Form ADV Wrap Fee Program Brochure
Morgan Stanley Smith Barney LLC

Portfolio Management Program
Institutional Cash Advisory Program

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Morgan Stanley Smith Barney LLC ("MSWM"). If you have any questions about the contents of this Brochure, please contact us at (914) 225-1000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about MSWM also is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC does not imply a certain level of skill or training.

Morgan Stanley

Item 2: Material Changes

This section identifies and discusses material changes to the ADV Brochure since the version of this Brochure dated March 28, 2019. For more details on any particular matter, please see the item in this ADV Brochure referred to in the summary below.

Disciplinary Information.

On May 12, 2020, the SEC entered into a settlement with MSWM regarding an administrative action. In this matter, MSWM, without admitting or denying the findings and without adjudication of any issue of law or fact, consented to the entry of the order that finds that MSWM willfully violated certain sections of the Investment Advisers Act of 1940, specifically Sections 206(2) and 206(4) and Rule 206(4)-7 thereunder. (Item 9)

Changes to the way Fees are calculated:

Effective on or about December 1, 2019, your Fees in PM accounts will be calculated as follows:

- Fees for custodied PM accounts will generally be charged monthly in advance instead of quarterly.
- There will no longer be mid-period fee adjustments during any billing period for withdrawals or deposits for custodied PM accounts.
- There will no longer be minimum annual MSWM Fee for PM accounts.

For additional information regarding these changes, please see Item 4.A, Fees.

Retirement Accounts Invested in Affiliated Products
Disclosure has been added to Item 4 C, under *Funds in Advisory Programs,* to describe how fees are adjusted in instances where a Retirement Account invests in an affiliated product.

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Item 4: Services, Fees and Compensation

Morgan Stanley Smith Barney LLC ("Morgan Stanley Wealth Management," "MSWM", "we," "us" or "our") is a registered investment adviser and a registered broker-dealer. MSWM is one of the largest financial services firms in the United States with branch offices in all 50 states and the District of Columbia.

MSWM offers clients ("client," "you" or "your") many different advisory programs. Many of MSWM's advisory services are provided by its Consulting Group ("CG") business unit. You may obtain ADV Brochures for other MSWM investment advisory programs at www.morganstanley.com/adv or by asking your Financial Advisor or (for Morgan Stanley Private Wealth Management clients) your Private Wealth Advisor. Throughout the rest of this Brochure, "Financial Advisor" means either your Financial Advisor or your Private Wealth Advisor, as applicable.

We reasonably expect to provide services as a "fiduciary" (as that term is defined in Section 3(21)(A) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and/or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code")), and an "investment manager" (as that term is defined in Section 3(38) of ERISA) with respect to "Retirement Accounts." For purposes of this Brochure (including the Exhibit), the term "Retirement Account" will be used to cover (i) "employee benefit plans" (as defined under Section 3(3) of ERISA), which include pension, defined contribution, profit-sharing and welfare plans sponsored by private employers, as well as similar arrangements sponsored by governmental or other public employers, which arrangements are generally not subject to ERISA; (ii) individual retirement accounts or "IRAs" (as described in Section 4975 of the Code); and (iii) Coverdell Educational Savings Accounts ("CESAs").

Unless you selected an external custodian, all clients' assets are custodied at MSWM (except for "sweep" assets, custodied at the Sweep Banks (as defined in Item 4.C below) pursuant to the Bank Deposit Program)). Please see Item 4.A (Services, Fees and Compensation -- General Description of Programs and Services – Custody) and Item 4.C (Services, Fees and Compensation -- Additional Fees – Cash Sweeps)) below, for more information.

A. General Description of Programs and Services

As part of CG, the Portfolio Management Group administers and oversees the Portfolio Management program and Institutional Wealth Services oversees the Institutional Cash Advisory program, discussed below. This section then discusses various general matters applying to these programs.

Portfolio Management Program

In the Portfolio Management ("PM") program, a Financial Advisor(s) who meets the program certification requirements manages your assets on a discretionary basis. In other words, your Financial Advisor, and not you, has the discretion to decide what securities to buy and sell in your account. This discretion is subject to the parameters described below and your ability to direct a sale of any security for tax or other reasons. The PM program provides Financial Advisors with portfolio management and trade execution tools to manage accounts efficiently. Certain Financial Advisors specialize in investing in multiple or single asset classes or they may have defined investment strategies. You should discuss with your Financial Advisor which investment strategy suits your investment goals.

Investment Process. Your Financial Advisor manages your PM account in light of information you provide about your investment objectives and financial situation. Your Financial Advisor is primarily responsible for making and implementing investment management decisions for your account within the PM program's investment guidelines. The investment guidelines specify diversification and concentration criteria with respect to eligible investments in the PM program. The investment guidelines also specify percentage and duration limitations on account holdings in cash and cash equivalents (which include money market funds and cash sweeps as further described below) in the custodied PM accounts. The guidelines also specify diversification requirements across industry sectors and asset classes.

At the Portfolio Management Group's discretion, certain Financial Advisors have greater latitude in selecting securities and diversification. Therefore, the availability of investment strategies and securities and the applicability of investment limitations varies depending on your Financial Advisor. You should consult with your Financial Advisor for more information on the PM program's investment guidelines, the Financial Advisor's approach to investing, and available investment strategies. Certain qualified Financial Advisors may manage approved concentrated investment strategies for select clients that meet additional eligibility requirements, including with respect to the size of the account and the client's total net worth.

Depending on the investment strategy the Financial Advisor uses, investments may include equity and debt securities, and cash and cash equivalents. Where approved, Financial Advisors may use certain option strategies, such as covered call writing and protective put buying. Investments may also include shares of eligible closed-end funds, open-end funds ("Mutual Funds") and exchange traded funds ("ETFs")

MSWM offers a variety of Mutual Funds and generally reviews and considers factors such as the number and variety of funds offered; length of track record and historic appeal to MSWM clients and Financial Advisors; performance of the funds offered; size of assets under management; and level of interest and demand among clients and Financial Advisors.

Financial Advisors are prohibited from using certain investments or investment strategies in PM accounts, including, but not limited to, commodities, futures, short sales, partnerships, margin, derivatives, and certain securities on MSWM's restricted list.

Your Financial Advisor may make investment decisions that are contrary to research ratings issued by Morgan Stanley research.

In addition, depending on the account's strategy and the Financial Advisor managing the account, there may be investment limitations based on the quality of investments held.

On occasion, the PM program's investment guidelines may require a Financial Advisor to sell certain securities from client accounts. Although these sales of securities may result in capital gains or losses and thus in additional taxes and/or tax reporting for you, these tax consequences will not prevent us from selling these securities in your account. The PM program's investment guidelines are subject to change without notice. You should consult your Financial Advisor for further details.

Morgan Stanley reserves the right to change the definition of assets eligible for investment in the PM program at any time and with notice to you and to decline to include any security for any reason in your PM account. Any such addition or deletion of eligible assets may change the amount of your fee and any asset in your PM account may be or become subject to the fee.

Institutional Cash Advisory Program

The Institutional Cash Advisory ("ICAP") program offers discretionary cash management services to institutional clients, whereby MSWM invests and reinvests the proceeds of the account in accordance with the client's investment criteria, concentration limits and other requirements as stated in the client's Investment Policy Statement ("IPS"). Generally, the whole portfolio is invested in short duration fixed income and cash equivalent investments. MSWM converts the specifics of the IPS to a quantifiable rules matrix (the "Matrix") for the account, and sends the Matrix to the client. Provided the client agrees that the Matrix is consistent with its IPS, MSWM manages the account within the Matrix. If there is any ambiguity between the Matrix and the IPS, the Matrix controls. If assets held in the account fall outside of the Matrix, MSWM will generally liquidate such assets in an orderly manner within a commercially reasonable amount of time. If the client revises the IPS, MSWM will then update the Matrix and obtain the client's approval of the new Matrix.

Account Opening

To enroll in the PM program, you must enter into the MSWM Single Advisory Contract (the "Single Advisory Contract"). The Single Advisory Contract governs the terms of your existing and future investment advisory accounts and relationships with Morgan Stanley. MSWM has discontinued use of the PM program agreement for opening new accounts in the PM program (but some existing PM accounts may have been opened using the PM program agreement).

To enroll in the ICAP program, you must enter into the ICAP program agreement. The Single Advisory Contract does not apply to the ICAP program. The ICAP program agreement, the PM program agreement and the Single Advisory Contract shall be collectively referred to as the "Account Agreement" in this Brochure.

You may also be required to execute a brokerage account agreement. All the terms of the Account Agreement and the brokerage agreement will set forth our mutual obligations regarding the investment advisory programs described in this Brochure.

Investment Restrictions

In each of these programs, you may request reasonable restrictions on the management of your account (may request that certain specified securities, or certain categories of securities, not be purchased for your account). This request may be made orally or in writing, but MSWM may require that any such request (or any changes to the request) be in writing. MSWM will accept reasonable restrictions on specific common equity and fixed income securities, as well as on certain categories of equity securities (e.g., tobacco companies) or Fund shares. MSWM will determine in its reasonable judgment how to implement such restrictions. If you restrict a category of securities, we will determine in our discretion which specific securities fall within the restricted category. In doing so, we may rely on outside sources (e.g. standard industry codes and research provided by independent service providers). Any restrictions you impose on individual securities will not be applied to Fund holdings since Funds operate in accordance with the investment objectives and strategies described in their prospectuses.

Although we will accept reasonable restrictions as described above, we will not have any obligation to manage your account in accordance with any investment guidelines, policy statements or other documents unless we specifically agree to do so, in writing.

Trade Confirmations, Account Statements and Performance Reviews

If MSWM is the custodian for your account, MSWM provides you with written confirmation of securities transactions, and account statements at least quarterly. You may waive the receipt of trade confirmations after the completion of each trade in favor of alternative methods of communication where available. Even if you have done so, we may deliver trade confirmation after the completion of each trade. Copies of prospectuses for a fund or investment product that is registered as investment company under the Investment Company Act of 1940, including but not limited to, mutual funds, exchange traded funds and unit investment trusts, are available upon request from your Financial Advisor.

Unless you have appointed another custodian, we will provide periodic reviews of your account. These reviews show how your account investments have performed, both on an absolute basis and on a relative basis compared to recognized indices (such as Standard & Poor's indices). If you have elected for your Financial Advisor to create a portfolio ("Client Portfolio") that includes your PM account, your related MSWM accounts (including your MSWM brokerage accounts) and assets outside MSWM that you have designated for the Client Portfolio, we will also provide periodic reviews of your Client Portfolio. You may access these reports through MSWM's online account services site ("Morgan Stanley Online"). To access these reports in Morgan Stanley Online, please go to: https://www.morganstanleyclientserv.com, log on, and select "Accounts." If, however, you would like to receive these reports by mail, please call 1-888-454-3965.

Other Features

Cash Management Services. As a client of MSWM, if you are invested in the PM program, you may be able to select certain cash management services which are offered by MSWM or its affiliates. These services are provided on a brokerage basis, are subject to separate agreements and have different eligibility requirements. MSWM will not act as your investment adviser with respect to the use of such services. The PM program offers check writing services. Your ability to meet your investment objectives may be negatively affected by the use of checks. For further information on the cash management services and the fees associated with their use, please refer to your account opening materials, your brokerage account agreement, or contact your Financial Advisor. ICAP program accounts are not eligible for cash management services.

Dividend Reinvestment Program. As a client of MSWM, if you are invested in the PM program, you may be able to enroll in the Dividend Reinvestment Program at no additional fee. Please contact your Financial Advisor for more information and the current Dividend Reinvestment Program Terms and Conditions.

Risks

All trading in an account is at your risk. The value of the assets held in an account is subject to a variety of factors, such as the liquidity and volatility of the securities markets. Investment performance of any kind is not guaranteed, and MSWM's or a Financial Advisor's past performance with respect to other accounts does not predict future performance with respect to any particular account. In addition, certain investment strategies that Financial Advisors may use in the programs have specific risks, including those associated with investments in common stock, fixed income securities, American Depositary Receipts, Funds and the investments below. You should consult with your Financial Advisor regarding the specific risks associated with the investments in your account.

Neither MSWM nor its affiliates will have any responsibility for your assets not in your MSWM account, nor for any act done or omitted on the part of any third party.

MSWM shall not be responsible for any misstatement or omission or for any loss attributable to such misstatement or omission contained in any Fund prospectus, fact sheet or any other disclosure document provided to us for distribution to clients. You understand that the use of performance benchmarks in client reports or profiles is intended only for reference purposes, and we shall not be liable to you or to any third party for selecting any particular benchmark or for failing to meet or outperform any benchmark.

Risks Relating to ETFs. There may be a lack of liquidity in certain ETFs which can lead to a large difference between the bid-ask prices (increasing the cost to you when you buy or sell the ETF). A lack of liquidity also may cause an ETF to trade at a large premium or discount to its net asset value. Additionally, an ETF may suspend issuing new shares and this may result in an adverse difference between the ETF's publicly available share price and the actual value of its underlying investment holdings. At times when underlying holdings are traded less frequently, or not at all, an ETF's returns also may diverge from the benchmark it is designed to track.

Risks Relating to VIXM. VIXM is an exchange-traded fund that seeks investment returns, before fees and expenses,that match the performance of the S&P 500® VIX® Mid-Term Futures Index™. In general, VIXM is expected to increase in value if the market's view of expected future volatility is increasing. Conversely, VIXM is likely to lose value when the market's view of expected future volatility is falling. To the extent current volatility differs substantially from longer term expectations VIX and VIXM performance may differ substantially. You may obtain the VIXM prospectus by asking your Financial Advisor. Additional information about VIXM can also be found on the ProShares website (www.proshares.com).

Risks Relating to Alternatively-Weighted ETFs. Alternatively-weighted ETFs may use a different index tracking methodology than a traditional ETF. Many traditional ETFs seek to track the performance of an index by utilizing the market-capitalization of each index component to relatively weight the ETF's portfolio holdings. This methodology can result in large cap securities of the index carrying a larger percentage weighting than smaller cap securities. Alternatively-weighted ETFs (also known as 'Smart-Beta' or 'Strategic-Beta' ETFs) also seek to track an index; however, they also look to generate incremental performance or target a particular factor, and periodically rebalance the portfolio to maintain tracking and weightings. While alternatively-weighted ETFs offer some benefits of active management, there will likely be higher Total Expense Ratios relative to traditional index ETFs. Further, the alternatively weighted strategies present additional risk and may be subject to increased volatility and underperformance compared to traditional index weightings These ETFs should be used with, but not as a replacement for, traditional index strategies.

Leveraged and Inverse ETFs. Due to the effect of compounding, performance of leveraged, inverse or leveraged inverse ETFs over longer periods of time can differ significantly from the stated multiple of the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. Generally, leveraged and inverse ETFs are designed to be short-term, if not daily, trading tools and are not intended for buy-and-hold investing.

Risks Relating to Exchange Traded Notes. Risks of investing in ETNs include, among others, index or benchmark complexity, price volatility, market risk associated with the index or benchmark, uncertain principal repayment based on the issuing financial institution and potential illiquidity. Please ask your Financial Advisor for the ETN prospectus for a description of the specific index or benchmark to which its performance is linked as well as a description of the risks of investing in the ETN and any of the non-traditional or complex investment strategies that the ETN follows or seeks to replicate.

Risks Relating to Money Market Funds. An investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency.

You could lose money in money market funds. Although many money market funds classified as government funds (i.e., money market funds that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., money market funds open to natural person investors only) seek to maintain a stable $1.00 per share, they cannot guarantee they will do so. The price of other money market funds will fluctuate and when you sell shares they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits.

Moreover, in some circumstances, money market funds may cease operations when the value of a fund drops below $1.00 per share. In that event, the fund's holdings may be liquidated and distributed to the fund's shareholders. This liquidation process can be prolonged in nature and last for months. During this time, these funds would not be available to you to support purchases, withdrawals and, if applicable, check writing or ATM debits from your account.

Risks Relating to Options. Before engaging in the purchase or sale of options, investors should understand the nature of and extent of their rights and obligations and be aware of the risks involved, including, without limitation, the risks pertaining to the business and financial condition of the issuer of the underlying security or instrument. When selling cash secured puts, you have the potential to lose money if the equity underlying the put option declines in value, with your maximum loss occurring if the value of the equity declines to zero. Options investing, like other forms of investing, involves tax considerations, and transaction costs that can significantly affect the profit and loss of buying and writing options. For information on the risks relating to mutual funds and ETFs that use derivative instruments, such as options, please see below.

Risks Relating to Master Limited Partnerships. Master Limited Partnerships ("MLPs") are limited partnerships or limited liability companies whose interests (limited partnership or limited liability company units) are generally traded on securities exchanges like shares of common stock. Investment in MLPs entails different risks, including tax risks, than is the case for other types of investments.

Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in such MLP interests are subject to the risks generally applicable to companies in these sectors (including commodity pricing risk, supply and demand risk, depletion risk and exploration risk). Depending on the ownership vehicle, MLP interests are subject to varying tax treatment. Please see "Tax and Legal Considerations" below and any mutual fund or ETF prospectus, for more information. You may obtain any mutual fund or ETF prospectus by asking your Financial Advisor.

Risks Relating to Investment in a Concentrated Number of Securities (or in Only One Security) or to Investment in Only One Industry Sector (or in Only a Few Sectors). When strategies invest in a concentrated number of securities, a decline in the value of these securities would cause your overall account value to decline to a greater degree than that of a less concentrated portfolio. Strategies that invest a large percentage of assets in only one industry sector or security (or in a small number of sectors or securities) are more vulnerable to price fluctuation than strategies that diversify among a broad range of securities and sectors.

Risks Relating to Mutual Funds and ETFs that Primarily Invest in Master Limited Partnerships. In addition to the risks outlined above relating to Master Limited Partnerships, mutual funds and ETFs that primarily invest in MLPs generally accrue deferred tax liability ("MLP Fund"). An investment in a MLP Fund does not offer the same beneficial partnership tax treatment as a direct investment in a MLP. The fund's deferred tax liability (if any) is reflected each day in the fund's net asset value ("NAV"). The deferred tax liability estimate could vary dramatically from the MLP Fund's actual tax liability or benefit. Upon the sale of an MLP security, the MLP Fund may be liable for previously deferred taxes. As a result, the determination of the MLP Fund's actual tax liability could result in increases or decreases in the MLP Fund's NAV per share, which could be material. Additionally, the fund's total annual operating expenses may be significantly higher than those of funds that do not primarily invest in Master Limited Partnerships. Please ask your Financial Advisor for the fund prospectus for additional information.

MLP Fund Dividends and Distributions. A portion of distributions from MLP Funds to investors typically will consist of return of capital and not of current income for U.S. federal income tax purposes. The portion of any distribution treated as return of capital will not be subject to tax currently, but will result in a corresponding reduction in the investor's tax basis in the MLP Fund's shares. Such a reduction in tax basis will result in larger taxable gains and/or lower tax losses on a subsequent sale of the MLP Fund Shares.

MLP Fund Non-Diversification and Industry Concentration. MLP Funds are typically non-diversified. Therefore, MLP Funds may be more susceptible to losses due to adverse developments affecting any single issuer held in their portfolios. In addition, many MLP Funds' investments are concentrated in the energy infrastructure industry with an emphasis on securities issued by publically traded MLPs, which may increase volatility.

*MLP Fund Liquidity***.** Certain MLP securities may trade less frequently than those of larger companies due to their smaller capitalizations. Additionally, it may be more difficult for MLP Funds to buy and sell significant amounts of such securities without an unfavorable impact on prevailing market prices. A MLP Fund's investment in securities that are less actively traded over time experience decreased trading volume may restrict its ability to take advantage of other market opportunities or to dispose of securities at favorable prices. Contact your Financial Advisor for the fund prospectus for additional information.

Risks Relating to Mutual Funds and ETFs that Pursue Complex or Alternative Investment Strategies or Returns. These mutual funds and ETFs utilize non-traditional or complex investment strategies and/or derivatives (all of which are described in greater detail below) for both hedging and more speculative purposes, which can increase volatility and the risk of investment loss. Certain of these funds are sometimes referred to as "liquid alternatives." These funds often present higher costs and expenses, with certain of these funds charging fees that fluctuate with their performance. Please refer to the mutual fund or ETF's prospectus for additional information on expenses and descriptions of the specific non-traditional and complex strategies utilized by the fund.

While mutual funds and ETFs may at times utilize non-traditional investment options and strategies, they have different characteristics than unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited spectrum of investments. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may materially vary from those of privately offered alternative investments pursuing similar investment objectives. They are also more likely to have relatively higher correlation with traditional market returns than privately offered alternative investments.

Non-traditional investment options and strategies are often employed by a portfolio manager to further a mutual fund's or ETFs investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the mutual fund's or ETF'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 mutual fund or ETF to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or "leverage." Examples of non-traditional and complex investment options and strategies include the following. The below list is not exhaustive.

Derivatives. A risk of a fund's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets. Derivatives are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. In addition, some derivatives are more sensitive to interest rate changes and market price fluctuations than other securities. The possible lack of a liquid secondary market for derivatives and the resulting inability of a fund to sell or otherwise close a derivatives position could expose the fund to losses and could make derivatives more difficult for the fund to value accurately.

When a fund invests in a derivative for speculative purposes, the fund will be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the derivative's cost. A fund could also suffer losses related to its derivative's positions as a result of unanticipated market movements, which losses are potentially unlimited. Commonly used derivative instruments and techniques and the risks associated therewith, include:

Futures Contracts. The prices of futures are affected by many factors, including changes in overall market movements, speculation, real or perceived inflationary trends, index volatility, changes in interest rates or currency exchange rates and political events. This can result in lower total returns, and the potential loss can exceed a fund's initial investment.

Options. Like futures, prices of options can be highly volatile and they are impacted by many of the same factors. Using options can lower a fund's total returns.

Swaps. Most swap contracts are purchased over-the-counter ("OTC"). OTC swaps are generally subject to credit risk and/or the risk of default or non-performance by the counterparty. Swaps can result in losses if interest rate or foreign currency exchange rates or credit quality changes are not correctly anticipated by a counterparty or if the reference index, security or investments do not perform as expected. Total Return Swaps ("TRS") involve the risk that the party with whom the fund has entered into the swap will default on its obligation to pay the fund and the risk that the fund will not be able to meet its obligations to pay the other party to the agreement. The income tax treatment of such swap agreements is unsettled and may be subject to future legislation, regulation or administrative pronouncements issued by the IRS.

Structured Investments. A fund that invests in structured investments bear the risks of the underlying investment as well as market risk, and are subject to issuer or counterparty risk because the fund is relying on the creditworthiness of such issuer or counterparty and has no rights with respect to the issuer of the underlying investment.

Short Sales. Short sales are a form of investment leverage and the amount of the fund's potential loss is theoretically unlimited. Short sales are subject to other risks including the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to the fund.

*Liquidity and Counterparty Risk***.** Certain investments may be difficult to purchase or sell due to thinly traded markets or other factors such as a relatively large position size. In addition, transactions occurring outside of exchange clearing houses increase the risk that the direct counterparties will not perform their obligations under the transaction and losses will be sustained. Illiquid securities may reduce the returns of the fund because it may be unable to sell the illiquid securities or unwind derivative positions at favorable prices. Fund returns may also be adversely impacted where the fund has an obligation to purchase illiquid securities. Moreover, less liquid securities are more susceptible than other securities to market value declines. Funds will have greater liquidity risks to the extent their principal investment strategies involve foreign (non-U.S.) securities, derivatives or securities with substantial market and/or credit risk.

Risks Relating to Differing Classes of Securities. Different classes of securities have different rights as creditor if the issuer files for bankruptcy or reorganization. For example, bondholders' rights generally are more favorable than shareholders' rights in a bankruptcy or reorganization.

Risks Relating to Mutual Funds that Invest in Floating Rate Loans*.* Certain mutual funds invest in floating rate loans. Floating rate funds fluctuate in value and are subject to market risk. More information on the investment risks can be found below and in the fund's prospectus.

Credit/Default Risk. Floating loan rate values can fall if a company's credit rating declines or it defaults on its loan repayment obligations. Since most floating rate loans are made to corporations with below-investment grade credit ratings, they are subject to a greater risk of default on interest and principal payments than higher-quality investments.

Interest Rate Risk. For floating rate loans, interest rates and income are variable and their prices are less sensitive to interest rate changes than fixed income bonds. However, in falling interest rate environments floating rate loans may underperform bonds since floating rate loans adjust to pay less income making them less desirable to investors than bonds that pay a fixed rate.

Liquidity Risk. Floating rate loans are generally subject to restrictions on resale and may trade infrequently in the secondary market. Illiquid loans may reduce the returns of the fund because it may be unable to sell the loans at favorable prices. Moreover, less liquid holdings are more susceptible than other securities to market value declines.

Fluctuation of NAV. Because the prices of floating-rate loans can change, the share price of mutual funds that invest in the loans will fluctuate with market conditions.

Tax and Legal Considerations

Your Financial Advisor may agree with you to implement a client-developed investment strategy that you believe is sensitive to your particular tax situation. You need to develop any such strategy in consultation with a qualified tax adviser. Certain tax-sensitive strategies can involve risks. Among others, tax-efficient management services involve an increased risk of loss because your account may not receive the benefit (e.g., realized profit, avoided loss) of securities transactions that would otherwise take place in accordance with your Financial Advisor's investment management decisions for the account.

Consult your independent tax or legal advisor with respect to the services described in this Brochure, as MSWM and its affiliates do not provide tax or legal advice.

Investment in MLPs entails different risks, including tax risks, than is the case for other types of investments. Investors in MLPs hold "units" of the MLP (as opposed to a share of corporate stock) and are technically partners in the MLP. Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. Almost all MLPs have chosen to qualify for partnership tax treatment. Partnerships do not pay U.S. federal income tax at the partnership level. Rather, each partner of a partnership, in computing its U.S. federal income tax liability, must include its allocable share of the partnership's income, gains, losses, deductions, expenses and credits. A change in current tax law, or a change in the business of a given MLP, could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP and could cause any such distributions received by the an investor to be taxed as dividend income. If you have any questions about the tax aspects of investing into an MLP, please discuss with your tax advisor.

Investors in MLPs will receive a Schedule K-1 for each MLP in the portfolio, so they will likely receive numerous Schedule K-1s. Investors will need to file each Schedule K-1 with their federal tax return. Also, investors in MLPs may be required to file state income tax returns in states where the MLPs operate. Since some Schedule K-1s may not be provided until after the due date for the federal or state tax return, investors in MLPs may need to obtain an extension for filing their federal or state tax returns. Please discuss with your tax advisor how an investment in MLPs will affect your tax return.

Tax laws impacting MLPs may change, and this could impact any tax benefits that may be available through investment in an MLP.

For the reasons outlined below, where an otherwise tax exempt account (such as a Retirement Account, charitable organization, or other tax exempt or deferred account) is invested in a pass through entity (such as a MLP), the income from such entity may be subject to taxation, and additional tax filings may be required. Further, the tax advantages associated with these investments are generally not realized when held in a tax-deferred or tax exempt account. Please consult your own tax advisor, and consider any potential tax liability that may result from such an investment in an otherwise tax exempt account.

Earnings generated inside most qualified retirement plans, including defined benefit pension plans, defined contribution plans and individual retirement accounts, are generally exempt from federal income taxes, however, certain investments made by Retirement Accounts may generate taxable income referred to as "unrelated business taxable income" ("UBTI") that is subject to taxation at trust rates. Generally, passive types of income (when not financed with debt) such as dividends, interest, annuities, royalties, most rents from real property, and gains from the sale, exchange or other disposition of property (other than inventory or property held for sale in the ordinary course of a trade or business) do not generate UBTI. Active income associated with operating a trade or business, however, may constitute UBTI to an otherwise tax exempt investor such as a Retirement Account. In addition, UBTI may also be received as part of an investor's allocable share of active income generated by a pass-through entity, such as partnerships (including limited partnerships and MLPs), certain trusts, subchapter S corporations, and limited liability companies that are treated as disregarded entities, partnerships, or subchapter S corporations for federal income tax purposes.

If more than $1,000 of unrelated trade or business gross income is generated in a tax year, the Retirement Account's custodian or fiduciary (on behalf of the Retirement Account) must file an Exempt Organization Business Income Tax Return, Form 990-T. With respect to an individual investing through an IRA, in calculating the threshold amount and the Retirement Account's UBTI for the year, each IRA is generally treated as a separate taxpayer, even if the same individual is the holder of multiple IRAs.

The passive activity loss limitation rules also apply for purposes of calculating a Retirement Account's UBTI, potentially limiting the amount of losses that can be used to offset the Retirement Account's income from an unrelated trade or business each year. It should be noted that these rules are applied to publicly traded partnerships, such as MLPs, on an entity-by-entity basis, meaning that the passive activity losses generated by one MLP generally can only be used to offset the passive activity income (including unrelated traded or business income) from the same MLP. The passive activity losses generated by one MLP generally cannot be used to offset income from another MLP (or any other source). The disallowed losses are suspended and carried forward to be used in future years to offset income generated by that same MLP. However, once the Retirement Account disposes of its entire interest in the MLP to an unrelated party, the suspended losses can generally be used to offset any unrelated trade or business income generated inside the Retirement Account (including recapture income generated on the sale of the MLP interest, as well as income generated by other MLPs).

In calculating the tax, trust tax rates are applied to the Retirement Account's UBTI (i.e., unrelated trade or business gross income less any applicable deductions, including the $1,000 specific deduction). In addition to the passive loss limitation rules noted above, other limitations may apply to the Retirement Account's potential tax deductions. In order to file Form 990-T, the Retirement Account is required to obtain an Employer Identification Number ("EIN") because the plan (and not the plan owner or fiduciary) owes the tax. State and local income taxes may also apply. Accordingly, Retirement Account investors (and their fiduciaries) should consult their tax and legal advisors regarding the federal, state, and local income tax implications of their investments.

Similar rules apply to other tax-exempt organizations (e.g., charitable and religious organizations), except that certain differences may apply. For instance, the UBTI of most other tax-exempt organizations is taxable at corporate rates, unless the organization is one that would be taxed as a trust if it were not tax-exempt in which case its UBTI is taxable at trust rates. Also, the passive activity loss limitation rules do not apply to all tax-exempt organizations. Tax-exempt investors should consult their tax and legal advisors regarding the federal, state, and local income tax implications of their investments.

Custody

MSWM acts as the custodian. Unless you instruct us otherwise, in the programs described in this Brochure, MSWM will maintain custody of all cash, securities and other assets in the account.

MSWM does not act as the custodian. If you have appointed a third party custodian (the "Custodian") in any program described in this Brochure, the Custodian will maintain custody of the cash, securities, and other investments in the account, and will receive and credit to the account all interest, dividends, and other distributions received on the assets in the account. Such assets will not be included under MSWM's Securities Investor Protection Corporation ("SIPC") coverage. The rights and authority of MSWM with respect to such assets, including as to transfers of assets held with the Custodian, will be limited to those set forth in the Account Agreement, regardless of any separate agreements or arrangements you may have or enter into with such Custodian. MSWM disclaims any broader rights that may be contained in your separate agreement with the Custodian.

Except as indicated below, all other terms of your Account Agreement will apply.

Fees, Cash Sweeps and Valuation. You agree to authorize and instruct the Custodian in writing to deduct the MSWM fee quarterly from your account upon receipt of an invoice from us (if applicable). If you terminate your account, you will receive a pro-rata refund of the fee already paid to us for the remainder of the billing quarter. Your Custodian will advise you of the cash sweep options, and the section titled "Cash Sweeps" in Item 4C below will not apply to your account.

In general, when computing the fee with respect to your PM account, we calculate the market value of assets in your account based on information received from your Custodian with respect to the holdings in the account. Therefore, the market value of assets in your MSWM fee invoice may be different than the market value of assets in the account statement that you receive from your Custodian. When computing the fee with respect to your ICAP account, we rely on information received from your Custodian with respect to the market value of assets in the account. If any information to be provided by the Custodian is unavailable or believed to be unreliable, we will value assets in a manner we determine in good faith to reflect fair market value.

Account Statements and Trade Confirmations. You should arrange with the Custodian to provide you and us with account statements at least quarterly, identifying the amount of funds and of each security in the account at the end of the reporting period and setting forth all transactions in the account during that period. MSWM will need to be notified promptly of any other changes in the account. For trades executed through MSWM, we will provide you with copies of confirmations of securities transactions, and we may provide additional periodic reports.

Liquidations and share class conversions. MSWM will not liquidate any fractional share positions of equity securities, closed-end funds or ETFs created in your account. The provisions in your Account Agreement and in this Brochure regarding MSWM converting shares of open-end mutual funds in a client's account to an advisory share class will not apply to your account.

Proxy Voting. Generally, the client retains the authority and responsibility with respect to voting proxies for the account or may delegate discretion with respect to voting such proxies to a third party (other than MSWM).

MSWM shall have no responsibility or liability with respect to transmittal or safekeeping of the assets in the account or the acts or omissions of the Custodian with respect thereto. You shall direct the Custodian to furnish to MSWM from time to time such reports concerning assets, receipts, and disbursements with respect to the account as MSWM shall reasonably request. You may designate a replacement custodian upon written notice to us.

MSWM does not assume any responsibility for the accuracy of any reports or other information furnished or made available by you, the Custodian, or any other person or entity (including access to online systems). The Custodian will be liable to you pursuant to the terms of its custodian agreement and any other relevant agreement that relates to Custodian's services to you.

MSWM will not be liable for (i) any failure on your part to fulfill any of your obligations under the Account Agreement, including any misrepresentation or omission with respect to arrangements you must make with, and information and instructions you must provide to, the Custodian; (ii) any failure of the Custodian to follow your or our instructions, including with respect to fee payments, any delivery or receipt securities or payment for securities required; and (iii) any failure of the Custodian to fulfill its obligations, including timely provision of any information that the Custodian is required to provide to us.

By signing the Account Agreement, you have also acknowledged to us that (i) you are authorized to retain the Custodian; (ii) you have instructed and authorized the Custodian in writing to receive and follow instructions from us with respect to the purchase and sale of securities in your account and the payment of the MSWM fee, (iii) that you have authorized and instructed the Custodian to provide us promptly with any information regarding the account that we require to perform our obligations, including pricing information for the securities in the account, and (iv) you have arranged with the Custodian to provide you and us with account statements at least quarterly, identifying the amount of funds and of each security in the account at the end of the reporting period and setting forth all transactions in the account during that period.

Termination. Upon termination of your Account Agreement with MSWM, you will instruct the Custodian with respect to the funds and securities held in the account. If you instruct the Custodian to liquidate any securities in the account, you may be subject to taxation on all or part of the proceeds of such liquidation. You understand that, upon termination, it is your responsibility to monitor the assets held in the account, and that we will no longer have any further obligation to act or give advice with respect to those assets.

Fees

In the programs described in this Brochure the client pays a wrap fee to MSWM (the "MSWM Fee"), which covers MSWM investment advisory services, custody of securities (if we are the custodian), trade execution with or through MSWM, as well as compensation to any Financial Advisor. With respect to the PM program, you will also pay the Platform Fee (described below), which is separate from (and in addition to) the MSWM Fee.

You may pay the MSWM Fee by the following methods pursuant to the maximum fee stated below: an asset-based fee or, in some cases, clients may negotiate an annual fixed dollar amount, which is generally paid quarterly.

Maximum Fee. The maximum annual MSWM Fee for the PM program accounts is 2.00% of the market value of the eligible assets in the account.

The maximum annual MSWM Fee for various levels of eligible assets in the ICAP program is as follows:

ICAP Program Assets	Annual Fee
On the first $10,000,000	0.25%
On the next $40,000,000	0.20%
On the next $50,000,000	0.15%
Assets over $100,000,000	0.12%

In the programs described in this Brochure, it is possible that the compensation paid to MSWM through the annual fixed dollar amount billing arrangement is greater than the maximum asset-based MSWM Fee charged by MSWM to clients who have selected that asset-based billing arrangement.

Platform Fee For PM Accounts. 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 for PM program accounts is a 0.040% asset-based annual fee. The Platform Fee is in addition to the MSWM Fee 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. The Platform Fee does not apply to ICAP accounts. As further described below under "Offset to the Platform Fee", MSWM intends to collect revenue from investment product providers that compensate MSWM for administering the platform and apply the revenue to accounts subject to the Platform Fee as an offset to the Platform Fee and/or to the applicable program fees, regardless of whether any such account is invested in an applicable investment product. This revenue will be allocated proportionately among accounts subject to the Platform Fee based on the closing market value of all assets in an account on the last day of the billing quarter, regardless of the value of mutual fund investments held in that account.

The MSWM Fee and the Platform Fee shall be collectively referred to as the "Fee." Provisions and conditions of the Fee as described in this section generally apply to the Platform Fee with one exception; the Platform Fee is paid quarterly in arrears based solely on the closing market value of the assets in the account on the last business day of the billing quarter and will become due within fifteen (15) business days after the end of the billing quarter.

Offset to the Platform Fee. We intend to collect revenue from certain investment product providers (generally in the form of the support fees and mutual fund administrative services fees discussed herein) that compensates MSWM for administering the platform and apply the revenue attributable to accounts subject to the Platform Fee as an offset to the Platform Fee and/or to the Fee. This revenue will be allocated proportionately among accounts subject to the Platform Fee based on the closing market value of all assets in an account on the last day of the previous billing quarter, regardless of the value of revenue providing investment products held in that account. The amount of the offset will be applied against the Platform Fee and/or the Fee generally within fifteen (15) business days after the end of the previous billing quarter. The amount of the offset will vary each billing quarter and while we generally expect the offset to equal or exceed the Platform Fee, changing circumstances, such as a shift in investments away from investment products that provide revenue or significant reallocation of investments to those that pay a lower amount of revenue, could reduce the offset to an amount less than the amount of the Platform Fee. An account that is not subject to a Platform Fee during a billing quarter will not be entitled to the offset, as described herein. In the event we receive revenue with respect to a money market mutual fund, such revenue will be rebated directly to the client holding the money market fund position and will not be included in the above described offset.

Additions and Withdrawals; Refund on Account Termination.

You may make additions into the account at any time, subject to our right to terminate the account. Additions may be in cash, Funds, stocks, or bonds, provided that we reserve the right to decline to accept particular securities into the account or impose a waiting period before certain securities may be deposited. We may accept other types of securities for deposit at our discretion. You understand that if Funds are transferred or journaled into the account, you will not recover the front-end sales charges previously paid and/or may be subject to a contingent deferred sales charge or a redemption or other fee based on the length of time that you have held those securities.

We may require you to provide up to six (6) business days' prior oral or written notice to your Financial Advisor of withdrawal of assets from the account, subject to the usual and customary securities settlement procedures.

With respect to PM accounts, the following fee calculation is applicable:

- No Fee adjustment will be made during any billing period for withdrawals or deposits. No Fee adjustment will be made during any billing period for appreciation or depreciation in the value of account assets during that period.
- If the account is terminated by either party, you will be entitled to a prorated refund of any pre-paid MSWM Fee, based on the number of days remaining in the billing month (or the billing quarter for PM accounts custodied outside MSWM) after the date upon which notice of termination is effective.

With respect to ICAP accounts, the following fee calculation is applicable:

- If you withdraw from or deposit to the account cash or securities (or assets are otherwise removed from or added to the billable assets in the account) with a value equal to or greater than $5,000, the Fee for the remainder of the applicable billing period will be adjusted on a pro rata basis to reflect the withdrawal or deposit. No Fee adjustment will be made during any billing period for withdrawals or deposits of less than $5,000 during a billing period. **Notwithstanding the foregoing, if you are billed in arrears, or pay us by annual fixed dollar amounts, or if your account is not custodied at MSWM, the Fee adjustment for deposits or withdrawals greater than $5,000 does not apply to assets held in your account.** No Fee adjustment will be made during any billing period for appreciation or depreciation in the value of account assets during that period, or if a Fund or other asset becomes an eligible asset or an ineligible asset for investment in the programs described in this brochure during that billing period.
- If the account is terminated by either party, you will be entitled to a prorated refund of any pre-paid MSWM Fee, based on the number of days remaining in the billing quarter after the date upon which notice of termination is effective.

Valuation of Account Assets. In computing the value of assets in the account, securities (other than Funds) traded on any national securities exchange or national market system shall be valued, as of the valuation date, at the closing price and/or mean bid and ask prices of the last recorded transaction on the principal market on which they are traded. Account assets invested in Funds registered as open-end mutual funds will be valued based on the Fund's net asset value calculated as of the close of business on the valuation date, per the terms of the applicable Fund prospectus. We will value any other securities or investments in the account in a manner we determine in good faith to reflect fair market value, and we may rely upon valuations from our affiliate Morgan Stanley &Co. LLC (MS&Co.) for certain securities, including collateralized loan obligations. Any such valuation should not be considered a guarantee of any kind whatsoever with respect to the value of the assets in the account.

In valuing assets, we use information provided by recognized independent quotation and valuation services. We believe this information to be reliable but do not verify the accuracy of the information provided by these services. If any information provided by these services is unavailable or is believed to be unreliable, we will value assets in a manner we determine in good faith to reflect fair market value.

Fees are Negotiable. Fees for the programs described in this Brochure are negotiable, based on factors including the type and size of the account and the range of services provided by the Financial Advisor. In special circumstances, and with the client's agreement, the MSWM Fee charged to a client for an ICAP account may be more than the maximum annual fees stated in this section.

The Fee in the programs described in this Brochure may be (i) higher or lower than the fees that we would charge the account if you had purchased the services covered by the fee separately; (ii) higher or lower than the fees that we charge other clients, depending on, among other things, the extent of services provided to those clients and the cost of such services; and (iii) higher or lower than the cost of similar services offered through other financial firms.

When Fees are Payable. The Fee is payable as described in the Account Agreement and in this Brochure.

With respect to PM accounts custodied at MSWM, the following fee calculation is applicable:

- Generally, the initial Fee is due in full on the date you open your account at MSWM and is based on the market value of assets in the account on or about that date. The initial Fee payment generally covers the period from the opening date through (at your or your Financial Advisor's election) the last business day of the applicable billing period and is prorated accordingly. Thereafter, the Fee is paid monthly in advance based on the account's market value on the last business day of the previous billing month and is due promptly. This fee calculation does not apply where you pay us by annual fixed dollar amounts.

With respect to ICAP accounts and PM accounts custodied outside MSWM, the following fee calculation is applicable:

- Generally, the initial Fee is due in full on the date you open your account at MSWM and is based on the market value of the eligible assets in the account on or about that date. The initial Fee payment generally covers the period from the opening date through (at your or your Financial Advisor's election) the last business day of the current quarter or the next full calendar quarter and is prorated accordingly. Thereafter, the Fee is generally paid quarterly in advance (however, in the ICAP program clients may elect to pay in arrears) based on the market value of the eligible assets in the account on the last business day of the previous billing quarter and is due on the tenth business day of the following billing quarter.

Breakpoints. Fee rates in the programs described in this Brochure may be expressed as a fixed rate applying to all assets in the account, or as a schedule of rates applying to different asset levels, or "breakpoints." When the fee is expressed as a schedule of rates corresponding to different breakpoints, discounts, if any, are negotiated separately for each breakpoint. The fee rate will be blended, meaning that as the value of account assets reaches the various breakpoints, the incremental assets above each threshold are charged the applicable rates. The effective fee rate for the account as a whole is then a weighted average of the scheduled rates, and may change with the account asset level.

Accounts Related for Billing Purposes. When two or more investment advisory accounts are related together for billing purposes, you can benefit even more from existing breakpoints. If you have two accounts, the "related" fees on Account #1 are calculated by applying your total assets (i.e. assets in Account #1 + assets in Account #2) to the Account #1 breakpoints. Because this amount is greater than the amount of assets solely in Account #1, you may have a greater proportion of assets subject to lower fee rates, which in turn lowers the average fee rate for Account #1. This average fee rate is then multiplied by the actual amount of assets in Account #1 to determine the dollar fee for Account #1. Likewise, the total assets are applied to the Account #2 breakpoints to determine the average fee rate for Account #2, which is then multiplied by the actual amount of assets in Account #2 to determine the dollar fee for Account #2.

Only certain accounts may be related for billing purposes, based on the law and MSWM's policies and procedures. Even where accounts are eligible to be related under these policies and procedures, they will only be related if this is specifically agreed between you and the Financial Advisor.

Money Market Funds in ICAP Accounts. For certain ICAP accounts, MSWM may waive the annual fee on money market fund investments and, in lieu thereof, receive payments from the mutual fund companies of up to 10 basis points. Unlike the payments described below under the heading "Funds in Advisory Programs," MSWM may share these payments with Financial Advisers. To the extent the annual fee is less than the payment from the mutual fund companies, MSWM has a conflict of interest in recommending these investment over others. Conversely, if the annual fee is greater than the payments from the mutual fund companies, MSWM has a financial disincentive to recommend these investments.

ERISA Fee Disclosure for Qualified Retirement Accounts. In accordance with Department of Labor regulations under Section 408(b)(2) of ERISA, MSWM is required to provide certain information regarding our services and compensation to assist fiduciaries and plan sponsors of those Retirement Accounts that are subject to the requirements of ERISA in assessing the reasonableness of their plan's contracts or arrangements with us, including the reasonableness of our compensation. This information (the services we provide as well as the fees) is provided to you at the outset of your relationship with us and is set forth in this Brochure and in your advisory contract with us (including the fee table and other exhibits), and then at least annually to the extent that there are changes to any investment-related disclosures for services provided as a fiduciary under ERISA.

Other. Because the programs described in this Brochure do not involve third party investment managers, we receive the entire MSWM Fee (except for referral payments as described in Item 9 below under "Client Referrals and Other Compensation"), and we pay your Financial Advisor a portion of the entire MSWM Fee *See Item 4.D below ("Compensation to Financial Advisors") for more information.*

B. Comparing Costs

The primary service that you are purchasing in the programs described in this Brochure is your Financial Advisor's, or a Financial Advisor that partners with your Financial Advisor, discretionary management of your portfolio pursuant to certain program guidelines.

Cost comparisons are difficult because that particular service is not offered in other CG programs. Depending on the level of trading and types of securities purchased or sold in your account, if purchased separately, you may be able to obtain transaction execution at a higher or lower cost at MSWM or elsewhere than the MSWM Fee in these programs. However, such transactions could not be executed on a discretionary basis in a brokerage account. Clients who participate in the programs described in this Brochure pay a fee based on the market value of the account for a variety of services, and accordingly may pay more or less for such services than if they purchased such services separately (to the extent that such services would be available separately to the client). Furthermore, the same or similar services to those available in these programs may be available at a lower fee in programs offered by other investment advisors. In addition, CG offers other programs where discretionary portfolio management is provided by third party investment managers and the fees in those programs may be higher or lower than the fees in these programs. Those programs involve the discretionary portfolio management decisions of third party investment managers and not your Financial Advisor.

If you change your brokerage account to a fee-based advisory account, to the extent your brokerage account held class C mutual fund shares for five years or longer, these shares would likely have converted to load-waived (lower cost) Class A shares in the near future, thereby significantly reducing the ongoing internal mutual fund expenses you would have paid to hold them in your brokerage account. By changing your account from a brokerage account into a fee-based advisory account, your mutual fund shares will convert to the advisory share class (if available), which, in general will further lower overall costs. However, in exchange for advisory services you will receive, you will pay an additional asset-based fee which you would not pay in a brokerages account.

You should consider these and other differences when deciding whether to invest in an investment advisory or a brokerage account and, if applicable, which advisory programs best suit your individual needs.

C. Additional Fees

If you open an account in one of the programs described in this Brochure, you will pay us an MSWM Fee which covers investment advisory services, custody of securities (if we are the custodian) and trade execution with or through MSWM, as well as compensation to any Financial Advisor as described above. You also pay the Platform Fee with respect to PM accounts as described above.

The MSWM Fee does not cover:

- the costs of investment management fees and other expenses charged by Funds (see below for more details)
- "mark-ups," "mark-downs," and dealer spreads (A) that MSWM or its affiliates may receive when acting as principal in certain transactions where permitted by law or (B) that other broker-dealers may receive when acting as principal in certain transactions effected through MSWM and/or its affiliates acting as agent, which is typically the case for dealer market transactions (e.g., fixed income and over-the-counter equity)
- brokerage commissions or other charges resulting from transactions not effected through MSWM or its affiliates
- MSWM account establishment or maintenance fees for its IRA accounts and Versatile Investment Plans ("VIP"), which are described in the respective IRA and VIP account and fee documentation (which may change from time to time)
- account closing/transfer costs
- processing fees or
- certain other costs or charges that may be imposed by third parties (including, among other things, odd-lot differentials, transfer taxes, foreign custody fees, exchange fees, supplemental transaction fees, regulatory fees and other fees or taxes that may be imposed pursuant to law).

Funds in Advisory Programs

Investing in strategies that invest in mutual funds and ETFs (such mutual funds and ETFs are collectively, "Funds") is more expensive than other investment options offered in your advisory account. In addition to our fee, you pay the fees and expenses of the Funds in which your account is invested. Fund fees and expenses are charged directly to the pool of assets the Fund invests in and are reflected in each Fund's net asset value. These fees and expenses are an additional cost to you and are not included in the fee amount in your account statements. Each Fund expense ratio (the total amount of fees and expenses charged by the Fund) is stated in its prospectus. The expense ratio generally reflects the costs incurred by shareholders during the Fund's most recent fiscal reporting period. Current and future expenses may differ from those stated in the prospectus.

You do not pay any sales charges for purchases of Funds in programs described in this Brochure. However some mutual funds may charge, and not waive, a redemption fee on certain transaction activity in accordance with their prospectuses.

MSWM shall not be responsible for any misstatement or omission or for any loss attributable to such misstatement or omission contained in any Fund prospectus, fact sheet or any other disclosure document provided to us for distribution to clients.

MSWM also receives the following fees and payments.

Support Fees and Mutual Fund Administrative Services Fees in PM Accounts

In the PM program, MSWM receives a support fee, also called a revenue sharing payment from the sponsors of mutual funds and certain actively-managed ETFs (but not passively-managed ETFs that seek to track the performance of a market index). Revenue-sharing payments are generally paid out of the Fund's sponsor or other affiliate's revenues or profits and not from the applicable Fund's assets. We charge revenue sharing fees on client account holdings in such Funds according to a tiered rate that increases along with those Funds' management fee so that sponsors pay lower rates on Funds with lower management fees than on those with higher management fees. The rate ranges up to a maximum of 0.10% per year ($10 per $10,000 of assets).

MSWM also receives compensation from mutual funds for providing certain recordkeeping and related administrative services to the funds. For example, we process transactions with mutual fund families on an omnibus basis, which means we consolidate our clients' trades into one daily trade with the fund, and therefore maintain all pertinent individual shareholder information. For these services, mutual funds pay up to 0.06% per year ($6 per $10,000) on mutual fund assets held by investors in the advisory program covered by this Brochure. Administrative services fees may be viewed in part as a form of revenue-sharing if and to the extent they exceed what the mutual fund would otherwise have paid for these services.

As discussed herein, all of the support fees and administrative services compensation we collect from Funds or their affiliated service providers with respect to investment advisory assets is returned to clients in the form of a fee offset. See the section above titled "Offset to the Platform Fee" for more information and eligibility to receive an offset.

Notwithstanding the foregoing, MSWM does not receive such payments in relation to those clients that are covered by Title I of ERISA, including, for example, certain SEPs and SIMPLE IRAs.

MSWM does not receive such payments with respect to the ICAP program accounts.

Expense Payments and Fees for Data Analytics. MSWM receives expense payments and fees for data analytics, recordkeeping and related services. MSWM provides Fund families with opportunities to sponsor meetings and conferences and grants them access to our branch offices and Financial

Advisors for educational, marketing and other promotional efforts. In this connection, Fund representatives may work closely with our branch offices and Financial Advisors to develop business strategies and support promotional events for clients, prospective clients and educational activities. Some Fund families or their affiliates reimburse MSWM for certain expenses incurred in connection with these promotional efforts as well as training programs. Fund families independently decide if and what they will spend on these activities, with some Fund families agreeing to make annual dollar amount expense reimbursement commitments of up to $600,000, although actual reimbursements may be higher. In addition, some Fund families provide support of up to $125,000 per year for the development and maintenance of our internal Financial Advisor training and education e-learning platform. Fund families also invite our Financial Advisors to attend Fund family-sponsored events. Expense payments may include meeting or conference facility rental fees and hotel, meal and travel charges.

Fund family representatives are allowed to occasionally give nominal gifts to Financial Advisors, and to occasionally entertain Financial Advisors (subject to an aggregate entertainment limit of $1,000 per employee per Fund family per year). MSWM's non-cash compensation policies set conditions for each of these types of payments, and do not permit any gifts or entertainment conditioned on achieving any sales target.

MSWM also provides Fund families with the opportunity to purchase data analytics regarding Fund sales. The amount of the fee depends on the level of data. The maximum fee for either a mutual fund or ETF data analytics package is $600,000 per year. We generally charge sponsors of passively-managed ETFs a separate transactional data fee ranging up to $550,000 per year for those sponsors with more than one hundred passively-managed ETFs on our platform. Additional fees apply for those Fund families that elect to purchase supplemental data analytics regarding other financial product sales at MSWM.

Conflicts of Interest Regarding the Above Described Fees and Payments

Please note that the above-described fees and payments are specific to Funds, and that similar fees and payments are not assessed on other investments that are available in our advisory programs. This fact presents a conflict of interest for Morgan Stanley and our Financial Advisors to promote and recommend those Funds that make these payments in advisory program accounts rather than other eligible investments that do not make similar payments. Further, in aggregate, we receive significantly more support from participating revenue sharing sponsors and mutual funds that pay administrative services fees with the largest client holdings at our firm, as well as those sponsors that provide significant sales expense payments and/or purchase data analytics. This in turn could lead our Financial Advisors and Branch Managers to focus on those Fund families. In addition, since our revenue sharing support fee program utilizes rates that are higher for Funds with higher management fees, we have a conflict of interest to promote and recommend Funds that have higher management fees. In order to mitigate these conflicts, Financial Advisors and their Branch Managers do not receive additional compensation as a result of the fees and data analytics payments received by Morgan Stanley. Moreover, as noted above, the support fees and administrative services fees are rebated to clients.

Certain mutual funds, ETFs, and closed-end funds managed by our affiliates, including but not limited to MSIM and Eaton Vance Management ("EVM") and its investment affiliates, may be included in your account.

To the extent that such funds are offered to and purchased by Retirement Accounts, the fee on any such Retirement Account will be reduced or adjusted by the amount of the fund management fee, shareholder servicing fee and distribution fee that we, or our affiliates, may receive in connection with such Retirement Account's investment in such affiliated fund.

Affiliated Funds

Certain Funds are sponsored or managed by, or receive other services from, MSWM and its affiliates. MSWM or the affiliated sponsor (or other service provider) receives additional investment management fees and other fees from these Funds. Therefore, MSWM has a conflict to recommend MSWM proprietary and/or affiliated Funds. In order to mitigate this conflict, Financial Advisors and their Branch Managers do not receive additional compensation for recommending proprietary and/or affiliated funds. MSWM's affiliates have entered into administrative services and revenue sharing agreements with MSWM as described above.

Mutual Fund Share Classes.

Mutual funds typically offer different ways to buy fund shares. Some mutual funds offer only one share class while most funds offer multiple share classes. Each share class represents an investment in the same mutual fund portfolio, but assesses different fees and expenses. Many mutual funds have developed specialized share classes designed for various advisory programs ("Advisory Share Classes"). In general, Advisory Share Classes are not subject to either sales loads or ongoing marketing, distribution and/or service fees (often referred to as "12b-1 fees"), although some may assess fees for record keeping and related services. MSWM typically utilizes Advisory Share Classes that compensate MSWM for providing such administrative services to its advisory clients. However, our fees for these services are rebated to clients. If you wish to purchase other types of Advisory Share Classes, which may carry lower overall costs, you will need to do so directly with the mutual fund or through an account at another financial intermediary.

Please note, although we may offer non-Advisory Share Classes of mutual funds (i.e., those that are subject to 12b-1 fees) if, for example, a fund does not offer an Advisory Share Class that is equivalent to those offered here, MSWM will rebate to clients any such 12b-1 fees that we receive. Once we make an Advisory Share Class available for a particular mutual fund, clients can only purchase the Advisory Share Class of that fund.

If you hold non-Advisory Share Classes of mutual funds in your advisory account or seek to transfer non-Advisory Share Classes of mutual funds into your advisory account, MSWM (without notice to you) will convert those shares to Advisory Share

Classes to the extent they are available. This will typically result in your shares being converted into a share class that has a lower expense ratio, although exceptions are possible.

On termination of your advisory account for any reason, or the transfer of mutual fund shares out of your advisory account, we will convert any Advisory Share Classes of funds into a share class that is available in non-advisory accounts or we may redeem these fund shares. Non-Advisory Share Classes generally have higher operating expenses than the corresponding Advisory Share Class, which will increase the cost of investing and negatively impact investment performance.

For more information, please refer to the documents "Mutual Fund Features, Share Classes and Compensation", at https://www.morganstanley.com/content/dam/msdotcom/en/assets/pdfs/wealth-management-disclosures/mf_share_classes.pdf, and "ETF Revenue Sharing, Expense Payments and Data Analytics Fees", at http://aemauth-ms.webfarm.ms.com/auth/content/msdotcom/en/wealth-disclosures/disclosures.html#22, which are also available from your Financial Advisor on request.

UITs in Advisory Programs

Investing in Unit Investment Trusts ("UITs") is typically more expensive than other investment options offered in your advisory account. A UIT is an SEC-registered investment company that issues redeemable securities and invests in a portfolio of bonds and/or equity securities according to a specific investment objective or strategy. Generally, a UIT's portfolio is not actively traded and follows a "buy and hold" strategy, investing in a static portfolio of securities for a specified period of time, regardless of market conditions. At the end of the specified period, UITs terminate and all remaining portfolio securities are sold. Redemption proceeds are then paid to the investors.

UIT Fees and Expenses

In addition to the MSWM Fee, you will pay the UIT's fees and expenses, which are charged directly to the pool of assets in the UIT and are reflected in the unit price. A UIT's fees and expenses are stated in its prospectus, but generally range from .50 to 1.50% depending on the strategy.

If you purchased the securities held by the UIT instead of purchasing the UIT, you would not be subject to the UIT's fees and expenses. Rather, you would only be subject to the MSWM Fee because the program described in this Brochure does not impose separate brokerage commissions if you execute through MSWM or its affiliates. You should discuss with your Financial Advisor whether you should purchase the securities held by a UIT rather than purchasing the UIT itself. Note, the amount of securities held by the UIT, among other reasons, might make this impractical.

In general, UITs charge investors several fees and expenses that include, among others, creation and development fees, trustee fees, operating expenses and organization costs. Because UIT fees and expenses vary, it is important to consider the fees and expenses charged by each UIT when making an investment. Also, please keep in mind that a UIT's organization costs are generally paid in full at the close of the UIT's initial offering period. As a result, you will pay the full amount of any such organization costs even if you redeem your position in the UIT prior to the UIT's termination date. **Upfront organizational costs can be significant, representing 1/3 or more of the total expense of owning a UIT.**

Lastly, please note that MSWM offers UITs sponsored by unaffiliated UIT providers, as well as UITs sponsored by MSWM. If you purchase a proprietary UIT, MSWM will receive certain fees and expenses charged by the UIT. This presents a conflict of interest for MSWM and our Financial Advisors to the extent they lead us to focus on proprietary UITs instead of unaffiliated UITs. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending proprietary UITs.

Holding UITs in Advisory and Brokerage Programs

It is important that you understand the differences in which fees and charges are assessed on UITs held in advisory accounts, as opposed to those purchased in traditional brokerage accounts. When you purchase a UIT in an advisory account, the value of the UIT will be included in the calculation of your MSWM Fee, but you will not be assessed sales charges that apply to UITs purchased in brokerage accounts.

If the amount of the MSWM Fee plus the UIT's fees and expenses exceeds the total fee for the same or similar UIT if purchased in a traditional brokerage account, you will pay more for the UIT held in your advisory account over the life of the investment. Your Financial Advisor will not receive a selling commission on your purchase of the UIT in an advisory account. Instead, your Financial Advisor will receive a portion of the MSWM Fee, which will include the value of the UIT, together with other eligible assets. You should carefully consider the costs you will pay and the services you will receive when deciding to purchase a UIT or any other investment product in either an advisory or brokerage account. For example, it may make sense to hold a UIT in an advisory account if:

- you appreciate the flexibility to redeem your UIT units prior to the termination date without paying a deferred sales charge; and/or
- you value the service that your Financial Advisor would provide by advising you on your entire portfolio in your advisory account (including UITs).

Conversely, it would make sense to hold a UIT in a brokerage account if:

- you are confident that it is unlikely that you will redeem your UIT units prior to the termination date, and/or
- you feel that the relatively static "buy and hold" nature of UITs would not justify the additional expense of holding them in an advisory account.

For more information about the differences between advisory and brokerage accounts, please review the document titled "Understanding Your Brokerage and Investment Advisory Relationships" available at http://www.morganstanley.com/wealth-relationshipwithms/pdfs/understandingyourrelationship.pdf.

Access to Branches, Expense Payments and Data Analytics Fees

MSWM provides UIT sponsors, many of which also sponsor other investment products such as mutual funds and exchange-traded funds, with opportunities to sponsor meetings and conferences and grants them access to our branch offices and Financial Advisors for educational, marketing and other promotional efforts. Some UIT sponsors also work closely with our branch offices and Financial Advisors to develop business strategies and plan promotional events for clients and prospective clients and educational activities. UIT sponsors or their affiliates, with regard to UITs or other investment products offered through MSWM, make payments to MSWM in connection with these promotional efforts to reimburse Morgan Stanley for expenses incurred for sales events and training programs as well as client seminars, conferences and meetings. UIT sponsors also invite our Financial Advisors to attend events. Expense payments may include meeting or conference facility rental fees and hotel, meal and travel charges.

In addition, MSWM provides UIT sponsors with the opportunity to purchase sales data analytics regarding UITs and other investment products.

These facts present a conflict of interest for MSWM and our Financial Advisors to the extent they lead us to focus on UITs from those sponsors, including MSWM, that commit significant financial and staffing resources to promotional and educational activities and/or purchase sales data analytics instead of UITs from sponsors that do not. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending UITs from sponsors that provide significant sales and training support and/or purchase data analytics.

UIT sponsor representatives are allowed to provide funding for client/prospect seminars, employee education and training events, an occasional meal and entertainment and gifts. MSWM's non-cash compensation policies set conditions for these types of payments, and do not permit any funding conditioned on achieving any sales target or awarded on the basis of a sales contest.

Cash Sweeps

Generally, some portion of your account will be held in cash. If MSWM is the custodian for your account, MSWM will effect "sweep" transactions of free credit balances in your account into interest-bearing deposit accounts ("Deposit Accounts") established under the Bank Deposit Program ("BDP"). For most clients BDP will be the only available cash sweep investment. Generally, the rate you will earn on BDP will be lower than the rate on other cash alternatives. In limited circumstances, such as clients ineligible for BDP or where MSWM otherwise elects, MSWM may sweep some or all of your cash into money market mutual funds (each, a Money Market Fund"). These Money Market Funds are managed by Morgan Stanley Investment Management Inc. or another MSWM affiliate.

It is important to note that free credit balances and allocations to cash including assets invested in sweep investments are included in your account's fee calculations hereunder.

You acknowledge and agree that if you are eligible, the BDP will be your designated sweep investment. You further acknowledge and agree that the rate of return on the BDP may be higher or lower than the rate of return available on other available cash alternatives. MSWM is not responsible if the BDP has a lower rate of return than other available cash alternatives or causes any tax or other consequences.

Most ICAP accounts do not have a cash sweep.

Clients that are considered Retirement Accounts should read the Exhibit to this Brochure ("Affiliated Money Market Funds Fee Disclosure Statement and Float Disclosure Statement").

The custodian will effect sweep transactions only to the extent permitted by law and if you meet the sweep investment's eligibility criteria.

For eligibility criteria and more information on cash sweeps in general, please refer to the Bank Deposit Program Disclosure Statement which is available at: http://www.morganstanley.com/wealth-investmentstrategies/pdf/BDP_disclosure.pdf

Conflicts of Interest Regarding Sweep Investments.

If BDP is your sweep investment, you should be aware that the Sweep Banks, which are affiliates of MSWM, will pay MSWM an annual account-based flat fee for the services performed by MSWM with respect to BDP. MSWM and the Sweep Banks will review such fee annually and, if applicable, mutually agree upon any changes to the fee to reflect any changes in costs incurred by MSWM. Your Financial Advisor will not receive a portion of these fees or credits. In addition, MSWM will not receive cash compensation or credits in connection with the BDP for assets in the Deposit Accounts for Retirement Accounts. Also, the affiliated Sweep Banks have the opportunity to earn income on the BDP assets through lending activity, and that income is usually significantly greater than the fees MSWM earns on affiliated Money Market Funds. Thus, MSWM has a conflict of interest in selecting BDP as the default sweep investment, rather than an eligible Money Market Fund. Further, MSWM's affiliate, Morgan Stanley Investment Management, serves as the investment advisor to the available sweep Money Market Funds.

In addition, MSWM, the Sweep Banks and their affiliates receive other financial benefits in connection with the Bank Deposit Program. Through the Bank Deposit Program, each Sweep Bank will receive a stable, cost-effective source of funding. Each Sweep Bank intends to use deposits in the Deposit Accounts at the Sweep Bank to fund current and new businesses, including lending activities and investments. The profitability on such loans and investments is generally measured by the difference, or "spread," between the interest rate paid on the Deposit Accounts at the Sweep Banks and other costs of maintaining the Deposit Accounts, and the interest rate and other income earned by the Sweep Banks on those loans and investments made with the funds in the Deposit Accounts. The income that a Sweep Bank will have the opportunity to earn through its lending and investing activities is expected to be greater than the fees earned by us and our affiliates from managing and distributing the Money Market Funds available to you as a sweep investment.

If your sweep investment is a Money Market Fund, as available, then the account, as well as other shareholders of the Money Market Fund, will bear a proportionate share of the other expenses of the Money Market Fund in which the account's assets are invested.

If your sweep investment is a Money Market Fund, you understand that Morgan Stanley Investment Management Inc. (or another MSWM affiliate) will receive compensation for managing the Money Market Fund. We receive compensation from such Money Market Funds based on the amount of fund assets held by our clients in brokerage accounts of up to 0.25% per year ($25 per $10,000). Under certain circumstances, a portion of such compensation is paid to Financial Advisors based on Morgan Stanley's standard compensation formulas. We either rebate to clients or do not receive compensation on sweep Money Market Fund positions held in our fee-based advisory account programs.

You understand that unless you are a Retirement Account, the fee will not be reduced by the amount of the Money Market Fund's applicable fees. For additional information about the Money Market Fund and applicable fees, you should refer to each Money Market Fund's prospectus.

D. Compensation to Financial Advisors

If you invest in one of the programs described in this Brochure, a portion of the fees payable to us in connection with your account is allocated on an ongoing basis to your Financial Advisor. The amount allocated to your Financial Advisor in connection with accounts opened in programs described in this Brochure may be more than if you participated in other MSWM investment advisory programs, or if you paid separately for investment advice, brokerage and other services. The rate of compensation we pay Financial Advisors with respect to program account may be higher than the rate we pay Financial Advisors with respect to transaction-based brokerage accounts. Your Financial Advisor may therefore have a financial incentive to recommend one of the programs in this Brochure instead of other MSWM programs or services.

If you invest in one of the programs described in this Brochure, your Financial Advisor may agree to charge a fee less than the maximum fee stated above. The amount of the fee you pay is a factor we use in calculating the compensation we pay your Financial Advisor. Therefore, Financial Advisors have a financial incentive not to reduce fees. If your fee rate is below a certain threshold in the PM program and other advisory programs, we give your Financial Advisor credit for less than the total amount of your fee in calculating his or her compensation. Therefore, Financial Advisors also have a financial incentive not to reduce fees below that threshold.

Item 5: Account Requirements and Types of Clients

Account Minimums. The PM program generally has a minimum account size of $10,000. The ICAP program generally has a minimum account size of $10,000,000.

Types of Clients. MSWM's clients include individuals, trusts, banking or thrift institutions, pension and profit sharing plans, plan participants, other pooled investment vehicles (e.g., hedge funds), charitable organizations, corporations, other businesses, state or municipal government entities, investment clubs and other entities.

Item 6: Portfolio Manager Selection and Evaluation

A. Selection and Review of Portfolio Managers for the Programs

Eligible Financial Advisors

In the programs described in this Brochure, your Financial Advisor generally acts as the portfolio manager.

MSWM selects FAs for participation in the PM program based on criteria such as approval by Branch Manager; passing an appropriate examination; length and type of FINRA and (if applicable) state registration; compliance record and client assets under management. .

ICAP accounts are managed by Financial Advisors who are experienced in managing corporate cash and have successfully completed an educational program that includes coursework in investment analysis and portfolio management.

Under certain circumstances, based primarily on the Financial Advisor's prior investment experience, program management may waive some or all of the Financial Advisor selection criteria for any program described in this Brochure.

Calculating Financial Advisors' Performance

In the programs described in this Brochure, we calculate performance using a proprietary system. MSWM allows certain Financial Advisors to create a composite performance track record for accounts they manage in a similar style.

MSWM's Performance Reporting Group reviews performance information for client accounts, which includes daily reconciliation of positions reported in the firm's proprietary performance calculation system against the firm's books and records, and reviewing client accounts and positions where the calculated returns deviate from established thresholds. In addition, for certain PM accounts MSSB's Performance Reporting Group reviews such accounts where performance is deviating from the average return of the applicable composite of accounts.

Some Financial Advisors hire a third party (such as ACA Performance Services, LLC) for a supplemental review of investment performance results in their composites.

B. Conflicts of Interest

Conflicts of Interest – Financial Advisor Acting as Portfolio Manager; Advisory vs. Brokerage Accounts.

In the programs described in this Brochure, your Financial Advisor generally acts as the portfolio manager. MSWM and, in turn, the Financial Advisor, retain a greater portion of the advisory fee in these programs than in those in which an unaffiliated investment manager acts as your portfolio manager. MSWM and the Financial Advisor may earn more compensation if you invest in a program described in this Brochure than if you open a brokerage account to buy individual securities (although, in a brokerage account, you would not receive all the benefits of the program described in this Brochure). Financial Advisors and MSWM therefore have a financial incentive to recommend the programs described in this Brochure.

The Financial Advisor(s) who is primarily responsible for implementing investment management decisions for your account ("Portfolio Manager") satisfies MSWM's requirements to manage money in the PM program but is not held out by MSWM as being more qualified than other Financial Advisors in the PM program, nor subject to the same level of review as is applied to third party or other internal or external portfolio managers in certain other MSWM investment advisory programs. A Portfolio Manager may have a financial interest in managing your account in the PM program instead of using another internal or third party portfolio manager in this or other MSWM investment advisory programs because of the portion of the fee that MSWM pays to the Portfolio Manager in the PM program. If you have another Financial Advisor in addition to the Portfolio Manager, that Financial Advisor may have a financial incentive for your account to be managed by the Portfolio Manager in the PM program instead of using another internal or third party portfolio manager in this or other MSWM investment advisory programs because the portion of the fee that is normally paid by MSWM to the Financial Advisor responsible for the account is shared between that other Financial Advisor and Portfolio Manager, in a percentage agreed between that Financial Advisor and Portfolio Manager. This creates a conflict of interest for Financial Advisors and MSWM, as there is a financial incentive to recommend one of the programs described in this Brochure.

We address these conflicts of interest by disclosing them to you and by requiring Financial Advisors' supervisors to review your account at account-opening to ensure that it is appropriate for you in light of matters such as your investment objectives and financial circumstances.

Other Conflicts of Interest

As well as the conflicts of interest arising from your Financial Advisor acting as portfolio manager, MSWM has various other conflicts of interests relating to the programs described in this Brochure.

Advisory vs. Brokerage Accounts. MSWM and your Financial Advisor may earn more compensation if you invest in the programs described in this Brochure than if you open a brokerage account to buy individual securities (although, in a brokerage account, you would not receive all the benefits of the program described in this Brochure). Financial Advisors and MSWM therefore have a financial incentive to recommend the programs described in this Brochure. We address this conflict of interest by disclosing it to you and by requiring Financial Advisors' supervisors to review your account at account opening to ensure that it is appropriate for you in light of matters such as your investment objectives and financial circumstances

Payments from Managers. *Please see Item 4.C above (Additional Fees – Funds in Advisory Programs and UITs in Advisory Programs) for more information.*

Managers of Funds and UIT sponsors (collectively, "Managers") may also sponsor their own educational conferences and pay expenses of Financial Advisors attending these events. MSWM's policies require that the training or educational portion of these conferences comprises substantially all of the event. Managers may sponsor educational meetings or seminars in which clients as well as Financial Advisors are invited to participate.

Managers are allowed to occasionally give nominal gifts to Financial Advisors, and to occasionally entertain Financial Advisors, subject to a limit of $1,000 per employee per year. MSWM's non-cash compensation policies set conditions for each of these types of payments, and do not permit any gifts or entertainment conditioned on achieving a sales target.

We address conflicts of interest by ensuring that any payments described in this "Payments from Managers" section do not relate to any particular transactions or investment made by MSWM clients with managers. Managers are not required to make any of these types of payments. The payments described in this section comply with FINRA rules relating to such activities.

Payments from Mutual Funds and UITs. Please see the discussion of payments from fund companies and UIT sponsors or payments when acting as a sponsor under "Funds in Advisory Programs" and UITs in Advisory Programs in Item 4.C.

Different Advice. MSWM and its affiliates may give different advice, take different action, receive more or less compensation, or hold or deal in different securities for any other party, client or account (including their own accounts or those of their affiliates) from the advice given, actions taken, compensation received or securities held or dealt for your account.

Trading or Issuing Securities in, or Linked to Securities in, Client Accounts. MSWM and its affiliates may provide bids and offers, and may act as a principal market maker, in respect of the same securities held in client accounts. MSWM, its affiliates and employees, the investment managers in its programs, and their affiliates and employees may hold a position (long or short) in the same securities held in client accounts. MSWM and/or its affiliates are regular issuers of traded financial instruments linked to securities that may be purchased in client accounts. From time to time, MSWM (or an affiliate's) trading – both for its proprietary account and for client accounts – may be detrimental to securities held by a client and thus create a conflict of interest. We address this conflict by disclosing it to you.

Trade Allocations. Your Financial Advisor may aggregate the securities to be sold or purchased for more than one client to obtain favorable execution to the extent permitted by law. The Financial Advisor will then allocate the trade in a manner that is equitable and consistent with MSWM's fiduciary duty to its clients (including pro rata allocation, random allocation or rotation allocation). Allocation methods vary depending on various factors (including the type of investment, the number of shares purchased or sold, the size of the accounts, and the amount of available cash or the size of an existing position in an account). The price to each client is the average price for the aggregate order.

Services Provided to Other Clients. MSWM, its affiliates, investment 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 MSWM may recommend for purchase or sale by clients or are otherwise held in client accounts, and investment management firms in the programs described in this Brochure. MSWM, its affiliates, investment managers and their affiliates receive compensation and fees in connection with these services. MSWM 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. Accordingly, it is likely that securities in an account will include some of the securities of companies for which MSWM, its affiliates, investment managers and their affiliates or an affiliate performs investment banking or other services.

Restrictions on Securities Transactions. There may be periods during which MSWM or investment managers are not permitted to initiate or recommend certain types of transactions in the securities of issuers for which MSWM or one of its affiliates is performing broker-dealer or investment banking services or has confidential or material non-public information. Furthermore, in certain investment advisory programs, MSWM may be compelled to forgo trading in, or providing advice regarding, Morgan Stanley securities, and in certain related securities. These restrictions may adversely impact your account performance.

MSWM, the managers and their affiliates may also develop analyses and/or evaluations of securities sold in the program described in this Brochure, as well as buy and sell interests in securities on behalf of their proprietary or client accounts. These analyses, evaluations and purchase and sale activities are proprietary and confidential, and MSWM will not disclose them to clients. MSWM may not be able to act, in respect of clients' account, on any such information, analyses or evaluations.

MSWM, investment managers and their affiliates are not obligated to effect any transaction that they believe would violate federal or state law, or the regulations of any regulatory or self-regulatory body.

Options Flow Preferencing. When MSWM processes an options order for your account, the order may be routed to options exchanges with an indication that our affiliate MS&Co. has a "preference" on the options order. A "preference" gives MS&Co. the ability to begin an auction among market makers in order to receive bids or offers for a transaction, however such "preference" will only result in an order executed with MS&Co. if its price is equal to or lower than the best price quoted on the relevant exchange. By "preferencing" itself, MS&Co. may generate larger trading volumes than if it were not "preferenced", and that may result in MS&Co. receiving certain benefits. Both MSWM and MS&Co. continue to have an obligation to obtain best execution terms for client transactions under prevailing circumstances and consistent with applicable law.

Research Reports. MS&Co. does business with companies covered by its research groups. Furthermore, MS&Co., its affiliates and client accounts may hold a trading position (long or short) in the securities of companies subject to such research. Therefore, MS&Co. has a conflict of interest that could affect the objectivity of its research reports.

Certain Trading Systems. MSWM may effect trades or securities lending transactions on behalf of client accounts through exchanges, electronic communication networks or other alternative trading systems ("Trading Systems"), including Trading Systems with respect to which MSWM or its affiliates may have a non-controlling direct or indirect ownership interest or the right to appoint a board member or observer. If MSWM directly or indirectly effects client trades or transactions through Trading Systems in which MSWM or its affiliates have an ownership interest, MSWM or its affiliates may receive an indirect economic benefit based on their ownership interest. In addition, subject at all times to its obligations to obtain best execution for its customers' orders, it is contemplated that MSWM will route certain customer order flow to its affiliates. Currently, MSWM and/or its affiliates own equity interests (or interests convertible into equity) in certain Trading Systems or their parent companies, including BIDS Holdings LP and BIDS Holdings GP LLC (commonly known as "BIDS"); CHI-X Global Holdings LLC; National Stock Exchange of India; Miami International Holdings Inc.; Equilend; MEMX Holdings LLC; Euroclear Holding SA/NV; LCH. Group Holdings Limited (Clearing); Turquoise Global Holdings Ltd.; CJSC The Moscow Interbank Currency Exchange Settlement House; CME; ICE US Holding Company, LP; LCH Clearnet Group LTD. (Clearing); OTCDeriv Limited; TradeWeb Markets LLC; TIFFE – Tokyo Financial Futures Exchange; iSWAP Limited (JV with TP ICAP); EOS Precious Metals Limited; CreditDeriv Limited; FXGlobalClear; The Depositary Trust and Clearing Corporation; CME/CBOT/NYMEX; Dubai Mercantile Exchange; Intercontinental Exchange; Bombay Stock Exchange; Japan Securities Depository Center Inc.; and Japan Securities Clearing Corporation.

The Trading Systems on which MSWM trades or effects securities lending transactions for client accounts and in which MSWM or its affiliates own interests may change from time to time. You may contact your Financial Advisor for an up-to-date list of Trading Systems in which MSWM or its affiliates own interests and on which MSWM and/or MS&Co. trade for client accounts.

Certain Trading Systems offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books. From time to time, the amount of credits that MSWM and/or MS&Co. receives from one or more Trading System may exceed the amount that is charged. Under these limited circumstances, such payments would constitute payment for order flow.

Certain Trading Systems through which MSWM and/or MS&Co. may directly or indirectly effect client trades execute transactions on a "blind" basis, so that a party to a transaction does not know the identity of the counterparty to the transaction. It is possible that an order for a client account that is executed through such a Trading System could be automatically matched with a counterparty that is (i) another investment advisory or brokerage client of MSWM or one of its affiliates or (ii) MSWM or one of its affiliates acting for its own proprietary accounts.

MSWM Affiliate in Underwriting Syndicate; Other Relationships with Security Issuers. If an affiliate of MSWM is a member of the underwriting syndicate from which a security is purchased, we or our affiliates may directly or indirectly benefit from such purchase.

MSWM and/or its affiliates have a variety of relationships with, and provide a variety of services to, issuers of securities recommended for client accounts, including investment banking, corporate advisory, underwriting, consulting, and brokerage relationships. As a result of these relationships with an issuer, MSWM or its affiliates may directly or indirectly benefit from a client's purchase or sale of a security of the issuer. For example, MSWM or its affiliates may provide hedging services for compensation to issuers of structured investments (such as structured notes) recommended for client accounts. In such a case, MSWM or its affiliates could benefit if a client account purchased such an instrument, or sold such an instrument to another purchaser in lieu of selling or redeeming the instrument back to the issuer, as such transactions could result in the issuer of the instrument continuing to pay MSWM or its affiliates fees or other compensation for the hedging services related to such instrument. Similarly, if the hedging service with respect to such an instrument is not profitable for MSWM or its affiliates, MSWM or its affiliates may benefit if MSWM's client accounts holding such instruments sold or redeemed them back to the issuer. We address these conflicts by disclosing them to you

Affiliated Funds. Certain mutual funds, ETFs and closed end funds managed by our affiliates, including but not limited to, MSIM and EVM and their investment affiliates, are available for purchase in the programs described in this brochure, including Retirement Accounts. See Funds in Advisory Programs above.. Although some Mutual Funds may be available in more than one MSWM program, each program may offer Mutual Funds and other features that are not available in other MSWM programs. You understand that MSWM and our affiliates will receive more aggregate compensation when the PM Financial Advisor selects a Mutual Fund that is affiliated with MSWM than if the PM Financial Advisor selects a Mutual Fund that is not affiliated with MSWM. The selection of a MSWM affiliated Mutual Fund may also be more costly to your account than other options. In addition, some Mutual Funds that are affiliated with MSWM may charge higher fees than other affiliated Mutual Funds. Thus, MSWM and our Financial Advisor have a conflict of interest when selecting Mutual Funds. Similarly, if a Mutual Fund is not affiliated with us but we have an ownership share in the Mutual Fund's manager, we and our Financial Advisors have a conflict of interest in selecting that Mutual Fund because, as an owner of the Mutual Fund's manager, we benefit from its profits.

Affiliated Sweep Investments. MSWM has a conflict of interest in selecting or recommending BDP or Money Market Funds as the sweep investment. See Item 4.C above for more information.

Investments in Sweep Investments or Mutual Funds. As described in Item 4C above, with respect to non-Retirement Account clients, MSWM or its affiliates earn greater compensation from mutual funds than other investment products. The above-described Bank Deposit Program revenue and fees for money market funds, administrative services fees (with respect to PM accounts) for accounts of non-Retirement Account clients and other payments create a potential for a conflict of interest to the extent that the additional payments could influence MSWM to select a mutual fund or ETF instead of a different investment product, or investment style that favors cash balances.

Please note that in the PM program and in the ICAP program (unless Fund or money market fund assets are excluded from the calculation of the market value of the ICAP account for purposes of calculating the fee in the ICAP program), the Financial Advisor does not receive any of the Bank Deposit Program revenue, fees from money market funds or administrative services fees described herein.

Nonpublic Information. In the course of investment banking or other activities, MSWM, its affiliates and agents may from time to time acquire confidential or material nonpublic information that may prevent them, for a period of time, from purchasing or selling particular securities for the account. You acknowledge and agree that MSWM, its affiliates and agents will not be free to divulge or to act upon this information with respect to their advisory or brokerage activities, including their activities with regard to the account. This may adversely impact the investment performance of the account.

C. Financial Advisors Acting as Portfolio Managers

Description of Advisory Services
See Item 4.A above for a description of the services offered in the programs described in this Brochure.

Tailoring Services for Individual Clients
You may ask your portfolio manager to manage your account pursuant to a particular investment strategy. In the ICAP program your Financial Advisor will manage your account in accordance with the rules matrix (as discussed above in Item 4.A). You may also place restrictions on your account (as discussed above in Item 4.A).

Wrap Fee Programs
MSWM acts as both the wrap fee program sponsor and the portfolio manager in the programs described in this Brochure. MSWM does not act as portfolio manager in any programs which are not wrap fee programs but are otherwise similar to the programs described in this Brochure. MSWM receives all the client fees for its services provided in the programs described in this Brochure.

Performance-Based Fees
The programs described in this Brochure do not charge performance-based fees.

Methods of Analysis and Investment Strategies
Financial Advisors in the programs described in this Brochure may use any investment strategy when providing investment advice to you. Financial Advisors may use asset allocation recommendations of the Morgan Stanley Wealth Management Global Investment Committee as a resource but, if so, there is no guarantee that any strategy will in fact mirror or track these recommendations. Investing in securities involves risk of loss that you should be prepared to bear.

Policies and Procedures Relating to Voting Client Securities
If you have an account in the programs described in this Brochure, you have the option to elect who votes proxies for your account. Unless you have expressly retained the right to vote proxies, for accounts where MSWM is the custodian you delegate proxy voting authority to a third party proxy voting service provider, Institutional Shareholder Services Inc. ("ISS"), which Morgan Stanley has engaged to vote on your behalf. You may not delegate proxy voting authority to Morgan Stanley or any Morgan Stanley employees and we do not agree to assume any proxy voting authority from you. If MSWM is not the custodian for your account, you retain the authority and responsibility to vote proxies.
If you expressly retain the right to vote proxies, we will forward to you any proxy materials that we receive for securities in your account. Neither Morgan Stanley nor your Financial Advisor will advise you on particular proxy solicitations. If ISS votes proxies for you, you cannot instruct ISS on how to cast any particular vote.

If you have delegated proxy voting authority to ISS, you may obtain from your Financial Advisor, information as to how proxies were voted for your account during the prior annual period and ISS's relevant proxy voting policies and procedures (including a copy of its policy guidelines and vote recommendations in effect from time to time). You may change your proxy voting election at any time by contacting your Financial Advisor.

MSWM will not provide advice or take action with respect to legal proceedings (including bankruptcies) relating to the securities in your account, except to the extent required by law.

Item 7: Client Information Provided to Portfolio Managers

The Financial Advisor is the portfolio manager in the programs described in this Brochure. The Financial Advisor has access to the information you provide at account opening, which includes information in your client profile.

Item 8: Client Contact with Portfolio Managers

In the programs described in this Brochure, you may contact your Financial Advisor at any time during normal business hours.

Item 9: Additional Information

Disciplinary Information

This section contains information on certain legal and disciplinary events.

In this section, "MSDW" means Morgan Stanley DW Inc., a predecessor broker-dealer of MS&Co. and registered investment adviser that was merged into MS&Co. in April 2007. MS&Co. and Citigroup Global Markets Inc. ("CGM") are predecessor investment adviser and broker-dealer firms of Morgan Stanley Smith Barney LLC ("MSWM"). "Citi" means Citigroup Inc., a former indirect part owner of MSWM.

- On June 8, 2016, the SEC entered into a settlement order with MSWM ("June 2016 Order") settling an administrative action. In this matter, the SEC found that MSWM willfully violated Rule 30(a) of Regulation S-P (17 C. F. R. § 248.30(a)) (the "Safeguards Rule"). In particular, the SEC found that, prior to December 2014, although MSWM had adopted written policies and procedures relating to the protection of customer records and information, those policies and procedures were not reasonably designed to safeguard its customers' personally identifiable information as required by the Safeguards Rule and therefore failed to prevent a MSWM employee, who was subsequently terminated, from misappropriating customer account information. In determining to accept the offer resulting in the June 2016 Order, the SEC considered the remedial efforts promptly undertaken by MSWM and MSWM's cooperation afforded to the SEC Staff. MSWM consented, without admitting or denying the findings, to a censure, to cease and desist from committing or causing future violations, and to pay a civil penalty of $1,000,000.

- On January 13, 2017, the SEC entered into a settlement order with MSWM ("January 2017 Order") settling an administrative action. The SEC found that from 2009 through 2015, MSWM inadvertently charged advisory fees in excess of what had been disclosed to, and agreed to by, its legacy CGM clients, and, from 2002 to 2009 and from 2009 to 2016, MS&Co. and MSWM, respectively, inadvertently charged fees in excess of what was disclosed to and agreed to by their clients. The SEC also found that MSWM failed to comply with requirements regarding annual surprise custody examinations for the years 2011 and 2012, did not maintain certain client contracts, and failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Investment Advisers Act of 1940 (the "Advisers Act"). The SEC found that, in relation to the foregoing, MSWM willfully violated certain sections of the Advisers Act. In determining to accept the offer resulting in the January 2017 Order, the SEC considered the remedial efforts promptly undertaken by MSWM. MSWM consented, without admitting or denying the findings, to a censure, to cease and desist from committing or causing future violations, to certain undertakings related to fee billing, books and records and client notices and to pay a civil penalty of $13,000,000.

- On February 14, 2017, the SEC entered into a settlement order with MSWM settling an administrative action. The SEC found that from March 2010 through July 2015, MSWM solicited approximately 600 non-discretionary advisory accounts to purchase one or more of eight single inverse exchange traded funds ("SIETFs"), without fully complying with its internal written compliance policies and procedures related to these SIETFs, which among other things required that clients execute a disclosure notice, describing the SIETF's features and risks, prior to purchasing them, for MSWM to maintain the notice, and for subsequent related reviews to be performed. The SEC found that, despite being aware of deficiencies with its compliance and documentation of the policy requirements, MSWM did not conduct a comprehensive analysis to identify and correct past failures where the disclosure notices may not have been obtained and to prevent future violations from occurring. The SEC found that, in relation to the foregoing, MSWM willfully violated section 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-7 thereunder. MSWM admitted to certain facts and consented to a censure, to cease and desist from committing or causing future violations, and to pay a civil penalty of $8,000,000.

- On June 29, 2018, the SEC entered into a settlement order with MSWM settling an administrative action which relates to misappropriation of client funds in four related accounts by a single former MSWM financial advisor ("FA"). The SEC found that MSWM failed to adopt and implement policies and procedures or systems reasonably designed to prevent personnel from misappropriating assets in client accounts. The SEC specifically found that, over the course of eleven months, the FA initiated unauthorized transactions in the four related client accounts in order to misappropriate client funds. The SEC found that while MSWM policies provided for certain reviews prior to issuing disbursements, such reviews were not reasonably designed to prevent FAs from misappropriating client funds. Upon being informed of the issue by representatives of the FA's affected clients, MSWM promptly conducted an internal investigation, terminated the FA, and reported the fraud to law enforcement agencies. MSWM also fully repaid the affected clients, made significant enhancements to its policies, procedures and systems ("Enhanced MSWM Policies") and hired additional fraud operations personnel. The SEC found that MSWM willfully violated section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. The SEC also found that MSWM failed to supervise the FA pursuant to its obligations under Section 203(e)(6) of the Advisers Act. MSWM consented, without admitting or denying the findings, to a censure; to cease and desist from committing or causing future violations; to certain undertakings, including certifications related to the implementation and adequacy of the Enhanced MSWM Policies and to pay a civil penalty of $3,600,000.

- On May 12, 2020, the SEC entered into a settlement order with MSWM settling an administrative action which relates to certain information provided in marketing and client communications to retail advisory clients in MSWM's wrap fee programs with third-party managers and MSWM's policies and procedures related to trades not executed at MSWM. In the applicable wrap fee programs, the third-party manager has the discretion to place orders for trade execution on clients' behalf at a broker-dealer other than Morgan Stanley. MSWM permits managers to "trade away" from MSWM in this manner in order to seek best execution for trades. The SEC found that, from at least October 2012 through June 2017, MSWM provided incomplete and inaccurate information indicating that MSWM executed most client trades and that, while additional transaction-based costs were possible, clients did not actually incur them in the ordinary course. The SEC found that this information was misleading for certain retail clients because some wrap managers directed most, and sometimes all, client trades to third-party broker-dealers for execution, which resulted in certain clients paying transaction-based charges that were not visible to them. The SEC also found that, on occasion, wrap managers directed trades to MSWM-affiliated broker-dealers in which clients incurred transaction-based charges in violation of MSWM's affiliate trading policies without detection by MSWM. The SEC noted in the order that it considered certain remedial acts undertaken by MSWM in determining to accept the order, including MSWM enhancing its disclosures to clients, implementing training of financial advisors, enhancing relevant policies and procedures, and refunding clients' transaction based charges paid to Morgan Stanley affiliates. The SEC found that MSWM willfully violated certain sections of the Investment Advisers Act of 1940, specifically Sections 206(2) and 206(4) and Rule 206(4)-7 thereunder. MSWM consented, without admitting or denying the findings and without adjudication of any issue of law or fact, to a censure; to cease and desist from committing or causing future violations; and to pay a civil penalty of $5,000,000.

MSWM's Form ADV Part 1 contains further information about its disciplinary history, and is available on request from your Financial Advisor.

Other Financial Industry Activities and Affiliations

Morgan Stanley ("Morgan Stanley Parent") is a financial holding company under the Bank Holding Company Act of 1956. Morgan Stanley Parent is a corporation whose shares are publicly held and traded on the New York Stock Exchange. Prior to June 28, 2013, MSWM was owned by a joint venture company which was indirectly owned 65% by Morgan Stanley Parent and 35% by Citi. On June 28, 2013, Morgan Stanley Parent purchased Citi's 35% interest in MSWM. Accordingly, MSWM is now a wholly owned indirect subsidiary of Morgan Stanley Parent.

Activities of Morgan Stanley Parent. Morgan Stanley Parent is a global firm engaging, through its various subsidiaries, in a wide range of financial services including:

- securities underwriting, distribution, trading, merger, acquisition, restructuring, real estate, project finance and other corporate finance advisory activities
- merchant banking and other principal investment activities
- brokerage and research services
- asset management
- trading of foreign exchange, commodities and structured financial products and
- global custody, securities clearance services, and securities lending.

Broker-Dealer Registration. As well as being a registered investment adviser, MSWM is registered as a broker-dealer.

Restrictions on Executing Trades. As MSWM is affiliated with MS&Co. and its affiliates, the following restrictions apply when executing client trades:

- MSWM and MS&Co. generally do not act as principal in executing trades for MSWM investment advisory clients (except to the extent permitted by a program and the law).
- Regulatory restrictions may limit your ability to purchase, hold or sell equity and debt issued by Morgan Stanley Parent and its affiliates in some advisory programs.
- Certain regulatory requirements may limit MSWM's ability to execute transactions through alternative execution services (e.g., electronic communication networks and crossing networks) owned by MSWM, MS&Co. or their affiliates.

These restrictions may adversely impact client account performance.

See Item 6.B above for conflicts arising from our affiliation with MS&Co. and its affiliates.

Related Investment Advisors and Other Service Providers. MSWM has related persons that are the investment advisers to mutual funds in various investment advisory programs (including Morgan Stanley Investment Management Inc., Morgan Stanley Investment Management Limited and Consulting Group Advisory Services LLC). If you invest your assets in an affiliated mutual fund, MSWM and its affiliates earn more money than if you invest in an unaffiliated mutual fund. Generally, for Retirement Accounts, MSWM rebates or offsets fees so that MSWM complies with IRS and Department of Labor rules and regulations.

Morgan Stanley Investment Management Inc. serves in various advisory, management, and administrative capacities to open-end and closed-end investment companies and other portfolios (some of which are listed on the NYSE). Morgan Stanley Services Company Inc., its wholly owned subsidiary, provides limited transfer agency services to certain open-end investment companies.

Morgan Stanley Distribution Inc. serves as distributor for these open-end investment companies, and has entered into selected dealer agreements with MSWM and affiliates. Morgan Stanley Distribution Inc. also may enter into selected dealer agreements with other dealers. Under many of these agreements, MSWM and affiliates, and other selected dealers, are compensated for sale of fund shares to clients on a brokerage basis, and for shareholder servicing (including pursuant to plans of distribution adopted by the investment companies pursuant to Rule 12b-l under the Investment Company Act of 1940).

Related persons of MSWM act as general partner, administrative agent or special limited partner of a limited partnership or managing member or a special member of a limited liability company to which such related persons serve as adviser or sub-adviser and in which clients have been solicited in a brokerage or advisory capacity to invest. In some cases, the general partner of a limited partnership is entitled to receive an incentive allocation from a partnership.

See Item 4.C above for a description of cash sweep investments managed or held by related persons of MSWM.

See Item 6.B above for a description of various conflicts of interest.

Code of Ethics

The MSWM US Investment Advisory Code of Ethics ("Code") applies to MSWM's employees, supervisors, officers and directors engaged in offering or providing investment advisory products and/or services (collectively, the "Employees"). In essence, the Code prohibits Employees from engaging in securities transactions or activities that involve a material conflict of interest, possible diversion of a corporate opportunity, or the appearance of impropriety. Employees must always place the interests of MSWM's clients above their own and must never use knowledge of client transactions acquired in the course of their work to their own advantage. Supervisors are required to use reasonable supervision to detect and prevent any violations of the Code by the individuals, branches and departments that they supervise.

The Code generally operates to protect against conflicts of interest either by subjecting Employee activities to specified limitations (including pre-approval requirements) or by prohibiting certain activities. Key provisions of the Code include:

- The requirement for certain Employees, because of their potential access to non-public information, to obtain their supervisors' prior written approval or provide pre-trade notification before executing certain securities transactions for their personal securities accounts;

- Additional restrictions on personal securities transaction activities applicable to certain Employees (including Financial Advisors and other MSWM employees who act as portfolio managers in MSWM investment advisory programs);

- Requirements for certain Employees to provide initial and annual reports of holdings in their Employee securities accounts, along with quarterly transaction information in those accounts;

- Additional requirements for pre-clearance of other activities including, but not limited to, Outside Business Activities, Gifts and Entertainment, and U.S. Political Contributions and Political Solicitation Activity;

- PM Financial Advisors are prohibited from purchasing or selling in their own accounts (or certain accounts in which they or related persons have an interest) the same security (or derivative of the same security) as their PM client(s), if the PM Financial Advisor's personal trade is executed on the same day and prior to when a PM client's trade that the PM Financial Advisor initiates is executed. PM Financial Advisors may trade in their own accounts (and related person accounts) within two hours after the last trade of the same security for their PM clients, as long as they do not receive a better price than their PM clients, subject to a *de minimus* exception. PM Financial Advisors are prohibited from trading opposite their PM clients on the same day when they exercise discretion. PM Financial Advisors may trade derivatives in their own accounts (and related person accounts) on the same day as long as their trade is executed after the last client trade, and only if their trading does not present a conflict with the client's trade. However, in the programs described in this Brochure, Financial Advisors may trade in their own accounts (and related person accounts) at the same time as they execute client trades if they aggregate these trades with client trades. Please ask your Financial Advisor if you would like more information on the Financial Advisor's practices in this respect.

You may obtain a copy of the Code from your Financial Advisor.

See Item 6.B above, for a description of Conflicts of Interest.

Reviewing Accounts

At account opening, your Financial Advisor and his or her Branch Manager (or the Branch Manager's designee) confirm that the account and the investment style are appropriate investments for you.

Your Financial Advisor is then responsible for reviewing your account on an ongoing basis. Your Financial Advisor may adjust your account at any time according to market conditions. Your Financial Advisor will ask you at least annually if your investment objectives have changed. If your objectives change, your Financial Advisor will modify your account to be appropriate for your needs.

MSWM reviews accounts daily to determine if any investments are outside the program investment guidelines

If your PM account is identified as having investments outside program investment guidelines (other than allocation to cash and cash equivalents), MSWM will consider investments in your related MSWM advisory accounts where you granted discretion to your Financial Advisor ("FA Discretionary accounts") before taking any action. With respect to allocations to cash and cash equivalents, MSWM will consider investments in your related MSWM advisory accounts before taking any action. If consideration of the investments in your related FA Discretionary accounts (or, with respect to allocations to cash and cash equivalents, your related MSWM advisory accounts) results in the subject investments in your PM account being in compliance with the investment guidelines, MSWM may take no further action. If your Financial Advisor created a Client Portfolio as described above, your PM account will be aggregated only with the other FA Discretionary accounts in your Client Portfolio for the purpose of determining compliance with investment guidelines (other than allocations to cash and cash equivalents). With respect to allocations to cash and cash equivalents, your PM account will be aggregated with your related MSWM advisory accounts as described above. If your account investments are outside investment guidelines as described above, MSWM will require your Financial Advisor to bring your account within the investment guidelines. Please contact your Financial Advisor for further details.

MSWM monitors clients' allocations to cash and cash equivalents in the custodied PM accounts. While there may be individual circumstances or tactical reasons to overweight these assets in client accounts, holding these assets as part of a strategic allocation for an extended period of time could adversely impact account performance. Account holdings in cash and cash equivalents are subject to percentage and duration limitations under the PM investment guidelines, and are reviewed as described above.

MSWM conducts various checks on a periodic basis (e.g. inactive accounts) in the PM Program.

ICAP management reviews accounts daily to determine if any investments are outside the Matrix and if so, generally requires your Financial Advisor to bring your ICAP account within the Matrix.

See Item 4.A above for a discussion of account statements and periodic reviews provided for your account or your Client Portfolio, as applicable.

Client Referrals and Other Compensation

See "Payments from Mutual Funds" in Item 6.B above.

MSWM may compensate affiliated and unrelated third parties for client referrals in accordance with Rule 206(4)-3 of the Advisers Act. If the client invests in an investment advisory program, the compensation paid to any such entity will typically consist of an ongoing cash payment stated as a percentage of MSWM's advisory fee or a one-time flat fee, but may include cash payments determined in other ways.

Financial Information

We are not required to include a balance sheet in this Brochure because we do not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance.

We do not have any financial conditions that are reasonably likely to impair our ability to meet our contractual commitments to clients.

MSWM and its predecessors have not been the subject of a bankruptcy petition during the past 10 years.

Sweep Vehicles in Retirement Accounts

Retirement Accounts generally effect temporary sweep transactions of new free credit balances into Deposit Accounts established under the Bank Deposit Program.

The table below describes the fees and expenses charged to sweep assets invested in shares of the Money Market Funds in which the account invests (expressed as a percentage of each fund's average daily net assets for the stated fiscal year). Note that:

- The rate of Advisory Fee and Distribution and Service Fees (including 12b-1 fees) (whether in basis points or dollars) may not be increased without first obtaining shareholder approval.
- Expenses designated as "Other Expenses" include all expenses not otherwise disclosed in the table that were deducted from each fund's assets or charged to all shareholder accounts in the stated fiscal year (and may change from year to year).

These fees and expenses may be paid to MSWM and its affiliates for services performed. The aggregate amount of these fees is stated in the tables below. The amounts of expenses deducted from a fund's assets are shown in each fund's statement of operations in its annual report.

Morgan Stanley Investment Management (and/or its affiliates) may, from time to time, waive part or all of its advisory fee or assume or reimburse some of a fund's operating expenses (this may be for a limited duration). Such actions are noted in the fund's prospectus and/or statement of additional information. The table below shows the Total Annual Fund Operating Expenses (before management fee waivers and/or expense reimbursements) and the Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements.

MSWM expects to provide services as a fiduciary (as that term is defined under ERISA or the Code) with respect to Retirement Accounts. MSWM believes that investing in shares of the funds for sweep purposes may be appropriate for Retirement Accounts because using professionally managed Money Market Funds allows you to access cash on an immediate basis, while providing a rate of return on your cash positions pending investment. As is typical of such arrangements, we use only affiliated money funds for this purpose.

MSWM also believes that investing a Retirement Account's assets in the Deposit Accounts may also be appropriate. Terms of the Bank Deposit Program are further described in the Bank Deposit Program Disclosure Statement, which has been provided to you with your account opening materials.

The fund expense information below reflects the most recent information available to us as of January 31, 2020, and is subject to change. Please refer to the funds' current prospectuses, statements of additional information and annual reports for more information.

Fund	Advisory Fee	Distribution and Service Fees	Other Expenses	Total Annual Fund Operating Expenses	Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements
MSILF Government Securities-Participant Share Class	0.15%	0.50%	0.06%	0.71%	0.45%
MS U.S. Government Money Market Trust	0.15%	0.10%	0.11%	0.36%	0.36%

Interest Earned on Float

If MSWM is the custodian of your account, MSWM may retain as compensation, for providing services, the account's proportionate share of any interest earned on cash balances held by MSWM (or an affiliate) with respect to assets awaiting investment including:

- new deposits to the account (including interest and dividends) and
- uninvested assets held by the account caused by an instruction to the custodian to buy and sell securities (which may, after the period described below, be automatically swept into a sweep vehicle).

This interest is generally at the prevailing Federal Funds interest rate.

Generally, with respect to such assets awaiting investment:

- when the custodian receives the assets on a day on which the NYSE is open (“Business Day”) and before the NYSE closes, the custodian earns interest through the end of the following Business Day and
- when the custodian receives the assets on a Business Day but after the NYSE closes, or on a day which is not a Business Day, the custodian earns interest through the end of the second following Business Day