Trustee and Investment Services
Third-party Trustee Partners

FORMAL THIRD-PARTY TRUSTEE ARRANGEMENTS ARE AVAILABLE THROUGH

- Bankers Trust Company
- Comerica
- First State Trust Company
- RBC Trust Company (Delaware) LTD
- Reliance Trust
- South Dakota Trust Company
- Wilmington Trust
- BMO Trust and Custody Services
How It Works

**STRUCTURE**

- Marketable securities are held with your Financial Advisor at Morgan Stanley
- Third-Party trust companies work with Morgan Stanley to provide investment management services
- Electronic connectivity exists between Morgan Stanley and approved third-party trust companies to exercise fiduciary oversight and reporting responsibilities
- Morgan Stanley and the approved third-party trust companies work together to manage your trust assets

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.
Open Architecture Trustee Services

WE OFFER

Formal partnerships with multiple third-party trust companies

Due diligence of external third-party trust company partners

Access to third-party trust companies, which provides a broad variety of fiduciary capabilities and solutions

Broad array of investment products and platforms for investing trust assets

Seasoned Trust Specialists from Morgan Stanley to assist you and your Financial Advisor in reviewing your needs and goals to identify opportunities for fiduciary solutions utilizing trusts and an appropriate third-party trustee and investment management
Third-Party Administration Services

Fiduciary services provided by Morgan Stanley’s trustee partners include the following:

- Impartial trust administration in accordance with the applicable local law and the trust document for the benefit of the trust beneficiaries, including current income and remainder beneficiaries
- A dedicated Trust Officer or team that coordinates all activities related to the trust
- Review and execution of applicable principal and income accounting requirements
- Development, execution and monitoring of an appropriate investment objective and asset allocation guidelines for trust assets
- Record and document retention of all trust activity
- Monthly / quarterly / annual statements that reflect distributions, transactions, asset activity and market values
- Maintenance of securities tax data such as cost basis, acquisition dates and tax lots
- Investment supervision in light of the Internal Revenue Code and IRS rules and regulations
- Preparation and filing of federal and state tax returns
- K-1 tax reports of taxable income for beneficiaries
Why Choose a Corporate Trustee?

When crafting your trust document, you and your attorney face a decision with regard to the trustee and its powers. An evaluation of the various trustee options can significantly impact the effectiveness and efficiency of your trust. A corporate trustee can provide a high degree of reliability and experience.

When deciding who should administer your trust, keep in mind that a trustee must be able to:

**MAKE OBJECTIVE DECISIONS**
Acting impartially in the best interest of all beneficiaries may require handling ongoing family conflicts and/or resolving minor squabbles as they arise.

**OFFER ADMINISTRATIVE CAPABILITIES**
Specialized skills and resources are required to properly administer a trust; setting up and maintaining the necessary accounting systems, providing tax reporting and accessing professional investment management services.

**PROVIDE LONGEVITY AND CONTINUITY**
The life of a trust may extend over generations. Administration and investment supervision from an individual trustee may be interrupted by vacations, illness or death.

**BALANCE LEGAL JURISDICTION AND CONVENIENCE**
There may be residency and jurisdiction requirements that work best for the trust, while a presence close to the trustee and beneficiaries simplifies administration.

**ACT AS A FIDUCIARY**
A trustee should be able to acquire, invest, reinvest, exchange, retain, sell or manage assets on behalf of the trust and for the benefit of the named beneficiaries. This duty comes with substantial legal obligations.

**UNDERSTAND WEALTH MANAGEMENT**
Customized money management aligned with the trust’s goals may require related resources such as financial planning, estate planning and insurance.
Choice of Trustee Services

CLIENT SELF-TRUSTEES
- Client serves as his/her own trustee
- Client can hire Morgan Stanley for investment management or brokerage and work directly with his/her Financial Advisor
- Account established and held in Financial Advisor’s branch office
- Client retains accountant to prepare trust tax return

ADMINISTRATIVE AGENT
- Client serves as his/her own trustee or names another individual as trustee and engages a corporate trustee as agent
- Corporate trustee may perform administrative services including principal and income accounting, make distributions, tax preparation and retain the investment manager
- Corporate trustee, with direction from the client/trustee, works with the Financial Advisor regarding investment management

CORPORATE TRUSTEE
- Corporate trustee has full responsibility for investment management and administrative functions
- Financial Advisor is retained by corporate trustee to develop investment management strategy
- Corporate trustee may be directed by client or other individual co-trustee
- Morgan Stanley has arrangements with several corporate trustee partners who provide a range of fiduciary services

PRIVATE TRUST COMPANY
- Client establishes his/her trust company and retains staff to perform trust administration and potentially investment management
- Extremely rare as approximately $50 – 100 million is needed to establish private trust company
- The Private Trust Company may engage Morgan Stanley and work with a Financial Advisor

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.
Trust Services Available Through Morgan Stanley

Wealth accumulation is followed by wealth preservation, which in turn is followed by wealth transition. The management of these three wealth phases requires careful planning and long-term commitment.

Our trustee platform is “open architecture,” meaning that we provide you with access to an appropriate third-party corporate trustee for your trust account. Trust Specialists, within Morgan Stanley, analyze client trust documents and situations and then suggest a fiduciary solution for your needs and goals:

- A flexible, third-party corporate trustee program
- A wide range of fiduciary and trust administration services
- Due diligence performed on corporate trustee partners
- An array of discretionary solutions for trust investment management
- Disciplined investment process
- Access to the global range of resources and experienced investment professionals available at Morgan Stanley
- Personalized local service and support from your Financial Advisor and Trust Specialist

We’ll work with you to help you select the level of trustee services, depending on the size and complexity of your financial plan.
Bankers Trust Company

FIRM OVERVIEW

- Includes Bankers Trust Company and wholly owned subsidiary, BTC Trust Company of South Dakota
- Serving trust and wealth management clients nationwide
- Office locations in four states (Iowa, South Dakota, Arizona, and Nebraska)
- $16 billion in assets under administration
- Providing trust and asset administration services since 1917
- Account minimum: $1,000,000. Minimum annual fee required

TRUST SERVICE OFFERINGS

- Directed and Administrative Trusts
- Domestic Asset Protection Trusts
- Dynasty Trusts
- Qualified Retirement Plans
- Non-Qualified – Rabbi Trusts
- NAV Valuations
- Institutional Custody
- Corporate Trust Services
- Escrow and Paying Agent

SPECIAL SERVICES

- Foundations / Endowments – Donor management services
- Fund unitization and accounting
- South Dakota situs

As of: 5/31/16
Source: Bankers Trust
Comerica

FIRM OVERVIEW

• One of the nation’s largest national trust banks
• Nationwide coverage for clients requiring in-person meetings with Trust Specialists and/or Trust Officers
• Office locations: 17 offices (13 for both New Business and Administration and 4 for New Business only)
• Account minimum: N/A; minimum annual fee required

TRUST OFFERINGS

• A full offering of Personal Trusts, Revocable, Irrevocable, Charitable, Estate Settlement & Special Needs
• Institutional Trust Services, Directed, Custodial, Governmental, Insurance Funds & Nonprofits

SPECIAL SERVICES

• Agency Accounts
• Agent for Trustee
• Agent for Executor
• Administrative Agent
• Charitable Services
• Endowments
• Donor Advised Funds
• Private Foundations
• Bill Paying
• Principal & Income Accounting
• Fiduciary Income Taxes
• Managing Commercial Real Estate
• Processing Mineral interests
• Selling a Closely Held Business
• Discretionary Distributions
• Life Insurance Trusts
• Dynasty Trusts
• DE Directed Trusts
• Custody Services
• Trusteed IRAs
• Qualified Domestic Trusts (QDOTs)

As of: 06/22/16
Source: SNL Financial
Securities and other non-deposit investment products are not FDIC insured; are not deposits or obligations of, or guaranteed by Comerica or any of its affiliates; and involve risk, including possible loss of principal. Past performance is not indicative of future results.

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.
First State Trust Company

FIRM OVERVIEW
• Formerly known as Citi Institutional Trust Company; now part of the Fi-Tek Group
• Servicing institutional trust clients for over 35 years; located in Wilmington, Delaware
• No Account Minimum Size for Institutional & Directed Trusts; $1 Million Minimum Size for Discretionary Personal Trusts; Nationwide Coverage for in-person meetings

TRUST OFFERINGS
• Discretionary Personal Trusts
• Delaware Directed Trusts / Asset Protection Trusts
• Charitable Trusts / Foundations
• Rabbi Trusts / NQDC Plans
• Pension / DB Plans
• Profit Sharing Plans
• Non-Profit, Endowments & Foundations
• Public Funds / Governmental Plans
• Taft Hartley Funds
• Insurance / Reinsurance Funds
• Corporate / Escrow Transactions
• Any client who requires corporate trustee and/or specialized accounting

SPECIAL SERVICES
• Corporate Trustee & Fiduciary Services for Institutional & Personal Trusts
• Personal Trust Services including Principal & Income Accounting, Discretionary Distributions, Discretionary Investment Management, Tax Preparation & Filing, and Special Asset Administration
• Institutional Trust Services including Certified Trust Statements, Annual Employee Benefit Reporting Package with 5500 Summary, Master Trust Services, Benefit Payments and 1099 Tax Reporting
• Other Services include: Trustee Assistance Program, Separate Account Unitization & Sub-Accounting, Bank & Trust Company Operations Outsourcing, Agency Administration & Escrow Transactions

As of: 6/2/16
Source: First State

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.
RBC Trust Company (Delaware) LTD

FIRM OVERVIEW
- Division of Royal Bank of Canada
- Office locations: 7 global trust offices with 1 domestic U.S. location (Wilmington, DE)
- World’s largest global fiduciary
- Account minimum: $500,000

TRUST OFFERINGS
- Pre-Need Funeral and Cemetery Trust
- Charitable Trusts
- Credit Shelter Trust
- DE Asset Protection Trust
- Escrow
- Directed Trust
- Dynasty Trust
- Irrevocable Trust
- Delaware Incomplete Non-Grantor (DING)
- Life Insurance Trust
- Qualified Terminable Interest Property (QTIP)
- Full Discretionary Trust
- Revocable Trust
- Testamentary Trust
- Special Need Trusts
- Custody, Agency

SPECIAL SERVICES
- Endowments – Directed Investments Only
- Special Assets
- Principal & Income Accounting

As of: 6/2/16
Source: RBC Trust Co.

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.
Reliance Trust

FIRM OVERVIEW

- Subsidiary of Reliance Financial Corporation
- Office locations: Wilmington, DE (main office); Atlanta, GA; Dallas, TX; Jersey City, NJ; Los Angeles, CA; Palm Beach Gardens, FL; Phoenix, AZ
- Account minimum: $500,000; minimum annual fee required

TRUST OFFERINGS

- Revocable Trust
- Irrevocable Trust
- Charitable Trusts
- Credit Shelter Trust
- Directed Trust
- Qualified Domestic Trust (QDOT)
- Dynasty Trust
- Total Return Trust
- Asset Protection Trust
- Irrevocable Life Insurance Trust (ILIT)

SPECIAL SERVICES

- Escrow Services
- Estate Settlement¹
- Real Estate
- Special Assets
- Agent for the Trustee
- Agent for the Executor
- Principal & Income Accounting

As of: 06/2/16
Source: Reliance Trust Co.
¹ (Dependent on location).

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.
South Dakota Trust Company LLC

FIRM OVERVIEW
- Trust accounts representing more than $30 billion in assets under administration (AUA)
- No products of any kind – Purely trust administration services (both liquid and illiquid assets)
- Currently work with over 80 billionaire and 200 centa-millionaire clients – No net worth minimums required
- Accept trusts of any size but minimum annual fee required
- Locations: Sioux Falls, SD, Rapid City, SD and New York City, NY

TRUST OFFERINGS
- All types of Personal Trusts offered – No Retirement Trusts
- Directed & Delegated Trust Administration, Irrevocable & Revocable, Self-Settled & Third Party, Charitable & Non-Charitable

SPECIAL SERVICES
- Dynasty Trusts
- Self-Settled Trust/Domestic Asset Protection Trusts
- Incentive Trusts
- Life Insurance Trusts
- Premium Tax LLCs and Trusts (Private Placement Life Insurance Trusts)
- Change of Situs Trusts
- International Families
  - Non-Resident Alien (NRA) Dynasty Trusts
  - Pour Over Dynasty Trusts
  - Foreign Grantor and Pre-Immigration Trusts
- Administration of All Types of Illiquid Assets
  - Real Estate, LLCs, FLPs, Closely-Held Stock, S-Corporation, Offshore Entities
- Private Trust Companies
- Charitable Services
  - Charitable Remainder Trusts
  - Charitable Lead Trusts
  - Private Foundation Trusts
- Agency Accounts
  - Agent for Trustee
  - Administrative Agent

As of: 6/2/16
Source: South Dakota Trust Co.

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.
FIRM OVERVIEW

• Since 1903, providing innovative trust solutions for multigenerational wealth preservation
• Part of M&T Bank Corporation – one of the strongest bank holding companies in the eastern United States
• Servicing clients nationwide
• Located in Wilmington, DE
• Account minimum: $1,500,000; minimum annual fee required

TRUST OFFERINGS

• Charitable Trusts
• Credit Shelter Trust
• Directed Trust
• Dynasty Trust
• Grantor Retained Annuity Trust
• Irrevocable Trust
• Private Foundation
• Qualified Terminable Interest Property (QTIP)
• Special Needs Trust
• Testamentary Trust

SPECIAL SERVICES

• Administrative Agency Services
• Annual Asset Valuation
• Bill Paying
• Discretionary Distributions
• Endowments
• Fiduciary Income Taxes
• Principal & Income Accounting
• Real Estate
• Special Assets

As of: 06/2/16
Source: Wilmington Trust

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.
BMO Trust and Custody Services

Firm overview

- BMO Trust and Custody Services is a division of BMO Harris Bank N.A. and part of BMO Financial Group, one of North America's largest financial services company established in 1817. They have been providing trust services since 1924.
- From offices in six states (Colorado, Florida, Illinois, Massachusetts, Minnesota and Wisconsin), they currently serve more than 850 institutional clients with over $85 billion in AUM, as well as 65 trust outsourcing clients with an additional $72 billion in AUM.
- Minimum annual fee of $20,000 required.

BMO Trust and Custody Services offerings

- Pension and Cash Balance Plans
- Foundations and Endowments
- Taft-Hartley Funds
- Insurance Trusts
- Public Funds
- Securities Lending Clients

Comprehensive services

<table>
<thead>
<tr>
<th>Trustee</th>
<th>Custody of assets</th>
<th>Benefit payments</th>
<th>Financial reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directed capacity</td>
<td>Domestic and global</td>
<td>ACH and check preparation</td>
<td>Certified annual reports</td>
</tr>
<tr>
<td>Master trust</td>
<td>Shadow accounting</td>
<td>Tax reporting</td>
<td>Trade date and settlement date</td>
</tr>
<tr>
<td>Unitized fund options</td>
<td>Administer complex assets</td>
<td>Online access for maintenance and inquiry</td>
<td>Accrual and tax accounting</td>
</tr>
<tr>
<td>Trustee for held away assets</td>
<td>Intra-day sweep</td>
<td></td>
<td>Flexible statement formats</td>
</tr>
<tr>
<td></td>
<td>Proxy services and foreign tax reclamation</td>
<td></td>
<td>Customized rollups</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Government disclosures</td>
</tr>
</tbody>
</table>

Online tools

- 24 x 7 access
- Real time transaction processing
- User defined viewing parameters
- Download capabilities
- Access 13 months of financial statements

Securities lending

- Financial strength
- Customized lending program
- BMO approved counterparty list
- Counter party indemnification
- Superior utilization rates
- Flexible cash collateral management

Compliance

- SSAE 16 reports
- Custom asset/transaction reports
- Trust statements – GAAP
- Government reporting forms 5500/5330/990-T

Audit support

- Dedicated service team
- Standard audit package
- Custom reports per audit/client requests

As of: 6/16/16
Source: BMO Global Asset Management

BMO Trust and Custody Services is a part of BMO Global Asset Management and a division of the BMO Harris Bank N.A., offering products and services through various affiliates of BMO Financial Group.

BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group that provide investment management and trust and custody services. Certain of the products and services offered under the brand name BMO Global Asset Management are designed specifically for various categories of investors in a number of different countries and regions and may not be available to all investors. Products and services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. BMO Financial Group is a service mark of Bank of Montreal (BMO).

Investment products are: NOT FDIC INSURED — NO BANK GUARANTEE — MAY LOSE VALUE. © 2016 BMO Financial Corp. (4738647, 6/16)

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.
Trust Services Summary

Trustee and investment services from Morgan Stanley offer a versatile platform to help you address the next phase of your financial objectives.

- A flexible, third-party corporate trustee program
- A wide range of fiduciary and trust administration services
- Due diligence performed on corporate trustee partners
- An array of discretionary solutions for trust investment management
- Disciplined investment process
- Access to the global range of resources and experienced investment professionals available at Morgan Stanley
- Personalized local service and support from your Financial Advisor and Trust Specialist

Your Financial Advisor may provide investment management services for the trust account using the investment management resources and strategies available through Morgan Stanley.
Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

The sole purpose of this material is to inform, and it in no way is intended to be an offer or solicitation to purchase or sell any security, other investment or service, or to attract any funds or deposits. Investment opinions may not be suitable for all clients. Any product discussed herein may be purchased only after a client has carefully reviewed the offering memorandum and executed the subscription documents. Morgan Stanley Wealth Management has not considered the actual or desired investment objectives, goals, strategies, guidelines, or factual circumstances of any investor in any fund(s). Before making any investment, each investor should carefully consider the risks associated with the investment, as discussed in the applicable offering memorandum, and make a determination based upon their own particular circumstances, that the investment is consistent with their investment objectives and risk tolerance. Morgan Stanley Smith Barney LLC offers investment program services through a variety of investment programs, which are opened pursuant to written client agreements. Each program offers investment managers, funds and features that are not available in other programs; conversely, some investment managers, funds or investment strategies may be available in more than one program.

Morgan Stanley’s investment advisory programs may require a minimum asset level and, depending on your specific investment objectives and financial position, may not be suitable for you. Please see the Morgan Stanley Smith Barney LLC program disclosure brochure (the “Morgan Stanley ADV”) for more information in the investment advisory programs available. The Morgan Stanley ADV is available at www.morganstanley.com/ADV. Sources of Data. Information in this material in this report has been obtained from sources that we believe to be reliable, but we do not guarantee its accuracy, completeness or timeliness. Third-party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data. All opinions included in this material constitute the Firm’s judgment as of the date of this material and are subject to change without notice. This material was not prepared by the research departments of Morgan Stanley & Co. LLC or Morgan Stanley Smith Barney LLC. Some historical figures may be revised due to newly identified programs, firm restatements, etc.

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 on the Tactical Opportunities List criteria. 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.

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 programs, 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, 1.1 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.

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 investment 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

other asset classes, the value of those investments may also fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to credit risk and interest rate risk. High yield bonds 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

DISCLOSURES
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. 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 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; and Risks associated with the operations, personnel, and processes of the manager. 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 regarding Alternative Investments 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 NASD Conduct Rule 2711 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 Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank. This material is not to be reproduced or distributed to any other persons (other than professional advisors of the investors or prospective investors, as applicable, receiving this material) and is intended solely for the use of the persons to whom it has been delivered. This material is not for distribution to the general public. Past performance is no guarantee of future results. Actual results may vary. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank. In Consulting Group’s advisory programs, alternative investments are limited to US-registered mutual funds, separate account strategies and exchange-traded funds (ETFs) that seek to pursue alternative investment strategies or returns utilizing publicly traded securities. 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. 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.

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 results 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. 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.

Insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC’s licensed insurance agency affiliates.

Indices are unmanaged. An investor cannot invest directly in an index. They are shown for illustration purposes only and do not show the performance of any specific investment. Reference to an index does not imply that the portfolio will achieve return, volatility or other results similar to the index. The composition of an index may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility, or tracking error target, all of which are subject to change over time.

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 face 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.

**Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK
Disclosures

Adverse Active Alpha (AAA) is a patented screening and scoring process designed to help identify strong stock picking equity 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. 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 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 2.5%. In general, the Fee covers investment advisory services, the execution of transactions through Morgan Stanley, custod 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 pools 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 Stanley 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 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. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services. 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. 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 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 Smith Barney, 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 $630,000 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. ©2017 Morgan Stanley Smith Barney LLC. Member SIPC.