

## **MORGAN STANLEY CODE OF ETHICS AND BUSINESS CONDUCT**

This Code of Ethics and Business Conduct sets forth principles that you must follow in your activities as a director, officer, or employee of Morgan Stanley. It also covers your obligations to Morgan Stanley should you leave the Firm. Officers and employees should read it together with other applicable Firm policies and procedures, including the Code of Conduct.

The Code of Ethics does not cover every legal or ethical issue that you may face at the Firm. Indeed, no code can attempt to anticipate the myriad issues that arise in a business as diverse and dynamic as Morgan Stanley's. However, by following this Code and other Firm policies and procedures, by adhering to the letter and the spirit of all applicable laws and regulations, and above all by applying sound judgment to your activities, you can demonstrate your commitment to the Firm's core values--lead with integrity, put clients first, win in the marketplace, think like an owner, and keep your balance.

### **PRINCIPLES OF THE CODE**

#### **FOLLOW BOTH THE LETTER AND THE SPIRIT OF THE LAW AND MORGAN STANLEY POLICIES**

As a global multi-service financial services business, Morgan Stanley is subject to the laws and regulations of numerous jurisdictions around the world. It is your responsibility to understand the laws applicable to your responsibilities and to comply with both the letter *and* the spirit of these laws. This requires that you avoid not only actual misconduct but also the appearance of impropriety. Assume that any action you take ultimately could be publicized, and consider how you and the Firm would be perceived in that event. When in doubt, stop and reflect. Ask questions. If you are unclear about the application of the law to your responsibilities, or if you are unsure about the legality or integrity of a particular course of action, you must seek the advice of your supervisor or the Legal and Compliance Division ("LCD"). You will be held personally responsible for any improper or illegal acts you commit during your employment at or service to the Firm.

#### **ACT IN THE BEST INTERESTS OF CLIENTS, THE FIRM, AND THE PUBLIC**

The Firm seeks to outperform its competition fairly and honestly through superior performance. Every director, officer, and employee must protect the Firm's reputation by dealing fairly with clients, the public, competitors, suppliers, and one another. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, or misrepresentation of facts. Officers and employees are specifically required to comply with the Franchise Risk Policy, which sets forth the Firm's framework for managing franchise risk, suitability issues, and conflicts of interest.

#### **Identifying, Managing, and Reporting Conflicts**

##### *Potential Business Conflicts*

Conflicts of interest may arise as a consequence of the Firm's interests and its relationships with multiple clients, counterparties, and suppliers around the world. Conflicts, for example, can occur between different clients and between clients and the Firm itself.

Officers and employees are responsible for:

- identifying and managing conflicts in accordance with regulatory requirements and Firm policies; and
- escalating any conflicts or potential conflicts to their supervisor or other designated person, as appropriate.

Managers who identify conflicts of interest in the business or to whom conflicts are raised by employees should manage those conflicts in accordance with Firm policies and the normal procedures of their business unit or department, whenever possible. There may be occasions, however, when a conflict is not addressed by existing Firm policies or is potentially significant with respect to not only the manager's individual business area, but also the Firm as a whole. In those situations, the conflict should be referred to the senior management of the business unit or in accordance with the escalation procedures set forth in the Code of Conduct.

### *Personal Conflicts*

Your day-to-day responsibilities may expose you to situations that potentially raise personal conflicts of interest. A conflict of interest may arise, for example, if you or a family or household member has an economic or personal interest that differs from (or that appears to differ from) the Firm, its clients, or its shareholders.

Avoid any investment, activity, interest, or relationship outside the Firm that could impair your judgment or interfere with (or give the appearance of interfering with) your responsibilities on behalf of the Firm, its clients, or its shareholders. Business opportunities that arise because of your position with the Firm or by using corporate property or information belong to the Firm.

While it is not possible to describe every situation in which a potential conflict of interest may arise, the following are examples of situations that *may* raise a conflict of interest:

- Accepting special favors as a result of your position with the Firm from any person or organization with which the Firm has a current or potential business relationship.
- Competing with the Firm for the purchase or sale of property, services, or other interests.
- Acquiring an interest in a transaction involving the Firm, a client, counterparty, or supplier (not including routine investments in publicly traded companies or mutual funds).
- Receiving a personal loan or guarantee of an obligation as a result of your position with the Firm, or granting personal loans or giving gifts to other directors, officers, or employees that could make or might be perceived as making the recipient beholden to you (over and above repayment of the loan).
- Working for a competitor, client, or supplier while an employee of the Firm.
- Directing business to a supplier owned or managed by, or that employs, a relative or friend.

Officers and employees must promptly report to their supervisor or LCD any investment, activity, interest, or relationship (including those involving family and household members) that reasonably could be expected to give rise to a conflict of interest. Involvement in certain outside activities also may require the prior approval of the Firm (particularly for licensed persons).

Officers and employees should consult the policies applicable to their business unit, department, or region for specific reporting and approval procedures.

Directors should also disclose any actual or potential conflicts of interest to the Chairman of the Board and the Chief Legal Officer, who will determine the appropriate resolution. All directors must recuse themselves from any Board discussion or decision affecting their personal, business, or professional interests.

Directors and executive officers are required to comply with the Related Person Transactions Policy, which sets forth the Firm's framework for approval of transactions involving the Firm's directors and executive officers, and certain persons and entities related to them, and the Firm.

### **Gifts and Entertainment**

Gifts and entertainment may create an inappropriate obligation or expectation on the part of the recipient or provider. The Firm's Code of Conduct and related policies set forth the conditions under which officers, employees, and their family or household members may accept or give gifts or entertainment.

Giving anything of value, including gifts or payment for travel and entertainment, to government officials may be limited or restricted by law. Many countries have adopted anti-bribery statutes that prohibit giving anything of value to "government officials" in order to secure an improper business advantage. The term "government official" is broadly defined and includes any employees or agents of government-controlled agencies or enterprises, public international organizations, as well as political parties and candidates. In addition, many government entities in the U.S. have rules that severely limit or restrict the acceptance of gifts, travel, and entertainment by their employees. LCD must pre-clear gifts or anything else of value provided to government officials, unless already permitted under written guidance issued by LCD.

### **Political Contributions**

The Firm's Policy on U.S. Political Contributions and Activities prohibits political contributions by officers and employees to state or local officials or candidates for state or local office in the United States if those contributions are intended to influence the award of municipal finance business to the Firm or the retention of that business.

It is important that officers and employees review the Policy on U.S. Political Contributions and Activities and the procedures that apply to their business unit or department or consult with LCD prior to engaging in any political activity or making any political contribution in the United States. Officers and employees also may not use the resources of the Firm or its political action committee in connection with any political event or political contribution without prior clearance from Government Relations.

In addition, because the Firm does business with many governments around the world, to avoid conflicts or the appearance of conflicts, officers and employees should consult with LCD prior to making political contributions to public officials or candidates for public office outside of the U.S.

## **ADVANCE AND PROTECT THE FIRM'S INTERESTS**

### **Confidential Information**

Confidential information generated and gathered in the course of our business is a valuable asset. Protecting this information is critical to the Firm's reputation for integrity and its

relationship with its clients, and ensures compliance with regulations governing the financial services industry. All confidential information, regardless of its form or format, must be protected from the time of its creation or receipt until its authorized disposal.

- Confidential information is information (including proprietary information) that you learn, create, or develop in the course of your employment with, or service as a director of, the Firm. It includes information that is not generally known to the public about the Firm, its affiliates, its employees, its clients, or other parties with whom the Firm and its affiliates have a relationship and that have an expectation of confidentiality.

You must comply with the Firm's policies on confidential information. Unauthorized access, use, or distribution of confidential information violates Firm policy and could be illegal. Your obligation to protect the confidential information continues even after you leave the Firm, and you must return all such information in your possession or control upon your departure.

### **Firm Systems and Assets**

Firm policies regulate use of the Firm's systems, including telephones, computer networks, e-mail, instant messaging, and remote access capabilities. Generally, you should only use the Firm's systems and property for Firm business. Do not access systems or locations that are not reasonably related to your responsibilities with the Firm, and report any suspected misuse or theft of Firm assets. Under no circumstances should you use the Firm's systems to send or store unlawful, discriminatory, harassing, defamatory, or other inappropriate materials.

## **PREVENT THE MISUSE OF INSIDE INFORMATION**

***You may never, under any circumstances, trade, encourage others to trade, or recommend securities or other financial instruments based on (and in some circumstances, while in the possession of) inside information.***

- Inside information is all non-public information about the Firm or its clients or counterparties that may have a significant impact on the price of a security or other financial instrument, or that a reasonable investor would be likely to consider important in making an investment decision. The determination of whether non-public information is "inside information" in some circumstances may be complex. Consult with LCD if you are uncertain whether particular information is inside information.

The misuse of inside information will result in disciplinary action by the Firm, up to and including termination of your employment or service, and may also give rise to civil and criminal penalties.

In order to prevent the misuse of inside information and to avoid both real and perceived conflicts of interest, the Firm has established policies and procedures known as Information Barriers. The Firm also has specific policies and procedures governing personal trading by directors, officers, and employees, which may differ depending upon your position and location at Morgan Stanley. You are required to familiarize yourself and comply with these policies and procedures. If you have any questions about policies pertaining to your ability to buy or sell securities, you should contact LCD.

## **BE HONEST AND FAIR IN YOUR COMMUNICATIONS WITH THE PUBLIC**

The Firm has a responsibility under the law to provide accurate and complete disclosure to the investing public, and to the extent that you are involved in the preparation of materials for dissemination to the public, you must ensure that the information is accurate and complete in all

material respects. In particular, the Firm's senior financial officers, executive officers and directors must endeavor to promote accurate, complete, fair, timely and understandable disclosure in the Firm's public communications, including documents that the Firm files with or submits to the United States Securities and Exchange Commission and other regulators.

Officers and employees must consult their business unit, department, or regional policy for standards that apply to oral and written communications with the public, as well as the circumstances under which communications must be reviewed by supervisors and others. If you become aware of a materially inaccurate or misleading statement in a public communication, you must promptly report it in accordance with the procedures outlined in the *Reporting Misconduct* section of this Code.

## **MAINTAIN ACCURATE BOOKS AND RECORDS**

The Firm is required to maintain accurate and complete books and records. Every business transaction undertaken by the Firm must be recorded on its books accurately and in a timely manner. You must be candid and accurate when providing information for these documents and never make false or misleading entries. In particular, senior financial officers must endeavor to ensure that financial information included in the Firm's books and records is correct and complete in all material respects.

## **TREAT OTHERS WITH DIGNITY AND RESPECT**

The Firm is committed to a work environment in which all persons are treated with dignity and respect. It is the policy of the Firm to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, religion, age, gender, gender identity, sexual orientation, national origin, citizenship, disability, marital and civil partnership/union status, pregnancy (including unlawful discrimination on the basis of a legally protected pregnancy/maternity leave), veteran status, or any other characteristic protected by law. The Firm expects that all relationships among persons in the workplace will be business-like and free of bias, harassment, or violence.

Misconduct, including discrimination, harassment, retaliation or other forms of unprofessional behavior will not be tolerated. Such behavior, even if not unlawful, will subject you to disciplinary action by the Firm, up to and including termination of your employment or service. In addition, conduct that is unlawful may subject you to civil and criminal penalties.

Officers and employees are required to comply with the Non-Discrimination and Anti-Harassment Policy or Dignity at Work Policy applicable in their jurisdiction. These policies include mandatory procedures for reporting discrimination or harassment.

## **PROMOTE A SAFE AND HEALTHY WORKING ENVIRONMENT**

The Firm is committed to conducting its business in compliance with all applicable environmental and workplace health and safety laws and regulations. The Firm strives to provide a safe and healthy work environment for employees and to avoid adverse impact and injury to the environment and communities in which it conducts its business. Achieving this goal is the responsibility of all directors, officers, and employees.

## **ENFORCEMENT AND ADMINISTRATION OF THE CODE OF ETHICS**

### **Reporting Misconduct**

The Firm's reputation for integrity depends upon you. You are the Firm's first line of defense against civil or criminal liability and unethical business practices. If you believe you may have violated the law or Firm policies, you must promptly notify your supervisor or LCD. In addition, if you observe or become aware of any illegal, unethical, or otherwise improper conduct relating to the Firm, or conduct that could have an impact on the Firm's reputation—whether by an employee, supervisor, client, consultant, supplier, or other third party—you must promptly discuss your concerns with your supervisor or LCD.

If the discussion does not resolve the concern or if you would prefer to report the concern through other channels, you should follow the procedures set forth in the Morgan Stanley Code of Conduct. In particular, you may call the Integrity Hotline to report concerns about matters, including accounting issues, that do not involve your employment relationship with the Firm or discrimination or harassment (for those issues, please refer to the applicable Non-Discrimination and Anti-Harassment Policy or Dignity at Work Policy.) Concerns may be reported confidentially and anonymously. If you are located in the European Union or Switzerland, please consult the procedures pertaining to your jurisdiction.

If your concerns relate to the conduct of the Chief Executive Officer, any other senior executive or financial officer, or a member of the Board of Directors, you also may report your concerns to the Chief Legal Officer or the Director of Internal Audit. As appropriate, they will notify the Board of Directors of the allegations. Concerns involving the Chief Legal Officer or the Director of Internal Audit should be reported to the Board of Directors.

If you are a supervisor, you have an additional responsibility to take appropriate steps, in consultation with LCD, to stop any misconduct that you are aware of and to prevent its recurrence. Supervisors who do not take appropriate action may be held responsible for failure to supervise properly.

### **Non-Retaliation Commitment**

Morgan Stanley prohibits retaliation for reports or complaints regarding the misconduct of others that were made in good faith. Open communication of issues and concerns by all without fear of retribution is vital to the continued success of the Firm

### **Consequences of Violating the Code of Ethics**

If you are an officer or employee, this Code, including any future amendments, forms part of the terms and conditions of your employment at the Firm. The Code of Ethics is not a contract guaranteeing you employment for a specific duration or entitling you to any special privileges or benefits.

Directors, officers, and employees are expected to cooperate in internal investigations of allegations of violations of the Code of Ethics and other Firm policies. Actual violations may subject you to the full range of disciplinary sanctions available to the Firm. The Firm also may report activities to its regulators, which could give rise to regulatory or criminal investigations. The penalties for regulatory and criminal violations may include significant fines, permanent bar from employment in the securities industry, and imprisonment.

### **Waivers and Amendments**

Any waivers of the provisions of this Code of Ethics for directors or executive officers may be granted only in exceptional circumstances by the Board of Directors and will be promptly disclosed to the Firm's shareholders.

Amendments to this Code also must be approved by the Board of Directors. It is your responsibility to be familiar with the Code of Ethics as it may be revised from time to time.

## **YOUR PERSONAL COMMITMENT**

A truly great, visionary company continuously lives and defends its core values. Only by doing so can the Firm realize the potential of its constituent parts and the talents of its people around the world.

To reaffirm their commitment to Morgan Stanley's core values, Morgan Stanley requires that directors acknowledge this Code of Ethics and Business Conduct, and that officers and employees acknowledge the Firm's Code of Conduct, which is summarized in this Code of Ethics.

Updated as of June, 2007