Morgan Stanley

Safeguarding Your Deposits

FDIC Coverage with Two Insured Banks

At Morgan Stanley, our goal is to advise our clients and help them protect their assets as part of a comprehensive wealth management strategy. As one of the world's leading wealth management firms, maintaining the safety, security and availability of client assets are responsibilities we take very seriously.

As a Morgan Stanley client, you have access to FDIC Coverage up to applicable limits. Morgan Stanley has two insured banks (which acts as a "Sweep Bank" for dollars in your investment account); Morgan Stanley Private Bank, National Association (MSPBNA) and Morgan Stanley Bank, N.A. (MSBNA). Free cash balances across various account types are automatically deposited into deposit accounts at the banks via the Bank Deposit Program (BDP). The BDP is the default sweep option selected at account opening for eligible clients. The alternative for free cash balances for accounts that are ineligible for BDP is government money market funds (MMFs), subject to certain cash and household asset minimums, and jurisdictional restrictions.

Hypothetical Example: Maximizing FDIC Coverage

A Husband, Wife, and Child/Children could have the following fully insured single, joint and revocable trust accounts totaling up to $6,500,000.

ACCOUNT TYPES	OWNER	BENEFICIARIES	MAXIMUM AVAILABLE FDIC COVERAGE PER BANK	MAXIMUM AVAILABLE TWO BANK SYSTEM AT MORGAN STANLEY
Individual Accounts All single accounts owned by the same person at the same bank are added together and insured up to $250,000.				
Husband	John		$250,000	$500,000
Wife	Mary		$250,000	$500,000
Child 1	Child 1		$250,000	$500,000
Child 2	Child 2		$250,000	$500,000
Joint Accounts Each co-owner's shares of every joint account at the same insured bank are added together and insured up to $250,000 per each co-owner. A share is the total amount in the joint account divided by the number of owners.				
Husband and Wife (with No Children)	John and Mary		$500,000	$1,000,000
Or Husband and Wife (with Children)	John and Mary		$250,000	$500,000
Husband and Child	John and Child 1		$250,000	$500,000
Wife and Child	Mary and Child 2		$250,000	$500,000
Revocable Trusts All revocable trust accounts owned by the same person at the same bank are added together, and the owner is insured up to $250,000 per eligible beneficiary.				
Husband as Trustee for Wife	John	Mary	$250,000	$500,000
Husband as Trustee for Child	John	Child 1	$250,000	$500,000
Wife as Trustee for Husband	Mary	John	$250,000	$500,000
Wife as Trustee for Child	Mary	Child 2	$250,000	$500,000
Child as Trustee for Father	Child 1	John	$250,000	$500,000
Child as Trustee for Mother	Child 2	Mary	$250,000	$500,000
Total (if include Joint Account with Husband and Wife with No Children)			**$3,000,000**	**$6,000,000**
Total (if include Joint Account with Husband and Wife with Children)			**$3,250,000**	**$6,500,000**

For illustrative purposes only. All clients' situations are unique. Child referenced in example is adult child.
For additional examples, visit FDIC website at https://www.fdic.gov/deposit/deposits/brochures.html

FDIC Insurance Reference Chart

Below are the different categories of account types and their respective FDIC limits. As a reminder, Morgan Stanley has the benefit of incorporating a two insured bank structure.

ACCOUNT TYPE	INSURANCE LIMIT[1] (PER OWNER)	AGGREGATION*	OTHER INFORMATION
Individual	$250,000 principal and accrued interest combined per depository institution.	Other individual accounts that hold the deposits of the same depository institution.	Individual accounts are separately insured from jointly-owned accounts that hold the deposits of the same depository institution.
Joint	$250,000 principal and accrued interest combined per depository institution.	Other joint accounts that hold the deposits of the same depository institution.	1. All co-owners of the funds in the account are natural persons. 2. Each co-owner has personally signed required account documentation. 3. Each co-owner possesses withdrawal rights on the same basis.
Self Directed Retirement Traditional IRA, Roth IRA, SIMPLE IRA, SEP IRA, (Self-Directed) Keogh Account, (Self-Directed) 401(k) Plan, (Self-Directed), Section 457 Plan, and any other Self-Directed Employee-Sponsored Defined Contribution Plan.	$250,000 principal and accrued interest combined per depository institution.	All other self-directed retirement accounts that hold the deposits of the same depository institution.	Retirement accounts are insured separately from non-retirement accounts that hold the deposits of the same depository institution.
Corporation/Partnership/ Unincorporated Association	$250,000 principal and accrued interest combined per depository institution.	Other accounts of the corporation/partnership/ unincorporated association that hold the deposits of the same depository institution.	The account must be operated for a purpose other than to increase deposit insurance.
Revocable Trust Commonly referred to as a "living" or "family" trust **Transfer-on-Death (TOD)** "Informal" Revocable Trust.	$250,000 principal and accrued interest combined per depository institution. *(Per owner/grantor for each named beneficiary – subject to the requirements listed under "other information" being met)*[2]	Other revocable trust and transfer-ondeath accounts of the owner/grantor that hold the deposits of the same depository institution.	1. The account title must indicate that the account is held pursuant to a trust relationship. 2. The owners and beneficiaries must be living, and they must be identified by name in the account records. 3. A beneficiary must be a person, charity, or another non-profit organization (as recognized by the IRS). All other beneficiaries are not eligible for separate coverage as revocable trust deposits.
Irrevocable Trust A grantor or designated trustee(s) of an irrevocable trust account who is unsure of the provisions of the trust, should consult with a legal advisor.	$250,000 principal and accrued interest combined per depository institution. *(Per beneficiary – subject to the requirements listed under "other info" being met)*[3]	The interests of a beneficiary in all irrevocable trust accounts established by the same grantor that hold the deposits of the same depository institution - subject to the requirements listed under "other information" being met.	1. The account records must disclose the existence of a trust relationship. 2. The beneficiaries and their interests in the trust must be identifiable from the account records/records of the trustee. 3. The amount of each beneficiary's interest must not be contingent as defined by FDIC regulations. 4. The trust must be valid under state law.
Government Accounts Includes deposit accounts owned by: The United States, including federal agencies; any state, county, municipality (or a political subdivision of any state, county, or municipality), the District of Columbia, Puerto Rico and other government possessions and territories; an Indian tribe.	$250,000 per official custodian.		The Official Custodian of a public unit is insured up to $250,000 per bank. Coverage amounts may be more depending on the type of deposit and whether the public unit is located in the same state as the bank.
Employee Benefit Plan Plan participants who want to know more about how a plan's deposits are insured should consult with the plan administrator.	$250,000 for the noncontingent interest of each plan participant.		The interests of each participant's noncontingent interest under the plan is insured up to $250,000 per bank. For plans where the interests are contingent, such as health and welfare plans, the coverage is $250,000 for the plan itself.

Deposits include Certificates of Deposits (CDs), Savings, BDP, GlobalCurrency, and are aggregated for FDIC calculation by entity or account type.

FDIC Insurance

FDIC insurance is a federal government program administered by the Federal Deposit Insurance Company. This insurance covers bank deposits held in checking accounts, savings accounts, certificates of deposits and money market deposits (not money market mutual funds). The insurance comes into play in the event of a bank failure and covers client cash up to a total of $250,000,per bank, for each "insurable capacity" (e.g. each individual, joint, etc.). It does not cover investment products that are not deposits such as mutual funds, annuities, life insurance policies, stocks or bonds nor does it cover assets held in safe deposit boxes. FDIC insurance also does not cover events such as robberies or thefts which means for practical purposes the coverage provided by FDIC would not apply to cyber theft losses unless it involved the insolvency of the bank. Refer to https://www.fdic.gov for additional details.

Funds in the Deposit Accounts at each Sweep Bank are insured by the FDIC, up to the Maximum Applicable Insurance Limit (including principal and accrued interest) per depositor when aggregated with all other deposits held by the depositor in the same insurable capacity at the Sweep Bank. The Maximum Applicable Insurance Limit is currently $250,000 for each insurable capacity.

Generally, any accounts or deposits that you may maintain directly with a Sweep Bank, or through any other intermediary in the same insurable capacity in which the Deposit Accounts are maintained, would be aggregated with the Accounts for purposes of the Maximum Applicable Insurance Limit. Your funds become eligible for FDIC insurance immediately upon deposit in a Deposit Account at a Sweep Bank.

Any deposits (including Certificate of Deposits (CDs)) that you maintain in the same insurable capacity directly with a Sweep Bank, or through an intermediary (such as Morgan Stanley or another broker), will be aggregated with your Deposit Accounts at the Sweep Bank for purposes of the Maximum Applicable Insurance Limit. You are responsible for monitoring the total amount of deposits that you have with each Sweep Bank in order to determine the extent of FDIC insurance coverage available to you. Morgan Stanley is not responsible for any insured or uninsured portion of a Deposit Account at a Sweep Bank.

In the event one of the banks fails, the deposit accounts are insured up to the FDIC limit for principal and interest accrued to the day the bank is closed. There is no insurance coverage beyond FDIC limits.

Under certain circumstances, if you become the owner of deposits at one of the banks because another depositor dies, beginning six months after the depositor's death, the FDIC aggregates those deposits for purposes of the FDIC limit with any other deposits you own in the same capacity at the banks. Examples of deposit accounts that may be subject to this FDIC policy include joint accounts, payable-on-death accounts, and certain trust accounts. The FDIC provides a six-month grace period to permit you to restructure your deposits to obtain the maximum amount of deposit insurance for which they are eligible.

TWO BANK ADVANTAGE

Under the BDP, the first $245,000 in free cash balances ($490,000 for joint accounts) are automatically swept into deposit accounts at your Primary Sweep Bank, which is either MSPBNA or MSBNA. This waterfall is assigned at account opening and, while subject to change on notice, deposits are reflected by bank on client account statements. The second $245,000 (under the BDP) in free cash balances ($490,000 for joint accounts) are automatically swept into deposit accounts at your Secondary Sweep Bank. Any additional cash (up to $20,000,000) automatically moves back to Primary Sweep Bank as uninsured deposits. All balances in excess of $20,000,000 automatically move to a government MMF. Unlike deposits, which are insured by the FDIC, MMFs are covered by the Securities Investor Protection Corporation (SIPC).

Please note that for purposes of the maximum applicable insurance limit, clients must aggregate all accounts that they maintain with the banks in the same insurable capacity, including deposits at the banks held through the Savings Program, GlobalCurrency, CDs, and other accounts at both banks they hold directly or through Morgan Stanley or other intermediaries.

SIPC Insurance

Morgan Stanley is a member of SIPC. SIPC protects client net claims up to $500,000, of which up to $250,000 may be uninvested cash. Note that SIPC coverage does not protect investors against securities fraud, as it only protects client assets in the event of brokerdealer insolvency. In addition to this SIPC protection, in the unlikely event that client assets that were not segregated are not fully recovered and SIPC protection limits have been paid, Morgan Stanley's supplemental insurance policy would be available to provide protection above the SIPC limits. This coverage is subject to an aggregate Firmwide cap of $1 billion, with no per client limit for securities and a $1.9 million per client limit for the uninvested cash balance portion of any remaining shortfall.

For more information about Bank Deposit Program, Sweep Banks, and Account Types, visit: https://www.morganstanley.com/wealth-investmentstrategies/pdf/BDP_disclosure.pdf

Additional information about SIPC is available at www.sipc.org.

Additional information about the FDIC is available at www.fdic.gov.

DISCLOSURES

[1] CDs are insured by the FDIC, an independent agency of the US Government, up to a maximum amount 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 purposed of the applicable FDIC insurance limit, including deposits (such as bank accounts) maintained directly with the depository and CDs of the depository held through Morgan Stanley Wealth Management. For more information about FDIC insurance, please visit the FDIC website at www.fdic.gov. Morgan Stanley Wealth Management is not responsible for any insured or uninsured portion of the CDs or any other deposits. There is no FDIC insurance coverage for any principal loses that may occur.

[2] Some living trusts allocate unequal interests to the beneficiaries. In this case, insurance limits will differ. Insurance limits may apply. Go to www.fdic.gov for more information.

[3] Since irrevocable trusts often contain specific conditions that affect the interests of the beneficiaries or provide a trustee or a particular beneficiary with the authority to invade the principal, deposit insurance for an irrevocable trust account often is limited to a total of $250,000.

Under the Bank Deposit Program, cash balances held in account(s) at Morgan Stanley Smith Barney LLC are automatically deposited into an interest bearing FDIC-insured deposit account(s), at Morgan Stanley Bank, N.A. and/or Morgan Stanley Private Bank, National Association, each a national bank, Member FDIC, and an affiliate of Morgan Stanley Smith Barney LLC. Detailed information on federal deposit insurance coverage is available on the FDIC's website (https://www.fdic.gov/deposit/deposits/). Cash balances generally include the uninvested cash in a client's account(s) minus certain items such as purchase transactions due to settle within a specified time period, other charges to a client's account(s), and cash balances that are designated as collateral for a client's obligations.

Under the Savings program ("Savings"), MSSB makes available interest-bearing FDIC insured deposit accounts(s) at either MSPBNA or MSBNA, each a national bank, Member FDIC, and an affiliate of MSSB, as selected by the client. Deposits placed in Savings are eligible for FDIC insurance up to $250,000 (including principal and interest) per depositor, per each bank selected by the client for all deposits held in the same insurable capacity (the Maximum Applicable Deposit Insurance Amount). All deposits per bank held in the same insurable capacity will be aggregated for purposes of the Maximum Applicable Deposit Insurance Amount, including deposits maintained through the Bank Deposit Program. You are responsible for monitoring the total amount held with each bank.

GlobalCurrency is available to clients of MSSB with an eligible brokerage account. Clients can review the GlobalCurrency Disclosure Statement at http://www.morganstanley.com/wealth/disclosures/pdfs/GC_Disclosure_Statement.pdf for more details. GlobalCurrency Time and Savings Deposits are held at MSPBNA, Member FDIC, and are insured up to U.S. Dollar ("USD") equivalent limits. FDIC insurance does not protect against losses due to exchange rate movements.

Securities Investor Protection Corporation ("SIPC")—Morgan Stanley Smith Barney LLC is a member of SIPC, which protects securities of its customers up to $500,000 (including $250,000 for claims for cash). Losses due to market fluctuation are not protected by SIPC. To obtain information about SIPC, including an explanatory SIPC brochure, contact SIPC at 1-202-371-8300 or visit www.sipc.org

Federal Deposit Insurance Corporation ("FDIC")—Cash balances swept into deposit accounts at participating banks in the Bank Deposit Program are protected by FDIC Insurance up to applicable FDIC limits. FDIC insurance is a federal government program administered by the Federal Deposit Insurance Corporation. This insurance covers bank deposits held in checking accounts, savings accounts, certificates of deposits and money market deposits (not money market funds). This insurance comes into play in the event of a bank failure and covers client cash up to a total of $250,000, per bank, for each "insurable capacity" (e.g. each individual, joint, etc.). It does not cover investment products that are not deposits, such as mutual funds, annuities, life insurance policies, stocks or bonds. Refer to https://www.fdic.gov for additional details.

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.

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