## PORTFOLIO OVERVIEW

This is a flexible value strategy that pursues investment reward by identifying what they believe are quality companies of all sizes, selling at attractive prices. Characteristics of quality companies include leading market positions, solid financials, historic profitability, management track record, and long operating histories. The team narrows a large list of candidate companies through the use of multi-factor screens to identify stocks with what they believe are attractive valuations and positive fundamental change, then leverages firm-wide research for additional fundamental insights. The portfolio will have holdings with established upside / downside price targets, with what they consider to be favorable reward-to-risk ratios, and limited absolute price risk.

### PRODUCT OVERVIEW

- **Style:** US Large Cap Value
- **Sub-Style:** Relative Value
- **Firm AUM:** $14.4 billion
- **Firm Strategy AUM:** $116.6 million
- **Year Founded:** 1929
- **GIMA Status:** Approved
- **Firm Ownership:** Privately-Owned
- **Professional-Staff:** 750
- **Firm AUM:** $116.6 million
- **Firm Strategy AUM:** $14.4 billion

### PORTFOLIO STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>03/20</th>
<th>09/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of stock holdings</td>
<td>80</td>
<td>2,156</td>
</tr>
<tr>
<td>Dividend Yield</td>
<td>3.4%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Distribution Rate</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Wtd avg P/E ratio ¹</td>
<td>12.88x</td>
<td>12.10x</td>
</tr>
<tr>
<td>Wtd avg portfolio beta</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Mega capitalization +</td>
<td>0.0%</td>
<td>36.7%</td>
</tr>
<tr>
<td>Large capitalization +</td>
<td>0.0%</td>
<td>42.0%</td>
</tr>
<tr>
<td>Medium capitalization +</td>
<td>0.0%</td>
<td>15.3%</td>
</tr>
<tr>
<td>Small capitalization +</td>
<td>0.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Micro capitalization +</td>
<td>0.0%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

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

### PORTFOLIO'S EQUITY SECTOR WEIGHTINGS

<table>
<thead>
<tr>
<th>Sector</th>
<th>03/20</th>
<th>09/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>5.81</td>
<td>5.33</td>
</tr>
<tr>
<td>Materials</td>
<td>4.01</td>
<td>4.19</td>
</tr>
<tr>
<td>Industrials</td>
<td>11.20</td>
<td>9.63</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>6.51</td>
<td>5.32</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>8.64</td>
<td>10.17</td>
</tr>
<tr>
<td>Health Care</td>
<td>14.40</td>
<td>14.97</td>
</tr>
<tr>
<td>Financials</td>
<td>19.74</td>
<td>21.81</td>
</tr>
<tr>
<td>Information Technology</td>
<td>9.87</td>
<td>7.08</td>
</tr>
<tr>
<td>Communication Services</td>
<td>7.99</td>
<td>8.25</td>
</tr>
<tr>
<td>Utilities</td>
<td>7.63</td>
<td>7.77</td>
</tr>
<tr>
<td>Real Estate/REITs</td>
<td>2.91</td>
<td>5.45</td>
</tr>
<tr>
<td>Cash/Cash Equivalents</td>
<td>1.30</td>
<td>0.00</td>
</tr>
</tbody>
</table>

### MANAGER'S INVESTMENT STRATEGY

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

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As of 12/31/2019. Information as of 03/31/2020 is not yet available.

**⁺**Total may not equal 100% due to rounding.

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If this profile shows related performance, see the section titled “Related Performance” in the disclosures for important information about the performance shown prior to the inception of the Morgan Stanley Select UMA Program. The subsequent pages contain important disclosures and a glossary of terms. Information as of March 31, 2020, unless otherwise noted and is subject to change.
MANAGER’S INVESTMENT PROCESS

• Screen for stocks whose multiples, either on sales, book value, cash flow or earnings, are selling at historically attractive levels.
• Screen stocks for indicators of positive fundamental change, including operating margin improvement, positive earnings surprise, sales acceleration, and insider executive buying.
• Identify quality companies whose stocks they believe may provide significant reward opportunity and low downside risk. Characteristics of quality companies include leading market positions, solid financials, historic profitability, strong management track record, and long operating histories.
• Determine whether there are fundamental catalysts that they believe could lead to improved profitability and earnings power which may be underappreciated or not yet recognized by the market.
• The portfolio, which normally maintains a minimum 50% weighting in large cap equities, will have holdings with established upside / downside price targets, with what they consider to be favorable reward-to-risk ratios, and limited absolute price risk.

RISK CONSIDERATIONS

Equity securities prices may fluctuate in response to specific situations for each company, industry, market conditions and general economic environment. Companies paying dividends can reduce or cut payouts at any time. Strategies that invest a large percentage of assets in only one industry sector (or in only a few sectors) are more vulnerable to price fluctuation than portfolios that diversify among a broad range of sectors. Investing in securities entails risks, including: When investing in value securities, the market may not necessarily have the same value assessment as the manager, and, therefore, the performance of the securities may decline. Value investing involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. Value investing does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected. Bonds rated below investment grade may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk and price volatility in the secondary market. Investors should be careful to consider these risks alongside their individual circumstances, objectives and risk tolerance before investing in high-yield bonds. If a strategy expects to hold a concentrated portfolio of a limited number of securities, it should be noted that a decline in the value of these investments would cause the portfolio’s overall value to decline to a greater degree than that of a less concentrated portfolio.

PORTFOLIO’S ALLOCATION HISTORY (%)

<table>
<thead>
<tr>
<th></th>
<th>03/20</th>
<th>12/19</th>
<th>09/19</th>
<th>06/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Stocks</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>98</td>
</tr>
<tr>
<td>Cash/Cash Equivalents</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

As of 12/31/2019. Information as of 03/31/2020 is not yet available.

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

Total may not equal 100% due to rounding.

***Index : Russell 3000 VI

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PRODUCT PLACED ON WATCH

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

If this profile shows related performance, see the section titled "Related Performance" in the disclosures for important information about the performance shown prior to the inception of the Morgan Stanley Select UMA Program. The subsequent pages contain important disclosures and a glossary of terms. Information as of March 31, 2020, unless otherwise noted and is subject to change.
IMPORTANT NOTES AND DISCLOSURES

The disclosures provided below apply to performance information in this profile, if any. Past performance is not a guarantee of future results. Actual individual account results may differ from the performance shown in this profile. There is no guarantee that this investment strategy will achieve its intended results under all market conditions. Do not rely upon this profile as the sole basis for your investment decisions.

Performance results in this profile are calculated assuming reinvestment of dividends and income. Returns for more than one calendar year are annualized and based on quarterly data. Returns for periods of less than a calendar year show the total return for the period and are not annualized. No representation is being made that any portfolio will or is likely to achieve profits or losses similar to those shown. Returns will fluctuate and an investment upon redemption may be worth more or less than its original value. Performance shown does not reflect the impact of fees and expenses of the underlying mutual fund and ETFs, as applicable.

Sources of Performance Results and Other Data: The performance data and certain other information for this strategy (including the data on page 1 of this profile) may include one or more of the following: (i) the performance results of a composite of Morgan Stanley accounts managed by the third party investment manager, (ii) the performance results for accounts and investment products managed by the third party investment manager, in the same or a substantially similar investment strategy outside of the applicable Morgan Stanley program, and/or (iii) in the case of Model Portfolio Strategies, the Model Portfolio Provider’s results in managing accounts outside of the Morgan Stanley Select UMA program prior to Model Portfolio Strategy’s inception in the Morgan Stanley Select UMA program. For periods through June 2012, the Fiduciary Services program operated through two channels – the Morgan Stanley channel and the Smith Barney channel and any performance and other data relating to Fiduciary Services accounts shown here for these periods is calculated using accounts in only one of the these channels) Please note that the Fiduciary Services program was closed on January 2, 2018. Although the Fiduciary Services and Select UMA programs are both Morgan Stanley managed account programs, the performance results and other features of similar investment strategies in the two programs may differ due to investment and operational differences. Performance in one program is not indicative of potential performance in the other. For example, the individual investment strategies in Select UMA program accounts may contain fewer securities, which would lead to a more concentrated portfolio. The automatic rebalancing, wash sale loss and tax harvesting features of the Select UMA program, which are not available in Fiduciary Services, also could cause differences in performance. In addition, any performance results included in this profile that are based on a third party investment manager’s accounts that are not part of the Morgan Stanley program accounts or institutional accounts that are part of the Model Portfolio strategy may differ due to investment and operational differences as well. As such, performance results of the third party investment manager's composites and the third party Model Portfolio Strategies may differ from those of Select UMA accounts managed in the same or a substantially similar investment strategy. For example, in the case of Model Portfolio Strategies, Morgan Stanley, as the investment manager, may deviate from the Third Party Model Portfolios.

Related Performance:

Lord, Abbett & Co., LLC’s ("Lord Abbett") Value Equity MA performance prior to 1/1/2011 represents a composite of all fully discretionary fee-paying institutional accounts managed by Lord Abbett. Performance subsequent to 3/31/2008 represents a composite of all fully discretionary, fee-paying equity wrap accounts managed by Lord Abbett. The composite is time-weighted and consists of N/A account(s) with a market value of $116.5 million as of 03/31/20.

Morgan Stanley Performance:
The composite consists of 88 account(s) with a market value of $15.4 million as of 03/31/2020. In this profile, the performance from January 1, 2011 through June 30, 2012 consists of accounts managed by the investment manager in this strategy in either the Morgan Stanley or the Smith Barney form of the Fiduciary Services program. From July 1, 2012 through December 31, 2015, performance consists of all Fiduciary Services (FS) accounts managed by the investment manager in this strategy, subject to any other limitations stated in this profile. From January 1, 2016, performance consists of the performance of all FS accounts (as described in the previous sentence) as well as the performance of all single style Select UMA accounts managed by the investment manager in this strategy, subject to any other limitations stated in this profile. Performance composites calculated by Morgan Stanley include all fee-paying portfolios with no investment restrictions. New accounts are included beginning with the second full calendar month of performance. Terminated accounts are removed in the month in which they terminate (but prior performance of terminated accounts is retained). Performance is calculated on a total return basis and by asset weighting the individual portfolio returns using the beginning of period values.

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

Net Performance for all Periods: Net performance results reflect a deduction of 0.5925% quarterly. This consists of three components: 0.5% maximum quarterly MS Advisory Fee and 0.0175% maximum quarterly Program Overlay Fee (which, together cover the services provided by Morgan Stanley), plus 0.075% quarterly SMA Manager Fees (being the fee currently charged by Lord Abbett to new clients for managing their assets in the Select UMA program). The SMA Manager Fees may differ from manager to manager, and managers may change their fee to new clients from time to time. If you select this manager for your account, check the SMA Manager Fees specified in the written client agreement, in case these have changed since you received this profile. Historical net fees reflect the Advisory Fee Schedule as of October 1, 2018. Morgan Stanley program fees are usually deducted quarterly, and have a compounding effect on performance. The Morgan Stanley program fee, which differs among programs and clients, is described in the applicable Morgan Stanley ADV brochure, which is available at www.morganstanley.com/ADV or on request from your Financial Advisor or Private Wealth Advisor. Document approval date February 2013.

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

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Glossary of Terms

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

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

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

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

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

**Capitalization** is defined as the following: Mega (Above $100 billion), Large ($12 to $100 billion), Medium ($2.5 - $12 billion), Small ($0.5 - $2.5 billion) and Micro (below $.50 billion).

**Distribution Rate** is defined as the most recent distribution paid, annualized, and then divided by the current market price. Distribution rate may consist of investment income, short-term capital gains, long-term capital gains, and/or returns of capital.

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

**Dividend Yield** annual dividend per share divided by price per share. Dividend Yield for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

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

**Duration** is a measure of price sensitivity expressed in years.

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

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

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

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

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

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

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

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

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

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

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

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

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

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