

Energy Income Partners
10 Wright Street
Westport, Connecticut 06880

Style: MLP/Energy Infrastructure
Sub-Style:
Firm AUM:
Firm Strategy AUM: \$412.0 million

Year Founded: 2003
GIMA Status: Focus
Firm Ownership: No Firm Ownership Selected
Professional-Staff: 14^

PRODUCT OVERVIEW

EIP invests in energy infrastructure with historical yields of 5-7% and historic growth of 5-7% that they believe have potential for continued or improved growth. Portfolio companies are all publicly traded and engaged primarily in non-cyclical fee-for-service business such as pipelines and storage terminals. The portfolio invests in approximately 35MLP, utility and C-corp names. The top 10 holdings are approximately 50%-60% of the portfolio. Geographical market focus is U.S. and Canada.

TARGET PORTFOLIO CHARACTERISTICS

Number of stock holdings:	35 to 45
Average dividend yield:	Above the S&P 500
P/E ratio:	Above the S&P 500
Cash level over market cycle:	2 to 8%
Risk (standard deviation):	Similar to the S&P 500
Average turnover rate:	35 to 45%
Use ADRs:	0 to 8%
Capitalization:	Large, Medium and Small companies

PORTFOLIO STATISTICS

	-----06/18-----	12/17	
	EIP Infra & MLP	EIP Infra & MLP Index***	EIP Infra & MLP
Number of stock holdings	36	44	32
Wtd avg dividend yield	5.4%	8.0%	5.9%
Wtd avg P/E ratio ¹	—	19.50x	—
Wtd avg portfolio beta	—	—	—
Mega capitalization ⁺	0.0%	0.0%	0.0%
Large capitalization ⁺	0.0%	53.6%	0.0%
Medium capitalization ⁺	0.0%	35.7%	0.0%
Small capitalization ⁺	0.0%	8.9%	0.0%
Micro capitalization ⁺	0.0%	1.8%	0.0%

PORTFOLIO'S EQUITY SECTOR WEIGHTINGS ⁺

Sector	-----06/18-----	12/17	
	EIP Infra & MLP	EIP Infra & MLP Index***	EIP Infra & MLP
Energy	71.90	96.19	82.00
Utilities	24.90	3.81	15.00
Real Estate/REITs	0.00	0.00	0.00
Cash/Cash Equivalents	3.20	0.00	3.00

PORTFOLIO'S TOP FIVE EQUITY HOLDINGS

	%
Enterprise Products Partners LP	13.5
Magellan Midstream Partners LP	8.0
NextEra Energy Partners, LP	5.5
TransCanada Corp	5.0
Williams Partners L.P.	5.0

% PROCESS BASED ON

- 0 Asset allocation - cash vs. stock
- 0 Industry or sector weighting
- 100 Stock Selection

MANAGER'S INVESTMENT STRATEGY

- Top-down / portfolio structures based on economic trends
- Bottom-up / portfolio structure based on individual securities

¹As of 06/30/2015. Information as of 06/30/2018 is not yet available.

***Index : Alerian MLP Index

¹The P/E used here is calculated by the harmonic mean.

⁺Total may not equal 100% due to rounding.

MANAGER'S INVESTMENT PROCESS		RISK CONSIDERATIONS	PORTFOLIO'S ALLOCATION HISTORY (%) *			
			06/18	03/18	12/17	09/17
• EIP's investment process is based strictly on fundamental factors related to each portfolio company, its customer and competitors and the energy industry as a whole.		<p>Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources, or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Investing in securities entails risks, including: Equity portfolios are subject to the basic stock market risk that a particular security, or securities in general, may decrease in value. Equity securities' prices may fluctuate in response to specific situations for each company, industry, market conditions and general economic environment.</p> <p>Companies paying dividends can reduce or cut payouts at any time. Strategies that invest a large percentage of assets in only one industry sector (or in only a few sectors) are more vulnerable to price fluctuation than portfolios that diversify among a broad range of sectors. The stocks of small and medium-sized companies are often associated with higher risk than stocks of larger companies, including higher volatility.</p> <p>Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. Value investing does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.</p>	85	86	85	86
• EIP maintains proprietary financial, operating and free cash flow models on all of its portfolio companies as well as companies in its investment universe.			5	5	6	6
• EIP conducts extensive field research at the locations of its portfolio companies' headquarters as well as field operations.			7	6	5	5
• Stock selection is based on expected total return over a three-year holding period.			3	3	3	3
• Portfolio construction is a thorough process that seeks to reduce risk by limiting position sizes and diversifying across industry segments and geography without sacrificing quality.						

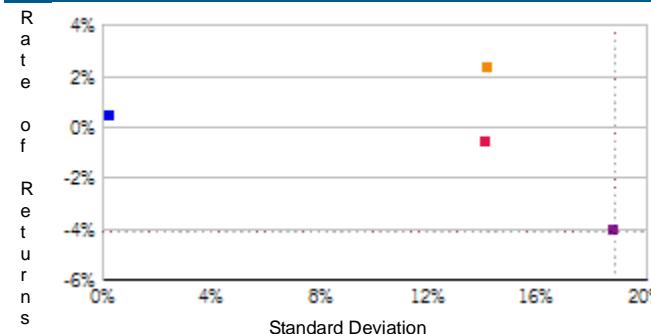
¹As of 06/30/2015. Information as of 06/30/2018 is not yet available.

***Index : Alerian MLP Index

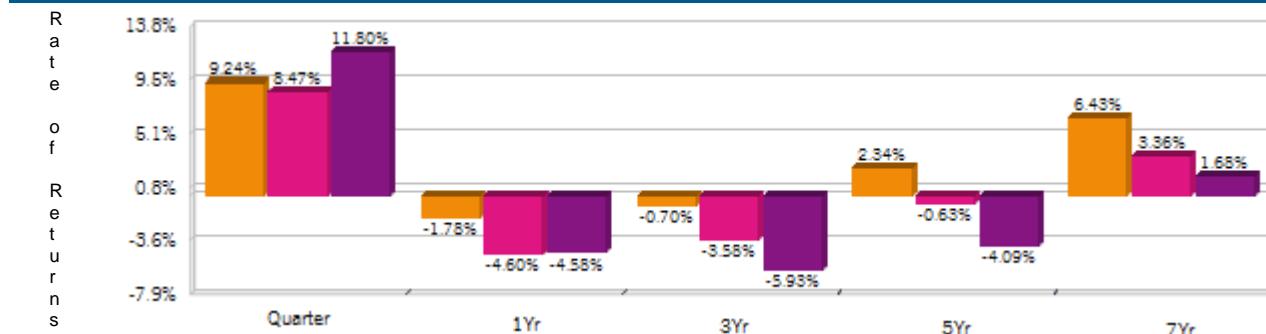
¹The P/E used here is calculated by the harmonic mean.

[†]Total may not equal 100% due to rounding.

RISK/RETURN ANALYSIS - 5 YEARS ENDING 06/30/18



AVERAGE ANNUAL TOTAL RETURN (%) - PERIODS ENDING 06/30/18

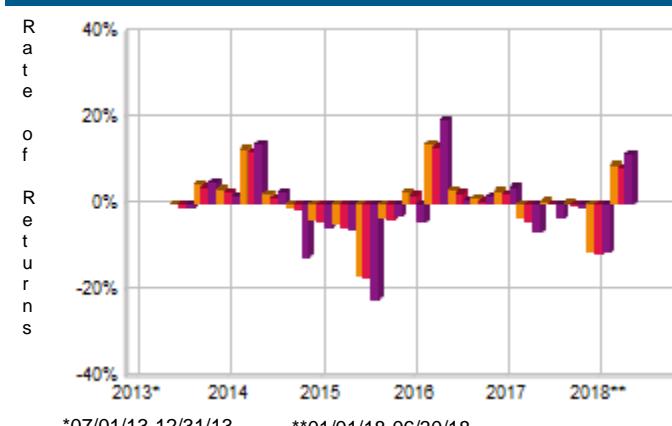


	STD	ROR
EIP Infra & MLP (Gross)	14.20	2.34
EIP Infra & MLP (Net)	14.12	-0.63
Alerian MLP Index	18.83	-4.09
90-Day T-Bills	0.26	0.39

INVESTMENT RESULTS

	Annual Rates of Return (%)						8 Year - Ending 06/30/18			
	2010	2011	2012	2013	2014	2015	2016	2017	Annual	Std. Dev.
EIP Infra & MLP (Gross)	37.83	19.34	5.80	24.03	18.97	-25.48	23.24	1.01	9.55	14.86
EIP Infra & MLP (Net)	33.92	15.94	2.74	20.52	15.50	-27.64	19.62	-1.93	6.40	14.79
Alerian MLP Index	35.85	13.88	4.80	27.58	4.80	-32.59	18.31	-6.52	4.63	18.56

RISK VOLATILITY (%)



*07/01/13-12/31/13

**01/01/18-06/30/18

PORTFOLIO'S QUARTERLY RETURNS (%)

	Quarter1		Quarter2		Quarter3		Quarter4	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2010	8.81	8.01	2.50	1.76	12.15	11.37	10.19	9.41
2011	7.01	6.23	1.44	0.71	-5.44	-6.16	16.27	15.48
2012	1.28	0.53	-1.01	-1.73	7.70	6.94	-2.02	-2.75
2013	16.93	16.14	1.31	0.57	-0.02	-0.75	4.72	3.97
2014	3.55	2.79	12.93	12.14	2.34	1.56	-0.60	-1.34
2015	-3.47	-4.19	-4.63	-5.32	-16.52	-17.16	-3.03	-3.70
2016	2.90	2.10	14.09	13.29	3.36	2.60	1.57	0.79
2017	3.09	2.35	-3.08	-3.80	0.83	0.10	0.26	-0.50
2018	-11.05	-11.70	9.24	8.47				

Related

Select UMA

PORTFOLIO'S RISK STATISTICS - PERIODS ENDING 06/30/18^{1,2}

	3 Year	5 Year
Standard Deviation	16.29%	14.20%
Standard Deviation of Primary Benchmark	21.10%	18.83%
Sharpe Ratio	-0.08	0.14
Sharpe Ratio of Primary Benchmark	-0.31	-0.24
Alpha	3.38%	5.00%
Beta	0.74	0.71
Downside Risk	3.77%	2.94%
R-Squared	0.92	0.88
Tracking Error	7.06%	7.38%
Information Ratio	0.74	0.87

1. Statistics are calculated using gross of fee performance only.

2. Alerian MLP Index was used as the primary benchmark and the 90-Day T-Bills Index as the risk-free benchmark.

PORTFOLIO DIVERSIFICATION - R²(INCEPTION THROUGH 12/14)+

EIP Infra & MLP vs. Alerian MLP Index	R ²
	0.92

+Statistics are calculated using gross of fee performance only.

See important notes and disclosures pages for a discussion of the sources of the performance data used to calculate the performance results and related analyses shown above.

IMPORTANT NOTES AND DISCLOSURES

COMPOSITE DISCLOSURES

Past performance is no guarantee of future results. Actual individual account results may differ from the performance shown in this profile. There is no guarantee that this investment strategy will work under all market conditions. Do not use this profile as the sole basis for your investment decisions.

Performance results in this profile are calculated assuming reinvestment of dividends and income. Returns for more than one year are annualized and based on quarterly data. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Sources of Performance Results and Other Data: The performance data and certain other information for this strategy (including the data on page 1 of this profile) reflect the investment manager's results in managing Morgan Stanley program accounts, or the investment manager's results in managing accounts and investment products, in the same or a substantially similar investment discipline. (For periods through June 2012, the Fiduciary Services program operated through two channels - Morgan Stanley channel and the Smith Barney channel - and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of the these channels.) This information for the investment manager is presented solely to provide information about accounts that were managed according to investment objectives and strategies the same or substantially similar to the corresponding investment discipline in the Select UMA program. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment disciplines in the two programs may differ due to investment and operational differences. For example, the individual investment disciplines in the Select UMA accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax-harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. Accordingly, the performance of the accounts in the Fiduciary Services program is not, and may differ significantly from, the performance of the accounts in the Select UMA program and should not be considered indicative of or a substitute for Select UMA performance. Similarly, performance results of the investment manager's composites may differ from those of Select UMA accounts managed in the same or a substantially similar investment discipline.

Related Performance:

The performance composite calculated by Energy Income Partners LLC includes all fee paying discretionary portfolios with a maximum value less than \$20 million that invest primarily in securities in the energy industry, focusing on US and CAD infrastructure investments. Portfolios enter the composite in the first full month they are invested 90%. The assets are valued on an accrual basis of accounting in accordance with United States generally accepted accounting principles. The assets are valued and performance calculated monthly in United States dollars. Annual returns are time weighted rates of return geometrically calculated by linking monthly returns.

Morgan Stanley Performance:

The composite consists of **253** account(s) with a market value of **\$128.3 million** as of **06/30/2018**. In this profile, the performance from April 1, 2016, consists of the performance of all single style Select UMA accounts managed by the investment manager in this strategy, subject to any other limitations stated in this profile. Performance composites calculated by Morgan Stanley include all fee-paying portfolios with no investment restrictions. New accounts are included beginning with the second full calendar month of performance. Terminated accounts are removed in the month in which they terminate (but prior performance of terminated accounts is retained). Performance is calculated on a total return basis and by asset weighting the individual portfolio returns using the beginning of period values.

Gross Performance: EIP Infra & MLP's gross results do not reflect a deduction of any investment advisory fees or program fees, charged by EIP Infra & MLP or Morgan Stanley, but are net of commissions charged on securities transactions.

Net Performance for all Periods: Net performance results reflect a deduction of 0.7425% quarterly. This consists of three components: 0.625% maximum quarterly MSSB Advisory Fee and 0.0175% maximum quarterly Program Overlay Fee (which, together cover the services provided by Morgan Stanley Smith Barney), plus 0.1% quarterly SMA Manager Fees (being the fee currently charged by EIP Infra & MLP to new clients for managing their assets in the Personal Portfolio program). The SMA Manager Fees may differ from manager to manager, and managers may change their fee to new clients from time to time. If you select this manager for your account, check the SMA Manager Fees specified in the written client agreement, in case these have changed since you received this profile. Historical net fees reflect the Advisory Fee Schedule as of March 31, 2014.

Morgan Stanley program fees are usually deducted quarterly, and have a compounding effect on performance. The Morgan Stanley program fee, which differs among programs and clients, is described in the applicable Morgan Stanley ADV brochure, which is available at www.morganstanley.com/ADV or on request from your Financial Advisor or Private Wealth Advisor.

MLP and other Partnership Investments in IRA/Retirement Plan and other Tax Exempt CG Accounts:

For the reasons outlined below, where an otherwise tax exempt account (such as an IRA, qualified retirement plan, charitable organization, or other tax exempt or deferred account) is invested in a pass through entity (such as a master limited partnership), 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 ("IRAs"), are generally exempt from federal income taxes, however, certain investments made by such retirement plans 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 qualified retirement plan. 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 master limited partnerships), 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 plan's custodian or fiduciary (on behalf of the retirement plan) 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 plan'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 plan's UBTI, potentially limiting the amount of losses that can be used to offset the retirement plan'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 master limited partnerships, on an entity-by-entity basis, meaning that the passive activity losses generated by one master limited partnership generally can only be used to offset the passive activity income (including unrelated traded or business income) from the same master limited partnership. The passive activity losses generated by one master limited partnership generally cannot be used to offset income from another master limited partnership (or any other source). The disallowed losses are suspended and carried forwarded to be used in future years to offset income generated by that same master limited partnership. However, once the retirement plan disposes of its entire interest in the master limited partnership to an unrelated party, the suspended losses can generally be used to offset any unrelated trade or business income generated inside the retirement plan (including recapture income generated on the sale of the master limited partnership interest, as well as income generated by other master limited partnerships).

In calculating the tax, trust tax rates are applied to the retirement plan'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 plan's potential tax deductions. In order to file Form 990-T, the retirement plan 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 plan 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.

Document approval date February 2013.

Focus List, Approved List, and Watch Status:

Global Investment Manager Analysis ("GIMA") uses two methods to evaluate investment products in applicable advisory programs. In general, strategies that have passed a more thorough evaluation may be placed on the "Focus List", while strategies that have passed through a different and less comprehensive evaluation process may be placed on the "Approved List". Sometimes an investment product may be evaluated using the Focus List process but then placed on the Approved List instead of the Focus List.

Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either evaluation process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status).

GIMA has a "Watch" policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved". The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager to address any concerns. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" on the cover page.

For more information on the Focus List, Approved List, and Watch processes, please see the applicable Morgan Stanley ADV brochure (www.ms.com/adv). Your Financial Advisor or Private Wealth Advisor can provide on request a copy of a paper entitled "GIMA: At A Glance".

ADDITIONAL DISCLOSURES

The information about a representative account is for illustrative purposes only. Actual account holdings, performance and other data will vary depending on the size of an account, cash flows within an account, and restrictions on an account. Holdings are subject to change daily. The information in this profile is not a recommendation to buy, hold or sell securities.

Actual portfolio statistics may vary from target portfolio characteristics.

The investment manager may use the same or substantially similar investment strategies, and may hold similar portfolios of investments, in other portfolios or products it manages (including mutual funds). These may be available at Morgan Stanley or elsewhere, and may cost an investor more or less than this strategy in Morgan Stanley's Select UMA program.

The portfolio may, at times, invest in exchange-traded funds (ETFs), which are a form of equity security in seeking to maintain continued full exposure to the broad equity market.

Morgan Stanley investment advisory programs may require a minimum asset level and, depending on your specific investment objectives and financial position, may not be suitable for you. Investment advisory program accounts are opened pursuant to a written client agreement.

The investment manager acts independently of, and is not an affiliate of, Morgan Stanley Smith Barney LLC.

Diversification does not guarantee a profit or protect against a loss.

No obligation to notify

Morgan Stanley has no obligation to notify you when information in this profile changes.

Sources of information

Material in this profile has been obtained from sources that we believe to be reliable, but we do not guarantee its accuracy, completeness or timeliness. Third party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data.

No tax advice

Morgan Stanley and its affiliates do not render advice on legal, tax and/or tax accounting matters to clients. Each client should consult his/her personal tax and/or legal advisor to learn about any potential tax or other implications that may result from acting on a particular recommendation.

Not an ERISA fiduciary

Morgan Stanley is not acting as a fiduciary under either the Employee Retirement Income Security Act of 1974, as amended, or under section 4975 of the Internal Revenue Code of 1986, as amended, in providing the information in this profile.

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INDEX DESCRIPTIONS

90-Day T-Bills

The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of discount is the interest earned. T-bills are issued in denominations of \$10,000 auction and \$1,000 increments thereafter.

Alerian MLP Index

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships that provides investors with an unbiased, comprehensive benchmark for this emerging asset class. The index, which is calculated using a float-adjusted, capitalization-weighted methodology, is disseminated real-time on a price-return basis (NYSE: AMZ), and the corresponding total-return index is disseminated daily through ticker AMZX. Relevant data points such as dividend yield are also published daily.

S&P 500

The S&P 500 Total Return has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index has over \$5.58 trillion benchmarked, with index assets comprising approximately \$1.31 trillion of this total. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. This index includes dividend reinvestment.

Indices are unmanaged and have no expenses. You cannot invest directly in an index.

GLOSSARY OF TERMS

Alpha is a mathematical estimate of risk-adjusted return expected from a portfolio above and beyond the benchmark return at any point in time.

American Depository Receipts (ADRs) are receipts for shares of a foreign-based corporation held in the vault of a U.S. bank.

Average Portfolio Beta is a measure of the sensitivity of a benchmark or portfolio's rates of return to changes against a market return. The market return is the S&P 500 Index. It is the coefficient measuring a stock or a portfolio's relative volatility.

Beta is a measure of the sensitivity of a portfolio's rates of return to changes in the market return. It is the coefficient measuring a stock or a portfolio's relative volatility.

Bottom-Up Stock Selection Emphasis primarily on individual stock selection. Considerations of economic and industry factors are of secondary importance in the investment decision-making process.

Capitalization is defined as the following: Mega (Above \$100 billion), Large (\$12 to \$100 billion), Medium (\$2.5 - \$12 billion), Small (\$.50 - \$2.5 billion) and Micro (below \$.50 billion).

Dividend a portion of a company's profit paid to common and preferred shareholders.

Downside Risk is a measure of the risk associated with achieving a specific target return. This statistic separates portfolio volatility into downside risk and upside uncertainty. The downside considers all returns below the target return, while the upside considers all returns equal to or above the target return.

Duration is a measure of price sensitivity expressed in years.

High Grade Corporate Bonds corporate bonds from issuers with credit ratings of AA or AAA.

Information Ratio is a measure of the investment manager's skill to add active value against a given benchmark relative to how stable that active return has been. Essentially, the information ratio explains how significant a manager's alpha is. Therefore, the higher the information ratio, the more significant the alpha.

Investment Grade Bonds are those rated by Standard & Poor's AAA (highest rated), AA, A or BBB (or equivalent rating by other rating agencies or, in the case of securities not rated, by the investment manager).

Price/Book Ratio (P/B) weighted average of the stocks' price divided by book value per share. Book value per share is defined as common equity, including intangibles, divided by shares outstanding times the adjustment factor.

Price/Cash Flow Ratio a ratio used to compare a company's market value to its cash flow. It is calculated by dividing the company's market cap by the company's operating cash flow in the most recent fiscal year (or the most recent four fiscal quarters); or, equivalently, divide the per-share stock price by the per-share operating cash flow.

Price/Earnings Ratio (P/E Ratio) shows the multiple of earnings at which a stock sells. Determined by dividing current stock price by current earnings per share (adjusted for stock splits). Earnings per share for the P/E ratio are determined by dividing earnings for past 12 months by the number of common shares outstanding. The P/E ratio shown here is calculated by the harmonic mean.

Price/Sales Ratio determined by dividing current stock price by revenue per share (adjusted for stock splits). Revenue per share for the P/S ratio is determined by dividing revenue for past 12 months by number of shares outstanding.

R2 (R-Squared)/Portfolio Diversification indicates the proportion of a security's total variance that is benchmark-related or is explained by variations in the benchmark.

Sharpe Ratio measures the efficiency, or excess return per unit of volatility, of a manager's returns. It evaluates managers' performance on a volatility-adjusted basis.

Standard Deviation is a statistical measure of historical variability or spread of returns around a mathematical average return that was produced by the investment manager over a given measurement period. The higher the standard deviation, the greater the variability in the investment manager's returns relative to its average return.

Top-Down/Economic Analysis Emphasis primarily on macroeconomic trends as opposed to bottom-up stock selection.

Tracking Error represents the standard deviation of the difference between the performance of the investment strategy and the benchmark. This provides a historical measure of the variability of the investment strategy's returns relative to its benchmark.

U.S. Treasury Bonds a marketable, fixed interest U.S. government debt security with a maturity of more than 10 years. Treasury bonds make interest payments semi-annually and the income that holders receive is only taxed at the federal level.

Volatility a measure of risk based on the standard deviation of the asset return. Volatility is a variable that appears in option pricing formulas, where it denotes the volatility of the underlying asset return from now to the expiration of the option. There are volatility indexes. Such as a scale of 1-9; a higher rating means higher risk.