Revenue Sharing Fund Families

The following revenue sharing information principally pertains to mutual fund purchases in commission-based brokerage accounts. In general, the revenue sharing payments described below are specific to mutual fund investments. For more information on fees and expenses relating to mutual fund purchases through Morgan Stanley fee-based advisory account programs, please refer to the applicable Morgan Stanley ADV brochure.

Morgan Stanley charges each fund family we offer a mutual fund support fee, also called revenue sharing, up to a maximum per fund family of 0.16% per year ($16 per $10,000 of assets) on the mutual fund holdings of our brokerage account clients. The minimum annual fee is $250,000 per fund family but may be reduced in certain circumstances. Revenue sharing payments are in addition to the sales charges, annual distribution and service fees (referred to as “12b-1 fees”), applicable redemption fees and deferred sales charges, and other fees and expenses disclosed in the fund’s prospectus fee table. 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. No portion of these revenue sharing payments is made by means of brokerage commissions generated by the fund.

Set forth below is a listing of the fund families from which we received revenue sharing payments in 2015. Fund families are listed in descending order based upon the total amount of revenue sharing payments we recognized from each fund family for 2015. Although we seek to charge all fund families the same revenue sharing fee rate, 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 order to mitigate this conflict, Financial Advisors and their Branch Office Managers do not receive additional compensation as a result of these revenue sharing payments received by Morgan Stanley.
Expense Payments, Data Analytics and Administrative Service Fees

Morgan Stanley receives expense payments and fees for providing data analytics and performing record keeping and related services, which are more fully described below. Administrative fees may be viewed in part as a form of revenue sharing if and to the extent they exceed what the mutual fund would otherwise have paid for those services. However, they are not included in the revenue sharing payments described above.

Expense Payments and Data Analytic 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. Fund representatives may also work closely with our branch offices and Financial Advisors to develop business strategies and plan promotional and educational activities. In addition, Morgan Stanley typically receives payments from funds or their affiliates in connection with these promotional efforts to help offset expenses incurred for sales events and training programs as well as client seminars, conferences and meetings. Fund families independently decide what they will spend on these activities and may 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.

Certain fund families (referred to as either “Global Partners” or “Emerging Partners”) dedicate significant financial and staffing resources to these efforts and receive supplemental and mutual fund sales data analytics as well as additional opportunities to sponsor firm events and promote their funds to our Financial Advisors and clients. Global Partners commit $550,000 per year for training and sales meeting expenses, and pay a fee of $300,000 per year for mutual fund sales data analytics. Emerging Partners commit $250,000 per year for training and sales meeting expenses and pay a fee of $150,000 per year for mutual fund sales data analytics. For an additional fee, Global and Emerging Partners that sponsor products in addition to mutual funds (e.g., ETFs and SMAs) may purchase data analytics on other financial project 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, including our Global and Emerging Partners, that commit significant financial and staffing resources to promotional and educational activities instead of on funds from fund families that do not purchase sales data analytics or do not commit similar resources to these activities. In order to mitigate this conflict, Financial Advisors and their Branch Office...
Managers do not receive additional compensation for recommending funds sponsored by our Global or Emerging Partners or any other fund families that provide significant sales and training support. Morgan Stanley selects the Global and Emerging Partners fund families based on a number of quantitative and qualitative criteria. Our Global and Emerging Partners are denoted by an asterisk on the above Revenue sharing Fund Families list.

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.

**Administrative Service Fees**

Morgan Stanley and/or its affiliates receive compensation from funds or their affiliated service providers for providing certain recordkeeping and related services to the funds. These charges typically are based upon the number of client positions and the levels of service provided. We process transactions with most 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, at their election, either up to $21 per year per position or up to 0.16% per year ($16 per $10,000) of fund assets held by our clients in commission-based brokerage accounts. The annual fees for positions held by clients in our fee-based advisory account programs are up to 0.16% ($16 per $10,000) of fund assets per year for nonretirement advisory accounts.

As of June 2016, we were trading on an omnibus basis with:

| 1919 funds | American Funds | Barrett Funds | Abbey Capital | AMG Funds (Managers)* | BlackRock Funds* | Aberdeen Funds | Angel Oak Funds | Blackrock Offshore Funds | Advisors Inner Circle AQR Funds | Blackstone Funds | Aim Institutional Money Market Funds | Aquila Funds | Brandes** | Alger Funds | Arbitrage Funds | Brookfield Investment Funds | Alliance | Bernstein Funds* | Ariel Funds | Brown Funds | Allianz Investors** | Artisan | Buffalo Funds | ALPS Dist | Axtion Funds (Formerly ABN Amro) Calamos Funds | Altegris Mutual Funds | Avenue Capital Funds | Causeway Funds | Amana Funds | Babson Funds | Cohen & Steers Funds | American Beacon Funds | Baird | Columbia Funds* | American Century Funds** | Baron Funds | Community Capital Congress Asset Management* | Glenmede Funds | Legg Mason 529 Funds (CO) | Oppenheimer 529 Funds (OR/IL/NM) | SunAmerica Funds Consulting Group | Capital Markets Funds | Goldman Sachs Funds* | Legg Mason Funds* | Oppenheimer Funds* | T Rowe Price/John Hancock Freedom 529 Funds** | Credit Suisse Funds | Good Harbor Funds | Leuthold Funds | Palmer Square/ Zack/Famco | TCW Galileo Funds | CRM Funds | GREEN OWL FUNDS Liberty Funds | Pax World Funds | Third Avenue Funds | Cullen Funds | Guggenheim Investments (Rydex)* | LoCorr Funds | Permanent Portfolio Funds | Thornburg Funds* | Davis Funds | Hancock Horizon Funds | Loomis Sayles Funds | Pimco Funds* | Titan Financial Services Fund | Davis Selected Funds | Harbor Funds | Lord Abbett Funds* | Pimco Offshore Funds | Tocqueville Funds | Delaware Funds* | Harding Loevner Funds | Lyrical Asset Management Funds | Pioneer Funds* | Tortoise MLP & Pipeline | Deutsche Funds (Formally DWS*) | Hartford Funds** | Madison Funds | Principal Funds** | Touchstone Funds** | Diamond Hill Funds | Hatteras Funds | Mainstay Funds (NY Life)* | Prudential Funds* | Transamerica IDEX Funds | Domini Social Funds | Henderson Funds** | Manning & Napier Funds | Putnam Funds* | Transparent Value Trust | DoubleLine Funds Trust | Hennessey Funds | Marketfield Funds | Ramius Funds | Turner Funds | Dreyfus Funds** | Highland Funds | Matthews International Funds | Reinhart Funds | Tweedy Brown Funds | Driehaus Funds | Innealta Funds | Merger Fund | Ridgeworth Funds | UBS Funds | Driehaus Mutual Funds | Invesco Funds* | Metropolitan West Funds | Riverpark Funds | USAA Funds | Dunham Funds | IQ Funds | MFS Funds | Roosevelt Funds | Value Line Funds | Eagle Funds | IVA FUNDS | Mirae Asset Discovery Funds | Royce Funds | Van Eck Funds | Eaton Vance Funds* | Ivy/Waddell & Reed Funds* | Morgan Stanley Funds* | RS/Guardian Funds | Victory Funds | Federated Funds* | James Advantage Funds | Nationwide | Gartmore Funds | Salient Funds | Virtus* | Fidelity Advisor Funds* | Janus Funds** | NatiXis (Loomis) Funds | SCHARE Fund Invest | VOYA Funds** | First Eagle Funds* | Jensen Funds | Neuberger Berman Funds** | Schooner Funds | VULCAN VALUE PARTNERS FUND | First Trust Funds* | John Hancock Funds** | Northern Trust Funds | Schroder Funds | (Domestic) | Wells Fargo Funds | Forum/Auxier/ Absolute/BLA/ Dover Funds | JP Morgan Funds* | Nuance Funds | Sentinel Funds | Westcore Funds | Forward Emerald Funds | Keeley Funds | Nuveen Funds* | Shelton Capital Management | Western Asset Offshore & Money Markets Funds | FPA Funds | Kinetics Funds | Oak Associates Funds | Smith Group Funds | William Blair Funds | Franklin Templeton Funds | Lateef Investment Advisors LLC | Oakmark Funds | Snow Capital Funds | Wintergreen Fund | Gabelli/GAMCO Funds | Lazard Funds* | Olstein Funds | SSgA Funds* | *Denotes Global Partner Fund Family | **Denotes Emerging Partner Fund Family

| Morgan Stanley | 2016 | REVENUE SHARING FUND FAMILIES | Oppenheimer 529 Funds (OR/IL/NM) | SunAmerica Funds Consulting Group | Capital Markets Funds | Goldman Sachs Funds* | Legg Mason Funds* | Oppenheimer Funds* | T Rowe Price/John Hancock Freedom 529 Funds** | Credit Suisse Funds | Good Harbor Funds | Leuthold Funds | Palmer Square/ Zack/Famco | TCW Galileo Funds | CRM Funds | GREEN OWL FUNDS Liberty Funds | Pax World Funds | Third Avenue Funds | Cullen Funds | Guggenheim Investments (Rydex)* | LoCorr Funds | Permanent Portfolio Funds | Thornburg Funds* | Davis Funds | Hancock Horizon Funds | Loomis Sayles Funds | Pimco Funds* | Titan Financial Services Fund | Davis Selected Funds | Harbor Funds | Lord Abbett Funds* | Pimco Offshore Funds | Tocqueville Funds | Delaware Funds* | Harding Loevner Funds | Lyrical Asset Management Funds | Pioneer Funds* | Tortoise MLP & Pipeline | Deutsche Funds (Formally DWS*) | Hartford Funds** | Madison Funds | Principal Funds** | Touchstone Funds** | Diamond Hill Funds | Hatteras Funds | Mainstay Funds (NY Life)* | Prudential Funds* | Transamerica IDEX Funds | Domini Social Funds | Henderson Funds** | Manning & Napier Funds | Putnam Funds* | Transparent Value Trust | DoubleLine Funds Trust | Hennessey Funds | Marketfield Funds | Ramius Funds | Turner Funds | Dreyfus Funds** | Highland Funds | Matthews International Funds | Reinhart Funds | Tweedy Brown Funds | Driehaus Funds | Innealta Funds | Merger Fund | Ridgeworth Funds | UBS Funds | Driehaus Mutual Funds | Invesco Funds* | Metropolitan West Funds | Riverpark Funds | USAA Funds | Dunham Funds | IQ Funds | MFS Funds | Roosevelt Funds | Value Line Funds | Eagle Funds | IVA FUNDS | Mirae Asset Discovery Funds | Royce Funds | Van Eck Funds | Eaton Vance Funds* | Ivy/Waddell & Reed Funds* | Morgan Stanley Funds* | RS/Guardian Funds | Victory Funds | Federated Funds* | James Advantage Funds | Nationwide | Gartmore Funds | Salient Funds | Virtus* | Fidelity Advisor Funds* | Janus Funds** | NatiXis (Loomis) Funds | SCHARE Fund Invest | VOYA Funds** | First Eagle Funds* | Jensen Funds | Neuberger Berman Funds** | Schooner Funds | VULCAN VALUE PARTNERS FUND | First Trust Funds* | John Hancock Funds** | Northern Trust Funds | Schroder Funds | (Domestic) | Wells Fargo Funds | Forum/Auxier/ Absolute/BLA/ Dover Funds | JP Morgan Funds* | Nuance Funds | Sentinel Funds | Westcore Funds | Forward Emerald Funds | Keeley Funds | Nuveen Funds* | Shelton Capital Management | Western Asset Offshore & Money Markets Funds | FPA Funds | Kinetics Funds | Oak Associates Funds | Smith Group Funds | William Blair Funds | Franklin Templeton Funds | Lateef Investment Advisors LLC | Oakmark Funds | Snow Capital Funds | Wintergreen Fund | Gabelli/GAMCO Funds | Lazard Funds* | Olstein Funds | SSgA Funds* | *Denotes Global Partner Fund Family | **Denotes Emerging Partner Fund Family

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All other fund families are traded on a networked basis, which means Morgan Stanley submits a separate trade for each individual client trade to the fund and, therefore, we maintain only certain elements of the fund’s shareholder information. We charge these remaining funds a networking fee of up to $11 per year per position held by our clients.

Although Morgan Stanley provides additional services to funds where positions are held on an omnibus basis, the fact that the administrative fee rate is higher for those services than the rate for networked accounts presents a conflict of interest for Morgan Stanley to recommend purchases of omnibus-traded funds over networked funds. In addition, while all fund families are charged the same administrative service fee rates for either omnibus or networked accounts, 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.

Money Market and Money Market Sweep Funds
Money market funds are generally subject to the same revenue sharing and administrative service fees outlined above. However, different fees are assessed on money market fund assets that are available as cash management sweep options for Morgan Stanley client accounts. Our affiliate, Morgan Stanley Investment Management (“MSIM”), serves as the investment adviser to the cash management sweep option funds. Morgan Stanley receives revenue sharing compensation from MSIM based on the amount of money market sweep fund assets held by our clients in brokerage accounts of up to 0.15% per year ($15 per $10,000 of assets). This fee is not assessed on positions held by clients in our fee-based advisory account programs.

For More Information
For additional information on a particular fund’s payment and compensation practices, please refer to the fund’s Prospectus and Statement of Additional Information. For further information regarding the fund fees and expenses borne by you and how Morgan Stanley and your Financial Advisor are compensated when you purchase and hold mutual fund shares, please refer to “Mutual Fund Share Classes and Compensation” available at: http://www2.morganstanley.com/wealth/investmentsolutions/mutualfunds.asp. You may also contact your Financial Advisor.

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. An investment in a mutual fund is subject to market risk, including the loss of principal invested.