

Morgan Stanley

# Portfolio Management

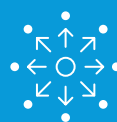
Welcome to the Portfolio Management program at Morgan Stanley. There comes a point when managing one's assets turns into a full-time job. As your life evolves and grows more complex, your financial strategy—and the options for implementing that strategy—tends to grow in complexity as well.

Frequently, evaluating those options and choosing wisely among them may require more expertise and attention than you have to give. In such circumstances, it makes sense to partner with an experienced professional who understands your financial needs and can dedicate the time and resources necessary to help you meet them.



#### **A TRADITION OF SERVING YOUR FINANCIAL NEEDS**

Our Portfolio Managers are Financial Advisors qualified by the firm to manage client assets based on training, experience and a commitment to serving you.



#### **A FOCUSED APPROACH TO INVESTMENTS**

A disciplined, four-step process helps guide the selection of investments for your investment portfolio and its ongoing review.



#### **A COMMITMENT TO YOU**

Open lines of communication provide you with direct access to the investment professionals managing your portfolio.

## A Tradition of Serving Your Financial Needs

For the past four decades, the Portfolio Management Group has addressed the needs of high net worth individuals and institutional clients, creating customized investment strategies, portfolios and solutions. Our Portfolio Managers represent a select group of Financial Advisors who are qualified by the firm to manage your assets based on training, experience and commitment to client service. They bring a disciplined approach to managing your portfolio and a focus to investing.

Your portfolio in the Portfolio Management program is designed to help meet your specific financial needs and is managed on a fully discretionary basis by your Portfolio Manager. Leveraging the global resources of Morgan Stanley, your Portfolio Manager monitors the events that affect your financial objectives. He or she also studies trends and developments that shape the investment environment, drive the economy and ultimately impact your portfolio's performance. You'll find that your Portfolio Manager's experience, training and investment philosophy offer guidance—both in ongoing portfolio management decisions and understanding investment risk while keeping your long-term goals in view.

### Portfolio Management Group: Key Facts and Benefits



#### **Personalized Portfolios**

Your Portfolio Manager will use his/her discretion to identify an investment strategy tailored to meet your needs.



#### **Comprehensive Communications**

Throughout your relationship, you'll have direct access to the investment professional managing your portfolio.



#### **Client Focus**

Each account can be individually customized to meet your requirements for growth, income or preservation of capital within your risk constraints.



#### **Asset-Based Fee<sup>1</sup>**

Fees for the program are based on your account's asset level, not on the number of transactions performed in a given time period.

## A Focused Approach to Investments

Your Portfolio Manager works closely with you to understand your needs while maintaining the focus and discipline necessary to guide your portfolio in the most challenging market cycles. A disciplined, four-step investment process underpins the program and helps to develop a long-term perspective about building and managing wealth.

The Portfolio Management program's four-step process helps you develop a long-term perspective about your investments. Your Portfolio Manager will:

### 1. Establish Financial Objectives

Work with you to establish a realistic set of objectives based on your financial goals, time horizon, liquidity needs and tolerance to volatility and risk.



### 2. Define Investment Strategy

Develop an investment strategy designed to help produce optimal portfolio performance: the highest return potential consistent with the strategy's level of risk.

### 4. Ongoing Review Process

Track your portfolio's performance relative to your stated objectives—and modify the portfolio on a discretionary basis as your needs and circumstances change over time.



### 3. Evaluate and Select Investments

Leverage the global resources of Morgan Stanley to select investments to implement your personal strategy.

## A Commitment to You

Maintaining an open line of communication is part of our ongoing commitment to you. The Portfolio Management program gives you direct access to the investment professional responsible for managing your hard-earned wealth. Whether or not you are saving for a child's education, planning for your retirement or preserving your estate for your heirs, ongoing communication helps your Portfolio Manager make adjustments to your portfolio as circumstances dictate.

As life-changing events unfold — or you simply seek additional wealth management guidance — your Portfolio Manager is readily accessible and prepared to address your financial concerns.

Regular performance reporting helps you understand your portfolio's short- and long-term results and the many factors that contribute to them. All clients receive periodic reporting, which includes detailed analysis of contributions, withdrawals, income distributions, performance charts and benchmark comparisons.

Managing investments can be daunting. Today's capital markets are complex, and the thought of sifting through thousands of available

investments can be overwhelming. Most individual investors lack the time and the experience to provide the proper due diligence needed for making informed investment decisions. At the heart of the Portfolio Management program is our commitment to you — our clients. No matter where your local Morgan Stanley office may be, you'll enjoy personalized service and easy access to the professionals responsible for managing your portfolio.

**For more information on the Portfolio Management program, speak to your Portfolio Manager.**

<sup>1</sup> The Portfolio Management program account will be charged an annual asset-based fee ("the Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers investment advisory services, the execution of transactions through Morgan Stanley Smith Barney LLC ("Morgan Stanley") or its affiliates, custody of the client's assets with Morgan Stanley Smith Barney LLC and its affiliates, and reporting. Each account that is invested in the PM program that is eligible to purchase certain investment products, such as Mutual Funds, is charged a Platform Fee, regardless of whether a specific PM account is invested in such investment product. The Platform Fee is in addition to the wrap Fee, is subject to a Platform Fee offset, and is applicable to all custodied PM accounts, except for Retirement Accounts covered by Title I of ERISA, including for example, certain Simplified Employee Pension (SEPs) accounts and SIMPLE IRAs, as well as certain other account types.

Lastly, accounts invested in certain investment products, such as mutual funds, will pay the fees and expenses of those investment products. Fund fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. You understand that these fees and expenses are an additional cost to you and will not be included in the Fee amount in your account statements. Diversification and asset allocation do not assure a profit or protect against loss.

For more information on the Portfolio Management Program, see the applicable ADV brochure, available from your Portfolio Manager or at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV).

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