

Margin Interest Rate Schedule

Effective March 2020

Your interest rate is determined by the size of your margin loan (or debit) in your margin account on a daily basis. We charge a base lending rate plus or minus a percentage that varies based on your daily close of business net settled debit balance. The broker call rate, the prime rate, the federal funds rate and other commercially recognized interest rates are taken into consideration when we calculate our base lending rate.

The margin base lending rate, and therefore the total interest rate you are charged, may change without notice; the current rate is posted online at www.morganstanley.com/online.

The margin base lending rate is set by Morgan Stanley Smith Barney LLC and it is currently 7.00%.¹ The current percentage that is added to the margin base lending rate is as follows:

Daily Close of Business Net Settled Debit Balance	Percentage Added to Margin Base Lending Rate	Effective Rates*
\$0–\$99,999	+0.750%	7.750%
\$100,000–\$499,999	+0.250%	7.250%
\$500,000–\$999,999	–0.750%	6.250%
\$1,000,000–\$4,999,999	–1.125%	5.875%
\$5,000,000–\$9,999,999	–1.375%	5.625%
\$10,000,000–\$19,999,999	–2.625%	4.375%
\$20,000,000–\$49,999,999	–3.125%	3.875%
\$50,000,000+	–3.625%	3.375%

* Effective rate includes spread plus margin base lending rate of 7.00%, as of March 16, 2020. Subject to change.

If the total interest rate charged to you pursuant to this schedule changes for any reason other than an increase to the margin base lending rate, we will give you at least 30 days advance written notice. We reserve the right to charge a different (i.e., higher or lower) interest rate based on factors determined by us in our sole discretion, including, but not limited to, a high concentration of a security or a business sector, low-priced or speculative securities, account activity or your reason for borrowing.

Borrowing against securities may not be appropriate for everyone. You should be aware that securities based loans involve a high degree of risk and that market conditions can magnify any potential for loss. For details, please see the important disclosures below.

Important Risk Information for Securities Based Lending: You need to understand that: (1) Sufficient collateral must be maintained to support your loan(s) and to take future advances; (2) You may have to deposit additional cash or eligible securities on short notice; (3) Some or all of your securities may be sold without prior notice in order to maintain account equity at required maintenance levels. You will not be entitled to choose the securities that will be sold. These actions may interrupt your long-term investment strategy and may result in adverse tax consequences or in additional fees being assessed; (4) Morgan Stanley Bank, N.A., Morgan Stanley Private Bank, National Association or Morgan Stanley Smith Barney LLC (collectively referred to as “Morgan Stanley”) reserves the right not to fund any advance request due to insufficient collateral or for any other reason except for any portion of a securities based loan that is identified as a committed facility; (5) Morgan Stanley reserves the right to increase your collateral maintenance requirements at any time without notice; and (6) Morgan Stanley reserves the right to call securities based loans at any time and for any reason.

Margin Loans are investment products offered through Morgan Stanley Smith Barney LLC. Margin Loans are securities based loans, which can be risky, and are not appropriate for all investors. To be eligible for a securities based loan, a client must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities, which shall serve as collateral for the securities based loan.

Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

¹ As of March 2020. Subject to change.