Important Information
Morgan Stanley SIMPLE IRA Summary

The following is intended to provide you with basic information on the roles and services that Morgan Stanley Smith Barney LLC ("Morgan Stanley") fulfills and provides in connection with the Morgan Stanley Smith Barney Savings Incentive Match Plan for Employees prototype plan document (the "Morgan Stanley SIMPLE") and any underlying SIMPLE IRA available through Morgan Stanley.

Any IRA (including any SIMPLE IRA) available through Morgan Stanley contains both a brokerage account component, governed by the broker-dealer requirements of, among others, FINRA and the U.S. Securities and Exchange Commission; and an IRA component, regulated by the U.S. Internal Revenue Service and subject to the requirements of the U.S. Internal Revenue Code. The brokerage component is designed to govern the usual activities and services offered in a brokerage account and will be custodied and maintained by Morgan Stanley pursuant to the terms and conditions of the IRA documentation, while the IRA component is designed to qualify the account as an Individual Retirement Account pursuant to section 408 of the Internal Revenue Code.

Please keep this summary with your SIMPLE IRA documents. Each eligible employee, as determined by their employer's eligibility requirements, must establish a SIMPLE IRA to receive both elective deferrals and employer contributions. For additional information about your SIMPLE IRA, please refer to the booklet you received when you opened your account (which should include a "Disclosure Statement" for your SIMPLE IRA), or contact your Morgan Stanley Financial Advisor or Private Wealth Advisor, the employer sponsoring the plan or, if Morgan Stanley is not the custodian of your SIMPLE IRA, the financial organization who is the custodian of your SIMPLE IRA.

Morgan Stanley, as custodian of a SIMPLE IRA, is required by applicable tax rules to provide certain information about an employer's Savings Incentive Match Plan for Employees ("SIMPLE Plan") and the Morgan Stanley SIMPLE IRA. Additionally, in advance of each new year — and before the 60 day period prior to the start of the year — the employer sponsoring the plan is required by the Internal Revenue Code (the "Code") to give notice to eligible employees of, among other things, the name and address of the employer, the plan's eligibility rules, the benefits provided by the plan and the rules for making salary deferral contributions and withdrawals (including rollovers). For the purpose of an employer's SIMPLE Plan, a "year" is a calendar year.

The employer sponsoring the plan must also notify employees of their right to enter into a salary reduction agreement or to modify a prior agreement, and should provide employees with a form with which to start, stop or change their salary deferrals (a "Salary Reduction Agreement"). If employees meet the eligibility requirements, employees may make salary reduction contributions to a SIMPLE IRA by completing a Salary Reduction Agreement and returning it to their employer. The employer will reduce their employees' cash compensation by the amount they elect and will make a contribution to their SIMPLE IRA of an equal amount. Employee salary reduction contributions are referred to in this summary as "elective deferrals."

Finally, an employer must notify employees of any rights that they have under the plan to choose the financial institution that will act as custodian of their IRA or to transfer amounts from the financial institution designated by their employer.

Following is a summary of basic information about a SIMPLE Plan. For more information, please refer to any employer provided documentation, which should also be retained with your SIMPLE IRA documents, in addition to this summary.

I. GENERAL INFORMATION

To maintain a SIMPLE Plan for a year, an employer must meet certain requirements. First, an employer must be a "small employer." This means that during the preceding year, an employer must not have employed more than 100 employees (including self-employed individuals and certain leased employees) whose compensation for the year was at least $5,000. If, in any subsequent year, an employer fails this "small employer" test, an employer generally may continue to maintain the SIMPLE Plan for no more than two years since the employer last passed the test before the employer must either pass the "small employer" test or stop making contributions to the plan. Second, an employer cannot maintain a SIMPLE Plan for any year in which the employer maintains another tax-qualified plan, including a 403(b) plan or a Simplified Employee Pension Plan ("SEP"), under which any employee accrues benefits or contributions are made to the plan, other than a plan maintained for a group of collectively bargained employees. In applying these rules, any employer that is related to the employer sponsoring the plan (a "related employer") by reason of common ownership or affiliated management, and the employees of any related employer, must be taken into account, and certain rules relating to corporate transactions apply.

Employers complete a SIMPLE Plan Adoption Agreement using IRS Form 5304-SIMPLE or 5305-SIMPLE or a financial institution's prototype plan such as the Morgan Stanley SIMPLE. The terms of that Adoption Agreement, in conjunction with the underlying plan document, control all aspects of an employer's SIMPLE Plan. The Code allows employers to elect from among a number of alternative plan rules. The rules an employer chooses for their SIMPLE Plan must be set forth in a notice that the employer must give to their employees prior to the 60-day period before the start of every year.

All amounts appropriately contributed to an employee's SIMPLE IRA belong to the employee immediately and remain theirs even if they quit working for their employer. SIMPLE IRA owners may also directly transfer assets between their SIMPLE IRA and a SIMPLE IRA with any other qualified trustee or custodian.

II. ELIGIBILITY

Generally, employees will be eligible to elect to participate in their employer's SIMPLE Plan if they received at least $5,000 in compensation from their employer during any two preceding years and if they are expected by their employer to receive at least $5,000 in the current year. However, their employer's SIMPLE Plan may exclude from eligibility union employees for whom retirement benefits have been the subject of good faith collective bargaining, nonresident aliens who have no earned income from sources within the United States, and/or employees who would not have been eligible if an acquisition, disposition or similar transaction had not occurred, but only for the year of the transaction and the following year. In addition, an employer's SIMPLE Plan may provide more liberal eligibility rules by lowering the required amount of compensation and/or the years of service. These rules must be described in the notice employers deliver to their employees.

III. BENEFITS PROVIDED UNDER A SIMPLE PLAN

Eligible employees may elect to have a percentage (up to 100%) or a fixed-dollar amount of their compensation from their employer contributed as elective deferrals to their SIMPLE IRA. The maximum amount of elective deferrals that employees may contribute for 2015 is $12,500 (this amount is indexed for inflation, and the maximum for 2016 will be published by the IRS towards the end of 2015). In addition, if permitted by the terms of the SIMPLE Plan, participants who are 50 and older may be able to defer an additional amount above the maximum deferral amount. This additional ("catch-up") contribution is any amount up to $3,000 for 2015 (the maximum amount for 2016 will be published by the IRS towards the end of 2015).

Subject to certain modifications that an employer may make, "compensation" generally includes all earnings that are subject to Federal income tax withholding plus employee elective deferrals, or, if the individual is self-employed, net earned income derived from personal services. An employer must contribute employee elective deferrals to their SIMPLE IRA as soon as practicable but in no event later than 30 days after the end of the month in which the elective deferrals are deducted from employee paychecks.

If an employee makes elective deferrals, their employer must make a matching contribution to the employee's SIMPLE IRA in an amount equal to the lesser of their elective deferrals or 3% of their compensation. An employer may elect to use a lower percentage (not lower than 1%) as long as the percentage is not lower than 3% in more than two out of any five consecutive years. No compensation limit is applied in the calculation of employer matching contributions. However, as an alternative contribution formula for any year, an employer may elect to contribute 2% of an employee's compensation to their SIMPLE IRA. For this purpose, compensation may not exceed $265,000 in 2015. This compensation limit may be increased in increments of $5,000 by the U.S. Treasury Department to reflect increases in cost-of-living. Such contributions are called "nonelective employer contributions." Nonelective employer contributions are made without regard to whether an employee makes elective deferrals, but the employee must still meet any eligibility requirements specified by their employer for the SIMPLE Plan in order to qualify for a nonelective employer contribution. An employer must inform employees before the start of the 60-day election period, further described below, if a match percentage other than 3% is to be used or if non-elective employer contributions will be made for the coming year. Matching or nonelective employer contributions must be made to employees' SIMPLE IRAs no later than the date the employer's Federal income tax return is due (including extensions) for its taxable year with which (or within which) the year ends.

IV. ELECTIVE DEFERRAL CONTRIBUTIONS — METHOD OF ELECTION

As described above, eligible employees generally must receive notice of their salary reduction contribution rights immediately prior to the 60-day period before the effective date of the plan and, thereafter, prior to the 60-day period before the start of each year (i.e., before November 2). These 60-day periods are referred to in the remainder of this summary as "election periods." If an employer allows eligible employees to join the plan during the year, the notice must be given on or before the date a newly hired employee first becomes eligible to make elective deferrals and the election period will commence on that date. The notice must explain how employees may elect to make elective deferral contributions to their SIMPLE IRA. If an employee is eligible, during the election periods, they may instruct their employer to have elective deferrals withheld from their compensation by completing and returning a Salary Reduction Agreement. A newly hired employee who is allowed to commence elective deferrals on a date other than January 1 may commence elective deferrals on the earliest date allowed under their employer's plan even if their election period has not expired and they may also change their election at any time during that election period. Employees must establish a SIMPLE IRA to receive their elective deferrals and their employer's contributions. If an employee does not establish a SIMPLE IRA before contributions must be made on their behalf, their employer will establish a SIMPLE IRA for them. Employees may terminate their election to make elective deferrals at any time during the year by giving written notice to their employer. An employer may also allow employees to modify their election in other respects during the year (for example, by allowing employees to increase or decrease the percentage or dollar amount of compensation being deferred) or to make a new election, but an employer is not required to allow employees to make such changes or recommence their elective deferrals until the next year starts. The notice employees receive from their employer should include the mid-year election change rules applicable to the employer's SIMPLE Plan. No change or termination of an employees' Salary Reduction Agreement may apply to compensation that they have already received or to elective deferrals that have been deducted from their paychecks.

V. FEDERAL INCOME TAX TREATMENT OF SIMPLE PLAN CONTRIBUTIONS

A. Employee Elective Deferrals

Any elective deferrals that have been contributed properly out of employee compensation will be excluded from their gross income for Federal income tax purposes and will not be included as taxable wages on Federal Form W-2. However, elective deferrals are subject to Social Security and Medicare (FICA) taxes. Once in a SIMPLE IRA, employee elective deferrals and any investment earnings generally are not subject to Federal income tax until withdrawn from the SIMPLE IRA.

B. Employer Contributions

Matching or nonelective contributions made by an employer to an employee's SIMPLE IRA account will be excluded from their gross income and will not be included as taxable wages on Federal Form W-2. Employer contributions are also not subject to FICA taxes. Once in a SIMPLE IRA, employer contributions and any investment earnings generally are not subject to Federal income tax until withdrawn from the SIMPLE IRA.

C. Availability of Traditional and Roth IRAs to Participants

In addition to elective deferrals and employer contributions to a SIMPLE IRA, you may make regular IRA contributions for yourself to a Traditional IRA or, if you are eligible, to a Roth IRA, up to the lesser of $5,500 for 2015 or 100% of compensation. If you are married and file a joint return, you may also contribute up to an additional $5,500 for 2015 (but not over 100% of joint compensation) to a Traditional IRA or, if you are eligible, to a Roth IRA established for your spouse. You may not make these other IRA contributions to your SIMPLE IRA. In addition, Traditional and Roth IRA participants and their spouses who are age 50 or older may contribute an additional amount above the maximum contribution amount. For 2015, this additional or "catch-up" amount is $1,000 each for the participant and spouse. The amounts set forth in this paragraph are subject to adjustment and any changes to these amounts for 2016 will be published by the IRS towards the end of 2015.

Traditional IRA contributions may be deducted from gross income on your Federal income tax returns subject to certain limits. If you are an "active participant" in your employer's SIMPLE Plan (or you or your spouse is an active participant in another employer-sponsored retirement plan), your ability to deduct your regular and spousal IRA contributions is phased out if your modified adjusted gross income ("MAGI") on your Federal income tax returns exceeds certain limits. You are an "active participant" in your employer's SIMPLE Plan for any year in which elective deferrals or employer contributions are added to your SIMPLE IRA. If your spouse is not an "active participant," Traditional IRA contributions made by or on behalf of your spouse may be deducted if your joint adjusted gross income does not exceed certain limits. See IRS Publication 590-A, "Contributions to Individual Retirement Arrangements (IRAs)," for more specific information.

VI. FEDERAL INCOME TAX TREATMENT OF SIMPLE IRA DISTRIBUTIONS

The procedures for receiving distributions from a SIMPLE IRA, and the effects of such withdrawals, should be explained in the Disclosure Statement of your SIMPLE IRA. Please review the documentation provided to you in connection with your SIMPLE IRA for further details, and contact your Morgan Stanley Financial Advisor or Private Wealth Advisor, branch or other Morgan Stanley servicing area for more information about Morgan Stanley's documentation, policies and procedures (if you do not have a Morgan Stanley SIMPLE IRA, you will need to contact the custodian of your SIMPLE IRA or your employer). More specifically, with respect to a Morgan Stanley SIMPLE IRA, you can take a distribution or effectuate a transfer by completing a withdrawal/transfer form (e.g., the Morgan Stanley IRA Distribution Form located at: http://www.morganstanley.com/wealth/investmentsolutions/pdfs/IRA_Distribution_Form%20_%20June_2015.pdf). The following summarizes the federal tax rules governing such distributions.

You may generally take distributions from your SIMPLE IRA under the same Federal taxation rules that apply to Traditional IRAs, which is to say that you may take distributions at any time subject to the income and penalty tax rules discussed below and in your SIMPLE IRA Disclosure Statement.

Distributions will be included in your taxable income, and may be subject to a premature distribution penalty tax depending on the circumstances. In general, you may receive distributions without the premature distribution penalty tax only after you attain age 59½ unless the distribution is made: (1) due to your death; (2) due to your qualifying disability; (3) in substantially equal periodic payments calculated using your life expectancy or the joint life expectancies of you and your beneficiary and lasting until the later of five years from the date of the first payment or the attainment of age 59½; (4) to pay qualified medical expenses in excess of 10% of your AGI or medical insurance premiums following 12 weeks of unemployment (and certain conditions are met); (5) for qualified higher education expenses; (6) for a qualified first-time homebuyer purchase (up to $10,000 lifetime); (7) on account of a qualifying Federal tax levy; (8) as a qualified reservist distribution; or (9) as a qualified disaster distribution.

The premature distribution penalty tax is equal to 10% of your taxable distribution. However, the premature distribution penalty tax rate is increased to 25% for any premature distribution that you receive during the two-year period beginning on the date you first participated in your employer's SIMPLE Plan. Generally, your SIMPLE IRA distribution may be rolled over to another SIMPLE IRA, a Traditional IRA or certain other eligible retirement plans, subject to certain limitations. See the discussion of rollovers in Part VII.

You must start taking distributions from your SIMPLE IRA no later than April 1 following the year you reach age 70½, (your "required beginning date"), regardless of whether you have stopped working. IRS rules require that you receive a minimum required distribution for each year starting with the year in which you attain age 70½. You must take the required minimum distribution for each subsequent year by December 31 of each such year. This means you may have to take two distributions in the year you first take minimum required distributions.

In any year, if you fail to take the minimum required distributions, you will be subject to a penalty tax of 50% of the amount you should have received but did not. The IRS rules governing mandatory distributions also apply to distributions from your SIMPLE IRA upon your death.

For additional information with regard to the IRS minimum required distribution rules, the taxation of distributions from your SIMPLE IRA and other penalty taxes that may apply, please refer to the Disclosure Statement for your SIMPLE IRA or to IRS Publication 590-B, "Distributions from Individual Retirement Arrangements (IRAs)."

VII. ROLLOVER OR TRANSFER OF ASSETS AMONG SIMPLE IRA ACCOUNTS

You may withdraw amounts (cash, securities or both) from your SIMPLE IRA and, no more than 60 days later, place such cash and/or securities in another SIMPLE IRA without incurring Federal income tax. This is called a "rollover." Note, however, you may only make one tax-free rollover of a distribution you receive from any IRA (including a SIMPLE IRA) to another (or the same) IRA in any 12-month period, no matter how many IRAs you own. However, there are no restrictions on the number of "transfers" you may make to another SIMPLE IRA if you arrange to have such cash or securities directly transferred between the trustees or custodians of such accounts so that you never have possession of the assets of your SIMPLE IRA. You may also roll over or transfer amounts to a Traditional IRA, an employer's qualified plan, a 403(b), a 403(a)annuity or governmental 457(b) plan in the same fashion, but only if the rollover or transfer from your SIMPLE IRA takes place after the two-year period beginning on the date you first participated in your employer's SIMPLE Plan. If your SIMPLE IRA satisfies the two-year holding period just described, you may roll over or convert your SIMPLE IRA to a Roth IRA. The taxable amount rolled over or converted to a Roth IRA must be included in your gross income for the year of the conversion distribution (or deemed distribution). For more information on rollovers and transfers please refer to the Disclosure Statement for your SIMPLE IRA or to IRS Publication 590-A.

VIII. ADDITIONAL REPORTS

The custodian or trustee of your SIMPLE IRA is required to provide you with an annual report showing the contributions to and distributions from your SIMPLE IRA, if any, and the year-end value of your SIMPLE IRA. This information will also be reported to the IRS. Morgan Stanley will provide you with account statements showing all transactions and holdings in your Morgan Stanley SIMPLE IRA. Such statements are provided after the end of each calendar quarter and after each month in which a transaction (i.e., contribution, purchase, sale, receipt of dividends, etc.) takes place.

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