

---

**From:** Richard Kahn [REDACTED]  
**Sent:** Monday, April 8, 2019 11:36 AM  
**To:** Jeffrey Epstein  
**Subject:** Fwd: Apple, Inc.: Don't Underestimate Apple's Move into Healthcare

HBRK Associates Inc.  
575 Lexington Avenue, 4th Floor  
New York, NY 10022  
[REDACTED]

=begin forwarded message:

From: "Morgan Stanley" <[REDACTED]>

Date: April 8, 2019 at 1:49:45 AM EDT

To: <[REDACTED]>

Subject: Apple, Inc.: Don't Und=restimate Apple's Move into Healthcare

Reply-To: <

<http://www.morganstanl=y.com/img/cs/spacer.gif> <http://www.morganstanle=.com/img/cs/spacer.gif>  
<http://www.morganstanl=y.com/img/cs/spacer.gif> <http://www.morganstan=ey.com/img/cs/spacer.gif>  
<http://www.morganstanl=y.com/img/cs/spacer.gif> <http://www.morganstanle=.com/img/cs/spacer.gif>  
<http://www.morganstanl=y.com/img/cs/spacer.gif> <http://www.morganstanley.com/img/cs=spacer.gif>  
<http://www.morganstanley.com/img/cs=spacer.gif> <http://www.morganstanley.com/img/cs=spacer.gif>  
<http://www.morganstanley.com/img/cs=spacer.gif> == <http://www.morganstanley.com>

<http://www.=organstanley.com/img/cs/spacer.gif> Apple= Inc.: Don't Underestimate Apple's Move into Healthcare  
<http://linkback.morganstanley.com/web/sendlin=/webapp/f/mpe9jej8-3qap-g000-8c95-  
005056018300?store=1&d=UwBSZXNIYX=jaF9NUwA5M2ViNzkyMi01N2FjLTeXZTktOTU5MS1iMDgyOGRmZDYwNzI%3D&  
user=63gz=ghjo8ob3-0&\_\_gda\_\_=1806986984\_b2eed3a988ad5656d05492d63fab5c2> =

= <http://www.=organstanley.com/img/cs/spacer.gif>  
<http://www.morganstanley.com/img/cs/spacer.gif> =/td>  
<http://www.=organstanley.com/img/cs/spacer.gif> &nb=p;

Katy L. Huberty= CFA – Morgan Stanley

April 8, 2019 4:01 AM =GMT

We think Apple is building a healthcare ecosystem and is poised to emerge as a leader in consumer-centric healthcare. Collaborating with MS healthcare and tech teams, we assess its positioning and potential impact. The center of gravity is shifting in US healthcare. Historically, power and decision-making in healthcare have been concentrated among those who control money flows, but we see evidence of change. Wearables, electronic medical records (EMR), and proposed regulations are enabling data to flow more freely between silos and stakeholders. On the regulatory front, the past two years have seen a shift in the US Food and Drug Administration's stance toward evaluating and approving digital health tools, with the new regulatory framework proposed in January 2019 more open to digital innovation. Meanwhile, the administration is proposing new rules that would provide consumers access to all their medical data, with the goal of democratizing patients' access to health data. And as the burden of healthcare costs increases with rising deductibles, the patient is becoming a consumer. Healthcare is a large, greenfield services opportunity for Apple. The central investor debate on the stock is whether Apple can better monetize its 1.4 billion-device installed-base in an increasingly crowded mobile services market. Healthcare is both large – \$3.5 trillion addressable US market – and nascent in its digital transformation. So, unlike recent announcements on news, gaming, video, and payments, where Apple is joining existing competitors, healthcare is a market where Apple has the potential to lead digital disruption – much like what iTunes did for music or the App Store for mobile services. The company's healthcare strategy appears to aim for an ecosystem that puts the consumer at the center. Based on what it has done over the last five years, we see Apple creating the building blocks of another ecosystem like the App Store. The 2013 Wellness Registry patent evolved into Heal

This alert is sent from:

Andrew Atlas, Andrew.Atlas@morganstanley.com

You received this because you requested that you receive content and reports from:

APPLE INC.

Please contact your FA if you want to unsubscribe from the alerts.

=

=

<<http://www.morganstanley.com/img/cs/spacer.gif>> <<http://www.morganstanley.com/img/cs/spacer.gif>>  
<<http://www.morganstanley.com/img/cs/spacer.gif>> <<http://www.morganstanley.com/img/cs/spacer.gif>>  
<<http://www.morganstanley.com/img/cs/spacer.gif>> <<http://www.morganstanley.com/img/cs/spacer.gif>>  
<<http://www.morganstanley.com/img/cs/spacer.gif>> <<http://www.morganstanley.com/img/cs/spacer.gif>>  
<<http://www.morganstanley.com/img/cs/spacer.gif>> Disclosures:  
Please see the full report for risks, disclosures and other important information.

Important disclosures regarding the relationship between the companies that are referenced in Morgan Stanley research and Morgan Stanley Wealth Management research are available on the Morgan Stanley Wealth Management disclosure website at <https://www.morganstanley.com/online/researchdisclosures> .

=

Morgan Stanley Wealth Management Not Acting as Municipal Advisor Morgan Stanley Wealth Management is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the "Municipal Advisor Rule") and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule.

#### Copyright

The copyright in materials provided by Morgan Stanley is owned by Morgan Stanley & Co. LLC. Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

&nbsp;

© 2019 Morgan Stanley Smith Barney LLC. Member SIPC.

<<http://www.morganstanley.com/img/cs=spacer.gif>> <<http://www.morganstanley.com/img/cs=spacer.gif>>  
<<http://www.morganstanley.com/img/cs=spacer.gif>> <<http://www.morganstanley.com/img/cs=spacer.gif>>

=