

Global Investment Solutions - Opportunistic US Equity

2000 Westchester Ave.
Purchase , New York 10577

Style: US Large Cap
Sub-Style: Blend
Firm AUM: \$233.5 million
Firm Strategy AUM: \$83.8 million

Year Founded: 2004
GIMA Status: Not Applicable
Firm Ownership: Morgan Stanley Smith Barney, LLC.
Professional-Staff: 6

PRODUCT OVERVIEW

This is an actively managed US equity strategy that seeks to outperform the S&P 500 Index. The portfolio primarily invests in mid and large capitalization US equities and exchange-traded funds ("ETFs"). The product includes a core component that is implemented using individual equity securities (30-35 names) and an overlay component that is implemented using ETFs. The core component is expected to have a slight quality-bias relative to the S&P 500 over a market cycle, but will be active from a sector allocation perspective. The ETF overlay allocation will be driven by our proprietary Alpha Driver research process. This process identifies factors, styles and sectors that we expect to outperform the broad market over the next 12 months.

TARGET PORTFOLIO CHARACTERISTICS

Number of stock holdings:	30 to 60
Average dividend yield:	Below the S&P 500
P/E ratio:	Below the S&P 500
Cash level over market cycle:	1 to 15%
Risk (standard deviation):	Similar to/Above the S&P 500
Average turnover rate:	20 to 200%
Use ADRs:	0 to 15%
Capitalization:	Mega, Large and Medium companies

PORTFOLIO STATISTICS

	-----03/18-----	09/17	
	GIS	Index***	GIS
Number of stock holdings	54	505	51
Wtd avg dividend yield	1.3%	2.0%	1.1%
Wtd avg P/E ratio ¹	15.70x	22.30x	17.90x
Wtd avg portfolio beta	1.07	—	1.19
Mega capitalization ⁺	9.5%	48.7%	6.4%
Large capitalization ⁺	26.5%	47.0%	20.7%
Medium capitalization ⁺	39.9%	4.3%	47.2%
Small capitalization ⁺	7.8%	0.0%	6.0%
Micro capitalization ⁺	15.2%	0.0%	17.9%

PORTFOLIO'S EQUITY SECTOR WEIGHTINGS ⁺

Sector	-----03/18-----	09/17	
	GIS	Index***	GIS
Energy	1.54	5.74	0.00
Materials	0.00	2.86	0.31
Industrials	8.87	10.21	5.30
Consumer Discretionary	6.36	12.67	6.47
Consumer Staples	0.47	7.65	0.00
Health Care	3.77	13.71	2.56
Financials	2.56	14.73	3.96
Information Technology	6.66	24.87	7.54
Telecomm Services	0.00	1.92	0.97
Utilities	0.00	2.86	0.00
Miscellaneous	68.63	0.00	71.09
REIT'S	0.00	2.78	0.00
Cash/Cash Equivalents	1.14	0.00	1.80

PORTFOLIO'S TOP FIVE EQUITY HOLDINGS %

Vanguard Information Technology ETF	10.8
Vanguard Health Care ETF	10.3
SPDR S&P Bank ETF	8.7
SPDR S&P 1500 Momentum Tilt ETF	5.0
Vanguard Mega Cap ETF	4.4

% PROCESS BASED ON

- 5 Asset allocation - cash vs. stock
- 60 Industry or sector weighting
- 35 Stock Selection

MANAGER'S INVESTMENT STRATEGY

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

***Index : S&P 500

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

⁺Total may not equal 100% due to rounding.

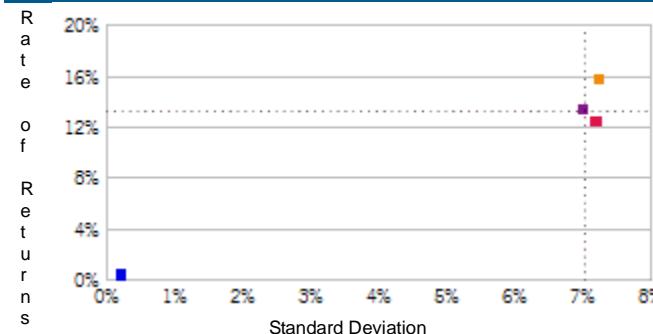
***Index : S&P 500

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

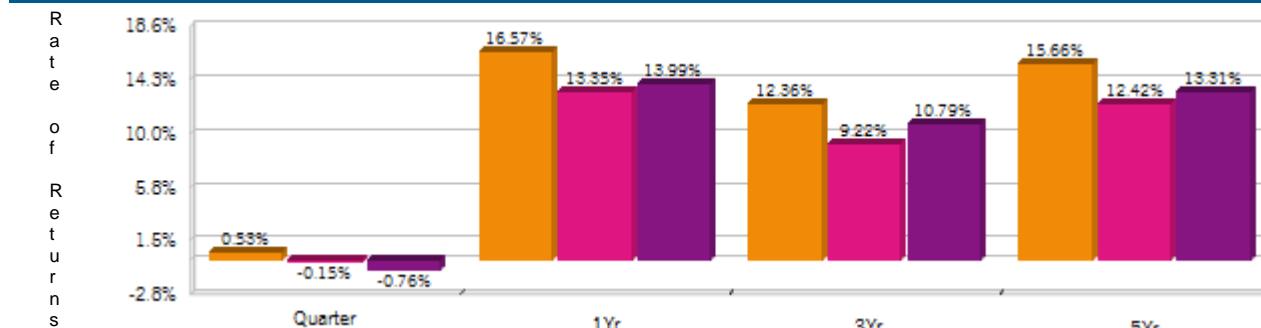
[†]Total may not equal 100% due to rounding

Past performance is no guarantee of future results. This profile is not complete without the pages, which contain important notes, including disclosures about the composite, index descriptions and a glossary of terms. Information shown is as of March 31, 2018, unless otherwise noted. All data are subject to change.

RISK/RETURN ANALYSIS - 5 YEARS ENDING 03/31/18



AVERAGE ANNUAL TOTAL RETURN (%) - PERIODS ENDING 03/31/18

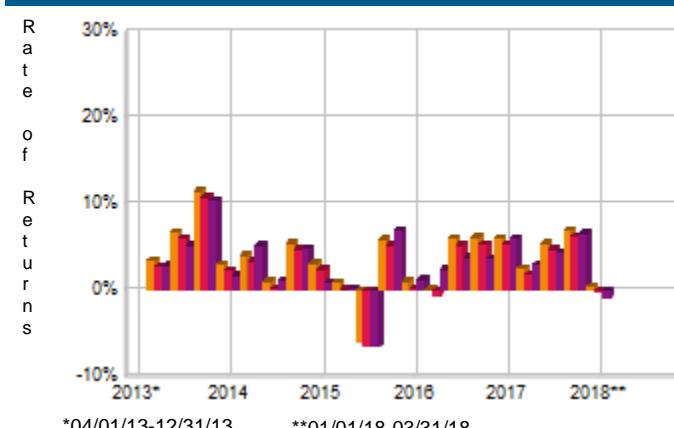


	STD	ROR
GIS (Gross)	7.26	15.66
GIS (Net)	7.22	12.42
S&P 500	7.03	13.31
90-Day T-Bills	0.21	0.31

INVESTMENT RESULTS

	Annual Rates of Return (%)				5 Year - Ending 03/31/18		
	2013	2014	2015	2016	2017	Annual	Std. Dev.
GIS (Gross)	34.29	14.48	3.86	14.00	22.99	15.66	7.26
GIS (Net)	30.63	11.22	0.97	10.74	19.57	12.42	7.22
S&P 500	32.41	13.69	1.41	11.96	21.83	13.31	7.03

RISK VOLATILITY (%)



*04/01/13-12/31/13

**01/01/18-03/31/18

PORTFOLIO'S QUARTERLY RETURNS (%)

	Quarter1		Quarter2		Quarter3		Quarter4	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2013	8.75	8.00	3.58	2.84	6.84	6.13	11.59	10.82
2014	3.08	2.32	4.14	3.39	1.06	0.33	5.53	4.79
2015	3.20	2.45	0.92	0.19	-5.90	-6.55	5.97	5.27
2016	1.06	0.29	0.19	-0.52	6.03	5.31	6.18	5.40
2017	6.07	5.33	2.64	1.91	5.54	4.80	7.04	6.29
2018	0.53	-0.15						

Related

Select UMA

PORTFOLIO'S RISK STATISTICS - PERIODS ENDING 03/31/18^{1,2}

	3 Year	5 Year
Standard Deviation	7.67%	7.26%
Standard Deviation of Primary Benchmark	7.50%	7.03%
Sharpe Ratio	1.55	2.11
Sharpe Ratio of Primary Benchmark	1.37	1.85
Alpha	1.90%	2.47%
Beta	0.96	0.98
Downside Risk	1.55%	1.28%
R-Squared	0.88	0.89
Tracking Error	2.62%	2.39%
Information Ratio	0.60	0.98

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

2. S&P 500 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)+

GIS vs. S&P 500	R ²
	0.89

+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.

Past performance is no guarantee of future results. This profile is not complete without the pages, which contain important notes, including disclosures about the composite, index descriptions and a glossary of terms. Information shown is as of March 31, 2018, unless otherwise noted. All data are subject to change.

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:

This material is not intended to be client-specific suitability analysis or recommendations, an offer to participate in any investment, or recommendations to buy, hold or sell securities (includes securities of Morgan Stanley, and/or its affiliates if shown in this material). Do not use this material as the sole basis for investment decisions. Do not select an investment strategy based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon.

Depending on the composition of your account and your investment objectives, any indices shown in this presentation may not be an appropriate measure for comparison purposes and are therefore presented for illustration only.

Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, income and capital gains. You cannot invest directly in an index.

Performance of indices may be more or less volatile than any investment strategy. The risk of loss in value of a specific investment strategy is not the same as the risk of loss in a broad market index. Therefore, the historical returns of an index will not be the same as the historical returns of a particular investment strategy.

Holdings are subject to change daily. Any securities discussed in this material may or may not be included in your account if you invest in this investment strategy. The Top 10 Holdings represents the ten highest weighted holdings in the Opportunistic US Equity Strategy as of the date indicated, and are subject to change at any time. Your account may also include other securities in addition to or instead of any securities discussed in this material. There is no assurance that any securities discussed herein will remain in an account at any time after the indicated date, or that securities sold have not been repurchased. The securities discussed do not represent all the securities that will be purchased, sold or recommended for advisory clients. Do not assume that any securities mentioned were, or will be, profitable or that the investment recommendations or decisions made in the future will be profitable or will equal the investment performance of the securities discussed in this material. The advisory program account you choose will be charged an asset-based wrap fee every quarter ("the Fee"). In general, the Fee covers investment advisory services, the execution of transactions through Morgan Stanley or its affiliates, custody of the client's assets with Morgan Stanley and/or its affiliates, and reporting. In addition to the Fee, you will pay the fees and expenses of any funds in which your account is invested. Fund fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. You understand that these fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. Please see the Disclosure Document for the applicable Morgan Stanley Advisory Program you choose for more information including a description of the fee schedule.

Investment returns of accounts invested in the Opportunistic US Equity Strategy are determined on the basis of trade-date accounting (meaning that securities transactions are recorded on the date on which the transaction occurs, except interest earned in connection with a transaction is recorded on the date the transaction settles). The cash flows (i.e., contributions and withdrawals) are weighted based on the actual date of each contribution or withdrawal. The rate of return is calculated on a time-weighted rate of return basis with the portfolios being revalued daily. The time-weighted rate of return minimizes the effect of cash flows on the investment performance of the portfolio. Accounts are included in the composite on the last calendar day of the month during which the account becomes managed in accordance with the strategy (that is, added for the first full month). The composite performance is a monthly asset-weighted return of all accounts that meet the criteria for inclusion in the composite. Accounts that are terminated or frozen are excluded from the composite in the same month that the account is terminated or frozen. Accounts that have restrictions are excluded from the composite. Accounts that have the absolute value sum of cash flows (withdrawals and contributions) exceeding 10% of the market value are also excluded for that month. Additionally, if upon review of the composites, it is determined that the rules did not exclude an account that should not be included, the account may be manually removed from the composite. These composite construction rules for the Opportunistic US Equity Strategy may result in different performance than would have been calculated for the Back Tested results for the same periods. The composite performance for accounts invested in the Opportunistic US Equity Strategy is derived by geometrically linking monthly composite total rates of return. Monthly composite total rates of return are computed as the average of each portfolio's monthly total rate of return within the composite weighted by its respective beginning market value. The performance of each account within the composite is equal to the change in the market value of the portfolio, including capital appreciation, depreciation and income, as a percentage of the beginning market value of the portfolio, adjusted for the net of all contributions and withdrawals (the 'Cash Flows'). The cash balance of accounts invested in the Opportunistic US Equity Strategy fluctuates on a daily basis as purchases or sales of securities occur, as dividends are received, and as funds are contributed to or withdrawn from such accounts, and the yield received on such balances will be calculated daily at the prevailing rates on the particular day.

The composite returns are presented both net and gross of actual management fees.

The U.S. Dollar is the currency used to express the performance of the US Opportunistic Equity Portfolio. The composite was created by MSWM from its account records and were not audited or verified by an independent third party.

The composite inception date for Opportunistic US Equity Strategy is December 15, 2012.

About Global Investment Solutions

The strategy described in this profile is currently offered through Morgan Stanley Smith Barney LLC's Global Investment Solutions Investment Advisory program, the Select UMA Investment Advisory program and the Fiduciary Services Investment Advisory program. Please see the applicable Morgan Stanley Smith Barney LLC Form ADV Wrap Fee Brochure for more information on each of these advisory programs. The Form ADV Wrap fee brochure is available from your Financial Advisor or online at www.morganstanley.com / ADV. "Global Investment Solutions" (GIS) is a Morgan Stanley Smith Barney LLC Investment Advisory program. "Global Investment Solutions" is also the name of an initiative (which is not described in this material) that seeks to harness the collective resources of Morgan Stanley to deliver innovative financial products to our clients. All investment advisory services related to the advisory programs named above are delivered to clients in the United States only by Morgan Stanley Smith Barney LLC. These materials are intended only for clients and prospective clients in the United States.

Important Information:

Consider Your Own Investment Needs This profile is not intended to be a client-specific suitability analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities (including securities of Morgan Stanley, and/or its affiliates if shown in this profile). Do not use this profile as the sole basis for investment decisions. Do not select an investment strategy based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon.

Performance and Other Portfolio Information:

General: The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up to date performance information. Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions.

Performance results include all cash and cash equivalents, are annualized for time periods greater than one year and include realized and unrealized capital gains and losses and reinvestment of dividends, interest and other income. Totals are rounded to the nearest dollar and, as such, may not equal the sum of the detail.

Performance results depicted as "net-" of-fees shall mean that any wrap fee or investment management fees have been deducted (and accordingly net-of-fee performance reflects the impact of these fees). Any other fees or expenses associated with the account, such as third party custodian or execution fees, may not have been deducted. Performance results depicted as "gross-" of-fees do not reflect the deduction of any wrap fee or investment management fees. Actual returns will be reduced by wrap fees and investment management fees and any other expenses. The client is referred to the Morgan Stanley Form ADV Part 2 or comparable applicable disclosure brochure, for a full disclosure of the applicable fee schedule. Your Financial Advisor will provide those documents to you upon request.

Indices: The investment strategies depicted are not index strategies, and are not restricted to securities in any particular index. The benchmark index is the S&P 500. The S&P 500 includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Depending on the composition of your account and your investment objectives, any indices shown in this profile may not be an appropriate measure for comparison purposes and are therefore presented for illustration only. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses. Such expenses would reduce performance. Index returns generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index. Performance of indices may be more or less volatile than any investment strategy. The risk of loss in value of a specific investment strategy is not the same as the risk of loss in a broad market index. Therefore, the historical returns of an index will not be the same as the historical returns of a particular investment strategy.

Securities holdings: Holdings are subject to change daily, so any securities discussed in this profile may or may not be included in your account if you invest in this investment strategy. Your account may also include other securities in addition to or instead of any securities discussed in this profile. There is no assurance that any securities discussed herein will remain in an account at the time you receive this profile, or that securities sold have not been repurchased. The securities discussed do not represent all the securities that will be purchased, sold or recommended for advisory clients. Do not assume that any holdings mentioned were, or will be, profitable or that the investment recommendations or decisions made in the future will be profitable or will equal the investment performance of the securities discussed in this material.

Top ten holdings and sector allocation are based on the holdings in the accounts in the model portfolio. Holdings lists indicate the largest security holdings by allocation weight. Sector allocations are based on industry standard sector allocation codes. Top ten holdings and sector allocation are measured as a percentage of the total portfolio in terms of asset value as of the specified date.

Actual account data may differ from that shown in this profile: The performance, holdings, sector weightings, portfolio traits and other data for an actual account may differ from that in this report due to various factors including the size of an account, cash flows within an account, and restrictions on an account.

Key Asset Class Considerations

Equity securities' prices may fluctuate in response to specific situations for each company, industry, market conditions and general economic environment. Companies paying dividends can reduce or cut payouts at any time. Investing in smaller companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.

The investor should note that funds that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default. International investing entails greater risk, as well as greater potential rewards compared to U.S. investing. These risks include political and economic uncertainties of foreign countries as well as the risk of currency fluctuations. These risks are magnified in countries with emerging markets, since these countries may have relatively unstable governments and less established markets and economics. 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 funds that diversify among a broad range of sectors.

An investment in an exchange-traded fund involves risks similar to those of investing in a broadly based portfolio of equity securities traded on exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock prices. The investment return and principal value of ETF investments will fluctuate, so that an investor's ETF shares, if or when sold, may be worth more or less than the original cost. There is no assurance that the fund will achieve its investment objective. The fund is subject to investment risks, including possible loss of principal invested.

Asset allocation or diversification does not guarantee a profit or protect against a loss.

Alpha is a risk-adjusted return measurement that an investment portfolio earns relative to its benchmark (such as the S&P 500). Positive alpha indicates that the investor generated excess returns versus the index for a given level of beta (risk). The better the management of the portfolio, the more positive the alpha. When regressing the returns of a portfolio versus its benchmark, it is the value of the y intercept when x is zero.

General

No obligation to notify Morgan Stanley Smith Barney LLC 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.

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Not an ERISA fiduciary Morgan Stanley Smith Barney LLC 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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Morgan Stanley Performance:

The composite consists of 219 account(s) with a market value of **\$49.5 million** as of **03/31/2018**. In this profile, the performance from January 1, 2013 through December 31, 2015, performance consists of all Fiduciary Services (FS) accounts managed by the investment manager in this strategy, subject to any other limitations stated in this profile. From January 1, 2016, performance consists of the performance of all FS accounts (as described in the previous sentence) as well as 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: GIS's gross results do not reflect a deduction of any investment advisory fees or program fees, charged by GIS or Morgan Stanley, but are net of commissions charged on securities transactions.

Net Performance for all Periods: Net performance results reflect a deduction of 0.7175% quarterly. This consists of three components: 0.625% maximum quarterly MS Advisory Fee and 0.0175% maximum quarterly Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus 0.075% quarterly SMA Manager Fees (being the fee currently charged by GIS to new clients for managing their assets in the Select UMA 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.

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.

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.