

Mutual Fund Revenue-Sharing Fund Families

JULY 2021

The following information pertains to mutual fund revenue sharing. For more information regarding mutual fund fees, expense payments, data analytics charges, and how Morgan Stanley and your Financial Advisor are compensated when you purchase and hold mutual fund shares, please refer to the “Mutual Fund Features, Share Classes and Compensation” brochure, available at the [Disclosures link on our website](#).

Morgan Stanley charges each fund family we offer a mutual fund support fee, also called a revenue-sharing payment, on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund, so that lower management fee funds pay lower rates than those with higher management fees. The rate ranges from 0.01% per year (\$1 per \$10,000 of assets) up to a maximum of 0.10% per year (\$10 per \$10,000 of assets).

The tiered rates are the same for commission-based brokerage and fee-based advisory client account holdings. However, for advisory accounts, there are account-type and program exceptions, and the fees are rebated to clients. Please see the applicable Morgan Stanley ADV brochure for additional information.

Revenue-sharing payments are generally paid out of the fund’s

investment adviser, distributor or other fund affiliate revenues or profits and not from the fund’s assets. However, fund affiliate revenues or profits may, in part, be derived from fees earned for services provided to and paid for by the fund. Morgan Stanley does not receive any portion of these revenue-sharing payments through brokerage commissions generated by the fund.

Set forth below is a listing of the fund families from which we received revenue-sharing payments of at least \$250,000 in 2020. Fund families are listed in descending order based on the total amount of revenue-sharing payments we recognized from each fund family.

Although we seek to charge all fund families the same revenue-sharing fee rate schedule, in aggregate, Morgan Stanley receives significantly more revenue sharing from the families with the largest

client fund share holdings at our firm. This fact presents a conflict of interest for Morgan Stanley to promote and recommend funds from those fund families rather than funds from families that, in aggregate, pay us less revenue sharing. In addition, since our revenue-sharing rates are higher for funds with higher management fees, this fact presents a conflict of interest for us to promote and recommend funds that have higher management fees. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation as a result of revenue-sharing payments received by Morgan Stanley. Moreover, for advisory account clients, the fees are rebated.

Money Market and Money Market Sweep Funds

Money market funds are subject to different compensation arrangements than the revenue-sharing program outlined above for mutual funds.

NON-SWEEP MONEY MARKET FUNDS

We receive revenue-sharing fees of up to 0.10% per year (\$10 per \$10,000 of assets) on money market funds available for direct purchase. However, unlike the compensation arrangements outlined above, where Financial Advisors do not receive any portion of this compensation, under certain circumstances, all or a portion of these payments is allocated to your Morgan Stanley Financial Advisor

based upon Morgan Stanley's standard compensation formulas for holdings of direct-purchase money market funds in your brokerage account. Note, for advisory accounts, the fees are rebated to clients.

SWEEP MONEY MARKET FUNDS

Our affiliate, Morgan Stanley Investment Management, serves and receives compensation as the investment adviser to the money market funds that are available as cash management sweep options for eligible Morgan Stanley client accounts. Morgan Stanley receives compensation from the funds based on the amount of

money market sweep fund assets held by our clients in brokerage accounts of up to 0.25% per year (\$25 per \$10,000 of assets). A portion of such compensation is paid to your Financial Advisor based upon Morgan Stanley's standard compensation formulas. Morgan Stanley either rebates to clients or does not receive compensation on sweep money market fund positions held by clients in our fee-based advisory account programs.

For More Information

For additional information on a particular fund's payment and compensation

practices, please refer to the fund's Prospectus and Statement of Additional Information. For further information regarding the fund fees and expenses borne by you, and how Morgan Stanley and your Financial Advisor are compensated when you purchase and hold mutual fund shares, please refer to "Mutual Fund Features, Share Classes and Compensation," available at the [Disclosures link](#) on our website. You may also contact your Financial Advisor.

2020 Revenue-Sharing Fund Families

American Funds	Alliance	American Century	Blackstone Funds	Legg Mason Offshore	Aberdeen Asset
Franklin Templeton*	Bernstein Funds	Investments	JP Morgan Offshore	AIG Funds	Management, Inc.
Invesco	Principal Funds	Fred Alger &	Victory Funds	AMG Distributors, Inc.	Van Eck Funds
BlackRock Funds	Putnam Funds	Company	Voya Funds	Principal Global	TCW Funds
Morgan Stanley Funds	Delaware	MFS Offshore	GQG Partners LLC	Investors	LoCorr Funds
JP Morgan	Investments	Artisan	Franklin	Royce Funds	Amundi Asset
Legg Mason	Legg Mason 529 Plans	Distributors LLC	Templeton Offshore	Ninety One	Management S.A.
First Eagle Funds	Mainstay Funds	Ivy Funds	Miller Value	(Offshore)	Nationwide
MFS Investments	John Hancock Funds	Davis Advisors	Partners, LLC	Diamond Hill	Pear Tree Funds
PIMCO	Guggenheim	PIMCO Offshore	American Beacon	Nuance Funds	Schroder Offshore
Eaton Vance Group	Pioneer Funds	Allianz	Angel Oak Funds	Advisors Asset	Congress Asset
Lord Abnett Funds	Harding Loevner Funds	Touchstone Funds	Catalyst Capital	Management	Management
Nuveen Funds	Federated Hermes	Metropolitan West	Advisors, LLC	Janus Offshore	Tweedy Brown Funds
Columbia Management	Securities	Funds	Robeco	First Pacific	William Blair Funds
Prudential Investments	Wells Fargo	Matthews	Institutional Asset	First Trust	Mirae
T Rowe Price Funds	Oakmark Funds	International Funds	Management B.V.	Brookfield	IVA Funds
Virtus	Calamos Funds	DWS	Gabelli Funds	Parnassus Funds	Hennessy
Hartford Funds	BNY Mellon	Neuberger Berman	Causeway Funds		
Fidelity Advisors	DoubleLine Capital LP	Management Inc.			
MSIM Offshore	Alliance	Lord Abnett			
Janus Capital Group	Bernstein Offshore	Offshore			
Thornburg	Cohen & Steers	Invesco Conservative			
Goldman Sachs	Lazard Funds	Income Inst			
Natixis Funds	Polen Capital	Transamerica Funds			
	Management, LLC	BlackRock Offshore			
		Baron Funds			

Before buying any mutual fund, request a prospectus from your Financial Advisor and read it carefully. The prospectus contains important information on fees, charges and investment objectives, which should be considered carefully before investing.

An investment in a mutual fund is subject to market risk, including the loss of principal invested.

*Includes Legg Mason for period following July 31, 2020 acquisition.

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