

Morgan Stanley

Your Assets Are Safeguarded at Morgan Stanley

As a Morgan Stanley client, you rely on us to help you reach your financial goals. As a result, you entrust us with not only your aspirations for the future, but also with your confidential information and assets. We want you to know how seriously we take our responsibilities.

Morgan Stanley's protection of clients' assets includes defenses it puts in place against unauthorized persons who might look to gain access to those assets.

Those defenses range from hardware and software solutions that are aimed at protecting our perimeter from cyber threats, to authentication procedures intended to ensure that we accept only legitimate instructions from authorized parties when we take action for a client's account. Those defenses represent the commitment of every employee at Morgan Stanley, and are constantly being enhanced to meet the challenge of the evolving nature of the threats.

Our protections also include constant monitoring and surveillance that are focused on detecting unusual and unauthorized activity in clients' accounts. Trading activity, account disbursements, card and check transactions, and even your Morgan Stanley online behavior are monitored and compared to historical activity to detect changes in behavior that might signal unauthorized access to an account. Swift and effective detection of unauthorized activity is critical to preventing or limiting loss of assets.



Safeguards Employed by Morgan Stanley

Capital Reserves

Asset Segregation

FDIC Insurance

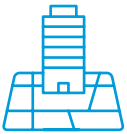
SIPC Insurance

Cyber Insurance

Additional Protections

Safeguards Employed by Morgan Stanley

In the event you experience a loss associated with fraud or theft, Morgan Stanley has a variety of capital requirements which, in combination with applicable rules and regulations, help protect your assets. In addition, Morgan Stanley is a member of FDIC and SIPC which also serves to protect the assets you have with us.



Capital Reserves

Since Morgan Stanley is a financial holding company, it is obligated to meet the Federal Reserve Board's capital requirements. These capital requirements are guided by standards that include the ratio of our Tier 1 Capital to Risk Weighted Assets and the ratio of Total Capital to Risk Weighted Assets. These requirements also include limits on our Tier 1 leverage ratio and, finally, are subject to requirements for how much net capital we have. These rigorous capital requirements are established to ensure that Morgan Stanley has sufficient capital on hand at all times to meet its financial obligations. Additional information can be found in the Morgan Stanley Basel III Pillar 3 Disclosures, required by the Federal Reserve, at <https://www.morganstanley.com/about-us-ir/pillar-us.html>.



Asset Segregation

As required by securities law, Morgan Stanley segregates clients' fully paid securities and excess margin securities, and cash. The securities are segregated in a special account at the Depository Trust and Clearing Corporation, which is independently operated and owned by major U.S. banks and brokerage firms. The protection that this provides is that those segregated assets are not comingled with any Firm assets, which may not be pledged as collateral, loaned or used by Morgan Stanley for any purpose. In the event of Morgan Stanley's insolvency, this segregation would protect your segregated securities from being used to satisfy claims against Morgan Stanley by its creditors. U.S. government securities are similarly segregated through the Federal Reserve Bank system, and non-U.S. dollar securities are held in accounts at Euroclear and other third-party depositories for the exclusive benefit of Morgan Stanley's clients. The relatively small amounts of cash held by Morgan Stanley is segregated in a special reserve bank account at an independent third-party bank, which acknowledges in writing that the account balance is held for the exclusive benefit of our customers and may not be used by Morgan Stanley for its own purposes.



FDIC Insurance

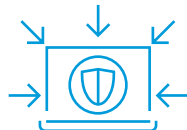
Cash balances swept into deposit accounts at participating banks in the Bank Deposit Program are protected by FDIC insurance up to applicable FDIC limits. FDIC insurance is a federal government program administered by the Federal Deposit Insurance Company. This insurance covers bank deposits held in checking accounts, savings accounts, certificates of deposits and money market deposits (not money market 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 cybertheft losses unless it involved the insolvency of the bank. Refer to <https://www.fdic.gov> for additional details.



SIPC Insurance

Protection provided your account exceeds what the law requires. While most brokerage firm clients are entitled to the protection provided through Securities Investor Protection Corporation (SIPC), at Morgan Stanley, you also receive protection supplemental to SIPC, which is provided at no cost to you.

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 broker-dealer 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. Please be advised that you may obtain information about SIPC, including the SIPC brochure, by contacting SIPC at 202-371-8300 or by visiting www.sipc.org.



Cyber Insurance

Because both FDIC and SIPC insurance are intended to reimburse clients for losses associated with the insolvency or failure of Morgan Stanley, losses associated with cyber events are not directly covered by either of those programs. There could potentially be coverage if Morgan Stanley were to fail or become insolvent coincident with a cyber event.

The nature of cyberthreats is diverse and constantly evolving. Any reimbursement to a client's account by Morgan Stanley for any loss of value caused by a cyber event is determined by the cause and nature of the specific event. Morgan Stanley carries two separate insurance policies, subject to certain limits, that insure for different aspects of loss that might occur as a result of a cyber event. The extent of the coverage depends on the circumstances of the incident and the terms of the policy.



Additional Protections

Additionally, the following measures are in place to reimburse clients against fraud:

- We will reimburse clients for losses in their Morgan Stanley account due to unauthorized online access to a Morgan Stanley system that occurs through no fault of their own.
- For clients who are holders of a Morgan Stanley Debit Card, Morgan Stanley participates in fraud protection programs managed by the issuer, Mastercard. The Zero Liability and Fraud Protection program covers clients if fraudulent purchases are made on their Debit Card. Furthermore, if their card is used fraudulently, they can rest assured that their Morgan Stanley assets are secure.

Earning Your Trust

The firm's businesses, processes and procedures are audited on a regular basis by regulators, including the SEC and FINRA, and the National Futures Association, as well as our external auditor, Deloitte & Touche LLP; and our Internal Audit Division. The measures we take to provide you with the protection you deserve, however, go far beyond these precautions and reflect our commitment to your financial well-being.



If you suspect you may be the victim of fraud or identity theft — or if you notice suspicious account activity or receive an email that appears to come from Morgan Stanley but you suspect it may not be legitimate — please contact us immediately at 888-454-3965 (24 hours a day, seven days a week). From outside the United States, you can call collect at +1-801-617-6150 using the international operator.

The Morgan Stanley Debit Card is issued by Morgan Stanley Private Bank, National Association pursuant to a license from Mastercard International Incorporated. Mastercard and Maestro are registered trademarks of Mastercard International Incorporated. The third-party trademarks and service marks contained herein are the property of their respective owners. Investments and services offered through Morgan Stanley Smith Barney LLC, Member SIPC. Certain terms, conditions, restrictions and exclusions apply. Please refer to the Morgan Stanley Debit Card Terms and Conditions at <http://www.morganstanley.com/debitcardterms> for additional information.

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

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