Wealth Management Perspectives

What is Investing with Impact?

Investments

made with the intention to generate a measurable, positive social and/or environmental impact alongside a financial return.

Financial Goals

Financial performance driven by economic fundamentals

+

Impact Goals

Positive social and/or environmental outcomes driven by values and mission

=

Investing with Impact

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Investing for Positive Impact is Not New

We are the first platform led by a major financial institution solely dedicated to sustainable investing[1]

1898 — Quakers Friends Fiduciary Corporation founded and adopts no weapons, alcohol or tobacco investment policy

1935 — **Morgan Stanley founded**

1993 — $625 Billion in investments screened to exclude South Africa as result of apartheid

2007 — Rockefeller Foundation launches major Impact Investing approach and the term emerges globally; UN Principles for Responsible Investment launched

2009 — Bloomberg adds sustainability news and ESG data coverage to its platform

2012 — **Morgan Stanley Launches *Investing with Impact Platform across Wealth Management***

2013 — **Morgan Stanley Launches *Institute for Sustainable Investing***

2015 — **Department of Labor (DOL)** ruling facilitated the ability for employers to add sustainable and impact investment fund options to their plan choices; 17 United Nations **Sustainable Development Goals** launched

2017 — Morgan Stanley launches Advisor designation to recognize Investing with Impact leadership

2018 — **Morgan Stanley Exceeds 5-Year Impact Investing Asset Goal, with $25Billion in client assets; US SIF report $12 Trillion in sustainably managed assets, representing 38% growth from 2016**

2019 — Morgan Stanley launches Morgan Stanley Impact Quotient™

1. Morgan Stanley press release, Morgan Stanley Exceeds 5-Year Impact Investing Asset Goal

Mainstream Investors Have a Range of Impact Motivations

MAINSTREAM INVESTORS

Individuals

Women and men across generations, especially Millennials and Ultra High Net Worth individuals and families are seeking to generate a positive legacy with their capital and align investments with impact objectives

Entrepreneurs

Seeking innovative investment options that mitigate risk, have return potential and provide complementary personal portfolio to corporate interests and assets

Religious Institutions

Incorporating faith-based investing guidelines and filing shareholder resolutions to engage with companies and improve corporate behavior

Foundations / Non-Profits

Aligning all pools of capital with the organization's mission statement to maximize positive impact, mitigate risks and drive long term value

Endowments

Seeking risk management, return potential, respond to stakeholder demand and motivated to align investments with the mission statement to maximize positive impact

Donor Advised Funds

Maximize impact of charitable assets by investing in companies that seek to generate positive environmental and social return while waiting to grant out funds

Insurance Companies

Seeking to respond to evolving policy/regulations, and utilize social and governance to identify embedded long-term risk and also seek to benefit from opportunities

Defined Benefit/Defined Contribution Plans

Seeking sustainable retirement investment options to drive long-term value, mitigate risks. Respond to stakeholder demand and attract talented employees to organizations

Millennial Investors Driven to Sustainable Investing

95%
Millennials say they are interested in socially responsible investing

Millennials purchased from a sustainable brand **1.5X** more often than the total individual investor population

Millennials were **2X** more likely to have sought employment with a sustainably-minded company

Millennials invested in companies targeting social/ environmental goals **2X** more often than the total individual investor population

Source: Morgan Stanley Institute for Sustainable Investing, *Sustainable Signals: Individual Investor Interest Driven by Impact, Conviction & Choice*, September 2019

Women Control More Capital and Seek to Create Positive Impact

84%

Women say they are interested in socially responsible investing

56%

Women focus at least partially on making a positive impact with their investments, compared with 45% of men

89%

Women millennials say they are interested in socially responsible investing

Women reported that **43%** of their portfolios were invested in sustainable investments, compared to 40% for men

Source: Morgan Stanley Institute for Sustainable Investing, *Sustainable Signals: New Data from the Individual Investor*, August 2017

Proof in the Performance

Indices that incorporate environmental, social and governance (ESG) factors have generally performed in line with, or better than, conventional indices. For example, a $1 invested in line with the holdings reflected in the sustainable index in 1990 grew to $1,981 versus $1,773 for a traditional index through November 29, 2019.

Annualized Return

May 1, 1990 – November 29, 2019

11.2%

MSCI KLD 400 Social Index

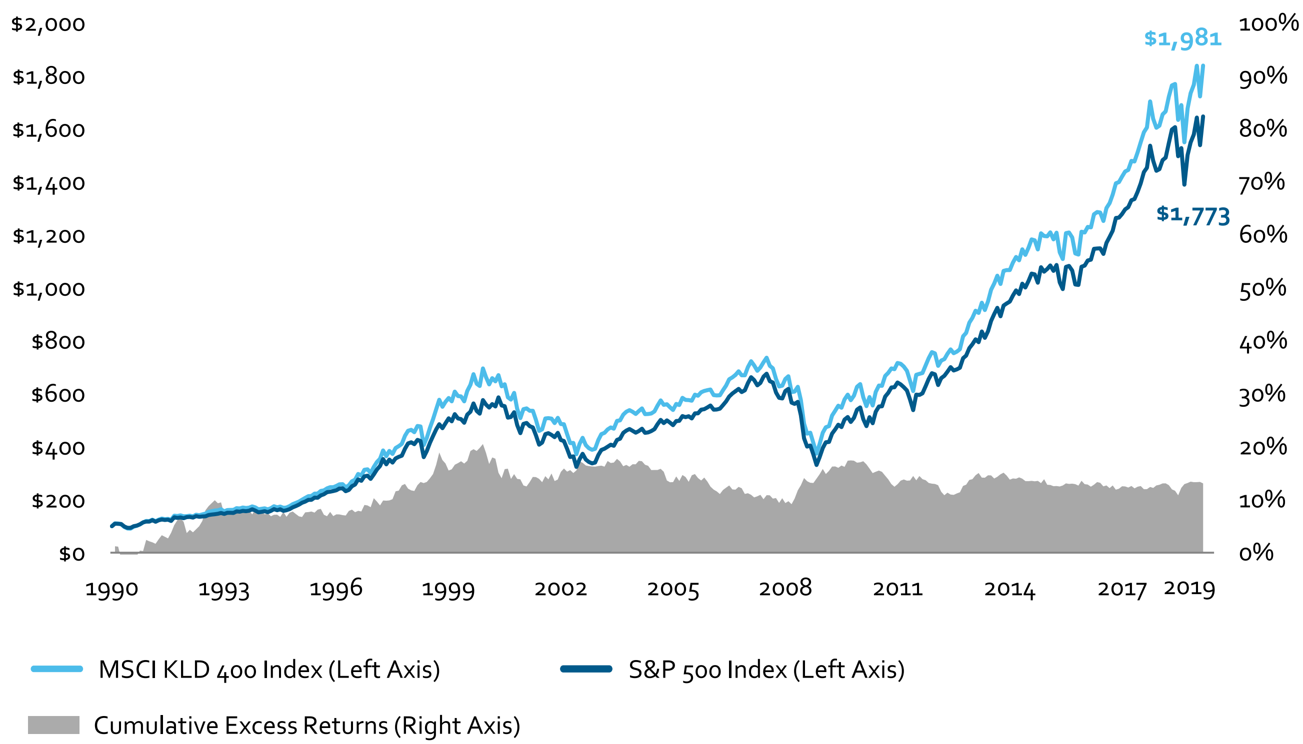
10.8%

S&P 500 Index

The MSCI KLD 400 Index of companies that meet **best-in-class environmental, social and governance (ESG) criteria.**

May 1, 1990 – November 29, 2019 (Single Computation)

Cumulative Return (%)



Source: Bloomberg, MSCI, Morgan Stanley Wealth Management.

Past performance is no guarantee of future results. The index returns are illustrative and shown for comparative purposes only. They do not represent the performance of any specific investments. An investor cannot invest directly in an index.

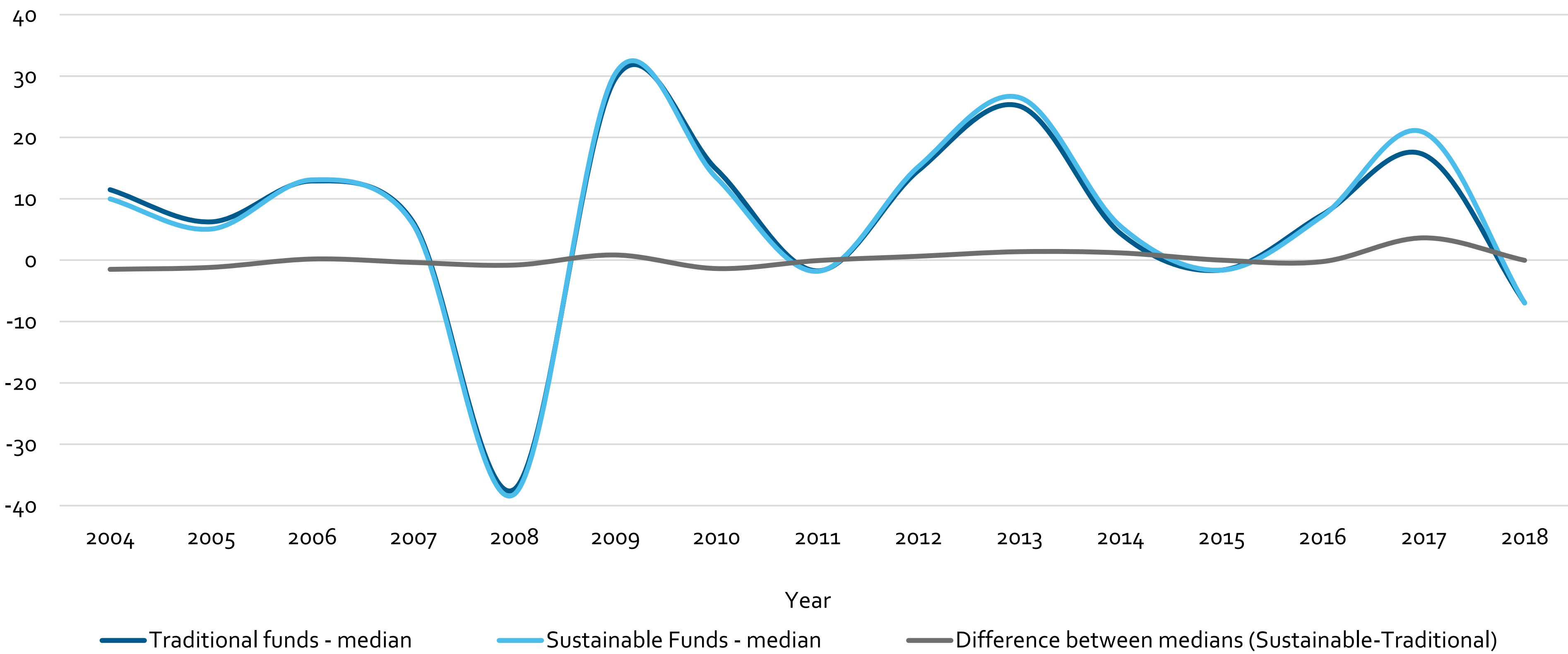
Relative Volatility

Indices that incorporate environmental, social and governance (ESG) factors have witnessed lower volatility than conventional indices.

Median Total Returns of Sustainable & Traditional Funds

2004-2018

Annual Return %



Source: Morgan Stanley Analysis of Morningstar Data, 2019. Morgan Stanley Institute for Sustainable Investing ,*Sustainable Reality: Analysing Risk and Returns of Sustainable Funds*, 2019.
The above compares the performance of sustainable funds to traditional funds from 2004 to 2018 using Morningstar data on exchange-traded and open-ended mutual funds active in any given year of this period. A total of 10,723 funds were analyzed . Their performance is compared to total returns, a measure of performance net-of-fees, and downside deviation, a measure of risk. For any methodological inquiries, please contact sustainability@ morganstanley.com. Results for different time periods and different asset classes may be different and not statistically significant.

Investing with Impact is not a One-Size-Fits-All Approach

Our framework clarifies the spectrum of approaches that investors of all sizes can pursue

MINIMIZE OBJECTIONABLE IMPACT → CREATE TARGETED IMPACT

	RESTRICTION SCREENING	ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) INTEGRATION	THEMATIC EXPOSURE	IMPACT INVESTING
Definition	Intentionally avoid certain companies, industries or countries due to values or risk-based criteria	Proactively consider ESG criteria alongside financial analysis to identify opportunities and risks during investment process	Themes solving sustainability-related domestic and global challenges across sectors, populations or geographies	Investment funds delivering specific positive social and/or environmental impacts through their business model, products and services
Investment Characteristics	• Often not proactively seeking positive environmental and social impact • Differentiated by screening criteria including issue area and revenue threshold used	• Differentiated by ESG data integration process – for example utilizing ESG data as a screen, to identify risk, to engage with companies and improve behavior, and / or as part of the valuation model	• Differentiated by macro-analysis, sustainability research and sector focus	• Differentiated by impact approach, regional focus, liquidity and more • May have investor qualification restrictions
	Shareholder or company engagement and impact reporting play a critical role in differentiating managers across approaches			
Investment Examples	• Strategy (mutual fund, exchange traded fund, separately managed account or private fund) that does not own certain companies, industries or countries due to values misalignment or risk	• Strategy (mutual fund, exchange traded fund, separately managed account or private fund) incorporating analysis of ESG performance into equity and fixed income valuation process or using ESG data as a factor to filter investable universe	• Strategy (mutual fund, exchange traded fund, separately managed account or private fund) investing in companies with significant exposure to sustainability themes such as renewable energy, affordable housing, faith-based values etc. across equity and fixed income	• A private market strategy (e.g. venture capital, private equity, multi-asset fund, hedge fund etc.) focused on affordable housing in low-income communities, emerging consumers, workforce training, etc.
	PUBLIC + PRIVATE MARKETS			PRIVATE MARKETS

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How ESG Data Informs Investment Decisions

ESG dimensions & data are a tool to look for value (risks & opportunities), embedded in analyst opinion and company valuations. Some ESG criteria include, but are not limited to:

ENVIRONMENTAL PRACTICES

Climate Disclosure
Disclosing climate footprint, including greenhouse gas emissions

Climate Footprint
Efforts to reducing greenhouse gas emissions

Natural Resource Use
Reducing waste, pollution and stress on water and natural resources

SOCIAL PRACTICES

Human Rights
Protecting human rights through policies and compliance with international norms

Employee Treatment
Promoting employee welfare through health and safety, diversity & inclusion, good benefits, employee relations and workplace policies

Customer & Supplier Treatment
Promoting product safety, responsible marketing, customer relations, fair competition and social supply chain management

GOVERNANCE PRACTICES

Ethical Practices
Strong ethics and anti-corruption record

Financial Transparency
Corporate transparency on taxes, accounting and executive pay

Ownership & Oversight
Board independence, and lack of controlling shareholder concerns

Diversity in Leadership
Diversity in board and executive leadership

Ways to Harness ESG Data to Develop an Investment Strategy

IDENTIFY

Identify and screen the investable universe with higher ESG metrics or avoid the worst offenders (can be part of both fundamental and quantitative process)

EVALUATE

Use ESG as a "red flag" to identify risk & potentially avoid risk events

INTEGRATION

Incorporate ESG data into the valuation process, layering it into the risk and opportunity assessment.

BUILD MOMENTUM

Invest in companies focus on improvement of their ESG ratings & score, typically through shareholder engagement

Shareholder Engagement and Advocacy

Drive positive environmental and/or social change through active and continuous dialogue with corporates

A critical tool employed by managers across the Investing with Impact Framework is shareholder engagement. This tool complements investment approaches across the spectrum and provides a way for clients to drive positive change across environmental, social or governance-related areas of concern in their portfolio.

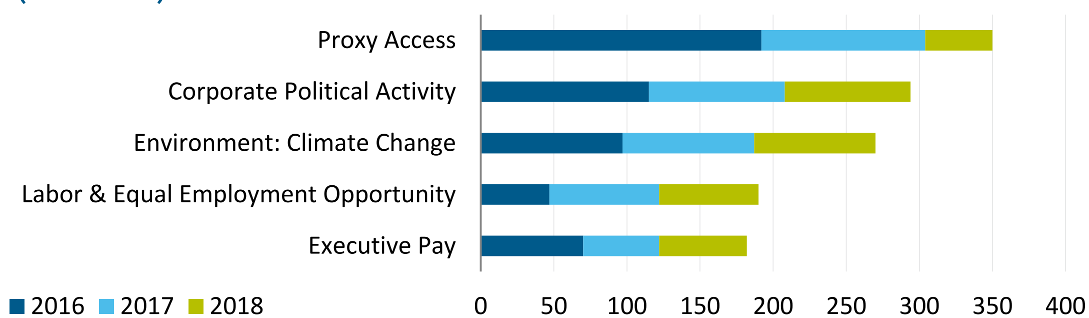
Shareholder Engagement Approaches Include:

- Dialogue with company executives
- Letter-writing and email campaigns
- Proxy voting
- Public policy initiatives
- Research and analysis
- Shareholder meetings
- Shareholder resolutions
- Stakeholder engagement

Shareholder Engagement Resources at Morgan Stanley

- Shareholder communications and proxy materials are delivered to all clients seamlessly via Morgan Stanley's eDelivery
- Third party managers on the Investing with Impact Platform employ shareholder engagement on behalf of our clients
- External organizations focused on shareholder engagement issues provide insight on corporate actions for investors

Top 5 ESG Issues by Number of Shareholder Proposals Filed (2016-2018)[1]



1. Source: ISS, Sustainable Investments Institute

Investing with Impact Questions Incorporated into Due Diligence for All Managers

Over **300** Asset Managers covered by GIMA

37% Have One or More Products with a Documented ESG Process

9% of Managers Covered by GIMA are on the Investing with Impact Platform

Sample questions from Global Investment Manager Analysis (GIMA)'s initial request for information

- What Investing with Impact approaches are employed by the manager (Restriction Screening, ESG Integration, Thematic Exposure or Impact Investing)?
- Describe your ESG/impact investment philosophy and investment process.
- How diverse is the manager's staff and leadership (e.g. gender, multi-cultural, etc.)?
- Which of the United Nations Sustainable Development Goals (SDGs), if any, is an intentional focus area?

GIMA has dedicated resources to analyze each manager's approach to sustainable investing. Managers that meet a higher bar across 5 key dimensions are considered for the Investing with Impact Platform.

A Higher Bar for the Investing with Impact Platform

Morgan Stanley's Global Investment Manager Analysis team has proprietary process to analyze each manager's approach to Investing with Impact across 5 key dimensions

PERSONNEL & FIRM

- **Experience of sustainability professionals**
- Credentials & expertise of key professionals
- Ownership structure
- Compensation and/or incentives for key professionals
- Personnel turnover
- Depth of experience and history of success

INVESTMENT PROCESS & IMPLEMENTATION

- **Clear and intentional process for incorporating sustainability factors**
- **Shareholder engagement**
- Idea generation
- Portfolio construction methodology
- Risk management
- Sector and/or industry concentration or exposure
- Volatility guidelines and other constraints
- Style consistency

ANALYTICAL CAPABILITIES

- **Well-defined and repeatable method for evaluating data and materiality**
- **Outcomes measurement and impact reporting**
- Depth of analysis
- Industry expertise
- Databases, technology and analytical tools
- Number of companies covered

BUSINESS OPERATIONS

- **Legal documentation with specific sustainability language**
- Manager incentives and client fees
- Assets under management
- Growth or stability of personnel
- Legal or regulatory issues
- Other business and management results and strategies

PERFORMANCE

- **Reviewed with the same rigorous analysis of traditional products**
- Compared to peer group of traditional products and benchmarks
- ~20% of Investing with Impact offerings selected for GIMA Focus List

Continuing due diligence for all Approved List and Focus List products including annual reviews, regular meetings with managers, performance analysis and an annual survey.

Investing with Impact Thematic Exposure

We help you clarify the range of approaches and how to implement investment solutions based on theme

CLIMATE CHANGE AND FOSSIL FUEL AWARE INVESTING

Support the transition to a lower carbon economy by considering exposures to climate solutions, environmental leaders and fossil fuel reserves in portfolios

FAITH-BASED INVESTING

Align investment portfolio with principles in accordance with specific religious values

GENDER DIVERSITY INVESTING

Promote better gender diversity and equality through increased exposure to companies committed to employing and advancing women in high-level leadership roles

MISSION ALIGN 360° INVESTING

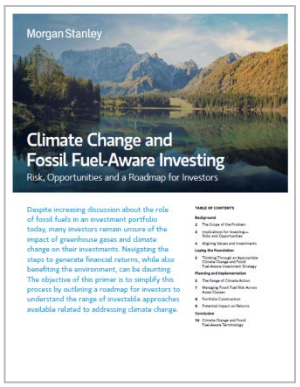
Evaluate, align and activate all pools of capital (human, philanthropic and financial) towards the theme of your choice to accomplish your organization's unique mission statement

1. 2017 Sustainability Highlights, Global Sustainable Finance, Morgan Stanley, 2018

Climate Change and Fossil Fuel Aware Investing

Investors interested in proactively seeking opportunities to enhance environmental impact without sacrificing market-rate return have access to a range of climate change and fossil fuel aware investments.

Understanding The Risks & Opportunities



With awareness of the impact of climate change on investments increasing, we can help investors achieve **market-rate financial returns** while supporting a **transition to a lower-carbon economy**.

Developing A Climate Aware Investment Strategy

ASSESS
"Know what you own": assess exposure to fossil fuels / companies with large carbon reserves.

EVALUATE
Determine any limitations (e.g., comingled funds) that may limit implementation options.

DEFINE
Consider overall climate change and fossil fuel aware objectives.

IMPLEMENT
Integrate climate change and fossil fuel aware objectives with financial objectives through an investment plan or policy statement

REDUCE CLIMATE RISKS → **INCREASE CLIMATE OPPORTUNITIES**

FOSSIL FUEL-AWARE

Eliminate or reduce exposure to companies producing coal, oil and nuclear energy or owning significant fossil fuel reserves.

ENVIRONMENTAL LEADERS

Exposure to all sectors and industry groups including energy, but only in companies that reflect the best environmental practices relative to industry peers.

CLIMATE SOLUTIONS

Focus on investable themes that seek to improve climate change mitigation and / or adaption solutions.

Shareholder Engagement: Drive positive environmental change through active dialogue with invested companies.

Faith-Based Investing: Building Value from Values

Faith-based investors were among the first to harness capital markets to influence corporate behavior through restriction screening and shareholder engagement. While there is no "one size fits all" approach to faith-based investing, we partner with you to integrate your faith-based impact goals into your Investment Policy Statement in the context of your risk/return objectives. All available faith-based investments at Morgan Stanley seek to achieve risk-adjusted market rate returns compared to traditional benchmarks.

Faith-Based Approaches

Investors can support positive environmental and social change, avoid objectionable companies and target thematic exposure across several faiths including, but not limited to:

- Catholic
- Christian
- Jewish
- Muslim

Spotlight on Catholic Values Investing

- The US Conference of Catholic Bishops provides a set of guidelines designed to help Catholic investors integrate the mission of the Church into the financial goals of their investment portfolio
- Guidelines ranges from negative/exclusionary screens (e.g. life ethics, weapons) to positive/inclusionary screens (e.g. alleviate poverty, mitigate climate change)


Morgan Stanley

Catholic Values Investing

Background and Context

Investor Engagement

Implementation

Aligning Jewish Values with Investing and Philanthropy

Morgan Stanley hosted the first-ever Jewish Values Consortiums, a series of events across the United States that brought together leaders in the Jewish, investment and philanthropic communities to discuss what it means to give and invest along the spectrum of Jewish Values. Insights from these Consortiums formed the foundation for the Jewish Values Giving and Investing Guide.

Informed by input and guidance from over 250 Jewish community leaders, the Jewish Values Giving and Investing Guide seeks to facilitate meaningful conversations about the religious wellspring of Jewish Values among families, boards, and the Financial Advisors, Institutional Consultants and Investment Managers who serve them.

Spotlight on Firm-wide Collaboration

Through collaborative initiatives such as Mission Align 360°, Investing with Impact and Philanthropy Management partner to advise clients seeking to better align and leverage their financial and philanthropic capital to generate positive impact across the entire capital spectrum and potentially have a greater impact on the world's problems.

MINIMIZE MISALIGNMENT WITH JEWISH VALUES → **INCREASE DIRECT IMPACT TO JEWISH VALUES**

Jewish Values as a Screen Restriction
Investments that seek to minimize or avoid exposure to certain companies, sectors, geographies or themes.

Jewish Values Leaders ESG Integration
Investing in companies with sustainable corporate practices.

Jewish Values Thematic Exposure
Investments in sectors of the market that address objectives that are consistent with Jewish Values faith-based goals.

Jewish Values Impact Investing
Provides access to private investment strategies, for qualified investors, across both equity & debt.

Jewish Values Program Related Investments
Employ various financing methods with the primary objective of furthering a charitable mission.

Grants
Jewish values-aligned philanthropists make donations to a broad spectrum of Jewish and secular organizations.

Shareholder Engagement: Drive positive environmental and social change through active dialogue with invested companies.

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The Gender Advantage: Integrating Diversity into Financial Decisions

A growing body of evidence points to better financial performance associated with higher levels of gender diversity, defined as a balance in representation, empowerment and economic opportunity.

What Is Gender Diversity?

Gender diversity is not about advocating one gender over another, but rather an examination of how genders – **through a balance in representation and inclusion** – can make a social impact and drive value in different settings, including companies you may invest in.

Gender Diversity Makes An Impact

Morgan Stanley's Global Quantitative Team looked at 1,600 global stocks across five key areas of gender diversity:

- *Equality in Pay*
- *Empowerment*
- *Representation*
- *Diversity Policies*
- *Work/Life Balance Programs*

Stocks with high gender diversity delivered **meaningfully better risk-adjusted** returns than those with low gender diversity. [1]

MINIMIZE GENDER DIVERSITY RISKS → INCREASE GENDER DIVERSITY OPPORTUNITIES

GENDER DIVERSITY AS SCREEN

- Use restriction screens to avoid exposure to companies with poor gender diversity records, such as weak policies, poor supply chain safety records or involvement in the pornography industry
- Gender diversity primarily a risk; not proactively transformative

GENDER DIVERSITY LEADERS

- Seek companies with leading gender diversity records, including strong policies and programs, diverse boards and management and work / life balance programs
- Gender diversity is both a risk and opportunity to identify long-term outperformance

GENDER LENS INVESTING

Proactive approach, intentionally focused on companies or funds seeking to drive greater gender equality through channels, such as:

- Workplace equality
- Access to capital
- Products and services that benefit women and girls

1. Source: Gender Diversity Continues to Work. Morgan Stanley Global Quantitative Team. 2016.

Mission Align 360°

We help forward thinking organizations examine all 360° degrees of the organization – including human, financial and philanthropic capital for allocation towards their mission while generating positive environmental and social impact.

FINANCIAL CAPITAL

Investments that seek to achieve specific social and/or environmental goals while targeting market-rate financial returns

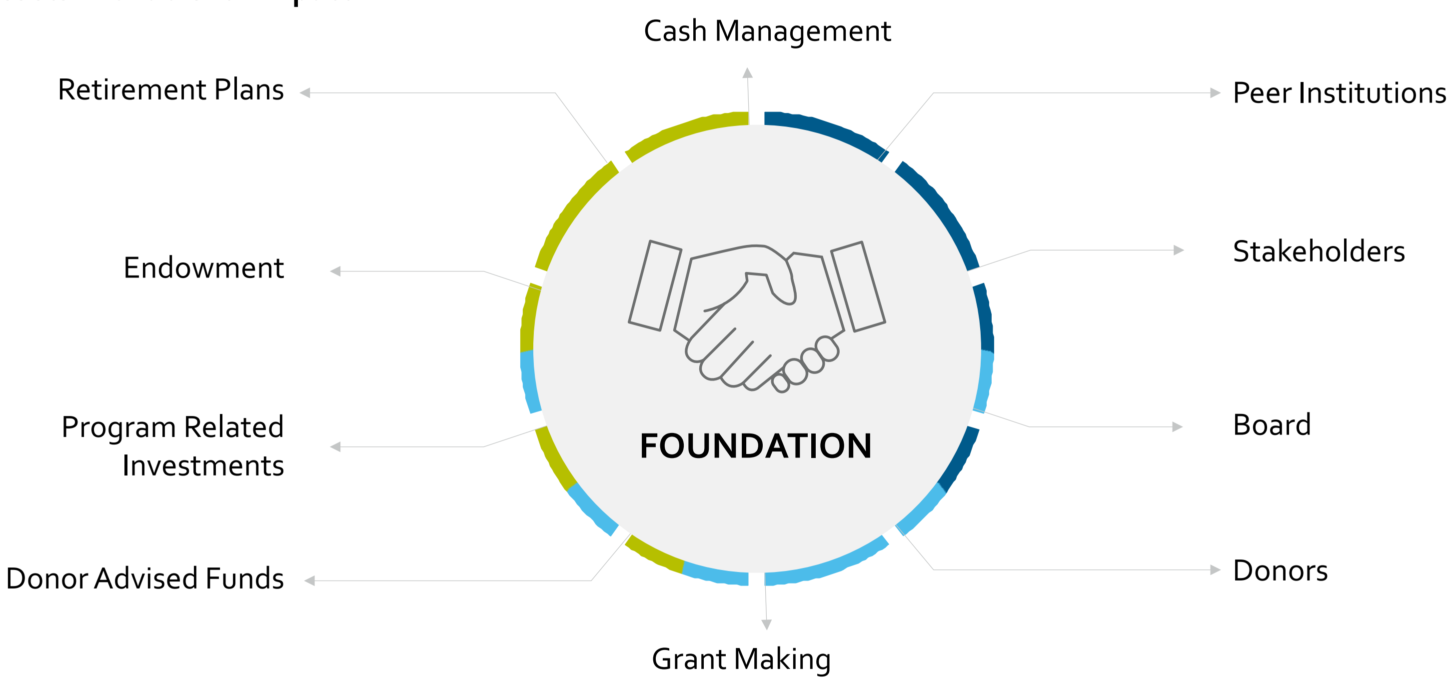
PHILANTHROPIC CAPITAL

A broad term which describes capital that has no, or low, expectation of financial return such as grant-making and program related investments.

HUMAN CAPITAL

The collective skills, talents, knowledge or other intangible assets of individuals that can be used to create economic value for the individuals, their organization or their community

Organizational Assets Available for Impact[1]



1. Morgan Stanley Investing with Impact, *Mission Align 360°: Maximizing an Organization's Connection between Mission and Capital, May 2018*

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Investing with Impact In Action

Our portfolio solutions are available and customizable to a wide array of client segments

PORTFOLIO NAME	DESCRIPTION	INVESTMENT MINIMUM
Custom Portfolios	Tailored to match client-specific financial and impact goals	$1,000,000
Firm-Discretionary Portfolios	Multi-asset class portfolios that utilize Investing with Impact third-party separately managed accounts, mutual funds and exchange-traded funds	$10,000 (impact portfolios) [1] $750,000 (balanced portfolio) $400,000 (equity portfolio)
Impact Solutions	Baskets of individual equities that are fundamentally well-positioned and exhibit positive ESG* corporate practices in addition to having revenue exposure to Morgan Stanley & Co.'s Global Sustainability Themes	$50,000
Morgan Stanley Access Investing	Impact Core, Climate Action and Gender Diversity Theme portfolios on digital investment platform	$5,000
Morgan Stanley Global Impact Funding Trust (MS GIFT)	Multiply the impact of charitable giving through Impact pools in Morgan Stanley's Donor Advised Fund	$25,000

1 Consists of mutual funds and ETFs only.

*ESG = Environmental, social and governance.

Understanding Your Portfolio's Impact

Measurement and reporting are central to advancing the positive impact of your investments. You cannot manage what you are not measuring.

Problem

Investors have long sought the ability to understand the environmental and social impact of their investments; however, impact data and reporting is complex.

Current Landscape:

Impact reporting has evolved into a complex global network of organizations, data providers and rating systems that can be challenging to navigate.

15+ organizations such as the Global Impact Investing Network and the Sustainability Accounting Standards Board are building the infrastructure to drive the effective use of material sustainability information by investors

100+ data providers can now deliver environmental, social and governance (ESG) insights across multiple levels (company, manager and portfolio-level) to help determine ESG-driven risks and opportunities

Emerging ratings systems assess ESG performance, but are either over-simplified, non-customizable and struggle to capture intentional sustainable investing approaches

Solution

We have vetted and partnered with leading ESG data providers – MSCI ESG Research, ISS-ESG and Fossil Free Indexes – to deliver a customized impact reporting tool exclusively for Morgan Stanley Financial Advisors and clients. **With us, you can understand and monitor your impact to make informed investment decisions based on your unique impact priorities.**

FFI MSCI ISS ESG ethix·climate·oekom

The description of Morgan Stanley Impact Quotient and the reports that it generates are solely for informational purposes. You should not definitively rely upon it or use it to form the definitive basis for any decision, contract, commitment or action whatsoever, with respect to any proposed transaction or otherwise.

Introducing Morgan Stanley Impact Quotient TM: A Client-Centric Approach to Impact Reporting

Available exclusively to Morgan Stanley clients, *Morgan Stanley Impact Quotient TM* is a new suite of capabilities designed to help you understand the environmental and social impact of your investments.

1 DISCOVER

Determine your unique impact preferences and priorities through meaningful conversations with your financial advisor using the **Impact Profile Builder**.

2 ASSESS

Evaluate how your portfolio is aligned to your unique preferences by discussing your customized **Impact Reports** with your financial advisor.

3 ALIGN

Work with your financial advisor to **identify investment opportunities** to enhance alignment with your unique impact preferences.

The process is designed to capture impact priorities and assess alignment across multiple dimensions:

IMPACT PREFERENCES

IMPACT THEMES & OBJECTIVES	Social and / or environmental impacts sought to be aligned within an investment portfolio
ISSUES OF CONCERN	Sectors, issues or business activities found to be objectionable or to be avoided with an investment portfolio
SUSTAINABLE DEVELOPMENT GOALS	United nations supported framework aimed at ending poverty, protecting the planet and ensuring prosperity for all
TARGETED POPULATIONS FOR IMPACT	Geographies or groups intended to experience positive impacts associated with selected investments
FAITH-BASED APPROACHES	Faith can serve as a lens or set of considerations within an investment portfolio

PORTFOLIO PREFERENCES

PORTFOLIO INTEGRATION APPROACH	Portfolio integration, targeted curve out, portfolio tilt, or integration when new cash or investment changes
AVAILABLE INVESTMENT OPPORTUNITIES	Public markets (e.g., Public equities fixed income, and multi Asset) and/or alternative investment (e.g., Real Assets, Private Equity)
APPROACHES TO INVESTING WITH IMPACT	Restriction screening, ESG integration, thematic exposure, impact investing and shareholder engagement

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Evaluate and Enhance the Alignment of Your Investments

Why Engage With *Morgan Stanley Impact Quotient*?

#1 Ensures your Financial Advisor **understands your unique impact priorities**.

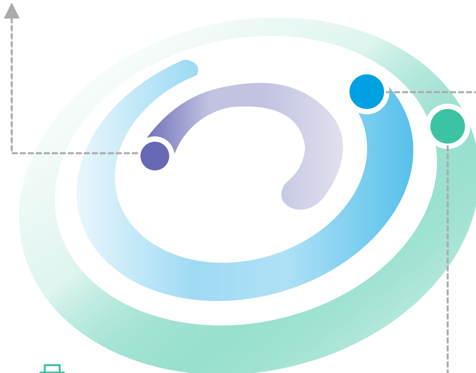
#2 Gain **transparency into the impact of your investments** with data-driven insights customized to your unique preferences.

#3 Take action with your Financial Advisor **to better align your investments** over time.

Who is *Morgan Stanley Impact Quotient* Designed For?

Individuals seeking to generate positive impact with their capital

Families seeking to align portfolios to their legacies



Institutions and Boards seeking to understand portfolio alignment or organizational mission

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Investing with Impact Analysis and Thought Leadership

The foundational guiding principles of our program and solutions

IMPACT OUTCOMES

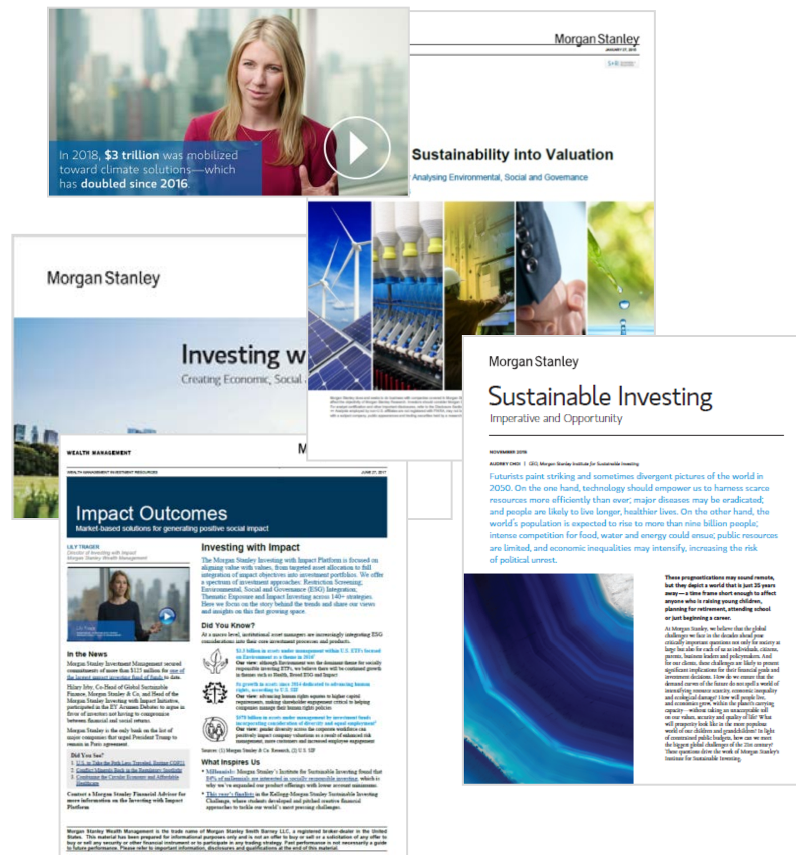
Our quarterly publication addresses some of the timeliest topics across the Investing with Impact spectrum.

THEMATIC RESEARCH

Exploring a range of themes such as Catholic Values, Climate Change & Fossil Fuel Aware and Gender Diversity to showcase the causes you care about

IDEAS AND INSIGHTS

Research from MS & Co Research, Morgan Stanley Institute for Sustainable Investing and Wealth Management Investment Resources



The Future is Bright for Investing with Impact

71%

of individual investors believe companies with leading sustainability practices may be better long-term investments[1]

2050

Year that the business opportunities for sustainability-focused companies are expected to be between **$3 trillion** and **$10 trillion** annually, or up to 4.5% of global GDP[2]

Companies are improving their competitive position by adjusting their business strategies to address long-term global themes / mega-trends, including: Climate Change, Health & Wellbeing, Inclusion, Resource Management, Safety & Security[3]

75%

of investors are interested in sustainable investing[1] and **80%** of U.S. money managers[2] say their decision to offer ESG[4] strategies is in response to client demand

Morgan Stanley is well-positioned to help deliver impact via customized solutions based on clients' financial and impact goals

1. Morgan Stanley Institute for Sustainable Investing, Sustainable Signals: New Data from the Individual Investor, 2017
2. Vision 2050: The New Agenda for Business, World Business Council for Sustainable Development, 2010
3. Morgan Stanley & Co. Sustainability Research
4. ESG = Environmental, social and governance

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Global Investment Manager Analysis (GIMA) Focus List, Approved List and Tactical Opportunities List; Watch Policy. GIMA uses two methods to evaluate investment products in applicable advisory programs: **Focus** (and investment products meeting this standard are described as being on the Focus List) and **Approved** (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. Sometimes an investment product may be evaluated using the Focus List process but then placed on the Approved List instead of the Focus List. Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status). GIMA has a '**Watch**" policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved." The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager or fund to address any concerns. Certain investment products on either the Focus List or Approved List may also be recommended for the **Tactical Opportunities List** based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time. For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "Manager Selection Process."

The **Global Investment Committee** is a group of seasoned investment professionals who meet regularly to discuss the global economy and markets. The committee determines the investment outlook that guides our advice to clients. They continually monitor developing economic and market conditions, review tactical outlooks and recommend model portfolio weightings, as well as produce a suite of strategy, analysis, commentary, portfolio positioning suggestions and other reports and broadcasts.

The GIC Asset Allocation Models are not available to be directly implemented as part of an investment advisory service and should not be regarded as a recommendation of any Morgan Stanley investment advisory service. The GIC Asset Allocation Models do not represent actual trading or any type of account or any type of investment strategies and none of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, advisory fees, fund expenses) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models which, when compounded over a period of years, would decrease returns.

Adverse Active Alpha (AAA) is a patented screening and scoring process designed to help identify high-quality equity and fixed income managers with characteristics that may lead to future outperformance relative to index and peers. While highly ranked managers performed well as a group in our Adverse Active Alpha model back tests, not all of the managers will outperform. Please note that this data may be derived from back-testing, which has the benefit of hindsight. In addition, highly ranked managers can have differing risk profiles that might not be suitable for all investors. Our view is that Adverse Active Alpha is a good starting point and should be used in conjunction with other information. Morgan Stanley Wealth Management's qualitative and quantitative investment manager due diligence process are equally important factors for investors when considering managers for use through an investment advisory program. Factors including, but not limited to, manager turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be suitable for all investors. For more information on AAA, please see the Adverse Active Alpha Ranking Model and Selecting Managers with Adverse Active Alpha whitepapers. The whitepaper are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

The Global Investment Manager Analysis (GIMA) Services Only Apply to Certain Investment Advisory Programs GIMA evaluates certain investment products for the purposes of some – but not all – of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management). If you do not invest through one of these investment advisory programs, Morgan Stanley Wealth Management is not obligated to provide you notice of any GIMA Status changes even though it may give notice to clients in other programs.

Strategy May Be Available as a Separately Managed Account or Mutual Fund Strategies are sometimes available in Morgan Stanley Wealth Management investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program. In most Morgan Stanley Wealth Management investment advisory accounts, fees are deducted quarterly and have a compounding effect on performance. For example, on an advisory account with a 3% annual fee, if the gross annual performance is 6.00%, the compounding effect of the fees will result in a net performance of approximately 3.93% after one year, 1 after three years, and 21.23% after five years. **Conflicts of Interest:** GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, MS & Co., managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs. Morgan Stanley Wealth Management, managers, MS & Co., and their affiliates receive compensation and fees in connection with these services. Morgan Stanley Wealth Management believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account.

Morgan Stanley charges each fund family we offer a mutual fund support fee, also called a "revenue-sharing payment," on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

Consider Your Own Investment Needs: The model portfolios and strategies discussed in the material are formulated based on general client characteristics including risk tolerance. This material is not intended to be a client-specific suitability analysis or recommendation, or offer to participate in any investment. Therefore, clients should not use this profile as the sole basis for investment decisions. They should consider all relevant information, including their existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Such a suitability determination may lead to asset allocation results that are materially different from the asset allocation shown in this profile. Talk to your Financial Advisor about what would be a suitable asset allocation for you, whether CGCM is a suitable program for you.

No obligation to notify – Morgan Stanley Wealth Management has no obligation to notify you when the model portfolios, strategies, or any other information, in this material changes.

Please consider the investment objectives, risks, fees, and charges and expenses of mutual funds, ETFs, closed end funds, unit investment trusts, and variable insurance products carefully before investing. The prospectus contains this and other information about each fund. To obtain a prospectus, contact your Financial Advisor or Private Wealth Advisor or visit the Morgan Stanley website at www.morganstanley.com**. Please read it carefully before investing.**

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in the fund.

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and /or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals; (2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long "lock-up" periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Nontraditional investment options and strategies are often employed by a portfolio manager to further a fund's investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the fund's essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or "leverage."

KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in **emerging markets and frontier markets**. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small- and mid-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities' (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments ("ESG")** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client's account will be managed as described herein. **Options** and margin trading involve substantial risk and are not suitable for all investors. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases shares of a closed-end fund, shares may have a market price that is above or below NAV. Portfolios that invest a large percentage of assets in only one industry **sector** (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are suitable only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; Risks associated with the operations, personnel, and processes of the manager; and Risks associated with cybersecurity. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management. This is not a "research report" as defined by FINRA Rule 2241 or a "debt research report" as defined by FINRA Rule 2242 and was not prepared by the Research Departments of Morgan Stanley Smith Barney LLC or Morgan Stanley & Co. LLC or its affiliates. Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. While the HFRI indices are frequently used, they have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown. The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Individual funds have specific tax risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Wealth Management and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley Wealth Management or any of its affiliates, (3) are not guaranteed by Morgan Stanley Wealth Management and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Wealth Management is a registered broker-dealer, not a bank. 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Investment products in this category may 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. Alternative investments are not suitable for all investors. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

A majority of Alternative Investment managers reviewed and selected by GIMA pay or cause to be paid an ongoing fee for distribution from their management fees to Morgan Stanley Wealth Management in connection with Morgan Stanley Wealth Management clients that purchase an interest in an Alternative Investment and in some instances pay these fees on the investments held by advisory clients. Morgan Stanley Wealth Management rebates such fees that are received and attributable to an investment held by an advisory client and retains the fees paid in connection with investments held by brokerage clients. Morgan Stanley Wealth Management has a conflict of interest in offering alternative investments because Morgan Stanley Wealth Management or our affiliates, in most instances, earn more money in your account from your investments in alternative investments than from other investment options.

It should be noted that the majority of hedge fund indexes are comprised of hedge fund manager returns. This is in contrast to traditional indexes, which are comprised of individual securities in the various market segments they represent and offer complete transparency as to membership and construction methodology. As such, some believe that hedge fund index returns have certain biases that are not present in traditional indexes. Some of these biases inflate index performance, while others may skew performance negatively. However, many studies indicate that overall hedge fund index performance has been biased to the upside. Some studies suggest performance has been inflated by up to 260 basis points or more annually depending on the types of biases included and the time period studied. Although there are numerous potential biases that could affect hedge fund returns, we identify some of the more common ones throughout this paper.

Self-selection bias results when certain manager returns are not included in the index returns and may result in performance being skewed up or down. Because hedge funds are private placements, hedge fund managers are able to decide which fund returns they want to report and are able to opt out of reporting to the various databases. Certain hedge fund managers may choose only to report returns for funds with strong returns and opt out of reporting returns for weak performers. Other hedge funds that close may decide to stop reporting in order to retain secrecy, which may cause a downward bias in returns.

Survivorship bias results when certain constituents are removed from an index. This often results from the closure of funds due to poor performance, "blow ups," or other such events. As such, this bias typically results in performance being skewed higher. As noted, hedge fund index performance biases can result in positive or negative skew. However, it would appear that the skew is more often positive. While it is difficult to quantify the effects precisely, investors should be aware that idiosyncratic factors may be giving hedge fund index returns an artificial "lift" or upwards bias.

Hedge Funds of Funds and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor's goals by the pre-established year or "target date." A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are suitable only for the risk capital portion of an investor's portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

Annuities and insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be a suitable comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

This material is not a financial plan and does not create an investment advisory relationship between you and your Morgan Stanley Financial Advisor. We are not your fiduciary either under the Employee Retirement Income Security Act of 1974 (ERISA) or the Internal Revenue Code of 1986, and any information in this report is not intended to form the primary basis for any investment decision by you, or an investment advice or recommendation for either ERISA or Internal Revenue Code purposes. Morgan Stanley Private Wealth Management will only prepare a financial plan at your specific request using Private Wealth Management approved financial planning signature.

We may act in the capacity of a broker or that of an advisor. As your broker, we are not your fiduciary and our interests may not always be identical to yours. Please consult with your Private Wealth Advisor to discuss our obligations to disclose to you any conflicts we may from time to time have and our duty to act in your best interest. We may be paid both by you and by others who compensate us based on what you buy. Our compensation, including that of your Private Wealth Advisor, may vary by product and over time.

Investment and services offered through Morgan Stanley Private Wealth Management, a division of Morgan Stanley Smith Barney LLC, Member SIPC.

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For index, indicator and survey definitions referenced in this report please visit the following: https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions

The Consulting Group Capital Markets Funds, Firm Discretionary UMA Model Portfolios, and other asset allocation or any other model portfolios discussed in this material are available only to investors participating in Morgan Stanley Consulting Group advisory programs. Depending upon which advisory program you choose, you will pay an asset-based wrap fee every quarter ("the Fee"), which may be up to 2.0% annually. In general, the Fee covers investment advisory services, the execution of transactions through Morgan Stanley, custody of the client's assets with Morgan Stanley, and reporting. In addition to the Fee, you will pay the fees and expenses of any funds in which your account is invested. Fund fees and expenses are charges directly to the poos 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 will not be included in the Fee amount in your account statements. For additional information on the Morgan Stanley Consulting Group advisory programs, see the applicable ADV brochure, available at www.morganstanley.com/ADV or from your Morgan Stanley Financial Advisor or Private Wealth Advisor. To learn more about the Consulting Group Capital Markets Funds, visit the Funds' website at www.morganstanley.com/cgcm. Consulting Group is a business of Morgan Stanley.

TRAK CGCM Program Asset Allocation Models There are model portfolios corresponding to five risk-tolerance levels available in the TRAK CGCM program. Model 1 is the least aggressive portfolio and consists mostly of bonds. As the model numbers increase, the models have higher allocations to equities and become more aggressive. **TRAK CGCM** is a mutual fund asset allocation program. In constructing the TRAK CGCM Program Model Portfolios, Morgan Stanley Wealth Management uses, among other things, model asset allocations produced by Morgan Wealth Management's Global Investment Committee (the "GIC"). The TRAK CGCM Program Model Portfolios are specific to the TRAK CGCM program (based on program features and parameters, and any other requirements of Morgan Stanley Wealth Management's Consulting Group).The TRAK CGCM Program Model Portfolios may therefore differ in some respects from model portfolios available in other Morgan Stanley Wealth Management programs or from asset allocation models published by the Global Investment Committee.

529 Plans - Investors should carefully read the Program Disclosure statement, which contains more information on investment options, risk factors, fees and expenses, and possible tax consequences before purchasing a 529 plan. You can obtain a copy of the Program Disclosure Statement from the 529 plan sponsor or your Financial Advisor. Assets can accumulate and be withdrawn federally tax-free only if they are used to pay for qualified expenses. Earnings on nonqualified distributions will be subject to income tax and a 10% federal income tax penalty. Contribution limits vary by state. Refer to the individual plan for specific contribution guidelines. Before investing, investors should consider whether tax or other benefits are only available for investments in the investor's home state 529 college savings plan. If an account owner or the beneficiary resides in or pays income taxes to a state that offers its own 529 college savings or pre-paid tuition plan (an "In-State Plan"), that state may offer state or local tax benefits. These tax benefits may include deductible contributions, deferral of taxes on earnings and/or tax-free withdrawals. In addition, some states waive or discount fees or offer other benefits for state residents or taxpayers who participate in the In-State Plan. An account owner may be denied any or all state or local tax benefits or expense reductions by investing in another state's plan (an "Out-of-State Plan"). In addition, an account owner's state or locality may seek to recover the value of tax benefits (by assessing income or penalty taxes) should an account owner rollover or transfer assets from an In-State Plan to an Out-of-State Plan. While state and local tax consequences and plan expenses are not the only factors to consider when investing in a 529 Plan, they are important to an account owner's investment return and should be taken into account when selecting a 529 plan.

Lifestyle Advisory Services: Products and services are provided by third party service providers, not Morgan Stanley Smith Barney LLC ("Morgan Stanley"). Morgan Stanley may not receive a referral fee or have any input concerning such products or services. There may be additional service providers for comparative purposes. Please perform a thorough due diligence and make your own independent decision.

To obtain **Tax-Management Services,** a client must complete the Tax-Management Form, and deliver the signed form to Morgan Stanley. For more information on Tax-Management Services, including its features and limitations, please ask your Financial Advisor for the Tax Management Form. Review the form carefully with your tax advisor. Tax-Management Services: (a) apply only to equity investments in separate account sleeves of client accounts; (b) are not available for all accounts or clients; and (c) may adversely impact account performance. Tax-management services do not constitute tax advice or a complete tax-sensitive investment management program. There is no guarantee that tax-management services will produce the desired tax results.

Morgan Stanley Smith Barney LLC does not accept appointments nor will it act as a trustee but it will provide access to trust services through an appropriate third -party corporate trustee.

A **LifeView Financial Goal Analysis or LifeView Financial Plan ("Financial Plan")** is based on the methodology, estimates, and assumptions, as described in your report, as well as personal data provided by you. It should be considered a working document that can assist you with your objectives. Morgan Stanley Smith Barney LLC ("Morgan Stanley") makes no guarantees as to future results or that an individual's investment objectives will be achieved. The responsibility for implementing, monitoring and adjusting your financial goal analysis or financial plan rests with you. After your Financial Advisor delivers your report to you, if you so desire, your Financial Advisor can help you implement any part that you choose; however, you are not obligated to work with your Financial Advisor or Morgan Stanley.

Since **life and long-term care insurance** are medically underwritten, you should not cancel your current policy until your new policy is in force. A change to your current policy may incur charges, fees and costs. A new policy will require a medical exam. Surrender charges may be imposed and the period of time for which the surrender charges apply may increase with a new policy. You should consult with your own tax advisors regarding your potential tax liability on surrenders.

The Morgan Stanley Global Impact Funding Trust, Inc. ("MS GIFT, Inc.") is an organization described in Section 501(c) (3) of the Internal Revenue Code of 1986, as amended. MS Global Impact Funding Trust ("MS GIFT") is a donor-advised fund. Morgan Stanley Smith Barney LLC provides investment management and administrative services to MS GIFT. Back office administration provided by RenPSG, an unaffiliated charitable gift administrator.

Margin Loans are investment products offered through Morgan Stanley Smith Barney LLC. Margin Loans are securities based loans, which can be risky, and are not suitable for all investors. **Liquidity Access Line ("LAL")** is a securities based loan/line of credit product, the lender of which is either Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, each an affiliate of Morgan Stanley Smith Barney LLC. **Tailored Lending** is a loan/line of credit product offered by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC.

Express CreditLine ("ECL") is a securities based loan/line of credit product offered by Morgan Stanley Smith Barney LLC. A Tailored Lending credit facility may be a committed or demand loan/line of credit. All LAL and Tailored Lending loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association (or, for LAL, Morgan Stanley Bank, N.A., as applicable). All ECL loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Smith Barney LLC. LAL, Tailored Lending and ECL loans/lines of credit may not be available in all locations. Rates, terms, and programs are subject to change without notice. In conjunction with establishing an LAL loan/line of credit, an LAL facilitation account will also be opened in the client's name at Morgan Stanley Smith Barney LLC at no charge. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association and Morgan Stanley Bank, N.A. are Members FDIC that are primarily regulated by the Office of the Comptroller of the Currency.

Important Risk Information for Securities Based Lending: You need to understand that: (1) Sufficient collateral must be maintained to support your loan(s) and to take future advances; (2) You may have to deposit additional cash or eligible securities on short notice; (3) Some or all of your securities may be sold without prior notice in order to maintain account equity at required maintenance levels. You will not be entitled to choose the securities that will be sold. These actions may interrupt your long-term investment strategy and may result in adverse tax consequences or in additional fees being assessed; (4) Morgan Stanley Bank, N.A., Morgan Stanley Private Bank, National Association or Morgan Stanley Smith Barney LLC (collectively referred to as "Morgan Stanley") reserves the right not to fund any advance request due to insufficient collateral or for any other reason except for any portion of a securities based loan that is identified as a committed facility; (5) Morgan Stanley reserves the right to increase your collateral maintenance requirements at any time without notice; and (6) Morgan Stanley reserves the right to call securities based loans at any time and for any reason. With the exception of a margin loan, the proceeds from securities based loan products may not be used to purchase, trade, or carry margin stock (or securities, with respect to Express CreditLine); repay margin debt that was used to purchase, trade or carry margin stock (or securities, with respect to Express CreditLine); and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account. To be eligible for a securities based loan, a client must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities, which shall serve as collateral for the securities based loan.

Residential mortgage loans/home equity lines of credit are offered by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC. With the exception of the pledged-asset feature, an investment relationship with Morgan Stanley Smith Barney LLC does not have to be established or maintained to obtain the residential mortgage products offered by Morgan Stanley Private Bank, National Association. All residential mortgage loans/home equity lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association. Rates, terms, and programs are subject to change without notice. Residential mortgage loans/home equity lines of credit may not be available in all states; not available in Guam, Puerto Rico and the U.S. Virgin Islands. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association is an Equal Housing Lender and Member FDIC that is primarily regulated by the Office of the Comptroller of the Currency. Nationwide Mortgage Licensing System Unique Identifier #663185. The proceeds from a residential mortgage loan (including draws and advances from a home equity line of credit) are not permitted to be used to purchase, trade, or carry eligible margin stock; repay margin debt that was used to purchase, trade, or carry margin stock; or to make payments on any amounts owed under the note, loan agreement, or loan security agreement; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

Interest-only loans enable borrowers to make monthly payments of only the accrued monthly interest on the loan during the introductory interest-only period. Once that period ends, borrowers must make monthly payments of principal and interest for the remaining loan term, and payments will be substantially higher than the interest-only payments. During the interest-only period, the total interest that the borrower will be obligated to pay will vary based on the amount of principal paid down, if any. If a borrower makes just an interest-only payment, and no payment of principal, the total interest payable by the borrower during the interest-only period will be greater than the total interest that a borrower would be obligated to pay on a traditional loan of the same interest rate having principal-and-interest payments. In making comparisons between an interest-only loan and a traditional loan, borrowers should carefully review the terms and conditions of the various loan products available and weigh the relative merits of each type of loan product appropriately. A **conforming loan** means a residential mortgage loan offered by Morgan Stanley Private Bank, National Association that is saleable to Fannie Mae or Freddie Mac because it conforms to these entities' guidelines, including, for example, loan amount limits that range from $424,000 to $636,150 for one unit properties, depending on location (and even higher in Hawaii). Through the **pledged-asset feature** offered by Morgan Stanley Private Bank, National Association, the applicant(s) or third party pledgor (collectively "Client") may be able to pledge eligible securities in lieu of a full or partial cash down payment or in connection with a refinance mortgage loan. To be eligible for the pledged-asset feature a Client must have a brokerage account at Morgan Stanley Smith Barney LLC. If the value of the pledged securities in the account drops below the agreed-upon level stated in the loan documents, a Client may be required to deposit additional securities or other collateral (such as cash) to stay in compliance with the terms of the mortgage loan. If a Client does not deposit additional securities or other collateral, the Client's pledged securities may be sold to satisfy the Client's obligation, and the Client will not be entitled to choose which assets will be sold. Thus in deciding whether the pledged-asset feature is appropriate, a Client should consider the degree to which he or she is comfortable subjecting his or her investment in a home to the fluctuations of the securities market. The pledged-asset feature is not available in all states. Other restrictions may apply.
Relationship-based pricing offered by Morgan Stanley Private Bank, National Association is based on the value of clients', or their immediate family members' (i.e., grandparents, parents, and children) eligible assets (collectively "Household Assets") held within accounts at Morgan Stanley Smith Barney LLC. To be eligible for relationship-based pricing, Household Assets must be maintained within appropriate eligible accounts prior to the closing date of the residential mortgage loan. Relationship-based pricing is not available on conforming loans. **3/1, 5/1, 7/1, 10/1 adjustable rate mortgage ("ARM") loans** are based on the 1-Year London Interbank Offered Rate ("LIBOR") with various loan term options.

1-Month Interest only ARM loan is based on 1-Month LIBOR. 1-Month Interest only ARM loan is not available in Maine. The Active Assets Account is a brokerage account offered through Morgan Stanley Smith Barney LLC. The **Morgan Stanley Mobile App** is currently available for iPhone® and iPad® from the App StoreSM and AndroidTM on Google PlayTM. Standard messaging and data rates from your provider may apply. The **Morgan Stanley Credit Card** from American Express or the Platinum Card® from American Express exclusively for Morgan Stanley is only available for clients who have an eligible Morgan Stanley Smith Barney LLC brokerage account ("eligible account"). Eligible account means a Morgan Stanley Smith Barney LLC brokerage account held in your name or in the name of a revocable trust where the client is the grantor and trustee, except for the **following** accounts: Charitable Remainder Annuity Trusts, Charitable Remainder Unitrusts, irrevocable trusts and employer-sponsored accounts. Eligibility is subject to change. American Express may cancel your Card Account and participation in this program, if you do not maintain an eligible account. Morgan Stanley Smith Barney LLC may compensate your Financial Advisor and other employees in connection with your acquisition or use of either the Morgan Stanley Credit Card from American Express or the Platinum Card® from American Express exclusively for Morgan Stanley. The **Morgan Stanley Cards from American Express** are issued by American Express Bank, FSB, not Morgan Stanley Smith Barney LLC. Services and rewards for the Cards are provided by Morgan Stanley Smith Barney LLC, American Express or other third parties. Restrictions and other limitations apply. See the terms and conditions for the Cards for details. Clients are urged to review fully before applying. The **Morgan Stanley Debit Card** is currently issued by UMB Bank, n.a., 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.

Premier Cash Management is an incentive program that recognizes and rewards clients for choosing Morgan Stanley for their everyday cash management needs. Clients must meet certain criteria in order to qualify for the Premier Cash Management program, and Morgan Stanley Smith Barney LLC reserves the right to change or terminate the program at any time and without notice. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with affiliated and non-affiliated parties to assist in offering certain products and services related to Premier Cash Management. Please refer to the Premier Cash Management Terms and Conditions for further details. Securities based loans are provided by Morgan Stanley Smith Barney LLC, Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A, as applicable.

Under the Savings program ("Savings"), Morgan Stanley Smith Barney LLC makes available interest-bearing FDIC insured deposit accounts(s) at either Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., each a national bank, Member FDIC, and an affiliate of Morgan Stanley Smith Barney LLC, 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. The bank also reserves the right to offer promotional rates from time to time. Detailed information on federal deposit insurance coverage is available on the FDIC's website (https://www.fdic.gov/deposit/deposits/). **The Savings program is not intended for clients who need to have frequent access to funds and those funds will not be automatically accessed to reduce a debit or margin loan in your brokerage account. Withdrawals from an account in Savings are limited to 10 transactions per calendar month, and any withdrawal or transfer over the limit in any one calendar month will be subject to an excess withdrawal fee.**

Commercial Real Estate Financing is provided by Morgan Stanley Private Bank, National Association ("MSPBNA"). MSPBNA is a Member FDIC and an affiliate of Morgan Stanley Smith Barney LLC. Commercial Real Estate Financing loans are subject to the underwriting standards and independent approval of MSPBNA. Commercial Real Estate Financing loans may not be available in all locations. The proceeds from a Commercial Real Estate Financing loan cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

 Alternative investment securities discussed herein are not covered by the protections provided by the Securities Investor Protection Corporation, unless such securities are registered under the Securities Act of 1933, as amended, and are held in a Morgan Stanley Wealth Management Individual Retirement Account.