Penn Capital Management Co., Inc.
1200 Intrepid Avenue, Suite 400
Philadelphia, Pennsylvania 19112

Product Placed on Watch

Penn Capital Mid Cap Equity
Select UMA

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>42</td>
<td>802</td>
</tr>
<tr>
<td>Dividend Yield</td>
<td>1.6%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Distribution Rate</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Wtd avg P/E ratio</td>
<td>19.94x</td>
<td>15.40x</td>
</tr>
<tr>
<td>Wtd avg portfolio beta</td>
<td>1.12</td>
<td>1.01</td>
</tr>
<tr>
<td>Mega capitalization</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Large capitalization</td>
<td>19.7%</td>
<td>55.5%</td>
</tr>
<tr>
<td>Medium capitalization</td>
<td>78.0%</td>
<td>41.4%</td>
</tr>
<tr>
<td>Small capitalization</td>
<td>2.3%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Micro capitalization</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

PORTFOLIO STATISTICS

Number of stock holdings: 42 to 80
P/E ratio: Similar to/Above the S&P 500
Cash level over market cycle: 0 to 5%
Risk (standard deviation): Above the S&P 500
Average turnover rate: 75 to 100%
Use ADRs: Large, Medium and Small companies

PORTFOLIO'S EQUITY SECTOR WEIGHTINGS *

<table>
<thead>
<tr>
<th>Sector</th>
<th>03/20 PENN</th>
<th>03/20 Index***</th>
<th>09/19 PENN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>0.00</td>
<td>2.07</td>
<td>3.67</td>
</tr>
<tr>
<td>Materials</td>
<td>5.50</td>
<td>5.21</td>
<td>7.59</td>
</tr>
<tr>
<td>Industrials</td>
<td>10.59</td>
<td>13.79</td>
<td>11.57</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>8.00</td>
<td>9.87</td>
<td>10.58</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>4.93</td>
<td>4.75</td>
<td>2.54</td>
</tr>
<tr>
<td>Health Care</td>
<td>9.03</td>
<td>12.02</td>
<td>9.33</td>
</tr>
<tr>
<td>Financials</td>
<td>9.10</td>
<td>11.31</td>
<td>10.31</td>
</tr>
<tr>
<td>Information Technology</td>
<td>19.24</td>
<td>19.92</td>
<td>16.17</td>
</tr>
<tr>
<td>Communication Services</td>
<td>5.64</td>
<td>4.10</td>
<td>10.24</td>
</tr>
<tr>
<td>Utilities</td>
<td>9.27</td>
<td>7.67</td>
<td>5.99</td>
</tr>
<tr>
<td>Real Estate/REITs</td>
<td>13.80</td>
<td>9.30</td>
<td>7.80</td>
</tr>
<tr>
<td>Cash/Cash Equivalents</td>
<td>4.90</td>
<td>0.00</td>
<td>4.21</td>
</tr>
</tbody>
</table>

PORTFOLIO'S TOP FIVE EQUITY HOLDINGS

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tyler Technologies, Inc.</td>
<td>4.5</td>
</tr>
<tr>
<td>Digital Realty Trust, Inc.</td>
<td>4.5</td>
</tr>
<tr>
<td>Essential Utilities, Inc.</td>
<td>3.6</td>
</tr>
<tr>
<td>Catalent Inc</td>
<td>3.4</td>
</tr>
<tr>
<td>BJ's Wholesale Club Holdings, Inc.</td>
<td>3.3</td>
</tr>
</tbody>
</table>

% PROCESS BASED ON

5 Asset allocation - cash vs. stock
30 Industry or sector weighting
65 Stock Selection

MANAGER'S INVESTMENT STRATEGY

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

*The P/E used here is calculated by the harmonic mean.
*Total may not equal 100% due to rounding.
***Index : Russell Mid Cap

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

- PENN draws equity ideas from the universe of securities with a market capitalization up to $15.0 billion.
- New ideas are first put through a rigorous test of fundamental financial analysis including financial ratios (EV/cash flow, Price/Earnings, Price/Book, etc.) relative to competitors, Free cash flow analysis and private market analysis, bank loan facility & covenant analysis, equity liquidity analysis, and 50% return potential in 12 to 18 months.
- Once an idea meets PENN's initial fundamental financial screens, PENN's qualitative analysis determines the ability of a company to execute its business plan and maintain stable cash flow on a forward basis.
- Macro-Economic analysis overlays PENN's standard grass roots analysis of a company’s entire capital structure, and is used to confirm PENN's assumptions on industry themes.
- PENN employs a team approach to portfolio management in which each member is equally responsible for analytics and is required to thoroughly understand the entire capital structure of every company they follow. At PENN, the investment team covers companies, not components of the capital structure.

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: The stocks of medium-sized companies are often associated with higher risk than stocks of larger companies, including higher volatility. Investing in smaller/mid-cap companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity. 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>Portfolio Allocation</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>95</td>
<td>97</td>
<td>96</td>
<td>98</td>
</tr>
<tr>
<td>Cash/Cash Equivalents</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

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

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

***Index : Russell Mid Cap

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PORTFOLIO'S QUARTERLY RETURNS (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Quarter2</th>
<th>Quarter3</th>
<th>Quarter4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross</td>
<td>Net</td>
<td>Gross</td>
</tr>
<tr>
<td>2011</td>
<td>6.13</td>
<td>5.50</td>
<td>-2.49</td>
</tr>
<tr>
<td>2012</td>
<td>13.06</td>
<td>12.43</td>
<td>-9.14</td>
</tr>
<tr>
<td>2013</td>
<td>10.47</td>
<td>9.86</td>
<td>2.81</td>
</tr>
<tr>
<td>2014</td>
<td>0.91</td>
<td>0.30</td>
<td>4.89</td>
</tr>
<tr>
<td>2015</td>
<td>7.72</td>
<td>7.06</td>
<td>0.14</td>
</tr>
<tr>
<td>2016</td>
<td>-3.10</td>
<td>-3.73</td>
<td>4.21</td>
</tr>
<tr>
<td>2017</td>
<td>4.11</td>
<td>3.51</td>
<td>-0.71</td>
</tr>
<tr>
<td>2018</td>
<td>-1.34</td>
<td>-1.90</td>
<td>3.41</td>
</tr>
<tr>
<td>2019</td>
<td>18.69</td>
<td>18.07</td>
<td>0.57</td>
</tr>
<tr>
<td>2020</td>
<td>-31.15</td>
<td>-31.56</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>PENN vs. Russell Mid Cap</td>
<td>0.96</td>
</tr>
</tbody>
</table>

1. Statistics are calculated using gross of fee performance only.
2. Russell Mid Cap was used as the primary benchmark and the 90-Day T-Bills Index as the risk-free benchmark.

+Statistics are calculated using gross of fee performance only.

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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.
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Penn Capital Management's ("PENN") Penn Capital Mid Cap Equity performance represents a composite of all fully discretionary, fee-paying Penn Capital Mid Cap Equity separately managed accounts under management by PENN. The composite was created 12/31/2002. The composite is asset-weighted and consists of 1 fee-paying (not in Morgan Stanley Fiduciary Services program) account with a market value of $0.4 million as of 03/31/20.

Morgan Stanley Performance:
The composite consists of 41 account(s) with a market value of $6.3 million as of 03/31/2020. In this profile, the performance data reflects performance from March 1, 2006 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: PENN's gross results do not reflect a deduction of any investment advisory fees or program fees, charged by PENN 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 PENN to new clients for managing their assets in the Select UMA program). The SMA Manager Fees 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, 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.
Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either evaluation process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status).

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

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

**ADDITIONAL DISCLOSURES**

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

Actual portfolio statistics may vary from target portfolio characteristics.

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

Overlay Managers or Executing Sub-Managers ("managers") in some of Morgan Stanley’s Separately Managed Account ("SMA") programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. If your manager trades with another firm, you may be assessed costs by the other firm in addition to Morgan Stanley’s fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain managers have historically directed most, if not all, of their trades to outside firms. Information provided by managers concerning trade execution away from Morgan Stanley is summarized at: www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf. For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at www.morganstanley.com/ADV, or contact your Financial Advisor/Private Wealth Advisor.

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

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

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

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

**No obligation to notify**

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

**Sources of information**

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

**No tax advice**

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

**Not an ERISA fiduciary**

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

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**INDEX DESCRIPTIONS**

**90-Day T-Bills**

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

**Russell Mid Cap**

The Russell Midcap Index is representative of the U.S. market for medium capitalization stocks containing approximately 800 of the smallest companies in the Russell 1000 Index, representing approximately 25% of the total market capitalization of the Russell 1000 Index.

**S&P 500**

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

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