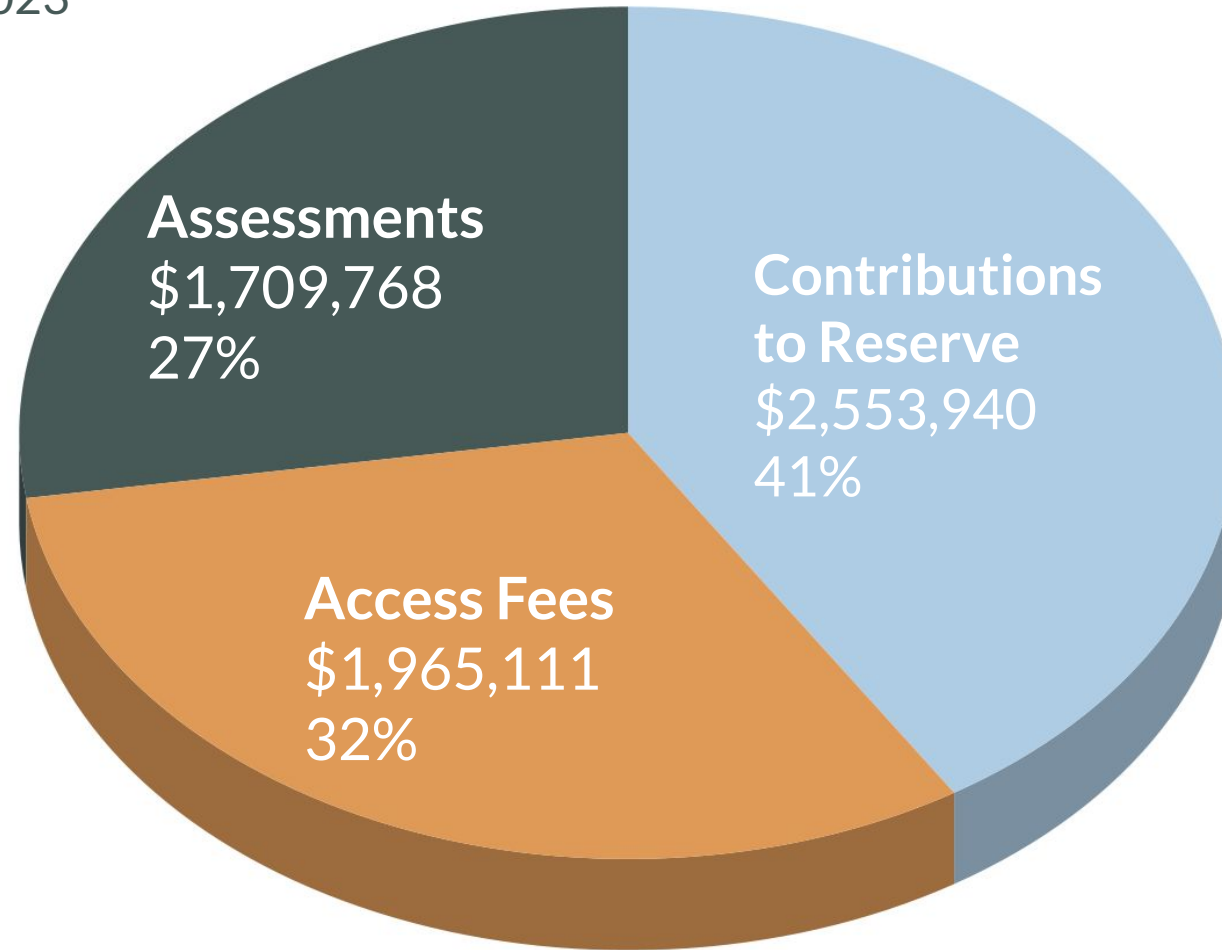
Sept 30, 2023

	Year-to-Date		Variance		2023	Remaining
	Actual	Budget	\$	%	Budget	Budget
Operating Revenues						
Assessments	1,709,768	1,978,193	(268,425)	(13.6%)	1,978,193	268,425
Contribution to Reserves	2,553,940	2,287,500	266,439	11.6%	3,050,000	496,061
Commercial Access Fees	1,965,111	1,702,789	262,322	15.4%	2,162,085	196,974
Total Operating Revenue	6,228,819	5,968,482	260,337	4.4%	7,190,278	961,459
Operating Expense						
Capital Projects - LCI	200,957	315,000	114,043	36.2%	420,000	219,043
Capital Projects - MRR	3,276,169	4,980,636	1,704,467	34.2%	5,427,681	2,151,512
Total Operating Expense	3,477,126	5,295,636	1,818,510	34.3%	5,847,681	2,370,555
Excess (deficit) operating rev over exp	2,751,693	672,846	2,078,847	309.0%	1,342,597	(1,409,095)
Non-operating Income (Expense)						
Total Investment Income (Loss)	340,745	247,500	93,245	37.7%	298,000	(42,745)
Total Interfund Transfers	250,000	0	(250,000)	0.0%	0	(250,000)
Total Gains (Losses)	(10,174)	0	10,174	0.0%	0	10,174
Total Non-Operating Income (Exp)	580,571	247,500	333,071	134.6%	298,000	(282,571)
NET SURPLUS/(DEFICIT)	3,332,264	920,346	2,411,918	262.1%	1,640,597	(1,691,666)

Reserve Operating Income

for the period ending Sept. 30, 2023

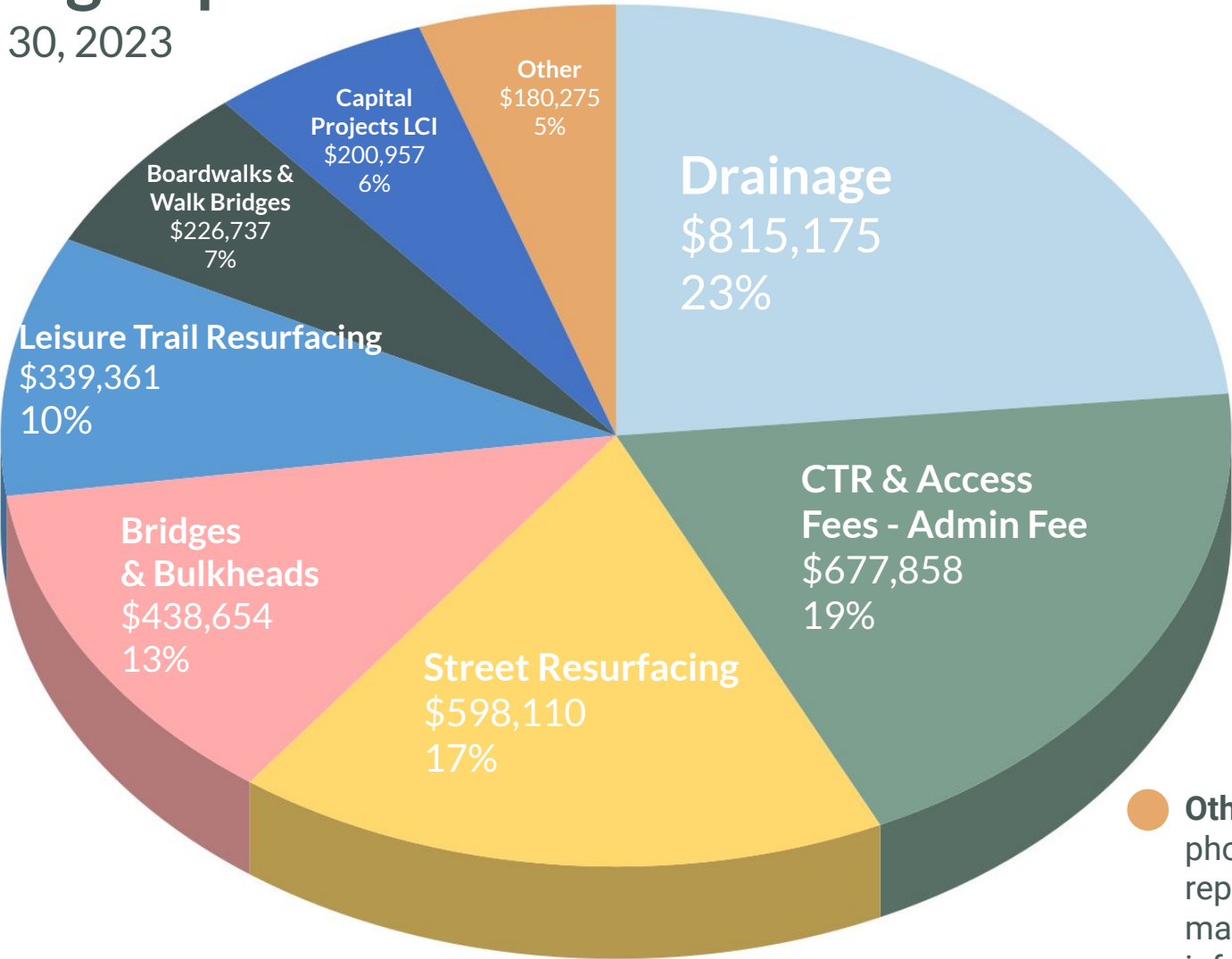
\$6,228,819



Reserve Operating Expenses

for the period ending Sept. 30, 2023

\$3,477,127



Other Expenses: aerial photography, emergency repairs, building maintenance, and infrastructure inspections.



Q3: AS OF SEPTEMBER 30, 2023

Investment Report

This report has also been posted at kica.us/about/financials.





KIAWAH ISLAND

COMMUNITY

ASSOCIATION



KICA Investment Portfolio
2023 Q3 Update



COOK STREET
CONSULTING

EST. 1999



Cook Street Consulting, Inc. is an institutional investment consulting firm.

Providing investment consulting and fiduciary services to select U.S. (including Puerto Rico) and Canadian institutional clients is our primary focus.

We strive to deliver high-touch investment advisory and fiduciary services which are customized to our clients' needs.

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Contents

1

Executive Summary

2

Market Review

3

Portfolio Performance – Q3 2023

- a) Reserve Fund – Major Repairs & Replacements (MRR)
- b) General Fund – Operating
- c) Reserve Fund – Operating

4

Portfolio Fee Summary

A_{ppendix}

Appendix

1

Executive Summary

Prior Meeting Follow-Up

Investment Policy Statement (IPS) Discussion

Cook Street continues to work with the KICA Finance Committee on any proposed updates to the Investment Policy Statement.

New Discussion Items

Market Review

Cook Street has prepared an updated review of current economic and financial market conditions. Please see Section 2.

Ongoing Due Diligence

Total KICA Portfolio Assets as of 9/30/2023: \$23,457,058

Reserve Fund – MRR

Portfolio Objective: To maintain purchasing power of the Fund with investment strategies sufficient to maintain or slightly exceed appropriate inflation measures while attempting to minimize risk. The long-term objective of the Fund is to achieve a total return equivalent or greater than the construction inflation rate (referenced in KICA's Reserve Study) plus 1%.

- 1) Assets:** As of 9/30/2023, the Reserve Fund – MRR had assets totaling **\$12,793,152**
- 2) Asset Allocation:** As of 9/30/2023, the asset allocation for the Reserve Fund – MRR was **32% Equity⁽¹⁾ / 66% Fixed Income / 2% Cash**
- 3) Performance – Q3 2023:** During Q3 2023, the Reserve Fund – MRR generated net of fee performance of **-1.15%** versus the IPS benchmark return of -2.43%
 - The portfolio experienced negative returns over the quarter as equity and fixed income markets struggled amidst higher interest rates
 - Outperformance relative to the portfolio's IPS benchmark was driven by positive positioning and selection within the fixed income portfolio
 - **Performance – YTD through Q3 2023:** Year to date through 9/30/2023, the Reserve Fund – MRR generated net of fee performance of **+2.39%** versus the IPS benchmark return of +3.16%. Despite strong relative performance over the third quarter, YTD returns relative to the IPS benchmark have been negatively impacted by a prior underweight to equity markets.

(1) Equity includes Real Estate/REITs and MLP/Energy Infrastructure.

Ongoing Due Diligence

General Fund – Operating

Portfolio Objective: For KICA's operating cash balances exceeding FDIC insured limits, the Investment Consultant will manage these funds in a secondary account, separate from the long-term Reserve Fund, using high-grade, short-term fixed income securities with maturities ≤ 2 years in duration, and will work closely with the Director of Finance to manage the liquidity of these funds

- 1) **Assets:** as of 9/30/2023 General Fund – Operating had assets totaling **\$9,502,842**
- 2) **Asset Allocation:** as of 9/30/2023 the asset allocation for the General Fund – Operating was **100% Fixed Income**
- 3) **Performance – Q3 2023:** During Q3 2023 the General Fund – Operating generated net of fee performance of **+1.18%**
 - Treasury bond ladder generated positive returns despite rising interest rates across the Treasury yield curve
- 4) **Performance – YTD through Q3 2023:** Year to date through 9/30/2023 the General Fund – Operating generated net of fee performance of **+2.92%**
 - Returns for the portfolio in line with expectations given starting portfolio yields and continued increase in Treasury rates (leading to a decline in Treasury prices)
 - Forward-looking portfolio yield of 5.61% commensurate with Federal Funds rate

Reserve Fund – Operating

Portfolio Objective: A secondary account intended to be managed in a conservative manner using short-term, high quality cash and/or fixed income securities

- 1) **Assets:** As of 9/30/2023, Reserve Fund – Operating had assets totaling **\$1,161,065**
- 2) **Asset Allocation:** As of 9/30/2023, the asset allocation for the Reserve Fund – Operating was **100% Cash**
- 3) **Performance – Q3 2023:** During Q3 2023 the Reserve Fund – Operating generated net of fee performance of **+1.31%**
 - The portfolio remains 100% allocated to a money market fund
- 4) **Performance – YTD through Q3 2023:** Year to date through 9/30/2023 the Reserve Fund – Operating generated net of fee performance of **+3.80%**
 - Returns for the portfolio are commensurate with starting yields on short-term Treasury securities at the beginning of the calendar year

2

Market Review

GDP

The U.S. economy expanded 2.1% on an annualized basis in the second quarter of 2023, according to the last of three estimates provided by the U.S. Bureau of Economic Analysis. While overall growth has slowed, GDP estimates have exceeded market expectations, and the U.S. Federal Reserve (Fed) does not anticipate the domestic economy will enter recession in 2023. Third quarter GDP estimates will be available in late October.

Jobs

The nation's labor market remained tight over the third quarter of 2023, with headline unemployment increasing modestly over the past three months (September Unemployment Rate: 3.8%). Measures of underemployment remain low, while annualized wage growth (September: 4.2%) continues to outstrip measures of inflation.

Fed Policy

In the third quarter, the Fed continued to increase interest rates, electing to raise the Federal Funds Rate in a single 0.25% increment to 5.25-5.50%. The Fed signaled it may continue to raise interest rates heading into year end amidst a confluence of stable economic and labor market data and inflation levels above Fed targets.

Inflation

Measures of inflation (September CPI-U: 3.7%) increased somewhat during the third quarter, as energy prices spiked over the past three months (WTI: \$71→\$91).

Q2 2023 GDP

2.1%

vs. +2.6%
10-year quarterly
average (annualized)

September Inflation Rate

3.7%

vs. 2.7%
10-year monthly
average (YOY)

September Unemployment Rate

3.8%

vs. 5.0%
10-year monthly
average

Source: Federal Reserve Bank of St. Louis, Bureau of Labor Statistics, Bloomberg, and the Bureau of Economic Analysis.
Data as of September 30, 2023, unless otherwise noted.
Inflation measured as CPI-U (Consumer Price Index – All Urban Consumers).

Performance Review

- U.S. equities declined for the first time in a year, as the equity rally faded over the month of the September. Higher interest rates, coupled with valuation concerns, weighed on investor sentiment.
- U.S. fixed income markets experienced another negative quarter during Q3, as Treasury yield curve flattened. Long-dated yields rose significantly during the quarter, hurting bond prices.
- Waning investor sentiment extended into international markets during the quarter. This was exacerbated by a U.S. dollar rally which negatively impacted returns for U.S.-based investors.
- Rising interest rates and an uncertain outlook across market sub-sectors continued to hurt relative performance for real estate equities.

Index	3-Month	Year-to-Date	12-Month	3-Year*	5-Year*
Capital Preservation (US 3-Month T-Bill Index)	1.38	3.97	5.07	2.05	1.85
U.S. Fixed Income (Barclays US Agg Bond Index)	(3.23)	(1.21)	0.64	(5.21)	0.10
International Fixed Income (Barclays Global Agg Ex USD Bond Index)	(4.00)	(3.20)	3.39	(8.39)	(3.10)
U.S. Large Cap Equity (S&P 500 Index)	(3.27)	13.07	21.62	10.15	9.92
U.S. Small Cap Equity (Russell 2000 Index)	(5.13)	2.54	8.93	7.16	2.40
International Equity (MSCI ACWI Ex USA Index)	(3.77)	5.34	20.39	3.74	2.58
Global Real Estate (FTSE EPRA/NAREIT Developed Index)	(5.84)	(4.88)	1.64	0.59	(1.24)

Best Performing Category for Time Period
Worst Performing Category for Time Period

Source: Morningstar Direct. Data as of September 30, 2023.

*Annualized returns. Descriptions for the indexes listed above provided in the Appendix. Past performance is no guarantee of future results.

Q3 2023 | Domestic Market Highlights



U.S. Financial Markets

- U.S. equity markets declined over the third quarter of 2023 (S&P 500 Index **-3.3%**), with small cap stocks also experiencing losses (Russell 2000 Index **-5.1%**). Concerns over a 'higher for longer' rate policy from the U.S. Federal Reserve clouded investor sentiment.
- Losses were broad based across most market segments, with rate-sensitive sectors including Real Estate (Real Estate **-8.9%**) and Utilities (Utilities **-9.2%**) particularly impacted.
- Energy companies (Energy **12.2%**) rebounded on rising oil prices, while the Communication Services sector (Communication Services **3.1%**) also outperformed the broader market.
- Rising Treasury yields led to negative performance for most fixed income sectors over the quarter.

Figure 1. Equity Market Growth

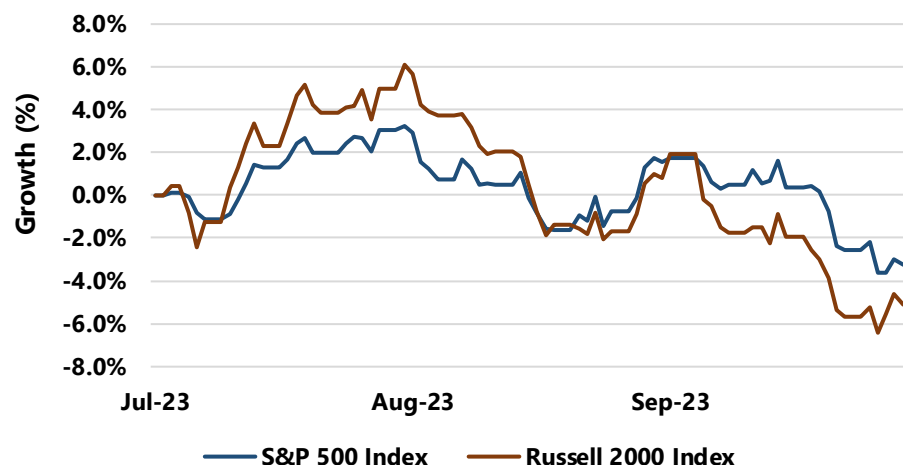


Figure 2. S&P 500 Sector Returns

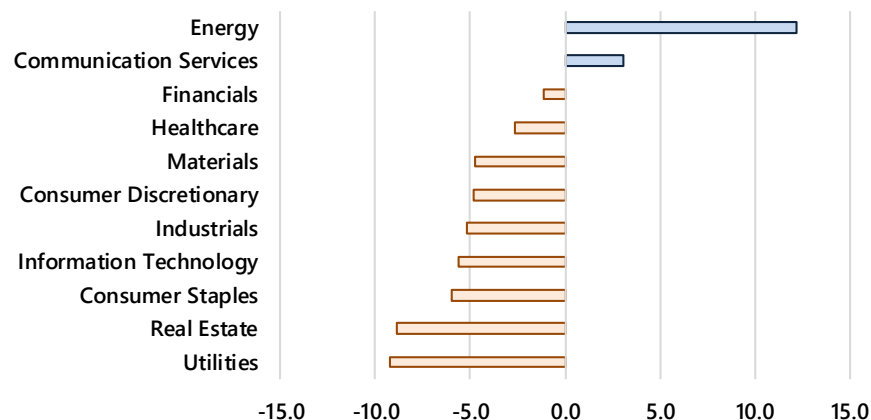
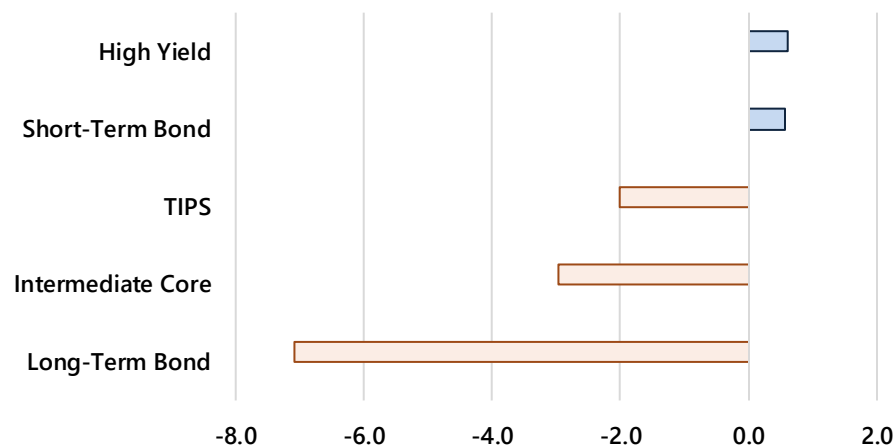


Figure 3: Bond Market Returns



Source: Morningstar Direct. Data as of September 30, 2023. Quarterly returns (%) listed above. Bond market returns provided are indicative of the average return of the respective Morningstar peer group. Past performance is no guarantee of future results.

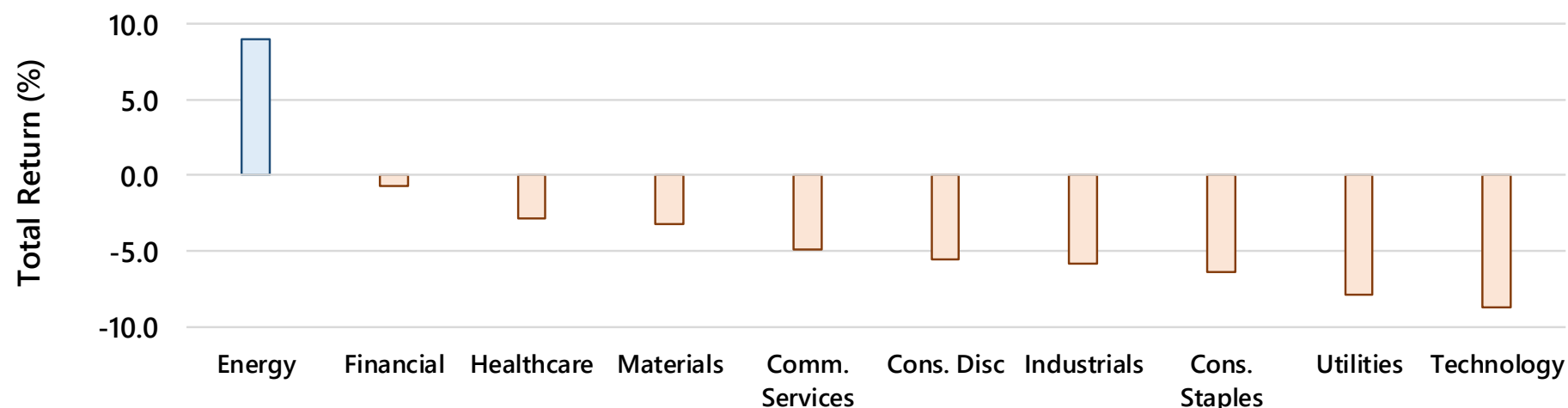
International Markets

- International equity markets followed domestic markets lower over the third quarter of 2023 (MSCI ACWI ex USA Index **-3.8%**).
- German markets (MSCI Germany **-7.7%**) led global equities lower as higher energy prices and weakening demand for exports negatively impacted local companies.
- Market performance was uneven, with consumers and broader economic activity select markets, including Japan and the United Kingdom.
- The U.S.-dollar rally negatively impacted returns for U.S.-based investors, as higher domestic interest rates impacted global currency markets.

Figure 4. Global Equity Returns

Region / Country	USD	Local Currency
MSCI Australia	-3.3%	-0.3%
MSCI Canada	-4.0%	-2.0%
MSCI China	-1.9%	-2.0%
MSCI France	-7.0%	-4.1%
MSCI Germany	-7.7%	-4.9%
MSCI Italy	-2.0%	1.0%
MSCI Japan	-1.6%	1.6%
MSCI United Kingdom	-1.5%	2.6%
MSCI ACWI Ex USA	-3.8%	-1.4%
MSCI EAFE	-4.1%	-1.3%
MSCI EM	-2.9%	-1.4%

Figure 5. Global Equity Sector Returns



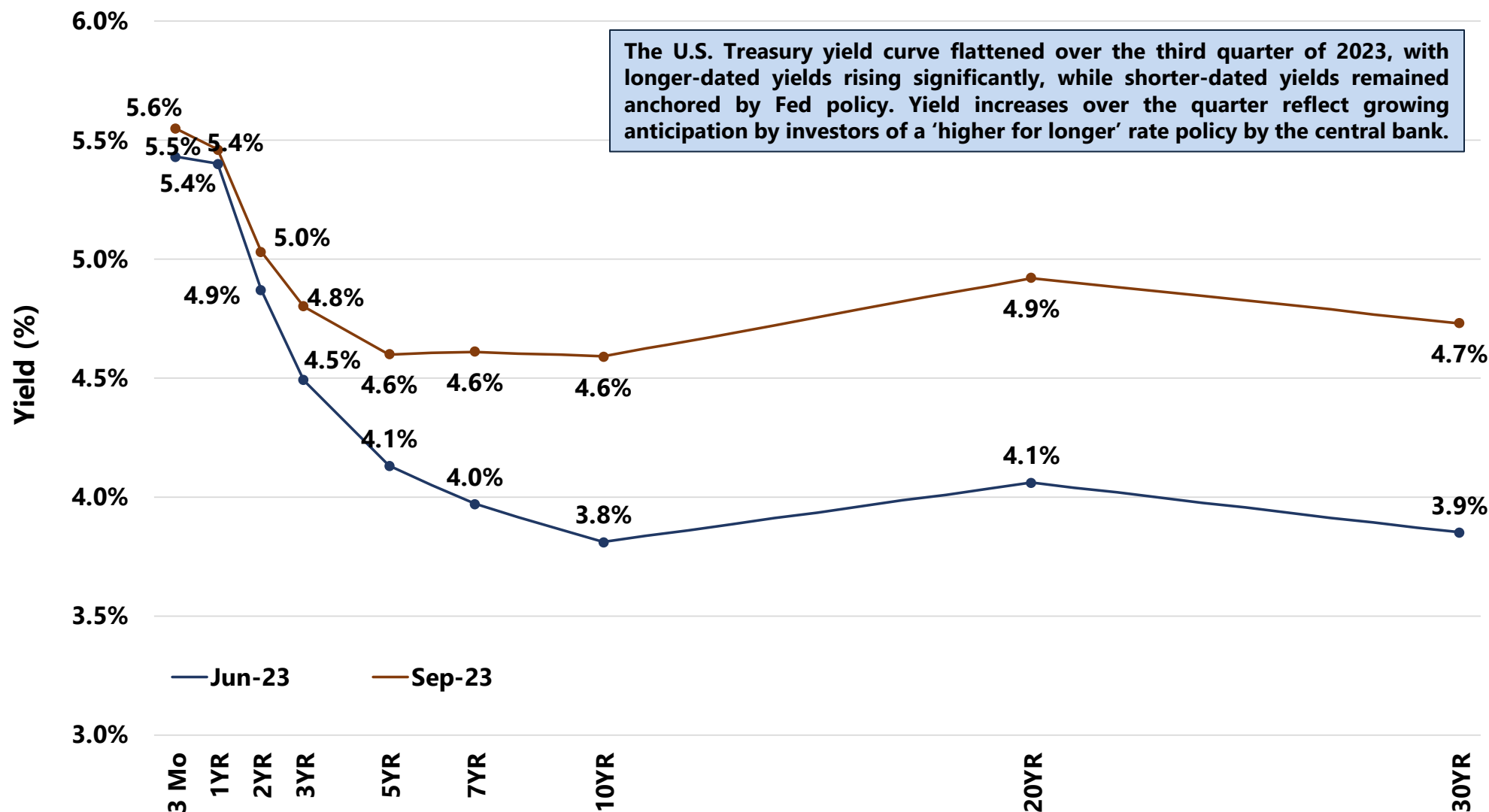
Source: Morningstar Direct. Data as of September 30, 2023. Past performance is no guarantee of future results.

Q3 2023 | Treasury Yield Curve



Figure 6. Yields Across Treasury Maturities

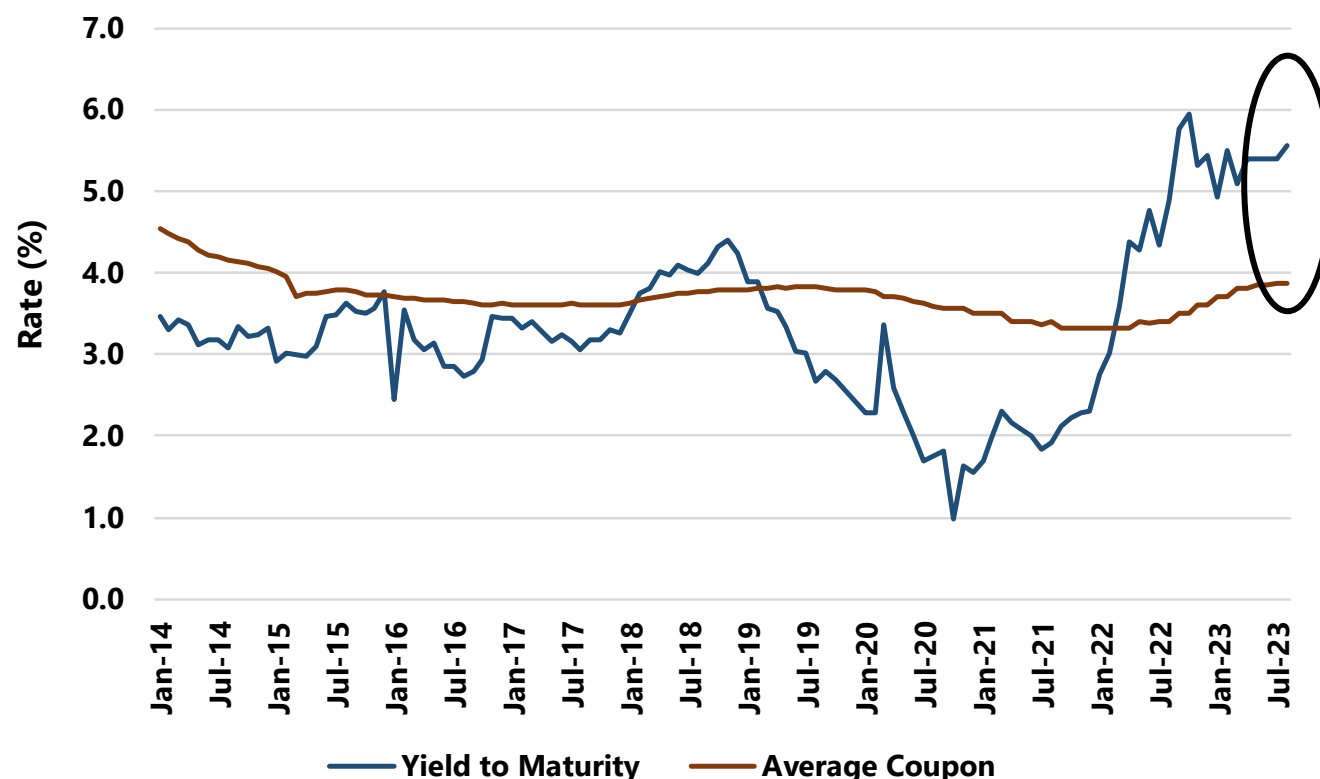
(June 2023 → September 2023)



Source: Federal Reserve Bank of St. Louis. Data as of September 30, 2023.

Figure 7. Vanguard Corporate Bond ETF

Yield to Maturity and Average Coupon (2014-Present)

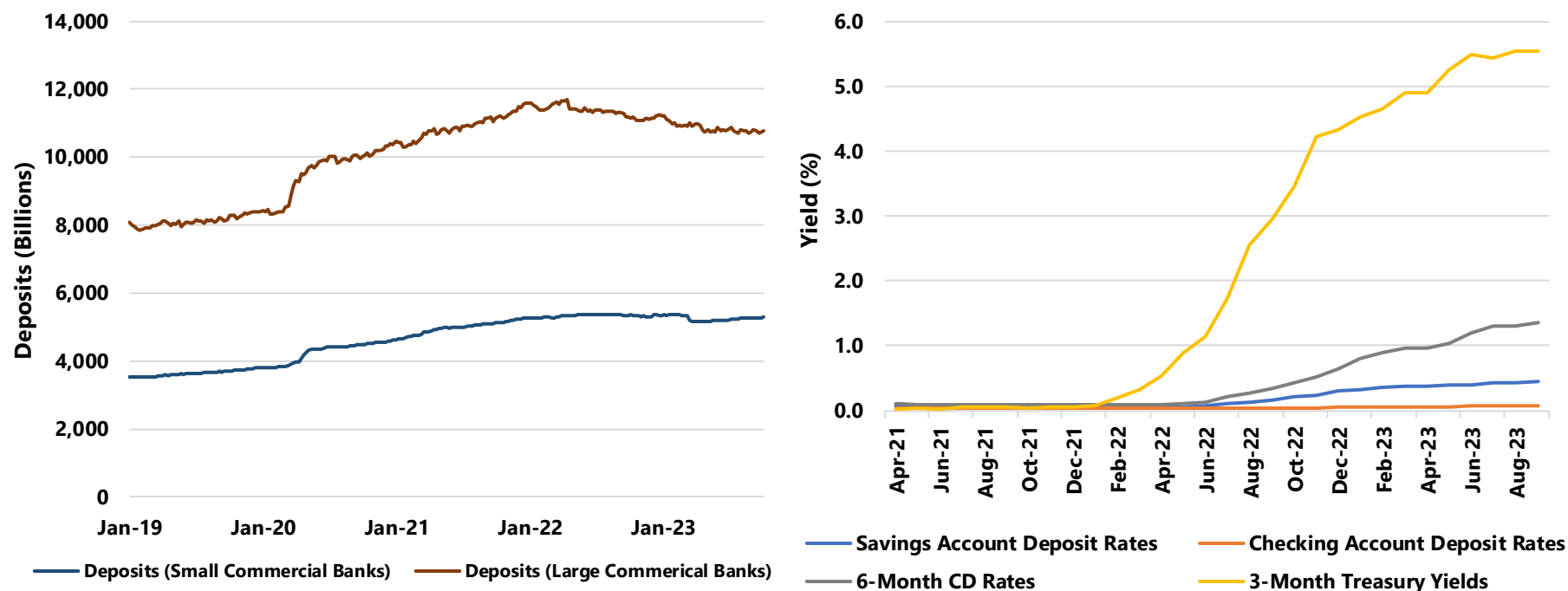


S&P 500 Sector	Debt to Capital Ratio
Utilities	58.4
Real Estate	52.0
Consumer Staples	49.9
Consumer Cyclicals	49.0
Industrials	46.1
Healthcare	44.1
Financials	42.3
Materials	38.0
Technology	37.7
Energy	26.8
Communication Services	24.4

The pace of yield increases across fixed income markets had led to a short-term dislocation in yields relative to average coupon rates, signaling that borrowing costs for bond issuers are likely to continue to climb as historical debt is retired and new financing is required.

As expectations for higher borrowing costs increase, certain rate sensitive sectors (e.g. real estate, utilities) have underperformed the broader equity market.

Figure 8. Deposits by Bank Size; Deposit Yields vs. Treasury Yields



Bank deposits across institutions have waned as interest rates have risen and deposit rates have failed to match the pace of yield increases in short-term Treasuries (i.e. money market fund yields).

Q3 2023 | Average Mutual Fund Returns

CS

Peer Group	Q3:2023	YTD	12 Mo	3 Yr*	5 Yr*	10 Yr*	20 Yr*	2022	2021	2020	2019
Money Market - Taxable	1.23	3.43	4.25	1.58	1.46	0.89	1.18	1.25	0.02	0.29	1.76
Short Government	0.21	1.27	1.87	(1.67)	0.59	0.60	1.79	(5.08)	(1.10)	2.97	3.27
Short-Term Bond	0.57	2.34	3.60	(0.59)	1.31	1.28	2.19	(5.25)	0.03	3.72	4.58
Intermediate Government	(3.18)	(1.67)	(0.49)	(5.20)	(0.53)	0.27	2.08	(11.34)	(1.83)	5.44	5.86
Intermediate Core Bond	(2.97)	(0.83)	0.77	(5.02)	(0.00)	1.00	2.68	(13.34)	(1.53)	7.52	8.29
Inflation-Protected Bond	(2.00)	(0.60)	1.40	(1.55)	1.83	1.33	2.91	(9.51)	5.46	9.91	8.03
World Bond	(3.02)	(1.25)	4.13	(5.42)	(1.61)	(0.72)	2.38	(13.85)	(4.32)	8.08	6.83
High Yield Bond	0.61	5.37	9.49	1.80	2.51	3.38	5.44	(10.37)	4.73	4.75	12.48
Conservative Allocation	(2.67)	2.50	7.25	1.00	2.60	3.71	4.90	(13.34)	8.40	8.23	14.79
Moderate Allocation	(2.67)	4.58	10.58	3.65	4.41	5.74	6.31	(13.84)	13.91	11.44	18.89
Large Value	(2.52)	1.78	14.87	11.84	6.45	8.39	7.89	(6.02)	26.08	2.68	24.99
Large Blend	(3.24)	9.86	19.13	9.31	8.60	10.42	8.95	(16.92)	25.37	15.12	28.62
Large Growth	(3.59)	19.80	23.46	4.26	9.04	11.63	9.80	(30.20)	20.49	34.82	31.71
Small Value	(2.09)	3.36	15.00	16.71	4.52	6.53	8.16	(10.46)	31.62	3.87	21.21
Small Blend	(4.18)	3.06	12.46	11.01	3.70	6.84	8.33	(16.35)	23.85	10.69	23.51
Small Growth	(6.52)	4.67	9.12	2.25	3.74	7.78	9.00	(28.14)	11.14	36.92	27.66
Foreign Large Value	(2.00)	8.13	27.66	8.86	3.00	3.07	5.66	(9.24)	11.77	1.01	18.03
Foreign Large Blend	(4.48)	5.95	22.92	4.33	2.81	3.60	5.77	(15.82)	9.79	8.90	21.46
Foreign Large Growth	(7.81)	3.66	18.15	(1.45)	2.86	4.39	6.07	(25.61)	7.51	23.45	27.94
Foreign Small/Mid Value	(0.63)	6.47	25.14	9.54	2.77	3.97	7.89	(11.56)	14.16	7.81	19.39
Foreign Small/Mid Growth	(6.26)	0.31	14.25	(4.02)	0.64	4.10	7.25	(30.51)	8.34	27.14	27.45
Diversified Emerging Mkts	(2.96)	3.99	13.97	(0.35)	1.45	2.09	6.93	(21.03)	0.26	17.15	19.07
Global Real Estate	(5.48)	(4.23)	2.85	(0.26)	(0.59)	2.25	5.77	(25.62)	22.50	(5.51)	23.48

(Higher) ← ← ← Risk/Return Expectation → → → (Lower)

Best Performing Category for Time Period Worst Performing Category for Time Period

*Annualized Returns. Source: Morningstar Direct. Data as of September 30, 2023.

Note: The asset class returns listed are provided for illustrative purposes only as an overview of the broad investable landscape. See Plan Overview for a listing of available investment options in the Plan. Investing in mutual funds involves risk and potentially a loss of money. Read the fund's prospectus carefully before making an investment decision. Past performance is no guarantee of future results.

3

Portfolio Performance

3-a

Reserve Fund – MRR

Kiawah Island Community Association

Prepared on October 13, 2023 for:

Reserve Fund - MRR

TABLE OF CONTENTS

Asset Allocation: Actual Vs. Target	3
Time Weighted Performance Summary	4
Time Weighted Performance By Period	5
Time Weighted Performance Detail	6
Time Weighted Asset Class Performance	8
Fixed Income & Preferreds Quality, Maturity And Asset Allocation	9
Bond Maturity Ladder	10
Account(s) Included In This Report w/ Performance Since Inception	11
Disclosures	12

Please review the disclosures and definitions throughout this Document. For more information or questions, please contact your Financial Advisor. Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document and will be denoted on the page

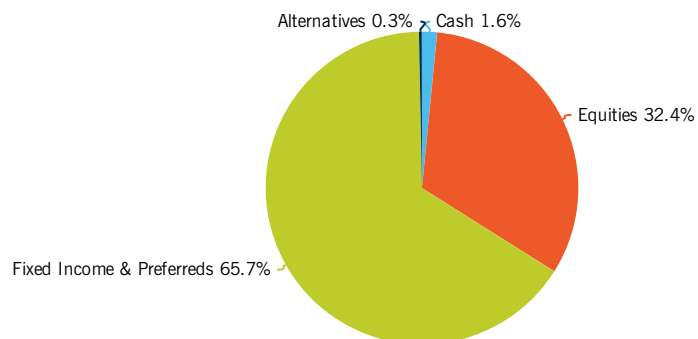
ASSET ALLOCATION: ACTUAL VS. TARGET

Reserve Fund - MRR

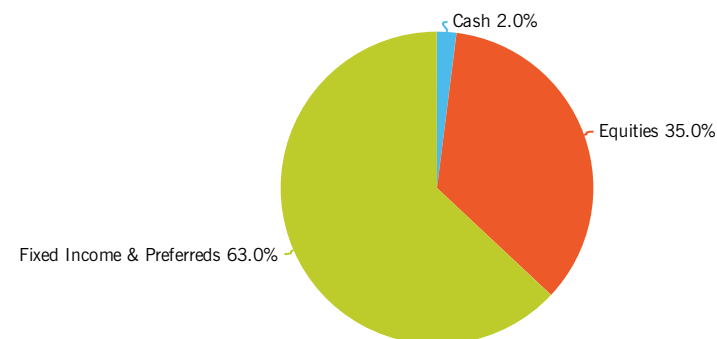
As of September 30, 2023 | Reporting Currency: USD

ACTUAL VS. TARGET

Actual



Target



ASSET ALLOCATION: ACTUAL VS. TARGET WITH MIN-MAX RANGE

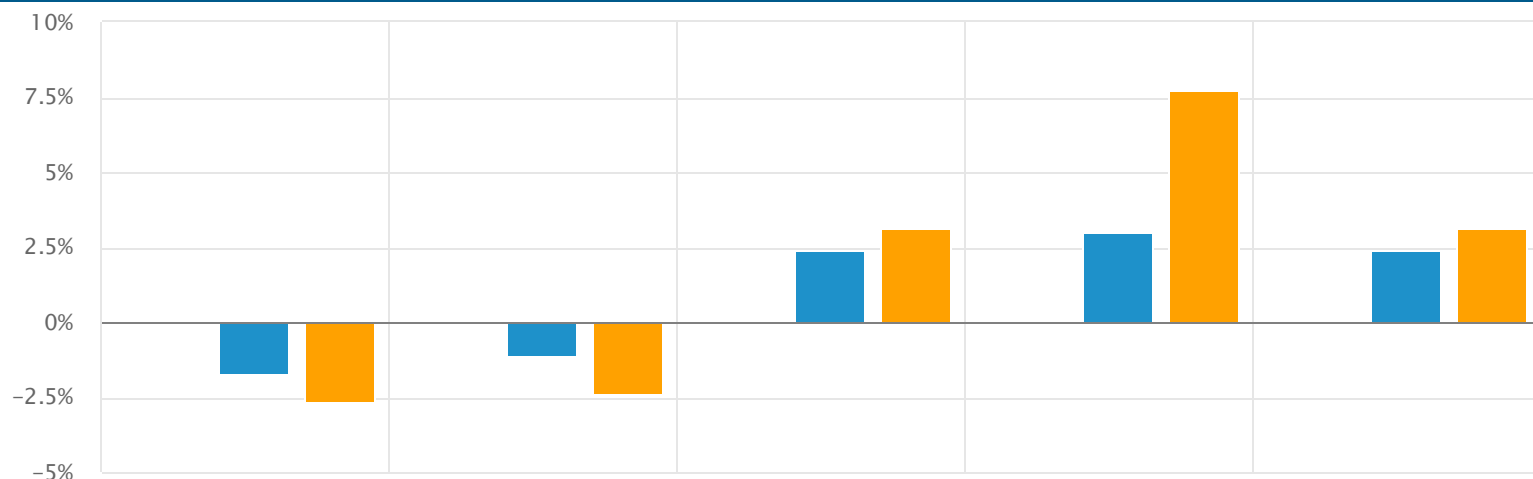
Asset Class	Actual 09/30/2023		Target		Difference		Min-Max Range (%)	Actual Min - Max Range
	(\$)	(%)	(\$)	(%)	(\$)	(%)		
Cash	199,680.94	1.56	255,863.03	2.00	-56,182.09	-0.44	0 - 5	
Equities	4,145,242.22	32.40	4,477,603.06	35.00	-332,360.84	-2.60	30 - 40	
Fixed Income & Preferreds	8,408,355.62	65.73	8,059,685.51	63.00	348,670.11	2.73	60 - 65	
Alternatives	39,872.83	0.31	0.00	0.00	39,872.83	0.31	-	
Total Assets	12,793,151.60	100.00	12,793,151.60	100.00				

Target Allocation as determined by you and your Financial Advisor for this account only.
Total Value and % of Portfolio are based on US Dollar values.

TIME WEIGHTED PERFORMANCE SUMMARY

Reserve Fund - MRR

As of September 30, 2023 | Reporting Currency: USD

RETURN % (GROSS AND NET OF FEES) VS. BENCHMARKS (ANNUALIZED)[‡]

	Month to Date 08/31/23 - 09/30/23	Quarter to Date 06/30/23 - 09/30/23	Year to Date 12/31/22 - 09/30/23	Last 12 Months 09/30/22 - 09/30/23	Custom Period 12/31/22 - 09/30/23
Beginning Total Value (\$)	13,014,466.56	12,939,930.53	12,236,738.31	11,860,326.68	12,236,738.31
Net Contributions/Withdrawals (\$)	0.00	0.00	253,969.93	446,520.98	253,969.93
Investment Earnings (\$)	-223,744.16	-149,208.12	300,014.17	483,874.75	300,014.17
Ending Total Value (\$)	12,790,722.41	12,790,722.41	12,790,722.41	12,790,722.41	12,790,722.41
Return % (Gross of Fees)	-1.72	-1.06	2.67	3.31	2.67
Return % (Net of Fees)	-1.72	-1.15	2.39	2.97	2.39
Reserve Fund IPS (%)	-2.67	-2.43	3.16	7.73	3.16

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

[‡]Includes manually added and/or external accounts, assets and/or liabilities, as applicable, not held at Morgan Stanley Wealth Management. Please see Disclosures for more information.

TIME WEIGHTED PERFORMANCE BY PERIOD

Reserve Fund - MRR

As of September 30, 2023 | Reporting Currency: USD

RETURN % (NET OF FEES) VS. BENCHMARKS[‡]

Period	Beginning Total Value (\$)	Net Contributions/ Withdrawals (\$)	Investment Earnings (\$)	Ending Total Value (\$)	Period Returns%	
					Portfolio (Net Of Fees)	Reserve Fund IPS
2023 (YTD)	12,236,738.31	253,969.93	300,014.17	12,790,722.41	2.39	3.16
3QTR	12,939,930.53	0.00	-149,208.12	12,790,722.41	-1.15	-2.43
September	13,014,466.56	0.00	-223,744.16	12,790,722.41	-1.72	-2.67
August	13,127,851.99	0.00	-113,385.43	13,014,466.56	-0.86	-1.19
July	12,939,930.53	0.00	187,921.46	13,127,851.99	1.45	1.45
2QTR	12,775,331.58	2,772.47	161,826.48	12,939,930.53	1.27	1.76
June	12,728,196.13	0.00	211,734.40	12,939,930.53	1.66	1.86
May	12,815,540.16	0.00	-87,344.04	12,728,196.13	-0.68	-0.80
April	12,775,331.58	2,772.47	37,436.12	12,815,540.16	0.29	0.70
1QTR	12,236,738.31	251,197.46	287,395.81	12,775,331.58	2.29	3.89
March	12,637,716.76	-2,821.57	140,436.39	12,775,331.58	1.11	2.05
February	12,577,082.12	252,706.15	-192,071.51	12,637,716.76	-1.52	-2.19
January	12,236,738.31	1,312.88	339,030.93	12,577,082.12	2.73	4.09
2022	11,171,446.51	2,539,617.73	-1,474,325.93	12,236,738.31	-13.16	-11.52
2021	8,665,767.66	2,041,106.47	464,572.38	11,171,446.51	5.38	4.99
2020	7,953,875.00	-1,418.18	713,310.84	8,665,767.66	8.22	9.55
2019 Performance	0.00	0.00	7,953,875.00	7,953,875.00	0.00	0.06
Inception: 12/31/2019						

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TIME WEIGHTED PERFORMANCE DETAIL

Reserve Fund - MRR

As of September 30, 2023 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS

	Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 09/30/23	% Of Portfolio 09/30/23	Month to Date (%) 08/31/23 - 09/30/23	Quarter to Date (%) 06/30/23 - 09/30/23	Year to Date (%) 12/31/22 - 09/30/23	Last 12 Months (%) 09/30/22 - 09/30/23	Performance Inception (%) to 09/30/23
US Large Cap Growth				424,776.92	3.32					
KIAWAH ISLAND COMM ASSC INC (Select UMA)	835-XXX954	JP Morgan Large Cap Growth <i>Russell 1000 Gr</i>	01/17/23	424,776.92	3.32	-5.98 -5.44	-3.58 -3.13	15.12 19.74	- -	15.12 19.74
US Large Cap Value				726,078.20	5.68					
KIAWAH ISLAND COMM ASSC INC (Select UMA)	835-XXX954	Columbia Dividend Income <i>Russell 1000 Value</i>	01/17/23	434,564.40	3.40	-3.42 -3.86	-2.09 -3.16	-0.09 -2.57	- -	-0.09 -2.57
KIAWAH ISLAND COMM ASSC INC (Select UMA)	835-XXX954	Boston Partners LC Value <i>Russell 1000 Value</i>	01/17/23	291,513.81	2.28	-2.77 -3.86	0.65 -3.16	1.53 -2.57	- -	1.53 -2.57
US Large Cap				1,119,976.56	8.76					
KIAWAH ISLAND COMM ASSC INC (Select UMA)	835-XXX954	Invesco S&P 500 ETF <i>S&P 500 Equal Wtd</i>	01/17/23	1,119,976.56	8.76	-5.06 -5.08	-4.89 -4.90	-3.62 -3.52	- -	-3.62 -3.52
US Mid Cap				498,267.69	3.90					
KIAWAH ISLAND COMM ASSC INC (Select UMA)	835-XXX954	Earnest Prnts Small/Mid Core <i>Russell Midcap</i>	01/17/23	498,267.69	3.90	-5.01 -5.02	-5.64 -4.68	-3.74 -1.65	- -	-3.74 -1.65
US Small Cap				485,610.84	3.80					
KIAWAH ISLAND COMM ASSC INC (Select UMA)	835-XXX954	iShares S&P Sm Cap 600 ETF <i>S&P 600 SC</i>	01/17/23	485,610.84	3.80	-6.40 -6.00	-5.36 -4.93	-6.16 -5.86	- -	-6.16 -5.86
International Equities				704,931.94	5.51					
KIAWAH ISLAND COMM ASSC INC (Select UMA)	835-XXX954	T. Rowe Price Intl Eqty ADR <i>MSCI EAFE Net</i>	01/17/23	358,159.43	2.80	-3.55 -3.42	-3.98 -4.11	0.12 0.03	- -	0.12 0.03
KIAWAH ISLAND COMM ASSC INC (Select UMA)	835-XXX954	iShares Core MSCI Intl Dev Mkt <i>MSCI World Ex USA - USD</i>	01/17/23	346,772.51	2.71	-3.74 -3.32	-4.62 -4.02	-1.27 0.27	- -	-1.27 0.27
Emerging Market Equities				292,900.33	2.29					
KIAWAH ISLAND COMM ASSC INC (Select UMA)	835-XXX954	GQG Partners Emerging Mkts Fd <i>MSCI EM Net</i>	01/17/23	292,900.33	2.29	-0.14 -2.62	1.52 -2.93	10.63 -5.47	- -	10.63 -5.47
Fixed Income & Preferreds				328,975.57	2.57					

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TIME WEIGHTED PERFORMANCE DETAIL

Reserve Fund - MRR

As of September 30, 2023 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS (Continued)

	Account Number	Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 09/30/23	% Of Portfolio 09/30/23	Month to Date (%) 08/31/23 - 09/30/23	Quarter to Date (%) 06/30/23 - 09/30/23	Year to Date (%) 12/31/22 - 09/30/23	Last 12 Months (%) 09/30/22 - 09/30/23	Performance Inception (%) to 09/30/23
KIAWAH ISLAND COMM ASSC INC (AAA)	835-XXX952	Fixed Income & Preferreds <i>Bloomberg US Intermediate Agg PR</i>	01/10/23	328,975.57	2.57	0.29 -1.97	1.13 -2.47	2.33 -3.39	- -	2.33 -3.39
Short Term Fixed Income				8,204,279.84	64.14					
KIAWAH ISLAND COMM ASSC INC (Sage Short Term Tax FI)	835-XXX953	Sage Short Term Tax FI <i>ICE BofA US Treasury 1-3 Y- G102</i>	01/10/23	8,204,279.84	64.14	-0.33 -0.02	0.30 0.73	1.11 1.25	- -	1.11 1.25
Cash[‡]				4,924.50	0.04					
KIAWAH ISLAND COMM ASSC INC (AAA)	835-XXX952	Cash	01/13/23	4,924.50	0.04	-	-	-	-	-

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TIME WEIGHTED ASSET CLASS PERFORMANCE

Reserve Fund - MRR

As of September 30, 2023 | Reporting Currency: USD

RETURN % (GROSS OF FEES) BY ASSET CLASS VS. BENCHMARKS[‡]

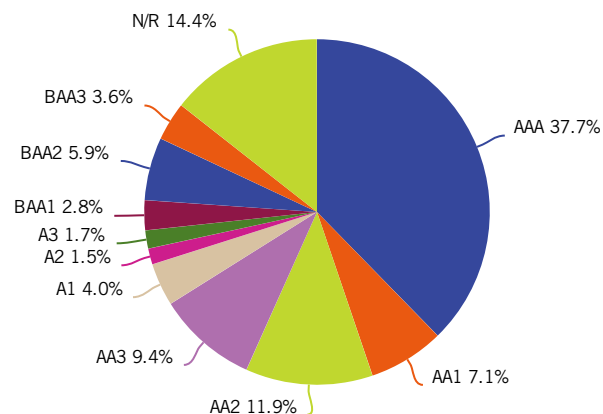
Asset Class/ Benchmark	Asset Class Inception Date	Total Value (\$) 09/30/23	% Of Portfolio 09/30/23	Month to Date (%)	Quarter to Date (%)	Year to Date (%)	Last 12 Months (%)	Inception to 09/30/23 (%)
Equities	12/23/22	4,142,701.93	32.39	-4.45	-3.76	5.17	-	6.83
MSCI AC World Net				-4.14	-3.40	10.06	-	10.28
US Equities	12/23/22	3,095,727.28	24.20	-5.01	-4.15	4.03	-	6.23
Russell 3000				-4.76	-3.25	12.39	-	12.95
International Equities	12/23/22	738,332.01	5.77	-3.66	-4.05	5.68	-	5.47
MSCI AC World ex US Net				-3.16	-3.77	5.34	-	5.17
Emerging & Frontier Mkt	01/17/23	308,642.64	2.41	-0.55	1.12	10.08	-	10.08
MSCI EM Net				-2.62	-2.93	-5.47	-	-5.47
Fixed Income & Preferreds	12/23/22	8,408,355.56	65.74	-0.31	0.33	2.58	-	2.08
Bloomberg US Intermediate Agg PR				-1.97	-2.47	-1.89	-	-2.58
Ultra Short Term F.I.	12/23/22	649,327.55	5.08	0.38	1.29	3.29	-	3.40
FTSE Treasury Bill 3 Month				0.45	1.38	3.80	-	3.90
Short Term Fixed Income	12/23/22	4,675,550.29	36.55	-0.03	0.81	2.05	-	1.83
Bloomberg Global Aggregate 1-3 Y				-1.08	-0.71	-0.39	-	-0.21
US Fixed Income Taxable	12/23/22	3,083,477.73	24.11	-0.93	-0.62	2.19	-	1.43
Bloomberg US Aggregate				-2.54	-3.23	-1.21	-	-2.19
Alternatives	01/17/23	39,872.82	0.31	-9.18	-6.26	-19.79	-	-19.79
HFRI Fund Weighted Comp				-0.20	0.84	-	-	-
Cash	02/17/20	199,792.10	1.56	-	-	-	-	-
Total Portfolio (Gross of Fees)	12/31/19	12,790,722.41	100.00	-1.72	-1.06	2.67	3.31	0.91
Total Portfolio (Net of Fees)	12/31/19	12,790,722.41	100.00	-1.72	-1.15	2.39	2.97	0.57

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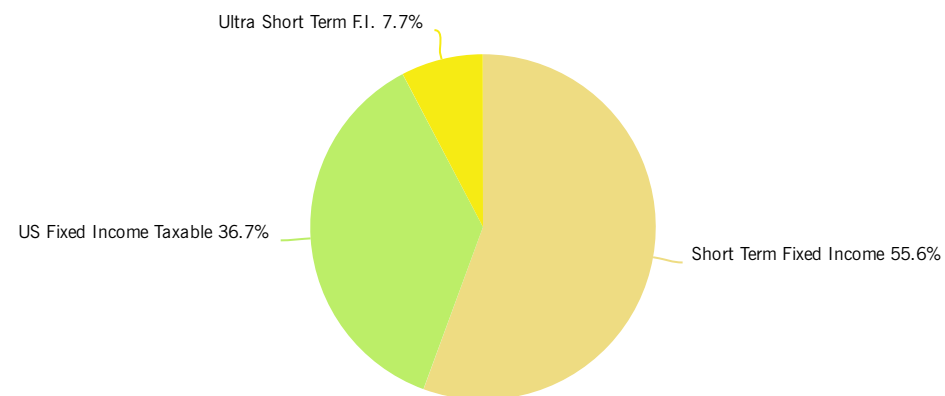
Reserve Fund - MRR

As of September 30, 2023 | Reporting Currency: USD

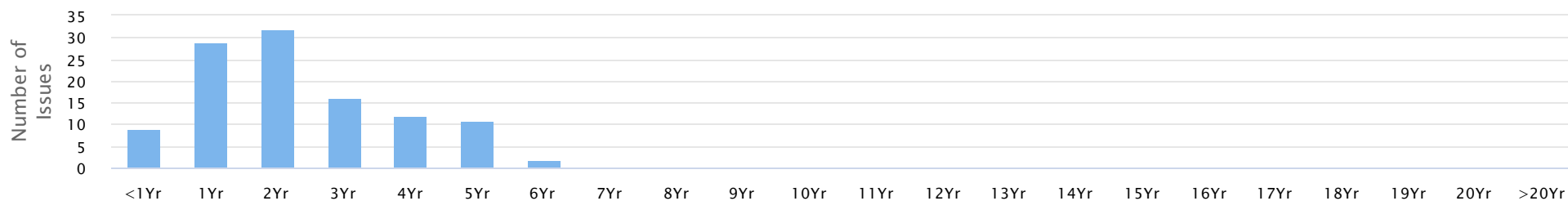
FIXED INCOME AND PREFERRED QUALITY ANALYSIS



FIXED INCOME AND PREFERRED ASSET ALLOCATION



MATURITY SCHEDULE



	Number of Issues	Total Value (\$) 09/30/2023	% of Fixed Income & Preferreds 09/30/2023
Less than 1 yr	9	649,327.55	7.70
1-5 yrs	100	7,489,245.27	89.10
6-10 yrs	2	269,782.80	3.20
11-15 yrs	0	0.00	0.00
16-20 yrs	0	0.00	0.00
More than 20 yrs	0	0.00	0.00
Total Fixed Income & Preferreds	111	8,408,355.61	100.00

The Maturity Schedule only includes securities with a stated maturity date.

Reserve Fund - MRR

As of September 30, 2023 | Reporting Currency: USD

Maturity	Par Value (\$)	Original Cost (\$)	Market Value (\$)	Market Value (%)	YTM @ Purchase (%)	YTW (%)	Coupon (%)	Modified Duration (%)	Est. Annual Income (\$)
Under 1 Year	670,000.00	662,380.33	647,950.41	7.76	2.06	5.72	1.39	0.74	7,661.38
1 Year - 2 Years	2,504,000.00	2,429,770.92	2,388,041.77	28.60	3.88	5.44	2.22	1.45	55,679.66
2 Years - 3 Years	2,354,000.00	2,296,927.72	2,252,546.78	26.98	4.20	5.22	3.31	2.26	77,981.76
3 Years - 4 Years	809,000.00	762,877.72	724,162.57	8.67	3.66	5.39	1.98	3.25	16,025.10
4 Years - 5 Years	1,293,000.00	1,272,196.02	1,150,134.11	13.78	2.79	5.11	2.33	4.16	30,166.96
5 Years - 6 Years	1,065,000.00	1,006,054.60	920,179.55	11.02	3.31	5.20	2.34	5.00	24,943.62
6 Years - 7 Years	300,000.00	287,099.00	265,790.00	3.18	3.67	5.22	2.98	5.36	8,952.00
Total Fixed Income	8,995,000.00	8,717,306.31	8,348,805.19	100.00	3.59	5.32	2.48	2.66	221,410.48
Average Years to Maturity: 2.93									

Yields, Coupon, and Modified Duration at the Total Fixed Income line are weighted average calculations.

Matured and still held includes bonds that have matured or are no longer collecting interest. This category does not contribute to yield calculations or modified duration but is included in the portfolio's total market value.

ACCOUNT(S) INCLUDED IN THIS REPORT BY CUSTODIAL RELATIONSHIP

Reserve Fund - MRR

Reporting Currency: USD

MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Performance (%) Inception - 10/12/23	Total Value (\$) 10/12/23	% of Portfolio 10/12/23
KIAWAH ISLAND COMM ASSC INC	835-XXX952	AAA	12/16/22 -	3.29	589,475.55	4.61
KIAWAH ISLAND COMM ASSC INC	835-XXX953	Sage Short Term Tax FI	12/19/22 -	1.37	7,942,054.31	62.14
KIAWAH ISLAND COMM ASSC INC	835-XXX954	Select UMA	12/19/22 -	4.86	4,248,711.34	33.24
Morgan Stanley Wealth Management Total					12,780,241.21	100.00

EXTERNALLY HELD[‡]

Account Name	Account Number/ Custodian	Account Type	Exclusions	Last Updated	Performance (%) Inception - 10/12/23	Total Value (\$) 10/12/23	% of Portfolio 10/12/23
KIAWAH ISLAND COMM ASSC INC	835-XXX981 CHARLES SCHWAB CORPORATION	REG	P	03/31/23	-	0.00	0.00
Externally Held Total						0.00	0.00
Total Portfolio						12,780,241.21	100.00

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated. The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. AA=Asset Allocation, P=Performance, POS=Positions & Balances, TW=Total Wealth, Q=Morgan Stanley Impact Quotient

[‡]Includes manually added and/or external accounts, assets and/or liabilities, as applicable, not held at Morgan Stanley Wealth Management. Please see Disclosures for more information.

DISCLOSURES

Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

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This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Money Market Fund: You could lose money in Money Market Funds (MMFs). Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

AAA Accounts: The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC.

Consulting Group Advisory Accounts: Consulting Group is a business of Morgan Stanley Smith Barney LLC.

Important Regulation Best Interest Information: This report is being provided as a courtesy. By providing this report, we do not represent or agree that we will monitor the investments in your brokerage account(s) or deliver future reports.

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-". Account values are based on the most recent security pricing available and may be prior to the date of this material.

Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for

Reserve Fund - MRR

Prepared on October 13, 2023 | Reporting Currency: USD

regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Morgan Stanley Wealth Management: Morgan Stanley Wealth Management (custodian type "Morgan Stanley Wealth Management") is a registered trade name of Morgan Stanley Smith Barney LLC.

Additional information about your Structured Products: Structured Investments are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also should consider the concentration risk of owning the related security and their total exposure to any underlying asset.

External Accounts: "External" generally refers to accounts, assets, and/or liabilities that you hold with other financial institutions and/or which may be custodied outside of Morgan Stanley (whose subsidiaries include Morgan Stanley Smith Barney LLC and Morgan Stanley & Co.) ("External Accounts"). External Accounts are not under administration or management at Morgan Stanley and are not reflected in your Morgan Stanley account statements. Information related to External Accounts is provided solely as a service to you and your Financial Advisor/Private Wealth Advisor. The information reference is based upon information provided by external sources which we believe to be reliable. However, we do not independently verify this information. As such, we do not warrant or guarantee that such information is accurate or timely, and any such information may be incomplete or condensed.

Information related to Income, Performance, Tax Lots, Total Cost, Target Asset Allocation, Asset Classification, Risk Analysis and Gain/Loss may differ from the information provided by your custodian. External information presented herein is subject to, and does not supersede, the confirmations and account statements provided by your custodian. Values shown in an account statement from your custodian may differ from the values shown here due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your custodian's official account statement and this material, rely on the custodian's official account statement. We are not obligated to notify you or your Financial Advisor/Private Wealth Advisor if information changes. In performance calculations, the inception date referenced will reflect the first date on which Morgan Stanley received account information from the custodian. If information on an External Account cannot be reported, it will be noted.

Assets not custodied with Morgan Stanley are not covered by SIPC protection at Morgan Stanley or by additional protection under Morgan Stanley's excess insurance coverage plans. However, these assets may be subject to SIPC coverage at the entity at which they are custodied.

Timing of Feeds: Account and Position data for Morgan Stanley & Co. and External Accounts is obtained from sources that we believe to be reliable. However, Morgan Stanley Wealth management does not guarantee its accuracy or timeliness as such information may be incomplete, condensed, or based on differing points of time. Please refer to the "Last Update Date" for information regarding when the data was last refreshed. You should not take any action relying upon this information without confirming its accuracy and completeness.

Timing of Feeds - FX Market: The FX market rate used to convert non-US Dollar values to US Dollars is as of the previous business day's close. For the current FX rates, please contact your Financial Advisor.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Unless otherwise indicated, performance is an aggregated composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

Reserve Fund - MRR

Prepared on October 13, 2023 | Reporting Currency: USD

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Gross of Fees: The impact of program fees can be material. These program fees are deducted based on your billing cycle and may have a compounding effect on performance. As fees are deducted periodically throughout the year, the compounding effect may increase the impact of the fees by an amount directly related to the gross account performance.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Additional information about your Alternative Investments: Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, and certain transactions may not be reported; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices, or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing, 1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position(s) is covered by SIPC.

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

It is important to note in this report that Morgan Stanley makes a distinction between Alternative Investment products, and products classified as Alternatives by their asset class. Morgan Stanley categorizes traditional and non-traditional alternative investment vehicles under the category "Alternatives" in asset classification based view. For product based views, traditional alternative investments vehicles are classified under the category "Other"; this differs from your official Morgan Stanley account statement, which categorizes traditional alternative investment vehicles such as Hedge Funds under the category "Alternative Investments". Non-traditional alternative strategy vehicles are classified based on their investment type, such as Mutual Fund or Exchange-Traded Funds within both this report and your Morgan Stanley account statement.

Reserve Fund - MRR

Prepared on October 13, 2023 | Reporting Currency: USD

Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

Bank Deposit Program: Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s), at FDIC-insured banks. For more information, view the Bank Deposit Program Disclosure Statement:

https://www.morganstanley.com/content/dam/msdotcom/en/wealth-disclosures/pdfs/BDP_disclosure.pdf.

Certificates of Deposit (CD's): CDs are insured by the FDIC, an independent agency of the U.S. Government, up to a maximum of \$250,000 (including principal and accrued interest) for all deposits held in the same insurable capacity (e.g. individual account, joint account, IRA etc.) per CD depository. Investors are responsible for monitoring the total amount held with each CD depository. All deposits at a single depository held in the same insurable capacity will be aggregated for the purposes of the applicable FDIC insurance limit, including deposits (such as bank accounts) maintained directly with the depository and CDs of the depository.

SMA/WRAP Fee: Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor/Private Wealth Advisor.

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RISK ANALYSIS DISCLOSURES

Taxes, Fees, and Expenses: This material does not include the effect of taxes, account fees, advisory fees, performance fees, and commissions that could materially affect the illustration provided and the decisions that you may make. The inclusion of these factors will reduce any values referenced herein. Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

GENERAL DEFINITIONS

Asset Allocation: Asset Allocation refers to how your investments are diversified across different asset classes, such as Stocks, Bonds, Cash and Alternative Investments. Either a Morgan Stanley Wealth Management Global Investment Committee ("GIC") Strategic Asset Allocation Model or a customized asset allocation is presented. The asset allocation used in this illustration may be more aggressive or conservative than your investment risk profile. Morgan Stanley's Global Investment Committee uses a proprietary process to arrive at its asset allocation models. These models are subject to change and some time may be required to implement any such changes.

Suggested Target Asset Allocation: The asset allocation proposed for your indicated account.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of

Reserve Fund - MRR

Prepared on October 13, 2023 | Reporting Currency: USD

client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Moody's Investor Service and Standard & Poor's Credit Ratings: The credit ratings from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Not Rated: Not Rated is assigned to an unrated issuer, obligation and/or program and can also include mutual funds and ETFs.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Value: "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

BENCHMARK DEFINITIONS

Reserve Fund IPS: The current allocation began as of 07/31/2022, and is comprised of 5.00% MSCI AC World Net, 1.75% Russell Midcap Value, 2.00% MSCI EM Net, 5.00% MSCI EAFE Net, 4.00% Russell 1000 Value, 1.75% Russell 2000 VL, 4.00% Russell 1000 Gr, 1.75% Russell 2000 Gr, 1.75% Russell Midcap Growth, 8.00% S&P 500 Total Return, 2.00% FTSE Treasury Bill 3 Month, 63.00% Bloomberg US Intermediate Agg TR. The historical constituents and allocations for this benchmark will be provided by your Financial Advisor to you upon request.

MSCI AC World Net: The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkiye, and United Arab Emirates (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Bloomberg US Intermediate Agg PR: Bloomberg Intermediate Aggregate

FTSE Treasury Bill 3 Month: Equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the index. The index is rebalanced monthly by market capitalization. The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of discount is the interest earned. T-bills are issued in denominations of \$10,000 auction and \$1,000 increments thereafter.

MSCI Japan Net: To construct a country index, every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS), and screened by size, liquidity and minimum free float. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to

Reserve Fund - MRR

Prepared on October 13, 2023 | Reporting Currency: USD

non-resident institutional investors who do not benefit from double taxation treaties.

MSCI World Ex USA - USD: MSCI World Ex USA - USD - The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity performance of developed markets. The MSCI World Index consists of the following 23 developed market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States (as of June 2014). This index is excluding the United States. The MSCI Country and Regional Indices are calculated in local currency as well as in USD. The concept of a local currency calculation excludes the impact of currency fluctuations. Note that for a country index, the local currency index will not be the same as an index calculated with the official currency of that country, if there is more than one currency of listing. The USD calculation includes exchange rates. Therefore, the local currency calculation only

BB Muni High Yield 1 Year 1-2 Y: The Bloomberg Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. This index is the 1 Year High Yield component of the Municipal Bond index.

MSCI EAFE Net: The MSCI EAFE Index -Europe, Australasia, Far East - is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US and Canada. The MSCI EAFE Index consists of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

S&P 500 Equal Wtd: The S&P Equal Weight Index is the equally-weighted version of the widely regarded S&P 500. The index has the same constituents as the capitalization weighted S&P 500, but each company in the S&P Equal Weight is allocated a fixed weight of 0.20%, rebalanced quarterly.

S&P 600 SC: The S&P 600 Small Cap Index consists of 600 small capitalization domestic companies chosen for market size, liquidity and industry group representation. It is a market-weighted index, with each stock affecting the Index in proportion to its market value.

MSCI ACWI Ex USA NR USD: The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and United Arab Emirates (as of June 2014). This index is excluding the United States. Performance is showing net withholding tax. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EM Asia - Local: MSCI Emerging Markets Asia-Local The MSCI Country and Regional Indices are calculated in local currency as well as in USD. The concept of a local currency calculation excludes the impact of currency fluctuations. Note that for a country index, the local currency index will not be the same as an index calculated with the official currency of that country, if there is more than one currency of listing. The USD calculation includes exchange rates. Therefore, the local currency calculation only represents the price appreciation or depreciation of the securities, whereas the USD calculation also accounts for the performance of the currency relative to the USD.

Russell 2000: The Russell 2000 Index consists of the 2,000 smallest companies in the Russell 3000 Index, which generally has represented approximately 10% of the total market capitalization of the Russell 3000 Index.

BB 50% Gov 1-3 Y - 50% Corp 1-3 Y: The Bloomberg Government Corp 1-3 year index is a subset of the Bloomberg Aggregate including issues due to have maturities within 1 to 3 years.

Russell 2000 Gr: The Russell 2000 Growth Index is representative of the U.S. market for smaller capitalization stocks containing those companies in the Russell 2000 Index with higher price-to-book ratios and higher forecasted growth.

Russell 2000 VL: The Russell 2000 Value Index is representative of the U.S. market for smaller capitalization stocks containing those companies in the Russell 2000 Index with lower price-to-book ratios and lower forecasted growth.

Bloomberg Municipal Bond 1-3 Y: The Bloomberg Muni 1 to 3 year index is a subset of the Bloomberg Muni index tracking performance of the bonds with maturities between and 1 and 3 years.

BB US Intermediate Gov/Cr: The Bloomberg Government/Credit Bond Index contains bonds that are investment grade and that have at least one year to maturity. The Barclays Intermediate Government/Credit Bond Index is composed primarily of bonds covered by the Bloomberg Government/Credit Bond Index with maturities between one and 9.99 years.

Russell 3000: The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity

Reserve Fund - MRR

Prepared on October 13, 2023 | Reporting Currency: USD

market.

Bloomberg US Intermediate Agg TR: Bloomberg Intermediate Aggregate Bond Index is composed of securities from the Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, with maturities between one and 9.99 years

Bloomberg Global Aggregate 1-3 Y: The Bloomberg Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities. This index is the 1-3 Yr component of the Global Aggregate index.

MSCI Europe Net: The MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI Europe Index consists of the following 15 developed market country indexes Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI Canada Net: To construct a country index, every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard GICS, and screened by size, liquidity and minimum free float. Net total return indices reinvest dividends after the deduction of withholding taxes, using for international indices a tax rate applicable to non resident institutional investors who do not benefit from double taxation treaties.

ICE BofA US Treasury 1-3 Y - G1O2: A subindex of the ICE BofA Treasury Master Index. Includes issues in the form of publicly placed, coupon-bearing U.S. Treasury debt. Issues must carry a term to maturity of at least one year.

MSCI AC Asia Pac Ex Japan Net: The MSCI AC (All Country) Asia Pacific ex Japan Index SM is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Asia Pacific region excluding Japan. As of December 2003 the MSCI AC Asia Pacific ex Japan Index consisted of the following 13 developed and emerging market country indices: Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore Free, Taiwan and Thailand. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EM Latin America Net: The EM Latin America Index is free float adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The MSCI EM Latin America Index consists of the following 5 emerging country indices: Brazil, Chile, Colombia, Mexico, and Peru (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EM Net: The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkiye, and United Arab Emirates (as of June 2014). Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

FTSE EPRA NAREIT Developed REITs TR: The FTSE EPRA NAREIT Global Real Estate Index Series is designed to represent general trends in eligible real estate equities worldwide. Relevant activities are defined as the ownership, disposal and development of income producing real estate. The index series now covers Global, Developed and Emerging indices, as well the UKs AIM market. The FTSE EPRA NAREIT Developed Index is designed to track the performance of listed real estate companies and REITS worldwide. By making the index constituents free float adjusted, liquidity, size and revenue screened, the series is suitable for use as the basis for investment products, such as derivatives and Exchange Traded Funds

Alerian MLP TR: The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships that provides investors with an unbiased, comprehensive benchmark for this emerging asset class. The index, which is calculated using a float-adjusted, capitalization-weighted methodology, is disseminated real-time on a price-return basis (NYSE: AMZ), and the corresponding total-return index is disseminated daily through ticker AMZX. Relevant data points such as dividend yield are also published daily.

MSCI AC World ex US Net: The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkiye, and United Arab Emirates (as of June 2014). This index is excluding the United States. Performance is showing net withholding tax. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Used in the PARIS system.

Reserve Fund - MRR

Prepared on October 13, 2023 | Reporting Currency: USD

S&P 500 Total Return: The S&P 500 has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index has over \$5.58 trillion benchmarked, with index assets comprising approximately \$1.31 trillion of this total. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. This index includes dividend reinvestment.

Russell Midcap: The Russell Midcap Index is representative of the U.S. market for medium capitalization stocks containing approximately 800 of the smallest companies in the Russell 1000 Index, representing approximately 25% of the total market capitalization of the Russell 1000 Index.

Russell Midcap Value: The Russell Mid Cap Value Index contains Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value Index.

Russell Midcap Growth: The Russell Mid Cap Growth Index contains Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth Index.

Russell 1000 Gr: The Russell 1000 Growth Index is representative of the U.S. market for large capitalization stocks containing those companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth.

Russell 1000 Value: The Russell 1000 Value Index is representative of the U.S. market for large capitalization stocks containing those companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth.

S&P GSSI Natural Resource: The GS Natural Resource index seeks to track the investment results of North American equities in the natural resources sector.

HFRI Fund Weighted Comp: HFRI Fund Weighted Composite Index: Hedge Fund Research (HFR) Fund Weighted Composite Index is an equally-weighted composite index including both domestic and offshore funds, with no Fund of Funds. The index includes over 2000 constituent funds. All funds report assets in USD and all funds report Net of All Fees returns on a monthly basis. Fund must have a least \$50 Million under management or have been actively trading for at least twelve(12) months.

Bloomberg US Aggregate: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

3-b

General Fund – Operating

Kiawah Island Community Association

Prepared on October 13, 2023 for:
General Fund - Operating

TABLE OF CONTENTS

Account(s) Included In This Report w/ Performance Since Inception	3
Asset Allocation	4
Time Weighted Performance Summary	5
Bond Maturity Schedule	6
Bond Maturity Ladder	7
Disclosures	8

Please review the disclosures and definitions throughout this Document. For more information or questions, please contact your Financial Advisor.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document and will be denoted on the page

ACCOUNT(S) INCLUDED IN THIS REPORT

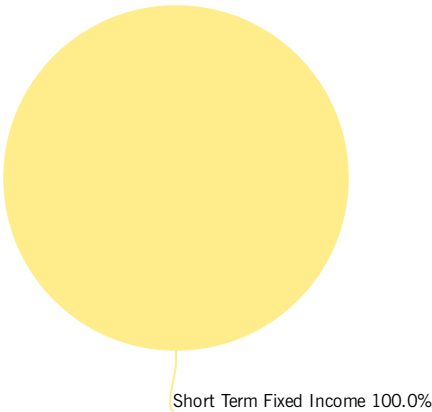
General Fund - Operating

Reporting Currency: USD

MORGAN STANLEY WEALTH MANAGEMENT						
Account Name and Address	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Performance (%) Inception - 10/12/23	Total Value (\$) 10/12/23	% of Portfolio 10/12/23
KIAWAH ISLAND COMM ASSC INC 23 BEACHWALKER DR KIAWAH ISLAND	835-XXX956	Sage Short Term Tax FI	12/19/22 -	3.11	9,513,439.72	100.00
Morgan Stanley Wealth Management Total					9,513,439.72	100.00
Total Portfolio					9,513,439.72	100.00

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated. The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

ASSET ALLOCATION - ASSET CLASS



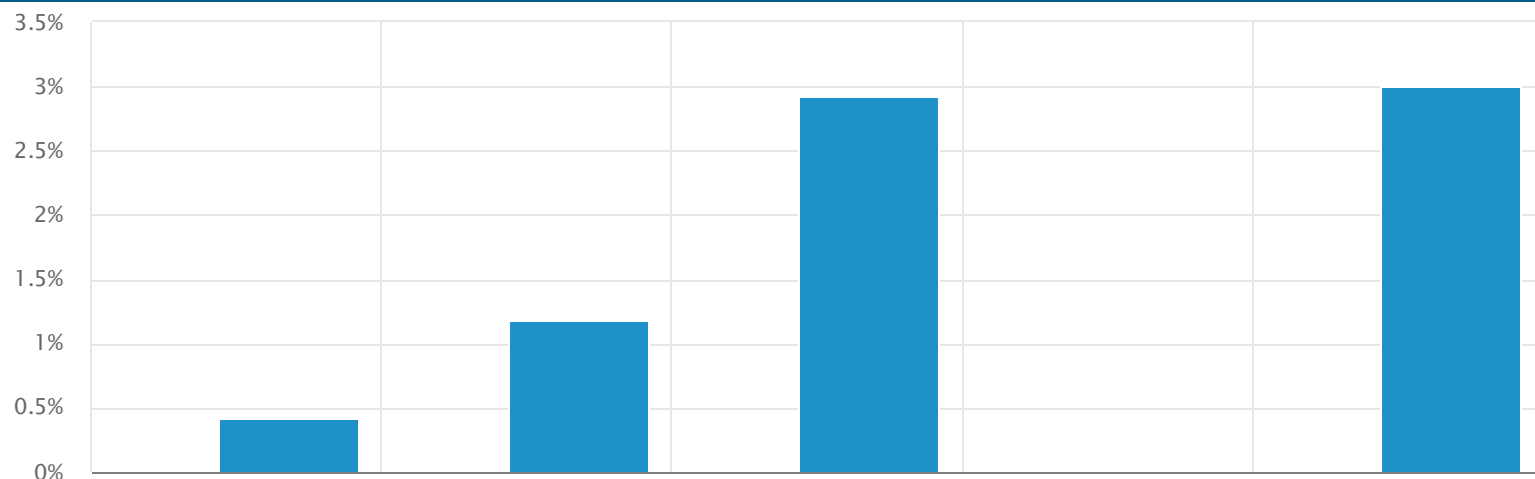
ASSET ALLOCATION		
	Total Value (\$)	% of Portfolio
	09/30/2023	09/30/2023
Fixed Income & Preferreds	9,502,841.72	100.0
Short Term Fixed Income	9,502,841.72	100.0
Short Term Fixed Income	9,502,841.72	100.0
TOTAL PORTFOLIO	9,502,841.72	100.0

TIME WEIGHTED PERFORMANCE SUMMARY

General Fund - Operating

As of September 30, 2023 | Reporting Currency: USD

RETURN % (GROSS AND NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Month to Date 08/31/23 - 09/30/23	Quarter to Date 06/30/23 - 09/30/23	Year to Date 12/31/22 - 09/30/23	Last 12 Months 09/30/22 - 09/30/23	Performance Inception 12/26/22 - 09/30/23
Beginning Total Value (\$)	9,462,942.36	11,887,380.71	4,782,450.59	-	4,778,775.05
Net Contributions/Withdrawals (\$)	0.00	-2,500,000.00	4,392,168.83	-	4,392,202.73
Investment Earnings (\$)	39,899.34	115,460.99	328,222.29	-	331,863.93
Ending Total Value (\$)	9,502,841.71	9,502,841.71	9,502,841.71	-	9,502,841.71
Return % (Gross of Fees)	0.42	1.29	3.20	-	3.28
Return % (Net of Fees)	0.42	1.18	2.92	-	3.00

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

BOND MATURITY SCHEDULE

General Fund - Operating

As of September 30, 2023 | Reporting Currency: USD

2023

Security Description	Coupon Rate	Maturity Date	Call Date / Pre-Refunded Date	Quantity	Maturity/Par Value (\$)	Original Cost (\$)	Adjusted Cost (\$)	Market Value (\$)
UNITED STATES TREASURY NOTE <i>CUSIP: 91282CAP6</i>	0.13	10/15/23		2500000.00	2,500,000.00	2,418,660.00	2,418,660.00	2,495,263.68
UNITED STATES TREASURY BILL <i>CUSIP: 912796ZD4</i>	-	11/30/23		605000.00	605,000.00	595,709.62	595,709.62	599,721.35
2023 Total					3,105,000.00	3,014,369.62	3,014,369.62	3,094,985.03

2024

Security Description	Coupon Rate	Maturity Date	Call Date / Pre-Refunded Date	Quantity	Maturity/Par Value (\$)	Original Cost (\$)	Adjusted Cost (\$)	Market Value (\$)
UNITED STATES TREASURY NOTE <i>CUSIP: 9128285Z9</i>	2.50	01/31/24		1150000.00	1,150,000.00	1,125,072.60	1,125,072.60	1,139,083.98
UNITED STATES TREASURY NOTE <i>CUSIP: 912828W48</i>	2.13	02/29/24		750000.00	750,000.00	728,235.00	728,235.00	740,039.07
UNITED STATES TREASURY NOTE <i>CUSIP: 91282CEK3</i>	2.50	04/30/24		2500000.00	2,500,000.00	2,444,150.00	2,444,150.00	2,457,421.89
UNITED STATES TREASURY NOTE <i>CUSIP: 91282CER8</i>	2.50	05/31/24		2020000.00	2,020,000.00	1,977,713.32	1,977,713.32	1,980,901.96
2024 Total					6,420,000.00	6,275,170.92	6,275,170.92	6,317,446.90
Total					9,525,000.00	9,289,540.54	9,289,540.54	9,412,431.93

The Bond Maturity Schedule Detail does not include bonds held in mutual funds or ETFs, or bonds for which this information is not available.

General Fund - Operating

As of September 30, 2023 | Reporting Currency: USD

Maturity	Par Value (\$)	Original Cost (\$)	Market Value (\$)	Market Value (%)	YTM @ Purchase (%)	YTW (%)	Coupon (%)	Modified Duration (%)	Est. Annual Income (\$)
Under 1 Year	9,525,000.00	9,289,540.54	9,412,431.93	100.00	4.77	5.61	1.69	0.37	136,906.25
Total Fixed Income	9,525,000.00	9,289,540.54	9,412,431.93	100.00	4.77	5.61	1.69	0.37	136,906.25
Average Years to Maturity: 0.39									

Yields, Coupon, and Modified Duration at the Total Fixed Income line are weighted average calculations.

Matured and still held includes bonds that have matured or are no longer collecting interest. This category does not contribute to yield calculations or modified duration but is included in the portfolio's total market value.

DISCLOSURES

Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

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Money Market Fund: You could lose money in Money Market Funds (MMFs). Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

Consulting Group Advisory Accounts: Consulting Group is a business of Morgan Stanley Smith Barney LLC.

Residential Mortgage loan information is excluded from this report. Please contact your Morgan Stanley team for more information.

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-". Account values are based on the most recent security pricing available and may be prior to the date of this material.

Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

General Fund - Operating

Prepared on October 13, 2023 | Reporting Currency: USD

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Unless otherwise indicated, performance is an aggregated composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Gross of Fees: The impact of program fees can be material. These program fees are deducted based on your billing cycle and may have a compounding effect on performance. As fees are deducted periodically throughout the year, the compounding effect may increase the impact of the fees by an amount directly related to the gross account performance.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Bank Deposit Program: Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s), at FDIC-insured banks. For more information, view the Bank Deposit Program Disclosure Statement:

https://www.morganstanley.com/content/dam/msdotcom/en/wealth-disclosures/pdfs/BDP_disclosure.pdf.

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General Fund - Operating

Prepared on October 13, 2023 | Reporting Currency: USD

payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor / Private Wealth Advisor.

GENERAL DEFINITIONS

Accrued Interest: The interest earned but not yet received at both the beginning and end of each reporting period.

Adjusted Cost: Adjusted Cost generally reflects the security's original cost adjusted as required by applicable tax rules, including the accrual of discount or premium. Adjusted cost figures are provided for reference purposes only. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events and may not reflect all of the basis adjustments required to make for tax reporting purposes. Please review with your tax advisor on what is the best method for allocating cost basis for your account.

CCY: Represents the currency of the underlying instrument. Currency is a medium of exchange for goods and services.

Coupon Rate: The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Market Value: Market Value represents the current value of a portfolio or security at a specific point in time not including interest and dividend accruals.

Maturity Value: The amount that will be received at the time a security is redeemed at its maturity. For most securities, Maturity Value equals Par Value.

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Next Call Date: The next date that the issuer has the right, but not the obligation, to redeem a bond from the bondholders before its maturity date.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

General Fund - Operating

Prepared on October 13, 2023 | Reporting Currency: USD

Total Cost:The sum of all costs incurred by a firm in producing a certain level of output.

Total Value:"Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

3-c

Reserve Fund – Operating

Kiawah Island Community Association

Prepared on October 13, 2023 for:
Reserve Fund - Operating

TABLE OF CONTENTS

Account(s) Included In This Report w/ Performance Since Inception	3
Asset Allocation	4
Time Weighted Performance Summary	5
Time Weighted Performance Detail	6
Positions	7
Disclosures	8

Please review the disclosures and definitions throughout this Document. For more information or questions, please contact your Financial Advisor.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document and will be denoted on the page

ACCOUNT(S) INCLUDED IN THIS REPORT

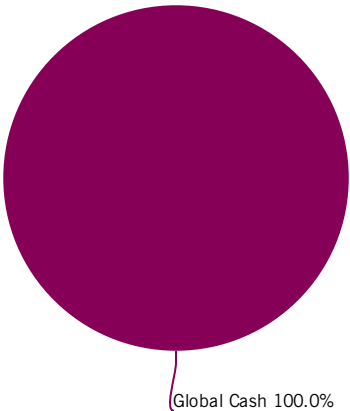
Reserve Fund - Operating

Reporting Currency: USD

MORGAN STANLEY WEALTH MANAGEMENT						
Account Name and Address	Account Number	Account Type/ Manager Name	Date Opened/ Date Closed	Performance (%) Inception - 10/12/23	Total Value (\$) 10/12/23	% of Portfolio 10/12/23
KIAWAH ISLAND COMM ASSC INC 23 BEACHWALKER DR KIAWAH ISLAND	835-XXX955	AAA	12/19/22 -	3.41	1,161,064.63	100.00
Morgan Stanley Wealth Management Total					1,161,064.63	100.00
Total Portfolio					1,161,064.63	100.00

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated. The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

ASSET ALLOCATION - ASSET CLASS



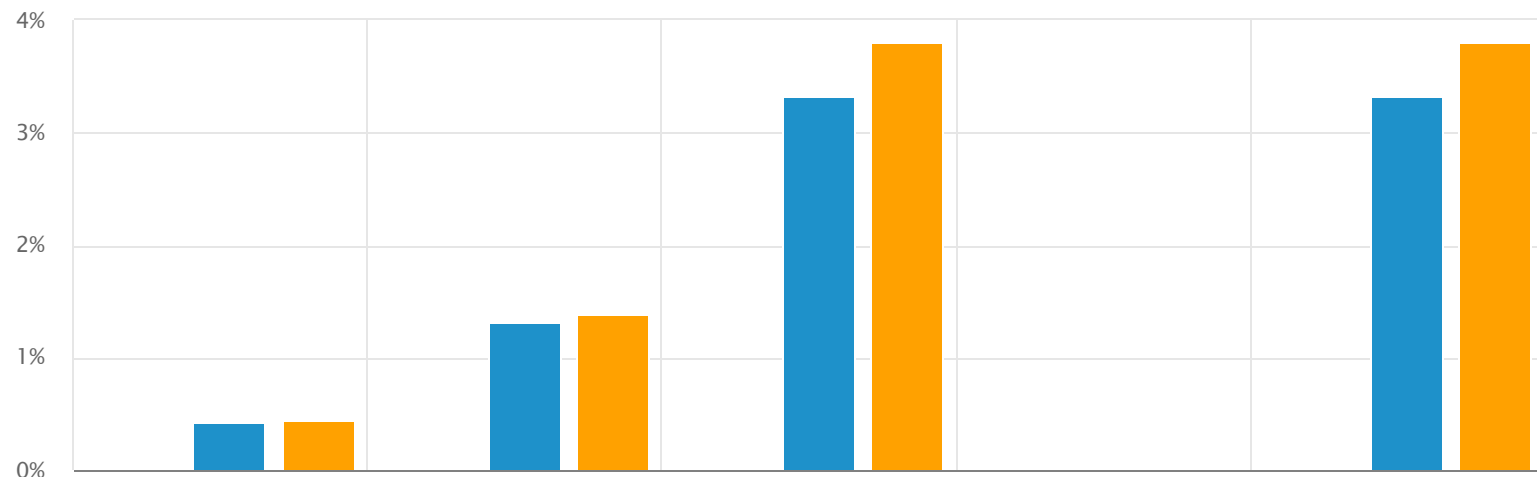
ASSET ALLOCATION		
	Total Value (\$)	% of Portfolio
	09/30/2023	09/30/2023
Cash	1,161,064.63	100.0
Global Cash	1,161,064.63	100.0
Global Cash	1,161,064.63	100.0
TOTAL PORTFOLIO	1,161,064.63	100.0

TIME WEIGHTED PERFORMANCE SUMMARY

Reserve Fund - Operating

As of September 30, 2023 | Reporting Currency: USD

RETURN % (GROSS AND NET OF FEES) VS. BENCHMARKS (ANNUALIZED)



	Month to Date 08/31/23 - 09/30/23	Quarter to Date 06/30/23 - 09/30/23	Year to Date 12/31/22 - 09/30/23	Last 12 Months 09/30/22 - 09/30/23	Performance Inception Month End 12/31/22 - 09/30/23
Beginning Total Value (\$)	1,156,074.08	1,146,026.96	1,123,596.72	-	1,123,596.72
Net Contributions/Withdrawals (\$)	0.00	0.00	0.00	-	0.00
Investment Earnings (\$)	4,990.55	15,037.67	37,467.91	-	37,467.91
Ending Total Value (\$)	1,161,064.63	1,161,064.63	1,161,064.63	-	1,161,064.63
Return % (Gross of Fees)	0.43	1.31	3.33	-	3.33
Return % (Net of Fees)	0.43	1.31	3.33	-	3.33
FTSE Treasury Bill 3 Month (%)	0.45	1.38	3.80	-	3.80

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

Reserve Fund - Operating

As of September 30, 2023 | Reporting Currency: USD

RETURN % (GROSS AND NET OF FEES) VS. BENCHMARKS

Account Name/ Benchmark	Account Number	Performance	Total Value (\$)	% Of	Net/	Month to Date (%)	Quarter to Date (%)	Year to Date (%)	Last 12 Months (%)	Performance	
		Inception Date		Portfolio	Gross (Of Fees)					Inception Month End	
			09/30/23	09/30/23		08/31/23 - 09/30/23	06/30/23 - 09/30/23	12/31/22 - 09/30/23	09/30/22 - 09/30/23	(%) to 09/30/23	
BROKERAGE		12/29/22	1,161,064.63	100.00		0.43	1.31	3.33	-	3.33	
KIAWAH ISLAND COMM ASSC INC (AAA)	835-XXX955	12/29/22	1,161,064.63	100.00	NET	0.43	1.31	3.33	-	3.33	
						GROSS	0.43	1.31	3.33	-	3.33
FTSE Treasury Bill 3 Month							0.45	1.38	3.80	-	3.80

The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Year to Date(YTD), Quarter to Date(QTD) and Month to Date(MTD): Returns are for the period in which position or account was open.

Reserve Fund - Operating

As of September 30, 2023 | Reporting Currency: USD

Product/ Security Description	Quantity	Avg. Unit Cost (\$)/ Total Cost (\$)	Price (\$)	MKT VAL (\$)	Unrealized Gain/Loss (\$)	Accrued Income (\$)	Estimated Annual Income (\$)	Current Yield (%)/ Yield on Cost (%)	% of Portfolio
Cash, MMF and Bank Deposits		-		39.39	-	-	-		0.00
BANK DEPOSIT PROGRAM	39.39	-	1.000	39.39	-	-	-	-	0.00
<i>Symbol: BDPS</i>									
Mutual Funds		-		1,161,025.24	-	-	62,149.68		100.00
MSILF GOVERNMENT PTF INST	1,161,025.24	-	1.000	1,161,025.24	-	-	62,149.68	5.33	100.00
<i>Symbol: MVRXX, Div\$: 0.05</i>									
Total Portfolio:		-		1,161,064.63	-	-	62,149.68		100.00

Although price is displayed only to three decimal places, calculation of Market Value is computed using the full price in our database, which may carry out beyond three decimal places. Unrealized Gain/Loss value does not reflect interest and dividend accruals. Gain/Loss totals only reflect positions that have both Cost Basis and Market Value/Total Value available.

DISCLOSURES

Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

The information in this document is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. Although the statements of fact and data in this document have been obtained from, and are based upon sources that we believe to be reliable, we do not guarantee their accuracy, or timeliness, and any such information may be incomplete or condensed. Percentage values shown in this document are subject to rounding, which may impact total values. The values of securities and other investments not actively traded may be estimated or may not be available.

This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Money Market Fund: You could lose money in Money Market Funds (MMFs). Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.

AAA Accounts: The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC.

High Yield Savings Deposits: Savings deposits are held at Morgan Stanley Private Bank, National Association ("MSPBNA"), Member FDIC and Morgan Stanley Bank, n.a. ("MSBNA"). Morgan Stanley Smith Barney LLC, MSBNA and MSPBNA are affiliates. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank. Unless specifically disclosed in writing, other investments and services offered through Morgan Stanley Smith Barney are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, a bank and involve investment risks, including possible loss of principal amount invested. FDIC insurance does not protect against losses due to exchange rate movements.

Important Regulation Best Interest Information: This report is being provided as a courtesy. By providing this report, we do not represent or agree that we will monitor the investments in your brokerage account(s) or deliver future reports.

Residential Mortgage loan information is excluded from this report. Please contact your Morgan Stanley team for more information.

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Reserve Fund - Operating

Prepared on October 13, 2023 | Reporting Currency: USD

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-". Account values are based on the most recent security pricing available and may be prior to the date of this material.

Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Additional information about your Structured Products: Structured Investments are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also should consider the concentration risk of owning the related security and their total exposure to any underlying asset.

ESOP: The information provided with respect to your employee stock option plan ("ESOP") was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. There may be other requirements, details, and criteria governing your ESOP. Please refer to the documentation provided by your employer for the terms and conditions governing your ESOP.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Unless otherwise indicated, performance is an aggregated composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses. Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Gross of Fees: The impact of program fees can be material. These program fees are deducted based on your billing cycle and may have a compounding effect on performance. As fees are deducted periodically throughout the year, the compounding effect may increase the impact of the fees by an amount directly related to the gross account performance.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance

Reserve Fund - Operating

Prepared on October 13, 2023 | Reporting Currency: USD

shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Performance Inception Month End: Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

Realized/Unrealized Gain/Loss: The gain and loss information is provided for informational purposes only, may not be complete, is not a substitute for Form 1099 (or any other appropriate tax form), and should not be used for tax planning or preparation. Gain and loss values are estimates and should be independently verified. Wash sale rules may affect the current use of tax losses. We are not responsible for any gain and loss information provided by you or another financial institution. You are responsible for ensuring the accuracy of such information.

Projected 12 Month: Projected 12 Month Income is based upon cash income from interest, cash dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease. The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

Additional information about your Alternative Investments: Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, and certain transactions may not be reported; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices, or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing, 1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position(s) is covered by SIPC.

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

It is important to note in this report that Morgan Stanley makes a distinction between Alternative Investment products, and products classified as Alternatives by their asset class. Morgan Stanley categorizes traditional and non-traditional alternative investment vehicles under the category "Alternatives" in asset classification based view. For product based views, traditional alternative investments vehicles are classified under the category "Other"; this differs from your official Morgan Stanley account statement, which categorizes traditional alternative investment vehicles such as Hedge Funds

Reserve Fund - Operating

Prepared on October 13, 2023 | Reporting Currency: USD

under the category "Alternative Investments". Non-traditional alternative strategy vehicles are classified based on their investment type, such as Mutual Fund or Exchange-Traded Funds within both this report and your Morgan Stanley account statement.

Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

Bank Deposit Program: Under the Bank Deposit Program, free credit balances held in an account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest-bearing deposit account(s), at FDIC-insured banks. For more information, view the Bank Deposit Program Disclosure Statement:

https://www.morganstanley.com/content/dam/msdotcom/en/wealth-disclosures/pdfs/BDP_disclosure.pdf.

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GENERAL DEFINITIONS

APY: The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the period ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanley.com/wealth-investmentstrategies/ratemonitor>

Accrued Interest: The interest earned but not yet received at both the beginning and end of each reporting period.

CCY: Represents the currency of the underlying instrument. Currency is a medium of exchange for goods and services.

Call Date: The date on which a bond or preferred stock can be redeemed by the issuer before maturity.

Call Price: The price at which a bond or a preferred stock can be redeemed by the issuer before maturity.

Current Yield: The indicated Estimated Annual Income divided by the Market Value/Current Cost.

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

Global Investment Manager Analysis (GIMA): Global Investment Manager Analysis (GIMA), formerly known as CG IAR, reviews certain investment products in various advisory programs. For these programs, a GIMA status will apply:

Focus List (FL): Investment products on the Focus List have been subject to an in-depth review and possess GIMA's highest level of confidence.

Approved List (AL): Investment products on the Approved List have typically been subject to a less rigorous review process and have been approved for recommendation to investors.

Not Approved List (NL): Investment products that were previously on the Focus List or Approved List but are no longer on either of those lists. GIMA no longer covers these products. For more information, please ask your Financial Advisor for the applicable Morgan Stanley ADV brochure.

Gross Accumulated Value (\$): Gross Accumulated Value is the most current market value provided by carriers of the Annuity or Life insurance product.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Investment Earnings: A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

Market Value: Market Value represents the current value of a portfolio or security at a specific point in time not including interest and dividend accruals.

Moody's Investor Service and Standard & Poor's Credit Ratings: The credit ratings from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

Morgan Stanley Research Ratings: Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight, Not-Rated, or Underweight (see definition below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, Not-Rated and Underweight are not the equivalent of buy, hold and sell. Investors should carefully read the

Reserve Fund - Operating

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definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's view, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the ratings alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Overweight (OVWEIGHT): The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (EQWEIGHT): The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (UNWEIGHT): The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not-Rated (NR): Currently, the analyst does not have adequate conviction about the stock's total return relative to the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Not Available (NAV): Indicates that the ratings for this company are not available because of a Morgan Stanley policy.

Discontinued Coverage (DC)

Morningstar, Inc. Equity Research Ratings: For ease of comparison, Morgan Stanley Smith Barney LLC has normalized Morningstar, Inc.'s proprietary research ratings to a 1 (Buy), 2 (Hold), and 3 (Sell), which differs from Morningstar, Inc.'s rating system. Please refer to a Morningstar, Inc. research report for a complete description of Morningstar, Inc.'s rating system and Morningstar, Inc.'s actual proprietary rating on any covered company. Morningstar, Inc.'s ratings are described below:

Morgan Stanley Smith Barney LLC Normalized Code / Morningstar, Inc.'s Rating:

1 / 5-STARS (BUY - Significantly Undervalued): Appreciation beyond a fair risk-adjusted return is highly probable over a multiyear time frame.

1 / 4-STARS (BUY - Undervalued): Appreciation beyond a fair risk-adjusted return is probable.

2 / 3-STARS (HOLD - Fairly valued): Indicates that investors are likely to receive a fair risk-adjusted return (approximately cost of equity).

3 / 2-STARS (SELL - Overvalued): Investors are likely to receive a less than fair risk-adjusted return and should consider directing their capital elsewhere.

3 / 1-STARS (SELL - Significantly Overvalued): Indicates a high probability of undesirable risk-adjusted returns from the current market price over a multiyear time frame.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

Net Contributions/Withdrawals: The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

Net Invested Premium(\$): Net Invested Premium is the total amount invested minus the total amount withdrawn. The total amount invested includes the initial investment and any future contributions.

Net of Fees: Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Non-Taxable: Any security from which the income generally is not subject to Federal income taxation e.g. Municipal bonds. These securities may be subject to other taxes, including capital gains taxes, the Alternative Minimum Tax and state and local taxation.

Not Rated: Not Rated is assigned to an unrated issuer, obligation and/or program and can also include mutual funds and ETFs.

Taxable: Securities that generally give rise to taxable dividends or interest payments. This report generally excludes Partnerships, Options, Futures and other Derivatives.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Cost: The sum of all costs incurred by a firm in producing a certain level of output.

Total Value: "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014 does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

BENCHMARK DEFINITIONS

FTSE Treasury Bill 3 Month:Equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the index. The index is rebalanced monthly by market capitalization. The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of discount is the interest earned. T-bills are issued in denominations of \$10,000 auction and \$1,000 increments thereafter.

4

Portfolio Fee Summary

Illustrative Investment Management Expenses – Reserve Fund



KICA Reserve Fund Manager-Level Fees

	% of Reserve Fund	Fund Fee	Average Peer Fund Fee	Morningstar Peer Category
Boston Partners Large Cap Value SMA	2.3%	0.28%	0.90%	U.S. Large Cap Value
Columbia Dividend Income SMA	3.4%	0.28%	0.90%	U.S. Large Cap Value
Invesco S&P 500 Equal Weighted ETF	8.8%	0.20%	0.79%	U.S. Large Cap Blend
JPM Large Cap Growth SMA	3.3%	0.28%	0.96%	U.S. Large Cap Growth
Earnest Partners Smid Cap	3.9%	0.30%	0.92%	U.S. Mid-Cap Blend
iShares S&P 600 ETF	3.8%	0.06%	0.99%	U.S. Small Cap Blend
T. Rowe International ADR SMA	2.8%	0.30%	0.92%	Foreign Large Blend
iShares MSCI Int' Dev Markets ETF	2.7%	0.04%	0.92%	Foreign Large Blend
GQG Partners Emerging Markets Fund	2.3%	0.98%	1.14%	Diversified Emerging Markets
Sage Short Duration SMA	64.1%	0.15%	0.66%	U.S. Short-Term Bond
CDs & Cash	2.6%	0.00%	0.00%	n/a
Total	100.0%	0.18%	0.73%	

OCIO Agreement – Asset Based Investment Advisory Fee

Cook Street / Morgan Stanley Expense	First \$20 million	0.25%	\$50,000 minimum annual fee
	Next \$30 million	0.15%	
	Over \$50 million	0.10%	

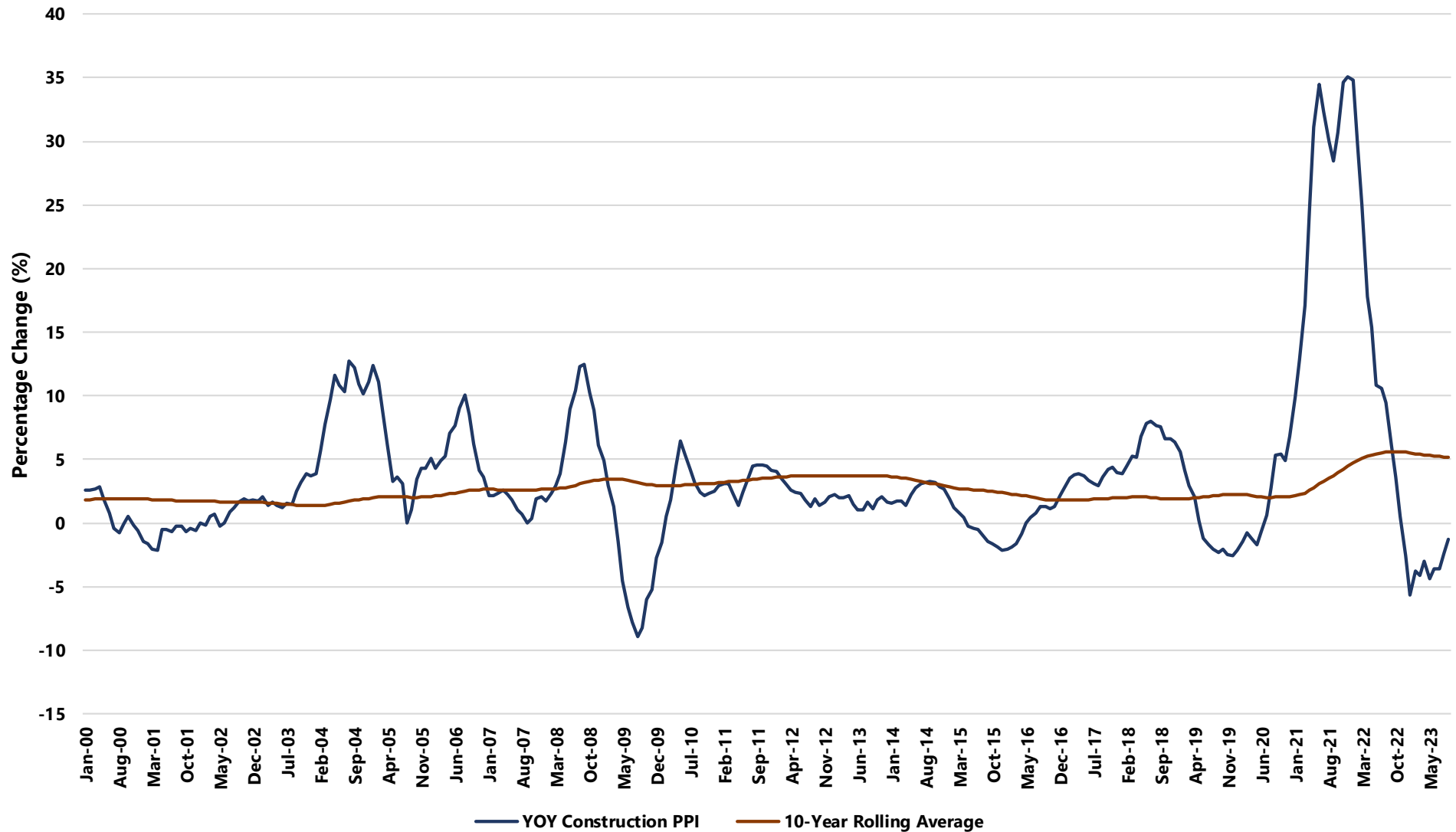
KICA Reserve Fund Manager-Level Fees: Actual Fund Allocation weights as of 9/30/2023. Average Peer Fund Fee illustrated is the average Morningstar peer group expense ratio for the respective fund shown, as of 9/30/2023.

OCIO Agreement – Asset Based Investment Advisory Fee: Annual fee, billed quarterly.



Appendix

Producer Price Index by Commodity: Construction Materials



Source: Federal Reserve Bank of St. Louis. Data as of 9/30/2023.

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Description of Fees and Charges

All mutual fund/ETF expense ratios listed in this document are gross expense ratios. The gross expense ratio reflects the annual percentage of a fund's assets paid out in expenses which include any 12B-1, transfer agent and all other asset-based fees associated with a fund's daily operations and distribution.

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Morningstar Net Expense Ratio Definition: The total net expenses divided by the fund's average net assets. Net expenses, which are net of any type of reimbursements, waivers and caps on total expenses, include operating expenses and management fees, such as 12b-1 fees, administrative fees and auditor fees but not brokerage costs.

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