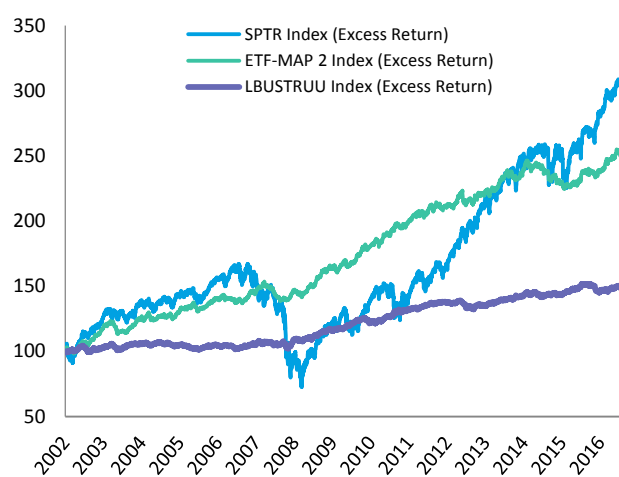


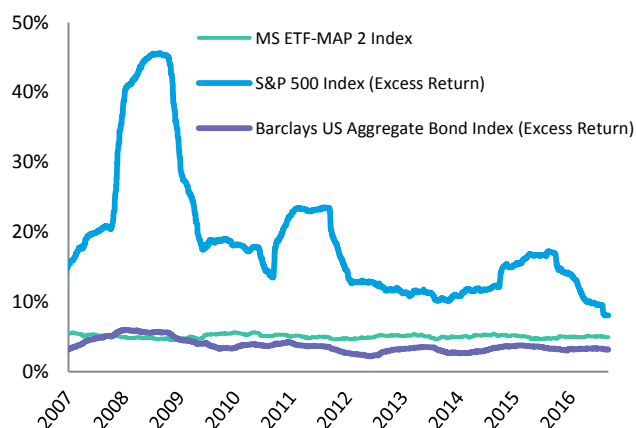
Morgan Stanley ETF-MAP 2 Index

Index Performance*



Source: Morgan Stanley, Bloomberg

1-Year Rolling Volatility*



Source: Morgan Stanley, Bloomberg

*From December 31, 2002 to July 31, 2017.

The Index came into existence on June 15, 2014. All data prior to that are simulated. Excess returns are calculated over Fed Fund Effective rate.

Trailing Index Performance*

	Morgan Stanley ETF-MAP 2 Index	S&P 500 (Excess Return)	Barclays Aggregate Bond (Excess Return)
YTD Return	7.48%	11.02%	2.19%
Annualized Return	13.16%	19.62%	3.78%
1-Year Ann. Return ¹	6.77%	15.15%	-1.20%
3-Year Ann. Return ²	2.83%	10.46%	2.34%
5-Year Ann. Return ³	3.70%	14.47%	1.75%
10-Year Ann. Return ⁴	6.25%	7.11%	3.83%
10-Year Ann. Volatility	5.01%	20.81%	3.81%
10-Year Sharpe Ratio	1.25	0.34	1.01
Max. Drawdown ⁵	10%	52%	6%
Correlation to MAP 2	100%	32%	26%

INDEX IDENTIFIER (TICKER):

MSUSMAP2

WEBSITE:

morganstanley.com/map2

INDEX CALCULATION AGENT:

Morgan Stanley & Co. LLC

INDEX LIVE DATE:

June 15, 2014

NUMBER OF INDEX COMPONENTS:

Maximum 14

REBALANCE FREQUENCY:

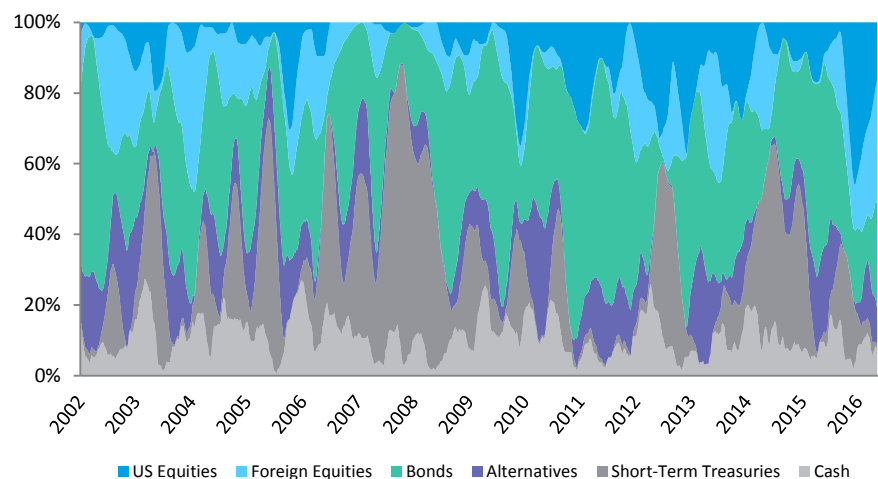
3 Times a month

VOLATILITY TARGET:

5% Annualized

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Monthly Average Allocations by Asset Class*



Monthly Allocations*

Asset Class/ ETF Description	Ticker	Maximum Allocations	Monthly Average Allocations ¹ Jun 2017	Monthly Average Allocations ¹ Jul 2017	Cumulative Return Attributions ² Jul 2017
Equities					
US					
SPDR S&P 500	SPY	50%	2%	6%	0.02%
PowerShares S&P 500 Low Volatility	SPLV	10%	1%	8%	0.00%
Foreign					
iShares MSCI EAFE	EFA	35%	31%	32%	0.79%
Vanguard FTSE Emerging Markets	VWO	35%	0%	2%	0.01%
iShares MSCI Japan	EWJ	35%	8%	4%	0.22%
Fixed Income					
Core					
PowerShares Senior Loan	BKLN	10%	0%	0%	0.00%
iShares 20+Year Treasury Bond	TLT	25%	15%	15%	-0.11%
iShares 7-10 Year Treasury Bond	IEF	25%	2%	8%	-0.03%
iShares iBoxx High-Yield Corporate Bond	HYG	25%	10%	4%	0.12%
iShares iBoxx Investment-Grade Corporate Bond	LQD	10%	5%	6%	0.04%
Others					
iShares JPM organ USD Emerging Markets Bond	EMB	15%	0%	8%	-0.01%
Alternatives					
SPDR Gold Shares	GLD	25%	0%	0%	0.00%
iShares Dow Jones US Real Estate	IYR	25%	9%	2%	0.13%
Short-Term Treasuries and Cash					
2-Year U.S. Treasury Note Index		100%	5%	0%	0.01%
Cash		100%	11%	6%	0.00%

Index Overview

- The Morgan Stanley ETF-MAP 2 Index is a rules-based quantitative strategy that seeks to maximize returns for a given level of risk.
- Based on modern portfolio theory and the related concept of efficient frontier, the Index uses a Mean-Variance Optimization (MVO) algorithm, among the most widely used quantitative tools for asset allocation.
- The Index invests in liquid U.S.-listed ETFs and a 2-Year U.S. Treasuries Index giving exposure across equities, fixed income and alternatives.
- The Index is rebalanced 3 times a month, applicable to 1/3 of the notional each time. Each rebalancing occurs over 7-trading days. The new allocations are determined by identifying the portfolio that had the maximum historical return over the prior 63-trading day period with a 5% annualized volatility.
- The portfolio targets an annualized realized volatility of 5%.
- The portfolio's performance is calculated in excess of the performance of a cash investment receiving the Fed Fund rate.
- A servicing fee of 0.50% per annum, calculated on a daily basis, is included in the published Index level.

* As of July 31, 2017, The Index came into existence on June 15, 2014. All data prior to that are simulated.

¹ Computed as the average of the daily allocations over the corresponding month.

² ETFs and 2-Year U.S. Treasury Index performance are excess return over Federal Funds Rate. The sum of the index components' return attribution is not equal to the Index return over that month due to the servicing fee and return compounding effects.

Monthly Returns*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Full Year
2017	0.94%	2.36%	0.86%	0.99%	0.89%	0.09%	1.14%						
2016	-0.84%	0.22%	0.36%	0.60%	-0.58%	3.10%	1.36%	-1.22%	1.12%	-0.63%	-0.73%	0.85%	3.60%
2015	3.05%	-1.22%	-0.84%	0.40%	0.19%	-0.84%	-0.97%	-2.51%	0.79%	-0.21%	-1.26%	-0.65%	-4.08%
2014	-1.20%	2.03%	-0.79%	1.37%	2.47%	1.06%	-0.08%	1.34%	-2.07%	0.08%	1.76%	0.72%	6.79%
2013	-0.13%	-0.09%	1.93%	2.63%	-3.06%	-0.48%	1.47%	-1.82%	2.51%	1.31%	0.30%	0.95%	5.50%
2012	1.40%	0.63%	0.93%	0.30%	-0.97%	1.02%	2.38%	-0.61%	0.12%	-0.59%	0.42%	0.34%	5.43%
2011	0.43%	1.82%	-0.95%	3.39%	0.69%	-1.51%	3.05%	1.67%	-0.94%	0.55%	0.33%	1.85%	10.77%
2010	-0.98%	1.06%	1.79%	1.59%	-2.02%	1.89%	0.46%	2.94%	1.80%	0.82%	-0.57%	1.93%	11.12%
2009	-2.05%	-0.81%	1.21%	1.50%	2.59%	0.34%	3.60%	0.87%	2.70%	-0.94%	2.65%	-1.02%	10.98%
2008	2.46%	1.75%	-1.17%	-1.08%	-0.37%	-3.27%	-1.15%	-1.39%	-0.04%	0.04%	2.84%	2.42%	0.82%
2007	0.67%	-0.52%	-0.47%	-0.17%	-0.12%	-1.37%	0.75%	0.12%	1.25%	2.78%	0.66%	0.14%	3.71%
2006	2.02%	0.34%	0.34%	1.19%	-1.47%	-1.30%	0.69%	1.20%	1.07%	1.87%	1.16%	0.23%	7.55%
2005	-1.70%	3.51%	-3.33%	-0.50%	0.91%	1.65%	0.29%	-0.85%	1.65%	-2.30%	1.61%	2.21%	2.99%
2004	0.86%	1.48%	0.98%	-4.98%	-1.16%	0.62%	-1.10%	2.55%	0.81%	2.25%	2.83%	1.90%	6.97%

*Please see Notes on Simulated Returns.

¹ Up until July 31, 2017

Source: Morgan Stanley, Bloomberg

Certain Key Risks

- The level of the Index can go down as well as up. There can be no assurance that the Index will achieve positive returns.
- The Index may at any time be composed of a very limited number of ETFs. There can be risks associated with a concentrated investment in that limited number of ETFs.
- There are risks associated with a momentum based investment strategy. If market conditions do not represent a continuation of prior-observed trends, the performance of the Index, which is rebalanced based on prior trends, may be adversely affected.
- Low volatility is not synonymous with low risk in an investment linked to the Index.
- While the Index has a volatility target of 5%, it may not achieve its target volatility, even if the asset portfolio is rebalanced daily.
- There can be no assurance that the actual volatility of the Index will be lower than the volatility of any or all of the index components.
- The volatility target feature of the Index may dampen its performance in bullish markets.
- The future performance of the Index may bear little or no relation to the historical or hypothetical retrospective performance of the Index.
- The Index is particularly susceptible to “choppy” markets.
- The Index was established on June 15, 2014 and therefore has a limited history.
- As the Index is new and has limited actual historical performance, any investment in the Index may involve greater risk than an investment in an Index with longer actual historical performance and a proven track record.
- The Index is calculated on an excess return basis. The level of the Index is calculated as the excess of the weighted return of the asset portfolio over an equivalent cash investment receiving the Federal Funds Rate.
- The level of the Index will include the deduction of a fee of 0.50% per annum.
- An investment in instruments linked to the Index involves risks associated with emerging markets equities and bonds, currency exchange rates and commodities.

The risks identified above are not exhaustive.

Please see the full set of risk factors included in any disclosure materials relating to instruments linked to the Index for additional information.

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Note on Simulated Returns

Back-testing and other statistical analyses provided herein use simulated analysis and hypothetical circumstances to estimate how the Index may have performed between December 31, 2002 and June 15, 2014, prior to its actual existence. The results obtained from such "back-testing" should not be considered indicative of the actual results that might be obtained from an investment in the Index. The actual performance of the Index may vary significantly from the results obtained from back-testing. Unlike an actual performance record, simulated results are achieved by means of the retroactive application of a back-tested model itself designed with the benefit of hindsight and knowledge of factors that may have possibly affected its performance. Morgan Stanley provides no assurance or guarantee that instruments linked to the Index will operate or would have operated in the past in a manner consistent with these materials. The hypothetical historical levels presented herein have not been verified by an independent third party, and such hypothetical historical levels have inherent limitations. In addition, results obtained from back-testing include hypothetical results that do not reflect the reinvestment of dividends and other earnings or the deduction of any expenses that an investor in any product, the return of which is linked to the performance of the Index, would have paid or actually paid and do not account for all financial risk that may affect the actual performance of any such investment. Alternative simulations, techniques, modeling or assumptions might produce significantly different results and prove to be more appropriate. Actual results will vary, perhaps materially, from the simulated returns presented in this document. Because the Morgan Stanley Two Year Treasury Index and certain E TFs included in the Index Components existed for only a portion of the back-tested period, substitute data has been used for portions of the simulation. Wherever data for the Morgan Stanley Two Year Treasury Index or one or more ETFs did not exist, the simulation has included (i) the value of the Morgan Stanley Two Year Treasury Index based on simulated historical performance and (ii) the value of each ETF's benchmark index less the relevant current expense ratio. The ETFs (and corresponding fund inception dates) for which data has been used for all periods prior to the relevant inception date are: SPLV (May 5, 2011), VWO (March 10, 2005), BKLN (March 3, 2011), HYG (April 11, 2007), EMB (December 19, 2007), and GLD (November 18, 2004). The purpose of this data substitution is to replicate as nearly as possible the returns that would have been expected had the Morgan Stanley Two Year Treasury Index and the ETF existed and, in the case of an ETF, tracked its relevant benchmark index.

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