

Morgan Stanley

Important Account Information

Please read this booklet carefully
and retain for your records

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General Information for all Accounts

This booklet, in conjunction with the Morgan Stanley Smith Barney LLC Client Agreement and all other applicable agreements¹, govern your account(s) and your relationship with Morgan Stanley Smith Barney LLC. **It contains important information regarding your account(s). Certain disclosures and/or sections of this booklet may not apply to all of your account(s), depending on the type of account(s) that you have opened and/or the services that you have elected to receive. We request that you carefully read this and all other documents provided to you.**

References to "MSSB," "Morgan Stanley," "Morgan Stanley Wealth Management," "we," "us," or "our" refer to Morgan Stanley Smith Barney LLC.

The words "you," "your," "yours" and "client" refer to the account owner(s).

References in this booklet to "Financial Advisor" refer to either a Morgan Stanley Wealth Management Financial Advisor or a Morgan Stanley Private Wealth Management Private Wealth Advisor.

U.S. Customer Privacy Notice

FACTS	WHAT DOES MORGAN STANLEY DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none">• Social Security number and income• account balances and transaction history• credit history and assets	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Morgan Stanley chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does Morgan Stanley share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	Yes	Yes*
For our affiliates to market to you	Yes	Yes*
For nonaffiliates to market to you	No	We don't share

¹ Including but not limited to the International Client Agreement, CashPlus Account Agreement, Equity Plan Account Client Agreement and the DVP Client Agreement.

Reasons we can share your personal information	Does Morgan Stanley share?	Can you limit this sharing?
To limit our sharing	<ul style="list-style-type: none"> Call the applicable toll-free number below. <p>Morgan Stanley General Number: 1-800-295-1460</p> <p>Home Loans Only: 1-800-488-5568</p> <ul style="list-style-type: none"> For customers of all products covered by this Notice, other than Home Loans, you can instead talk to your Financial Advisor or Client Service Associate <p>Please note: If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.</p>	
QUESTIONS?	Call toll-free (800)-295-1460, or for Home Loans, call (800)-488-5568	
WHO WE ARE		
Who is providing this notice?	Morgan Stanley Smith Barney LLC Morgan Stanley Private Bank, National Association Morgan Stanley Bank, N.A.	
WHAT WE DO		
How does Morgan Stanley protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We have policies governing the proper handling of customer information by personnel and requiring third parties that provide support to adhere to appropriate security standards with respect to such information.	
How does Morgan Stanley collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> seek advice about your investments or make deposits or withdrawals from your account give us your income information or give us your contact information provide account information <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>	
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> sharing for affiliates' everyday business purposes—information about your creditworthiness affiliates from using your information to market to you sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>	
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply to everyone on your account.	

DEFINITIONS	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Our affiliates include companies with a Morgan Stanley name and financial companies such as Morgan Stanley & Co. LLC and Morgan Stanley Investment Management.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Morgan Stanley does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> • Our joint marketing partners include credit card companies and other financial services companies.

OTHER IMPORTANT INFORMATION

*Please note that if you choose to limit sharing “**For our affiliates’ everyday business purposes**—information about your creditworthiness” OR “**For our affiliates to market to you**” we will limit sharing for both categories.

Vermont: Except as permitted by law, we will not share personal information we collect about Vermont residents with Nonaffiliates or information about your creditworthiness with Affiliates, unless you provide us with your written consent to share such information. Please send written consent to Morgan Stanley, Client Correspondence Department, PO Box 95002, South Jordan, UT 84095 or vt-privacy-optin@morganstanley.com.

California: Except as permitted by law, we will not share personal information we collect about California residents with Nonaffiliates and we will limit sharing such personal information with our Affiliates to comply with California privacy laws that apply to us.

Summary of Account Types Offered at Morgan Stanley

Active Assets Accounts (AAA): The AAA is Morgan Stanley’s primary brokerage investment account available for individuals, trusts, businesses and government entities/municipalities. The AAA provides clients the ability to invest in available securities and a full range of financial products. The AAA also offers clients the option of margin lending, as well as various cash management services, including direct deposit, check-writing, ATM/debit cards, and electronic funds transfer.

CashPlus Accounts: The CashPlus Account is a brokerage account specifically designed for cash management and short-term investment needs. The CashPlus Account does not permit the use of margin lending, short selling, or option trading with the exception of the following option transactions: covered call writing, purchase of protective puts, writing cash-back puts and purchase options. Morgan Stanley offers two distinct types of CashPlus Accounts: the Premier CashPlus Account and the Platinum CashPlus Account, each with its own requirements and fee avoidance criteria. For more details, please refer to the CashPlus Account Disclosure Statement, available at <https://www.morganstanley.com/wealth-disclosures/cashplusaccountdisclosurestatement.pdf>.

Individual Retirement Accounts (IRA): Morgan Stanley offers several types of IRAs, including Traditional/Rollover/Roth/Inherited, Simplified Employee Pension (SEP), Salary Reduction Simplified Employee Pension Plan (SAR-SEP), Savings Investment Match Plan for Employees Individual Retirement Accounts (SIMPLE IRAs) and Coverdell Education Savings Account (CESA). Morgan Stanley’s most common retirement accounts are the traditional IRA and Roth IRA. Contributions made to a traditional IRA may be tax deductible and provide for tax-deferred growth. The Roth IRA is funded with after-tax contributions. IRAs offer clients the ability to invest in available securities and financial products.

Advisory Platform: Morgan Stanley offers a selection of discretionary and non-discretionary advisory accounts and programs. Please refer to the ADV, available at www.morganstanley.com/ADV, for more details on these accounts.

Equity Plan Accounts: The Equity Plan Account is a brokerage account available to plan participants for a certain limited set of equity plan transactions, including the exercise of stock options and the sale of the issuer's securities pursuant to an applicable company equity compensation plan as defined by the related plan documents.

Qualified Retirement Plan Accounts: Morgan Stanley offers various account options for qualified retirement plans, including:

- Versatile Investment Program Basic (VIP Basic)
- Versatile Investment Program Plus (VIP Plus)
- Retirement Plan Manager (RPM)
- Self-Directed Retirement (SDR)
- External Custodian Retirement Plan

For more information, please contact the Morgan Stanley team servicing your account.

Stock Plan Brokerage Accounts (SPBA): SPBA is a self-directed online brokerage account only available to employee participants of equity compensation plans serviced by Morgan Stanley. All trading and other account activities in this account are undertaken at the client's sole discretion without access to a Financial Advisor. SPBA also serves as the default destination for sales proceeds related to equity plan transactions.

Account Linking Service

To minimize the number of separate mailings you receive, Morgan Stanley offers an automatic Account Linking Service. The Account Linking Service allows you to receive multiple account statements and other important information together in a single envelope, in a consolidated format with a summary page showing the account value of each account. Accounts which have the same mailing address, branch and Financial Advisor and Social Security Number(s)/Tax ID Number(s), will be eligible for the automatic Account Linking Service. A linked relationship can only include accounts consisting of Morgan Stanley Employees/Employee Related or all accounts consisting of non-Morgan Stanley Employees/Employee Related. Morgan Stanley Employee/Employee Related accounts cannot be linked with non-Morgan Stanley Employee/Employee Related accounts. Annual Summary Statements may not be linked. There is no charge for this service. *If you do not wish to take advantage of the automatic Account Linking Service and want to opt-out of that service, please contact your Financial Advisor.*

You may also manually add accounts to an account-linked group for accounts that have differing Social Security Numbers/Tax ID Numbers; however, mailing address and Morgan Stanley Employee/Employee Related status must match (accounts can be linked manually across Branch and Financial Advisor). If you link your accounts with separate account(s) owned by others, however, your personal and financial information will be provided to such other account owners by virtue of being consolidated in a single envelope.

After an account has been identified as eligible for automatic Account Linking, but before the link is active, you will see a message on your monthly account statement advising you that these new accounts will be added to an Account Link group during the following statement cycle. Upon receipt of your next monthly account statement, your eligible accounts will be consolidated into a single envelope through our Account Linking service. With Account Linking, your consolidated statements all arrive at the same time and can be accessed online through a single sign-on. Account Linking also allows the addressee designated as the primary account holder, and anyone to whom the primary account holder has delegated access, to have access to view all linked accounts online on Morgan Stanley Online. For information about our client website, and online services such as eDelivery of your statement, go to www.morganstanley.com/online.

CashPlus Accounts

The CashPlus Accounts within an Account Link Group may impact eligibility for CashPlus Account benefits and will affect the total deposit amount and the average daily cash balance amount across the CashPlus Accounts in the ALG, which may result in fees, CashPlus Account benefit eligibility, as well as eligibility for monthly account fee avoidance.

Electronic Delivery (eDelivery)

With eDelivery, review your account documents online instead of receiving paper documents in the mail. Documents are archived and available on our secure website for up to seven years. You will get an email whenever a new document is available.

When you enroll in eDelivery and periodically thereafter, you will be required to consent to our eDelivery Terms and Conditions included.

eDELIVERY TERMS AND CONDITIONS

Agreeing to these Terms and Conditions supplements any terms relating to eDelivery contained in any Morgan Stanley Client Agreement(s) or other eDelivery Agreement you may have with us and enables you to give blanket authorization to discontinue hard-copy delivery of most documents relating to your Morgan Stanley account(s) and begin electronic delivery to the email address you provide. Documents include but are not limited to your account statements, trade confirmations (including those accompanied by a prospectus), Corporate Action Credit Advices, account documentation (including your client agreements and amendments to such), and all documents that may be added to eDelivery in the future (“eDelivery Documents”). When you enroll in eDelivery, you consent to the electronic delivery of all eligible documents, however once enrolled you can customize the selection of documents you would like to receive via eDelivery. Notwithstanding any customization by you, Morgan Stanley retains the right, with notice to you, to reset any preferences you may have customized to include eDelivery of all eDelivery Documents, or any one or more eDelivery Documents.

Your agreement to eDelivery also includes electronic delivery of syndicate offerings materials, including preliminary prospectuses and other documents including pricing terms for equity initial public offerings (IPOs), secondary offerings, and follow-ons as well as new issue Structured Investments and new issue Fixed Income Securities (“Syndicate Offerings”). Participation in many Syndicate Offerings (e.g., equity and preferred security offerings) requires eDelivery enrollment.

As you read through these terms and conditions, you should be aware that:

- You may change your eDelivery preferences at any time by updating your eDelivery settings through Morgan Stanley Online or contacting the Client Center at 888-454-3965.
- Your authorization will include accounts that you own as an account owner as well as accounts for which you are an authorized person. You can contact the Client Service Center if you need to make adjustments to your account(s) access.
- You may receive a mailed letter confirming current eDelivery enrollment settings for your linked accounts when applicable.
- Interested parties authorized to receive duplicate paper copies of your documents will continue to receive them as currently designated. Duplicate paper copies of account documents for interested parties may be subject to a fee. Interested parties can receive electronic access in place of receiving duplicate paper copies. There is no fee for interested party electronic account access.
- Notwithstanding your eDelivery enrollment, you may receive certain documents in hard copy if materials are not available in electronic format, or at Morgan Stanley's sole discretion.

CONSENT TO ELECTRONIC DELIVERY

By agreeing to these terms and conditions as beneficial owner or authorized party, you are providing your informed and positive consent to receive eDelivery Documents electronically by accessing them on a Morgan Stanley or other third-party website after being electronically

notified at the electronic address you provide. After enrollment, you will receive enrolled eDelivery Documents in electronic form rather than by physical delivery. If you wish to modify your enrollment instructions, or decide at any time that you want to discontinue electronic delivery, you can do so online at www.morganstanley.com/edelivery, or by contacting the Client Service Center at 888-454-3965. Client service representatives are available 24 hours a day, 7 days a week.

You consent that when you select a document type (e.g., trade confirmations) to be electronically delivered for all of your existing accounts, that document type will be electronically delivered for any accounts you may open in the future. If you do not select electronic delivery for a document type for all of your accounts, then that document type will not be automatically enrolled for electronic delivery for accounts you may open in the future.

You consent to be notified by email to the email address you provide that an eDelivery Document is available on our secure website or a third-party website. The email address that you provide will be used to provide notifications of document availability to you for all selected accounts and document types for your username. Contact us immediately if you have any difficulty accessing your account documents electronically or if you have any questions about your electronic delivery instructions.

To ensure uninterrupted document delivery, update your email address on Morgan Stanley Online if your email address changes, or contact us immediately to request an update.

You will be required to complete an email verification process for a new email address.

If at any time we are unable to deliver email notifications to your email address:

- We will notify you by postal mail.
- Depending on the reason for the delivery failure, we may immediately suspend eDelivery for the accounts and documents enrolled under your username/email address, resulting in physical delivery of eDelivery documents until such time that you revalidate your email address. **Accounts that have eDelivery suspended may not be able to participate in some Syndicate Offerings, which require electronic delivery of preliminary prospectuses.**

You understand that certain risks are associated with the transmission of confidential information, electronic delivery notifications, and other communications through the Internet, including, but not limited to, unauthorized access, systems outages, delays, disruptions in telecommunications services or the Internet. Email is not private or secure. The electronic delivery notices sent to you by email are not encrypted. Although such electronic delivery notices are not intended to contain personally identifiable information, they may contain in their design part or all of your name or other identifier that could be seen or intercepted by others if delivered to your email address or other computers or electronic devices not exclusively under your control. You understand and agree that you will not respond to the electronic delivery notice by return email, or use it to request information, service, paper copies or other items or to revoke consent. Morgan Stanley will not be responsible to act upon requests made in this manner.

Although electronic documents are provided without charge, other online subscription or access fees by Internet service providers may apply. You must maintain the ability to access and open electronic documents. There are minimum computer hardware and software requirements necessary to receive and view your electronic documents, including, but not limited to, an Internet connection and Internet browsing software. You may request a paper copy of any document delivered through eDelivery but you may incur a charge for that copy. Morgan Stanley will maintain an electronically accessible archive of your eDelivery documents on our secure client website for seven years after document publication. If you wish to retain eDelivery documents for a longer period of time, you are responsible for archiving beyond seven years.

Privacy Policy: If you have selected to have your statements delivered via eDelivery, then the Privacy Policy will be delivered in the same manner and will apply to all of your linked accounts.

Disclosure of Your Name to Issuers of Securities

Pursuant to Rule 14b-1(c) of the Securities and Exchange Commission, your election governs whether your name and securities positions may be disclosed to issuers of securities held for

you in "street name." Securities held in "street name" do not reflect the beneficial owner on the records of the issuer and issuers will be unable to contact you directly without your consent. Unless you specifically indicate that you do not approve of this disclosure, the information will be provided to the issuers of securities held in your account upon their request.

Certain foreign securities will be held in your account in book-entry form only. Certain foreign securities will not be registered in your individual name nor will they be delivered to you from your account. Foreign securities issued from certain countries may be subject to taxation by those countries. Morgan Stanley may be required to provide purchaser identifying information in order to comply with local tax laws and achieve reduced tax withholding. The provision of this information will take place where applicable and is not affected by your election to not disclose your name to issuers of securities. Therefore, even if you specifically advise that you do not approve of this disclosure, we will provide the requisite information to issuers of foreign securities held in your account if, and to the extent, required by applicable law. In addition, the provision of this or other personally identifiable information is not affected by any other nondisclosure or non-use option that you might choose under applicable privacy notices sent to you.

Tax & Legal Disclosure

Morgan Stanley Smith Barney LLC, its affiliates, and its employees are not in the business of providing tax or legal advice. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The USA PATRIOT Act

Important Information About Procedures for Opening a New Account or Establishing a New Customer Relationship.

To help the U.S. government fight the funding of terrorism and money laundering activities, federal law requires all U.S. financial institutions to obtain, verify, and record information that identifies each individual or institution that opens an account or establishes a customer relationship with Morgan Stanley. Federal law requires all U.S. financial institutions to obtain, verify, and record information that identifies the Beneficial Owner(s) and Key Controller of a legal entity that opens an account or establishes a customer relationship with Morgan Stanley.

What this means for you: When you open a new account or enter into a new customer relationship with Morgan Stanley, the firm will ask for your name, legal address, date of birth (as applicable) and other identification information. The firm will also require the same information for the Beneficial Owner(s) and Key Controller of a legal entity. As appropriate, the firm may, in our discretion, ask for additional documentation or information. If all required documentation or information is not provided, Morgan Stanley may not be able to open an account or maintain a relationship with you.

Understanding Your Brokerage and Investment Advisory Relationships

Depending on your needs and your investment objectives, Morgan Stanley may assist you with brokerage services, investment advisory services or both. There are important differences highlighted below between brokerage and advisory accounts, including their costs, the services we provide and the rules that govern them. You should carefully consider these differences when deciding which type, or combination of types, of services and accounts are right for you.

Morgan Stanley is registered as both a broker-dealer and as an investment advisor under federal and state securities laws, and we provide services in both capacities. In accordance with the rules of the Financial Industry Regulatory Authority (FINRA), whether acting in a brokerage or advisory capacity, Morgan Stanley must observe high standards of commercial honor and just and equitable principles of trade.

WHAT ARE BROKERAGE ACCOUNTS AND SERVICES?

When we act as a broker-dealer in connection with your brokerage account, we will facilitate the execution of transactions based on your instructions. In addition, when we act as a broker, we also offer investor education, research, financial tools and personalized information about financial products and services, including recommendations about whether to buy, sell or hold securities. We do not charge a separate fee for these services because these services are part of, and should be considered incidental to, our brokerage services.

When we act as your broker-dealer, we will not have discretion to buy and sell securities for you (except in some very limited circumstances). This means that you will provide approval for each trade before it is executed and that you, not we, will make individual buy, sell and hold decisions.

For taxable brokerage accounts, when recommending that you purchase, sell, hold or exchange a security, we must have a reasonable basis for believing that the recommendation is suitable for you. However, when we act in a brokerage capacity for taxable accounts, we do not have a fiduciary or investment advisory relationship with you, and our obligations to disclose information regarding our business, conflicts between our interests and yours, and other matters are more limited than if we did.²

For example, we may buy securities from you, or sell securities to you, for our own accounts acting as principal, or we may buy or sell securities acting as agent. Further, when we act as a broker-dealer, we are paid by you and, sometimes, by third parties who compensate us based on what you buy.

For brokerage retirement accounts,³ when servicing your retirement account and its assets, we act in your best interests but will not necessarily be considered a fiduciary under the Employee Retirement Income Security Act of 1974 ("ERISA") and/or under section 4975 of the Internal Revenue Code ("Code").

WHAT IS MORGAN STANLEY'S ROLE WHEN HANDLING A BROKERAGE ACCOUNT?

When handling a taxable brokerage account, Morgan Stanley must have a reasonable basis for believing that any recommendation is suitable for you, but will not have a fiduciary or investment advisory relationship with you.

WHAT ARE INVESTMENT ADVISORY ACCOUNTS AND SERVICES?

In addition to brokerage services, Morgan Stanley offers a variety of investment advisory programs and services to our clients, including comprehensive financial planning, nondiscretionary and discretionary asset management, and advice on the selection of professional asset managers and securities offered through our investment advisory programs.

We act as your investment advisor only when we have entered into a written agreement with you that describes our advisory relationship and our obligations to you. You also will receive a disclosure document about our advisory services that describes, among other things, our business, the services we provide, our advisory fees, our personnel and potential conflicts between our interests and yours.

Investment Advisors are governed by the Investment Advisers Act of 1940 and applicable state securities laws. When acting as your investment advisor, we are considered to have a fiduciary relationship with you. Please note that the fact that we owe fiduciary duties to you as an investment advisor does not mean we are or have accepted responsibility as a fiduciary under ERISA or the Code.

For advisory retirement accounts, where we regularly provide recommendations for a fee to you with respect to such retirement account and its assets, we are acting as a fiduciary under ERISA and/or the Code and will always make recommendations that are in your best interest.⁴

² Please note, however, that we may be considered a fiduciary for certain recommendations made to State of Nevada brokerage clients. Please contact your Financial Advisor for more information.

³ Retirement accounts include Individual Retirement Account ("IRA"), Roth IRA, Health Savings Account, Coverdell Education Savings Account, Archer Medical Savings Account, a Plan covered by Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or a plan described in section 4975(e)(1)(A) of the Internal Revenue Code ("Code").

⁴ A recommendation meeting the "Best Interest" standard is a recommendation that reflects the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on your investment objectives, risk tolerance, financial circumstances and needs, without regard to the financial or other interests of us or the Advisor or any Affiliate, Related Entity, or other party.

In an advisory relationship we are obligated to:

- Disclose or avoid material conflicts of interest.
- Obtain your consent prior to purchasing securities from you, or selling securities to you, for our own accounts (acting as principal).
- Conduct proper due diligence on investment choices and review clients' investment objectives and risk tolerance (as provided by the client) to make suitable and appropriate investment recommendations or decisions on behalf of clients.
- Act in your best interests by providing investment advice that is based on your stated overall financial situation and investment objectives.

WHAT IS YOUR FINANCIAL ADVISOR'S ROLE WHEN HANDLING AN INVESTMENT ADVISORY ACCOUNT?

As described above, when handling an investment advisory account, your Financial Advisor will act as a fiduciary to you and in providing services depending on the advisory program that you choose. For example, in our Portfolio Management program, your Financial Advisor will have the discretionary authority to execute investment decisions on your behalf. In our Consulting Group Advisor program, your Financial Advisor will work with you and make investment recommendations, but you will maintain discretion over all the investment decisions made in your account.

HOW YOU ARE CHARGED FOR BROKERAGE AND INVESTMENT ADVISORY ACCOUNTS

Brokerage Accounts

In a brokerage account, you generally compensate Morgan Stanley and your Financial Advisor through fees incurred with each transaction. For example, you generally pay Morgan Stanley a commission for each equity transaction, a mark-up/mark-down for bond transactions and a sales charge for mutual fund transactions. Therefore, in a brokerage account your total costs will generally increase or decrease as a result of the frequency of transactions in the account and the type of securities you purchase. Other costs will also apply to your account.

Investment Advisory Accounts

In an investment advisory account, you generally do not pay fees for each transaction, but instead compensate Morgan Stanley and your Financial Advisor through an annual fee, payable monthly in advance based on the total value of the assets in your investment advisory account at the end of the previous month. The fee typically covers both the advisory and the brokerage services provided by Morgan Stanley that are described in the investment advisory agreement. In certain advisory programs that offer professional third-party money management, the fee also includes the professional money manager's fee. Generally, the mutual fund share classes that are offered to clients in our advisory programs do not charge a front-end sales charge. In an investment advisory account your total costs will generally not increase or decrease as a result of the frequency of transactions in the account.

Both Brokerage and Advisory Accounts

In both brokerage and investment advisory accounts that include mutual funds or exchange traded funds, you will incur additional expenses including investment management fees of the fund as well as operating expenses that are reflected in the funds' share price. These expenses are not included in Morgan Stanley's fees.

Other fees and expenses in addition to those outlined above, or different fee arrangements, may apply in both brokerage and investment advisory accounts as described in our agreements with you.

WHEN WE ACT AS BOTH YOUR BROKER-DEALER AND YOUR INVESTMENT ADVISOR

We may act as investment advisor and as broker-dealer to you at the same time, and the fact that we do so does not mean that our brokerage relationships are advisory ones. For example, you may maintain multiple accounts (some of which are brokerage accounts and some of which are investment advisory accounts) with Morgan Stanley at the same time. Also, although we may consider your brokerage account assets in preparing guidelines or determining suitability for your investment advisory services, your brokerage relationship continues on your brokerage assets.

FOR MORE INFORMATION

We encourage you to carefully consider the differences between brokerage and investment advisory services, particularly in terms of our obligations to you, the services provided and the costs of these services. You should consider your existing and anticipated level of trading activity in connection with any determination of which account type is right for you. The disclosure documents for our investment advisory services, which are available upon request, provide additional information, including disclosure of conflicts.

If you have additional questions please contact a member of your Morgan Stanley team.

Account Protection

As a Morgan Stanley client, the protection provided your account exceeds what the law requires. While most brokerage firm clients are entitled to the protection provided through Securities Investor Protection Corporation (SIPC), at Morgan Stanley, you also receive protection supplemental to SIPC, which is provided at no cost to you.

Please be aware of the following:

- Morgan Stanley is required to comply with the protection standards set forth by the Securities and Exchange Commission (SEC).
- We maintain capital well in excess of the levels required by the SEC.
- Fully paid for and excess margin securities held in Morgan Stanley client accounts are segregated from our assets in compliance with SEC Rule 15c3-3. The SEC and FINRA regularly audit the safeguards and controls set up to protect client assets held in accounts at Morgan Stanley.
- SIPC protects cash held as free credit balances (“uninvested cash”) in a brokerage account at the firm for customers in connection with the customers’ purchase or sale of securities whether the uninvested cash is in U.S. dollars or denominated in non-U.S. dollar currency. Uninvested cash held in connection with a commodities trade is not protected by SIPC. Money market mutual funds, often thought of as cash, are protected as securities by SIPC.
- In the event of a forced liquidation of our firm, your uninvested cash and securities will be made available to the trustee of these proceedings to transfer to you or to another broker-dealer.
- Morgan Stanley is a member of SIPC. SIPC protects client net claims up to \$500,000, of which up to \$250,000 may be uninvested cash. Note that SIPC coverage does not protect investors against securities fraud, as it only protects client assets in the event of broker-dealer insolvency.
- In addition to this SIPC protection, in the unlikely event that client assets that were not segregated are not fully recovered and SIPC protection limits have been paid, Morgan Stanley’s supplemental insurance policy would be available to provide protection above the SIPC limits. This coverage is subject to an aggregate firmwide cap of \$1 billion, with no per client limit for securities and a \$1.9 million per client limit for the uninvested cash balance portion of any remaining shortfall.
- If a client maintains more than one account at Morgan Stanley in separate capacities (individual, joint, trust) each account would be protected by SIPC and the supplementary protection up to the client and aggregate limits mentioned above.

SIPC and Excess SIPC do not insure against losses due to market fluctuations or other losses that are not related to net-equity claims due to the insolvency of Morgan Stanley. SIPC and Excess of SIPC apply to net claims for the value of most securities and uninvested cash in the exclusive possession and control of Morgan Stanley. Commodity and futures contracts, currency and certain mutual funds, money market funds, annuities, life insurance and limited partnerships, which may be redeemed directly from the issuer, carrier or their agents, are generally not covered by SIPC or Excess of SIPC coverage. Please be advised that you may obtain information about SIPC, including the SIPC brochure, by contacting SIPC at 202-371-8300 or by visiting www.sipc.org.

FDIC Insurance

Certificates of Deposit (“CDs”) issued by FDIC member institutions that are purchased through Morgan Stanley and deposit accounts maintained through Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association (including but not limited to accounts in connection with the Bank Deposit Program, Savings and GlobalCurrency) are eligible for FDIC insurance up to applicable U.S. dollar limits (visit www.fdic.gov or review the applicable disclosure document for details).* Unless otherwise specifically disclosed to you in writing, other investments and services offered through Morgan Stanley are not insured by the FDIC, are not deposits or other obligations of, or guaranteed by, a bank and involve investment risks, including possible loss of principal amount invested. Morgan Stanley is a registered broker-dealer, not a bank.

We understand that a primary concern of yours is the safety of your assets. Our goal is not only to help you achieve your financial objectives, but also to make every effort to ensure that your assets are protected. We encourage you to review the brochure **Your Assets Are Safeguarded at Morgan Stanley**, which is accessible via our website at: https://www.morganstanley.com/wealth/relationshipwithms/pdfs/protection_customer_assets_0316.pdf.

The brochure provides an overview of the regulatory protections you enjoy as a client of Morgan Stanley, including the safekeeping and segregation of client assets, as well as the protections afforded through SIPC, Excess of SIPC and FDIC insurance. If you would like more information, ask your Financial Advisor.

Business Continuity Management Program and Technology Disaster Recovery Program Overview**

PURPOSE AND GOVERNANCE

Morgan Stanley maintains global programs for business continuity management and technology disaster recovery that facilitate activities designed to protect the Firm during a business continuity event. A business continuity event is an interruption with potential impact to normal business activity of the Firm's people, operations, technology, suppliers and/or facilities.

The business continuity program's core functions are business continuity planning (with associated testing) and crisis management. The Firm has dedicated Business Continuity Management staff responsible for coordination of the program governed by the Business Continuity Governance Committee and a Risk Oversight Committee. In addition, a Committee of the Board of Directors (the “Board Committee”) and senior management oversee the program. BCM reports to the Board Committee at least annually on the status of program components such as business continuity events and business continuity testing results.

BUSINESS CONTINUITY PLANNING

Business Units within the Firm maintain business continuity plans, identifying processes and strategies to continue business critical processes during a business continuity event. Business Units also test the documented preparation, to provide a reasonable expectation that, during a business continuity event, the Business Unit will be able to recover and perform its critical business processes and limit the impact of the event to the Firm and its clients.

As part of business continuity planning, Business Units must identify and assess the potential impact of threats that may significantly disrupt their business or the business operations of

* CDs are insured by the FDIC, an independent agency of the U.S. Government, up to a maximum amount of \$250,000 (including principal and interest) for all deposits held in the same insurable capacity (e.g., individual account, joint account) per CD depository. For more information, visit the FDIC website at www.fdic.gov.

** Notice: The information contained herein is for informational purposes only, and no warranty of any kind is intended with respect to the systems or business practices described. Provision of this information does not entitle the recipient to any contractual right that the practices described in the attached materials will continue to be maintained.

the Firm. Business Units conduct a semiannual Business Impact Analysis to prioritize their business processes.

Business continuity plans document recovery strategies (e.g., transference or relocation) that identify and detail the options available to recover critical business processes during an event. The plans also identify roles and responsibilities and communication procedures when plans are invoked for an event. Business continuity plans are reviewed semiannually by business unit management, and disseminated to staff at least annually.

Business Units are responsible for periodic testing and documentation of test results in accordance with Firm testing requirements. Business continuity testing is the process by which Business Units verify the viability of their plans by performing their critical business processes using the recovery strategies documented in the plans.

BUSINESS CONTINUITY CRISIS MANAGEMENT

Crisis Management is the process of identifying and managing the Firm's operations during business continuity events. BCM monitors and assesses situations for the impact on business operations and to determine their potential to become business continuity events.

BCM staff are responsible for escalating business continuity events to Firm management and designated personnel, as appropriate. BCM coordinates and facilitates the exchange of information between those charged with resolving the situation, senior management and the Business Units that are impacted.

The Firm's crisis management process also includes coordination of internal and external communication to key stakeholders, including personnel, regulators, suppliers and customers. BCM oversees a mass notification system that can be utilized during an event, and ensures that the system is regularly tested.

BUSINESS CONTINUITY TRAINING AND AWARENESS

The Firm has developed a program for providing business continuity training, at least annually, to all personnel. Training is designed to promote an understanding of business continuity, as well as the roles of BCM and personnel during a business continuity event and as the business recovers. Personnel are responsible for completing the training and familiarizing themselves with their Business Unit Coordinators and business continuity plans.

BUSINESS CONTINUITY SUPPLIER RISK

The Firm assesses and performs due diligence on third-party service providers' resiliency and ability to continue to provide services during an event. As part of that assessment and due diligence, BCM, in conjunction with the Technology Disaster Recovery group and the appropriate Business Unit, evaluates vendors and suppliers of services deemed to be in-scope for Appendix J by the Firmwide Supplier Risk Management Program. Assessments of critical vendors are repeated periodically, but no less than annually. Technology testing with these vendors is conducted periodically, as appropriate.

For specific vendor locations where vendor staff provide services on behalf of the Firm using Firm data and support a critical business process, the Business Unit and/or the central management group for these vendors must develop and maintain a business continuity plan for the vendor. The plan for the vendor must meet Firm standards for business continuity planning.

BUSINESS CONTINUITY PANDEMIC PREPAREDNESS

BCM, in conjunction with the Firm's Human Resources and Corporate Services Departments, maintains an Infectious Disease Preparedness Procedure to address planning for potential pandemics. The Procedure documents precautionary measures that the Firm can take to help reduce business impact should the Firm's operations be affected by an infectious disease outbreak, epidemic or pandemic event. BCM can invoke these procedures based on pandemic warnings from the World Health Organization, the Centers for Disease Control and Prevention, and/or other official local governance bodies.

TECHNOLOGY DISASTER RECOVERY

Morgan Stanley's primary data centers are built to be redundant, resilient and fault tolerant. Synchronous replication is used to provide high availability of critical applications.

Disaster recovery plans supporting business continuity are in place for critical facilities and resources across the Firm. These plans define recovery times that vary according to the criticality of businesses and functions.

Recovery capabilities are tested regularly to confirm that applications, components, systems, subsystems and facilities will operate as intended during a business continuity event.

Trusted Contact Authorization

Morgan Stanley is requesting, as part of its account opening and periodic account updating processes, the name and contact information for one or more trusted contact person(s) ("Trusted Contact") for all non-institutional accounts. A Trusted Contact must be an individual over the age of 18 years. If you choose to provide Morgan Stanley with one or more Trusted Contacts, you are authorizing Morgan Stanley, in its discretion, to contact your Trusted Contact(s) and disclose information about you and/or your account(s) in order to address possible financial exploitation, confirm the specifics of your current contact information, health status, and/or the identity of any legal guardian, executor, trustee or holder of a power of attorney or as otherwise permitted by the Rules of the Financial Industry Regulatory Authority ("FINRA"). You may add, remove and/or change any or all of your Trusted Contacts at any time by contacting the Morgan Stanley team servicing your account(s). Your Trusted Contact(s) will have no trading authority or power of attorney over your account(s) and will not be authorized to make any decisions on your behalf regarding your account(s). If you would like to add one or more Trusted Contacts to your account(s), please contact a member of your Morgan Stanley team.

Investing and Trading

THE NATURE OF INVESTMENT RECOMMENDATIONS

Exposure to certain risks is fundamental to investing, and the prices of securities may change based on a number of often unforeseeable factors. We cannot guarantee the performance of any investment recommended or executed by Morgan Stanley or its Financial Advisors. Past investment performance does not predict future investment returns.

Some of the types of risk that affect investments include inflation, interest rate changes and risks related to the underlying company or issuer, as well as economic changes, general market sentiment and the political climate. Conservative investments that are designed to preserve principal tend to provide lower returns over time, while investments that have the greatest potential for higher returns tend to be the most risky and volatile. Nevertheless, all investments carry risk and even relatively conservative and "safe" investments may expose your money to interest rate risk, inflation risk, risks related to the particular structure and features of your investment, as well as remote but potentially significant liquidity, credit or other risks in temporary or extended market dislocations which could lead to losses more commensurate with a traditionally higher risk investment.

Some investors have more tolerance for risk than others. When you consider any investment, be aware of the risks involved; only you can determine your tolerance for risk. (*See the Section on Risk and Return for more information.*)

Some investments, such as mutual funds, provide a prospectus containing detailed information, including details on items such as fees, charges, policies, expenses and risk factors. Always read a prospectus carefully before you invest. Before you make an investment decision, be sure you understand the costs, fees, risks and limitations, as well as the advantages of each investment and how it fits with your financial goals. In addition to offering investment recommendations, at your request, your Financial Advisor can execute transactions for securities you choose. Because

these transactions are not based upon Morgan Stanley's specific recommendations, they may be recorded as "unsolicited." In some instances, you may have to sign an acknowledgment of this.

Your Financial Advisor cannot exercise investment discretion—that is, independently make investment decisions for your account—without your prior written authorization and Morgan Stanley's prior approval. With the exception of some of our advisory programs, your Financial Advisor may be authorized to exercise investment discretion only in very limited circumstances.

Morgan Stanley and its Financial Advisors do not offer tax or legal advice. You should consult your personal tax and legal advisors before making any tax- or legal-related decisions.

BUYING AND SELLING SECURITIES

Give your Financial Advisor complete instructions for every transaction. Whenever you place an order, make sure you have the correct:

- Account number
- Account type
- Transaction type (buy or sell)
- Quantity
- Security description
- Price (if the order is price-specific)
- Dividend reinvestment instructions

HOW YOUR BROKERAGE TRADES ARE SETTLED

Generally, the settlement date is when you must pay for the security you purchased or deliver the security you sold in negotiable form.

- United States securities exchange rules require that most securities transactions settle on or before the second business day following the trade date. There are few exceptions to this requirement.
- For certain classes of fixed income securities (including Treasury securities) and exchange-traded options, settlement is required on the following business day.
- Cash-basis transactions settle on the same business day as the trade.

TRADE CONFIRMATIONS

A confirmation is a written record of your transaction. It provides important information about your security transactions and should be maintained for your records.

Morgan Stanley sends confirmations for every securities transaction the firm effects, except where regulatory exceptions apply.

HOW YOUR TRADES ARE EXECUTED

When processing trades, Morgan Stanley acts as either agent or principal, or in some instances as both agent and principal. Your trade confirmation tells you in what capacity we acted:

- As an agent, Morgan Stanley works to find you the best execution for your order. If you elect to have an investment advisory account, generally all trades are executed as agent.
- As a principal, Morgan Stanley buys securities from you and sells securities to you. In such cases, Morgan Stanley sells the securities from its own inventory or buys securities based on the current market price. In other cases, your order will be executed by an affiliate company acting as principal. On these trades, the affiliate relationship will be disclosed to you on the trade confirmation.

Summary of Procedures for IPOs and Other Public Offerings Issued on S-1s

The following provides a summary of Morgan Stanley's system for receiving client offers to buy securities in most Initial Public Offerings ("IPOs") and other public offerings issued on an S-1

registration statement (“S-1 Follow-Ons”, together with an IPO, a “Public Offering”) for which Morgan Stanley is an underwriter. This system is not utilized for certain IPOs or S-1 Follow-Ons, such as closed-end funds or business development companies, offerings issued pursuant to a shelf registration statement, or any other non-public offerings.

If you are interested in purchasing Public Offering securities after reviewing a preliminary prospectus, you can provide your Financial Advisor or Private Wealth Advisor (“FA/PWA”) with a Conditional Offer to Buy (“COB”) before the pricing of the Public Offering, and, subject to the conditions described below, you will not be required to reconfirm your COB after the pricing of the Public Offering. In addition, you can withdraw your COB at any time up to and including the Withdrawal Time for the Public Offering, as described below. Each time you provide Morgan Stanley with a COB, we will send you an email confirming receipt of the COB (the “COB Confirmation”).

If you provide your FA/PWA with a COB:

- In the case of an equity Public Offering, the price at which you are offering to buy such securities will be a range that is 20% below the bottom end and 20% above the top end of the price range set forth in the preliminary prospectus, such 20% calculated by using the top end of such price range (the “Conditional Offer Price Range”).
 - For example: if the price range in the preliminary prospectus for an equity Public Offering is \$18 to \$20 per share, your Conditional Offer Price Range includes an equity Public Offering price at \$14 to \$24 per share (calculated as 20% of \$20, being \$4, and adding this amount to the top end of the price range and subtracting such amount from the bottom end of the price range).
- Your COB will no longer be valid, and your FA/PWA may contact you to obtain a new COB, if:
 - there is a material change to the preliminary prospectus; or
 - in the case of an equity Public Offering, the equity Public Offering prices above or below the Conditional Offer Price Range; or
 - your COB has been outstanding and not accepted for more than 20 days.
- Once the registration statement has been declared effective (usually just before pricing of the securities), Morgan Stanley will email you a Notice of Effectiveness, which will include the “Withdrawal Time”. This is the period of time (which will be at least one hour) during which you may withdraw your COB by contacting your FA/PWA. **At any time up to and including the Withdrawal Time, you are not bound in any way and may withdraw your COB without any penalty.**
- After the Withdrawal Time, your COB can be accepted by Morgan Stanley without any further action by you. **Morgan Stanley will not reconfirm your COB after pricing.**
- There is no guarantee that you will be allocated shares in a Public Offering. Morgan Stanley will not be obligated to accept your COB or to allocate shares to you.
- To determine whether you have been allocated shares in the Public Offering, contact your FA/PWA or wait to receive a confirmation of sale.

Please note that Morgan Stanley retains the right, at any time, to require reconfirmation of your COB. If you have any questions about this system, please contact your Morgan Stanley FA/PWA for more information.

Potential Replacement of LIBOR

The following discussion applies to holders of products directly or indirectly linked to the London Interbank Offered Rate (“LIBOR”) or the Secured Overnight Financing Rate (“SOFR”) and investors that are considering purchasing such products. Depending on your current holdings and investment plans, this information may or may not be applicable to you.

LIBOR is a widely used interest rate benchmark that is intended to represent the rates at which LIBOR panel banks could obtain wholesale, unsecured funding for set periods in particular currencies. LIBOR is often used as a reference rate in bond, loan and derivative contracts, as well as consumer lending instruments such as mortgages.

For several years, LIBOR has been the subject of national and international regulatory scrutiny. Among other things, there is concern with the integrity of LIBOR due in part to the limited number of transactions in the interbank lending market that LIBOR is intended to represent. As a result, central banks around the world, including the Federal Reserve Board (“FRB”), have established committees with the goal of finding suitable alternative rates for their currency’s LIBOR. Globally, a move away from LIBOR would impact all tenors and currencies of this benchmark. It is possible that LIBOR could cease by the end of 2021. Other interbank offered rates, as well as select other interest rate benchmarks besides LIBOR (such as EONIA in Europe), are also being evaluated in their respective jurisdictions for potential reform; however, the following discussion is limited to LIBOR.

The committee established by the FRB, the Alternative Reference Rates Committee (ARRC), has selected SOFR, a reference rate based on overnight repurchase agreement (repo) transactions secured by U.S. Treasury securities, as the recommended alternative benchmark rate to USD LIBOR. The Federal Reserve Bank of New York began publishing SOFR in April 2018. Other alternative rates selected by central bank committees for their currency’s LIBOR include SONIA in the United Kingdom, ESTR in the European Union and TONA in Japan, each of which is an overnight rate published daily by the applicable central bank.

The uncertainty surrounding the future of LIBOR, including any transition away from LIBOR, as well as the impact of future regulatory and market developments, could cause LIBOR-based products to perform differently than in the past and may have a material adverse effect on your investment strategy, the return on any securities linked to LIBOR and their secondary market prices. Any such uncertainty, transition or developments could also have other consequences that cannot be predicted. A move away from LIBOR could also impact products indirectly linked to LIBOR.

Bond indentures and other documentation governing existing LIBOR-based products may contain LIBOR “fallback provisions,” which provide for how the applicable interest rate will be calculated if LIBOR ceases or is otherwise unavailable. Fallback provisions can materially differ across products and even within a given asset class. Furthermore, such provisions may not contemplate alternative reference rates such as SOFR (in particular in older documentation) and may not be favorable to investors. For example, the interest rate for a security may revert to the LIBOR rate of the prior interest period, which would have the effect of converting the security from a floating to a fixed rate instrument if LIBOR is no longer available. In the United States, cash markets may adopt fallback provisions for products for which the applicable interest rate would be determined using SOFR (or a term SOFR) plus a spread adjustment to take into account differences between SOFR and LIBOR. Securities may also be subject to amendment, but even if investor consent is obtained, your interests may not be aligned with those of other investors. Clients utilizing hedging strategies may also face basis risk due to inconsistent fallback provisions in their various investments. As a result, the fallback provisions in your LIBOR-based products, or the absence thereof, could have a material adverse effect on the value of such products as well as your investment strategy.

With respect to an investment in SOFR-linked products, you should understand SOFR, the terms of the particular offering and the related risks. The composition and characteristics of SOFR are not the same as LIBOR and, as a result, SOFR may not perform in the same way as LIBOR would have. Further, the SOFR-linked products that have been issued to date each apply different market conventions to calculate interest since the market for SOFR products is in its early stages. SOFR may also fail to gain market acceptance and there may be a limited secondary trading market for SOFR-linked products. Similar risks apply to the alternative rates selected by central bank committees in other jurisdictions.

Affiliates of Morgan Stanley Smith Barney LLC (“MSSB”) participate on central bank committees that are selecting alternative rates and developing transition plans for trading these new rates. In addition, MSSB and its affiliates may have interests with respect to LIBOR- and SOFR-linked products that conflict with yours as an investor. As with any investment, make sure you

understand the terms of any LIBOR- and SOFR-based products you hold and the terms of those that you are considering purchasing. Other products and services offered by or through MSSB or its affiliates, such as loans and mortgage products, may have different terms and conditions and may be affected by the potential replacement of LIBOR differently than LIBOR-based securities. This is a developing situation, so the above information is subject to change.

For more information on the potential replacement of LIBOR, the recommended alternative rate, SOFR, and certain considerations relating to LIBOR- and SOFR-linked products, please see www.morganstanley.com/vm/LIBOR. Please also contact a member of your Morgan Stanley team for information, including if you have questions about whether you hold LIBOR-based products.

Important Information Regarding the Sales and Offers of Sales of Investment Products to U.S. Military Personnel* and Their Dependents**

Investment products that may be offered or sold by Morgan Stanley Smith Barney LLC or its personnel in person on the premises of a military installation to a member of the United States Armed Forces or his or her dependents are:

- (1) not offered or provided on behalf of the federal government, and
- (2) are not sanctioned, recommended or encouraged by the federal government.

Important Information for Clients Effecting Short Sales and/or Holding Short Stock Positions

When you sell a security short, Morgan Stanley will deliver the security on your behalf and will charge you for the duration of time your short position remains open. The cost to you for each short sale transaction will vary based on a number of factors, including interest rates, the demand for the security and general market conditions, and will also include compensation for Morgan Stanley's services. In general, as the demand to borrow the security increases, the costs will increase. These costs may be substantial for certain securities, and also may fluctuate significantly over the duration of the period of time your short position is held, thus impacting the return on your short transaction. Accordingly, we urge you to discuss with your Financial Advisor the potential costs of short selling prior to entering any short sale as well as the ongoing borrowing costs when determining whether to maintain any short position.

Shorting securities involves risk to investors, including (without limitation) the risk of unlimited loss if the shorted security appreciates in value, the risk that your short position may be bought-in with little or no notice, and the risk that charges for borrowing may change materially without notice. As a result, shorting may not be suitable for everyone. Investors should make sure they understand these risks prior to shorting securities.

Short sales are not permitted in CashPlus Accounts or in any other accounts that have opted out of, or are not eligible for, margin privileges.

Summary of the Bank Deposit Program

Through the Bank Deposit Program ("BDP" or the "Program"), free credit balances are automatically deposited, or "swept" into interest-bearing FDIC-insured deposit accounts ("Deposit Accounts") established for you by, and in the name of, Morgan Stanley Smith Barney LLC as agent and custodian, at one or more Sweep Banks: Morgan Stanley Bank, N.A. ("MSBNA") and Morgan Stanley Private

* A member of the U.S. Armed Forces includes any active, retired, discharged or separated member of the Army, Navy, Air Force, Marine Corps and Coast Guard.

** A military installation includes any federally owned, leased or operated base, reservation, post, camp, building or other facility to which members of the U.S. Armed Forces are assigned for duty, including barracks, transient housing and family quarters.

Bank, National Association (“MSPBNA” and, together with MSBNA, the “Sweep Banks”). Free credit balances above \$20,000,000 (the “Deposit Maximum”) are automatically swept into a money market mutual fund (the “Sweep Fund”). The Deposit Accounts at each Sweep Bank consist of a demand deposit account (“DDA”) and money market deposit account (“MMDA”). Your monthly Account statement will reflect your balances in each Sweep Bank, and if applicable, the Sweep Fund.

Each Sweep Bank has a Deposit Limit of \$490,000 for joint accounts and \$245,000 for all other accounts. Deposit Limits are set slightly below the FDIC insurance thresholds to allow for accrued interest on the Deposit Accounts.

The Primary Sweep Bank is the Sweep Bank where your deposits will first be made. Either MSBNA or MSPBNA will be your Primary Sweep Bank, and you will receive notice of the then-current order of the Sweep Bank upon the first deposit into the Program.

Deposits will first be made to your Deposit Accounts at the Primary Sweep Bank up to the Deposit Limit, then to the other Sweep Bank (“Secondary Sweep Bank”) up to the Deposit Limit. If your funds exceed the Deposit Limit at both the Primary and Secondary Sweep Banks, such excess funds will be deposited into the Deposit Accounts at the Primary Sweep Bank up to the Deposit Maximum, even if the amounts in the Deposit Accounts at the Primary Sweep Bank exceed the maximum FDIC insurance limit. Once the deposited funds reach the Deposit Maximum, any additional free credit balances will be swept into the Sweep Fund. The Sweep Fund available for your Account is the Morgan Stanley Institutional Liquidity Funds Government Securities Portfolio (symbol MGPXX). The Deposit Maximum and the Sweep Fund are subject to change with 30 days, prior written notice to you from Morgan Stanley.

Withdrawals from your Deposit Accounts will be made on a “last in, first out” basis, which means that funds will be withdrawn first from your Sweep Fund and then from the Sweep Banks in the reverse order from which the funds were deposited.

Morgan Stanley may notify you with 30 days’ notice by letter, an entry on your Account statement or other written means that your Sweep Bank is changing. Morgan Stanley may notify you of a change to your Primary and Secondary Sweep Banks within 30 days of such change with written notice to you. If a change is made, we may transfer funds between the Sweep Banks in order to reallocate your deposits. However, you may contact your Financial Advisor to block deposits to MSBNA or MSPBNA.

To review current interest rates and the BDP Disclosure Statement, please visit www.morganstanley.com/wealth-investmentstrategies/pdf/BDP_disclosure.pdf.

INTEREST RATES GENERALLY

The DDAs and MMDAs will earn the same rate of interest. Interest rates on the DDAs and MMDAs are variable. Morgan Stanley and the Sweep Banks reserve the right to change the methodology used to determine the interest rates in their sole discretion and without prior notice to you. The Sweep Banks generally set the rates on a weekly basis, but may set the rates more or less frequently. The rate is generally based on a variety of factors including, but not limited to, prevailing economic and market conditions. Our ability to influence the rate on your Deposit Accounts presents a conflict of interest, as described below.

INTEREST RATES AND TIERS

For all eligible accounts, the interest rates on Deposit Accounts will be tiered (“Tiered Rates”) based upon the value of Total Deposit Balances in your BDP Pricing Group. Total Deposit Balances is the value of all deposits (including deposits in the Bank Deposit Program and in the Savings Program) across all accounts in your BDP Pricing Group. A BDP Pricing Group is a group of accounts that have the same address. In addition, accounts utilizing the same Social Security Number or Tax Identification Number in a household may be included in a BDP Pricing Group even if the account address is different from the other accounts.

Currently, there are six interest rate tiers:

- \$2,000,000 or greater
- \$1,000,000 to \$1,999,999.99

- \$500,000 to \$999,999.99
- \$250,000 to \$499,999.99
- \$100,000 to \$249,999.99
- Less than \$100,000

The current rate paid by the Sweep Fund will be among the factors used to determine the rate for the highest interest rate tier.

FEE TO MORGAN STANLEY

The Sweep Banks will pay Morgan Stanley an annual account-based flat fee for the services performed by Morgan Stanley with respect to the Program. The amount of the fee received by Morgan Stanley may affect the interest rate paid by the Sweep Banks on your Deposit Accounts. Affiliates of Morgan Stanley may also receive a financial benefit in the form of credit allocations made for financial reporting purposes. No other charges, fees or commissions will be imposed on your account as a result of or otherwise in connection with the Program.

Our affiliate, Morgan Stanley Investment Management (“MSIM”), serves as the investment adviser to the Sweep Fund. Morgan Stanley receives revenue-sharing compensation from MSIM based on the amount of Sweep Fund assets held by clients in Brokerage Accounts of up to 0.25% per year (\$25 per \$10,000 of assets). This fee is not assessed on positions held by clients in Advisory Accounts.

CONFLICTS OF INTEREST AND OTHER BENEFITS

Morgan Stanley, the Sweep Banks and their affiliates may receive other financial benefits in connection with the BDP. The Sweep Banks may use the cash balances in their Deposit Accounts to fund certain lending activity. As with other depository institutions, the profitability of the Sweep Banks is determined in large part by the difference between the interest paid and other costs incurred by them on the Deposit Accounts, and the interest or other income earned on their loans, investments and other assets. Deposits in Deposit Accounts provide the Sweep Banks with a stable, cost-effective source of lendable funds.

FDIC COVERAGE

Funds in the Deposit Accounts (principal and accrued interest) at each Sweep Bank are eligible for FDIC insurance up to a specified amount per depositor (the “Maximum Applicable Insurance Limit”) in each insurable capacity (e.g., individual or joint). The Maximum Applicable Insurance Limit is \$250,000. Please keep in mind, however, that the Maximum Applicable Insurance Limit is established per depositor.

Any deposits that you maintain in the same capacity directly with a Sweep Bank (including CDs), or through an intermediary (such as Morgan Stanley or another broker), will be aggregated with deposits in your Deposit Accounts at that Sweep Bank for purposes of the Maximum Applicable Insurance Limit. You are responsible for monitoring the total amount of deposits that you have with each Sweep Bank, in order to determine the extent of FDIC deposit insurance coverage available to you. We are not responsible for any insured or uninsured portion of a Deposit Account at a Sweep Bank. Please visit www.fdic.gov for more information. Balances maintained in the Deposit Accounts at each Sweep Bank are not protected by SIPC or any excess coverage purchased by Morgan Stanley.

SIPC INSURANCE

Money market mutual funds and free credit balances are covered by the Securities Investor Protection Corporation (SIPC). SIPC is a federal mandated U.S. nonprofit corporation that protects customer assets from financial loss in the event a broker-dealer becomes insolvent.

SIPC covers securities that we hold in custody (stocks, bonds, notes) up to \$500,000 per client capacity (e.g., individual, joint) of which \$250,000 may be free credit balance. Money market mutual funds receive SIPC coverage as securities, not as cash. Funds in the BDP are covered by FDIC insurance, not SIPC. Additional information about SIPC is available at www.sipc.org.

In addition to this SIPC protection, Morgan Stanley has purchased, at no cost to clients, a supplemental insurance policy through certain underwriters at Lloyd's of London and various

insurance companies. In the unlikely event that client assets are not fully recovered and SIPC protection limits have been paid, this additional coverage would be available to provide protection above the SIPC limits. This coverage is subject to an aggregate firmwide cap of \$1 billion, with no per-client limit for securities and a \$1.9 million per client limit for the cash portion of any remaining shortfall. SIPC and excess of SIPC protection do not insure against losses due to market fluctuations or other losses that are not related to claims due to the insolvency of Morgan Stanley. SIPC and excess of SIPC protection are applied per customer for all Accounts designated in the same capacity. Clients may obtain a more complete and definitive description of SIPC protection by visiting www.sipc.org.

You could lose money by investing in a money market fund. Depending upon the type of money market fund in which you invest, a fee may be imposed upon the sale of your shares or the Fund may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time. You may also obtain a prospectus from us or from Morgan Stanley Investment Management at <https://www.morganstanley.com/im/en-us/financial-advisor/product-and-performance/liquidity-funds/liquidity/government-securities.shareClass.PT.html>. Please read the prospectus carefully before investing or sending money.

AUTOMATIC CASH SWEEP

The Bank Deposit Program will be your default sweep investment unless you are ineligible to participate in the Bank Deposit Program (e.g., certain entity types or persons residing outside the U.S.). The Bank Deposit Program is described in your account opening materials, as well as in the Bank Deposit Program Disclosure Statement that can be found at https://www.morganstanley.com/wealth-investmentstrategies/pdf/BDP_disclosure.pdf. If you are ineligible to participate in the Bank Deposit Program, any free credit balances in all of your accounts will automatically sweep into one of the following based upon eligibility:

- Institutional Liquidity Funds Government Securities Portfolio (available only if you are a U.S. Person and are not eligible for the Bank Deposit Program, or if you exceed the Deposit Maximum as defined in the Bank Deposit Program Disclosure)
- Treasury Liquidity Fund – Cayman Islands Exempted Company that invests substantially all its assets in Institutional Class of Morgan Stanley Institutional Liquidity Funds Treasury Portfolio, a U.S. money market fund (Cayman Company is not governed by the U.S. Investment Company Act and is available only if you reside outside the U.S.)
- U.S. Government Money Market Trust (available only for individual retirement accounts that are not eligible for the Bank Deposit Program)

For the purpose of this section, each of the above funds shall be referred to as a “money market mutual fund.”⁵

How Morgan Stanley and Your Financial Advisor Are Compensated

HOW MORGAN STANLEY IS COMPENSATED BY YOU

Depending on the types of relationships you establish and the ways you choose to do business with us, Morgan Stanley may be compensated for the services we provide through transaction commissions and markups, asset-based fees and other fees and charges.

⁵ Our affiliate, Morgan Stanley Investment Management (“MSIM”), serves as the investment adviser to the listed money market mutual funds. Morgan Stanley receives revenue-sharing compensation from MSIM based upon the amount of assets held by clients in these money market mutual funds.

BROKERAGE

For brokerage activity, we offer transaction-based pricing in which you pay commissions, sales loads, markups/markdowns or other fees for each transaction you and your Financial Advisor execute. You can conduct transaction-based business in virtually all financial products and services within an Active Assets Account or in retirement, education savings, or other accounts we offer.

INVESTMENT ADVISORY

In our investment advisory programs, you generally pay an asset-based fee, charged quarterly in advance, based on the total value of the assets in your account at the end of the previous quarter. Unless otherwise noted, the asset-based fee generally covers investment consulting and certain brokerage services provided by Morgan Stanley, as well as the external or internal investment management fees. However, the asset-based fee does not cover expenses paid within any exchange-traded funds or mutual funds you may own.

You may select from our comprehensive suite of managed account programs, which are designed for various levels of investment experience and sophistication, with asset minimums that start as low as \$1,000. Depending upon the program, your investment advisory account may include stocks, bonds, money market funds, mutual funds, exchange-traded funds and cash. You can establish investment advisory relationships for your retirement or trust accounts in addition to your personal investment accounts. If you select one of our nondiscretionary advisory programs, your Financial Advisor will provide investment advice, but you will retain decision-making authority over your account.

Morgan Stanley offers financial planning services through Morgan Stanley approved financial planning tools. Using these tools, your Financial Advisor can assist you with the evaluation of your financial goals and help you develop an investment strategy to meet goals such as planning for retirement, funding an education and insurance planning.

The maximum fee for delivery and review of a financial plan (outside the LifeView® Connect Program) is generally \$5,000. However, Financial Advisors who hold one of the following qualifying designations: CERTIFIED FINANCIAL PLANNER™ (CFP®), CHARTERED FINANCIAL ANALYST® (CFA®), CHARTERED PERSONAL WEALTH ADVISOR® (CPWA®), Chartered Financial Consultant (ChFC), Certified Trust and Financial Advisor (CTFA) or Family Wealth Director (FWD), may charge up to a maximum of \$10,000 if assets in a financial plan are over \$5,000,000. In the LifeView® Connect Program, the client will pay to MSSB a periodic flat fee within a range based on the client's investable assets included in the financial plan. The fee ranges from \$250 to a maximum of \$25,000 per year. These fees are negotiable. Financial Advisors have the discretion to discount up to 100% of the fee for a financial plan outside the LifeView® Connect Program, and to discount the LifeView® Connect fee to a minimum of \$250 per year.

LENDING SERVICES

Morgan Stanley offers a variety of lending products to individuals and businesses. We are compensated for these services in two ways: through fees when the loan or line of credit is initially established and/or through ongoing interest charges. These fees and payments depend on the type, structure and duration of the advance.

For margin and Express CreditLine, you are not charged upfront fees. Normally, ongoing interest charges are calculated and paid based on a variable interest rate. Principal is usually repaid at your discretion, although we may exercise our rights under our agreement with you at any time if there is a collateral shortfall.

For a Liquidity Access Line, clients are typically not charged upfront fees to set up the line of credit.⁶ Various loan structures can be established in one loan account, including a variable rate

⁶ Clients may be responsible for fees of a third-party law firm engaged by Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A. to review complex Liquidity Access Line transactions (e.g., review of trust agreements). Clients will also be charged a fee for the issuance of a letter of credit, prepayment of principal on fixed-rate advances and upon a client's request for certain cash management services (e.g., duplicate statement and check reorders).

advance and fixed-rate advance. Fixed-rate advances may carry prepayment fees. The ongoing principal and interest payments depend on the type, structure and duration of the loan. Principal is usually repaid at the client's discretion, although Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, may exercise its rights under its agreement with you at any time, including if there is a collateral shortfall. You can also establish a standby letter of credit. Fees on standby letters of credit are based on the issuance amount of the letter of credit. Fees, interest and principal payments are paid to Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable. The proceeds from a non-purpose Liquidity Access Line loan/line of credit (including draws and other advances) may not be used to purchase, trade, or carry margin stock; repay margin debt that was used to purchase, trade or carry margin stock; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account. Liquidity Access Line is a securities-based loan/line of credit product, the lender of which is either Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, each, an affiliate of Morgan Stanley Smith Barney LLC.

Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley, offers a variety of Tailored Lending loan solutions; some may require upfront fees in addition to interest payments based on the type, structure and duration of the loan. The proceeds from a Tailored Lending loan/line of credit (including draws and other advances) generally may not be used to purchase, trade or carry margin stock; repay margin debt that was used to purchase, trade or carry margin stock; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

Residential mortgage loans are made by Morgan Stanley Private Bank, National Association, an Equal Housing Lender, an affiliate of Morgan Stanley Smith Barney LLC. Some loans may involve an origination fee, which is typically up to one percent of the principal amount of the loan, and/or an application fee and closing costs. The proceeds from a residential mortgage loan (including draws and advances from a home equity line of credit) are not permitted to be used to purchase, trade or carry eligible margin stock; repay margin debt that was used to purchase, trade or carry margin stock; or to make payments on any amounts owed under the note, loan agreement, or loan security agreement; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

OTHER COMPENSATION

Morgan Stanley and its affiliates may earn compensation in other, more indirect ways with regard to certain of the products you purchase or services you receive. For example, Morgan Stanley may earn compensation in connection with the provision of investment banking, prime brokerage, institutional brokerage or placement agent services, as well as stock loan or other lending, money-management or trading-desk activities. Certain investment vehicles may include securities of Morgan Stanley's parent or other affiliates and companies in which Morgan Stanley or its affiliates make a market or the officers or employees of Morgan Stanley or Morgan Stanley's affiliates own securities.

If your account was referred to us by one of our affiliates, including but not limited to Morgan Stanley and Co. LLC or Morgan Stanley Investment Management Inc., we may compensate our affiliate for referring your account to us. If your account was so referred to us, we may pay our affiliate a fixed fee, a percentage of the transaction-based compensation or a percentage of the management fees paid to us by you. You will pay us an advisory fee or transaction compensation, depending on the account type you open, that clients ordinarily pay to us for our services. You will not pay us or our affiliate that referred you to us any additional compensation for this referral.

HOW MORGAN STANLEY COMPENSATES YOUR FINANCIAL ADVISOR

Your Financial Advisor's compensation is based primarily on the fees and commission that you pay us. In general, your Financial Advisor receives a portion of Morgan Stanley's fees and commission as gross revenue credits, and we pay our Financial Advisors a percentage of their gross revenue credits as incentive compensation. Different products have different gross revenue credit structures and, accordingly, our Financial Advisors get paid more or less depending on the product or service you choose. The more overall gross revenue a Financial Advisor

generates, the higher his or her percentage of gross revenue or incentive compensation credit rate. The incentive compensation credit rate varies and is subject to change. The incentive compensation credit rate ranges from 20% to 55.5%, with a portion of total credits awarded to the Financial Advisor as deferred compensation, and the remainder of the total credits awarded as cash compensation.

On certain lending products like Margin, Liquidity Access Line and Express Credit Line Financial Advisors are credited with gross revenue for up to 65 basis points of the balance of the loan depending on the spread of the individual loan. For Tailored Lending, Financial Advisors are credited with gross revenue for up to 12% of the spread of the loan's average monthly balance depending on the spread of the individual loan; Financial Advisors may also be credited with gross revenue for up to 12% of upfront fees paid on a Tailored Lending credit facility. Morgan Stanley also has partnerships with third-party lenders. Your Financial Advisor may receive a gross revenue credit for placing certain non-mortgage loans with third-party lenders. The gross revenue credit varies according to the specific third-party program. Financial Advisors may also receive ongoing gross revenue credit (called residuals) on some investment products.

In addition to the incentive compensation credit rate schedule outlined above, your Financial Advisor may be eligible for bonuses, based on the total gross revenue he or she generates during the year, his or her clients' Margin, Liquidity Access Line/Express Credit Line and Tailored Lending balances, and Mortgages closed. Your Financial Advisor may also be eligible for incentives based on his or her clients' cash management solutions, and Morgan Stanley Online or Morgan Stanley Mobile App usage. Your Financial Advisor may be eligible to receive financial incentives in connection with the transition of his or her employment to Morgan Stanley. Such incentives may include sign-on bonuses and/or loan-bonus arrangements, equity awards, buyout of forfeited deferred compensation or retention arrangements, special commission arrangements, supplemental bonuses or loan-bonus arrangements, and may be contingent upon your Financial Advisor satisfying certain performance-based criteria that may depend on total client assets serviced by the Financial Advisor at Morgan Stanley and/or the gross revenue they generate.

Your Financial Advisor will receive reduced or no incentive compensation for transactions below certain commission levels, as well as for households that do not meet certain asset minimums.

FLOAT

Morgan Stanley may retain, as compensation for its provision of services, your Account's proportionate share of any interest earned on aggregate cash balances held by Morgan Stanley or an affiliate with respect to assets awaiting investment. Such interest retained by the Custodian shall generally be at the prevailing Federal Funds interest rate.

Your Account and Service Fees

HOUSEHOLDING

A household is comprised of one or more accounts formally grouped under one individual designated as the head of household. Individuals can be included in the household if they have an eligible familial relationship to the head of household. Eligible family relationships include spouse (or domestic partner¹), children, parents and grandparents of the head of household.

There are restrictions on what account types may be grouped in the same household. Consent may be required for accounts to be included in a household. If you want to include IRAs and/or other retirement accounts in your household, you may need to contact your legal or tax advisor to understand any possible unanticipated tax consequences of householding such accounts. You

¹Although legal marriages (including same-sex marriages) are recognized for federal tax purposes, IRS Regulation section 301.7701-18 indicates that registered domestic partnerships, civil unions, and other similar formal relationships under state law are not treated as marriage for federal tax purposes. To avoid potential adverse tax consequences, there are restrictions on including accounts for domestic partners (or members of civil unions or other formal relationships under state law) in the same household as IRAs and/or other tax-qualified accounts. You may need to contact your own legal or tax advisor for more information.

should speak with your Financial Advisor to learn more about account eligibility for householding, and to learn more about the advantages of maintaining or increasing your Household Tier.

ACCOUNT FEES^{2,3}

Your account may be subject to several fees which are charged to your account and which may be modified by Morgan Stanley from time to time upon prior written notice. Some fees may be waived at certain asset levels or for Reserved Clients. You should speak with your Financial Advisor if you have any questions regarding our account or service fees.

Individual and Business Active Assets Accounts

The annual maintenance fee for Active Assets Accounts (AAA) and Business Active Assets Accounts will be charged on or about the 10th business day of the month, beginning the month after you open your account. In subsequent years, you will be charged on or about the 10th business day of the month after your account anniversary date.

Individual Retirement Accounts

The annual maintenance fee will be charged for any calendar year or portion of any calendar year during which you have an IRA with us. Maintenance fees are due and payable on the following dates: (a) when you open your IRA; (b) for subsequent years, annual maintenance fees will be due on or after the 10th business day of the quarter-ending month on or after your account's anniversary month (if your account remains open on that date); and (c) the day you terminate or transfer your IRA. Your annual maintenance fee will be automatically debited from the IRA. Contact your Financial Advisor for other payment options.

Account termination or transfer fees are charged when your IRA is closed. Termination fees are not charged if the account is distributed in any year following your disability or death or at age 75 or older. The Account Transfer Fee will be imposed for any or all account assets transferred from your Morgan Stanley IRA to another financial institution. In the event that both the termination and transfer fees would apply to the same transaction, only the transfer fee will be assessed.

Business Retirement Accounts

The annual account fee for the Versatile Investment Program (VIP) Basic, VIP Plus and Retirement Plan Manager (RPM) accounts will be charged for any calendar year or portion of any calendar year during which you have a subaccount with us (and is charged once for each such account). The fee is due each September or, in the event of transfer or termination, upon account closure. For accounts that are opened between September and December and therefore miss the scheduled billing cycle, the fee is due in January of the following calendar year. A reduced fee will be assessed to those who enroll in eDelivery—for all documents pertaining to every account within the Account Linked Group (ALG). The annual fee for Business Retirement VIP and RPM accounts is assessed for the entire plan and is either paid by the plan sponsor or equalized across all fee eligible subaccounts of the plan. If the fee is charged to subaccounts, the reduced fee for all eDelivery may not be fully realized by the particular subaccount that is enrolled. A per account termination fee is due upon account closure for VIP Basic, VIP Plus and RPM accounts.

CashPlus

Beginning on or about May 2020, CashPlus Accounts may be charged a monthly account fee, which will be charged on or about the 10th business day of the month after the fee is incurred. For the monthly account fee avoidance criteria, please refer to the CashPlus Account Disclosure Statement or available at <https://www.morganstanley.com/wealth-disclosures/cashplusaccountdisclosurestatement.pdf>.

² You understand that whenever it is necessary, for our protection or to satisfy a debit balance or other obligations owed to us, we may—but are not required to—sell, assign or deliver all or any part of the securities and other property held in your account. We may attempt to contact you before taking such action, but we reserve the right to take any such action without prior notice or demand for additional collateral and to do so free of any right of redemption. Morgan Stanley may choose which securities or other property to buy or sell as well as the sequence and timing of liquidation. Our choices may have adverse tax consequences or investment implications for you.

³ Not all fees are listed and fees are subject to change. Morgan Stanley Smith Barney LLC reserves the right, in its sole discretion, to elect to discount or waive any fees.

MORGAN STANLEY WEALTH MANAGEMENT SCHEDULE OF MISCELLANEOUS ACCOUNT AND SERVICE FEES

Your Morgan Stanley relationship enables you to select from a variety of account types, to help meet both everyday needs and long-term objectives. The information on the following pages will help you understand the account and service fees that may be applied to your accounts.¹ Fees may vary by account type or other factors, and are subject to change. Some fees may be waived at certain asset levels or for various programs and accounts, such as, but not limited to, Reserved,² CashPlus Accounts and Premier Cash Management. Fees listed here exclude advisory fees, commissions, commission equivalents or markups. Please speak with your Financial Advisor if you have any questions regarding our account or service fees.

ACCOUNT AND SERVICE FEES

ACCOUNT OR SERVICE	STANDARD FEE AMOUNT	ALL eDELIVERY FEE AMOUNT**	FREQUENCY
Account Maintenance Fees			
Account Fees			
Individual Active Assets Account (AAA) – Account Fee ³	\$175	\$150	Annual
Business Active Assets Account (BAAA) – Account Fee ³	\$175	\$150	Annual
Custodial Active Assets Account – Account Fee ³	\$125	\$100	Annual
Individual Basic Securities Account (BSA) – Account Fee ⁴	\$120 (\$70 for accounts in the MSVA)*	\$95 (\$50 for accounts in the MSVA)*	Annual
Business Basic Securities Account (BBSA) – Account Fee ⁴	\$120 (\$70 for accounts in the MSVA)*	\$95 (\$50 for accounts in the MSVA)*	Annual
Individual Retirement Account (IRA) (Traditional, Roth, Rollover, Inherited, SEP, SIMPLE and SAR-SEP) – Account Fee ⁵	\$100 (\$70 for accounts in the MSVA)*	\$75 (\$50 for accounts in the MSVA)*	Annual
Business Retirement VIP Basic – Account Fee ⁶	\$80 per account	\$60 per account	Annual
Business Retirement VIP Basic – Plan Document Fee	\$150 per plan	\$150 per plan	Annual
Business Retirement VIP Plus – Account Fee ⁶	\$70 per account	\$50 per account	Annual
Business Retirement VIP Plus – Plan Document Fee	\$150 per plan	\$150 per plan	Annual

* All references to the Morgan Stanley Virtual Advisor (MSVA) apply only to domestic clients.

** All accounts enrolled in eDelivery of all eligible account documents for every account within their Account Link Group.

ACCOUNT OR SERVICE	STANDARD FEE AMOUNT	ALL eDELIVERY FEE AMOUNT**	FREQUENCY
Business Retirement RPM—Account Fee ⁶	\$70 per account	\$50 per account	Annual
529 College Savings Plan—Account Fee	None imposed by Morgan Stanley Smith Barney LLC; some plans impose an Account Fee; fee varies by plan (typically \$10–\$30)	None imposed by Morgan Stanley Smith Barney LLC; some plans impose an Account Fee; fee varies by plan (typically \$10–\$30)	Varies Per Plan
Coverdell Education Savings Account (ESA)—Account Fee	\$70	\$50	Annual

ACCOUNT OR SERVICE	FEES AMOUNT	FREQUENCY
Morgan Stanley Premier CashPlus Account ⁷	\$15	Monthly
Morgan Stanley Platinum CashPlus Account ⁸	\$45	Monthly
Duplicate Statements and Duplicate Confirmations	\$5	Per Statement/Confirmation
Low-Balance Household Fee ⁹	\$50 per quarter for households with less than \$25,000 (Waived for MSVA households)*	Per Quarter

Account Transfer (including ACATS) and Termination Fees

Individual Retirement Account (IRA) (Traditional, Roth, Rollover, Inherited, SEP, SIMPLE and SAR-SEP)—Termination Fee ^{10,11,12}	\$95	Per Account Termination
Business Retirement VIP Basic—Termination Fee ^{11,12}	\$50	Per Account Termination
Business Retirement VIP Plus—Termination Fee ¹²	\$50	Per Account Termination
Business Retirement RPM—Termination Fee ¹²	\$50	Per Account Termination
529 College Savings Plan—Termination Fee	None imposed by Morgan Stanley Smith Barney LLC; some plans impose a Termination Fee; fee varies by plan.	Varies Per Plan
Coverdell Education Savings Account (ESA)—Termination Fee ^{12,13}	\$95	Per Account Termination
Account Transfer Fee (including ACATS) ¹⁴	\$95	Per Account Transfer

ACCOUNT OR SERVICE	FEES AMOUNT	FREQUENCY
Cash Management Services¹⁵		
Check (Overnight) – Client Requested/Branch Initiated Disbursement AAA, BAAA, BSA, BBSA	\$10	Per Check
Checks – Checkbook Orders, AAA/Retirement Accounts	<ul style="list-style-type: none"> • Wallet Check Orders/ Reorders – Waived • Non-Wallet Orders/ Reorders – \$20 and up, depending on style and quantity 	Per Checkbook Order
Debit Card	No annual fee. A 2% foreign transaction fee is charged on transactions made with the Debit Card outside of the United States (includes ATM withdrawals)	Per Transaction
Debit Card – Automated Teller Machine (“ATM”) Withdrawal	Up to \$200 per calendar year in ATM fee rebates at ATMs around the world where MasterCard®, Maestro® or Star® are accepted	Per Transaction
Expedited Payment Fee for Morgan Stanley Online Bill Pay (Same Day/Next Business Day, Receipt of Payment)	\$15	Per Transaction
Express Orders for Checks and/or Debit Card (Via Overnight Delivery – U.S. addresses only)	\$25 for Checks/\$25 for Debit Card	Per Delivery
Insufficient Funds (Over Limit) Paid Item: Includes Check/ACH, Automatic Debits, Online Bill Payments	\$25	Per Transaction
Insufficient Funds, Returned Items: Includes Check/ACH, Automatic Debits, Online Bill Payments	\$25	Per Transaction
Insufficient Funds, Rejected Transfer	\$25	Per Transaction
Morgan Stanley Credit Card from American Express	\$0	Annual

ACCOUNT OR SERVICE	FEES AMOUNT	FREQUENCY
Platinum Card® from American Express Exclusively for Morgan Stanley – Annual Fee paid to American Express	\$550 ¹⁶	Annual
Returned Check Deposit	\$25	Per Transaction
Stop Payment	\$25	Per Transaction
Wire Transfer (Non-USD) – Outgoing ¹⁷	\$50	Per Wire Transfer
Wire Transfer (USD) – Outgoing ¹⁷	\$25	Per Wire Transfer

Investment Specific

Morgan Stanley Fees

Cash Account Prepayment	\$25 or highest margin interest rate on payment amount beginning the day of prepayment	Per Event
Dividend Reinvestment for Basic Securities Accounts. Waived for Active Assets Accounts, IRAs and Investment Advisory Accounts	<ul style="list-style-type: none"> Dividends \$10–\$100 = 5.3% Dividends \$100.01–\$500 = \$5.30 or 2.7%, whichever is greater Dividends greater than \$500 = \$13.50 or 2%, whichever is greater 	Per Dividend Reinvestment
Foreign Ordinary Shares. Fee is waived when the trade is valued over \$15,000 and when purchasing foreign American Depository Receipts ("ADRs")	\$50 fee for principal purchases less than \$15,000	Per Transaction
Late Payment ¹⁸	\$25 or highest rate on margin schedule, whichever is greater	Per Event
Legal Transfer – Estate Processing	\$25 Additional fees charged by transfer agents may apply	Per Event
Processing Fee ¹⁹	\$6.50 (\$6.00 if enrolled in eDelivery of Confirms)	Per Transaction
Returned Stock Certificate (Reorg)	Waived	n/a
Stock Certificates – Private Name Change/Transfer Request	Waived	n/a

Third-Party Fees

ADR Custody Fee/Depository Service Fee ²⁰	Varies	Per Event
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ACCOUNT OR SERVICE	FEES AMOUNT	FREQUENCY
ADR Dividend Payment Fee	Varies	Per Dividend Payment
ADR Termination Fee	Varies	Per Termination
GlobalCurrency Negative Rate Maintenance Fee ²¹	Varies	Monthly
Limited Partnerships – Reregistration Fee	Pass-through of registration agent fee	Per Event
Physical Certificate Collection (Reorg) Fee	\$25	Per Transaction
Physical Security Restricted Legend Removal ²²	\$300	Per Event
Short-Term Mutual Fund Redemption Fee	Varies	Per Event
Subscription Refund Fee	Varies	Per Event
Supplemental Transaction Fee (may be applied to the sale of certain securities)	Variable, minimum \$0.01	Per Transaction
Voluntary Reorganization Fee	\$25	Per Event
529 College Savings Plan – Program Management Fee	None imposed by Morgan Stanley Smith Barney LLC; some plans impose a Program Management Fee; fee varies by plan (typically 0.10 – 0.50% on assets)	Per Plan
529 College Savings Plan – Other Fees	None imposed by Morgan Stanley Smith Barney LLC; some plans impose other fees, such as underlying fund operating expenses, Administrative and/or State Fees, Distribution Fees; fees vary by plan	Per Event

¹ Some of the fees described are charged by Morgan Stanley Smith Barney LLC ("Morgan Stanley"), while others are charged by third parties. Fees are subject to change. Morgan Stanley reserves the right, in its sole discretion, to discount or waive any fees. If you have any questions regarding these fees, please contact your Financial Advisor or call the number on your account statement.

² Effective May 1, 2020, brokerage accounts in Reserved households with less than \$10 million in eligible assets and liabilities who are not fully enrolled in eDelivery (for all eligible eDelivery document types pertaining to every account within the Account Link Group) will receive a partial annual account fee waiver, resulting in a \$20 or \$25 annual fee per brokerage account. To qualify for Reserved, a client's household must have and maintain a minimum of \$1,000,000 in eligible assets and liabilities or paid at least \$10,000 in managed fees/commissions. Annual managed fees/commissions paid is generally defined as revenue generated in fee-based accounts and commissions generated in non-fee based

accounts, and is calculated on a rolling 12-month basis. Not all revenue is included; Morgan Stanley reserves the right to exclude certain items of revenue in its sole discretion. There is no cost to be enrolled in Reserved. Morgan Stanley Smith Barney LLC reserves the right to change or terminate the Reserved program at any time and without notice. Reserved program participants' accounts and activity are reviewed periodically to confirm that they continue to qualify for Reserved.

³ An annual account fee for Active Assets Accounts (AAA) and Business Active Assets Accounts (BAAA) will be charged on or about the 10th business day of the month, beginning the month after you open your account. A reduced fee will be assessed to those who enroll in eDelivery—for all documents pertaining to every account within the Account Linked Group (ALG).

⁴ A prorated annual account fee will be charged to all converted Smith Barney Basic Securities Accounts if transferred to another Firm. A reduced fee will be assessed to those who enroll in eDelivery—for all documents pertaining to every account within the Account Linked Group (ALG).

⁵ An annual account fee will be charged for any calendar year or portion of any calendar year during which you have an IRA with us. Account fees are due and payable on the following dates: (a) when you open your IRA; (b) for subsequent years, annual account fees will be due on or after the 10th business day of the quarter-ending month on or after your account's anniversary month (if your account remains open on that date); and (c) the day you terminate or transfer your IRA. Your annual account fee will be automatically debited from the IRA. A reduced fee will be assessed to those who enroll in eDelivery—for all documents pertaining to every account within the Account Linked Group (ALG).

⁶ The annual account fee for the Versatile Investment Program (VIP) Basic, VIP Plus and Retirement Plan Manager (RPM) accounts will be charged for any calendar year or portion of any calendar year during which you have a subaccount with us (and is charged once for each such account). The fee is due each September or, in the event of transfer or termination, upon account closure. For accounts that are opened between September and December and therefore miss the scheduled billing cycle, the fee is due in January of the following calendar year. A reduced fee will be assessed to those who enroll in eDelivery—for all documents pertaining to every account within the Account Linked Group (ALG). The annual fee for Business Retirement VIP and RPM accounts is assessed for the entire plan and is either paid by the plan sponsor or equalized across all fee eligible subaccounts of the plan. If the fee is charged to subaccounts, the reduced fee for all eDelivery may not be fully realized by the particular subaccount that is enrolled.

⁷ Beginning on or about May 2020, CashPlus Accounts may be charged a monthly account fee, which will be charged on or about the 10th business day of the month after the fee is incurred. To avoid the monthly fee, the CashPlus Accounts in your Account Link Group, collectively, must satisfy the following criteria: (a) \$2,500 in total monthly recurring deposits or (b) \$25,000 in average daily Bank Deposit Program (BDP) balances. Additionally, at least one other eligible non-CashPlus Morgan Stanley account (excluding all types of retirement accounts) and one Morgan Stanley Online enrollment are required per Account Link Group.

⁸ Beginning on or about May 2020, CashPlus Accounts may be charged a monthly account fee, which will be charged on or about the 10th business day of the month after the fee is incurred. To avoid the monthly fee, the CashPlus Accounts in your Account Link Group, collectively, must satisfy the following criteria: (a) \$5,000 in total monthly recurring deposits; and (b) \$25,000 in average daily Bank Deposit Program (BDP) balances. Additionally, at least one other eligible non-CashPlus Morgan Stanley account (excluding all types of retirement accounts) and one Morgan Stanley Online enrollment are required per Account Link Group.

⁹ A Low-Balance Household fee will be charged quarterly, in addition to any applicable annual account fee, to Morgan Stanley households with less than \$25,000 in eligible assets and liabilities. Eligible assets and liabilities are based upon the higher of the average month-end assets and liabilities over the previous three months or the month-end assets on the last day of the previous month. All accounts within a household will be included in determining the total eligible assets and liabilities. The fee will be charged to only one account in the household. If there is more than one eligible account in the household, the household will be assessed the fee in ascending market value in the following order: Active Assets Accounts (including Business Accounts), Basic Security Accounts, IRAs, Only Active Assets Accounts, Basic Securities Accounts and certain IRAs (Traditional, Rollover, Inherited or Roth) can be charged the Low-Balance Household fee. The Low-Balance Household fee is waived for Morgan Stanley Virtual Advisor (MSVA) households. The following account types may be waived: Advisory, employee accounts, certain IRAs (SEP, SIMPLE, SAR-SEP), VIP, RPM, CSX, Delivery Versus Payment ("DVP")/Receive Versus Payment ("RVP"), Direct Share Business ("DSB"), Self-Directed and MSAL Accounts that only hold Annuities/Insurance, zero balance accounts and closed accounts may be waived. Other product-specific exemptions and other exclusions may apply. Clients new to Morgan Stanley have one year from the date the new household has been established before the quarterly Low-Balance Household fee is assessed.

¹⁰ Effective May 1, 2020, the IRA Termination fee will increase to \$125 per account termination (Morgan Stanley Virtual Advisor and Self-Directed Accounts will remain at \$95 per account termination).

¹¹ Except as a result of death, disability or after attainment of age 75.

¹² In the event that both the account termination fee and the account transfer fee apply, only the account transfer fee will be assessed.

¹³ Fee is waived if the account termination is a result of a transfer or rollover to other Coverdell Education Savings Accounts ("ESAs") or to a qualified tuition program (529 College Savings Plan).

¹⁴ Effective May 1, 2020, the Account Transfer fee will increase to \$125 per account transfer (Morgan Stanley Virtual Advisor and Self-Directed Accounts will remain at \$95 per account transfer). Outgoing Transfer charges (including

outgoing Automated Customer Account Transfer Service ("ACATS") and non-ACATS) apply to Basic Securities Accounts, Active Assets Accounts, Traditional IRAs, Roth IRAs, Rollover IRAs, Inherited IRAs, SEP IRAs, SAR-SEP IRAs, SIMPLE IRAs, VIP, RPM, 529s and Coverdell Education Savings Accounts ("ESAs"). The transfer fee is not charged on partial transfers (only full transfers may be assessed the fee).

¹⁵ Cash Management service fees are waived or reimbursed for Morgan Stanley Premier CashPlus Accounts and Morgan Stanley Platinum CashPlus Accounts. These service fees, include, but are not limited to, the following: Debit Card – ATM Withdrawal fees, Foreign Transaction fees on transactions made with the Debit Card outside of the United States (includes ATM withdrawals), Insufficient Funds (Over Limit, Returned items, Rejected transfer), Returned Check Deposit, Stop Payment, USD and Non-USD Wires via eAuthorizations and expedited delivery for Checks and/or Debit Cards for Platinum CashPlus Accounts.

¹⁶ The annual fee for the Platinum Card® from American Express Exclusively for Morgan Stanley is \$550. Foreign Transaction Fee: None. The Morgan Stanley Cards from American Express are issued by American Express Bank, FSB, not Morgan Stanley. Services and rewards for the Cards are provided by either Morgan Stanley, American Express or other third parties.

¹⁷ External institution(s) may charge additional fee(s) for a wire recall or wire trace.

¹⁸ If a trade payment is late, you will be charged the higher of either \$25 or the highest margin interest rate on the amount owed, beginning the day after the settlement date. All deposits to client accounts, including trade payments, will be used first to satisfy existing debits. You may therefore be charged a late fee on a trade if the payment is insufficient to cover both the trade and any existing debits.

¹⁹ The processing fee will be applied to certain executed orders including, but not limited to, equities, fixed-income products, mutual funds (excluding exchanges, Systematic Investment Plans / Withdrawals, and AutoVest / 529Vest), unit-investment trust (UIT), exchange-traded funds and transactional futures transactions. This fee applies to all account types, except advisory accounts, TRAK Fund Solution accounts, DVP/RVP, Choice Select eligible trades, select small-business retirement and ERISA accounts (SEP IRAs, SIMPLE IRAs, SAR-SEP IRAs, VIP accounts and RPM accounts), AutoVest/529Vest, money market funds, and principal trades less than \$25. With the exception of block trade allocations, the fee is charged to one trade per security, per day, for trades done on the same side of the market (multiple buy trades, or multiple sell trades of the same security, on the same day). If multiple trades are the result of block trade allocations, the fee will be charged on each trade.

²⁰ Pursuant to the provision of the ADR deposit agreements, the ADR sponsoring banks may charge a custody fee to all record date holders. In turn, Morgan Stanley charges all clients with ADR positions for such a fee. Due to margin lending, Morgan Stanley may have fewer record date positions at the depository than customers holding ADR positions. Any excess fees collected will be used to defray other Morgan Stanley custody and clearing costs.

²¹ If a Foreign Currency is yielding a negative interest rate, Morgan Stanley in its discretion may charge your account(s) a monthly negative interest rate fee for servicing your GlobalCurrency account. Please review the GlobalCurrency Disclosure Statement at <https://www.morganstanley.com/wealth-disclosures/disclosures.html> for more information.

²² Clients who request the removal of a restricted legend from their physical security will be charged a processing fee. This fee represents the processing expense incurred by the transfer agent and custodian.

All AAA and BSA accounts are brokerage accounts offered through Morgan Stanley Smith Barney LLC.

The Morgan Stanley Debit Card is issued by Morgan Stanley Private Bank, National Association, pursuant to a license from MasterCard International Incorporated. MasterCard® and Maestro® are registered trademarks of MasterCard International Incorporated. The third-party trademarks and service marks contained herein are the property of their respective owners.

The Morgan Stanley Credit Card from American Express or the Platinum Card® from American Express Exclusively for Morgan Stanley is only available for clients who have an eligible Morgan Stanley Smith Barney LLC brokerage account ("eligible account"). Eligible account means a Morgan Stanley Smith Barney LLC brokerage account held in your name or in the name of a revocable trust where the client is the grantor and trustee, except for the following accounts: Charitable Remainder Annuity Trusts, Charitable Remainder Unitrusts, irrevocable trusts and employer-sponsored accounts. Eligibility is subject to change. American Express may cancel your Card Account and participation in this program, if you do not maintain an eligible account. Morgan Stanley Smith Barney LLC may compensate your Financial Advisor and other employees in connection with your acquisition or use of either the Morgan Stanley Credit Card from American Express or the Platinum Card® from American Express Exclusively for Morgan Stanley.

The Morgan Stanley Cards from American Express are issued by American Express Bank, FSB, not Morgan Stanley Smith Barney LLC. Services and rewards for the Cards are provided by Morgan Stanley Smith Barney LLC, American Express or other third parties. Restrictions and other limitations apply. See the terms and conditions for the Cards for details. Clients are urged to review fully before applying.

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

Quarterly Automatic Liquidation of Securities for Outstanding Account and Service Fee Debits

Your Morgan Stanley account(s) may be subject to certain account and/or service fees. Any fees charged to your account(s) can be found on your account statement.

When there is insufficient cash in any of your account(s), our practice for payment includes, but is not limited to, the option to sell, assign or deliver all or any part of the securities held in any of your account(s) to satisfy a debit balance or other obligations owed to us in any of your account(s).

In order to cover any outstanding account and service fees a sufficient cash balance is required to be maintained in your account(s). You may make alternate payment arrangements such as a separate payment by check or electronic funds transfer to prevent automatic liquidation of securities in your account(s).

Fee debits include but are not limited to annual account fees, low balance household fees and other service related fees. On a quarterly basis, we may automatically liquidate Money Market Funds, Mutual Funds and/or Equities in any of your account(s) to cover outstanding fee debits in any of your account(s) unless alternative payment arrangements have been made.

We are not recommending the sale of any of these securities as compared to others or to alternate payment arrangements when liquidating funds or securities.

Liquidation of assets to cover account and service fees does not prevent Morgan Stanley from exercising other rights it may have to collect such outstanding fees. Please note that an automatic liquidation of assets may result in a taxable event. Please consult your tax advisor for more information.

Please contact your Financial Advisor if your statement indicates outstanding fees due and you wish to discuss your options for payment.

EQUITY COMMISSIONS

For brokerage activity, we offer transaction-based pricing in which you pay a commission on each transaction you and your Financial Advisor execute. Transaction-based pricing can be executed on virtually all financial products and services that we offer such as our Active Assets Account, retirement account and the education savings account, just to name a few. Equity commissions are charged based on Principal Value of the trade. For more information on equity commission pricing, speak with your Financial Advisor.

INVESTMENT ADVISORY ACCOUNTS

Generally, Investment Advisory accounts are subject to an asset-based fee which is payable quarterly in advance, at one-fourth of the applicable annual rate (some account types may be billed differently). The initial fee for an account will be based on the value of the assets in that account on the opening date, and will cover the period from the opening date through the last day of the initial billing quarter. Thereafter, the quarterly asset-based fee for an account will be based on the value of the assets in that account on the last business day of the previous billing quarter and will generally become due on the 10th business day of the following business quarter.

GlobalCurrencySM Accounts

NEGATIVE INTEREST RATE FEES IN GLOBALCURRENCY ACCOUNTS

If a Foreign Currency is yielding a negative interest rate, Morgan Stanley in its discretion may charge your account(s) a monthly negative interest rate fee for servicing your GlobalCurrency account. This fee would be posted on the fifth business day of the month against actual balances held in the account during the preceding month. This fee may vary each month and will appear as a "GlobalCurrency Maintenance Fee" entry on your monthly statement. The fee will be calculated by applying a daily negative rate to the daily balances in each affected currency. The resulting amount will then be converted to USD, using the spot exchange rate on the fifth business day of the

following month. Your position in currency will not be affected. You should consider these fees when determining whether maintaining a deposit in foreign currency meets your investment objectives.

Morgan Stanley Reserved Living & Giving

RESERVED LIVING & GIVING

Clients who qualify for Morgan Stanley Reserved are also eligible to enroll in Morgan Stanley's complimentary loyalty program, Reserved Living & Giving, designed to enhance their lifestyle and go beyond traditional wealth management services. The program provides access to exclusive offers and discounts from premium brands, timely articles from our partners and Morgan Stanley thought leaders, and philanthropic inspiration.

Enrolled clients can take advantage of a wide range of offers and unique access to travel, retail, wellness and cultural experiences from our network of brand partners. In addition to our suite of premium partners, Reserved Living & Giving introduces clients to select emerging brands that we think they will find compelling. Exciting benefits include preferred pricing on a selection of luxury vehicles, best-in-class providers of travel planning, boutique wine sourcing, and health and wellness services. The site also contains exclusive insights from Morgan Stanley thought leaders and our distinguished partners on topics such as family finances, healthy aging, travel, and philanthropic ideas to help clients and their families engage in giving.

Please note: While Reserved Living & Giving benefits are complimentary, they are not automatic. When logged on to Morgan Stanley Online, Reserved clients can enroll by clicking on the Reserved Living & Giving banner on the home screen. If they do not use Morgan Stanley Online, their Financial Advisor can help them enroll, or they can call the Reserved Client Service Center at 1-877-799-6772. Again, there is no cost to enroll.

Morgan Stanley may amend, supplement, modify or rescind any or all aspects of Reserved Living & Giving at any time. Such changes will be binding on you and will take effect when we specify.

Incoming Foreign Currency Wires

Unless you instruct your Financial Advisor otherwise, incoming foreign currency wires will automatically be deposited in a savings deposit at Morgan Stanley Private Bank, N.A. if the currency is eligible for GlobalCurrency and your account is eligible for GlobalCurrency. If the currency is ineligible or an appropriate account cannot be opened to facilitate the currency, the funds will be returned to the remitter. The following currencies are eligible for GlobalCurrency:

Australian Dollar	Japanese Yen
British Pound Sterling	Mexican Peso
Canadian Dollar	New Zealand Dollar
Chinese Renminbi (Offshore)	Norwegian Krone
Czech Koruna	Singapore Dollar
Danish Krone	South African Rand
Euro	Swedish Krona
Hong Kong Dollar	Swiss Franc
Israeli New Shekel	

GlobalCurrency allows clients to buy, hold and sell currency deposits at Morgan Stanley Private Bank, N.A. through their Morgan Stanley brokerage account. Eligible accounts include BSA,* AAA, Business BSA and Business AAA accounts. GlobalCurrency savings deposits may earn interest, and rates are variable. These savings deposits are also eligible for FDIC insurance up to their U.S. dollar equivalent limits, but that insurance does not protect against losses due to exchange rate movements.

* BSA and Business BSA accounts are no longer offered; however, existing BSA and Business BSA accounts remain eligible for GlobalCurrency.

Withdrawals from GlobalCurrency savings deposits are subject to a markup of 3-150 bps if you convert the funds to another currency, including U.S. dollars. If you do not wish to convert the funds, you may wire them for a \$50 fee. For current offerings and interest rates, please visit <https://www.morganstanley.com/globalcurrency>.

Morgan Stanley's Legacy Reinvestment Program

TERMS AND CONDITIONS

Morgan Stanley's Legacy Reinvestment Program ("Reinvestment Program"), formerly known as the Morgan Stanley Dean Witter Dividend Reinvestment Program, provides you with an opportunity to enhance your long-term investment growth plans through the automated reinvestment of cash dividends, capital gains distributions, partnership distributions, royalties and return of capital distributions credited to your account. Our legacy companies are an important part of Morgan Stanley's heritage, and this program will continue under this new name going forward.

ELIGIBLE ACCOUNTS

The Reinvestment Program, more commonly known as "DRIP," is available at no cost to clients with Active Asset Accounts, Self-Directed Brokerage Accounts, and Retirement Accounts. The Reinvestment Program is also available, for whole share reinvestments only, to Consulting Group Advisor ("CGA") and Portfolio Management ("PM") Accounts at no additional fee. Please note that the Reinvestment Program is not currently available for other types of Consulting Group investment advisory accounts (such as Fiduciary Services or Select UMA Accounts).

Clients with Basic Securities Accounts who choose to participate in the Reinvestment Program will be charged a transaction fee for each reinvestment. Please see the Morgan Stanley Wealth Management Schedule of Miscellaneous Account and Fees available at https://www.morganstanley.com/wealth-relationshipwithms/pdfs/account_and_service_fees.pdf?v=1.

ENROLLMENT

You may add the Reinvestment Program to all eligible securities or selected eligible individual securities in your account by directing your Financial Advisor or Private Wealth Advisor or, if available for such account, by self-enrolling through Morgan Stanley Online. Your enrollment authorizes Morgan Stanley ("us" or "we") to automatically reinvest cash dividends, capital gains distributions, partnership distributions, royalties and return of capital distributions (collectively, "Distributions") paid on such eligible securities held in your account in additional shares of the respective security. You understand that this authorization will remain in effect, notwithstanding your disability or death, until we are notified to discontinue this authorization by your authorized representative.

Please be aware that once enrolled in the Morgan Stanley Legacy Reinvestment Program, reinvestment for certain securities may occur through the Depository Trust Company's ("DTC") Dividend Reinvestment program. DTC and the issuer determine which securities participate in the DTC program. DTC will allocate reinvestment shares to us upon receipt from the issuer and in most cases the allocation of shares will be delayed for multiple business days. Only certain eligible DTC program securities will participate in the Morgan Stanley Legacy Reinvestment Program and such eligibility is determined by us. For securities participating in the DTC program, the cash dividend (less any amounts required by law or agreement to be withheld or debited) will be credited to your account on the same day as the reinvestment shares are allocated.

Upon receipt of Dividend Reinvestment shares through the DTC program, we will credit your account the amount of the cash Distributions (less any amounts required by law or agreement to be withheld or debited). For enrolled securities that are not handled through the DTC program, we will aggregate such Distributions from your account with those of other clients requesting Dividend Reinvestment in the same security and use these funds to purchase

additional shares of the relevant security for you and the other clients on a best efforts basis. We will credit your account the number of whole and partial shares equal to the amount of your funds to be reinvested in a particular security divided by the purchase price per share.

For CGA and PM investment advisory accounts, we will credit your account with the applicable number of whole shares, and any cash Distributions attributable to partial shares will remain as a cash equivalent balance in your account.

We will acquire such additional shares through such execution facilities and exchanges and at such times deemed appropriate by us. In order for your enrollment to be in effect for a given security, your position in that security must be settled on or before the Distribution record date.

Please note that if you are or become a "reporting person" under Section 16 of the Securities Exchange Act with respect to any security held in your account, the reinvestment of Distributions paid on such security may trigger reporting obligations under the Securities Exchange Act and the regulations promulgated thereunder. In addition, if you are an employee or "affiliate" of the issuer of a security, the reinvestment of Distributions paid on such security may be governed by the issuer's insider trading policy. It is your responsibility to ensure compliance with such reporting obligations and policies and to seek the advice of your own counsel with respect to such obligations and policies.

PARTICIPATING SECURITIES

We seek to provide the Reinvestment Program for a broad range of U.S. equities, exchange traded funds and closed end funds. In general, equity securities, exchange traded funds and closed end funds listed on the New York Stock Exchange or traded on the Nasdaq Stock Market will be considered for the Reinvestment Program. Securities that do not meet certain levels of liquidity and minimum or maximum share prices generally will not be eligible. We reserve the right to amend the eligibility criteria and suspend or remove securities from the program without notice.

Automatic reinvestment of your eligible cash Distributions in Basic Securities Accounts, Active Asset Accounts, Self-Directed Brokerage Accounts, and Retirement Accounts may give you interests in partial shares of securities, which will be calculated to three decimal places. You will be entitled to receive future Distribution payments proportionate to your partial share holdings. CGA and PM investment advisory accounts are credited only with whole shares. If your account is transferred to another firm, a stock undergoes reorganization, or if stock certificates are ordered out of your account, any partial share positions, which cannot be transferred, reorganized or issued in certificate form, will be liquidated and your account credited with the proceeds of any such liquidation. If you enter an order to sell your entire whole share position, any remaining partial share position will be liquidated at the same execution price and will be posted to your account on the settlement day. If you perform any other non-market activity that results in only a partial share position remaining in your account, such partial share position will be liquidated at the most appropriate time in our sole judgment, following such activity at the then-prevailing market price for the relevant security. No commission will be charged for the liquidation of the partial share position.

For U.S. federal income tax purposes, your holding period in shares received through the Reinvestment Program will begin on the date following the day on which the shares are credited to your account.

In lieu of separate trade confirmations, all transactions made through the Reinvestment Program will be reported on your monthly account statement. Please note that securities transactions outside the program will continue to be confirmed as they are today.

Reinvestment does not ensure profits on your investments and does not protect against loss in declining markets. By offering the Reinvestment Program, Morgan Stanley is not recommending that you participate. The eligibility of any specific security for the program is not a recommendation by us that you should purchase shares in that security.

Morgan Stanley reserves the right to terminate or amend the Reinvestment Program at any time, including charging commissions or transaction fees. If you wish to terminate your enrollment in the Reinvestment Program, you may do the following: (1) For an account you have enrolled by instructing your Financial Advisor, please contact him/her to request unenrollment; (2) For any account you have enrolled via Morgan Stanley Online, you may unenroll by going to www.morganstanley.com/online and navigating to Dividend Reinvestment and turning the election setting to "off". Please note your termination must be received by the record date in order to be effective for a given Distribution payment on an enrolled security.

Please contact your Financial Advisor if you have additional questions or concerns regarding the Dividend Reinvestment Program.

Certain Electronic Fund Transfers

Your Account may be eligible for a variety of electronic fund transfers ("EFTs") that are subject to separate service agreements. These may include our Online Payments (Bill Pay) service or our Funds Transfer Service ("FTS"). Please contact your Financial Advisor for further information about these services.

In addition, if you use EFTs to receive or transfer funds to or from your Account (for example, if you use a direct deposit service or a bill payment service through a third party or if you authorize a merchant or payee to make an electronic payment from your Account using information from your check to pay for purchases or bills) (collectively, "Covered EFTs"), you agree that you are subject to the following terms and conditions.

REJECTED COVERED EFTs

Covered EFTs to or from your Account may be rejected for reasons including, but not limited to, insufficient funds. Partial fund transfers are not permitted. If a Covered EFT is rejected for insufficient funds, you will be charged a \$25.00 fee.

RECORD OF COVERED EFTs

Your monthly Account statement will list the Covered EFTs in your Account.

If you have arranged to have direct deposits made into your Account, you can call us at 800-869-3326 to find out whether or not the deposit has been made.

BUSINESS DAYS

For purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.

CONTACT IN THE EVENT OF UNAUTHORIZED TRANSFERS

If you believe that a PIN, card or code that can be used to access your Account has been lost or stolen, or that someone has transferred or may transfer money from your Account without your permission, call us at 800-869-3326 (if you are calling from outside the United States, call us collect at 801-902-6997) or write us at Morgan Stanley, Client Correspondence Department, PO Box 95002, South Jordan, UT 84095. You should also call this number or write to this address if you believe a transfer has been made using the information from your check without your permission.

YOUR LIABILITY FOR UNAUTHORIZED EFTs

Tell us AT ONCE if you believe that a PIN, card or code that can be used to access your Account has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your Account. If you tell us within two Business Days after you learn of the loss or theft, you can lose no more than \$50 if someone used your PIN, card or code, or information from your check without your permission.

If you do NOT tell us within two Business Days after you learn of the loss or theft and we can prove we could have stopped someone from using your PIN, card or code, or information from your check without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by PIN, card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

OUR LIABILITY

If we do not complete an electronic funds transfer to or from your Account on time or in the correct amount according to our Agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

1. If, through no fault of ours, you do not have enough money in your Morgan Stanley Account or external account to make the transfer;
2. If an automated teller machine where you are making the transfer does not have enough cash;
3. If a terminal, operating system or software used to make the transfer was not functioning properly and it was evident to you at the time when you started the transfer;
4. If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken;
5. If the failure to complete a transaction on time or in the correct amount was caused by a third party;
6. If the failure to complete a transaction on time or in the correct amount was caused by actions we have taken to address the security of our systems or your information;
7. If the transaction or related funds are subject to legal or regulatory encumbrance or other process preventing or restricting the transfer;
8. If we revoked or suspended your Account for inactivity or other reason in our discretion;
9. If you provided inaccurate or incomplete information regarding the transfer;
10. If the transfer appears suspicious, fraudulent or unauthorized, and we cannot confirm that it is a legitimate transfer, or if the transfer is (or appears to be) prohibited by law, the NACHA rules or any payment system rules; or
11. In the event of any other exceptions stated herein, or permitted by applicable law.

Notwithstanding the foregoing, Morgan Stanley will not be responsible or liable for any consequential, incidental, exemplary, special, punitive or indirect damages you may suffer as a result of (i) our failure to complete a transfer to or from your Account on time or in the correct amount, or (ii) funds that are otherwise improperly transferred.

IN CASE OF FTS TRANSFER ERRORS

Call us toll-free at 800-869-3326 (or, if calling from outside the United States, call us collect at 801-902-6997), or write us at Morgan Stanley, Client Correspondence Department, PO Box 95002, South Jordan, UT 84095, as soon as you can, if you think that your statement or receipt is wrong or if you need more information about a transfer listed on a statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number.
2. Describe the error or the transfer in question and explain, as clearly as you can, why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you also notify us in writing within 10 Business Days.

We will determine whether an error occurred within 10 Business Days after we hear from you and will correct any error promptly. If we need more time, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your Account within 10 Business Days with the amount you think is in error so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 Business Days, we may not credit your Account.

For errors involving new Accounts, bank cash terminals or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new Accounts, we may take up to 20 Business Days to credit your Account for the amount you think is in error.

We will tell you the results within three Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

If you are a natural person and have established your Account primarily for personal, family or household purposes, the following sections also apply to you.

PREAUTHORIZED PAYMENTS

- *Right to stop payment and procedure for doing so.* If you have authorized us in advance to make regular payments out of your Account, you can stop any of these payments. Here's how:

Call us at 800-869-3326, or write us at Morgan Stanley, Attn: Client Correspondence Department, PO Box 95002, South Jordan, UT 84095, in time for us to receive your request three Business Days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. (We will charge you \$25.00 for each stop-payment order you give.)

- *Notice of varying amounts.* If these regular payments may vary in amount, the person you are going to pay should tell you, 10 days before each payment, when it will be made and how much it will be.
- *Liability or failure to stop payment of preauthorized transfer.* If you order us to stop one of these payments three Business Days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

TRANSFER TYPES AND LIMITATIONS

Account Access: You may use EFTs to (1) withdraw cash from your Account; (2) make deposits to your Account; (3) transfer funds between your Account and other accounts you hold; (4) pay for purchases from merchants; or (5) pay bills directly from your Account.

Limitations on Dollar Amounts of Transfers: Online Bill Pay cannot exceed \$250,000. Each FTS must be greater than \$1 and may be made for up to \$999,999.99 to your Account, provided that there are sufficient funds to cover the transfer.

CONFIDENTIALITY

We will disclose information to third parties about your Account or the Covered EFTs you make:

- Where it is necessary for completing or correcting transfers; or
- In order to verify the existence and condition of your Account for a third party such as a credit bureau or merchant; or
- In order to comply with government agency or court order; or
- If you give us your written permission; or
- As otherwise disclosed in our U.S. Privacy Policy.

Important Disclosures Regarding Your Precious Metals Transactions

This notice contains important disclosures regarding your precious metal transactions, including information about risks. The term "precious metals" is used in this notice to mean gold, silver, platinum and palladium in coin, bar, ingot or other marketable forms. Your precious metals transactions are subject to all the terms and conditions of this notice and your existing brokerage account agreement with Morgan Stanley. Any questions you have regarding this document or your precious metals transactions should be discussed with your Morgan Stanley Financial Advisor. Your trading or storage of precious metals with or through Morgan Stanley confirms

that you agree to be bound by the terms and conditions of this notice and any other agreements you may have with Morgan Stanley or its affiliates.

RESPONSIBILITY FOR PRECIOUS METAL TRANSACTIONS

Morgan Stanley will not act as your investment fiduciary or investment adviser with respect to your precious metal transactions. This means that you, and not Morgan Stanley, will direct and be responsible for all precious metal investment decisions. Always consult your own professional advisors regarding the tax, legal and accounting implications of your investment decisions.

MORGAN STANLEY'S DEALER PROFIT, COMMISSIONS AND FEES

In providing precious metal services, Morgan Stanley may act in a principal or agency capacity, and may charge a markup or commission on purchases and sales. Additional fees may be charged for the purchase, sale, storage or shipment of your precious metals. Morgan Stanley may buy and sell for its own account the physical precious metals that back "unallocated" holdings and may profit by such use in addition to the markups or commissions it charges on purchases and sales.

MARKET RISK

Precious metals are speculative investments, which may experience short-term and long-term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions.

EXECUTION OF YOUR ORDER

Bid and offer prices for precious metals may change from minute to minute based upon supply and demand, interest rates, foreign exchange rates and other factors. The price charged or paid to you by Morgan Stanley will be affected by the prices that are available to us from other buyers and sellers in the market. At times, dealers may be unwilling or unable to quote prices due to erratic market conditions or other reasons. Under these circumstances, we will try to execute your order as expeditiously as possible. We may also match orders from customers to buy and sell, and we may sell precious metals to or purchase precious metals from, customers for our own inventory. Actual bid and offer prices are dependent on many factors including the size, purity and time of a particular transaction, and the form and availability of the precious metal requested. Actual bid and offer prices may therefore vary considerably from the prices that are reported in newspapers or online quotation services, and they may not be the best price available in the market at any particular time. Since precious metals are not traded on any exchange there may be little or no secondary market for any given precious metal. Although we currently buy precious metals from, and sell precious metals to customers, we are not required to do so. If we were to stop doing so, you could be required to make your own arrangements for the storage, shipment or sale of your precious metals.

"ALLOCATED," "UNALLOCATED" AND "SPECIFICALLY IDENTIFIED" OWNERSHIP

Morgan Stanley's Precious Metals Trading Desk offers "unallocated" bullion (gold, silver, platinum and palladium), "allocated" physical precious metals (bars and coins), and "specifically identified" physical precious metals (bars). "Unallocated" ownership means that your investment is held in book-entry form in your Morgan Stanley account. Holders of unallocated positions are subject to the credit risk of Morgan Stanley, and therefore are dependent on Morgan Stanley's ability to pay you an amount equal to your investment in Unallocated precious metals. This means that you are an unsecured creditor of Morgan Stanley, and if we were to default on our obligations to you, your investment would be at risk, and you could lose some or all of your investment.

"Allocated" ownership means that the physical precious metals (bars and coins) you order from Morgan Stanley's Precious Metals Trading Desk are purchased and stored on your behalf, but no specific metal bar or coin is identified as belonging to you. Your precious metals will be stored together with precious metals that are owned by and stored for other customers.

"Specifically identified" ownership means that the actual precious metals that you own will be specifically identified by serial number or other unique marker. If you request Morgan Stanley

to arrange storage for your specifically identified metal, the serial number(s) of your metal bar(s) will be identified and recorded as belonging to you.

“Specifically identified” and “allocated” precious metals are subject to higher costs and storage fees than “unallocated” metal. Unless you specifically request otherwise, precious metals will generally be purchased and stored on an “unallocated” basis.

Please note, as mentioned below, SIPC insurance does not apply to, and provides no coverage for, your precious metals investments.

STORAGE

We will provide storage for your precious metals upon your request. You will not be subject to an assay fee upon resale if you have purchased and stored your precious metals with Morgan Stanley. Customers buying precious metals through Morgan Stanley or delivering precious metals into their Morgan Stanley accounts for storage or otherwise will be charged a service fee. Service fees are subject to change without notice. We have arrangements for the storage of metals in warehouses and vaults in the United States and overseas; the specific location where your metal is stored is within our discretion.

MINIMUM TRANSACTION SIZE; SETTLEMENT

Our minimum transaction size is \$5,000 per metal per transaction. Purchases and sales of precious metals normally settle in two business days but may settle sooner or later depending on the precious metals involved or due to holidays or special circumstances.

DELIVERIES

You will be charged an insured shipping fee and applicable sales tax if you take physical possession of precious metals. When taking delivery of bullion bars, there may be a small adjustment to reflect differences in bar sizes or the fineness of the precious metal in that bar. Any such adjustments will be charged or credited to your Morgan Stanley account. Some states charge a sales tax on delivered precious metals. Upon request, your Financial Advisor will provide you with the cost of shipping and information on applicable sales taxes.

TRANSFERRING PRECIOUS METALS INTO YOUR MORGAN STANLEY ACCOUNT

Contact your Financial Advisor for full instructions if you want to deliver previously purchased precious metal for credit into your Morgan Stanley account. Morgan Stanley and our custodian depositories may, at their discretion, refuse to accept precious metals or parcels containing precious metals, and you may not send precious metals to a Morgan Stanley custodian depository without preauthorization. All such shipments are at your risk and expense. Please note that if you have been preauthorized to send precious metals to a Morgan Stanley custodian depository, Morgan Stanley will generally charge an assay fee for verifying the weight and purity of precious metals.

SIPC INSURANCE NOT APPLICABLE

The Securities Investor Protection Corporation (“SIPC”) provides certain protection for customers’ cash and securities in the event of a brokerage firm’s bankruptcy, other financial difficulties, or if customers’ assets are missing. SIPC insurance does not apply to precious metals or other commodities.

COINS

Coins purchased through Morgan Stanley have no numismatic value. Morgan Stanley cannot guarantee the year when coins were minted, either when executing your orders or when delivering coins from your Morgan Stanley accounts. Mints may change standards (including size and metal purity) for their coins. Morgan Stanley is not responsible for notifying you of any such changes.

OUR RIGHTS

For our protection against credit risks and other conditions, we may, without notice, decline, cancel or reverse your orders or instructions or place trading, disbursement and other restrictions on your

Morgan Stanley accounts. As security for the payment of any amounts owed to us or our affiliates by you or otherwise, you grant to us a continuing first priority security interest in and lien on, and a right of setoff with respect to, all precious metals, securities and other property that are, now or in the future, held, carried or maintained for any purpose in or through your accounts at Morgan Stanley and, to the extent of your interest in or through them, any present or future account with us or our affiliates in which you have an interest and agree that all precious metals in your accounts are for this purpose to be treated as "financial assets" for purposes of the Uniform Commercial Code.

You are responsible for payment of all obligations related to your transactions in and storage of precious metals. We may elect at any time, with or without notice, to make any debit balance or other obligation related to your transactions in and storage of precious metals immediately due and payable. We also may report any past due amount to a consumer or securities credit reporting agency and refer your accounts to a collection agency.

Whenever it is necessary for our protection (including, without limitation, the filing by, on behalf of, or against you of a petition or other proceeding under any applicable bankruptcy or insolvency laws) or to satisfy any amounts owed to us by you, we may but are not required to sell, assign and deliver all or any part of the precious metals, securities and other property held in your Morgan Stanley accounts, or close any or all transactions in your Morgan Stanley accounts. You are responsible for all debts, costs, commissions and losses arising from any actions we must take to liquidate or close your precious metal transactions. In addition, you agree that we shall be entitled to apply any dividends, capital gains payments, interest payments or other incoming funds to cover fees or other indebtedness to us.

We may transfer precious metals, securities and other property from any brokerage account in which you have an interest to any other brokerage account, regardless of whether there are other owners of either account, in order to satisfy deficiencies in any such account or if we think your obligations in any such account are not adequately secured.

It is our policy to attempt to contact you, when practicable, before taking any action described in this section; however, we reserve the right to take any such action without prior notice or demand for additional collateral and free of any right of redemption. Any prior demand, call or notice will not be considered a waiver of our right to sell or buy without demand, call or notice.

We may choose which precious metals, securities or other property to buy or sell, which transactions to close and the sequence and timing of liquidation. Our choices may have adverse tax consequences or investment implications for you. We may take such actions on whatever exchange or market and in whatever manner (including public auction or private sale) that we choose in the exercise of our business judgment. You agree not to hold us liable for the choice of which precious metals, securities or other property to buy or sell or of which transactions to close or for the timing or manner of the liquidation.

LOSSES DUE TO EXTRAORDINARY EVENTS

We are not responsible for, and you agree not to hold us liable for, losses caused directly or indirectly by conditions beyond our control, including, but not limited to, war, terrorism, natural disasters, government restrictions, exchange or market rulings, strikes, interruptions of communications or data processing services, news or analysts' reports, market volatility or disruptions in orderly trading on any exchange or market.

Lending Services¹

Morgan Stanley offers you a comprehensive approach to financing and liquidity to help you choose a solution that complements your overall investment strategy and encompasses your personal and business needs.

Whether you want to purchase a vacation home, explore a business opportunity, finance a tax obligation or explore sophisticated trading strategies, we can work with you to determine

¹ CashPlus Accounts cannot serve as collateral for a Liquidity Access Line, Express CreditLine or Tailored Loans.

which liquidity strategies might be appropriate to help meet your goals. Following are four programs that can accommodate a full range of borrowing needs.

Liquidity Access Line

A Liquidity Access Line (“LAL”),² the lender of which is either Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, if you qualify, can help you meet your financing needs while helping to keep your overall investment strategy on track. LAL provides you with credit, through a variable rate advance, fixed-rate advance or standby letter of credit, based in large part, on the value of the eligible securities pledged as collateral. You can finance real estate purchases, fund tax obligations, cover business expenses or many other financing needs—without liquidating assets. LAL can also offer “overdraft” protection to cover eligible transactions within eligible pledged collateral accounts. LAL’s tiered interest rate is based on your total advance limit, giving you access to very competitive interest rates.

There are risks associated with using your assets as collateral in a securities-based loan, including possible maintenance calls on short notice. See below for details.

INTEREST RATES

The minimum facility amount is \$100,000 at the time of loan booking. Interest rate is based on the corresponding LIBOR (London Interbank Offered Rate) index plus an incremental percentage—also known as a spread—which is determined by the approved total advance limit.

For a variable rate advance, the index is the 30-day LIBOR, which is set on the first business day of each week using the index from the last business day in the immediately preceding week. For a fixed-rate advance,³ the index is the LIBOR that corresponds to the duration of the applicable fixed-rate period. Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, may add an additional amount to the interest rate on certain fixed-rate advances. To confirm the interest rate you would receive for a fixed-rate advance, contact your Financial Advisor.

Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, offers the flexibility to increase your total advance limit automatically if you elect that option and you either deposit additional eligible collateral or the value of your existing eligible collateral increases. At the sole discretion of Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, and without further notice to you, your total advance limit may increase based on the value of your eligible collateral, but such increases will not exceed \$3,000,000.

If you choose this convenient option, the interest rate spread will be determined by using a different methodology: the interest rate spread will be based on the peak value of eligible collateral within the first 35 days after the LAL is available, which results in the lowest possible interest rate spread for you. After the first 35 days, the total advance limit will fluctuate based on the value of eligible collateral, but the interest rate spread will remain the same.

QUICK ACCESS TO YOUR FUNDS

LAL has competitive variable or fixed interest rates with typically no fees.⁴

In addition, LAL can be managed online. You can access funds on demand with flexible repayment options. To access funds, you can either log in to Morgan Stanley Online, use your LAL checkbook or work with your branch for other withdrawal options. The proceeds from a non-purpose LAL

² Disbursements are subject to available credit and are at the sole discretion of Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable.

³ Fixed-rate interest payment options that are less frequent than monthly (e.g., quarterly, semiannually) generally have higher interest rates than the monthly payment option.

⁴ Clients may be responsible for the fees of a third-party law firm engaged by Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, to review complex LAL transactions (e.g., review of trust agreements). Clients will also be charged a fee for the issuance of a letter of credit, for prepayment of principal on fixed-rate advances, and upon a client’s request for certain cash management services (e.g., duplicate statement or check reorder).

loan/line of credit (including draws and other advances) may not be used to purchase, trade or carry margin stock; repay margin debt that was used to purchase, trade or carry margin stock; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

ADVANCES

Use your LAL as a line of credit or to maintain cash flow while making large purchases such as real estate and using your eligible collateral, including restricted or concentrated stock. If qualified, you can lock in an LAL fixed-rate advance for up to seven years with various payment options.

STANDBY LETTERS OF CREDIT

Standby letters of credit,⁵ subject to the other terms and conditions of LAL, can be used to back up a credit line for a small business, for example, or to guarantee advance payments.

Express CreditLine

An Express CreditLine (“ECL”),⁶ offered by Morgan Stanley Smith Barney LLC, can help you unlock the value of your assets and gain quick and efficient access to funds by allowing you to borrow money against the value of qualifying securities in your brokerage account—with the securities in your brokerage account serving as collateral for the loan. ECL is a variable rate revolving line of credit tied to your brokerage account with no minimum draw or facility amount. Pricing is tiered and the interest is based on your outstanding balance.

There are risks associated with using your assets as collateral in a securities-based loan, including possible maintenance calls on short notice. See below for details.

INTEREST RATES

Interest rate is based on an ECL Base Lending Rate (BLR) plus or minus a percentage—also known as a spread or margin—which is determined by the debit balance amount.

ACCESS FUNDS VIA BROKERAGE ACCOUNT

An ECL allows you to access funds via the checkbook and debit card tied to your brokerage account. You can also access funds from your ECL by logging into Morgan Stanley Online or working with your branch for other withdrawal options.

Your ECL can be used to purchase real estate, pay tax obligations and purchase luxury items, while avoiding the need to liquidate your securities. Loan proceeds can be used for any suitable purpose except to purchase, trade or carry securities or repay debt that was used to purchase, trade or carry securities and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.

Tailored Lending

Tailored Lending, offered by Morgan Stanley Private Bank, National Association, provides customized borrowing solutions designed to meet distinct needs of qualified individuals or their various ownership entities (i.e., personal investment company, trusts, partnerships, and LLCs).

Committed and demand credit facilities are available. Loan types include revolving lines of credit and term loans. Standby letters of credit can also be established. Eligible collateral for a Tailored Lending credit facility may include certain commercial real estate, marketable securities, life insurance, REIT operating partnership units, alternative investments, privately held stock⁷, fine art and aircraft.

⁵ Annual fees will apply for standby letters of credit, if issued, and may be charged on other credit facilities.

⁶ Disbursements are subject to available credit and are the sole discretion of Morgan Stanley Smith Barney LLC.

⁷ Equity interests in a private company with a minimum target market valuation of \$2B.

Important Risk Information for Tailored Lending, Liquidity Access Line and Express CreditLine

Liquidity Access Line, Express CreditLine and certain Tailored Lending facilities are securities-based loans, which can be risky and are not appropriate for all investors. Before applying for a securities-based loan, you should be aware that securities-based loans involve a high degree of risk and that market conditions can magnify any potential for loss. Most importantly, 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 unless otherwise specified in your loan agreement with Morgan Stanley; and (6) Morgan Stanley reserves the right to call securities-based loans at any time and for any reason unless otherwise specified in your loan agreement with Morgan Stanley.

Liquidity Access Line ("LAL") is a securities-based loan/line of credit product, the lender of which is either Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable, each an affiliate of Morgan Stanley Smith Barney LLC. An LAL credit facility is a demand line of credit; however, the LAL credit facility may include a committed amount equal to \$100,000. The LAL documentation includes details and more information about the committed amount. All LAL loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association or Morgan Stanley Bank, N.A., as applicable. LAL loans/lines of credit may not be available in all locations. Rates, terms and conditions are subject to change without notice. To be eligible for an LAL loan/line of credit, a client must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities, which shall serve as collateral for the LAL. In conjunction with establishing an LAL loan/line of credit, an LAL facilitation account will also be opened in the client's name at Morgan Stanley Smith Barney LLC at no charge. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association and Morgan Stanley Bank, N.A. are Members FDIC that are primarily regulated by the Office of the Comptroller of the Currency. **The proceeds from a non-purpose LAL loan/line of credit (including draws and other advances) may not be used to purchase, trade or carry margin stock; repay debt that was used to purchase, trade or carry margin stock; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.**

Tailored Lending is a loan/line of credit product offered by Morgan Stanley Private Bank, National Association, an affiliate of Morgan Stanley Smith Barney LLC. A Tailored Lending credit facility may be a demand or committed loan/line of credit. All Tailored Lending loans/lines of credit are subject to the underwriting standards and independent approval of Morgan Stanley Private Bank, National Association. Tailored Lending loans/lines of credit may not be available in all locations. Rates, terms and programs are subject to change without notice. Other restrictions may apply. The information contained herein should not be construed as a commitment to lend. Morgan Stanley Private Bank, National Association is a member FDIC that is primarily regulated by the Office of the Comptroller of the Currency.

Express CreditLine ("ECL") is a securities-based loan/line of credit product offered by Morgan Stanley Smith Barney LLC. An ECL credit facility is a demand loan/line of credit. All ECL loans/lines of credit are subject to the underwriting standards and independent approval of

Morgan Stanley Smith Barney LLC. ECL loans/lines of credit may not be available in all locations. Other restrictions may apply. Rates, terms and programs are subject to change without notice. The information contained herein should not be construed as a commitment to lend. To be eligible for an ECL loan/line of credit, you must have a brokerage account at Morgan Stanley Smith Barney LLC that contains eligible securities at Morgan Stanley Smith Barney LLC, which shall serve as collateral for the ECL. The ongoing availability of the ECL is contingent on you maintaining sufficient eligible collateral. **The proceeds from a ECL loan/line of credit (including draws and other advances) may not be used to purchase, trade or carry securities; repay margin debt that was used to purchase, trade or carry securities; and cannot be deposited into a Morgan Stanley Smith Barney LLC or other brokerage account.**

Margin

Margin¹, offered by Morgan Stanley Smith Barney LLC, can be a convenient, sophisticated and integrated solution that allows you to borrow money against the value of qualifying securities in your brokerage account while providing an opportunity to maintain your overall wealth management strategy intact.

Margin proceeds can be used for any suitable purpose including the purchase of additional marginable securities or to repay margin debt, employing sophisticated investing strategies, purchasing luxury items or to act as “overdraft” capability for your brokerage account. The account is conveniently set up automatically when you open an Active Assets Account or Business Active Assets Account, unless you instruct us otherwise, and supports various options strategies, allowing for hedging or liquidity against concentrated and restricted stock positions.

For other eligible account types, you must complete a separate Margin Account Agreement in order to obtain Margin privileges. Margin is integrated with your brokerage statement so the amount you borrow will appear on your statement and charged a competitive interest rate based on your outstanding debit balance, as described below and in the agreement governing your Margin privileges.

It is important that you understand fully the risks involved in trading securities on Margin, which include, but are not limited to, those discussed in this booklet.

INTEREST RATES

Your interest rate is determined by the size of your Margin loan (or debit) in your Margin account on a daily basis. Interest is based on a Margin Base Lending Rate (BLR) plus or minus a percentage that varies based on your daily close of business net settled debit balance. The current rate is posted on our website at www.morganstanley.com/online.

If the total interest rate charged to you pursuant to the schedule below changes for any reason other than an increase to the BLR, we will give you at least 30 days' advance written notice.

The current percentage that is added to the BLR is as follows:

AVERAGE DAILY DEBIT BALANCE	PERCENTAGE ADDED TO BLR
\$0-\$99,999	+0.750%
\$100,000-\$499,999	+0.250%
\$500,000-\$999,999	-0.750%
\$1,000,000-\$4,999,999	-1.125%
\$5,000,000-\$9,999,999	-1.375%
\$10,000,000-\$19,999,999	-2.625%
\$20,000,000-\$49,999,999	-3.125%
\$50,000,000+	-3.625%

¹ Generally, not available for Qualified Retirement Accounts (including IRAs), Education Savings Accounts, Investment Advisory Accounts or CashPlus Accounts.

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.

DETERMINING YOUR DEBIT BALANCE

You are charged interest on the net settled debit balance in your account at the end of each day. Your daily close of business net settled debit balance is calculated by combining your Free Credit Balance, Designated Sweep Investment Balance (if applicable), and Margin Debit Balance. This calculation excludes credit balances in your short sale account.

Periodically, we may "mark to market" any securities you sell short (or "short against the box") and adjust your debit balance accordingly. If a security you sold short appreciates in market value over the selling price, your net debit balance will increase. If the security you sold short depreciates in value, your debit balance will decrease.

Your debit balance decreases when you deposit funds, receive dividend payments or sell securities, since we automatically use those funds to pay down your loan from us. Your net settled debit balance increases when you buy securities on margin, withdraw funds or are charged interest or other charges.

INTEREST CHARGES

The interest rate on debit balances is calculated as follows:

$$\text{Daily Close of Business Net Settled Debit Balance} \times \frac{\text{Applicable Interest Rate}}{360}$$

Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. No interest is calculated on days when the Account has a zero balance or a credit balance. If you do not pay your interest charges on a periodic basis, you are more likely to receive a Margin Call because your debit balance will continue to increase.

Before opening a Margin account, carefully read the Margin Disclosure Statement below and any agreement governing your brokerage account for complete information. Please contact your Financial Advisor for more details or visit <https://www.morganstanley.com/wealth/investmentsolutions/disclosures.asp>

Margin Disclosure Statement

Morgan Stanley, as applicable ("we," "us" or "our"), is furnishing this Margin Disclosure Statement to provide some basic facts about purchasing securities on Margin and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a Margin account, you should carefully review this Margin Disclosure Statement, the margin provisions in the Client Agreement, and the Margin Account Agreement (where applicable). In the event of a conflict between this Margin Disclosure Statement and any other agreements you may have with Morgan Stanley, the other agreements will govern. If you have any questions or concerns, please contact your Financial Advisor.

Margin is not suitable for everyone. You should examine your investment objectives, financial resources and risk tolerance to determine whether borrowing against securities, and trading on Margin in particular, is appropriate for you. The increased leverage that Margin provides may heighten both the risks and rewards of investing. Margin privileges are subject to the firm's review and approval, are granted at the sole discretion of the firm and are not automatically extended to clients. Morgan Stanley reserves the right to change the maintenance requirements at any time, without notice to you, due to the volatility and liquidity of your securities and the overall market conditions.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from us. If you choose to borrow funds from us, you will open a Margin account with us. The securities purchased are our collateral for the loan to you. If the securities in your accounts decline in value, so does the value of the collateral supporting your loan and, as a result,

we can take action, such as issuing a Margin Call and/or selling securities or other assets in any of your accounts held with us, in order to maintain the required equity in the accounts.

Please note, however, that we do not take into account any Traditional, Roth, Rollover, Inherited, SEP, SAR-SEP or SIMPLE IRA; VIP, RPM or EBT account; Coverdell Education Savings Account; or other account holding assets of “a plan” as defined in Section 4975 of the Internal Revenue Code (collectively, “Retirement and Education Savings Account”) in determining available margin credit or in connection with exercising our margin requirement rights under any account of a different type (i.e., accounts which are not “tax qualified”), or vice versa, as set forth in this disclosure statement or otherwise.

It is important that you understand fully the risks involved in trading securities on Margin, which include, but are not limited to, the following:

You can lose more funds than you deposit in the Margin Account.

A decline in the value of securities purchased on margin may require you to provide additional funds to Morgan Stanley to avoid the forced sale of those or other securities or assets in your Accounts.

We can force the sale of securities or other assets in your Accounts.

If the equity in your Account falls below the NYSE and/or FINRA Margin maintenance requirements or Morgan Stanley’s higher “house” requirements, we can sell the securities or other assets in any of your Accounts held at Morgan Stanley to cover the Margin deficiency. You also will be responsible for any shortfall in the account after such a sale.

We can sell your securities or other assets without contacting you.

Some investors mistakenly believe that their brokerage firm must contact them for a Margin Call to be valid and that their firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Although we may attempt to notify you of Margin Calls, we are not required to do so. Furthermore, even if we contacted you and provided a specific date by which to meet a Margin Call, we can still take the steps necessary to protect our financial interests, including selling the securities immediately without notice to you.

You are not entitled to choose which securities or other assets in your Accounts are to be liquidated or sold to meet a Margin Call.

Because the securities are collateral for the Margin loan, we have the right to decide which securities to sell in order to protect our interests.

We can increase our “house” Margin maintenance requirements at any time and are not required to provide you advance written notice.

These changes in policy often take effect immediately and may result in the issuance of a Margin maintenance call. Your failure to satisfy the call may require us to liquidate or sell securities in your Account.

You are not entitled to an extension of time on a Margin Call.

While an extension of time to meet Margin requirements may be available to you under certain conditions, you do not have a right to the extension.

We may rehypothecate the securities in your Accounts.

We may borrow money to lend to you or other Margin clients and pledge your securities as collateral for such loans. You authorize us to lend any security in the Margin credit portion of your Accounts, together with all attendant rights of ownership, either separately or together with the assets of other Margin clients, to us or to others without notice to you. In connection with such loans, and securities loans made to you to facilitate short sales, we are authorized to receive and retain certain benefits, including interest on your collateral posted for such loans, to which you may not be entitled. In addition, we may receive compensation in connection with such loans. In some circumstances, such loans may limit your ability to exercise voting rights of the securities lent, either in whole or in part.

The American Taxpayer Relief Act of 2012 (the “Act”) retained the reduced U.S. federal income tax rates on qualifying dividends of 15% (or 20% in the case of certain high-income taxpayers). However, receipt of payment in lieu of dividends (i.e., substitute dividends) will not be eligible for the reduced qualified dividend tax rates. Since assets held in margin accounts with us are generally subject to rehypothecation, substitute (rather than actual) dividends may be received by margin account customers. Under the Act, such dividends will not qualify for the lower rates on dividends.

Lending Preferred Interest Rate for Express CreditLine and Margin

The interest rate charged to you may be an individually negotiated Preferred Interest Rate instead of an interest rate based on the above referenced Interest Rates schedules. At the time any Preferred Interest Rate is established for your Express CreditLine or Margin loan, your Financial Advisor will notify you of the expiration date for your Preferred Interest Rate. If at any time the interest rate index utilized to calculate such Preferred Interest Rate is less than zero, such interest rate index shall be deemed to be zero for purposes of calculating your Preferred Interest Rate. If, prior to its expiration date, your Preferred Interest Rate changes for any reason (other than a change to the base lending rate or a change in your average daily debit balance), we will give you at least 30 days' advance written notice of the change. After its expiration date, we may change your Preferred Interest Rate without giving you any prior notice of the change.

Municipal Securities Rulemaking Board Client Education and Protection Brochure

MSSB is registered with the Municipal Securities Rulemaking Board (MSRB) and the SEC. The MSRB website address is <https://www.msrb.org>. An investor brochure that describes the protections available under MSRB rules and how to file a complaint with an appropriate regulatory authority may be obtained on the MSRB website.

Municipal Advisor Rule; Disclosures for Municipal Entities and Obligated Persons

Morgan Stanley Wealth Management is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the “Municipal Advisor Rule”). If you have a Brokerage Account, please note that: 1) Morgan Stanley Wealth Management does not owe you a fiduciary duty pursuant to the Municipal Advisor Rule when Morgan Stanley Wealth Management makes statements or provides you with information regarding your Brokerage Account; 2) Morgan Stanley Wealth Management may be acting for its own interests; and 3) before acting on any statements made or information provided by Morgan Stanley Wealth Management, you should consult any and all advisors as you deem appropriate.

Qualified Retirement Plan Distributions

SHOULD I LEAVE IT, MOVE IT, CASH IT OUT OR ROLL IT OVER?

After participating in your employer’s qualified retirement plan, you likely have earned a vested interest in all or part of your benefits—including the contributions you’ve made, your employer’s contributions and any growth in value of the account. Now you are anticipating a distribution from the plan. What should you do? Your assets in the plan may represent a

substantial source of your future retirement income. We can help you explore the options now available to you, including how exercising each of those options could affect the taxation of your retirement assets.

WHAT ARE THE OPTIONS FOR DISTRIBUTION IN A QUALIFIED RETIREMENT PLAN? FOUR COMMON CHOICES

Typically, a plan participant leaving an employer has the following four options with respect to their vested qualified retirement plan benefits which constitute an “eligible rollover distribution” (and may engage in a combination of these options depending on their employment status, age and the availability of the particular option):

1. Cash out the benefits and take a lump sum distribution from the current plan subject to mandatory 20% federal income tax withholding as well as income taxes and the 10% early withdrawal penalty tax,
- OR** continue tax-deferred growth potential by doing one of the following:
 2. Leave the assets in the former employer’s plan (if permitted),
 3. Roll over the retirement assets into a new employer’s qualified plan, if one is available and rollovers are permitted, or
 4. Roll over the retirement assets into a traditional IRA.

A plan participant receiving an eligible rollover distribution from a qualified retirement plan also has the option of rolling his or her retirement assets to a Roth IRA. However, the taxable portion of such rollover is includable in the participant’s income for the year of the qualified plan distribution. The tax rules that apply to a Roth IRA (e.g., required minimum distribution rules, taxation of distributions, etc.) differ from the rules that apply to a traditional IRA and are beyond the scope of this brochure.

You should consider the various factors listed below in your decision-making process. Please note, however, that they are just examples of the factors that may be relevant when analyzing your available options; other considerations may apply to your specific situation, and the importance of any particular factor will depend upon your needs and circumstances.

FACTORS IN THE DECISION-MAKING PROCESS

	REINVEST ELIGIBLE ROLLOVER DISTRIBUTION INTO A TAXABLE ACCOUNT	LEAVE IN OLD EMPLOYER’S PLAN	ROLL OVER TO NEW EMPLOYER’S PLAN	ROLL OVER TO AN IRA
What Are the Investment Options?	Generally unlimited	Limited to old plan options	Limited to new plan options	Limited to IRA options ¹
Are There Fees and Expenses?	Yes, depends on taxable account type/investments	Yes, depends on plan/ investments	Yes, depends on plan/ investments	Yes, depends on IRA/ investments, likely to be higher ²
Do Tax Deferrals Continue?	No	Yes	Yes	Yes

	REINVEST ELIGIBLE ROLLOVER DISTRIBUTION INTO A TAXABLE ACCOUNT	LEAVE IN OLD EMPLOYER'S PLAN	ROLL OVER TO NEW EMPLOYER'S PLAN	ROLL OVER TO AN IRA
Do Taxes Apply?	Qualified plan eligible rollover distributions are generally taxed as ordinary income, (subject to certain exceptions) and are subject to mandatory 20% federal income tax withholding and may be subject to state income tax withholding as well ³	Not subject to taxation until distributed ³	Not subject to taxation until distributed ³	Not subject to taxation until distributed ³
When Are Penalty Tax Free Withdrawals Available?	From qualified plans; after separation from service in or after the year you reach age 55 and for certain life event distribution reasons. Tax penalties do not apply in taxable accounts ³	From qualified plans; after separation from service in or after the year you reach age 55 and for certain life event distribution reasons ³	From qualified plans; (a) after separation from service in or after the year you reach age 55, (b) at age 59½ and (c) for certain life event distribution reasons (if distribution is otherwise permitted by the terms of the plan)	At age 59½ and for certain life event distribution reasons ³
Is Employer Stock Net Unrealized Appreciation "NUA" Tax Treatment Available?	A qualified plan distribution of "employer securities" may be eligible for favorable tax treatment if certain conditions apply. Contact your legal or tax advisor for more information ³	A qualified plan distribution of "employer securities" may be eligible for favorable tax treatment if certain conditions apply. Contact your legal or tax advisor for more information ³	No (with respect to any "employer securities" rolled over from your former employer's plan) ³	No ³

	REINVEST ELIGIBLE ROLLOVER DISTRIBUTION INTO A TAXABLE ACCOUNT	LEAVE IN OLD EMPLOYER'S PLAN	ROLL OVER TO NEW EMPLOYER'S PLAN	ROLL OVER TO AN IRA
Are There Special Services Available? (such as investment advice, full brokerage service, tools for financial planning or retirement income, web or smart device app access, 800 number access)	Yes, depends on taxable account type/investments	Yes, depends on plan/investments	Yes, depends on plan/investments	Yes, depends on IRA/investments
Is There Creditor Protection in Bankruptcy and From Legal Judgments?	Governed by federal and/or state law; contact your legal advisor ⁴	Generally governed by federal law; contact your legal advisor ⁴	Generally governed by federal law; contact your legal advisor ⁴	Governed by federal and/or state law; contact your legal advisor ⁴
Are Required Minimum Distributions "RMDs" Mandatory?	No	Yes ⁵	Yes ⁵	Yes, for traditional IRAs at age 72. Does not apply to Roth IRAs during the owner's lifetime
Investment Allocations	New allocation	Stays the same	New allocation	New allocation
Is Additional Paperwork Required?	Yes	No	Yes	Yes
Are Plan Loans Available?	Not Applicable	Generally not available after separation from service	Depends on the terms of the plan	No

¹ However, generally speaking there are usually more investment options in a self-directed IRA.

² Please note that establishing and maintaining an IRA (either at Morgan Stanley or elsewhere) almost always entails a higher level of fees/expenses than leaving your assets in, or rolling them over to, an employer-sponsored qualified retirement plan. Among other things, such plans may offer lower cost institutional funds and in some cases may pay for some or all of the plan's administrative expenses. Please contact the Plan Administrator for more information about the fees and expenses which apply under an employer-sponsored qualified retirement plan, and your Financial Advisor (or the representative of another IRA provider) about the fees and expenses which apply under a particular IRA.

³ The rules which apply to the taxation of distributions from employer-sponsored qualified retirement plans and IRAs are complicated, subject to variation depending on age, the timing and form of the distribution, the existence of after-tax contributions, and other factors. We strongly recommend that you consult your tax and legal advisors before taking a distribution from any tax-qualified retirement account.

⁴ Generally speaking, employer-sponsored qualified retirement plan assets are protected from creditors under federal law. IRA assets can be protected in bankruptcy under federal law (subject to certain exceptions, including a cap), and some state laws may also afford creditor protection to IRA assets. The protection of assets held in a nonqualified account depends upon the application of federal and/or state law. Please reach out to your legal advisors to discuss any concerns that you may have about the protection of your retirement assets and the application of federal or state law.

⁵ Generally not required if still working and less than 5% owner.

How well you put these assets to work may significantly affect the quality of your retirement years.

The decision of whether to leave the assets in your former employer's plan, roll them to a new employer's plan or an IRA, or pay taxes on a distribution is a complicated one and must take into account your total financial and tax picture. To reach an informed decision, carefully consider your choices and their tax implications, and discuss the matter with your tax and legal advisors.

FINRA has issued some relevant investor information, such as "The IRA Rollover: 10 Tips to Making a Sound Decision." For more information, please go to www.finra.org.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley and/or as described at www.morganstanley.com/disclosures/dol. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

This does not address state and local income taxes. The state and local income tax treatment of your retirement account, as well as the contribution to it and the distributions from it, may vary based on your state of residence. You should consult with and rely on your own independent tax advisor with respect to such.

Important Rollover Reminder

Based on a 2014 U.S. Tax Court decision, the Internal Revenue Service changed its position on indirect IRA-to-IRA rollovers subject to the 60-day rule. If an individual makes a tax-free rollover of any part of a distribution ("first distribution") from an IRA to the same or another IRA, the individual cannot make another tax-free rollover to an IRA of any subsequent IRA distribution the individual receives during the 12 month period beginning on the date the individual received the first distribution, no matter how many IRAs or the types of IRAs (i.e., Traditional, Roth, SIMPLE or SEP IRAs) the individual owns. Roth IRA conversions, trustee-to-trustee transfers between IRAs, IRA recharacterizations, and rollovers to or from eligible retirement plans (other than IRA-based plans) are not subject to this limitation.

For more information, visit the Internal Revenue Service website: <https://www.irs.gov/Retirement-Plans/IRA-One-Rollover-Per-Year-Rule>.

Guidance on After-Tax Distributions From Retirement Plans

The Internal Revenue Service (IRS) issued Notice 2014-54 on September 18, 2014, which eased the ability of participants in qualified retirement plans who have contributed after-tax money to

the plans to move the after-tax money directly to a Roth IRA without incurring a tax liability. The effective date of this guidance was January 1, 2015, but the guidance was applicable to distributions made before the effective date, subject to certain limitations. These rules also apply to distributions from 403(b) and governmental 457(b) plans.

There are very specific allocation rules that apply under this IRS guidance, so if you have after-tax contributions in a qualified retirement plan and are considering a distribution, you should discuss the topic with the administrator of the qualified retirement plan, as well as your own independent legal and/or tax advisor. In order to take advantage of this IRS guidance, you must inform the plan administrator of your requested allocation prior to the time of the direct rollover, requesting the plan administrator to make two (or more) separate payments. For instance, if you want to roll over your pre-tax funds to your Morgan Stanley Traditional IRA and your after-tax funds to your Morgan Stanley Roth IRA, you must ask for two separate payments (e.g., two separate checks): one payable to Morgan Stanley FBO your Traditional IRA (for the pre-tax amount); and one payable to Morgan Stanley FBO your Roth IRA (for the after-tax amount).

Important Disclosures for Structured Investments

An investment in structured investments involves a variety of risks and potential conflicts of interest. Morgan Stanley Wealth Management has created a disclosure document, "Important Information Regarding Structured Investments—Risk Considerations and Conflicts of Interest" which explains some of the significant risks and potential conflicts related to structured investments, and is available on Morgan Stanley Online at www.morganstanley.com/structuredproductsrisksandconflicts (login required) or by contacting your Financial Advisor. The risks and potential conflicts described in the disclosure document are not intended to be an exhaustive list of the risks and potential conflicts associated with a particular structured investment offering. Before you invest in any structured investment, you should thoroughly review the particular investment's prospectus and related offering materials for a comprehensive description of the risks, potential conflicts and considerations associated with the offering.

Mutual Fund Features, Share Classes and Compensation

It's important to understand how mutual fund fees and expenses, and your choice of share class, affect your investment and return. Of course, you also need to consider the fund's investment objectives and policies, and its risks.

Summarized below is some important information about mutual fund share classes and the types of fees and expenses you may be required to pay depending upon the share class you select. This summary also explains how Morgan Stanley and your Financial Advisor are compensated when you invest in mutual funds. In general, the fees, expenses and payments described below are specific to mutual fund investments. Other available investment options feature different fees and charges, and may provide less compensation to Morgan Stanley and your Financial Advisor. You should speak with your Financial Advisor if you have any questions regarding the relative costs and compensation for available investment product alternatives.

You can also visit the websites sponsored by the U.S. Securities and Exchange Commission (www SEC.gov), the Financial Industry Regulatory Authority (www FINRA org), the Securities Industry and Financial Markets Association (www sifma org) and the Investment Company Institute (www ICI org) to obtain additional educational information about mutual funds.

The following information principally pertains to mutual fund sales transacted through commission-based brokerage accounts. For more information on fees and expenses in our fee-

based advisory account programs, please refer to the applicable Morgan Stanley ADV Brochure. You should consider all the available methods for purchasing and holding mutual fund shares discussed in this booklet and in your program documents.

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

EACH MUTUAL FUND IS DIFFERENT

Mutual funds are securities that are offered for sale through a prospectus. Before investing in a mutual fund, you should read the fund's prospectus carefully. You can also request a copy of the fund's Statement of Additional Information (SAI), for additional details.

All funds charge investment management fees and ongoing expenses for operating the fund that you will pay while you are invested. A fund's prospectus describes, among other things, the fund's investment objective and principal strategy, risks, share classes and expenses. The prospectus and SAI also describe how sales charges and expenses vary by share class, and how investors can qualify for sales charge waivers or reductions based upon the amount of their investments or other circumstances. Of course, in choosing a mutual fund investment, you should consider the fund's investment objectives and policies, and its risks—in addition to the costs and expenses of investing in a particular fund and share class. Determine if they match your own goals. Your Financial Advisor can provide assistance if you have questions.

THE BASICS OF MUTUAL FUND SHARE CLASSES

A single mutual fund usually offers different pricing arrangements or "classes" of its shares to meet investor preference and needs. Each share class represents an investment in the same mutual fund portfolio but offers investors a choice of how and when to pay for fund distribution costs. Many funds also utilize "no-load" share classes—typically offered with no front-end or back-end sales charges—but Morgan Stanley generally makes these share classes available only in our fee-based advisory account programs. Please refer to the applicable Morgan Stanley ADV Brochure for more information on fees and expenses for these accounts.

The most common mutual fund share classes available in commission-based brokerage accounts—A and C—are described below. Class A shares typically assess a front-end sales charge while Class C shares utilize a level sales charge structure. Some mutual funds also offer Class B shares, a deferred sales charge structure. In addition to the no-load share classes offered in our advisory programs, funds may also offer specialized share classes, such as those for eligible retirement plan accounts, share classes that do not compensate financial intermediaries for providing administrative services, and share classes that have no distribution-related expenses, but are subject to "transaction fees" charged by the financial intermediary that sells them. However, Morgan Stanley generally offers only Class A and Class C shares in its commission-based brokerage accounts. If you wish to purchase other types of shares, which may carry lower overall costs, you will need to do so directly with the fund or through an account at another financial intermediary.

The key distinctions among share classes are the sales charges and ongoing fees and expenses you will pay in connection with your investment in the fund. The timing and amount of compensation received by your Financial Advisor for selling you shares of the fund also will be directly affected by the share class you purchase.

Morgan Stanley employs an order entry share class selection calculator designed to assist clients with selecting the least costly share class available in its commission-based brokerage accounts over the anticipated holding period of the investment. Your Financial Advisor is also available to help you with share class questions. The principal considerations are the size of your investment and the anticipated holding period. Investors generally should consider Class A shares (the front-end sales charge alternative) if they expect to hold the investment over the long-term (typically, five years or more). Class C shares (the level sales charge alternative) are generally appropriate for shorter-term holding periods.

Investors anticipating large purchases should consider Class A shares since Class A shares typically offer sales-charge discounts (“breakpoints”) beginning at \$25,000 that increase as the size of your investment increases. Shorter-term investors anticipating very large purchases should also consider Class A rather than Class C shares due to the significant breakpoint discounts available at high investment levels.

When deciding which fund and which share class within a fund makes the most economic sense for you, you should ask your Financial Advisor about the effect of a number of factors on your costs, including:

- How long you plan to hold the fund;
- The size of your investment;
- Whether you will be adding to the investment in the future;
- The expenses you'll pay for each class;
- Whether the amount of your initial or intended investment, together with other eligible fund investments, qualifies you for any sales-charge discounts (that is, whether you should execute a Letter of Intent, whether you are entitled to a Right of Accumulation, or whether you are entitled to a breakpoint discount); and
- Whether you qualify for any front-end sales charge waivers with respect to Class A shares, which are discussed in more detail herein.

12B-1 FEES AND OTHER FEES

12b-1 fees take their name from the Securities and Exchange Commission rule under which they were created. They are fees charged against your mutual fund assets on a continuing basis that cover marketing, distribution and shareholder services costs. 12b-1 fees may also be used, in part, to offset the amounts payable by the fund's principal distributor as compensation to selling firms where the fund share class does not have a front-end sales charge. The portion of the 12b-1 fee that is used for distribution expenses is effectively an asset-based sales charge paid over time instead of charged as a front-end sales charge.

The amount of the 12b-1 fee is charged as a percentage of the fund's total assets attributable to the share class. A fund also deducts certain other ongoing fees from its assets to pay firms that provide various services to the fund, such as the fund's investment adviser, transfer agent, custodian and administrator. 12b-1 fees, investment management fees and other ongoing expenses are described in the mutual fund's prospectus Fee Table. These fees will vary from fund to fund and for different share classes of the same fund. You can use prospectus Fee Tables to help you compare the annual expenses of different funds.

CLASS A SHARES

Purchasers of Class A shares are typically charged a front-end sales charge or commission (sales charges on mutual funds are also referred to as “loads”) that is included in the price of the fund shares. When you buy shares with a front-end sales charge, a portion of the money you invest is used to pay the sales charge. For example, if you invest \$10,000 in a fund and the front-end load is 5 percent, you would be charged \$500, and the remaining \$9,500 would be invested in the chosen fund. Class A share 12b-1 fees (generally 0.25% or \$25 per \$10,000 of fund assets per year) typically are lower than those of Class C shares.

Class A Share Sales Charge Discounts (Breakpoints)

As noted above, funds may offer purchasers of Class A shares volume discounts—also called breakpoint discounts—on the front-end sales charge if the investor:

- Makes a large purchase;
- Commits to purchase additional shares of the fund (Letters of Intent);
- Holds other mutual funds offered by the same fund family and/or has family members (or others with whom they may link purchases according to the prospectus) who hold funds in the same fund family (Rights of Accumulation).

Large Purchases

When you purchase Class A shares at or above a “breakpoint,” you are entitled to pay a reduced front-end sales charge. For example, suppose the prospectus says that a breakpoint occurs when you purchase \$25,000 or more of Class A shares. If you buy less than \$25,000 worth of shares, the sales charge is 5.75%. If you buy \$25,000 or more worth of shares, the sales charge is 5.00%. Now, suppose you buy \$24,500 worth of Class A shares. You would pay \$1,408.75 in sales charges.

If you buy \$25,000 of shares, you would pay only \$1,250. In this example, by choosing to invest an additional \$500 you would actually pay \$158.75 less in the front-end sales charge, and those savings would increase your net investment in the fund.

Mutual funds typically offer multiple breakpoints, each at increasingly higher investment levels. Increasing your investment size, if you are able and willing to do so, can allow you to take advantage of higher breakpoints and further reduce the sales charges you pay. It is important that you understand how breakpoints work so that, consistent with your investment objectives, you can take advantage of the lowest possible front-end sales charge.

Below is a typical breakpoint discount schedule showing the front-end sales load applicable to a purchase of Class A shares at different levels of investment. Different funds and fund families may have different breakpoint schedules. Please ask your Financial Advisor how a fund's breakpoint schedule compares with those of other funds on our platform. For more information on sales charges, please see the section herein titled “How We Are Compensated for Mutual Funds Sales – Brokerage Accounts – Sales Charges.”

SAMPLE BREAKPOINT SCHEDULE

Class A Shares (Front-End Sales Load)

INVESTMENT AMOUNT	SALES LOAD
Less than \$25,000	5.75%
\$25,000 or more but less than \$50,000	5.00%
\$50,000 or more but less than \$100,000	4.50%
\$100,000 or more but less than \$250,000	3.50%
\$250,000 or more but less than \$500,000	2.50%
\$500,000 or more but less than \$750,000	2.00%
\$750,000 or more but less than \$1 million	1.50%
\$1 million or more	0.00%

Letters of Intent

A letter of intent (LOI) is an agreement that expresses your intention to invest an amount equal to or greater than a breakpoint within a given period of time, generally 13 months after the LOI period begins. Many fund companies permit you to include purchases completed within 90 days before the LOI is initiated for the purpose of obtaining a breakpoint discount. If you expect to make additional investments during the next 13 months in a fund with a front-end sales load it's worth finding out if an LOI can help you qualify for a breakpoint discount to reduce your front-end sales charge.

Important Note: If you do not invest the amount stated in your LOI during the 13-month period, the fund can redeem a portion of the shares that you hold to retroactively collect the higher sales charge that would have applied to your purchase without the LOI.

Rights of Accumulation

A right of accumulation (ROA) generally permits you to accumulate or combine your existing fund family holdings with new Class A purchases of the same fund family's funds for the purpose of qualifying for breakpoints and associated discounts. For example, if you are investing \$10,000 in Class A shares of a fund today, and you already own \$40,000 in Class A shares of that fund family, the fund may allow you to combine those investments to reach a \$50,000 breakpoint, entitling

you to a lower sales load on your \$10,000 purchase today. Please refer to the fund prospectus for details as rules may vary from fund family to fund family.

Rights of Accumulation—Family and Related Accounts

Fund families typically permit you to aggregate fund family holdings in other accounts that you and your family may own, including fund assets held at other brokerage firms, for the purpose of achieving a breakpoint discount. For example, a fund may allow you to qualify for a breakpoint discount by combining your fund purchases with those of your spouse or minor children. You also may be able to aggregate mutual fund transactions in certain retirement accounts, educational savings accounts or any accounts you maintain at other brokerage firms. In some instances, employer-sponsored retirement or savings-plan accounts may be aggregated. These features vary among fund families.

More Information on Ways to Eliminate Sales Charges

In addition to qualifying for front-end sales charge discounts through any of the above options, you may also qualify for a waiver, which would eliminate the front-end sales charge. Two common options available to investors are intra-fund family exchange privileges and sales charge waiver programs.

Exchanges Between Funds Within the Same Fund Family

Exchanges between the same share classes of funds within the same fund family typically may be made without sales charges. Funds often limit the number and frequency of transfers that can be made during a certain period of time. Certain funds may impose short-term exchange or redemption fees based on your holding period. Because these time parameters and the amount of any fees vary among mutual fund companies, please check the mutual fund prospectus for more information.

Sales Charge Waivers

Many mutual funds offer waivers that eliminate front-end sales charges on Class A shares to clients who meet various qualifying conditions. These waivers and conditions vary between fund families. Effective July 1, 2018, we have adopted a customized front-end sales charge waiver program. Since this program standardizes waivers across all fund families available for purchase at Morgan Stanley, these waivers will differ from and in some instances may be more limited than waivers available for purchases made directly with the fund family or through other financial intermediaries. Note, you should refer to the fund prospectus to see if by processing the transaction directly with the fund family or elsewhere you may benefit from such features not available at Morgan Stanley.

Under our program, Class A share purchases through a Morgan Stanley commission-based brokerage account will not be subject to a front-end sales charge if you:

- Purchase shares for an employer-sponsored retirement plan account, as described below;
- Sell Class A shares of a fund, and subject to certain requirements described below, use the proceeds from that sale to purchase Class A shares of a fund that is part of the same fund family; and
- Receive additional Class A shares through the reinvestment of dividends and capital gains distributions.

In addition, in 2019, Morgan Stanley will implement a Class C Share Conversion Program (described below) under which we will exchange eligible Class C shares for Class A shares of the same fund with the Class A sales charge waived.

CLASS C SHARES AND CLASS C SHARE CONVERSIONS

Investments in Class C shares usually are not subject to front-end sales charges. However, purchasers of Class C shares are typically required to pay a contingent deferred sales charge (CDSC) if the shares are sold within a short time of purchase, usually one year. The 12b-1 fees associated with Class C shares (generally 1.00% or \$100 per \$10,000 of fund assets per year) are typically higher than those of Class A shares. The portion of the 12b-1 fee that is used for distribution expenses, typically 0.75% per year of the fund's assets, is effectively an asset-based sales charge paid over time rather than a front-end sales charge applicable to Class A share purchases. These charges allow the fund's distributor to recover its costs of distributing the fund

(including compensation payable to Financial Advisor). Please ask your Financial Advisor how a fund's 12b-1 fees compare with those of other funds, as a portion of those fees will be paid to your Financial Advisor. Notably, these fees can continue indefinitely because in many cases the Class C shares do not automatically convert into Class A shares. It is important to bear in mind that Class C shares typically are preferable for investors who have a shorter-term investment horizon, because during those first years they will generally be cheaper to buy and sell than Class A shares. However, owning Class C shares over longer holding periods will typically be more expensive than owning Class A shares. Remember that higher ongoing expenses associated with Class C shares will mean reduced investment performance over time versus Class A shares.

To reduce the potential for investors to hold Class C shares beyond the point where the ongoing costs of ownership exceed those of Class A shares, Morgan Stanley has adopted a Class C Share Conversion Program. Under this program, eligible Class C shares held in Morgan Stanley accounts for six or more years will be automatically converted into Class A shares of the same fund at net asset value without the imposition of the sales charge that typically applies to Class A shares. The share class conversion will not be treated as a taxable event. This feature will allow investors to benefit from the lower ongoing costs of Class A shares. As noted above, Morgan Stanley's Class C Share Conversion Program is expected to become operational in 2019.

Note, if you participate in any systematic investment sales/withdrawal programs, Morgan Stanley may modify the share class attached to your instructions following a conversion to ensure you receive uninterrupted service.

RETIREMENT ACCOUNT SHARES AND SALES CHARGE WAIVERS

Many mutual fund families offer one or more share class pricing options specifically for use by employer-sponsored retirement plans ("Retirement Shares"). Some fund companies offer Class A shares with the front-end sales load waived, while others offer a share class that is dedicated solely to employer-sponsored retirement plans and does not charge a front-end or back-end sales load (e.g., "R shares"). Class R shares, however, generally have higher 12b-1 fees than Class A shares. Not all fund families offer retirement plan account special pricing options, and where they are available, they are often accompanied by fund family specific eligibility criteria and/or plan asset size or participant number requirements.

As noted above, effective July 1, 2018, Morgan Stanley has adopted its own Class A share load waiver feature for eligible employer-sponsored retirement plan accounts. For purposes of this waiver, an employer-sponsored retirement plan includes 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans. Morgan Stanley's program does not apply the waiver to SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plan accounts, which is allowed by certain fund families. Such clients who currently receive a waiver will no longer receive it for purchase transactions through Morgan Stanley accounts after June 30, 2018. In order to continue to receive the waiver, affected clients will need to purchase the fund directly from the fund or through an account at another financial intermediary.

With the adoption of a standardized Class A share load waiver program for all fund families available at Morgan Stanley, we also closed all Class R share fund offerings on our platform. As noted above, the Class R shares currently available for sale on our platform typically have higher ongoing 12b-1 fees than Class A shares making the latter the more economical choice for eligible retirement plan client accounts. Clients who wish to continue to purchase Class R shares after June 30, 2018 will need to do so directly from the fund or through an account at another financial intermediary.

FUND REPURCHASES

Many funds allow investors who have redeemed Class A shares from a fund within the same family to purchase Class A shares of another fund within the same fund family without a sales load. As noted above, effective July 1, 2018, you will receive load-waived Class A shares when you purchase Class A shares of a mutual fund with the proceeds of a sale of Class A shares from the same fund family, as

long as the purchase was made within 90 days of the redemption, the redeemed shares were subject to a front-end or deferred sales charge, and all of the transactions occurred in the same account.

ADVISORY ACCOUNT (NO-LOAD) SHARES

No-load shares do not have front-end or back-end sales charges, and their expenses are typically the lowest of any share class. Morgan Stanley does not generally offer no-load shares in its brokerage client accounts where typically the only available share classes have a sales charge component. Morgan Stanley does offer no-load shares in many of its fee-based advisory programs. These accounts charge fees for the advice and services provided to clients based upon a percentage of billable assets held in the account. Please refer to the applicable Morgan Stanley ADV Brochure for more information on the fees and expenses for these accounts.

SINGLE SHARE CLASS FUNDS

Certain fund families may offer only one share class for investors who purchase the funds through commission-based brokerage accounts. These single share class funds are generally similar to the Class C shares offered by other fund families. Typically, the 12b-1 fees associated with these shares are higher than those of Class A shares and they continue indefinitely. In addition, these single share class funds do not typically offer sales-charge discounts on large individual or cumulative purchases. Because these discounts can be significant, especially at investment levels of \$500,000 or more, investors should consider all factors when making such an investment, including the impact that the share class fees can have on performance and the fact that other fund families offer breakpoints. Speak with your Financial Advisor for more information, including whether other funds should be considered.

MULTIPLE FUND FAMILIES

Sometimes investors may choose to invest in multiple fund families. These investors perceive benefits that may include diversification, the ability to select those funds that they believe will have the best opportunity to outperform other funds in specific fund categories, or the ability to invest in unique funds that may not be available in a single fund family. However, it is important to bear in mind this investment strategy reduces the opportunities to qualify for breakpoint discounts and can, as a result, increase the cost of investing in the funds selected. Also, there is no guarantee that a multifamily investment strategy will provide significant diversification or outperform a single-family strategy.

UNDERSTAND THE FACTS ABOUT YOUR FEE STRUCTURE

When it comes to front-end sales charges, sales charge waivers, breakpoint discounts, CDSCs (including whether, and over what time period, they decline), 12b-1 fees and other share-class and pricing terms, each mutual fund follows its own policies, which are described in the fund's prospectus or SAI. Here are some things to keep in mind when making a mutual fund investment.

UNDERSTAND HOW BREAKPOINTS WORK

Read the mutual fund prospectus. Consult the fund's SAI, check the fund's website or ask your Financial Advisor for additional information about the sales charges and other costs of owning the fund's different share classes.

REVIEW YOUR MUTUAL FUND HOLDINGS

Before making a mutual fund purchase, review your account statements and those of your family to identify opportunities to achieve a breakpoint discount. Don't limit your review to accounts at a single brokerage firm. You may have related mutual fund holdings in multiple accounts at different brokerage firms, or with the mutual fund company itself, that can be aggregated for the purpose of achieving a breakpoint discount.

KEEP YOUR FINANCIAL ADVISOR INFORMED

Be sure to tell your Financial Advisor about your mutual fund holdings and those of your family, including holdings at other brokerage firms or with the mutual fund company itself. Also, discuss any plans you may have for making any additional purchases in the future. Discuss

your expected investment horizons with your Financial Advisor. With this information, your Financial Advisor can help you select a share class that may help minimize the fees that you will pay over the life of your investment.

FUND TRANSFER RESTRICTIONS

Certain mutual funds may not be transferable from an account at one brokerage firm to an account at other brokerage firms. A common factor limiting transferability is when a fund or its principal distributor does not have a selling or other agreement in place with the other brokerage firm. If a particular fund family's funds are not transferable to another brokerage firm, you may have the following options: leave the position in an account at the original brokerage firm; or have the position re-registered in your name on the books and records of the fund company or its transfer agent. As an alternative, you may liquidate the position and transfer the proceeds. This option may have tax implications and/or other costs. For further information regarding the transferability of a particular fund's shares, please refer to the fund's prospectus and SAI, or call your Financial Advisor.

OUR RELATIONSHIP WITH MUTUAL FUND FAMILIES

Morgan Stanley offers clients a large selection of mutual funds. We review and evaluate each fund family whose mutual funds we offer based upon various factors, including but not limited to:

- Investment opportunity;
- Number and variety of funds offered;
- Level of interest and demand;
- Length of track record and historical appeal to our clients and Financial Advisors;
- Short- and long-term performance of the funds offered;
- Size of assets under management;
- Agreement to uniform, levelized economic terms in relation to revenue-sharing and administrative service payments in support of our mutual fund business platform; and
- Ability to support our Financial Advisors and clients through training, education and sales and marketing assistance.

Our Financial Advisors are not permitted to execute investments in funds that we have not reviewed and evaluated.

HOW WE ARE COMPENSATED FOR MUTUAL FUND SALES

Brokerage Accounts—Sales Charges

Each time you purchase a mutual fund in a commission-based brokerage account, the fund family pays an amount to us as compensation based upon the amount of your investment and the share class you have selected. A portion of these payments is allocated to your Financial Advisor.

A fund's dealer compensation practices are described in its prospectus and SAI. For front-end sales charge share classes, the fund families pay Morgan Stanley all or most of the initial sales charge you pay. For back-end sales-charge share classes (and for very large Class A share purchases that qualify for a complete waiver of their front-end sales charge), the fund's distributor pays Morgan Stanley a selling fee at a rate set by the fund family.

Morgan Stanley also receives shareholder-servicing payments (sometimes called "trails") as long as you continue to hold the shares in your Morgan Stanley account or directly at the fund if we act as your "broker of record." These payments are generally made by the fund's distributor from 12b-1 fee revenues charged against fund assets. Your Financial Advisor receives a portion of each of these payments.

The portion of these payments that we pay to your Financial Advisor is based upon Morgan Stanley standard compensation formulas. Morgan Stanley's Financial Advisor compensation formulas are the same regardless of which mutual fund you purchase. However, some funds may impose higher upfront and ongoing sales charges than others, which generally will increase the amount paid to your Financial Advisor. In addition, because funds' sales charges are different for their different share classes, the choice of share class can significantly affect the compensation your Financial Advisor

receives. These inherent mutual fund product pricing discrepancies present a conflict of interest for Morgan Stanley and our Financial Advisors when recommending purchases of funds and fund share classes. To mitigate this conflict Morgan Stanley employs an order entry share class selection calculator designed to provide clients with the least costly share class available in its commission-based brokerage accounts over the anticipated holding period of the investment. Feel free to ask your Financial Advisor how he or she will be compensated for any mutual fund transaction.

Advisory Accounts—Program Fees

Mutual funds offered in our advisory account programs are not subject to front-end or ongoing transactional sales charges. Rather, these accounts charge fees for the advice and services provided to clients along with an advisory account platform fee based upon a percentage of billable assets held in the account. Please refer to the applicable Morgan Stanley ADV Brochure for more information on the fees and expenses for these accounts.

Revenue Sharing

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

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

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

A list of revenue-sharing fund families, organized by size of payment, is available on our website at the address noted in the "For More Information" section below.

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

Administrative Service Fees

Morgan Stanley and/or its affiliates receive compensation from funds or their affiliated service providers for providing record keeping and related services to the funds. These charges are based upon the aggregate value of client positions. Administrative fees may be viewed in part as a form of revenue-sharing if and to the extent the amounts paid by the fund exceed what the mutual fund would otherwise have paid for those services. However, they are not included in the revenue-sharing payments described above.

We typically process transactions with fund families on an omnibus basis, which means we consolidate our clients' trades into one daily trade with the fund, and therefore maintain all pertinent individual shareholder information for the fund. Trading in this manner requires that we maintain the transaction history necessary to track and process sales charges, annual service

fees, and applicable redemption fees and deferred sales charges for each position, as well as other transaction details required for ongoing position maintenance purposes.

For these services, funds pay 0.06% per year (\$6 per \$10,000) on fund assets held by our clients in commission-based brokerage accounts and fee-based advisory account programs. However, for advisory accounts there are account type and program exceptions and the fees are rebated to clients. Please see the applicable Morgan Stanley ADV brochure for additional information.

While all fund families are charged the same administrative service fee rates, in aggregate, Morgan Stanley receives significantly more administrative service fees from the fund families with the largest client fund share holdings at our firm. This fact presents a conflict of interest for Morgan Stanley to promote and recommend funds from those fund families rather than funds from families that in aggregate pay us less administrative service fees. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation as a result of these administrative service fee payments received by Morgan Stanley. Moreover, for advisory account clients the fees are rebated.

Expense Payments and Data Analytics Fees

Morgan Stanley provides fund families with opportunities to sponsor meetings and conferences and grants them access to our branch offices and Financial Advisors for educational, marketing and other promotional efforts. Some fund representatives also work closely with our branch offices and Financial Advisors to develop business strategies and plan promotional events for clients, prospective clients and educational activities. Some fund families or their affiliates reimburse Morgan Stanley for certain expenses incurred in connection with these promotional efforts, as well as training programs. Fund families independently decide if and what they will spend on these activities, with some fund families agreeing to make annual dollar amount expense reimbursement commitments of up to \$600,000, although actual reimbursements may be higher. In addition, some fund families provide support of up to \$125,000 per year for the development and maintenance of our internal Financial Advisor training and education e-learning platform. Some fund families also invite our Financial Advisors to attend fund family-sponsored events. Expense payments may include meeting or conference facility rental fees and hotel, meal and travel charges.

Morgan Stanley also provides fund families with the opportunity to purchase sales data analytics. The amount of the fees depends on the level of data and ranges up to \$600,000 per year. For an additional fee, fund families may purchase supplemental data analytics on other financial product sales at Morgan Stanley.

These facts present a conflict of interest for Morgan Stanley and our Financial Advisors to the extent they lead us to focus on funds from those fund families that commit significant financial and staffing resources to promotional and educational activities and/or purchase data analytics instead of on funds from fund families that do not. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending funds sponsored by fund families that purchase data analytics.

Fund family representatives are allowed to occasionally give nominal gifts to Financial Advisors, and to occasionally entertain Financial Advisors (subject to an aggregate entertainment limit of \$1,000 per employee per fund family per year). Morgan Stanley's non-cash compensation policies set conditions for each of these types of payments, and do not permit any gifts or entertainment conditioned on achieving any sales target.

OTHER COMPENSATION RECEIVED FROM FUNDS

Morgan Stanley or its affiliates receive, from certain funds, compensation in the form of commissions and other fees for providing traditional brokerage services, including related research and advisory support, and for purchases and sales of securities for fund portfolios. We also receive other compensation from certain funds for financial services performed for the benefit of such funds, including but not limited to providing stand-by liquidity facilities. Providing these services may give rise to a conflict of interest for Morgan Stanley or its affiliates

to place their interests ahead of those of the funds by, for example, increasing fees or curtailing services, particularly in times of market stress.

Morgan Stanley prohibits linking the determination of the amount of brokerage commissions and service fees charged to a fund to the aggregate values of our overall fund-share sales, client holdings of the fund or to offset the revenue-sharing or expense reimbursement and administrative fees described above. Financial Advisors and their Branch Office Managers receive no additional compensation as a result of these payments received by Morgan Stanley.

AVAILABILITY OF AFFILIATED FUNDS

Our affiliate, Morgan Stanley Investment Management, serves as the investment adviser to certain mutual funds that our Financial Advisors may offer. Morgan Stanley Investment Management (and its affiliated entities) receives additional investment management fees and other fees, including administrative service fees, from these funds. Therefore, Morgan Stanley has a conflict to recommend these affiliated funds. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending affiliated funds. Morgan Stanley Investment Management and its affiliates have entered into administrative services and revenue-sharing agreements with Morgan Stanley as described herein.

MONEY MARKET FUND REFORM

In 2016, the Securities and Exchange Commission adopted amendments to the rules that govern domestic money market funds. The changes are designed to provide investors with additional protection during times of market stress while preserving the benefits of the funds.

The rules classify money market funds into three basic types:

Government Money Market Funds—Defined as a money market fund that invests 99.5 percent (formerly 80 percent) or more of its total assets in cash, government securities and/or repurchase agreements that are collateralized solely by government securities or cash.

Retail Money Market Funds—Defined as a money market fund that has policies and procedures reasonably designed to limit all beneficial owners of the money market fund to natural persons.

Institutional Prime Money Market Funds—Defined as all other money market funds, including nonretail municipal (or tax-exempt) funds.

The rules require a floating net asset value (NAV) for institutional prime money market funds. As a result, the daily share prices of these funds are no longer fixed at \$1.00 per share. Rather, since October 2016 the prices for these funds fluctuate along with changes in the market-based value of the fund's assets. Retail funds and government money market funds are permitted to continue utilizing a stable NAV of \$1.00 per share. However, retail funds along with institutional prime funds are, and government money market funds may be, subject to liquidity fees and redemption gates to address potential runs on the funds in times of market stress. In general, the rules allow money market fund boards to impose liquidity fees (of up to 2 percent of the redemption amount) and redemption gates (for up to 10 days) in certain circumstances. Please see your applicable money market fund prospectus for more information, as well the money market fund's website, which is required to contain important information regarding fund liquidity and daily net asset value, among other items.

MONEY MARKET AND MONEY MARKET SWEEP FUNDS

Money market funds are subject to different compensation arrangements than the revenue-sharing and administrative service fees outlined above for mutual funds.

Non-Sweep Money Market Funds

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

In addition, for those money market funds that are available for direct purchase we seek or may have been reimbursed for the associated operational and/or technology costs of adding such funds to our platform. These one-time flat-fees are paid by fund sponsors or other affiliates (and not the funds) in connection with the onboarding process. Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending funds that have reimbursed Morgan Stanley for our onboarding costs.

Sweep Money Market Funds

Our affiliate, Morgan Stanley Investment Management, serves and receives compensation as the investment adviser to the money market fund assets that are available as cash management sweep options for eligible client accounts. Morgan Stanley receives compensation from the funds based on the amount of money market sweep fund assets held by our clients in brokerage accounts of up to 0.25% per year (\$25 per \$10,000 of assets). Under certain circumstances, a portion of such compensation is paid to your Financial Advisor based upon Morgan Stanley's standard compensation formulas. Morgan Stanley either rebates to clients or does not receive compensation on sweep money market fund positions held by clients in our fee-based advisory account programs. Please ask your Financial Advisor if you have additional questions regarding your eligible sweep option.

OFFSHORE MUTUAL FUND AND OFFSHORE EXCHANGE-TRADED FUND KEY INVESTOR INFORMATION DOCUMENTS (KIIDS)

We are providing information to all offshore investors, to advise that there is a Key Investor Information Document (KIID) available for each offshore mutual fund, exchange-traded fund and money market fund offered by offshore (non-U.S. domiciled) investment companies regulated as Undertaking for Collective Investments in Transferable Securities (UCITS). The KIID contains essential information and key facts about a UCITS fund aimed at helping investors make informed investment decisions about whether the particular fund meets their needs. Please read the KIID carefully before you invest.

In respect of any transactions with respect to UCITS mutual funds and UCITS exchange-traded funds, we have provided investors with the KIID by means of a website, portal or any other durable medium other than paper. Investors have the right to request a paper copy of the KIID free of charge.

Any KIID provided to investors by means of a website/portal, including any updates, will be made available at the following web location: <https://www.morganstanley.com/OffshoreMutualFunds/> KIIDrepository for UCITS mutual funds and at the following web location: <https://www.morganstanley.com/disclaimers/etfkiidrepository> for UCITS exchange-traded funds.

You agree to review the KIID, including any updates, in good time before being bound by any contract or offer relating to any UCITS mutual fund or UCITS exchange-traded fund transactions, on a trade-by-trade basis.

FOR MORE INFORMATION

For additional information on a particular fund's payment and compensation practices, please refer to the fund's prospectus and SAI. Further information regarding revenue-sharing and administrative service fees is available at: <https://www.morganstanley.com/wealth/investmentsolutions/mutualfunds.asp> or by calling your Financial Advisor.

IMPORTANT NOTE

Some of the information in this disclosure has been adapted in part from information available on FINRA's website. We invite you to examine the wealth of information provided on FINRA's website (www.FINRA.org) and the SEC's website (www.SEC.gov). In particular, FINRA's website also contains a fund calculator to assist you in determining which fund share class offers the least expensive fee structure. FINRA's "Fund Analyzer" is located at: <https://apps.finra.org/fundanalyzer/1/fa.aspx>.

Mutual funds are sold by prospectus only. You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. You can obtain a prospectus from your Financial Advisor or the fund company's website. Please read the prospectus carefully before investing.

Equity funds are subject generally to market, market sector, market liquidity, issuer and investment style risks, among other factors, to varying degrees. Bond mutual funds are subject generally to interest rate, credit liquidity and market risks to varying degrees. These risks are more fully described in the fund's prospectus.

ETF Revenue Sharing, Expense Payments and Data Analytics Fees

The following information pertains to exchange-traded fund ("ETF") revenue sharing, expense payments and fees for data analytics.

Revenue Sharing Fees

Please note, ETFs may be actively-managed or passively-managed. In general, actively-managed ETFs seek to outperform a market index or target return whereas passively-managed ETFs seek to track the performance of a market index.

Morgan Stanley intends to charge sponsors of actively-managed ETFs a support fee, also called a revenue sharing payment, on client account holdings in such ETFs based on a tiered rate that increases along with the management fee of the ETF. This means that sponsors of actively-managed ETFs pay lower rates on ETFs with lower management fees than on those with higher management fees. The rate ranges up to a maximum of 0.10% per year (i.e., \$10 per \$10,000 of assets). Revenue sharing fees are not assessed against passively-managed ETFs.

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

Revenue sharing payments are generally paid out of the ETF's sponsor or other affiliate's revenues or profits and not from the ETF's assets. However, sponsor or affiliate revenues or profits may, in part, be derived from fees earned for services provided to and paid for by the ETF. Morgan Stanley does not receive any portion of these revenue sharing payments through brokerage commissions generated by the ETF.

Although we seek to charge all actively-managed ETF sponsors the same revenue sharing fee rate schedule, we are still in the process of implementing our program. Until implementation is complete, we have an incentive to promote and recommend those funds whose sponsors have already started making these payments. Moreover, since Morgan Stanley intends to receive revenue sharing fees from actively-managed ETFs, but not passively-managed ETFs, we also have a conflict of interest to promote and recommend actively-managed ETFs as opposed to passively-managed ETFs. In addition, since our revenue sharing rates are higher for actively-managed ETFs with higher management fees, this fact presents a conflict of interest for us to promote and recommend ETFs that have higher management fees. In order to mitigate these conflicts, Financial Advisors and their Branch Office Managers do not receive additional compensation as a result of revenue sharing payments received by Morgan Stanley. Moreover, for advisory account clients the revenue sharing payments we receive are rebated back to clients.

Expense Payments and Data Analytics Fees

Morgan Stanley provides sponsors of all ETFs sold through Morgan Stanley with opportunities to sponsor meetings and conferences, and grants them access to our Branch Offices and Financial Advisors for educational, marketing and other promotional efforts. Representatives for such ETFs may also work closely with our Branch Offices and Financial Advisors to develop business strategies and

support promotional events for clients and prospective clients, and educational activities. Some ETF sponsors or their affiliates reimburse Morgan Stanley for certain expenses incurred in connection with these promotional efforts and as training programs. ETF sponsors independently decide if and what they will spend on these activities, with some ETF sponsors agreeing to make annual dollar amount expense reimbursement commitments of up to \$600,000, although actual reimbursements may be higher. In addition, some ETF sponsors provide support of up to \$125,000 per year for the development and maintenance of our internal Financial Advisor training and education e-learning platform. Some sponsors of ETFs also invite our Financial Advisors to attend events. Expense payments may include meeting or conference facility rental fees and hotel, meal and travel charges.

Morgan Stanley also provides all ETF sponsors with the opportunity to purchase data analytics regarding ETF sales. For ETF sponsors electing to purchase such data, the fee depends on the level of data and ranges up to \$600,000 per year. We generally charge sponsors of passive ETFs a separate transactional data fee ranging up to \$550,000 per year for those sponsors with more than one hundred passively-managed ETFs on our platform. For an additional fee, all ETF sponsors may purchase supplemental data analytics regarding financial product sales at Morgan Stanley.

These facts present a conflict of interest for Morgan Stanley and our Financial Advisors to the extent they lead us to focus on ETFs from those sponsors that commit significant financial and staffing resources to promotional and educational activities and/or purchase data analytics instead of ETFs from sponsors that do not. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending ETFs from sponsors that purchase data analytics.

ETF representatives are allowed to occasionally give nominal gifts to Financial Advisors and to occasionally entertain Financial Advisors (subject to an aggregate entertainment limit of \$1,000 per employee annually for each fund family). Morgan Stanley's noncash, compensation policies set conditions for each of these types of payments and do not permit any gifts or entertainment conditioned on achieving any sales target.

Other Compensation Received From ETFs

Morgan Stanley or its affiliates receive, from certain ETFs, compensation in the form of commissions and other fees for providing traditional brokerage services, including related research and advisory support, and for purchases and sales of securities for ETF portfolios. We also receive other compensation from certain ETFs for financial services performed for the benefit of such ETFs. Morgan Stanley prohibits linking the determination of the amount of brokerage commissions and service fees charged to an ETF to the aggregate values of our overall ETF-share sales, client holdings of the ETF or to offset the revenue sharing, expense reimbursement and data analytics fees described above. Financial Advisors and their Branch Office Managers receive no additional compensation as a result of these payments received by Morgan Stanley.

Clients with brokerage accounts will generally pay commissions on the purchase and sale of ETF shares. Clients with advisory accounts do not pay such commissions, but the advisory account fee will be applied to the ETF asset value.

For More Information

For additional information on a particular ETF's payment and compensation practices, please refer to the ETF's Prospectus and Statement of Additional Information. You may also contact your Financial Advisor.

Fund Liquidity Risk

Many investors rely on mutual funds, exchange-traded funds ("ETFs") and money market funds to meet their financial goals. It is important for investors to understand the liquidity risks involved with each product.

Mutual Funds

Shareholders in domestic mutual funds may redeem (i.e., sell) their investments on any business day. Although many mutual funds pay out redemptions within a few business days, investors should be aware that mutual funds may have up to seven days to fulfill redemption requests.

It is important to keep in mind that a number of factors play a role in a mutual fund's ability to provide liquidity to shareholders, including a fund's investment strategy. For example, mutual funds that invest in less liquid securities, such as bank loans and below-investment grade securities, among others, may be more susceptible to liquidity concerns, particularly during times of market stress.

If a domestic mutual fund cannot fulfill its redemption requests, it must seek permission from the Securities and Exchange Commission (the "SEC") to suspend redemptions, which would likely lead to the liquidation of the fund. Although this has rarely occurred, it underscores that mutual funds are not guaranteed investments and may lose money.

ETFs

ETFs offer liquidity to investors in a different manner than mutual funds. Notably, investors buy and sell shares of ETFs on stock exchanges (hence their name), as opposed to directly transacting with the funds at prices based on their net asset values ("NAV"). As a result, the price of an ETF share is determined by the market as opposed to the value of the assets held by the ETF.

This impacts the liquidity of an ETF's shares. If few market participants want to buy or sell a particular ETF — i.e., it is "thinly traded" — an investor may have to accept a lower price if they desire to sell their ETF shares in the short-term. This risk may be exacerbated during times of market stress if the trading volume for an ETF decreases or more participants desire to sell rather than buy an ETF's shares. Either case may lead to an investor selling their shares at a "discount" to what the ETF's underlying holdings are actually worth.

ETFs rely on large institutions to make a market in their shares, which tends to increase trading volume and keep the market price of ETF shares close to the NAV of the fund. Although this process has been generally successful, market disruptions can make it difficult or impossible for such institutions to continue their market making activities. As a result, market disruptions may lead to ETFs trading at substantial discounts to their NAVs, which will negatively impact ETF shareholders, particularly those that need to sell their shares at such times.

Money Market Funds

Similar to domestic mutual funds, shareholders in domestic money market funds may redeem their investments on any business day. While money market funds may have up to seven days to fulfill redemption requests, most do so the next business day. Even though money market funds are sometimes used for cash management purposes, they are not guaranteed investments.

Domestic money market funds are subject to specialized rules that seek to mitigate the risk that a fund will be unable to meet redemption requests. For instance, money market funds may use liquidity fees (up to 2%) and redemption gates (up to 10 days in a 90-day period) during times of market stress. These tools are intended to help money market funds manage redemptions without negatively impacting shareholders who remain invested in the funds.

Liquidity fees and redemption gates are optional for "government money market funds," which invest 99.5% of their assets in government securities and other qualifying assets. All other domestic money market funds are subject to them. Please review a money market fund's prospectus for more information on the fund's potential use of liquidity fees and redemption gates.

It is also important to note that while domestic money market funds have been known for maintaining a stable \$1.00 price per share, certain money market funds now maintain "floating" NAVs, which means their share price fluctuates along with the value of the fund's

assets. Government money market funds, as well as “retail” money market funds that limit their investors to natural persons (as opposed to institutions and/or businesses), may continue to utilize stable share prices.

If despite these tools, a domestic money market fund cannot meet its redemption obligations or maintain a stable NAV, the fund may seek permission from the SEC to permanently suspend redemptions or do so without SEC approval if the fund promptly liquidates its assets afterwards.

In addition to money market funds, many investors utilize ultra-short bond funds for cash management purposes. Please note that ultra-short bond funds are not money market funds, and as such, may not make use of liquidity fees or redemption gates in times of market stress. Ultra-short bond funds have floating NAVs and are subject to market risk and the risks associated with debt securities. Please refer to an ultra-short bond fund's prospectus for more information regarding the fund.

Conclusion

Please discuss your liquidity needs with your Financial Advisor before investing in a mutual fund, ETF and/or money market fund. Investors should carefully review a fund's prospectus, which describes the principal risks of investing in a fund, as well as a fund's shareholder reports for additional information regarding fund liquidity. Please ask your Financial Advisor if you need assistance obtaining these documents.

Unit Investment Trusts—Features, Costs and Compensation

This document will help you understand unit investment trusts (UITs), their features and costs, and how Morgan Stanley and your Financial Advisor are compensated when you buy a UIT. Like mutual funds, UITs are securities that are offered through a disclosure document known as a prospectus. You should read the prospectus carefully before investing. You should also discuss your investment goals and objectives with your Financial Advisor. For additional information, you can visit the following websites: Securities and Exchange Commission (www SEC gov), Financial Industry Regulatory Authority (www FINRA org), the Securities Industry and Financial Markets Association (www SIFMA org) and the Investment Company Institute (www ICI org).

WHAT IS A UIT?

A UIT is a SEC-registered investment company that issues redeemable securities and invests in a portfolio of bonds and/or equity securities according to a specific investment objective or strategy. Generally, a UIT's portfolio is not actively traded and follows a “buy and hold” strategy, investing in a static portfolio of securities for a specified period of time. Certain UITs may hold a portfolio that reflects an index. At the end of the specified period, UITs terminate and all remaining portfolio securities are sold. Redemption proceeds are then paid to the investors.

UIT sponsors offer many different UITs, each of which seeks a particular investment objective or follows a predefined investment strategy. In general, UIT sponsors offer successive “series” of each UIT—the offering period for each new series coincides with the time that a prior series terminates. This allows an investor to purchase a new series of the UIT with the same objective or strategy but with a new portfolio of securities. Investors can also reinvest the proceeds from one series and invest in a different UIT.

WHAT ARE THE COSTS ASSOCIATED WITH INVESTING IN UITS

All UITs have fees and expenses. These costs, like all investing costs, are important to understand because they affect the return on your investment. UIT fees and expenses can be divided into sales charges and those that relate to operation of the UIT.

Sales Charges: UITs assess sales charges on units you purchase in commission-based brokerage accounts. The sales charge for UITs may be composed of three components. First, an initial sales

charge may be applied to your purchase amount. Second, most UITs assess a deferred sales charge. The deferred sales charge is generally deducted in periodic installments following the end of the initial offering period. Finally, most UITs assess a creation and development fee that compensates the UIT sponsor for creating and developing each UIT, including determining the UIT's investment objectives and policies, selecting portfolio securities and other functions. The creation and development fee (generally \$0.05 per unit) is generally deducted at the end of the initial offering period.

UITs may be offered through fee-based investment advisory accounts. UIT units purchased through a fee-based investment advisory account are not assessed initial sales charges or deferred sales charges; however, the creation and development fee does apply. The advisory account's fee will also be applied to the UIT asset value.

Operating Expenses/Organization Costs: In general, all UITs make a charge against the UIT portfolio's assets for amounts expended to organize the trust itself. UITs separately deduct for operating expenses, including portfolio supervision, bookkeeping, administrative costs and trading expenses. These amounts will vary with each UIT.

Note: Each UIT is different and specific fees and charges may be referred to by different names. Actual charges may differ based on the duration of the UIT and the terms of each UIT's prospectus. Longer-duration UITs generally have higher sales charges. This summary is intended to be a general overview. You should review the terms of the prospectus for any UIT you intend to purchase.

HOW MORGAN STANLEY AND YOUR FINANCIAL ADVISOR ARE COMPENSATED WHEN YOU BUY UITs FROM AN UNAFFILIATED SPONSOR

Unaffiliated UIT sponsors compensate Morgan Stanley when we sell their UITs, except when purchased through a fee-based investment advisory account. Morgan Stanley receives a portion of the maximum sales charge, referred to as the dealer concession. For example, if the maximum sales charge is 1.85%, Morgan Stanley expects to receive as a dealer concession up to 1.25%. The difference between the maximum sales charge and dealer concession is retained by the UIT sponsor. Each UIT prospectus describes the applicable sales charge and dealer concession. We pay all or a portion of the dealer concession to our Financial Advisors based upon Morgan Stanley standard compensation formulas, which are the same regardless of which UIT you purchase. However, as noted above, some UITs impose higher sales charges than others, which can affect the amount paid to your Financial Advisor.

UITs purchased through a fee-based investment advisory account do not result in any additional compensation to your Financial Advisor; however, the advisory account's fee will be applied to the UIT asset value.

In addition to the dealer concession, UIT sponsors generally pay Morgan Stanley additional sales concessions based on the overall volume of UIT sales in a particular trust during the initial offering period. The sales volume required to be eligible to receive these additional amounts vary by UIT sponsor and by trust, and the additional amounts that Morgan Stanley receives for such sales may also differ. Amounts may be up to 0.175% in addition to the standard dealer concession. Morgan Stanley generally retains the additional volume-based concessions it receives and, except in limited circumstances, does not pay any portion of such amounts to your Financial Advisor. Morgan Stanley does not receive an additional volume-based concession on units purchased through fee-based investment advisory accounts.

UIT sponsors make payments to Morgan Stanley from the portion of the maximum sales charge the sponsor does not pay to distributors as the dealer concession, and other corporate assets that may be derived from profits on other fees and charges it receives from sponsoring and operating the UIT.

HOW MORGAN STANLEY AND YOUR FINANCIAL ADVISOR ARE COMPENSATED WHEN YOU BUY UITs SPONSORED BY MORGAN STANLEY

Morgan Stanley receives a gross underwriting commission on sales of its proprietary UITs in commission-based brokerage accounts. The gross underwriting commission is equal to the

sum of any initial sales charge and the deferred sales charge. We pay a portion of these amounts to our Financial Advisors similar to the amounts that they receive when selling an unaffiliated UIT. UITs purchased through a fee-based investment advisory account are not assessed a gross underwriting commission and do not result in any additional compensation to your Financial Advisor; however, as noted, the advisory account's fee will be applied to the UIT asset value.

In general, for all proprietary UITs, Morgan Stanley receives the creation and development fee, which compensates Morgan Stanley for the creation and development of each UIT, including the determination of the investment objectives and policies, selecting portfolio securities and other functions. As sponsor, Morgan Stanley also receives an annual fee for the administrative and other services which it provides during the life of each UIT. Morgan Stanley is also reimbursed for amounts expended to organize each UIT. These facts present a conflict of interest for Morgan Stanley and our Financial Advisors to the extent they lead us to focus on proprietary UITs instead of unaffiliated UITs. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending proprietary UITs.

ACCESS TO BRANCHES, EXPENSE PAYMENTS AND DATA ANALYTICS FEES

Morgan Stanley provides UIT sponsors, many of which also sponsor other investment products such as mutual funds and exchange-traded funds, with opportunities to sponsor meetings and conferences and grants them access to our branch offices and Financial Advisors for educational, marketing and other promotional efforts. UIT sponsors may also work closely with our branch offices and Financial Advisors to develop business strategies and plan promotional events for clients, prospective clients and educational activities. Some UIT sponsors or their affiliates, with regard to UITs or other investment products offered through Morgan Stanley, make payments to Morgan Stanley in connection with these promotional efforts to reimburse Morgan Stanley for expenses incurred for sales events and training programs, as well as client seminars, conferences and meetings. Some UIT sponsors also invite our Financial Advisors to attend events. Expense payments may include meeting or conference facility rental fees and hotel, meal and travel charges. In addition, Morgan Stanley provides UIT sponsors with the opportunity to purchase sales data analytics regarding UITs and other investment products.

These facts present a conflict of interest for Morgan Stanley and our Financial Advisors to the extent they lead us to focus on UITs from those sponsors, including Morgan Stanley, that commit significant financial and staffing resources to promotional and educational activities and/or purchase sales data analytics instead of UITs from sponsors that do not. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending UITs from sponsors that provide significant sales and training support, and/or purchase data analytics.

UIT sponsor representatives are allowed to occasionally give nominal gifts to Financial Advisors, and to occasionally entertain Financial Advisors (subject to an aggregate entertainment limit of \$1,000 per employee, per company, per year). Morgan Stanley's cash/noncash compensation policies set conditions for each of these types of payments, and do not permit any gifts or entertainment conditioned on achieving any sales target.

FOR MORE INFORMATION

For a more detailed discussion regarding UITs and how Morgan Stanley and your Financial Advisor are compensated for investments and services, please speak with your Financial Advisor. Clients are encouraged to ask their Financial Advisor how he or she will be compensated for any UIT transaction.

RISK CONSIDERATIONS

There is no assurance a specific unit investment trust will achieve its investment objective. An investment in a unit investment trust is subject to market risk, which is the possibility that the market values of securities owned by a trust will decline and that the value of trust units may therefore be less than what you paid for them. Unit investment trusts are unmanaged and each trust's portfolio or strategy is not intended to change during the trust's life except in limited

circumstances. You can lose money investing in a unit investment trust. You should consider a trust as part of a long-term investment strategy and you should consider your ability to pursue it by investing in successive trusts, if available. You will encounter tax consequences associated with reinvesting from one trust to another.

Investors should carefully consider the investment objectives and risks as well as charges and expenses of a unit investment trust before investing. To obtain a prospectus, contact a member of your Morgan Stanley team. The prospectus contains this and other information about the unit investment trust. Read the prospectus carefully before investing. Clients should consult with their tax advisors before making any tax-related investment decisions, as Morgan Stanley does not provide tax advice.

Understanding Variable Annuities

This reference document is provided by Morgan Stanley¹ solely to provide a general overview of variable annuities. It is designed to provide you with a better understanding of variable annuities, including the benefits they can provide in helping you plan for a secure retirement, their limitations/ restrictions and the costs associated with the product. It is not meant to describe a single product or pertain to a particular insurance company. The views expressed in this document are those of Morgan Stanley, are subject to change, and do not necessarily reflect the views of any other company. Please contact your Morgan Stanley Financial Advisor or your local branch if you have any questions regarding this document.

WHAT IS A VARIABLE ANNUITY?

A variable annuity is a contract between you and an insurance company. With a variable annuity, the insurance company agrees to make periodic payments to you in the future. You can purchase a variable annuity contract by making either a single purchase payment or a series of purchase payments. Please note that certain benefit options (e.g., death benefit or living benefit protection options) may limit additional purchase payments.

Variable annuities offer features not generally found in other types of investment products, including:

- Tax-deferred earnings,
- Tax-free transfers among a variety of investment options (or “subaccounts”),
- Access to the research and due diligence of the variable annuity’s professionally managed, unique investment options and investment allocation strategies,
- Death benefit protection options,
- Living benefit protection options, and
- Lifetime income options.

A variable annuity has two phases—the savings (or “accumulation”) phase and the payout (or “annuitization” or “income”) phase. During the savings phase, you make purchase payments into the contract and the earnings accumulate on a tax-deferred basis. The payout phase starts when you begin receiving regular payments from the insurance company by electing a variable annuity income option. Many contracts include a variable annuity commencement date, generally between ages 85 and 95, where variable annuity owners are required to select a payout option (also known as “forced annuitization”). Annuitization of annuity contracts generally requires control of the investment to be given to the insurance company and will generally terminate any living or death benefits provided in the contract.

WHY CONSIDER A VARIABLE ANNUITY?

A variable annuity is a long-term investment primarily designed for retirement or another long-range goal. As noted above, a variable annuity lets you accumulate assets on a tax-deferred basis. If you are looking to supplement other sources of retirement income—such as Social Security and pension plans—you may want to consider a variable annuity.

When considering the purchase of a variable annuity, numerous factors should be taken into account including, but not limited to, your:

- Age,
- Annual income,
- Financial situation and needs,
- Investment experience and investment objectives,
- Intended use for the variable annuity (e.g., to leave assets to beneficiaries, to receive income for life, tax deferred investments, etc.),
- Investment time horizon,
- Existing assets including investment and life insurance holdings,
- Liquidity needs (see the section titled “Share Class and Surrender Periods” for more information),
- Liquid net worth,
- Net worth,
- Tolerance for risk, and
- Tax status.

Please note that variable annuities involve investment risk and a variable annuity may lose value. Therefore, you should consider your ability to sustain investment losses during periods of market downturns. Before buying any variable annuity, you should request a prospectus from your Financial Advisor and read it carefully. The prospectus contains important information about the variable annuity contract including fees and charges, investment options and objectives, risks, death benefits, living benefits and variable annuity income options. All of these should be considered carefully. You should compare the benefits and costs of the variable annuity you are considering to other variable annuities and to other types of investments before investing.

ANNUITIES IN INVESTMENT ADVISORY/WRAP FEE ACCOUNTS

Variable annuities may be purchased in either a brokerage account or in a Morgan Stanley Consulting Group Advisor investment advisory account. For an explanation of the differences between a brokerage and investment advisory relationship, please review “Understanding Your Brokerage and Investment Advisory Relationships,” which is also available at <https://www.morganstanley.com/ourcommitment>. Please see the Consulting Group Advisor Form ADV Brochure for information about that investment advisory account. You may also request a copy of these documents from your Morgan Stanley team.

“FREE LOOK” PERIOD

Variable annuities typically have a trial period of 10 or more days from your receipt of the contract. This is known as the “free look” period. During this time, you can terminate the contract and get back your purchase payments without paying any surrender charges. The purchase payments may be adjusted to reflect charges and the performance of the subaccounts you selected. You are encouraged to ask questions before the “free look” period ends to make sure you understand your variable annuity and confirm that it is right for you.

VARIABLE ANNUITY FEES AND CHARGES

There are fees and charges that are unique to variable annuity products. These fees and charges cover the cost of contract administration, distribution, portfolio (or investment) management and the insurance benefits (e.g., death and living benefit protection options, lifetime income options). Because fees and charges may be assessed on the original investment, the current account value or the benefit’s base value (or “benefit base”), you should become familiar with all types of fees and charges, and the methodology for their calculation within the particular variable annuity you are purchasing. The most common fees and charges are:

- **Mortality and Expense Risk Charge (M&E):** The M&E charge compensates the insurance company for insurance risks and other costs it assumes under the variable annuity contract. M&E charges are deducted from the value of the subaccounts (i.e., the investment options you select). The fees for any optional death and/or living benefit you may select are described below and are not included in the M&E charge. M&E charges are assessed daily and typically range from 0.95% to 1.80% annually.

- **Administrative and Distribution Fees:** These fees cover the costs associated with servicing and distributing the variable annuity. These fees include the costs of transferring funds between subaccounts, tracking purchase payments, issuing confirmations and statements as well as ongoing customer service. Administrative and distribution fees are deducted from the value of the subaccounts. These fees are assessed daily and typically range from 0% to 0.60% annually.
- **Contract Maintenance Fee (or “Annual Fee”):** The contract maintenance fee is an annual flat fee charged for record keeping and administrative purposes. The fee typically ranges from \$30 to \$50 and is deducted on the contract anniversary. This fee is typically waived for contract values over \$50,000.
- **Underlying Subaccount Fees and Expenses:** Fees and expenses are also charged on the subaccounts. These include management fees that are paid to the investment adviser responsible for making investment decisions affecting your subaccounts. This is similar to the investment manager's fee in a mutual fund. Expenses include the costs of buying and selling securities as well as administering trades. These asset-based expenses will vary by subaccount and typically range from 0.28% to 3.26% annually.
- **Contingent Deferred Sales Charge (“CDSC” or “Surrender Charge”):** Variable annuities available at Morgan Stanley do not have an initial sales charge. This means that 100% of your funds are available for immediate investment in the available subaccounts. However, insurance companies usually assess early termination charges to a variable annuity owner who liquidates his or her contract (or makes a partial withdrawal in excess of a specified amount) during the surrender period (see the section titled “Share Class and Surrender Periods” for additional information). The charge is generally a percentage of the amount withdrawn and declines gradually during the surrender period. A typical surrender schedule has an initial charge ranging from 5% to 9% and decreases each year that the contract is in force until the charge reaches zero. Generally, the longer the surrender schedule, the lower the contract fees. Most contracts will begin a new surrender period for each subsequent purchase payment, specific to that subsequent purchase payment.

INVESTMENT ADVISORY/WRAP FEE ACCOUNT FEE

In addition to the aforementioned variable annuity fees (which are generally lower for annuities offered in advisory/wrap fee programs), Investment Advisory/Wrap Fee accounts generally have a separate inclusive fee which is based on a percentage of assets held in the account. That fee may ultimately lead to cases where a variable annuity purchased in an Investment Advisory/Wrap Fee account results in higher client fees. In those situations, the purchase of a fee-based variable annuity should be supported by other factors such as the services provided as part of the investment advisory relationship, and whether the investment advisory relationship is appropriate for the client.

SHARE CLASS AND SURRENDER PERIODS

Variable annuities are traditionally offered with varying fee and surrender charge periods. These are otherwise known as “share classes.”

“B Share” annuities are generally lower-cost alternatives with the longest surrender periods while “B Share with Early Withdrawal Feature,” “C Share” and “L Share” annuities are higher-cost alternatives with the shortest surrender periods. *Since the share class selected will determine the fees and surrender charge associated with your selected variable annuity contract, you should familiarize yourself with the share classes available before you decide to invest.*

Specific points to consider include:

- The benefits of tax deferral and the selection of optional living benefit protection options generally involve a long-term time horizon.
- Contract fees and/or surrender charges may significantly impact the variable annuity contract's investment performance.

- Unexpected life events and individual preference may lead an investor to prioritize greater access to his or her investment and therefore choose a more expensive share class option.
- Investors who do not anticipate needing access to the dollars they invest in a variable annuity should consider purchasing a B Share variable annuity because this will be the lowest-cost option available at Morgan Stanley over long-term time horizons. This will enhance the potential for increased returns versus the purchase of the more expensive B share with Early Withdrawal Feature L Share and C Share annuities.

Determination of the appropriate balance between a) access to your investment, b) contract fees and charges, and c) the duration required to take full advantage of any optional benefit you may select are important factors to review with your Financial Advisor. Before you invest, you should carefully read and compare the description of costs, including the applicable surrender schedule, included in the variable annuity prospectus. You should understand the features, benefits and costs of the variable annuity you are considering. This information is also included in the variable annuity prospectus.

You should carefully consider the costs you will pay and the services you will receive when deciding to purchase a variable annuity or any other investment product in either an advisory or brokerage account. **Specifically** you should be aware that typically, holding an annuity in an advisory account **will be more expensive** than holding one in a brokerage account as described above. Notwithstanding this, it may make sense to hold an annuity in an advisory account if:

- You appreciate the flexibility to terminate the annuity contract in the early years of the contract, where surrender charges may materially impact contract performance (surrender charges for advisory annuity contracts are typically lower than for brokerage annuity contracts); and/or
- You value the service that your Financial Advisor would provide by advising you on your entire portfolio in your advisory account (including annuities).

Conversely, it would make sense to hold an annuity in a brokerage account if:

- You are confident that it is unlikely that you will terminate the annuity contract in the early years of the contract; and/or
- You feel that the relatively static “buy and hold” nature of annuity contracts would not justify the additional expense of holding them in an advisory account.

TYPE OF VARIABLE ANNUITY	SURRENDER PERIOD	SURRENDER CHARGES	TYPICAL CONTRACT FEES	TYPICALLY SUITABLE FOR THESE TYPES OF INVESTORS
“B Share” Annuities	5-8 years on each contribution	CDSC starts at approximately 8% for each contribution and subsequently declines each year to zero over the Surrender Period.	Asset-based contract charges generally in the 1.15% to 1.55% range; contract fees generally range from \$0 to \$50; and underlying fund expenses that generally range from 0.28% to 3.26%.	<ul style="list-style-type: none"> • Those who have a long-term time horizon (e.g., 5-8 years or longer) • Those who do not intend to access their investment until the end of the entire surrender period • Those who want the lowest cost annuity available at Morgan Stanley

TYPE OF VARIABLE ANNUITY	SURRENDER PERIOD	SURRENDER CHARGES	TYPICAL CONTRACT FEES	TYPICALLY SUITABLE FOR THESE TYPES OF INVESTORS
"B Share Annuities w/Early Withdrawal Feature"	4 years on each contribution	CDSC starts at approximately 8% for each contribution and subsequently declines each year to zero over the Surrender Period. Those who make additional contributions/purchase payments to their policies after their initial investment will extend the Surrender Period (each contribution/purchase payment will include a separate and distinct surrender charge/period) and will not have complete access to their investment until four years have elapsed on each contribution.	Early Withdrawal Feature Fee at an additional annual cost of 30-40 bps (to be assessed in years 1-4 for each contribution). This additional fee is included in the asset-based charges below. Asset-based contract charges generally in the 1.45% to 1.80% range including the additional Early Withdrawal Feature fee; contract fees generally range from \$0 to \$50; and underlying fund expenses that generally range from 0.28% to 3.26%.	<ul style="list-style-type: none"> • Those who are willing to pay higher fees in exchange for complete access to their initial investment after four years instead of five to eight years
Investment Only Variable Annuities (IOVA)	5 years on each contribution	CDSC starts at approximately 5%-6.5% for each contribution and subsequently declines each year to zero over the Surrender Period.	Asset-based contract charges in the range of 1.0%-1.10%; and underlying fund expenses that generally range from 0.28% to 3.26%	<ul style="list-style-type: none"> • Those who are seeking growth and do not want a death benefit or living benefit • Those who are primarily interested in tax-deferral

TYPE OF VARIABLE ANNUITY	SURRENDER PERIOD	SURRENDER CHARGES	TYPICAL CONTRACT FEES	TYPICALLY SUITABLE FOR THESE TYPES OF INVESTORS
Investment Only Variable Annuities (IOVA) with Early Withdrawal Feature	Fully Liquid	Offers full liquidity to the owner at any time after purchase	Asset-based contract charges in the range of 1.25%-1.35%; and underlying fund expenses that generally range from 0.28% to 3.26%	<ul style="list-style-type: none"> Those who are seeking growth and do not want a death benefit or living benefit Those who are primarily interested in tax-deferral
"Bonus Share" or "X Share" Annuities (may also be called "Premium Enhanced Annuities") (Not available for new sales after Q3 2016)	8-9 years on each contribution	CDSC starts at approximately 9% for each contribution and subsequently declines each year to zero over the Surrender Period	Asset-based contract charges generally in the 1.40% to 1.85% range; contract fees generally range from \$0 to \$50; and underlying fund expenses that generally range from 0.28% to 3.26%.	<ul style="list-style-type: none"> Those who have a long-term time horizon (e.g., 10 years) Those who anticipate the investment credit to outweigh the additional cost of the annuity
"L Share" Annuities (Not available for new sales after Q3 2016)	3-4 years on each contribution	CDSC starts at approximately 8% for each contribution and subsequently declines each year to zero over the Surrender Period	Asset-based contract charges in the 1.60% to 1.75% range; contract fees generally range from \$0 to \$50; and underlying fund expenses that generally range from 0.28% to 3.26%.	<ul style="list-style-type: none"> Those who value easier access to their initial investment within a 3-4 year time horizon Those who are willing to pay higher fees in exchange for the flexibility to reposition investments if needs or goals change
"C Share" Annuities* (Not available for new sales after 1Q2017)	Fully liquid	Offers full liquidity to owner at any time after purchase	Asset-based contract charges in the range of 1.65% to 1.95%; contract fees generally range from \$0 to \$50; and underlying fund expenses that generally range from 0.28% to 3.26%.	<ul style="list-style-type: none"> Those who value easier access to their investment immediately after investing Those who are willing to pay higher fees in exchange for the flexibility to reposition investments if needs or goals change

Please note that certain insurance companies may limit their variable annuity offerings to a single share class that may have a surrender period ranging from five to eight years. Not all types of annuities are available at all insurance companies or at Morgan Stanley.

BENEFITS AND FEATURES OF A VARIABLE ANNUITY

A. Investment Options (“Subaccounts, Investment Programs & Strategies”)

During the savings phase, a variable annuity offers a wide range of fixed and variable subaccounts with different objectives and investment strategies. The value of your variable annuity will vary depending upon the performance of the investment options you choose.

VARIABLE SUBACCOUNTS: The variable subaccounts may include actively managed portfolios, exchange-traded funds, indexed or indexed-linked portfolios, alternative investments and other quantitative-driven strategies. The variable subaccounts typically invest in various asset classes that may include stocks, bonds, derivatives, commodities, money market instruments or other investments. Although the subaccounts within variable annuities are similar in many respects to mutual funds, fees and expenses may differ. Like mutual funds, you bear all the investment risk for amounts allocated to the variable subaccounts.

FIXED INVESTMENTS: The fixed subaccounts offer a fixed-rate of return that is guaranteed by the insurance company for a period of one or more years (i.e., the “guarantee period”). If you withdraw or transfer from a fixed subaccount during the guarantee period, a market value adjustment (or “MVA”) may apply. MVAs will result in an amount added to or subtracted from the contract value based on the changes in interest rates since the beginning of the guarantee period. In general, if interest rates have decreased, the investment value will increase. And, if interest rates have increased, the investment value will decrease.

Please note that in a low interest rate environment, the performance of interest rate-sensitive subaccounts, e.g., money market funds, may not be sufficient to override contract fees and/or subaccount expenses, which could lead to negative returns for your variable annuity.

ASSET ALLOCATION/BALANCED PORTFOLIO: While investment in certain asset allocation or balanced portfolios could mitigate losses during declining market conditions, they may also hamper potential gains during rising market conditions. Asset Allocation/Balanced Portfolio investments may be required to gain access to a certain living or death benefit guarantee and may provide very different potential risk/reward characteristics. These investments may manage volatility to mitigate the insurance company’s guarantee obligations by potentially reducing investment returns that an investor might have received during favorable market conditions.

It is important to note that diversification and asset allocation do not assure a profit or protect against a loss in a declining market.

COMPLEX INVESTMENT STRATEGIES: Alternative Investment strategies (liquid and illiquid) are available as a variable subaccount or a model asset allocation investment in certain traditional and nontraditional variable annuities (IOVAs). Alternative Investment strategies are speculative, involve a high degree of risk to loss in principal, typically have higher fees than other investments, and may engage in the use of leverage, short sales and derivatives. These may increase the risk of investment loss. Alternative Investment strategies include derivative exposure that may not perform as intended, can significantly increase each portfolio’s exposure to the existing risks of the underlying investments and may be illiquid and difficult to value. As a result, the portfolio may not realize the anticipated benefits from the derivative it holds or it may realize losses. Alternative Investment strategies may create investment leverage, which may increase the volatility and may require liquidation of securities when it may not be advantageous to do so. These investments are designed for investors who understand and are willing to accept these risks. Liquid Alternative Investment strategies seek alternative-like exposure and may be available as a variable subaccount or model allocation within many variable annuities. These investments include alternative-like exposure and seek investment returns that have lower correlation to traditional markets in an attempt to increase diversification in an overall portfolio.

Unlike traditional hedge funds, subaccounts that seek alternative-like exposure a) do not require the same investor pre-qualifications, b) enable efficient tax reporting, c) are subject to lower investment minimums and lower fees, d) provide portfolio transparency, e) offer daily liquidity, and f) are required to provide daily Net Asset Value (or “NAV”) pricing.

Because of 1940 Act limitations, subaccounts that seek alternative-like exposure generally must utilize a more limited investment universe and, therefore, will have relatively higher correlation with traditional market returns. Registered variable investment funds are statutorily limited in their use of leverage, short sales and the use of derivative instruments. Therefore, they may not provide the same market exposures and opportunities as traditional alternative investment strategies.

Hedge funds typically charge an asset-based fee and a performance fee. Potential benefits to hedge funds include a) greater flexibility in terms of seeking enhanced returns through the use of leverage, b) exposure to less liquid investments, and c) the more flexible use of complex instruments such as derivatives.

As a result of these differences, performance for a variable subaccount that seeks alternative-like exposure and its portfolio characteristics may vary from a traditional hedge fund that is seeking a similar investment objective.

MARKET-LINKED SEGMENT BUFFERS: Certain registered annuities provide other, more limited, forms of downside protection called “Segment Buffers.” These limited guarantees typically track investment returns associated with the change in the level of one or more published equity or commodity-based indexes, such as the Standard & Poor’s 500 Composite Stock Price Index™ (“S&P 500”), which tracks the performance of the 500 large-cap publicly traded securities.

Some of the features unique to Market-Linked Segment Buffers include:

- **SEGMENT CREDITING:** This is the method (e.g., point-to-point) used to measure the change in the underlying index over an investment term (or time period) that may reset regularly such as every three or every five years. For example, on a one-year term segment, if the underlying index equals 1000 on the date of purchase and equals 1100 on the first anniversary date of purchase, then the change in the index (1100–1000=100) divided by the index value at purchase (1000) equals 10%.
- **PERFORMANCE CAP:** This is the maximum index-based performance that is credited to the contract upon the investment’s segment termination. For example, on a one-year term segment, if there is a 6% cap and the underlying index increased by 10% in a year, the credit to the contract would only be 6%, thereby foregoing 4% on the upside.
- **BUFFER:** This is the maximum indexed-based percentage performance loss that the insurance company will absorb—typically ranging from 10% through 100%, selected by the contract owner. For example, on a one-year term segment, if the product includes a 10% Buffer, the insurance company will absorb the first 10% of the index’s loss. In this example, the contract’s value will decline by any losses in the index beyond 10%. Please note that contracts can see a substantial risk of loss if the index falls beyond the Buffer or protection level.
- **PERFORMANCE CAP THRESHOLD:** When available, this is a minimum rate specified by the contract owner for a new segment to be equaled or exceeded in order for amounts to be transferred into a new segment. For example, on a one-year term segment, if the product includes a 6% Performance Cap Threshold (set by the contract owner) and a Cap of 5%, the investment will be held in a holding account until the Cap rate reaches 6% or the threshold is reduced by the contract owner to 5%.
- **PARTICIPATION RATE:** This is the percentage of the calculated index gain that will be credited to the contract as interest may be reset annually. For example, if the Participation Rate is 90%, then a 10% change in an index would result in a 9% credit (90% \times 10% = 9%).

Please note that Performance Cap Thresholds can be an important tool to investment in Market-Linked Segment Buffers. Not specifying a threshold would risk the possibility that the Performance Cap established will have a lower cap on returns than you would otherwise find acceptable. You may wish to discuss the appropriate Performance Cap Threshold with your Financial Advisor. When specifying a Performance Cap Threshold, please review the effective date and date of expiration.

Market-Linked Segment Buffers include a risk of a substantial loss of principal because you agree to absorb all losses from the portion of any negative index performance rate that exceeds the Segment Buffer at maturity. Also, the Performance Cap limits the maximum amount you may receive from indexed gains. You should consider your ability to sustain investment losses during periods of market downturns. A variable annuity with a Market-Linked Segment Buffer is generally not suitable for individuals seeking principal preservation or who have a short time horizon. Before buying a variable annuity with Market-Linked Segment Buffers, request a prospectus from your Financial Advisor and read it carefully. The prospectus contains important information about the risks associated with this type of variable annuity contract. You should compare the benefits and limitations of the variable annuity to other annuities and to other types of market-linked or structured investment vehicles.

CHARGES ASSOCIATED WITH MARKET-LINKED SEGMENT BUFFERS: Typically, Market-Linked Segment Buffers do not have upfront sales loads. The insurance company's costs and profits are built into the Caps, Participation Rate, Segment Buffer and/or other features of the contract. Your contract may be subject to surrender charges in the first three to 10 years of the contract. You may also be subject to a fair value ("Segment Interim Value") calculation if an early withdrawal, reallocation or termination is requested while invested in a market-linked segment.

TAX-FREE TRANSFERS: You may transfer your money from one subaccount to another—or to a fixed account subaccount—within a variable annuity without paying current taxes on any earnings. If market conditions change, you may reallocate money among the investment options without worrying about current taxes. Transfers are subject to limitations and restrictions imposed by the insurance company and are detailed in the prospectus.

B. Tax-Deferred Earnings

Earnings from a non tax-qualified variable annuity grow on a tax-deferred basis. This means that income taxes that would have been paid on interest, dividends or capital appreciation are deferred until you make a withdrawal from the variable annuity contract. Therefore, investments may grow faster in a variable annuity than in a taxable investment vehicle with a similar rate of return because money that would have been used to pay taxes on earnings remains invested and continues to grow and compound. It is important to note, however, that when you withdraw your money from a non tax-qualified variable annuity, you will be taxed on the earnings at ordinary income tax rates rather than the lower tax rates applicable to capital gains. And, if you take the withdrawal before you attain age 59½, you may be subject to an additional 10% federal tax penalty. The benefits of tax deferral may outweigh the costs of a variable annuity only if you hold it as a long-term investment to meet retirement or other long-range goals.

C. Death Benefit

Variable annuity contracts allow for the payment of the current contract value to your named beneficiary (or multiple named beneficiaries) upon your death. Typically, contracts (exclusive of IOVAs) may also include, as a standard death benefit, the greater of a return of premium less any withdrawals or the current contract value.

Some contracts also offer "enhanced" death benefits for an additional charge. For example, one enhanced death benefit includes the allowance to periodically "lock in" your investment performance. Another enhanced death benefit may guarantee a minimum rate of return on the value of your account.

The earnings-enhanced death benefit is another optional death benefit that may be available. This feature entitles the named beneficiary to a death benefit that is increased by an amount—typically 25% to 40% of the earnings in the contract—that can be used to help offset taxes that may be due when the death benefit is paid.

Generally, when the owner (or annuitant, as specified in the prospectus or contract) of the variable annuity dies, the beneficiary is taxed on all appreciation when the death benefit is received. This is different from investments held in a taxable account that may receive a stepped-up cost basis (i.e., the value of the account at the owner's death including all appreciation).

The cost for these optional death benefits typically ranges from 0.20% to 1.50% annually.

There are some additional considerations you should be aware of regarding variable annuity death benefits:

- The death benefits described above may terminate once you elect an income option and enter the payout phase of the contract.
- Depending on the contract, death benefits may be payable upon the death of the owner, the annuitant or either.
- Withdrawals during the savings phase will reduce the death benefit.
- Contracts that include a return of account value death benefit as the sole death benefits option should only be purchased for their additional features such as optional living benefit, access to a certain unique investment strategy or the benefits of tax deferral on non tax-qualified contracts and should not be purchased solely for death benefit protection.
- Most optional death benefits must be elected when the contract is issued and cannot be canceled.
- In a non tax-qualified variable annuity earnings distributed as death benefits are taxed as ordinary income when received by the named beneficiary.

Morgan Stanley does not receive any additional compensation when a client selects an optional death benefit on their variable annuity.

D. Living Benefit Options

Annuities are characterized by their ability to provide retirement income that cannot be outlived during the payout phase. Many variable annuity products offer, on an optional basis, “living benefits” that provide principal and/or income guarantees to help protect your retirement income from declining markets during the savings phase (i.e., insurance for your purchase payments).

There are three basic types of living benefits, each with a distinct objective, that are summarized in the chart below. The actual guarantees and corresponding fees will vary by contract. **These living benefits are available for an additional cost. Minimum holding periods and investment restrictions may apply. Deviations from these limitations may result in material reduction or termination of the benefit.** As with any optional benefit, it is important to weigh the costs against the benefit when adding such riders to your contract. Read the prospectus carefully before selecting a living benefit.

The cost for optional living benefits typically ranges from 0.30% to 2% annually. The costs (or fees) may be identified as static or dynamic. Dynamic fees may go up or down, with the range bound by contractual limitations, and in certain instances are tied to a specific benchmark (e.g., VIXX or U.S. 10-Year Treasury). Please review the prospectus to ensure all fees, ranges, caps and frequency of fee alterations are completely understood prior to investing.

Morgan Stanley does not receive any additional compensation when a client selects an optional living benefit on their variable annuity.

LIVING BENEFITS OPTIONS	BENEFIT DESCRIPTION	ADDITIONAL CONSIDERATIONS
Guaranteed Minimum Accumulation Benefit (GMAB)	<p>Generally, this benefit guarantees the return of your purchase payments or a higher stepped-up value at the end of a waiting period, typically 10 years from issue or last step-up, regardless of your investment performance. If your contract value is below the guaranteed amount at the end of the waiting period, the insurance company will increase your contract value to equal the guaranteed amount (adjusted by any withdrawals).</p>	<p>At the end of the waiting period, the benefit may be renewed for another waiting period, depending on the terms of the contract. If the benefit is not renewed, your purchase payments will become subject to market risk and may lose value. Additionally, some contracts require that all of your assets be allocated in specified investment options during the waiting period, and deviation from these investment options may result in material reduction or termination of this benefit.</p>
Guaranteed Minimum Income Benefit (GMIB)	<p>Generally, this benefit guarantees a lifetime income stream when you annuitize the GMIB amount (after a 7- to 10-year waiting period), regardless of your investment performance. The GMIB amount is generally based on the greater of your current contract value, your purchase payments (adjusted pro rata or dollar-for-dollar by any withdrawals) compounded annually at a rate of 3% to 8% (often referred to as the roll-up value), or it may equal the greater of the contract's highest anniversary value or the roll-up value (roll-up/anniversary value may be adjusted pro rata or dollar-for-dollar by withdrawals). The GMIB amount must be annuitized. It is not available as a lump-sum payment.</p>	<p>The income stream is often limited to payments for life with a minimum number of payments guaranteed. The GMIB income stream is determined by applying the GMIB payout rates to the GMIB amount, although you may receive a higher income stream by annuitizing under the regular provisions of your contract. In this case, the GMIB provides no additional benefit. Additionally, some contracts require that all of your assets be allocated in specified investment options during the waiting period and deviation from these investment options may result in material reduction or termination of this benefit.</p>
Guaranteed Minimum Withdrawal Benefit (GMWB)/Guaranteed Lifetime Withdrawal Benefit (GLWB)	<p>Generally, these benefits guarantee a return of your purchase payments over a specified number of years or over the lifetime of an individual or an individual and spouse through a series of annual withdrawals. Certain benefits may provide for a higher stepped-up benefit base via a 3% to 10% annual roll-up of your benefit base and/or an annual reset based on positive market performance.</p>	<p>During the withdrawal period, withdrawals in excess of the benefit withdrawal limit (3% to 7.5%) may negatively affect the guarantee. Additionally, some contracts require that all of your assets be allocated in specified investment options, and deviation from these investment options may result in material reduction or termination of this benefit.</p>
		<p>Generally, there is no waiting period to begin withdrawals, but liquidity limitations based on current age or before age 59½ may apply. Withdrawals not taken generally do not accumulate or carry over to the next year.</p>

E. Lifetime Income (Annuitization)

Variable annuities offer several income options for receiving payments, including the option to receive payments for the rest of your life (or your life and the life of your spouse or any other person you designate). This feature, known as annuitization, offers protection against the possibility that you will outlive your assets. Generally, you cannot change the income option once variable annuity payments begin. Once a contract has been annuitized—whether the decision has been made to annuitize or it has been done through forced annuitization—the contract owner surrenders control of the contract to the insurance company.

OTHER FEATURES, BENEFITS AND CONSIDERATIONS

Withdrawals

Variable annuity contracts generally offer the right to withdraw up to 10% of the contract value annually without incurring a surrender charge. However, withdrawals of earnings from a nonqualified variable annuity are subject to applicable income tax and, if they are taken before you attain age 59½, a 10% IRS penalty tax may also apply.

As noted earlier, withdrawals will reduce your contract value, death benefit and living benefit guarantees. Depending on the variable annuity contract, a withdrawal will generally reduce the death and living benefit's base on a dollar-for-dollar or pro rata basis (or the greater of the two). A pro rata reduction means that the withdrawal reduces the benefit base by the proportion that the withdrawal reduces the contract value. If at the time of withdrawal, the contract value is less than the benefit amount, a pro rata reduction will reduce the benefit base by an amount greater than the withdrawal. For example, if the contract value is \$200,000 and the death benefit is \$300,000, a withdrawal of 50% of the contract value (or \$100,000) will reduce the death benefit by 50% (or \$150,000), not merely by the amount of the withdrawal.

When calculating a withdrawal, you should take note of the minimum contract value required to maintain a contract as active. This calculation should include an analysis of the impact of fees and negative fund performance to a contract's value as these factors may cause the insurance company to liquidate the contract and terminate existing benefits ("forced liquidation"). Please read the prospectus carefully for more information pertaining to contract withdrawals.

Probate

By simply naming a beneficiary, the assets of your variable annuity are transferred directly to your beneficiaries, bypassing probate.

Dollar-Cost Averaging

Dollar-cost averaging allows you to systematically invest equal amounts into the same subaccounts at regular intervals over a set period of time. Many variable annuities offer you the option of automatic dollar-cost averaging by using a liquid subaccount or fixed account option to hold money and then periodically/systematically invest it into the available subaccounts of your choice. For dollar-cost averaging programs that require an initial investment in the fixed account, the annual effective yield on the fixed account is paid on a declining base (i.e., as money is moved from the fixed account to the variable subaccounts there is less money in the fixed account earning the fixed interest rate).

Before beginning a dollar-cost averaging program, you should consider your ability to continue purchases through periods of fluctuating price levels.

Automatic Rebalancing

Due to changing market conditions over time, the investment allocation within your variable annuity may change. Most variable annuities offer—and some require—programs that automatically rebalance your portfolio back to your original desired allocation. You can select the frequency for rebalancing your portfolio when you set up the program (e.g., quarterly, annually, etc.).

Please note that dollar-cost averaging and automatic rebalancing do not assure a profit or protect against a loss.

Tax Considerations

The tax rules that apply to variable annuities can be complicated. Before investing, you should consult a tax advisor about the tax consequences of investing in a variable annuity.

Annuities in Tax-Advantaged Retirement Plans

As noted, tax-deferred growth is a key advantage of investing in a variable annuity. It is important to remember that if you are investing in a variable annuity through a tax-advantaged retirement plan (e.g., IRA, SEP, Keogh, etc.), you will get no additional tax advantage from the variable annuity because the retirement plan itself is already tax-deferred. You should only consider buying a variable annuity in a retirement plan if it makes sense because of the variable annuity's other unique features, such as guaranteed lifetime income payments, access to a unique investment option or guaranteed living and/or death benefit protection.

If you are concerned about market risk, the risk of outliving your income or the impact on your named beneficiaries if you die during a down market, then you might consider buying a variable annuity in a retirement plan. Variable annuities may provide financial guarantees during your retirement plan accumulation or distribution phases. Variable annuities can be converted into a guaranteed lifetime income stream, or the value of your investment can be protected with a death benefit guarantee. The terms of variable annuities differ and not all variable annuities offer all of the benefits described here. Similar to all other types of investments within a tax-qualified retirement plan, variable annuities in a tax-qualified retirement plan are subject to required minimum distributions, which generally require distributions to begin upon attainment of age 72. Please read the prospectus carefully for more information before you invest.

The tax treatment of tax-qualified annuities is based on the tax rules that apply to the tax-advantaged retirement plan in which such annuity is purchased and may differ from the tax treatment of non tax-qualified annuities. Similar to distributions of earnings from non tax-qualified annuities, distributions of taxable amounts from tax-advantaged retirement plans are generally subject to ordinary income tax and, if made before age 59 1/2, may be subject to a 10% penalty tax. However, unlike distributions from non-tax qualified annuities where the taxable amount generally consists of the annuities tax-deferred earnings, the taxable portion of distributions from tax-advantaged retirement plans (e.g., IRAs) generally consists of pre-tax contributions and tax-deferred earnings. To the extent there are any after-tax amounts (e.g., after-tax contributions) in a tax-advantage retirement plan, those after-tax amounts are generally recovered pro-rata, meaning each distribution is part taxable and part nontaxable until the after-tax amount is exhausted, at which point all future payments are fully taxable (note, however, in the case of a Roth IRA, the after-tax amounts are recovered first and the earnings may not be taxable if certain conditions are met). In contrast, although annuitized income payments from a non tax-qualified annuity are taxed similar to distributions from tax-advantaged retirement plans (i.e., each payment is part taxable and part nontaxable until the after-tax amount is exhausted at which point all future payments are fully taxable), partial withdrawals from a non tax-qualified annuity are treated as coming from the income first, meaning the taxable portion is paid out first.

IRS Contribution Limits

A variable annuity purchased outside of a tax-advantaged retirement plan with after-tax dollars (a "non tax-qualified variable annuity") offers distinct advantages over tax-advantaged retirement plans (e.g., 401(k), 403(b), IRA, SEP, Keogh, etc.) because there is no IRS-imposed limit on the amount that can be contributed to the variable annuity (although insurance companies may suspend or impose contribution limitations). While it is advisable to make the maximum allowable contributions to your tax-advantaged retirement plan(s) first, it may be

appropriate to invest any additional assets earmarked for retirement into a non tax-qualified variable annuity.

Tax Reporting

Here are some things you should be aware of when it comes to annuities and tax reporting:

- There are no required annual IRS forms that need to be filed for non tax-qualified annuities owned by an individual.
- Once you begin to take withdrawals from the variable annuity, they will be reported on IRS Form 1099-R.
- IRAs that hold annuities as investments need to report the December 31st value to the IRS annually in order to satisfy Fair Market Value reporting requirements and to calculate the Required Minimum Distribution once you attain age 72.
- Non-natural ownership of a non tax-qualified variable annuity—such as by a trust—may result in the loss of tax deferral and cause the contract's internal growth to be subject to current income taxation, unless certain exceptions are met. Before a non-natural person acquires a non tax-qualified annuity, clients should consult with and rely on their own legal and tax advisors to discuss the potential tax consequences of such.

1035 Exchanges

Section 1035 of the Internal Revenue Code (IRC) allows for the direct exchange of a non-qualified variable annuity for another non-qualified variable annuity without tax consequences. A 1035 exchange may be appropriate if your contract is older and does not provide features offered in newer products such as more flexible or enhanced death benefits, living benefits or a wider choice of investment options.

Please note that while a 1035 exchange is a tax-free event, other charges—such as surrender charges—may be incurred, or a new surrender charge period may be imposed. If you are considering a 1035 exchange, you should discuss it with your Financial Advisor. You should also consult with your tax advisor to make sure the exchange is tax-free, to understand the charges that might be incurred and to determine whether the benefits of the new non-qualified variable annuity outweigh the costs of surrendering the old one.

The IRS has issued Revenue Procedure 2011-38 (or “Rev. Proc. 2011-38”) which provides modified guidance with respect to the federal tax treatment of partial 1035 exchanges of multiple non-qualified annuity contracts. Under Rev. Proc. 2011-38, if any surrender—in whole or in part—of either contract occurred within 180 days of the partial 1035 exchange, the partial 1035 exchange would be treated as a taxable event. The limitation on amounts withdrawn from or received under a non-qualified variable annuity does not apply to amounts received as an annuity payout for a period of 10 years or more, or during one or more lives. Rev. Proc. 2011-38 amended Rev. Proc. 2008-24, and it became effective for partial 1035 exchanges that were completed on or after October 24, 2011.

Spousal Continuation

Some variable annuities offer your spouse the opportunity to continue the contract in the event of your death. The spousal continuation feature may allow your spouse to continue the contract at the greater of the contract value or the death benefit amount. This has the advantage of locking in the higher death benefit and, at the same time, delaying a taxable event for the new beneficiary.

HOW MORGAN STANLEY AND YOUR FINANCIAL ADVISOR ARE COMPENSATED WHEN YOU BUY A VARIABLE ANNUITY

Morgan Stanley offers a wide selection of variable annuities from approved insurance companies (or providers) for you to choose from. We review and evaluate each insurance company, whose products we offer, based upon various factors including, but not limited to:

- Quality and competitiveness of the products offered,
- Financial strength of the insurance company,

- Systems' compatibility and ability to provide technological support for the sale and servicing of variable annuity contract,
- Ability and commitment to support our Financial Advisors through training, education and sales literature, and
- Level of interest and demand among clients and Financial Advisors.

Evaluating insurance companies in this manner allows us to focus our marketing and sales support resources on the companies of greatest interest to—and that offer the most competitive and suitable products for—our clients and their Financial Advisors. Morgan Stanley Financial Advisors are not permitted to recommend variable annuity products from insurance companies that have not been reviewed, evaluated and approved.

Revenue Sharing

For the variable annuity products that are offered, Morgan Stanley seeks to collect a revenue sharing payment from insurance companies. Insurance companies currently pay fees on assets of up to 0.25% per year (\$25 per \$10,000), calculated quarterly, based upon the aggregate value of variable annuity assets—including assets invested in fixed-rate subaccounts within variable annuities—invested in contracts for which Morgan Stanley is designated as the broker-dealer or agent of record. For certain legacy contracts, this rate may be subject to volume discounting (i.e., as the amount of assets increases, the percentage payment for those assets decreases). Additionally, beginning in 2017, each variable annuity provider pays an annual support fee of \$ 500,000 to Morgan Stanley Smith Barney LLC. Revenue sharing payments and Product Support Fees are paid out of the insurance company's revenues or profits and not from a client's contract value or the assets invested in the subaccounts. It is important to note that our Financial Advisors receive no additional compensation as a result of these revenue sharing payments.

Commissions and Service Fees

Each time a variable annuity is purchased through a Morgan Stanley Financial Advisor, the insurance company pays Morgan Stanley compensation—based upon a standard schedule for all insurance companies—in the form of a commission (or “upfront commission”). The commission amount is based upon the commission option elected, the product selected, and the amount invested in the variable annuity. The commissions payable to Morgan Stanley are consistent for all insurance companies regardless of the volume of business Morgan Stanley submits to the insurance company or the profitability of the variable annuity to the insurance company. However, Morgan Stanley may receive differing levels of compensation depending upon the client's age. Please note that no insurance company—or the parent or affiliated company of the insurance company—has any material interest in Morgan Stanley Smith Barney LLC or its licensed insurance agency subsidiaries, Morgan Stanley Insurance Services, Inc. and SBHU Life Agency, Inc.

A portion of the commission paid to Morgan Stanley is, in turn, paid to the Financial Advisor. Financial Advisor commissions generally range from 0% to 5% of monies invested in a variable annuity contract. Insurance companies also pay Morgan Stanley the following:

- Trails for ongoing variable annuity contract servicing and administration ranging from 0.25% to 1.00% of the variable annuity assets. Morgan Stanley passes all or a portion of these trails to the Financial Advisor.
- Insurance companies may also pay Morgan Stanley an additional percentage of the amount invested in a variable annuity generally not exceeding 0.80%.

Upfront and trail commission payments are paid out of the insurance company's assets and are derived from the product fees and expenses described in the prospectus.

Morgan Stanley does not receive any additional compensation when a client selects an optional living or death benefit on their variable annuity.

Investment Advisory/Wrap Fee Account Annuities

The insurance company does not pay Morgan Stanley any compensation when a variable annuity is purchased in an Investment Advisory/Wrap Fee account. When annuities are purchased in an investment advisory account, Morgan Stanley is compensated by the annual investment advisory account wrap fee that is charged to your advisory account. This annual wrap fee is established at the opening of your account and may be modified from time to time in accordance with the terms of your agreement with us.

In addition, a platform fee applies to Morgan Stanley Consulting Group Advisor accounts. The platform fee will be offset by a credit reimbursed to the account from the revenue the firm collects from the annuity providers whose advisory annuities the firm distributes. For more detailed information, please review the Consulting Group Advisor ADV Brochure, available from the Morgan Stanley team servicing your account or at www.morganstanley.com/ADV, for more detailed information on the platform fee.

It is important to note that revenue-sharing payments are credited to clients and that the Morgan Stanley team servicing your account receives no additional compensation as a result of these revenue-sharing payments or fees.

Expense Prepayment or Reimbursement & Data Analytics Fees

Morgan Stanley may seek prepayment or reimbursement by approved insurance companies, their parent or affiliated companies, or other service providers for the expenses incurred for various sales meetings, seminars and conferences held in the normal course of business. Morgan Stanley may also seek prepayment or reimbursement for expenses related to administrative and compliance services. Beginning in 2019, Morgan Stanley will provide annuity companies with the opportunity to purchase supplemental annuity sales data analytics. The amount of the fees depends on the level of data provided. The current fee is up to \$30,000 per annum. Should an annuity company offer other financial products, annuity companies may purchase sales data analytics from Morgan Stanley on those products as well.

Compensation From Insurance Companies

Morgan Stanley—and its parent or affiliates—receive from certain approved insurance companies—or their parent or affiliated companies—the following:

- Compensation in the form of commissions and other fees for providing traditional brokerage services including related research and advisory support, and for purchases and sales of securities for their own portfolios or the portfolios of subaccount investment companies.
- Compensation for financial services performed for the benefit of these companies.

Morgan Stanley prohibits linking the determination of the amount of brokerage commissions and service fees charged to these companies to the aggregate values of our overall variable annuity product sales or client holdings of these products, or to offset the revenue sharing or expense reimbursements described above.

For additional information on a particular insurance company's payment and compensation practices, please refer to the insurance company's product prospectus and Statement of Additional Information.

MORGAN STANLEY'S RELATIONSHIP WITH THE FUNDS (OR SUBACCOUNTS) OFFERED IN VARIABLE ANNUITIES

Certain variable annuity contracts contain subaccounts that are invested in mutual funds managed or sub-advised by Morgan Stanley Investment Management Inc. ("MSIM"), MSWM affiliate. MSIM receives investment management or subadvisory fees for services provided to such mutual funds in which the variable annuity subaccounts ("affiliated subaccounts") invest. Therefore, MSWM has a conflict in recommending variable annuities that contain affiliated subaccounts. In order to mitigate this conflict, Financial Advisors and their Branch Managers do not receive additional compensation for recommending variable annuities containing affiliated subaccounts.

Moreover, for CGA clients, MSWM may in its discretion, take one of the following actions: 1) allow only Non-Retirement Account clients to allocate to affiliated subaccounts, 2) make affiliated subaccounts unavailable for CGA clients, or 3) with respect to Retirement Account clients, waive a portion of the Advisory/Wrap Fee pertaining to such variable annuity subaccounts or cause MSIM to waive the amount of the investment management or subadvisory fee attributable to such Retirement Account clients' assets paid by the underlying funds or investment adviser to MSIM.

BEFORE YOU DECIDE TO BUY A VARIABLE ANNUITY

You should consider the following before you decide to buy a variable annuity:

Investment Goals

- Will you use the variable annuity to save for retirement or a similar long-term goal?
- Are you purchasing the variable annuity in a retirement plan or IRA? If so, remember that you will not receive any additional tax-deferral benefit from the variable annuity.
- Do you intend to remain invested in the variable annuity long enough to avoid paying any surrender charges?
- Do you intend to remain invested in the variable annuity long enough to benefit from any optional living benefit riders if you have to withdraw money?
- Are you willing to take the risk that your account value may decrease if the underlying subaccounts perform poorly?
- Have you consulted with a tax advisor and considered all of the tax consequences associated with purchasing a variable annuity, including the effect of variable annuity payouts on your tax status in retirement?

Costs and Benefits

- Do you understand the features of the variable annuity?
- Do you understand all of the fees and expenses that the insurance company charges for the variable annuity?
- Do you understand the various ways in which Morgan Stanley and your Financial Advisor are compensated when you purchase a variable annuity?
- Are there features of the variable annuity that you could purchase separately and for a lower cost?
- If you are exchanging one variable annuity for another, do the benefits of the exchange provide a substantial financial benefit that outweighs the costs? Be sure to consider any surrender charges that need to be paid on the old annuity and the impact on your liquidity resulting from the surrender charge schedule on the new annuity.
- Is your investment time horizon and preference for access to your money consistent with the pricing option that you selected?

Senior Suitability

In recent years, regulators have expressed concern about variable annuity sales to seniors. There are a number of key points of interest you should consider in advance of investing. These include:

- Your investment risk tolerance,
- Your liquidity and potential long-term care needs,
- Your life expectancy in contrast with the variable annuity's holding period,
- The variable annuity's fees and charges,
- Tax consequences, and
- Your ability to understand all of the features, benefits and costs associated with the variable annuity.

FOR MORE INFORMATION

Before purchasing a variable annuity, you owe it to yourself to learn as much as possible about how a variable annuity works, the benefits it can provide and the fees and charges you will pay. For more information, contact your Financial Advisor or visit the following websites:

- American Council of Life Insurers at www.acli.com
- Securities and Exchange Commission at www.sec.gov
- Financial Industry Regulatory Authority at www.finra.org—see these FINRA Investor Alerts for additional information: “Variable Annuities: Beyond the Hard Sell” and “Should You Exchange Your Variable Annuity?”
- Insured Retirement Institute at www.irionline.org
- North American Securities Administrators Association at www.nasaa.org

¹ Morgan Stanley is intended to mean Morgan Stanley Smith Barney LLC, the broker-dealer, when used in this document.

Variable annuities are sold by prospectus only. The prospectus contains the investment objectives, risks, fees, charges and expenses, and other information regarding the variable annuity contract and the underlying investments, which should be considered carefully before investing. Prospectuses for both the variable annuity contract and the underlying investments are available from your Financial Advisor. Please read the prospectus carefully before you invest.

Variable annuities are long-term investment vehicles designed for retirement. There are risks involved when investing in a variable annuity, including possible loss of principal.

Withdrawal and distributions of taxable amounts from a nonqualified variable annuity are subject to ordinary income tax and, if made prior to age 59½, may be subject to an additional 10% federal income tax penalty.

Early withdrawals will reduce the death benefit and cash surrender value.

Optional benefits, such as living benefits and enhanced death benefits, are available for an additional fee.

If you are investing in a variable annuity through a tax-advantaged retirement plan such as an IRA, you will get no additional tax advantage from the variable annuity. Under these circumstances, you should only consider buying a variable annuity because of its other features, such as lifetime income payments and death benefits protection.

Payment obligations of the issuing insurance company are backed by the financial strength and claims-paying ability of the issuing insurance company.

Variable annuities are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

A variable annuity is not a deposit of, or other obligation of, or guaranteed by, the Depository Institution, or an affiliate of the Depository Institution, and involves investment risk, including the possible loss of value.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC (“Morgan Stanley”), its affiliates and its employees do not provide tax or legal advice and are not “fiduciaries” (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley. Clients should seek advice based on their own particular circumstances from an independent tax or legal advisor.

The information contained herein has been obtained from sources that we believe are reliable, but we do not guarantee its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation by us for the purchase or sale of any security. This material, or any portion thereof, may not be reproduced without prior written permission from Morgan Stanley Smith Barney LLC.

Portions of this brochure have been excerpted or paraphrased from the online publication, “Variable Annuities: What You Should Know,” which can be found at the U.S. Securities and Exchange Commission website, <https://www.sec.gov/investor/pubs/varannty.htm>. We encourage you to read this publication.

¹ The tax treatment of tax-qualified variable annuities may differ from the tax treatment of non tax-qualified annuities. The tax treatment of tax-qualified variable annuities is discussed in more detail in the section “Annuities in Tax-Advantaged Retirement Plans.”

Understanding 529 Education Savings Plans and Compensation

Summarized below is some important information that will help you understand 529 savings plans, including the various cost and tax considerations of investing in a 529 plan. This summary also explains how Morgan Stanley and your Financial Advisor are compensated when you make a contribution to a 529 plan. You can also visit the websites sponsored by the U.S. Securities and Exchange Commission (www SEC gov) and the Financial Industry Regulatory Authority (www FINRA org) to obtain additional educational information about 529 savings plans.

UNDERSTANDING 529 PLANS

Before making a contribution to a 529 plan, we believe there are several things you should know.

WHAT ARE MY OPTIONS FOR FUNDING EDUCATION EXPENSES?

There are many investment vehicles available to help you save for education expenses—including 529 savings plans, prepaid tuition plans, Coverdell Education Savings Accounts, UGMA/UTMA custodial accounts, U.S. savings bonds, mutual funds, stocks, bonds and traditional savings accounts. Each vehicle has different tax implications, risk factors, investment options and cost considerations. This document addresses only 529 savings plans. Your Financial Advisor can provide you with information about the other options and can help you decide which vehicle(s) are most appropriate for you and your family.

WHAT IS A 529 PLAN?

529 plans take their name from the section of the Internal Revenue Code that was enacted by Congress when the plans were created in 1996. 529 plans are officially known as Qualified Tuition Plans, a tax-advantaged investment vehicle designed to help families pay for future education expenses. There are two types of 529 plans: savings plans and prepaid tuition plans. Both are generally sponsored by states or state agencies. Forty-nine states and the District of Columbia sponsor one or more 529 plans. The tax advantages, investment options, restrictions and fees can vary a great deal. Understanding the differences between plan types and state-specific state tax benefits is important. Morgan Stanley Financial Advisors do not provide tax or legal advice and so we encourage you to consult your individual tax or legal advisor.

WHAT TYPES OF 529 PLANS ARE AVAILABLE?

529 plans are generally managed by investment management firms, (e.g., mutual fund companies) and your contributions are generally invested in underlying investment options such as mutual funds that support the plan. Your investment will fluctuate in value, so there is no guarantee that the amount contributed to the plan will equal the amount necessary for future education expenses. Savings plans may offer greater flexibility than prepaid tuition plans because they offer multiple investment options and you are not restricted to using the account balances for a specific educational institution (or group of institutions) or within the sponsoring state. You may also be able to apply the proceeds from a savings plan to other expenses (e.g., room and board, textbooks, supplies and equipment) in addition to tuition and fees. Many states offer more than one savings plan, providing residents with a choice of investment management firms.

Morgan Stanley does not offer prepaid tuition plans. The information that follows relates to savings plans only.

Note: The Federal Tax Cuts and Jobs Act of 2017 now permits Federal Tax Free qualified withdrawals from 529 plans of up to \$10,000 per year per student (made after December 31, 2017) to pay expenses for tuition, in connection with enrollment or attendance at an elementary or secondary public, private or religious school. These withdrawals will have no federal tax impact; however, the state tax treatment of K-12 withdrawals is currently under review by most states. State action may be required, which includes amending their own state enabling legislation. We are continuing to evaluate this new legislation and state tax impact and we

encourage account owners to consult with a qualified tax advisor about their personal situation prior to making such withdrawals as they may be subject to adverse state tax consequences.

WHAT ARE THE FEDERAL TAX CONSIDERATIONS?

529 plans offer significant tax advantages for education saving investors. Earnings grow tax-deferred and withdrawals from a 529 savings plan are not subject to federal income tax if utilized for qualified education expenses at an eligible educational institution. The term “qualified education expenses” generally includes tuition, required fees, books, supplies, certain required equipment, and the cost of room and board (subject to certain limits). An “eligible educational institution” generally includes most community colleges, public and private four-year colleges, universities, graduate and postgraduate programs, certain vocational schools that are eligible to participate in federal student financial aid programs, and the elementary and secondary schools described above.

If you make a withdrawal for purposes other than to pay your beneficiary’s qualified education expenses, then the earnings portion of the withdrawal is subject to federal and possibly state income tax and an additional 10% federal tax penalty.

WHAT STATE AND LOCAL TAX BENEFITS APPLY?

You and/or your beneficiary’s state of residence may affect your ability to qualify for any applicable state and local tax benefits granted to 529 plan investments. Many states provide tax incentives and other benefits for state residents who invest in a plan sponsored by their home state, which may include:

- State tax deductions for contributions
- Deferral of state income taxes on earnings maintained in the plan
- State income tax-free qualified withdrawals
- Matching grants or scholarships
- Protection from creditors for certain assets

Additionally, so-called “in-state plans” often waive or rebate certain fees and expenses for state residents.

Before investing in a 529 plan, you should consider whether the state(s) where you or your beneficiary reside or pay state income taxes sponsors an in-state plan and whether the tax and other benefits afforded state residents are significant to you based on your particular circumstances. Your Morgan Stanley Financial Advisor can direct you to information about in-state plans and select out-of-state 529 plans and the availability of state or local income tax or other benefits offered. Other factors to consider include the variety of investment options available, including the range of investment objectives and strategies offered, risk factors related to the variety of investment options or the lack of variety, relative performance, fees and services.

WHERE IS MY MONEY INVESTED?

Your contribution to a 529 savings plan is invested in a portfolio(s), generally consisting of underlying mutual funds. Although very similar to mutual funds in design and structure, a 529 savings plan’s portfolios are issued by state governments, and in most cases, are not directly regulated under the federal securities laws applicable to mutual funds, but rather the Municipal Securities Rulemaking Board.

Most savings plans offer the following types of investment options:

- **Static Investment Portfolios**—Your contributions will be invested in a portfolio that does not change, remaining “static” over time in a specific combination of underlying mutual funds. The specific underlying mutual funds are combined to achieve a specific risk/reward relationship. You should speak with your Financial Advisor to determine if a static portfolio is appropriate for you.
- **“Age-Based” or “Years-to-Enrollment” Investment Options**—Your contributions will be invested in a portfolio that will automatically change over time depending on the age of

your beneficiary or the number of years left before your beneficiary enrolls in an educational institution (also known as the date of matriculation). The investment manager adjusts the allocation of specific underlying mutual funds and their relative weighting within the portfolio over time, generally growing more conservative over time.

- Individual-Fund Investment Options—Your contributions will be invested entirely in one or more portfolio(s) consisting of a single underlying mutual fund and, like static (multifund) portfolios discussed above, will not change unless you or your Financial Advisor make an exchange.

WHAT FEES AND CHARGES APPLY WITH 529 PLANS?

529 savings plans' fees and charges are used by the 529 plan sponsor to support the plan and compensate firms for selling interests in the plan.

Some of those fees are based on the amount of assets in your plan account. Other fees are assessed on a transactional or periodic basis.

- Program Management Fees—The Program Manager of each 529 savings plan generally receives a program management fee. The program management fee compensates the manager for providing investment advisory, distribution, marketing, accounting and other services to the plan. The fee is generally assessed as a percentage of portfolio assets.
- State Administration Fees—To help pay for the operation of the plan, some state sponsors of 529 savings plans charge a state administration fee assessed as a percentage of portfolio assets.
- Annual Maintenance Fees/Enrollment Fees/Termination Fees—These fees are generally imposed as a specific dollar amount, and apply at specified times or upon certain events (e.g., initial purchase, termination or on the account anniversary).

Plan management fees and state administration fees may vary by unit class within a particular plan.

- Underlying Mutual Fund Expenses—Each investment portfolio indirectly bears a proportional share of the fees and expenses incurred by the underlying mutual fund(s) (e.g., investment management fees and other expenses).
- Sales Charges, Distribution and/or Service Fees—Depending upon the Share/Unit Class selected (see discussion below), a front-end sales charge may be assessed on your purchase. In addition, annual distribution and/or service fees may apply. These fees, similar to the “12b-1” fees charged by some mutual funds, generally range between 0.25% and 1.25% of your investment annually. Your Financial Advisor receives a portion of these sales charges and distribution fees as ongoing compensation for selling and servicing the 529 plan.

529 PLAN SHARE/UNIT CLASS DIFFERENCES

Most 529 plans offer different “unit” class pricing options similar to the share class pricing arrangements offered by open-end mutual funds. For these purposes, the terms “unit class” and “share class” are interchangeable. Each unit or share class of a particular investment option within a plan has an expense and sales charge structure based on the various types of asset-based fees, other fees and expenses, and sales charges assessed.

Class A Units—Class A units are subject to a sales charge or front-end load that is deducted as a percentage of the amount of your initial contribution. The net amount of the contribution (after the deduction of the initial sales charge) is invested in units of the Plan's portfolio(s). Typically, this share class has the lowest ongoing expenses.

You may be eligible for sales charge reductions or “breakpoints” based on the size of your investment in the 529 savings plan. In addition, you may qualify for “rights of accumulation.” These are further discounts when the amount of your 529 plan investment is combined with other assets which you and your immediate family members already have invested in the plan and/or in certain mutual funds managed by the manager for that plan. Specific rules for achieving breakpoints vary from plan to plan. Clients who currently hold 529 plan accounts at Morgan Stanley may be eligible to aggregate their 529 plan and other investments offered by the

same 529 plan sponsor to qualify for breakpoints on new purchases. When making any new 529 plan purchase, please inform your Financial Advisor of any 529 plan purchases, holdings in the same 529 plan or holdings in mutual funds managed by the manager of the 529 plan. If you have any questions about the availability of sales charge discounts on any 529 plan purchases, please ask your Financial Advisor.

Class B Units—Class B units are not subject to an initial sales charge or front-end load. However, distributions of Class B units are subject to a contingent deferred sales charge (“CDSC”), which is a percentage charge deducted from withdrawals from the plan if they are made within a certain number of years. The CDSC gradually declines to zero over a period of years—typically six to eight years. Class B units are subject to higher ongoing asset-based fees such as higher distribution or service fees, plan management fees and/or state administration fees as compared to Class A units of the same plan, but generally convert to the less expensive Class A units after being held for eight years.

Class C Units—Similar to Class B units, Class C units do not have a front-end sales charge. However, Class C units have a lower CDSC than Class B units (generally 1%), and the period during which the Class C CDSC can be imposed is shorter (generally one year). However, like Class B units, Class C units are subject to higher ongoing asset-based fees such as higher distribution or service fees, plan management fees and/or state administration fees. These fees may remain in place for the life of the investment since Class C units traditionally have not converted to Class A units as is the case with Class B units.

CHOOSING A UNIT/SHARE CLASS

Your Financial Advisor is available to help you decide which unit or share class is generally the most economical for you. The principal considerations are the size of your investment and the anticipated holding period. Over time, you may end up paying higher fees and expenses and may experience lower investment returns with Class C units than you would with Class A units because of the accumulated impact of higher ongoing asset-based fees. For that reason, investors generally should purchase Class A units (the initial sales charge alternative) or Class B units (the deferred sales charge alternative) if they expect to hold the investment over the long term (typically, five years or more). Class C units (the level sales charge alternative) are generally appropriate for shorter-term holding periods. In addition, investors anticipating large purchases should consider Class A units since they typically offer sales-charge reductions beginning at \$25,000 that increase as the size of your investment increases.

In order to understand what your investment will cost, you should carefully review with your Financial Advisor or tax professional the 529 plan offering materials, which describe all the fees and expenses associated with a particular plan.

HOW CAN I PURCHASE A 529 PLAN?

529 savings plans typically are managed by investment management firms. They may be offered directly to investors (“direct-sold”) through a toll-free number and website or through your Financial Advisor (“advisor-sold”).

Most states offer more than one 529 plan. Some states offer both advisor-sold and direct-sold savings plans, while other states only offer direct-sold savings plans. The cost of investing in an advisor-sold savings plan is generally higher than a direct-sold savings plan because of the amounts that are payable to the selling firm.

Morgan Stanley does not offer every state’s 529 plan. It is important for you to investigate what your home state has to offer in addition to speaking with your Financial Advisor or tax professional.

WHAT RESTRICTIONS ARE PLACED ON 529 PLAN INVESTING?

Your ability to contribute to a 529 plan is not limited by your household income. However, each state limits the total amount of contributions made on behalf of a particular beneficiary. The purpose is to prevent contributions on behalf of a particular beneficiary in excess of the amount necessary to provide for his or her qualified education expenses. The contribution

limits on 529 savings plans are generally quite high and are much higher than those available for some other saving options (e.g., Coverdell Education Savings Accounts). These limits vary by plan and do not necessarily mean that this option is best for you and your family.

Federal gift taxes may also influence 529 plan contributions. In general, for 2018 and 2019 a gift of more than \$15,000 to a single person in a single year may be subject to the federal gift tax. A special federal tax law permits individuals to aggregate five years of the allowable \$15,000 annual gift tax exclusion and contribute up to \$75,000 (\$150,000 per married couple) to an account for a designated beneficiary in one year without triggering the gift tax. Various conditions and filing requirements apply. You should consult with a tax advisor for more information on the potential tax ramifications of 529 plan contributions and investments.

For most 529 savings plans, there are no residency requirements. In general, most U.S. citizens or permanent residents are eligible to set up a 529 plan for any beneficiary, including themselves. You must satisfy the age requirement for the applicable plan. Each plan has its own eligibility requirements, so please consult your Financial Advisor or the plan offering documents for more information.

HOW ARE MORGAN STANLEY AND MY FINANCIAL ADVISOR COMPENSATED WHEN I BUY A 529 PLAN?

529 plan sponsors pay Morgan Stanley compensation when we sell their 529 plans. A 529 plan sponsor's dealer-compensation practices are described in its program offering materials. Typically, for front-end sales charge classes, the plan's distributor pays Morgan Stanley most of the initial sales charge you pay. For back-end sales charge unit/share classes, the distributor pays Morgan Stanley a selling fee at a rate set by the plan. We also receive account-servicing payments (sometimes referred to as trails) as long as you continue to maintain your account and we act as your "broker of record."

The amount of the compensation that Morgan Stanley receives is a function of the unit/share class that you purchase, and for certain classes, the amount of your purchases. We pay a portion of the compensation to our Financial Advisors based on our standard compensation formulas. These formulas are the same regardless of which plan you purchase. However, some plans may impose higher sales charges than others, which can affect the amount paid to your Financial Advisor. In addition, because plan sales charges are different for their different unit/share classes, the choice of unit/share class can significantly affect the compensation your Financial Advisor receives. Clients are encouraged to ask their Financial Advisor how he or she will be compensated for any 529 plan sale.

REVENUE SHARING, ADMINISTRATIVE SERVICE FEES AND EXPENSE PAYMENTS

Morgan Stanley charges mutual fund families a support fee, also known as revenue sharing, based upon Morgan Stanley clients' mutual fund holdings, including some 529 plan holdings. Revenue-sharing fees are generally paid from the assets, revenues or profits of the fund or plan's investment manager and/or other service providers—not from the fund or plan itself.

We also receive fees for administrative support services provided to mutual fund families and some 529 plans. However, since Morgan Stanley does not currently collect revenue-sharing or administrative support fees on all 529 plans available at the firm, these facts present a conflict of interest that could lead Financial Advisors to focus on the 529 plans that do provide such support when recommending a savings plan investment to clients. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive any part of these fees.

Our 529 plan managers have access to branch offices and Financial Advisors for educational, marketing and other promotional efforts. Although all 529 plan managers are provided with such access, some managers and their affiliates devote more staff and resources to these activities and therefore have enhanced opportunities to promote their 529 plans to our Financial Advisors. Some 529 plans benefit from certain administrative synergies with Morgan Stanley. These facts present a conflict of interest for Morgan Stanley and our Financial Advisors to the extent that they lead us to focus on those programs when recommending 529 plan investments that benefit

from administrative synergies or are sponsored by related fund families that commit significant financial and staffing resources to promotional and educational activities. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending such programs. Further information regarding mutual fund revenue-sharing (including a list of revenue sharing fund families), administrative service fees and expense payments is available on our website or by calling your Financial Advisor.

For more information on how Morgan Stanley and your Financial Advisor are compensated when you invest in a 529 plan, please review the program offering documents or speak with your Financial Advisor.

Alternative Investments Fund Managers and Expense Payments

Morgan Stanley provides fund families with opportunities to sponsor meetings and conferences and grants them access to our branch offices and Financial Advisors for educational, marketing and other promotional efforts. Some fund representatives also work closely with our branch offices and Financial Advisors to develop business strategies and plan promotional events for clients, prospective clients and educational activities. Some fund families or their affiliates reimburse Morgan Stanley for certain expenses incurred in connection with these promotional efforts, as well as training programs. Some fund families independently decide if and what they will spend on these activities, with some fund families agreeing to make annual dollar amount expense reimbursement commitments of up to \$600,000, although actual reimbursements may be higher. In addition, some fund families provide support of up to \$125,000 per year for the development and maintenance of our internal Financial Advisor training and education e-learning platform. Some fund families also invite our Financial Advisors to attend fund family-sponsored events. Expense payments may include meeting or conference facility rental fees and hotel, meal and travel charges.

Morgan Stanley also provides fund families with the opportunity to purchase sales data analytics. The amount of the fees depends on the level of data and ranges up to \$600,000 per year. For an additional fee, fund families may purchase supplemental data analytics on other financial product sales at Morgan Stanley.

These facts present a conflict of interest for Morgan Stanley and our Financial Advisors to the extent they lead us to focus on Alternative Investments or advisory services offered by those fund families that commit significant financial and staffing resources to promotional and educational activities and/or purchase data analytics instead of on Alternative Investments or advisory services offered by fund families that do not. In order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation for recommending Alternative Investments or advisory services offered by fund families that purchase data analytics.

Fund family representatives are allowed to occasionally give nominal gifts to Financial Advisors, and to occasionally entertain Financial Advisors (subject to an aggregate entertainment limit of \$1,000 per employee per fund family per year). Morgan Stanley's non-cash compensation policies set conditions for each of these types of payments, and do not permit any gifts or entertainment conditioned on achieving any sales target.

Stop Orders and Good-Til-Canceled ("GTC") Orders

Certain exchanges no longer accept stop orders or GTC orders. Morgan Stanley continues to accept such orders and will route an order for execution once the order requirements are triggered. This information is being provided for your consideration when making a decision as to whether or not to submit such an order type. Please consult your Financial Advisor for more information.

STOP ORDERS

Stop Order—is a type of order that becomes a market order when the stop price is reached (“triggered”). Stop orders may be triggered by a short-lived dramatic price change, and sell stop orders may exacerbate price declines during times of extreme volatility. **Because the order becomes a market order, it does not guarantee a specific execution price, and may execute significantly away from its stop price, especially in volatile markets.** You should consider whether to place a stop limit order, which is defined below. Stop orders differ from stop limit orders in that the stop limit order, when triggered, becomes a limit order, and thus can only be executed at or better than the limit price should the market trade at those price levels after the order has been triggered.

Here are examples of stop orders in relation to the current market:

Example of a Buy Stop Order: Security XYZ is trading at \$65, and the investor places a buy stop order at \$66.

Example of a Sell Stop Order: Security XYZ is trading at \$65, and the investor places a sell stop order at \$62.

What could happen in a volatile market: In a volatile market, prices may swing sharply and be further impacted by Limit Up, Limit Down bands, Intraday Volatility halts, and order queues ahead of your order. For example, a client with a sell stop order of \$62 on a security that opened down sharply below their stop price, saw their stop order get triggered and sent to the market where other Market orders were queued up to be executed. Before the order reached the front of the queue to execute, the stock halted, reopened and halted again. Given the market conditions, the client received a final execution of \$49.24, almost \$13 or more than 20%, below the stop price.

STOP LIMIT ORDER

Stop Limit Order—is a type of order that becomes a limit order once the stop price is reached (“triggered”). This means that the investor must state both the stop price and limit price when placing the order. Placing a stop limit order instead of a stop order may help to mitigate risks associated with stop orders during volatile market conditions, **though it also raises the risk that the order may not be executed at all.**

Here are examples of stop limit orders in relation to the current market:

Example of Buy Stop Limit Order: Security XYZ is trading at \$65 the investor places a buy stop order at \$66 stop with a \$66.50 limit.

Example of a Sell Limit Stop Order: Security XYZ is trading at \$65 the investor places a sell stop order at \$62 stop with a \$60 limit.

What could happen in a volatile market: If the client places a sell stop at \$62 with a \$60 limit, after the stop price of \$62 had been triggered, the limit of \$60 would be in force. Under the type of extreme volatile conditions described above, this order would not have executed because the stock reopened below \$60. This is a risk of stop limit orders, where it will not receive an execution. If and when the stock trades back above the \$60 level, the sell order may then receive an execution.

GOOD-TIL-CANCELED (“GTC”) ORDERS

An order entered with a Time in Force of GTC is an order to buy or sell a security that remains active beyond the day of initial entry and until the trade is either executed or the order is canceled. Either you or the firm may cancel the order. GTC orders will expire one year from initial entry date if neither of the above occurs. However, you can modify the expiration date at any time prior to expiration. GTC can be used on limit orders, stop orders and stop limit orders. These orders should be evaluated with your Financial Advisor on a periodic basis to determine if these orders should remain active or be canceled.

Payment for Order Flow and Other Routing Arrangements

Morgan Stanley is committed to providing the best execution for customers’ orders. In furtherance of this commitment, Morgan Stanley considers several factors, including price, the available

liquidity pool, execution speed, transaction costs, service and opportunities for price improvement in determining where to route customer orders for execution.

Industry regulations require that we disclose whether we receive compensation for directing client orders for execution to various dealers, national securities exchanges, alternative trading systems (“ATSS”), including electronic communications networks (“ECNs”), and other market centers. This compensation is commonly referred to as “payment for order flow.”

Morgan Stanley, either directly or indirectly, may route customer equity orders to national securities exchanges, ATSSs, including ECNs, and other market centers, including its affiliate Morgan Stanley & Co. LLC. Certain market centers offer cash credits for orders that provide liquidity to their books and charge explicit fees for orders that extract liquidity from their books (and certain market centers invert this practice). From time to time, the amount of credits that Morgan Stanley receives from one or more such market centers may exceed the amount Morgan Stanley is charged. Morgan Stanley receives the benefit of these credits, either directly or indirectly, and such payments constitute payment for order flow. Morgan Stanley may also receive incremental pricing benefits from exchanges and/or ECNs if certain volume thresholds are met.

In addition, Morgan Stanley may route certain customer orders (including orders for fixed income securities, preferred shares and convertible bonds) to Morgan Stanley & Co. LLC on behalf of Morgan Stanley. These arrangements between Morgan Stanley & Co. LLC and Morgan Stanley are intended to facilitate trade execution for our customers, with apportionment of resulting expenses and revenue from the trading activity between Morgan Stanley and Morgan Stanley & Co. LLC. Morgan Stanley & Co. LLC participates in exchange-sponsored listed option payment for order flow programs and accepts payment for order flow for certain listed option orders. In the course of providing liquidity, Morgan Stanley & Co. LLC may preference certain option orders to Morgan Stanley & Co. LLC’s options market maker or third-party market makers for execution.

Notwithstanding the foregoing, Morgan Stanley regularly and rigorously monitors the quality of the executions provided by all market centers to which customer orders are routed to ensure those market centers are providing the best execution reasonably available under the circumstances.

Additional information regarding these disclosures will be provided upon written request and certain order routing information is available online at <https://www.morganstanley.com/wealth-disclosures/disclosures>. On request of a customer, Morgan Stanley will disclose to such customer the identity of the venue to which such customer’s orders were routed for execution in the six months prior to the request, whether the orders were directed orders or non-directed orders, and the time of the transactions, if any, that resulted from such orders.

Notice Regarding the Order Protection Rule

The following is being provided pursuant to FINRA Rule 5320, the Order Protection Rule, a copy of which can be obtained at <https://www.finra.org/>.

FINRA Rule 5320 generally prohibits a broker-dealer that accepts and holds a customer order in an equity security from trading that security on the same side of the market for its own account at a price that would satisfy the customer order, unless it immediately thereafter executes the customer order up to the size of and at an equal or better price than it traded for its own account.

However, with respect to orders of an “institutional account” as defined in FINRA Rule 4512(c), or for orders of 10,000 shares or more with a value of at least \$100,000, Rule 5320 permits that the order may be worked alongside principal orders handled by Morgan Stanley or our trade routing destinations and may not receive priority over these principal orders. Morgan Stanley or our trade routing destinations may trade principally alongside these orders to the extent that this principal activity either hedges or liquidates risk resulting from client stock or derivative facilitation. So long as either order is trading on a systematic, automated basis (e.g., through the use of a VWAP

algorithm, which will trade based on the market's volume-weighted average price during the trading day), in certain instances, principal discretionary orders may also be worked concurrently with your orders. You can instruct us that with respect to all or part of your orders that you do not wish Morgan Stanley or our trade routing destinations to trade principally ahead of or alongside this type of order. Such instruction will limit the range of execution alternatives that we and our routing destinations are able to offer.

Your orders for equity securities that are less than 10,000 shares or \$100,000 will continue to receive priority over Morgan Stanley or our trade routing destination's principal orders. Morgan Stanley may trade principally at prices that would satisfy these trading orders through the use of internal controls, such as information barriers and separate lines of supervision, that operate to prevent a trading unit that handles principal positions from obtaining knowledge of these orders.

Additional information regarding the handling of your equity orders is available online at <https://www.morganstanley.com/wealth-disclosures/disclosures.html>.

Notice Regarding Handling of Block Orders Under FINRA's Front Running Rule

The following is being provided pursuant to FINRA Rule 5270 regarding Front Running of Block Transactions. We are required to provide clients with the following information concerning the placing of block trading orders and how those block orders are handled:

Morgan Stanley and its trade routing destinations may trade principally at prices that would satisfy your block trading order when the principal trades are unrelated to your block order. When the principal trades are not unrelated, we or our trade routing destinations may trade principally ahead of, or alongside, your block order for the purpose of fulfilling, or facilitating the execution of, your order. For these orders, you may instruct us that you do not wish us or our trade routing destinations to trade principally ahead of, or alongside, your order. However, such instruction will limit the range of execution alternatives that we are able to offer.

A copy of Rule 5270 can be obtained at www.finra.org. Please contact your Morgan Stanley Financial Advisor if you require more information regarding how your block orders are handled.

Extended Hours Trading Risk Disclosure Statement

Extended hours trading systems may vary in certain aspects from trading on primary exchanges during regular market hours. "Extended hours trading" means trading outside of regular trading hours. "Regular trading hours" generally means the time between 9:30 a.m. and 4:00 p.m. Eastern Standard Time. MSSB in its sole discretion may change or make certain trading systems available to you. MSSB will use reasonable efforts to execute an order placed for extended hours trading so long as such order has been prearranged with your Financial Advisor.

EXECUTION OF ORDERS

Orders placed in the extended hours trading session that are not executed will be removed from the extended hours trading session when cancelled by the trading desk or at the close of that session on the date that the order was placed. Only limit orders are eligible and all orders will be handled on a Not Held basis with a minimum size of 10,000 shares. Good-Til-Canceled ("GTC") orders are not permitted. If you place an order with MSSB for execution during regular market hours with the instruction that the order be GTC, and that order is not executed, in whole or in part, during the regular trading day, MSSB will not automatically enter that order in the next subsequent extended hours trading session. All trading during extended hours trading sessions is additionally subject to the terms and conditions of the particular extended hours trading system being utilized. The additional terms govern the types of transactions entered into and the conduct of all participants on the particular extended hours trading system utilized.

RISK DISCLOSURES

Purchases and sales during extended hours trading sessions are subject to a variety of risks, in addition to the risks normally associated with investing. These risks include, but are not limited to:

- **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular trading hours. As a result, your order may only be partially executed, or not at all.
- **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular trading hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular trading hours, or upon the opening the next morning. As a result, you may receive an inferior price when engaging in extended hours trading than you would during regular trading hours.
- **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular trading hours. Similarly, important financial information is frequently announced outside of regular trading hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- **Risk of Wider Spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.
- **Risk of Computer Delays.** As with online trading, you may encounter delays or failures in getting your order executed during extended hours trading sessions, including orders to cancel or change your trades. If a computer problem exists, this may prevent or delay your order from reaching the marketplace.

Treasury Auction Information Handling Disclosure

Protecting the confidentiality and security of client information is an important part of how we conduct our business. Morgan Stanley has reasonable controls that are designed to protect your confidential information, both internally (on a need to know basis) and externally. This includes client bids submitted in U.S. Treasury (“UST”) auctions and actual or potential transactions in “when issued” UST securities, UST futures and UST swaps. Please be advised that you are obligated to report your net long position to the U.S. Treasury if you bid in an auction for \$100 million or more of UST notes, bills or bonds, as required by Section 356.14(d) of Department of the Treasury Circular accessible at the following link: <https://www.treasurydirect.gov/instit/statreg/auctreg/CFR-2016-title31-vol2-part356.pdf>.

Callable Securities

When a security is subject to a partial redemption by the issuer, the issuer notifies MSSB, via a central industry depository, of the number of units for the specific security to be redeemed.

Upon receipt of the issuer's notification of a mandatory redemption, MSSB determines the favorability of the redemption based on the current market price versus the call price. When the redemption of the callable security is made on terms that are favorable to the called parties, MSSB does not include any firm or employee accounts in the pool of securities eligible to be called until all other customers' positions in such securities have been called. When the redemption is made on terms that are unfavorable to the called parties, MSSB does not exclude firm or employee accounts from the pool of the securities eligible to be called.

Once the favorability of the redemption has been determined, MSSB uses a random process designed to allocate called securities on a fair and impartial basis. The lottery process is based on a mathematical formula that determines the accounts that will be selected and the number of securities in the account that will be redeemed.

As a result of the call, you may be left with a position either below the minimum denomination of the security or in an amount that is not an authorized denomination of the security. Such a position may have less, limited or no liquidity depending on the type of security, issuer, size of position or other factors. Please contact your Financial Advisor for more information.

As required under FINRA 4340—"Callable Securities," Morgan Stanley Smith Barney LLC is providing our customers with a link to the firm's allocation procedures related to callable securities located on the Morgan Stanley website <https://www.morganstanley.com/about-us-ir/finra>.

Additionally, a hard copy of the allocation procedures will be provided to customers upon request.

Covering Short Positions Related to a Partial Call

Many Municipal and Corporate bonds have a sinking fund clause in their indenture, where the issuer has the right to call in whole or in part the issue at designated times. When a bond issuer announces a partial call, holders of the issue, who have settled positions as of the announced publication date, are subject to participation in the partial call. Any holder who holds the bond settled in their account as of the announced publication date may be selected to have their holding called away in full or in part.

If an account is selected in a partial call lottery, that position cannot be sold. In some cases, an account may sell their position on or immediately before the announced publication date. In these cases, if the account is also selected in a partial call event, the partial call takes precedence over any sale and any resulting short position must be covered by the account.

Spain Disclosure

Pursuant to Spanish Law 10/2014, Spanish issuers (or, as the case may be, the parent entity of the group of companies to which the relevant Spanish issuer belongs to) are required to certify to the Spanish government the identity of Spanish tax resident beneficial owners of certain Spanish securities (i.e. preferred shares and debt instruments issued under Law 10/2014). To ensure compliance for those issuers, we will provide the name, Spanish Tax Identification Number, number of Spanish securities held and income generated with respect to the Spanish securities paid or credited to the investor (together, "Personal Information") of any Spanish tax resident purchaser of Spanish securities to Acupay, an independent agent acting on behalf of Spanish issuers and approved by the Spanish government to facilitate compliance with Spanish law. Purchase of Spanish securities by Spanish tax residents constitutes your and, where applicable, your client's understanding and acceptance that this Personal Information will be disclosed to the appropriate Spanish authorities. The provision of this information is not affected by a nondisclosure options previously opted into by you or your client. If you and,

where applicable, your client, do not wish for this Personal Information to be disclosed, you and your client are advised to not purchase or recommend for purchase any Spanish securities.

Minnesota Disclosure Notification

Morgan Stanley's brokers are called Financial Advisors because of the wide array of financial services and products they provide. The state of Minnesota Department of Commerce has determined that a person who uses the title Financial Advisor is considered to be engaged in the business of financial planning. The Department requires us to provide you with the following information. Your Financial Advisor's compensation may be based in whole or in part on commissions or similar charges for transactions in your account. In some instances, your Financial Advisor may share in fees charged for other services provided by or approved by Morgan Stanley and its affiliated companies. Your Financial Advisor is authorized to offer and sell products and services issued by or through Morgan Stanley, its affiliated companies or approved independent entities. These products will be traded, distributed or placed through, or approved for distribution by Morgan Stanley and its affiliated companies. Your Financial Advisor is licensed in Minnesota as a securities agent and may also be licensed as an insurance agent. These licenses entitle your Financial Advisor to offer and sell as appropriate, securities such as common stocks, bonds, government securities, mutual funds, unit investment trusts, direct investments and options; commodities and commodity futures; insurance and annuity products; and personal financial planning services. For further information, please contact your Financial Advisor.

Important Message to Residents of Nevada Regarding Access to Fee and Compensation Information

Morgan Stanley is committed to ensuring you are kept informed about important matters that may affect your account(s). Additional information regarding how Morgan Stanley and your Financial Advisor are compensated for products or services we offer can be found at <https://morganstanley.com/disclosures/fiduciary>. It is important that you carefully review this information any time we provide you with a recommendation or solicitation. Should you have any questions or need any additional information, please contact us.

For California Residents Age 65 or Older

Pursuant to Section 789.8 of the California Insurance Code, it is important that you are aware that the sale or liquidation of any stock, bond, IRA, certificate of deposit, mutual fund, annuity, or other asset to fund the purchase of this product may have tax consequences, early withdrawal penalties, or other costs or penalties as a result of the sale or liquidation. You may wish to consult an independent legal or tax advisor before selling or liquidating any assets prior to the purchase of any life or annuity products.

Notice of Escheatment

Depending on your mailing address, the property in your account(s) may be transferred to the appropriate state if we are unable to contact you by mail or email and no activity has occurred in the account within the time period specified by state law. For further information regarding how the laws of escheatment in your state may affect your account(s), please contact your Financial Advisor.

Canadian Addendum to Account Agreements

This Canadian Addendum to Account Agreements forms part of your account agreement with Morgan Stanley Smith Barney LLC and sets forth additional terms and conditions pursuant to

which Morgan Stanley Smith Barney LLC will perform services for you. In the event that any provision of this Canadian Addendum to Account Agreements conflicts with or is inconsistent with any other provision of your account agreement, the provisions of this Canadian Addendum to Account Agreements shall prevail.

I. General Disclosure Morgan Stanley Smith Barney LLC (“MSSB,” “us,” “our” or “we”) is a limited liability company governed by the laws of the state of Delaware. It is registered as a broker-dealer and investment adviser with the U.S. Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. Our head office is located at 2000 Westchester Avenue, Purchase, NY 10577-2530.

MSSB operates under the international dealer and international adviser exemptions, in each of the provinces of Canada.

As a client of MSSB resident in a jurisdiction of Canada, you should be aware that, because MSSB does not have a place of business in, and all or substantially all of its assets are situated outside of, Canada, you may have difficulty in enforcing any legal rights you might have against MSSB.

II. Know Your Client and Suitability MSSB is required by applicable Canadian securities law to collect certain information about its clients. Information is collected for various purposes, including to confirm whether a client is an insider of a reporting issuer and to make determinations about the suitability of recommendations made to clients or investments made for client accounts by MSSB when it acts as investment manager. Accordingly, MSSB will ask about your investment needs and objectives, financial circumstances, risk tolerance and, in the case where MSSB lends money, extends credit or provides margin, your creditworthiness. MSSB is required by applicable Canadian securities law to make efforts to keep the information collected up to date. Accordingly, you agree to keep information provided to MSSB current and advise MSSB as soon as possible if your financial circumstances change in any material way. You also agree that where your Financial Advisor reasonably holds the opinion that instructions from you regarding a trade are unsuitable to your investment needs and objectives, financial circumstances or risk tolerance, your Financial Advisor will inform you of this opinion and will not proceed with the trade unless you give instructions to proceed nonetheless.

As a condition of us providing services to you, if you have represented to us that you are an “accredited investor” or a “permitted client” (as such terms are defined under applicable Canadian securities law), you will advise us promptly in writing if you are no longer an “accredited investor” or “permitted client,” as applicable.

III. Exemption from Registration Requirements Because MSSB is operating under an exemption from the dealer or adviser registration requirements under applicable Canadian securities law, you understand and agree that MSSB is restricted from acting as a dealer or an adviser in respect of securities of Canadian issuers, subject to certain exceptions. If you have questions about these restrictions, please contact your Financial Advisor.

IV. Related Registrants As a subsidiary of Morgan Stanley, MSSB is affiliated with Morgan Stanley Canada Limited, which is registered as an investment dealer in Canada.

Although there may be overlaps among the directors and officers of these companies, each of these companies is operated as a separate legal entity. These entities may, from time to time, cooperate in offering products and services for the benefit of our clients but there is no exchange of confidential customer information among these companies without a client’s express consent except for audit, statistical or record-keeping purposes or as otherwise permitted by law. All brokerage business for client portfolios maintained by MSSB or otherwise allocated by MSSB, as an investment manager, is based upon overall service and prompt execution of orders on favorable terms and all brokerage transactions will be made on competitive terms and conditions. Any brokerage transactions executed through related dealers will be on competitive terms and conditions, including as to brokerage fees.

MSSB has adopted compliance requirements to ensure that conflicts with related businesses are avoided and business is conducted with integrity and in accordance with applicable law.

V. Agents for Service MSSB has appointed the agents for service in the corresponding jurisdictions in Canada as indicated in Appendix A attached hereto.

VI. Disclosure in Connection with Purchases of Securities by way of Private Placement in Canada MSSB is providing the following notice to you because we intend to rely on, from time to time, the exemption in section 3A.3 or 3A.4, as applicable, of National Instrument 33-105—Underwriting Conflicts (“NI 33-105”) from the underwriter conflicts of interest disclosure requirements of NI 33-105 for any distribution to you in the future of an eligible foreign security, as defined in NI 33-105.

If, in connection with a distribution of an eligible foreign security, as defined in Ontario Securities Commission Rule 45-501—Ontario Prospectus and Registration Exemptions, or as defined in Multilateral Instrument 45-107—Listing Representations and Statutory Rights of Action Disclosure Exemptions, we deliver to you an offering document that constitutes an “offering memorandum” under applicable securities laws in Canada, you may have, depending on the province or territory of Canada in which the trade was made to you, remedies for rescission or damages if the offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by you within the time limit prescribed by the securities legislation of your province or territory. You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal advisor.

Securities sold to you on a private placement basis in Canada that are described in a prospectus, offering memorandum or other offering document sent to you in connection with the sale (including any amendment thereto) may be sold to you only if you are purchasing, or deemed to be purchasing, as principal and are an “accredited investor,” as defined in National Instrument 45-106—Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are a “permitted client,” as defined in National Instrument 31-103—Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

By purchasing securities described in a prospectus, offering memorandum or other offering document sent to you in connection with a private placement of those securities in Canada, you acknowledge that personal information such as your name and other specified information, including the number of securities you have purchased, will be disclosed to Canadian securities regulatory authorities as part of a Report of Exempt Distribution on Form 45-106F1 (the “Report”) and may become available to the public in accordance with the requirements of applicable laws. You consent to the disclosure of that information.

If you purchase securities on a private placement basis in Canada, you are hereby notified that the following personal information about you will be disclosed to Canadian securities regulatory authorities in the Report: your full legal name, residential street address, telephone number, email address (if available), details of securities purchased, details of the prospectus exemption relied on, whether you are an insider of the issuer of the securities and whether you are a Canadian registered dealer, adviser or investment fund manager. The information required to be provided in the Report is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation. If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the province or territory where you are located or resident, as listed below. By purchasing these securities, you authorize this indirect collection of information by the securities regulatory authorities and regulators.

PUBLIC OFFICIALS WHO CAN ANSWER QUESTIONS ABOUT THE INDIRECT COLLECTION OF PERSONAL INFORMATION

Alberta Securities Commission

Suite 600, 250 - 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: (403) 297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: (403) 297-2082

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: (604) 899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: (604) 899-6581
Email: inquiries@bcsc.bc.ca

The Manitoba Securities Commission

500-400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: (204) 945-2548
Toll free in Manitoba 1-800-655-5244
Facsimile: (204) 945-0330

Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: (506) 658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: (506) 658-3059
Email: info@fcnb.ca

Government of Newfoundland and Labrador

Financial Services Regulation Division

P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John's, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Government of the Northwest Territories

Office of the Superintendent of Securities
P.O. Box 1320
Yellowknife, Northwest Territories X1A 2L9
Attention: Deputy Superintendent,
Legal & Enforcement
Telephone: (867) 920-8984
Facsimile: (867) 873-0243

Nova Scotia Securities Commission

Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Government of Nunavut

Department of Justice

Legal Registries Division

P.O. Box 1000, Station 570

1st Floor, Brown Building

Iqaluit, Nunavut X0A 0H0

Telephone: (867) 975-6590

Facsimile: (867) 975-6594

Ontario Securities Commission

20 Queen Street West, 22nd Floor

Toronto, Ontario M5H 3S8

Telephone: (416) 593-8314

Toll free in Canada: 1-877-785-1555

Facsimile: (416) 593-8122

Email: exemptmarketfilings@osc.gov.on.ca

Public official contact regarding indirect collection of information:

Inquiries Officer

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building

P.O. Box 2000

Charlottetown, Prince Edward Island C1A 7N8

Telephone: (902) 368-4569

Facsimile: (902) 368-5283

Autorité des marchés financiers

800, Square Victoria, 22e étage

C.P. 246, Tour de la Bourse

Montreal, Quebec H4Z 1G3

Telephone: (514) 395-0337 or 1-877-525-0337

Facsimile: (514) 873-6155

(For filing purposes only)

Facsimile: (514) 864-6381 (For privacy requests only)

Email: financementdassocietes@lautorite.qc.ca (For corporate finance issuers);

fonds_dinvestissement@lautorite.qc.ca

(For investment fund issuers)

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601-, 1919 Saskatchewan Drive

Regina, Saskatchewan S4P 4H2

Telephone: (306) 787-5879

Facsimile: (306) 787-5899

Government of Yukon

Department of Community Services

Law Centre, 3rd Floor

2130 Second Avenue

Whitehorse, Yukon Y1A 5H6

Telephone: (867) 667-5314

Facsimile: (867) 393-6251

APPENDIX A AGENTS FOR SERVICE

JURISDICTION	AGENT FOR SERVICE	JURISDICTION	AGENT FOR SERVICE
British Columbia	Borden Ladner Gervais LLP 1200 Waterfront Centre 200 Burrard Street Vancouver, BC V7X 1T2	Quebec	Osler, Hoskin & Harcourt LLP 1000 De La Gaucheti��re Street West Suite 2100 Montr��al, QC H3B 4W5
Alberta	Osler, Hoskin & Harcourt LLP 450 - 1st St. S.W. Suite 2500, TransCanada Tower Calgary, AB T2P 5H1	New Brunswick	Stewart McKelvey 44 Chipman Hill Suite 1000, Brunswick House P.O. Box 7289, Postal Station A Saint John, NB E2L 4S6
Saskatchewan	MacPherson Leslie & Tyerman LLP 1500 Hill Centre I 1874 Scarth Street Regina, SK S4P 4E9	Nova Scotia	Stewart McKelvey Purdy's Wharf Tower I 1959 Upper Water Street Suite 900 Halifax, NS B3J 2X2
Manitoba	Thompson Dorfman Sweatman LLP 201 Portage Avenue Suite 2200 Winnipeg, MB R3B 3L3	Prince Edward Island	Stewart McKelvey 65 Grafton Street P.O. Box 2140 Charlottetown, PEI C1A 8B9
Ontario	Osler, Hoskin & Harcourt LLP 1 First Canadian Place Suite 6300 Toronto, ON M5X 1B8	Newfoundland and Labrador	Stewart McKelvey 100 New Gower Street Suite 1100, Cabot Place P.O. Box 5038 St. John's, NF A1C 5V3

DISCLOSURE TO CANADIAN PERMITTED CLIENTS UNDER NATIONAL INSTRUMENT 31-103

Notice

As a client of Morgan Stanley Smith Barney LLC (“MSSB,” “us,” “our” or “we”) resident in a jurisdiction of Canada, please be advised that MSSB is a limited liability company formed under the laws of the state of Delaware and operates under exemptions from the dealer and adviser registration requirements in your jurisdiction. As such, MSSB is not relying on any registration as a dealer or adviser in your jurisdiction when operating under one of those exemptions. In addition, we wish to notify you of the following:

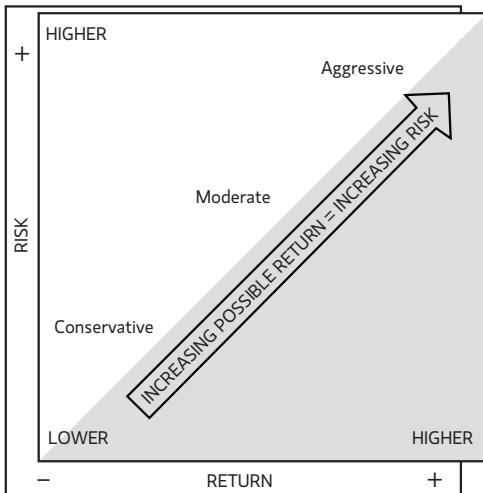
1. Our head office is located at 2000 Westchester Avenue, Purchase, NY 10577-2530; and
2. You may face difficulty in enforcing legal rights you may have against us because of the above and because we are resident outside of Canada and all or substantially all of our assets are situated outside of Canada.

“PERMITTED CLIENT” REPRESENTATION

As a condition of us providing services to you, you are deemed to represent to us that you are, and you will advise us promptly in writing if you are no longer, a “permitted client” (as defined in National Instrument 31-103—Registration Requirements, Exemptions and Ongoing Registrant Obligations, or as otherwise interpreted and applied by the Canadian Securities Administrators) and, in particular, if we are acting as your adviser, you are not registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer.

Risk & Return

The chart below illustrates the trade-off between risk and return involved in all investments.



All investments carry risk and even relatively conservative and “safe” investments may expose your money to interest rate risk, inflation risk, as well as remote but potentially significant liquidity, credit or other risks in temporary or extended market dislocations which could lead to losses more commensurate with a traditionally higher risk investment.

RISK TOLERANCE

Aggressive	Investors who emphasize return on investment over principal preservation. They are willing to subject a greater portion of their portfolio to risk in anticipation of a greater return on investment.
Moderate	Investors willing to subject a portion of their principal to increased risk in order to generate a greater rate of return.
Conservative	Investors who emphasize principal preservation over return on investment.

INVESTMENT OBJECTIVES

Income	For investors seeking regular income with low to moderate risk to principal.
Aggressive Income	For investors seeking higher returns either as growth or as income with greater risk to principal.
Capital Appreciation	For investors seeking capital appreciation with moderate to high risk to principal.
Speculation	For investors seeking high profits or quick returns with considerable possibility of losing most or all of their investment.

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Morgan Stanley Smith Barney LLC, its affiliates and employees are not in the business of providing tax or legal advice. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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